

INDEX

OF

REPORTS OF COMMITTEES

OF THE

HOUSE OF REPRESENTATIVES

FOR THE

SECOND SESSION OF THE FORTY-FIRST CONGRESS.

1869-'70.



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TO

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FOR THE

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## SETTLEMENT OF OFFICERS' ACCOUNTS.

[To accompany bill H. R. No. 784.]

JANUARY 11, 1870.—Ordered to be printed.

Mr. LOGAN, from the Committee on Military Affairs, made the following

### REPORT.

*The Committee on Military Affairs, to whom were referred the petitions of numerous officers who served in the army during the late war, asking for legislation to enable them to settle their accounts with the Treasury Department, respectfully submit the following report :*

The act of May 18, 1826, (4 Stat., 173,) authorizes the Secretary of War, on one or more depositions, to relieve officers charged with issues of clothing or other supplies from responsibility for deficiencies arising from unavoidable accident, or lost in actual service without fault on their part.

The second section of the act of February 7, 1863, (14 Stat., 641,) authorizes the affidavit of the *commanding officer of a company* to be received by the Secretary of War, to show that a deficiency in his accounts for clothing and other supplies was occasioned by unavoidable accident, or lost without fault on his part.

The act of May 9, 1866, (14 Stat., 44,) authorizes the Court of Claims to determine the claims of disbursing officers, or of their executors, &c., on account of losses by capture, or otherwise, (while in line of duty,) of funds, vouchers, records, and papers in their charge, and for which they were responsible.

The act of March 16, 1868, (15 Stat., 42,) authorizes the accounting officers to allow credits for overpayments made in good faith by paymasters since the commencement of the rebellion and prior to the passage of that act.

These are all the statutes upon the subject except the act of July 28, 1866, (14 Stat., 345,) which authorizes the accounting officers, with the approval of the Secretary of the Navy, to allow such credits to disbursing officers of *the navy and marine corps* for losses of property and funds as have occurred during the rebellion and for which they were not justly responsible.

There are large numbers of accounts, both for money and property, where both have no doubt been expended in good faith for the government, though the proof is defective, and in which it would be for the interest of the government to authorize the accounting officers to close the accounts. The Second Auditor estimates that the expense of his office will be reduced at least twenty thousand dollars a year if Congress would provide at once for closing the property accounts of officers of the late war. Their returns were generally defective and their issues irregular, but in a great majority of cases there is not the slightest

doubt that the property was used for government purposes, and that it would be unjust as well as useless to commence legal proceedings against them for their apparent indebtedness for property received.

The committee report the accompanying bill, and recommend its passage. The time to which the bill applies has not been made to extend beyond the 20th of August, 1866, inasmuch as that date was fixed by the President's proclamation as the time of the entire suppression of the rebellion, and was subsequently recognized by Congress in the act of March 2, 1867, (14 Stat., 422,) and it is not intended to make the bill apply to accounts rendered in time of peace.

J. M. HUTCHINGS, J. C. LAMON.

[To accompany bill H. R. No. 184.]

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JANUARY 18, 1870.—Ordered to be printed.

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Mr. JULIAN, from the Committee on the Public Lands, made the following

## R E P O R T.

*The Committee on the Public Lands, to whom was referred House bill No. 184, entitled "An act to confirm to J. M. Hutchings and J. C. Lamon their pre-emption claims in the Yo-Semite Valley, in the State of California," have had the same under consideration, and now respectfully submit the following report :*

By act of June 30, 1864, Congress granted to the State of California the "cleft" or "gorge" in the granite peak of the Sierra Nevada mountains, in Mariposa County, on the head-waters of the Merced River, and known as the Yo-Semite Valley. The act stipulated that the premises should be held by the State "for public use, resort, and recreation;" that they should "be inalienable for all time;" but that "leases not exceeding ten years" might "be granted for portions of said premises." The act further provided for establishing the boundaries of the valley by the surveyor general of California, whose official plat, when affirmed by the Commissioner of the General Land Office, is made the evidence of the "locus, extent, and limits" of the grant; and the premises are to be managed by the governor of California, with eight other commissioners, to be appointed by himself. On the second day of April, 1866, the legislature accepted the grant, "upon the conditions, reservations, and stipulations contained in said act of Congress."

The marvelous beauty and grandeur of the locality prompted this legislation. Among the great natural wonders of the world it stands unrivaled. The "cleft" in the mountains which forms this valley is some seven miles long, and of varying width, not exceeding three miles at any point, and is walled in by precipitous mountains of granite from three thousand to four thousand five hundred feet in height. Over these walls, which are generally perpendicular, the waters of the Merced River and its tributaries fall into the valley below, forming the most beautiful cascades in the known world. No description could do justice to the dazzling scenes of loveliness and magnificence which feast the eye and gladden the heart in every part of this wonderfully appointed valley. It was felt, and most naturally, that a spot so sacred to beauty and to worship should not be appropriated to private ownership and exclusive use, but should be preserved free and open to the world; and Congress, on the assurance that no settlements had been established in the valley under the laws of the United States, made the grant to which we have referred, which California accepted.

The fact was, however, that prior to the passage of the act of Congress donating the valley to California, two enterprising gentlemen, J. M. Hutchings and J. C. Lamon, had settled in it under the pre-emption laws of the United States. Mr. Lamon has been a settler on one hundred and sixty acres of it since the year 1859, having repeatedly visited the valley prior to that time, and purchased the claims of others who had duly acquired title under the possessory laws of California. Mr. Hutchings also purchased the possessory rights of those who had been in continuous possession for years before him, though his actual residence in the valley was not consummated till the spring of 1864. Both gentlemen were pioneer explorers of the valley, whose intentional residence long preceded their actual. Both were smitten with the rare loveliness of the region, and exposed themselves to great hardships and dangers in the effort to secure their homes. Mr. Hutchings, especially by his early interest in the valley, his various publications on the subject, and his lithographic and illustrated views of its scenery, has done much to awaken the general interest now felt in the place. These settlers have built their cabins, planted extensive orchards and vineyards, constructed bridges and other improvements, and expended thousands of dollars in money in establishing for themselves comfortable homes, while encountering for years all the perils and privations incident to a life remote from society and civilization.

But these facts, when they became known, did not prevent the commissioners appointed by the governor of the State, in pursuance of the act of Congress, from proceeding to bring an ejection against these pre-emptors. They appealed to the legislature of California, which passed an act allowing them one hundred and sixty acres each, to be taken in such shape and form as to include the lands occupied and improved by them, or those under whom they held prior to the 30th day of June, 1864. The grant is upon the condition that the State, through her board of commissioners, shall have the power at any time to lay out, construct, and maintain such roads, bridges, paths, and avenues, as may be necessary for the convenience of the public and visitors to the valley. The act further provides that it shall take effect from and after its ratification by Congress. It passed the assembly by a vote of fifty-five ayes to ten nays, and the senate almost unanimously. The governor returned it with his veto, but it was passed over his objections by a vote in the assembly of forty-one ayes to eleven nays, and in the senate by a vote of twenty-seven ayes to ten nays.

These are the substantial facts which belong to the history of the bill now reported to the House by this committee, and which simply enacts that the act of the legislature of California securing to these settlers their pre-emptions shall be confirmed. It proposes to place them exactly where they would have been but for the act of Congress, and which act, your committee are well convinced, would have excepted the claims of these settlers, if their existence had been known at the date of its passage. This is the issue presented to this House. The fact is abundantly established that Hutchings and Lamon were actual settlers on the land claimed by them at the time of, and prior to, the date of the passage of the act of Congress. This is not disputed. It is equally evident that they were settlers and pre-emptors in good faith. Shall their rights be protected? Shall the government maintain its plighted faith? This is the question, and it involves not simply the rights of two men, but of the whole army of settlers under the pre-emption and homestead laws of the United States. Have they any rights which the government is

bound to respect, or are they mere trespassers, or, at best, tenants at will?

The committee regret to say that this question has of late been treated as an open one. They regret still more that the Executive Department of the government has decided it against our pioneer settlers; and we shall, therefore, examine the position with more care than could otherwise have been deemed necessary. The very point arose in a case which was submitted to the Interior Department under the last administration. Greatly to the surprise of lawyers, and to the serious disappointment of the settlers whose rights were involved, the Secretary of the Interior referred the question, as a doubtful one, to Attorney General Speed, who advised him—

That a settler, under the pre-emption laws, acquires, and can acquire, no vested interest in the land he occupies by virtue simply of settlement; and that no vested interest is obtained until the settler has taken *all* the legal steps necessary to perfect an entrance in the Land Office. Before such steps are taken he has nothing but a contingent, personal privilege to become, without competition, the first purchaser of the property, which he may never exercise, or which he may waive or abandon. During the interval between the institution of the settlement and the establishment of the claim by proof, and payment of the consideration nominated in the law, Congress has power to dispose of the land at its pleasure. It may recall the privilege previously conferred, or invest any one else with the same privilege, or it may make an absolute grant of the land to other parties, with or without consideration.

This opinion was accepted by the Secretary of the Interior, Mr. Harlan, as law. In accordance with it he allowed the land department of the government to be used in dispossessing the settlers concerned, in contravention of the whole spirit and policy of the nation, in violation of the plainest principles of justice as well as law, and in opposition to numerous and uniform decisions of our federal courts. This decision of the Interior Department is still adhered to, and it necessarily strikes at the homestead settler as well as the pre-emptor, and equally perils the just rights of both. Let us briefly refer to the authorities on the question. The Attorney General failed to support his opinion by reference to any decisions whatever; but it will not be difficult to find decisions directly against him.

In the *United States vs. Fitzgerald*, 15 Peters, 407, it was decided that no reservation or appropriation of public land can be made after a citizen has acquired the right of pre-emption. It is true that in this case the defendant had not only made his settlement and entry, but had paid his money to the receiver; but we are unable to see how this fact affects the principle established by the decision. If Congress may disregard the rights acquired by actual settlement, and the expenditure of labor and money in erecting improvements and reducing the land to cultivation, it must possess an equal right to refuse a patent to the pre-emptor after he has added to these considerations the payment of the purchase money. The mere fact of payment can make no difference if the pre-emptor is ready to pay, and offers to make payment at the proper time, and is prevented by the government or its agents from doing so. His right is as perfect in this case as if he had actually paid his money, since an offer to perform conditions precedent in the time and manner required by law is equivalent to performance, and the performance is excused by the act of the other party in preventing it. This principle was declared by the Supreme Court of the United States in the case of *Lytle vs. The State of Arkansas*, 9 Howard, 333, in which the court says:

It is a well established principle that where an individual in the prosecution of a right does everything which the law requires him to do, and he fails to attain his right by the misconduct or neglect of a public officer, the law will protect him. In this case

the pre-emption right of Cloyes having been proved, and an offer to pay the money for the land claimed by him, under the act of 1830, nothing more could be done by him, and nothing more could be required of him, under that act. And subsequently, when he paid the money to the receiver, under subsequent acts, the surveys being returned, he could do nothing more than offer to enter the lands, which the register would not permit him to do. This claim of pre-emption stands before us in a light not less favorable than it would have stood if Cloyes, or his representatives, had been permitted by the land officers to do what, in this respect, was offered to be done.

We understand it to be conceded on all sides that when the pre-emptor, in addition to the other acts required of him, has *paid* for the land, he has acquired a vested right to it, and it thenceforward becomes obligatory on the government to convey to him the title. To concede this, we submit, is to concede the whole case. We can see neither justice nor law in the argument that the pre-emptor, after having made valuable improvements and expended his money thereon, and fully complied with all the conditions of title, save actual payment, which he was ready to make but was prevented from making, may nevertheless be driven from his possession, his improvements confiscated, and the land conveyed to another, with notice of all the facts, who can hold it discharged from all the equities of the pre-emptor. The sanction of such a principle as law would be a flagrant insult to justice, and would go far to bring the law itself into contempt.

In the case of *Barnard's Heirs vs. Ashley's heirs*, 18 Howard, 43, the court says :

In Lytle's case we declared that the occupant was wrongfully deprived of his lawful rights of entry, under the pre-emption laws, and the title set up under the selection of the governor of Arkansas, was decreed to Cloyes, the claimant, this court holding his claim to the land to have been a legal right by virtue of the occupancy and cultivation, subject to be defeated only by a failure to perform the conditions of making proof and tendering the purchase money.

This is a strong case, and we think it settles the question under discussion, if any judicial decision can. Cloyes, the pre-emptor, selected his claim under the act of Congress of May 29, 1830, authorizing and regulating pre-emptions. A later act, dated June 15, 1832, granted to the Territory of Arkansas one thousand acres for a court-house and jail, at Little Rock, including the tract claimed. Before this grant the pre-emption right of Cloyes had accrued under the act of 1830, and he had proved his right, and done everything he could do to perfect it. The court declared that, "By this grant to Arkansas, Congress could not have intended to impair vested rights. The grants of the one thousand acres and of the other tracts must be so construed as not to interfere with the pre-emption of Cloyes." And as if to remove all doubts as to the right of the pre-emptor and the nature of his claim, the court adds :

The claim of pre-emption is not that shadowy thing which by some it is considered to be. Until sanctioned by law, it has no existence as a substantive right; but when covered by the law, it becomes a legal right, subject to be defeated only by a failure to perform the conditions annexed to it.

In giving this opinion, the court adds :

The adventurous pioneer, who is found in advance of our settlements, encounters many hardships, and not unfrequently dangers from savage incursions. He is generally poor, and it is fit that his enterprise should be rewarded by the privilege of purchasing the favorite spot selected by him, not to exceed one hundred and sixty acres. That this is the national policy, is shown by the course of legislation for many years.

In *Delassus vs. the United States*, 9 Peters, 133, Chief Justice Marshall says that "No principal is better settled in this country than that an inchoate title to lands is property." And, again, he says: "The inquiry then is, whether the concession was legally made by the proper authorities, and might have been perfected into a complete title." His inference was that the inchoate right which might have been perfected



into a complete title was "property." This view is confirmed by the act of Congress of March 3, 1843, which provides that if the pre-emptor shall die while the conditions are being performed, his claim may be perfected by the heir-at-law, to whom the patent shall be issued. (5 Statutes at Large, page 620.)

In *Smith vs. The United States*, 10 Peters, 330, Mr. Justice Baldwin, in delivering the opinion of the court, says:

It was never doubted by this court that property of every description in Louisiana was protected by the law of nations, the terms of the treaty, and the act of Congress; nor that in the term "property" was comprehended every species of title, inchoate or perfect, embracing those rights which lie in contract, those which are executory, as well as those which are executed. (See also *Rice vs. Railroad Company*, 1 Black, 358.)

Justice Story, in commenting upon the constitutional prohibition against laws impairing the obligation of contracts, uses this language:

It has been decided upon solemn argument, that contracts and grants made by a State are not less within the reach of the prohibition than contracts and grants of private persons; that the question is not, whether such contracts or grants are made directly by law in the form of legislation, or in any other form, but whether they exist at all. The legislature may, by a law, directly make a grant; and such grant, when once made, becomes irrevocable, and cannot be constitutionally impaired. So the legislature may make a contract with individuals directly by a law, pledging the State to a performance of it, and then, when it is accepted, it is equally under the protection of the Constitution. (Commentaries on the Constitution, vol. 3, page 257.)

In illustrating this principle he adds that "a grant amounts to an extinguishment of the right of the grantor, and implies a contract not to reassert it." (See *Fletcher vs. Peck*, 6 Cranch, 87, 135.)

In *Wilkinson vs. Leland*, 2 Peters's Reports, page 657, the court says:

That government can scarcely be deemed to be free, where the rights of property are left solely dependent upon the will of a legislative body, without any restraint. The fundamental maxims of a free government seem to require that the rights of personal liberty and private property should be held sacred. At least no court of justice in this country would be warranted in assuming that the power to violate and disregard them—a power so repugnant to the common principles of justice and civil liberty—lurked under any general grant of legislative authority, or ought to be implied from any general expression of the will of the people. The people ought not to be presumed to part with rights so vital to their well-being, without very strong and direct expressions of such intention. In *Terrett vs. Taylor*, 9 Cranch, 43, it was held by this court that a grant or title to lands once made by the legislature to any person or corporation is irrevocable, and cannot be reassumed by any subsequent legislative act; and that a different doctrine is utterly inconsistent with the great and fundamental principle of a republican government, and with the right of the citizens to the free enjoyment of their property lawfully acquired. We know of no case in which a legislative act to transfer the property of A to B, without his consent, has ever been held a constitutional exercise of legislative power in any State of the Union. On the contrary, it has been constantly rejected as inconsistent with just principles by every judicial tribunal in which it has been attempted to be enforced.

The committee have already referred to the strange opinion of Attorney General Speed, respecting the right of pre-emption. We now cite a directly adverse opinion of Attorney General Mason, of April 25, 1846, on a case arising under the pre-emption act of 1841. He says:

The object of the law is beneficent, and it is entitled to a liberal construction in aid of the ends to be attained. But to accomplish this, such a construction must be given as will protect the settler in his ultimate right; first, for thirty days from the date of his settlement; and secondly, for twelve months from the same time. The settler is entitled to this protection against the claims or entries of others. From the moment therefore that he enters in person on land open to such a claim, with the *animus manendi*, or rather with the intention of availing himself of the provisions of the act referred to, and does any act in execution of that intention, he is a settler. He must afterwards give his notice of intention, inhabit, improve, build his house, and make his proof and payment within the time stipulated, to perfect his right. But in every stage he is protected until he fails on his part to comply with the conditions of the law. (Opinions of the Attorney General of the United States, doc. 55, pages 1795-6.)

This opinion was accepted by the land department, and has been

followed ever since with the exception of the extraordinary ruling referred to, and the action of the Interior Department in conformity thereto.

It would be easy to cite further authorities, but it is not necessary. That the offer of a home to the settler through the pre-emption laws, on specified conditions, and the acceptance of those conditions by him, constitute a contract, which cannot be constitutionally impaired by Congress, is a proposition which we believe has never, until very recently, been disputed. It is not only supported by the authorities we have cited, and by obvious principles of justice, but is in harmony with the well-known policy of the nation. The encouragement of emigration, the population and settlement of our vacant Territories, and through these means the increase of our national strength and resources, have been among the cherished purposes of the government. It was in view of these ends that our pre-emption laws were enacted, offering homes to those who will select and occupy them in person, improve them, and pay for them at a fixed rate. The government is as much bound by its offer as an individual would be in analogous circumstances. It is true the settler has the option, at any time before completing his payment and receiving his patent, to abandon his claim; but this option is a part of his contract. The government gave it to him as an inducement to become a settler. If the settler abandons the claim there is no loss to the government, for it retains the title and has parted with no value. It has been likened to a contract for the sale of land, in which the owner retains the title as security for the purchase money. The purchaser, in the absence of stipulations to the contrary, may at any time abandon his improvements, and leave the property to its owner without further liability. And yet, if he should remain and comply with the terms of his agreement, the owner would be bound to him for the title; and in the meantime the purchaser would have an equitable interest, of which no power could deprive him without his own consent, unless taken by the government for public use on payment of its value.

The doctrine that the settler's right of pre-emption is a mere "bounty," which the government may at any time recall, has, therefore, no just foundation. It probably grew out of our early land policy, which treated settlers upon the public domain as trespassers, and threatened them with penalties. This short-sighted and ungenerous policy was gradually abandoned. Laws were passed giving settlers the privilege of pre-empting their respective quarter sections on certain specified terms. The act of September 4, 1841, was finally passed, prospective in its operation, pledging the faith of the government that it would grant to all future settlers possessing certain prescribed qualifications, and who should make certain improvements, the privilege of pre-emption. The old land policy is thus wholly revolutionized, and this act now constitutes our general land system on the subject. Under it the settler who enters upon the public lands and complies with its terms, has the right, by law, to demand his title from the government, by the terms of his contract, and not as bounty or gratuity, which the government is at liberty to grant or withhold at its pleasure.

The obligations of the settler and the government are mutual, and the consideration of the contract a valuable one, namely: a benefit to the government if the work is performed, and a disadvantage to the settler who performs it and expends his money. The settler not only lays out his money and bestows his labor on the land, thereby enhancing the value of adjacent lands, and adding to the taxable wealth of the country, but he pays a fixed price for his homestead before he can re-

ceive his title. What he asks at the hands of the government is not bounty, but justice, through perfect good faith in the execution of its contract. As the pioneer of progress and the strong ally of our civilization, that contract should be liberally construed in his favor. He, if any man, should be regarded by the law as its favorite. It makes no sort of difference that the pre-emptor, if disowned by the government, cannot sue the United States for a specific performance of the contract. That goes to the remedy, and not to the right. It pleads for further legislation in aid of the settler, but certainly does not release the United States from those obligations of good faith which the law never fails to impose upon individuals, or warrant the federal courts in declaring that might makes right.

But in the case now under consideration the force of this reasoning is sought to be evaded by the position that the lands in the Yo-Semite Valley were unsurveyed, and therefore were never subject to pre-emption. This is gravely asserted by the Senate Committee on Private Land Claims, in a report submitted in the last Congress on the very bill now before this House, which was then pending in the Senate. But the truth is, most unfortunately for this argument, that the right of pre-emption does and *did* extend to unsurveyed lands by law. If the Senate Committee had turned to the United States Statutes at Large, volume 12, page 410, section 7, they would have found this enactment:

*And be it further enacted*, That in regard to settlements which by existing laws are authorized in certain States and Territories upon *unsurveyed lands*, which privilege is hereby extended to California, the pre-emption claimant shall be, and is hereby, &c.

The act further proceeds to define the duties of pre-emptors on this class of lands after they have been surveyed; but as the lands in question have never been surveyed, no duties were incumbent upon Hutchings and Lamon, except actual residence upon and improvement of their claims, and these duties they performed. This act of Congress is dated May 30, 1862, and settles conclusively the right of these settlers to preempt their claims, under the laws of the United States, at any time subsequent to that date, and prior to the grant of the valley by Congress of date June 30, 1864.

The Senate report referred to says:

It has been ascertained that the whole area of the valley is about 1,100 acres, and that it appears from diagrams presented to the committee that the tracts granted to Hutchings and Lamon control, to a very great extent, if not altogether, the use and enjoyment of the valley.

These statements are sustained by Professor I. D. Whitney, one of the government commissioners, who certainly possessed the *means* of knowledge. But the area of the valley and the advantage secured to these settlers by allowing them their pre-emptions, are matters purely collateral. They certainly could not affect the question of legal right under the laws of the United States. As the facts stated, however, if true, must tend greatly to prejudice the claims of these parties, the committee have taken pains to ascertain from undoubted official sources the true area of the valley. The Commissioner of the General Land Office, at the request of this committee, has prepared a careful estimate of the areas of the several portions of the Yo-Semite Valley, according to the official map of the same, which he submits as follows:

	Acres.
1st. The valley embraced within its walls, (including 3,109 acres meadow land) . . . . .	8, 480
2d. The area of the northern wall of the valley . . . . .	2, 070
3d. The area of the southern wall of the valley . . . . .	3, 680

	Acres.
4th. The area of the bottom lands on both sides of the valley embraced within the exterior boundaries of the Yo-Semite grant.....	21, 881
Making a total area of the grant.....	<u>36, 111</u>

It thus appears that the facts referred to are utterly discredited. The whole area of the valley is not 1,100 acres, but 36,111. The pre-emptions of Hutchings and Lamson are considerably less than the one-hundredth part of this. The valley proper, embraced within its walls, is 8,480 acres, or twenty-six and a half times larger than the pre-emptions. If we come down still lower and take only the meadow land of this valley proper, we have 3,109 acres, of which the claims of these settlers would constitute but little over one-tenth part. It seems to us, therefore, utterly preposterous to suppose that "Hutchings and Lamson could control, to a very great extent, if not altogether, the use and enjoyment of the valley." Their power would necessarily be limited by their little possessions. And these facts answer a kindred argument, which has been very earnestly pressed by those who oppose these settlers, namely, that if their claims are allowed the valley would fall "into the hands of those who would levy tribute upon the traveling public, and make this beautiful valley odious for the extortions of its greedy and sordid possessors." In the very nature of things these results could not follow, and no facts are shown, affecting the character of these settlers, or their conduct as such, to warrant the intimation that they have any purpose whatever unfriendly to the valley or its free public use and enjoyment. Besides, as we have already recited, the public is protected by the act of the California legislature, granting to these men their pre-emptions. The "grant is upon the condition that the State, through the board of Yo-Semite commissioners, shall have the power at any time to lay out, construct, and maintain such roads, bridges, paths, and avenues upon and through the said lands, as may be necessary for the convenience of the public and visitors to the said valley." It seems to the committee that this effectually disposes of the argument under notice. The whole valley, seven miles long, and containing over 36,000 acres, is placed under the control of the State commissioners. The small fractions of this claimed by the settlers are made subordinate to the use of the public. Of the valley proper, over 8,000 acres are left to the State, of which nearly 3,000 acres are meadow land, and much of it as good as that claimed by Hutchings and Lamson. By what means they could establish a dangerous or odious supremacy in the valley, and compel the world to render them unwilling tribute, the committee are not able to perceive.

But it is argued that, conceding all this, the claims of those settlers must yield to the right of the government to take private property for public uses. This right is not disputed. A private mischief is to be endured rather than a public inconvenience. The government can appropriate private property as a military necessity in time of war. Houses may be razed to the ground to prevent the spread of a conflagration. Private property must yield to general interests in other cases. The right of eminent domain, or inherent sovereign power, gives to the legislature control of private property for public uses. Roads and canals may be cut through the lands of individuals without their consent. Lands adjoining a city may be seized and specially appropriated with a view to preserve its health. In these and kindred cases the ground of action

is public utility and necessity. If this is wanting the act is usurpation. If the legislature should take the property of A. and give it to B. it would be an abuse of its power, a fraudulent attack upon private right, and the law would be clearly unconstitutional and void.—(2 Peters's U. S. Reps., 658. See also *Varick vs. Smith*, 5 Paige's R. 159, 160.) And in all these cases the act of appropriation must be accompanied or preceded by compensation, or the tender of it, to the individual. A law taking private property for public uses, without providing for compensation, will not, perhaps, be void, for it may be done by a subsequent law, but the execution of the law will be enjoined until the provision be made, and the payment ought to be simultaneous with the actual appropriation of the property.—(Kent's Com., vol. 2, pp. 338-'9, and notes.) We refer to these principles for the purpose of showing their bearing upon the case under consideration. Here, granting that the act of Congress made such a disposition of these private claims as would come within the settled meaning of the phrase "public uses," no steps have been taken to divest the rights of the parties. The act was silent on the subject of compensation, and their claims were unknown at the date of its passage. No compensation, or the tender of it, has since been made by the United States, or by the State of California, while these pre-emptors have been summarily brought face to face with an action of ejectment for the possession of their lawfully acquired homes.

But the truth is, that the property in these cases was not appropriated by Congress for public uses in any just or legal sense. The entire valley was granted to the State of California, and the jurisdiction of the United States over it has totally ceased. It belongs to the State, subject to the uses and purposes specified in the act, and the control of the State commissioners, and is not a national reservation or park at all. The simple fact is that the act of Congress undertakes to rob these men of their estates, and grant them to another party, namely, a political corporation called the State of California. It falls within the mischief of the rule established by the authorities, that the government cannot take one man's property from him and give it to another. The fact that the act requires these pre-emption claims to be set apart for "public use, resort, and recreation," makes not the slightest difference. The government has no right to take private property, fairly vested under the laws of Congress, for the purpose of converting it into a playground for the people of California. The rule recognized by the law is that of public necessity, as illustrated in such innumerable instances, by the appropriation of private property in aid of works of public improvement. Neither can the question be affected by the fact that this valley is a great physical wonder. While its territory was subject to pre-emption, we suppose settlers on it, under the laws of the United States, could acquire precisely the same rights in the valley as if its scenery had been considerably less sublime. Our great Western States and Territories are full of natural wonders, as well as of beauty. There are many lovely valleys and beautiful waterfalls in our country besides those of the Yo-Semite, and we are quite sure the law has not as yet established any standard of beauty and sublimity by which the rights of pre-emptors on the public lands shall be determined. That the valley is a most charming place for general "resort and recreation" is undoubtedly true; but the right of eminent domain rests upon no such shadowy foundation. Even if it did, it would not follow that these two small homesteads, already held subject to the uses of the State, could be lawfully appropriated by the government. As we have seen, they constitute so small a fraction of the entire valley, that their private ownership cannot

interfere with its public enjoyment as a pleasure-ground and a spectacle of wonder. Most certainly it cannot justify the expulsion of these claimants as a public necessity under the law. The votaries of pleasure can still have the amplest room for gratifying their desires; while the worshippers of beauty will need no legislation to protect the imperishable forms of splendor which the hand of nature has lavished upon the valley, and spread out to the free gaze of the world.

Equally futile is the argument sometimes urged against these claimants that this is "a question of forty millions of people against two men," and that "the rights and interests of two individuals should be subordinate to those of the many." Questions of legal right are not to be determined on the principle of numbers. The introduction of such a rule into our jurisprudence would make the administration of justice a farce. Those who employ such an argument should likewise remember that the laws of Congress under which our settlers acquire title are made by the people—the "forty millions." This is the theory of our government. "The two men" and "the forty millions" are on the same side of the question. There is no conflict in principle, and there should be none in fact. As regards the question of a pleasure-ground, it only concerns the comparative few who will have the means and leisure to visit the valley, and these could see and enjoy quite as much if its thousands of acres were carved up into smiling homesteads, whose owners would probably guard the valley as carefully as any official appointed by the State. The interest of Hutchings and Lamont will be to preserve and add to the beauties of their homes, while it has been well observed that the grandeur of the valley is not destructible by the hand of man. They are not, as has been represented, "speculative squatters," but adventurous pioneers, anxious, in good faith, to accept the offer made by the government of a home in the valley, and perfectly in love with the scenes of wonder and beauty within its walls. Neither are they "vandals," who would waste or mar in any way the objects of beauty and loveliness around them. They belong to the great advancing column of settlers who explore and subdue our distant borders, encountering savages and wild beasts in laying the foundations of new commonwealths. They are the only men holding any pre-emption rights in the valley, and the attempt to dispossess them, if successful, would foreshadow serious trouble to all settlers under the pre-emption and homestead laws of the United States. It would threaten the entire overthrow of the land policy of the government, and the re-establishment of the vicious principle that settlers on the public domain are trespassers, with whom no terms are to be kept. The committee speak with earnestness and emphasis on this question, because they deem it a vital one. It goes down to the very foundation of our industrial development and national progress. To the wisdom and justice of our policy, as embodied in the pre-emption and homestead laws, is the nation largely indebted for its marvelous progress, and for the place which it holds among other nations of the world. To trifle with this policy is to trifle with the gravest public interests. To strike at these two settlers, is to strike at millions; and the nation could as innocently repudiate the debt which it incurred in saving its own life, as to violate its pledged faith to our pioneers that they shall have homes on the public domain on prescribed conditions, which are honestly accepted and complied with on their part.

## NINTH CENSUS.

JANUARY 18, 1870.—Laid on the table and ordered to be printed.

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Mr. GARFIELD, from the Committee on the Ninth Census, made the following

### R E P O R T .

*The Committee of the House of Representatives on the Ninth Census, having had the subject under consideration, beg leave respectfully to submit the following report :*

The relations of a census of the United States to the general subject of statistics are so intimate that the committee have thought it proper to offer a few preliminary suggestions on the general subject of statistics, and to submit a brief history of such inquiries made by ancient and modern nations, together with an exhibit of the statistical methods now in use in each of the states of Europe. They have also added a history of statistical inquiries, including censuses, made in this country, from the beginning of the colonial period to the present.

The great change made in the basis of popular representation by the thirteenth and fourteenth amendments to the national Constitution made it necessary for the committee to examine the constitutional and statutory provisions of the several States of the Union, in order to ascertain what would be the effect of the constitutional amendments referred to upon the representative population of each State. The committee addressed a circular to the governors of the several States, forwarding to each a copy of the clauses of the State constitution and laws which define the qualifications of a voter therein, and requesting him to cause the same to be examined, corrected and authenticated. The results of that investigation and correspondence are submitted in the appendix to this report, marked "A." In appendix "B" will be found the provisions made by the different States of the Union in regard to taking censuses and making other statistical inquiries. Appendix "C" is a paper laid before the committee by Dr. Edward Jarvis, of Dorchester, Massachusetts, relating to vital statistics, and suggesting what inquiries ought to be made concerning population. It is believed that the several subjects discussed in this report and in the appendix will be of sufficient interest to warrant the committee in laying them before the House.

#### CENSUS-TAKING AND STATISTICAL INQUIRY FROM THE EARLIEST HISTORICAL PERIOD TO THE BEGINNING OF THE NINETEENTH CENTURY.

The science of statistics, of which census-taking is one of the practical applications, is of modern growth, but its germs are found in the earliest periods of known history. The need of a positive knowledge of the social forces at play in communities of men appears to have been

felt from the time when the human race first segregated into distinct social and political bodies. Statistical observation, indeed, may be said to be coeval with the very organization of society and government. Every reader of the Bible is familiar with the enumeration of the tribes of Israel instituted by Moses during the exodus, and the disastrous census of King David. Among the Chinese, public statistics were collected thousands of years before the Christian era. We have a distinct account of the census ordained by the Emperor Yee, 2042 years B. C. There is a record of a census in Japan, under the Mikado Su-jin-tenno, in the last century B. C. Under the reign of the Incas, as related by Prescott, in his history of the conquest of Peru, statistical information was assiduously gathered. Some of the rulers of ancient Persia made statistical data the basis of taxation. In old Greece, registers of citizens were kept at Athens, and in other cities, and statistical researches made in various directions. Herodotus, Aristotle, Strabo, and Pausanias, made use of statistical material in their writings. In Rome public statistics became the very foundation of government at an early period. From the time of King Servius Tullius, through the whole republican era, the periodical census, which comprised both persons and property, and attained a high degree of exactitude, served to regulate the duties of the citizens toward the state. Under the emperors even more attention was paid to public statistics. Augustus enlarged the scope of the census, and improved the mode of taking it. He had the entire population enumerated; the whole empire surveyed and the *Rationarum imperii*; a statistical exposé of the warlike and other resources of the state, compiled. Under the more enlightened of his successors the collection and preservation of statistical information was continued and developed into a regular branch of public business. Under Constantine there existed what may be styled the first statistical bureau under the name of *Scrinium Memoriae*.

In the middle ages the general decline of intellectual life confined the pursuit of statistical knowledge within the narrowest limits. The term "census" still appeared in political nomenclature, but with the discontinuance, upon the collapse of the Roman empire, of the public act which it signified, its original meaning was lost. In mediæval times it was applied almost exclusively to cadastral operations. Up to the thirteenth century, there is no record of a distinct enumeration of the population in the annals of any people. Still, from the supremacy in that dark period of the law of force, which rendered a knowledge of such elements of offensive and defensive strength as the population capable of bearing arms and its taxability indispensable to rulers, it may be presumed, though we have little proof of the fact, that information regarding the number and means of the subjects was generally sought by different methods. But, while the practice of regular population censuses seems to have been unknown, we find, here and there, evidence of spasmodic statistical activity on the part of both governments and individuals. Charlemagne instituted the *missi dominici*, or inquiries into the capacity of the soil and the cereal products of all the provinces of his vast empire. The famous Doomsday Book of William the Conqueror bore some resemblance to a modern census. The cadastral inquiries instituted in a limited measure by some of the German emperors partook of the nature of public statistics. The active geographical labors of the Arabs between the eleventh and fourteenth centuries produced, incidentally, some valuable statistical material. The best known geographers, among them El-Masundi, Edrisé, and Chalil-Ben-Schahin, were, in a certain sense, statistical writers. The only mediæval population



censuses of which there seems to be any record, are those of the Mongolians in the thirteenth and of Peter of Aragon in the fourteenth century. In the fourteenth and sixteenth centuries, some of the republican governments of Italy, and among them especially that of Venice, attached much importance to the collection of reliable data concerning the material resources of their own territories as well as of foreign countries. In the last named century a popular enumeration took place in the kingdom of Castilia. Philip II of Spain commenced the careful preservation of statistical matter, relating to his vast dominions. Among his cotemporaries were several compilers of geographical-statistical works. Pope Pius II compiled his *Descriptio Asiæ atque Europæ*. In 1544 Sebastian Mueneter printed his well known cosmography in Germany. In 1562 the Roman Francesco Sansovino published an account of twenty ancient and modern states. In 1591 Botero brought out at Rome his *Relazioni Universali*, in which he describes all the states of Europe. Machiavelli's accounts of his numerous missions abroad, and his enrollment of the military population of the Florentine Republic, deserve to be named in the same connection. In the sixteenth century the practice of keeping church registers of births, marriages, and deaths, which formed the beginning of the modern systems of recording the movements of population, became general.

According to the authority of a British writer on statistics, a complete survey was made of the English realm under the reign of Henry VIII, in the first half of the sixteenth century, in which the number of the inhabitants, their ages, professions, wealth, and increase, were ascertained, but there is no known record of this census.

In the seventeenth century, while no exact popular enumerations were made, the need of a more accurate acquaintance with the resources of the state for the successful conduct of government was felt in the more progressive countries. Thus in France, Sully, the great minister of Henry IV, exerted himself to constitute the administration of the public finances on a statistical basis. Louis XIV, upon the advice of the celebrated Fénélon, required the intendants or governors of provinces to furnish the most accurate data that could be obtained relative to commerce, agriculture, and industry; the clergy and nobility; the population in general; public roads; inland navigation, and other material interests of the several provinces. The reports were published in a series of forty-two folio volumes. They contained statistical tables of population, and a vast amount of other valuable information; but the want of a uniform plan of inquiry, and the different degrees of diligence, comprehensiveness, and exactitude shown in the reports of the several compilers, detracted considerably from the value of the reports as a whole. In 1698 the French government also commenced the publication of the *Almanac Royal*, a sort of Blue Book. In England, the compilation and publication of general commercial statistics were commenced upon the establishment of the office of inspector general of exports and imports, toward the close of the seventeenth century.

Much private labor was likewise given in the same century to glean- ing and even practically applying statistical information. Divanti, in 1612, brought out his "État des Empires, Royaumes et Républiques."

Yan van Leet published his "Respublicæ Elzevirianæ," between 1624-1640. The great work of Pierre d'Avity, on "Les Etats et Empires du Monde," appeared in 1626. In 1666 John Graunt, the founder of political arithmetic, brought out his "Observations on the Bills of Mortality," which had the effect of awakening a more general interest in vital statistics in England and France. Helenus Politanus's "Microscopum Stat-

isticum" came out in 1672. Sir William Petty, besides numerous other politico-economic writings, in 1690 published his "Political Arithmetic," in which he gives many curious statistical facts regarding the number of inhabitants, resources, public revenues, &c., of England at that time. In 1693 the celebrated Dr. Edmund Holley printed the first mortality table for insurance purposes, calculated on the mortuary statistics of the German city of Breslau. In 1695 Bois Guilbert brought out a large statistical work entitled "Le détail de la France sous Louis XIV," of which several editions appeared.

The eighteenth century may be said to have witnessed the birth of official statistics. In the course of it some of the leading governments took measures looking to their systematic collection. In Russia partial censuses were taken by order of the government in 1700, 1704, 1705, and 1710. In 1718 Peter the Great promulgated an ukase requiring all landed proprietors to make a bona fide declaration of the number of serfs belonging to each, and of their location. In the following year he organized a special commission and ordered it to visit all the provinces of the empire (with few exceptions) for the purpose of making a general census. The commission was charged to ascertain the exact number of peasants, mechanics, domestics, and persons without regular employment, and to return the whole population, including old and young, but excepting females. The provincial authorities were required at the same time to return the number and population of all the towns, villages, and landed estates within their respective jurisdictions. A subsequent ukase of 1722 directed the revision of the returns in order to ascertain the number of insane and infirm persons without means of subsistence. The exclusion of females from the census, which was taken solely for purposes of revenue and military conscription, naturally impaired its statistical value. The ukase of 1722 directed that a census should take place every twenty years. But this interval of time was not regularly observed during the remainder of the century. The first census after the revision of 1722 was taken in 1742, followed by others in 1762, 1782, and 1796. Females were included after a time in the enumeration, but returned with less exactitude than the males. The taking of the censuses eventually devolved on the central administration of the several provinces, which were held responsible for their correctness.

In Prussia, census-taking was inaugurated under King Frederick William I, who wholly re-organized the civil administration of the kingdom. By his order the ministers and provincial authorities took measures to ascertain the number of the population. For this purpose a series of questions were addressed to administration officers, the responses to which were based, however, not on an actual census, but on calculations from various data. This imperfect system was greatly improved by Frederick II, who gave the statistical inquiries a more regular character. From 1748 till the close of the century, a general census was taken annually except during a few years, when war rendered it impossible. The successive enumerations of the population were made by the superior authorities of each province. Separate lists for town and country were prepared. Attempts were made to connect with the census the collection of statistics showing the annual crops of cereals, but they met with meager success.

In Sweden a law making the keeping of church registers by the clergy obligatory was promulgated as early as 1686. From that time up to the present day the clergy have been the ex-officio collectors of population statistics in that country. The law in question required them to keep a register: first, of marriages; second, of legitimate and illegitimate

births; third, of deaths; fourth, of persons who removed from and settled in the parishes; fifth, of all the inhabitants, arranged by habitations and households. No effort was made to compile from these registers any consolidated statement until 1746, when the Stockholm Academy of Sciences published, for the first time, a table showing the total population of the realm, based on extracts from the parish registers. At the request of the academy, the diet caused uniform schedules, accompanied by explanatory instructions, to be prepared and distributed among the twenty-five hundred parishes of the kingdom, with a view to obtaining annual consolidated returns. Such annual returns were made regularly by the clergy after 1749. They showed the number of births according to sex and legal character, with the age of the mothers; of marriages; of deaths, arranged according to sex, age, and cause; of dissolutions of marriages by death. The schedules were enlarged from time to time. Besides the annual returns from the clergy, separate general censuses were taken yearly between 1749 and 1751, every three years between 1751 and 1775, and every five years after 1775. These censuses were taken by police officers, toward the close of the year, and verified by personal investigations of the clergy. They showed the number, sex, age, and occupation of the inhabitants; the number and sex of married and single persons, widows and widowers; the number of blind, deaf and dumb, and insane persons; the number of pupils of educational establishments; the number of persons not belonging to the established church, and the number of the inmates of hospitals, asylums, and prisons. In 1756, a regular statistical commission, consisting of superior officials and members of the Academy of Science, was created by the government, which continued in function until the present century, when it was superseded by a regular bureau of statistics attached to one of the ministries.

In Austria census-taking dates from the middle of the eighteenth century. Successive imperial decrees in 1753 and 1754 ordained a double general enumeration for German Austria, and Bohemia, Moravia and Silesia, to be conducted separately by the clerical and secular authorities. The first census was to be taken in 1854, and to be followed by a general enumeration every three years at the beginning of the solar year. The aim of the census was to ascertain the actual, as distinguished from the legal, population, according to age, sex, and civil relations. The results of the first census were worked up into summaries, in which the population was grouped into four classes according to age, sex and civil status being exhibited in each class. The males of towns and villages were besides enumerated separately in three groups according to age. The unsatisfactory results of the first censuses taken under this plan caused several modifications of the original schedules. By degrees provision was made to obtain special exhibits of the number of cities, towns, hamlets, villages, and landed estates; the number of families with and without houses, together with that of the clergy, nobility, public officials, domestic servants, artisans, tradesmen, and inmates of hospitals. Efforts were also made to ascertain the movements of the population. In 1770, the enlightened Emperor Joseph ordered, with a view to a more general distribution of the burden of military service, a general so-called conscription census, by special commissioners appointed for each province. In conjunction with it an enumeration of draught animals was to take place. But the execution of the measure was found difficult and had to be temporarily abandoned. In 1776, the subject was turned over to a special commission, on the strength of whose report an imperial patent, in 1777, ordered a general enumeration of both sexes to be made by the adminis-

trative authorities on the basis of the legal population. The census was to be taken by household schedules, for the return of which three months were allowed. The schedules, called for nominative lists of all the members of each household, showing their age, sex, civil state, and religion. The social position, occupation, legal domicile, and residence of males, were also returned. No statement of age was required of clergymen, noblemen, public officials, Jews, the followers of certain liberal professions, and females, as not liable to military service. A new decree, in 1781, required an annual revision of the census in the months of March, April, and May. In 1784 a similar enumeration was ordered for the Kingdom of Hungary and dependencies, which was executed in the following year. But the war with the Turks and the death of Joseph II prevented its repetition. Under Joseph's successor the conscription census laws became ineffective during the remainder of the century in the eastern portion of the empire.

In Switzerland census-taking also commenced in the eighteenth century. About 1733 a census took place in the canton of Zurich. Other cantons followed the example.

In Spain a census was taken under the minister Florida Blanca, the results of which were published in 1787. Another was undertaken in 1798, the returns of which were printed in 1801. There are records of two enumerations in Cuba, one in 1775 and 1791. A general census took place in 1795, in the Batavian Republic, (Holland.)

In France the government did very little toward the advancement of public statistics during the first half of the eighteenth century. But individuals performed some highly valuable labors in statistical fields. First among the fruits of these in point of time and merit was the famous "Projèt d'une dixme royale," by the Marshal Vauban, an elaborate proposition based on a statistical *exposé* of the resources of France for a réform of the system of taxation of the kingdom, which was published in 1707 and attracted general attention. In 1715 appeared the "Description de la France," by Piganiol de la Force, a statistical, geographical, and historical compilation, and next to the reports of the intendants the most valuable work of the kind of that period. The Abbé Expilly worked up a good deal of statistical information in his works entitled "De la Population de la France," and "Dictionnaire Géographique des Gaules et de la France." Déparcieux made his investigations into the laws of mortality. Other publications of minor importance in the same period attested the increasing interest of cultivated French minds in statistical science.

In the latter part of the reign of Louis XV, the French government commenced to occupy itself more seriously with public statistics. M. de Gournay, minister of commerce, organized a "bureau de renseignements" in his ministry, charged with extracting the reports of the governors of provinces, inspectors of manufactures, consular reports, and other public documents. Much attention was given by this bureau to the subject of population. Under its auspices M. Messance published a treatise on the population of various provinces in 1766. M. Moheau, attached to the bureau, undertook some comprehensive statistical inquiries by order of the government, the results of which were published in 1774.

Many valuable contributions to statistical science appeared in several of the periodicals of that time, among which the "Journal Economique" and "Journal des Arts, du Commerce, et des Finances" deserve to be ranked.

A profound impression was produced by the appearance, in 1784, of

the work of M. Necker, the famous minister of finance of Louis XVI, entitled "Traité de l'administration des Finances." It dealt largely in statistics, containing as it did detailed accounts of the territorial extent, population, products, and commerce of each province; and tabulated statements of the resources and expenditures of the kingdom as a whole. Necker inaugurated the practice of publishing periodically elaborate statements of the condition of the public finances, (budgets,) which was afterward adopted by the governments of all civilized countries. He reorganized the "bureau des renseignements," giving a wider scope to its labors.

In 1789 M. de Pommelles, an army officer, published a work on the state and movement of the population of France, remarkable for extent and originality of research. At about that time there appeared, also, M. de Beaufort's "Grand Porte-feuille politique," containing all the information then extant relative to the government, population, army and navy, revenues and expenditures, debts, agriculture, commerce, manufactures, &c., of the leading countries of Europe, as also the work of the celebrated Count Mirabeau on the Prussian, Saxon and Austrian governments. Numerous smaller works of a statistical nature, mostly from government officials, appeared between 1790 and 1800. Toward the close of the century, the "Dictionnaire Universel de Géographie Commerciale," the most extended statistical work produced by private enterprise in France up to that time, commanded the general attention of the public.

The new political era which opened in France upon the downfall of the monarchy, stimulated the development of public statistics. The constituent assembly had no sooner obtained undisputed sway than the revolutionary law-makers showed their clear perception of the truth, which found formal recognition at about the same time in the organic law of the young republic of the United States, that healthy legislation can only flow from an exact knowledge of the condition and wants of the people, and that population is the proper basis of representation in a free State. Statistical inquiries were, without delay, ordered to be made by administrative and municipal officers. But the returns of the latter regarding population, obtained or made up from the civil registers, were found to be unreliable, owing to the temptation which many of them were not conscientious enough to resist, of overstating the population in order to secure a larger representation in the national legislature. In the subsequent inquiries into the population under the republic, the reverse took place after population had been made the basis of taxation, as the officers charged with making the returns sought to lighten the burden of taxation in their respective localities, by understating the actual figures. In the tenth year of the republic a regular enumeration of the population was ordained to be made by the justices of the peace, which furnished better but not wholly satisfactory results.

The "bureau des renseignements" of the monarchy was supplanted under the republic by the bureau of the "balance du commerce," with more limited statistical functions. When Lucien Bonaparte became minister of the interior after the commencement of the reaction, he endeavored to promote public statistics by combining the labors of officials with those of independent men of science, and by making the results of their inquiries available to the government and the public through the agency of a statistical bureau which he organized in his ministry. His object was, to obtain a complete statistical *exposé* of France; but while a good deal of valuable material was collected under his direction, his purpose was not fully realized, owing to the want of a

uniform plan of operation. Under his successor such a plan was devised, and the administrative officers required to adopt it.

While a fair beginning in census-taking was thus made by the governments of various continental countries, the eighteenth century closed without anything having been attempted in the same direction in England. Considering that that country before the outbreak of the French Revolution was more advanced, materially and politically; that commercial and financial statistics had been collected at the instance of its governments for generations; that economic science had already attained a high degree of development in the British Isles; that many minds had successfully investigated and written upon statistical subjects, and that censuses had been periodically taken, by order of the home government, in the American colonies since the seventeenth century, this backwardness is no little surprising. But it is an historical fact that even at the time when Adam Smith wrote and up to the beginning of the nineteenth century, the most erroneous notions prevailed among Englishmen on the subject of the population of their country. The population question was indeed the subject of frequent controversy. The current estimates were just one-half of what the number of subjects subsequently turned out to be, and yet no effort was made to solve it by actual inquiry until 1790, when Sir John Sinclair, a high authority in matters of public finance in his time, and a man of rare intelligence, enterprise, and perseverance, undertook the compilation of a complete population, agricultural, commercial, and industrial census of Scotland. For this purpose he addressed one hundred and sixty questions, on as many different subjects, to all the clergymen of the Established Church. He had much difficulty in obtaining answers from them, but by dint of persistently repeated appeals he succeeded in the course of time in securing returns from nearly all the parishes. The returns were published by him successively in a series of twenty-one volumes. The energy of this remarkable man may be judged from the fact that he secured no less than nine hundred contributors to his census, and that the whole compilation and publication were completed in just seven years. He subsequently prepared a masterly compendium of the series, entitled an "Analysis of the statistics of Scotland." His statistics were not absolutely accurate, but they formed, although the work of a single individual, a more complete census than any yet undertaken by any government. Sir John Sinclair may be said to be the founder of British public statistics. For it was mainly at his suggestion that Parliament, on December 31, 1800, passed an act providing for a general enumeration of the population of England, Wales, and Scotland, in the following spring.

In addition to the considerable progress of official statistics, the eighteenth century was remarkable for the formal recognition of statistics as a distinct science. Throughout the middle and the later ages, statistics were treated by writers on the subject as a subordinate element of geography and demography, rather than as a separate field of intellectual labor, capable of independent cultivation. Lectures on statistics (*collegiæ statisticae*) were instituted, it is true, at two German universities respectively in the last but one decennium of the seventeenth and the third decennium of the eighteenth century. But, nevertheless, the elevation of statistics to the dignity of an independent science was due to Gottfried Achenwall, the German professor who taught it as such for the first time in 1748 at the University of Gœttingen, which was at that time largely frequented by students of political science from all parts of Europe. The work of Achenwall was worthily

continued by his pupil Schloezer, a profoundly erudite and philosophic mind, to whom the immortal definition, "History is current statistics; statistics, history in repose," is due. How clearly Schloezer perceived and defined the nature of statistics is shown by the fact that his theory of it has the weight of authority to this day.

#### GROWTH OF PUBLIC STATISTICS AND STATISTICAL SCIENCE FROM THE BEGINNING OF THE NINETEENTH CENTURY TO THE PRESENT.

Like every other branch of human activity, statistical knowledge has experienced a far more rapid and extensive development in the nineteenth century than in any preceding period. With the steady progress of most civilized states during the last two generations towards more liberal political institutions, public statistics, as the most reliable gauge of the true interests of both governments and governed, have become more and more the basis of the enactment and administration of laws. And again, the greater concern of man in man, growing out of the general advancement of society, has naturally tended to increase the number of those who privately devoted themselves to the study of statistical facts, and to the building up of the science of statistics to the commanding proportions which it has now reached. In the following an account will be given—first, of the growth of the systems of public statistics practiced under the leading European governments; and, secondly, of the labors of associations and individuals in developing the science of statistics and applying its teachings to the affairs of mankind.

#### SYSTEMS OF PUBLIC STATISTICS IN THE LEADING COUNTRIES OF EUROPE.

The Russian government, though one of the least progressive in other respects, continued its efforts—begun under Peter the Great for the development of public statistics—very actively during the present century. A "central bureau of statistics" was organized as early as 1802, under the direction of the ministry of the interior, to which the results of the statistical inquiries of the several departments of the government were referred. In addition to the digestion of these results, the bureau instituted inquiries of its own on such subjects as did not come within the scope of the several ministries. Statistical exhibits of the public administration, population, territorial extent and subdivision, agriculture, commerce and industry of the empire, were published from time to time by the bureau in the official organ of the ministry of the interior. The central bureau was aided in its labors by statistical commissions, consisting of administrative officers and competent private individuals, which were organized by degrees in all of the thirty-three governments or provinces of the monarchy. These commissions were required to maintain direct relations with the central bureau, and to furnish it with any desired information. The methods of procedure are carefully indicated to them. Besides these statistical organs, special commissions are attached to particular branches of the administration. An independent statistical commission, composed of the professors of the University of Kieff, has also rendered valuable services.

Another peculiar instrument, employed by the Russian government for statistical purposes, is the "statistical expeditions," which, since 1852, are sent out regularly into the several provinces for the purpose of making original inquiries on the spot, relative to population and other subjects, rectifying and supplementing statistical returns, &c. These

“expeditions” consist of practiced statisticians attached to the several ministries. The local administrative authorities are required to lend them their assistance.

The “central bureau of statistics” was reorganized in 1852, under the name of “statistical commission.” It received another transformation in 1858, when it was re-constituted under the name of “central statistical commission,” and divided into two sections, viz, one charged with the supervision of the whole field of administrative statistics, and another with the duty of conducting all inquiries pertaining to the abolition of serfdom. The statistical section was composed of representatives of the several ministries and other central authorities, and given power to initiate statistical labors in the several departments. Under the direction of the new central authority the provincial statistical commissions were also reorganized.

One of the main functions of the several organs of public statistics has been the taking of population censuses. Of these, five have taken place in the present century, viz: 1812, 1815, 1834, 1850, and 1860. It is intended hereafter to take a census every ten years. Up to 1860 the range of inquiries in the successive censuses was very limited. The last census, taken in the year named, was a considerable improvement on the preceding ones. As a preliminary measure, a complete list of inhabited places, including isolated habitations, was prepared. This furnished the basis for the census, in which the legal population, by sexes, the number of houses in towns, and of estates in villages and country; the number of churches and chapels, benevolent institutions, schools, fairs, markets, post-stations, as well as that of manufacturing and other noteworthy establishments, was comprised. The census was taken by means of printed schedules distributed by the local administrative authorities, which are responsible for proper returns. The government fixes the time in which the census is to be taken, a longer term being allowed for the Asiatic than for the European provinces. The consolidation and digestion of the census returns devolves upon the central statistical authorities.

In the province of Finland a separate mode of census-taking prevails, which dates from the time when that province was still a Swedish possession. It is taken by the civil authorities in conjunction with the clergy, and relates exclusively to population. A separate statistical bureau exists for that province.

Besides the census operations, separate inquiries have been carried on under the direction of the different ministries regarding the distribution and condition of real property, the extent of seignorial possessions, the movement of the population, public education, the administration of public justice, industrial production, commerce, the number of live stock, the economic organization and revenue of cities and towns, and the banking institutions of the empire. Numerous staff officers are sent out regularly by the government to study the resources of the different provinces from a military point of view. Their labors furnish valuable contributions to the statistics of the country.

While the statistical machinery of Russia is, as has been shown, very extensive, the results of its working are not as satisfactory as could be wished. Most of its failures are due to the ignorance of the subordinate officials in many of the provinces. Still, the fruits of Russian public statistics, as a whole, have proved valuable additions to statistical knowledge. The official literature is already quite voluminous, and some of it possesses no mean merit. Among the leading publications is the work entitled “Inhabited places of the Empire,” which contains statis-



tical, ethnographical, geographical, and historical accounts of each of the thirty-three provinces, in as many volumes. The "Statistical Annual" of the empire appears in annual volumes since 1866, and contains the latest statistics of population, habitations, commerce, and industry, public finance, education, justice, &c. A number of minor works, mainly monographs, have been brought out under the auspices of the central statistical commission. The reports of the staff officers referred to, form already a series of not far from a hundred volumes.

Some of the statistical labors of certain departments of the government are not allowed to be published, but this is rather exceptional, publicity being the rule.

A new impulse was given to public statistics in Prussia by the organization in 1805 of a central bureau of statistics, which has existed, with progressive changes in its constitution, up to the present day. The labors of the bureau touched upon, 1st. General statistics; 2d. Births, marriages, and deaths; 3d. Schools and churches; 4th. Medical statistics; 5th. Statistics of mechanical trades and manufactures. At first, inquiries into these various subjects were made every year, but from 1820 information relative to the first, third, fourth, and fifth subjects was collected only every three years. The movement of the population, however, continued to be ascertained annually. Upon the establishment of the Customs Union in 1834, triennial population censuses were adopted, which practice has prevailed up to the present time.

The immediate object of the Customs Union census is, according to its constitution, to furnish a basis for the *pro rata* distribution of the receipts of the union among its members. But in the different States, forming the union, the triennial census was made to serve for statistical purposes beyond the mere enumeration of the population. As taken at first in Prussia, it comprised the following subjects of inquiry: The actual population, according to sex, age, (arranged in yearly classes,) birth-place, and civil condition; mental and physical disabilities; school attendance, religion, immigration, and emigration. In 1840 the enumeration was made nominative, which resulted immediately in a large increase in the population returns. In 1846 the number of families was determined, and in 1849 the distribution of the population by habitations. In 1858 the persons of the two sexes, between seventeen and forty-five years of age, were returned in five classes. In 1861 the unmarried and widowed were specially classified. With the census of the same year an inquiry into the linguistic relations, and the social condition and occupation of the population was connected. The Prussian census is taken by civil officers, in the month of December, on one day, by means of printed schedules. Great expedition is shown in the publication of the census returns.

Besides the census, a great number of other interesting inquiries have been made in Prussia with gratifying results, partly at the instance of the statistical bureau, and partly under the direction of the several departments of the government. Among the principal subjects inquired into are the nature, extent, distribution, movement, value, and indebtedness of real property; the numerical strength of the Catholic and Protestant churches; wages and salaries; goods' traffic on railways; the vitality and mortality of the civil and military population; assurance, mutual aid, and co-operative societies; commerce and industry. The results of these special inquiries have all been made public, and rank among the most creditable achievements of statistical science. The different compilations on the subject of real property, and more especially those treating of the distribution and agricultural character of real prop-

erty; the statistics of wages and salaries; the vital and mortuary statistics, and the statistics of societies, deserve to be specially mentioned. The statistical bureau, whose head, Dr. Engel, has a world-wide reputation for intelligent, original, and untiring industry, issues several periodical publications, of which the "Statistical Year Book," the "Journal of Statistics," a quarterly, and the "Occasional Papers on Prussian Statistics," are the principal ones.

Through the efforts of Dr. Engel a statistical seminary was established at Berlin some years since, in which young men receive a regular education in the theory and practice of the science. It is open to all, natives as well as foreigners, who prove themselves possessed of a certain degree of general education. Dr. Engel, animated by the conviction that public states can only reach a high degree of perfection when the intelligent public co-operate with the government in the prosecution of statistical inquiries, is now making strenuous efforts to organize statistical societies throughout the kingdom.

Public statistics are assiduously cultivated in all the minor German states. Nearly all of them maintain bureaus of statistics, the chiefs of some of which are highly distinguished statisticians. Under these bureaus statistical researches are carried on very methodically. In most of these states the census is taken triennially under the regulations of the Customs Union, differing but little from the Prussian. In Bavaria a special census is taken, besides the Customs Union census, every twelve years.

In Austria the main object of public statistics, during the first half of the present century, was, as in the latter half of the last, the determination of the population liable to military duty. In 1804 the conscription system in the western provinces of the empire, north of the Alps, was newly regulated by imperial rescript. Each province was divided into thirty-six conscription districts; each district into a certain number of sections, and again each section into other subdivisions. Although instituted for military rather than for general administration purposes, the conscription censuses, taken by virtue of the edict of 1804, became the instrument for general enumerations of the population, and for determining its movement during a given period. They furnished the basis for a classification of the population by age, sex, family, social condition, civil state, religion, occupation, and legal and actual domicile. Inquiries as to the number of dwellings and useful domestic animals were likewise regularly connected with them. Printed schedules were used in obtaining the prescribed data, which were collected by conscription commissioners, consisting of military, administrative, and municipal officers and the clergy in each territorial subdivision. The clergy were especially charged with making returns from the civil registers. The conscription lists were carefully revised at regular periods. The conscription proper took place at the beginning of each solar year, and continued for weeks and even months.

Separate laws were in force in the Italian provinces of the empire. By the imperial decree of September 17, 1820, each commune was required to prepare tabular statements of its population, including the number and numerical relations of families, and the age, sex, civil state, religion, and occupation of each member of the commune, together with the marriages, births, deaths, and removals.

In the kingdom of Hungary and its dependencies the edict of 1804 did not apply. In 1802 the Diet enacted a law for a general enumeration of the population with special reference to conscription. It exempted the nobility and clergy from enumeration. The civil authorities alone

were to take the census. A general enumeration accordingly took place in 1805, but it remained the only one under the law of 1802, so that the sources of information relative to the population of the kingdom during the first half of the century are very meager.

In Transylvania and the territory known as the military frontier separate systems of enumeration prevailed, with military conscription as the main object.

The tendency to centralization which characterized the government of the empire, after the opening of the revolutionary era of 1848, led to an extension of the conscription census system of the western provinces over the whole of the eastern part of the monarchy. A uniform enumeration was made throughout the empire in 1851, but its unsatisfactory results led to the appointment in 1855 of a commission, composed of high administrative officers, and charged with the elaboration of a new census law. The commission submitted a project of a law early in 1857, which received the imperial sanction, and was soon after officially promulgated. The new law was a great improvement upon the old system, inasmuch as it made the military needs of the State no longer the main motive of public statistical inquiries, but recognized their indispensability for the safe conduct of public affairs generally. It provided that a census should take place every six years. The enumerations were to comprise the population and the useful domestic animals, and were to be conducted exclusively by the civil authorities.

The actual population was to be the basis of the census. Printed schedules were distributed by municipal and administrative officers, to be filled up by the heads of families, owners of tenement houses, and those in charge of convents, schools, and public institutions. Detailed printed instructions as to the filling up accompanied the schedules. Those that intentionally failed to furnish the desired information were punished by fine and imprisonment. The schedules used in the censuses taken under the law of 1857 called for information under the following heads: Composition of families including servants, age, sex, names and titles, civil state, social condition, religion, occupation, marriages, births, and deaths; the number of cities, towns, hamlets, villages, dwellings, and renters. The number of Austrian subjects living in foreign parts was obtained through the imperial legations. The census of the naval and military population was separately taken by the proper authorities.

Up to 1828 no official organ of public statistics existed in Austria. In that year, however, a bureau of statistics was established by imperial order. Its function, as then defined, was to furnish government with such statistical information as it might need for administrative purposes. The bureau was attached to the supreme court of control and made use mainly of the data obtained by the several authorities of control reporting to the court; but all departments of the government were required to respond to any calls for information it might make upon them. Yearly reports of the management of public affairs by the different ministries were made up by the bureau and circulated in official circles, no general publicity being given to them.

In 1840, in order to widen the range of public statistics and to unite their scientific with their simply administrative part, the "direction of administrative statistics" was established. In 1848 the chief supervisor of public statistics was assigned to the ministry of commerce and public works. A further statistical authority was subsequently created in the form of the "central statistical commission," which has had the supreme guidance of the entire statistical service to this day. This body is composed of the ablest officials connected with and representing

the several ministries and other central authorities, and of men not directly connected with the government but eminent as statisticians and economists. The commission has power to secure, in particular inquiries, the services of specialists. The composition of the commission insures a perfect understanding and thorough co-operation between it and the great departments of the government. The "direction of administrative statistics" serves as the executive organ of the central commission, executing its orders as to the manner of conducting statistical inquiries and of preparing their results for general use.

The census returns collected by municipal and administrative authorities are consolidated through the central statistical organs. The published census reports show a steady progress in the method of the successive enumerations. In addition to the census, many other statistical inquiries are carried on, under the general direction of the statistical authorities, and through the agency of the different ministries. Thus within the last twenty years, statistics of land and water communications, the distribution of real property, of rural economy, (collected mainly through agricultural societies, organized through the efforts of the government in most of the provinces,) of mining and manufacturing industry and mechanical trades, of internal and external commerce, of railways and telegraph lines, of schools of every grade, of civil and criminal justice, have been and are being carefully collected.

The official statistical literature of Austria has attained very considerable proportions during the last generation. The most voluminous publication is the series of large volumes entitled "Grand Statistical Tables," and comprising the whole of the statistical information gathered, relative to public administration and social economy in general, together with explanatory texts. An abstract of the large series in convenient form is printed every year, under the title of "Statistical Annual." A condensation of this abstract for popular use is also published, under the title of "Statistical Manual." The "Statistical Communication," a monthly publication, serves as the periodical organ of the Central Statistical Commission. The ministry of commerce prints a statistical journal as its own organ. Among the special publications of the statistical authorities deserve to be mentioned, 1st. "The Ethnography of the Empire," consisting of a chromo-lithographic ethnographical map of the monarchy, with a comprehensive text treating of the history of the government, established religions, arts and sciences, and a topographical and general statistical description of the country, and special statistics showing the distribution of the different nationalities over the Austrian territory. Sixteen years were occupied in the preparation of this unique work. 2d. An elaborate work descriptive of land and water communications. 3d. The statistics of the international commerce on the river Danube, from its sources to its mouth. 4th. An industrial atlas in sixty-four sheets, showing the distribution of manufacturing industries over the empire. 5th. The statistics of commercial corporations and societies. 6th. The statistics of the export, import and transit trade of the empire.

One of the most promising measures in the interest of statistical science taken by the Austrian government is the establishment in the capital of the empire of a statistical seminary, an institution for the training of the younger administrative officers in the theory and practice of public statistics. The idea of this institution was inspired by the similar school in Berlin, already referred to.

As shown in the previous chapter, census taking in Sweden is nearly two hundred years old. To the subjects of the inquiries in the census

as taken since 1775, there were added, in 1804, the number of vaccinated persons; in 1821, the number of first, second and third marriages, the age of the married, the number of legitimate children deceased when less than one year old, the number of immigrants and emigrants; in 1831, the number of marriages, births and deaths among all classes, the number of legitimate and illegitimate children, still-born and deceased, in their second and third year (by months,) the number and age of persons deceased in hospitals, asylums and prisons, and the movement of the population not belonging to the established church. A separate census of the Laplanders and Fins is taken since 1805. The census for the kingdom at large is taken every five years by means of printed schedules, through, as in past times, the joint agency of the civil and clerical authorities. The governors of provinces are required to make up statistical summaries upon a variety of subjects not included in the census, every five years.

The statistical commission organized at Stockholm in the last century continued to exist until 1857, when it was superseded by the organization of a central statistical bureau, charged with the superintendence of population statistics, and with such statistical inquiries as do not come within the scope of the several ministries. A central statistical commission was also subsequently organized, consisting of high functionaries attached to the different ministries, and charged with insuring the uniformity of administrative statistics, maintaining the necessary connection between them, and making them available for scientific and government purposes. In the pursuit of these ends the commission cooperates with the statistical bureau.

The official statistical publications of Sweden comprise the long series of volumes containing, under the title "Materials for the Public Statistics of Sweden," the census returns proper as well as the results of inquiries into agriculture, mining and manufacturing industry, interior and exterior commerce, public health, judiciary, penitentiary, telegraph, railroad, and post office statistics. The bureau of statistics also prints a periodical entitled "Journal of Statistics."

In Norway a decennial census was instituted in 1815, and continued up to the present time, comprising inquiries as to age, sex, civil state, number of families and habitations, useful domestic animals, and the territorial area of each district. A bureau of statistics is in existence, which attends to all the branches of official statistics except those pertaining to the administration of justice, public education, and financial administration. Quinquennial inquiries are made as to the condition of industry. Annual exhibits are made up of births, marriages, and deaths; of commerce and navigation, and of the administration of justice and the population suffering from physical and mental disabilities.

The governors of provinces are required to make up quinquennial reports, as in Sweden. These, together with the regular census returns, and all other material obtained by the civil authorities, are published by the bureau of statistics. The last census was taken in the first days of January, 1866, by means of schedules filled up in the cities and towns by the proprietors and lessees of buildings, and in the country by the teachers of primary schools. The census was nominative, and comprised the legal population.

In Spain the government paid no attention to public statistics since the census of 1798, until 1856, when a central statistical commission junta, consisting of high functionaries and other competent persons, was organized under the presidency of the prime minister, with power to initiate statistical inquiries. Simultaneously sub-commissions were

organized in each of the forty-nine provinces, and in all the districts of each province under the respective presidency of the chief administrative officers. The provincial and district commissions were composed of great landed proprietors, officers of the administration, and public instructors. Their secretaries received regular salaries from the state.

With the aid of this net-work of statistical commissions, a general census was taken in 1857. Being a new undertaking, its results were not very satisfactory. Another census followed in 1860, which furnished more accurate returns. Since then a general census has been taken every three years, comprising the following subjects of inquiry: name, sex, age, birthplace, civil condition, occupation, physical disabilities, degree of education, school attendance, habitations, and the aggregations of population in cities, towns, villages, and hamlets. The censuses are taken towards the close of the year, in the course of one night, by government officials charged with the collection, verification, and consolidation of the returns. Their reports are revised and consolidated by the district and provincial commissions. A final revision is made by the central commission.

Other statistical labors have been performed under the direction of the central commission, including the statistics of scientific, artistic, and literary societies, and of places of amusement, railroad statistics, and the census of useful domestic animals. The commercial, industrial, and other statistics are collected under the direction of the several ministries.

The official statistical publications comprise the census reports and the results of the special inquiries mentioned. A "Statistical Annual" and a "Statistical Almanac" are also published by the central commission. In Cuba several enumerations have been made in the present century.

The original constitution of the federation of Switzerland required its population census to be taken every twenty years. The constitutions of the several cantons, however, required the cantonal governments to prepare periodical statistical exhibits for the legislative authorities. These exhibits, which have been rendered in some of the cantons for generations, were not remarkable for either accuracy or comprehensiveness in former years, but they have steadily improved in character, and of late years have even attained a high degree of perfection. They treat of population, pauperism, and financial, judiciary, medical, and educational statistics.

A law enacted by the federal assembly in 1860 prescribed a decennial census for the whole federation, and instituted a federal bureau of statistics, under the direction of the Interior Department. The labors of this bureau are annually prescribed by the federal council. In some of the cantons separate statistical bureaus are attached to the cantonal governments.

The first census under the new law was taken in 1860. The inquiries included sex, age, civil condition, origin, birth-place, domicile, religion, language, physical disabilities, immigration, the distribution of real property, and the number of families, habitations and other buildings. The statistical bureau is endeavoring to extend the range of the census, but finds its efforts somewhat impeded by the difficulty of dealing with twenty-five cantonal governments.

The cantonal statistics collected by the local governments are consolidated and published by the central bureau. The latter is endeavoring to give a more national character to the statistical service. Until a few years ago, the different cantons followed different methods in the collection of vital and mortuary statistics, but at the instance of the bureau they have now adopted a uniform plan.

In 1866 the central bureau initiated the census of live stock, and later collected very full statistics of railways, savings banks, and fire insurance companies.

The bulk of the official statistical publications of Switzerland consists of the census reports. Valuable compilations of financial, commercial, and industrial statistics, and monographs on forest culture, mines, public works, railways and telegraphs, public health, civil and criminal justice, prisons, benevolent institutions, fire insurance companies, savings banks, mutual aid societies, wages of workingmen, and the different branches of public instruction, have also been published by the federal government, the statistical bureau, and the cantonal authorities.

In Belgium, in keeping with the character of that State as one of the most progressive in Europe, public statistics have been carefully fostered ever since the revolution which made the kingdom an independent sovereignty. One of the first acts of the provisional government in 1831 was the creation of a special statistical service. In 1841 a central commission of statistics was established by royal decree, with which M. Quetelet and other distinguished statisticians have been connected from its organization. In 1843 provincial statistical commissions were instituted throughout the kingdom. In 1856 a law was enacted newly regulating the mode of taking the census and keeping the civil registers. It provided that a general census should be taken every ten years throughout the kingdom, and that the population returns should form the basis of representation. The census was to be taken in such a manner as to give the actual as well as the legal population. The prescribed inquiries included surnames and Christian names, sex, age, by year and month, birth-place, civil state, occupation or condition, habitual domicile, and town and country population. Three schedules, printed in the French, German, and Flemish languages, were distributed and collected throughout the kingdom by special census agents. Both the distribution and collection were to be made in one day. Temporary census bureaux were established, one for each province, which were to receive the returns of the agents after they had been revised by the communal juries—bodies appointed for each community and consisting of officials and private citizens. The statistics of schools and public institutions were taken by means of special schedules. The military authorities were charged with the army census. The refusal to give information to the census agents was punishable by fine and imprisonment. The law of 1856 also contained provisions regarding the keeping of civil registers, which insured great accuracy in the recording of the movement of the population.

Two general censuses have been taken under the law of 1856, one in that year and another in 1866. In the latter, comprehensive inquiries into the agricultural, mining, and manufacturing industries of the kingdom were made. In 1858 a special census of deaf mutes and blind was taken. The central statistical commission receives the returns of the successive censuses, yearly abstracts from the civil registers, and the results of special inquiries, and prepares the whole for publication.

The ministries of the interior, of finance, of public works, of justice, and of public instruction, institute periodical inquiries in their respective departments.

The official statistical literature of Belgium is very voluminous and distinguished for its scientific character. It comprises the census reports proper, periodical accounts of the movement of the population, and the results of all special inquiries. Current statistics, collected in the intervals between the general censuses, are published by the cen-

tral statistical commission, in a series of volumes, under the title of "Bulletins." There appears also a sort of statistical almanac.

No census was taken since the close of the eighteenth century in the country now forming the kingdom of the Netherlands until the close of the third decade of the nineteenth. The government of the kingdom founded a bureau of statistics in 1826. Under its direction the first of the decennial censuses, decreed about the same time, was taken in 1829. The bureau ceased to exist in 1830. From that year up to 1848 the collection of statistics in the kingdom was performed mainly by the so-called permanent deputations in the different provinces. The second decennial census was taken under the direction of the governors of the provinces. In 1848 the government created two statistical bureaus, one attached to the ministry of the interior, and the other to the ministry of finance. In 1850 and 1851 laws were enacted prescribing the formation of a bureau of statistics in each province, but the organization of the provincial bureaus was not completed until 1858, since when they have been in successful operation throughout the kingdom. In 1859 a central statistical commission was created by the government, which has existed to this day. Though nominally subordinated to the ministry of the interior, it really exercises perfectly independent functions. It is authorized to call upon all the ministries, and municipal, and administrative authorities generally, for statistical information, and may suggest statistical inquiries to the several departments of the government.

In the census as now conducted, inquiries are made as to name, sex, age, birth-place, civil state, profession, occupation or condition, physical disabilities, religion, number of families, and habitations. The inmates of hospitals, almshouses, prisons, schools, and public institutions generally, are separately enumerated, as also the army and navy.

As in most other continental countries, the several departments of the government of the Netherlands regularly carry on special statistical inquiries within their respective official spheres.

The official statistical publications of the Netherlands comprise the census reports and condensations from them, by the central statistical bureau; annual reports of the movement of the population, and the statistics of schools, charitable institutions, public health, civil and criminal justice, agriculture, commerce, industry, public works, and public finances.

In Denmark a central commission of statistics was created in 1833, charged with the publication of public statistics. It consisted of distinguished members of the different branches of the administration. The commission published, between 1838 and 1849, a series of eighteen large volumes, containing all the statistical information collected by administrative authorities. In 1849, the commission was superseded by a central bureau of statistics, composed of seven members, which has been continued up to this time.

A general population census has been taken every five years in Denmark, since 1835. The movement of the population is ascertained by means of civil registers. Enumerations of live stock have been repeatedly made. Agricultural, commercial, financial, real estate, and criminal statistics receive regular attention and publication. Special inquiries have been made regarding highways, savings banks, suicides, and other subjects. All the material collected is published under the general title of "statistical tables."

In the early part of the nineteenth century a good deal of attention was paid to public statistics in Italy, by the French rulers. In the



kingdom of Italy, established by Napoleon, the service of administrative statistics was regularly organized and yielded some valuable results, which have been preserved. After the cutting up of the Peninsular, upon the restoration of 1815, into different sovereignties, little was done in the interest of public statistics for a generation in any of the Italian States. In Sardinia, King Charles Albert, at the beginning of his reign, instituted a commission of statistics, which was followed by the organization of thirty-seven sub-commissions, corresponding to the political divisions of the kingdom. These bodies were charged with the collection of public statistics, including the census of the population. The results of their labors were published in extenso in four large volumes, under the title of "Statistical Intelligence," and in periodical condensations of the contents of these, under the names of "General Calendar," and "Statistical Annual." In Tuscany, the government created a statistical bureau in 1848, charged with the collection, classification and publication of documents relative to commerce and industry. Up to that time public statistics had been cultivated in the Grand Duchy only, by an association of the savants, independent of the government. In 1849, a statistical section was organized in the ministry of finance and charged with inquiries as to population, topography, industry, and public administration. Additional measures, calculated to make the services of public statistics more efficient, were taken by the government. No regular census appears to have been taken; but the bureau of statistics published annually statistical exhibits, derived from the civil registers and other sources of the population, classified by communes and families, and according to social condition, and religion. The publications of the bureau also included the results of inquiries into the physical, industrial, and commercial resources of the country and other minor subjects. In the kingdom of the Two Sicilies, the Pontifical States, and Parma, a statistical service was also organized after 1848. In the last named States its functions were very limited. In the kingdom of the Two Sicilies a statistical commission was organized under the ministry of the interior, with the sub-commissions in the several provinces and districts. Through these organs statistics were collected relative to the population, public instruction, public charity, criminal justice, penitentiary establishments, agriculture, industry and commerce. But the data thus obtained were intended merely for government purposes, and few of them received publicity.

The modern kingdom of Italy was no sooner constituted, in consequence of the events of 1859 and 1860, than the government of Victor Emanuel established a service of public statistics, after the best modern models, which soon attained considerable efficiency. A bureau of statistics was created, of which Dr. P. Maestri, a well-known statistician, became the chief. The bureau was given ample powers, and displayed at once great activity. Under its direction the first general census of the kingdom, which was to form the basis of representation in the national parliament, took place on December 31, 1861, by virtue of a law prescribing decennial general enumerations. The census was taken by municipal and administrative officers in one day, by means of previously distributed schedules, calling for information under the following heads: actual population by age, sex, civil state, and domestic relations, families, habitations, and places of nativity, religion, language, physical and mental infirmities, occupation, emigration and immigration; aggregations of population by communes; aggregations of habitations. The census returns obtained under the general direction of the bureau of statistics, through the agencies of prefects, sub-prefects,

mayors and other officials, were revised by local commissions appointed throughout the kingdom, and consolidated in census bureaus temporarily established in every province, and every sub-division of each province. The census report as published comprises three large volumes. A separate record of the movement of the population was compiled from the census data.

Since 1861 the Italian bureau of statistics has prosecuted special inquiries relative to mutual aid societies, savings banks, public charities, industrial corporations, elementary, higher and technical instruction, libraries, and general and municipal elections. The results of all these investigations, some of which were very elaborate, are now in print. Other statistical publications, brought out under the auspices of the royal government, during the last nine years, include a dictionary of all the communes of the kingdom; the statistics of silk industry, navigation, internal and external commerce, industry in general, silk industry, agriculture, railways, postal service, telegraphs, general and communal finances, public health, and other phases of national life.

In France some important changes were made in the service of public statistics before the downfall of the first republic. A law requiring the prefects of departments to prepare from the civil registers exact annual abstracts of the number of marriages, births and deaths, went into force at the close of the century. This law has obtained up to the present time. In 1801 the legislative power decreed that national censuses, which until then had been taken annually, should take place only every five years. The next census after that year was consequently taken in 1806. No other was made under the first Napoleonic régime. The next general enumeration took place only six years after the final restoration of the Bourbons. Since that year quinquennial censuses have been the rule. In the census of 1826, however, no actual enumeration was made; but the population was computed by adding to the number ascertained for 1821, the excess of births over deaths in the five intervening years. In 1836 the census was taken by means of individual schedules, in which the age of each person was for the first time called for. Up to that time only the legal population had been ascertained, but in 1841 the actual population became the basis of the census. Subsequently a system of enumeration was adopted whose object it is to furnish means for deducing the legal from the actual population, but which has not worked to the satisfaction of the leading French statisticians. Under it the population is considered as consisting of two classes: a floating, comprising the military, the inmates of public and private educational establishments, and of penal and charitable institutions, the members of religious orders, political exiles, and a few other categories; and a resident, comprising both regular and transient sojourners not included in the floating. In practice it has been found difficult to apply this distinction. The "floating" population is enumerated on a fixed day by the authorities exercising a direct control over it; the "resident" by municipal officers, within a prescribed period covering some weeks. The employment of municipal officers as enumerators is considered detrimental to the accuracy of the census, owing to the levying of certain general taxes on the basis of population, which forms a constant temptation to local officials to make incorrect returns. The want of a special census law—the taking of the general census is provided for by decrees of executive power—inflicting proper penalties for intentional inaccuracies, is also considered as tending to detract from the correctness and completeness of the returns. The traditional time for taking the census, the months of May and June, is likewise considered unfavorable. The

census is personal and nominative. The data required, which are obtained by direct application of the census taken, comprise surnames and Christian names, sex, age, civil state, birthplace, occupation, religion, degree of instruction, and infirmities of every description. At times other subjects of inquiry, such as the proportion of the rural to the town population, local diseases, the number of households, inhabited and uninhabited houses, buildings in course of construction, and live stock, have been connected with the census.

Statistics relating to population are derived in France from other different sources. Among these are the civil registers, which are kept with the greatest accuracy, and furnish all particulars of births, marriages, and deaths. The yearly recruitment also affords a periodical supply of valuable physical and mental statistics. Since 1843 the number and nature of cases of mental aberration is made the subject of an annual inquiry. Special enumerations of the inmates of public charitable institutions and penal establishments are also made once a year. Charitable associations of every description, life annuity insurance companies, savings banks, and public pawn-houses, are called on yearly for statistical details of their operations. The judicial authorities are required to furnish criminal statistics yearly.

The general service of public statistics is divided among several departments of the government. The ministry of the interior has charge of the population census and the civil registers. A statistical bureau is attached to the ministry of finance, whose functions are, however, confined to foreign commerce. Since 1834 a general statistical bureau has been in existence. It is subordinated to the ministry of commerce, and charged with the collection and preservation of all official statistical publications at home and abroad. It has no power to initiate statistical inquiries. The initiative in such belongs, according to their nature, to the several ministries.

In 1852 statistical commissions were created for each canton in each department. The members of these commissions are nominated by the prefects. The commissions themselves are divided into sub-commissions for each commune in the canton, charged with the prosecution of periodical inquiries bearing upon agriculture and industry, by means of schedules furnished by the government. The returns of the sub-commissions are subjected to revision, first by the cantonal commissions, and afterward by the sub-prefects and prefects, before they are transmitted to the central authorities.

Partly through the agency of the cantonal commission, and partly through the separate action of the several ministries, thorough statistical investigations, in addition to those connected with the population censuses, are made at regular and irregular intervals, relative to industry in general, and mining and metallurgic industry in special; operatives' and mechanics' wages, agriculture, disasters affecting agricultural interests, land and water communications, foreign and domestic commerce, and general, departmental, and municipal finances.

The records of the entire statistical service are regularly published. The catalogue of the publications issued up to this time has already attained such proportions that it would lead too far to enumerate them.

As stated in the preceding chapter, census-taking was inaugurated in Great Britain by the passage, on December 31, 1800, of the act of Parliament ordaining a general enumeration of the population of England, Wales, and Scotland in the spring of the following year, and every ten years thereafter. Accordingly the first census was taken on the 10th of March in England and Wales. For Scotland, a later day

was assigned, owing to the inclemency of the season. This first census included the sex, but not the age, of all the subjects; the number of families, and a classification of the population according to occupation, in three divisions: 1st. Persons chiefly employed in agriculture. 2d. Persons chiefly employed in trade and manufactures, or handicraft. 3d. All other persons not comprised in these two classes. In the two subsequent enumerations, in 1811 and 1821, the same plan was followed, except that the occupations of the heads of families only were entered. In that of 1821, a quinquennial and decennial classification of ages was also adopted. In 1836, a uniform system of registration of births, marriages, and deaths was established by act of Parliament for England and Wales, under the supervision of the register general's office. Under the act, the territory to which it applied was divided into over two thousand registration districts. The same act provided that the subsequent enumerations in England and Wales should be taken by the local registrars, under the direction of the registrar general. The creation of a regular statistical service greatly facilitated the census of 1841 in England and Wales. In Scotland the less efficient method of employing the parish schoolmasters as local censors continued.

In Ireland the first attempt at a general census was made in 1811, with very unsatisfactory results. It was repeated in 1821, but produced nothing but a mere enumeration of doubtful accuracy. The next census, taken in 1831, was subjected to a correction in 1834. In 1841, constabulary force was employed as census takers with better results. An attempt was made, in connection with the census of the year last named, to obtain statistics of the rural economy of the Irish kingdom, which proved very successful.

Great efforts were made to render the sixth census of England, Wales, and Scotland, in 1851, superior in results to the preceding enumerations. The special law enacted for the purpose provided that the census should be taken on one and the same day—the 31st of March—in the three parts of the kingdom named. For that purpose 30,610 competent enumerators were appointed, with the authority of the registrar general, by the 2,190 district registrars then in function in England and Wales. Only as much territory was assigned to each enumerator in the registration districts as could be conveniently canvassed by one person. There being no uniform system of registration in Scotland, the 32 sheriffs of that kingdom were authorized to appoint 1,010 temporary registrars—generally parochial schoolmasters—and 8,130 enumerators. 257 enumerators were appointed by the government for the smaller islands. Some days before the census day, the enumerators delivered to every occupier of a house or tenement a “householder's schedule,” containing inquiries as to the name, relation to head of family, condition, sex, age, occupation, and birthplace of every person in Great Britain, and also as to the number of blind, deaf, and dumb. For the use of the lower classes of Wales, schedules were printed in Welsh. The schedule was to be filled up in the night of March 30-31. No one present on that night was to be omitted except working men, and others performing night labor away from their habitations. Travellers were enumerated at the hotels and houses at which they arrived on the following morning. Simultaneously with the household schedules, the enumerators distributed in the proper quarters forms for collecting information respecting places of worship, scholastic establishments and miscellaneous institutions.

The schedules were taken up by the enumerators at an early hour on the 31st of March. The collectors filled up those parts which persons

had either neglected or were unable to fill. They were also required to note all the unoccupied houses and buildings in course of construction. The floating population—that is, such persons who spent the night named in barges or boats, on canals or small streams, in barns, sheds, tents, and the like—the enumerators were required to estimate according to the best information they could obtain. Special notice was to be taken of all extraordinary assemblages of people anywhere at the time of the census.

The enumerators were allowed one week for the transcription of their schedules and the completion of summaries and estimates called for in their very full instructions. The revision of the returns by the district registrars, in which the latter were to pay particular attention to nine specially defined points, had to be completed in a fortnight. The revised returns were subjected to another revision by the “superintendent registrars” before they were finally transmitted to the census office.

The custom-house officers took the census of sea-going vessels in port. Persons belonging to the navy and commercial marine were also separately enumerated by the proper authorities. The government furnished the statistics of the army, half-pay officers, and pensioners; the civil service; the civilians and Europeans in the East India Company service, and of all British subjects living in foreign parts, as far as they could be ascertained through consular and diplomatic organs.

The British census of 1851 was the most successful statistical operation, both as regards quickness and accuracy of execution, performed up to that time in any country where public statistics were cultivated. The plan of the census of 1861 did not vary in any essential respects from that of the preceding one. Its execution was equally rapid and fruitful of satisfactory results, in spite of the greater difficulty of the task from the growth of population, &c.

In Ireland the censuses of 1851 and 1861 were again taken by the constabulary force. The mode of enumeration was essentially the same as in England, except that the schedules represented a wider field of inquiry. The additional interrogatories related to insanity, idiocy, degree of education, attendance at school, buildings other than habitations, and language. Since 1804 a general registration of births and deaths in Ireland is made by civil officers; up to that time registers were kept only for the protestant population.

While both in Ireland and in Scotland an agricultural census, which serves to determine the area devoted to the culture of different products of the soil, and the number of live stock, has obtained for many years, a first cattle census was taken in England and Wales only in May, 1866; it was followed soon after by a comprehensive agricultural census.

The digestion of the English and Irish census reports by the central statistical authorities is conducted in a thoroughly scientific manner. The general reports and the special compilations therefrom on a variety of subjects are unsurpassed by the corresponding records of any other country. Their very great value to statisticians and economists is universally acknowledged.

The movement of the population of the United Kingdom is annually determined by the registrar general office through the agency of the district registrars.

Besides the registrar general office, there exists in almost every department of the British government a special statistical service. Of the different departments the board of trade furnishes more contributions to public statistics than any other. As mentioned in the preceding

chapter, its statistical labors date centuries back. A special statistical bureau is attached to it, from which emanates annually very comprehensive and accurate reports upon the export and import trade, not only of Great Britain and her colonies, but of all foreign commercial countries. Current monthly reports upon the same subject are issued by the same bureau. It also publishes the "Statistical Abstract of the United Kingdom," which appears annually and contains the principal statistical data of the preceding fifteen years, showing the actual condition and comparative progress of the country. Another publication of the same authority is the "Miscellaneous Statistics of the United Kingdom," which also appears annually, and comprises a statistical abstract for the preceding three years. The board of trade has conducted an inquiry regarding the wages and salaries of government employes and mechanics, and operatives generally, and the cost of the prime necessities of life, the interesting results of which have been given to the public.

The British Foreign Office regularly requires detailed statistical reports upon the commerce and industries of foreign countries from its subordinates, which are printed in the Parliamentary blue-books. An idea of the range of British public statistics may be formed from the following list of official publications other than those already named :

Annual reports of the registrar general of the births, deaths, and marriages in England and Wales.

Trimestrial tables of births, deaths and marriages; weekly reports of the births and deaths in London, and fourteen other large cities. (Similar reports are printed for Ireland and Scotland.)

Annual reports of the health officer of the privy councilor.

Annual report of the modifications of custom duties in foreign countries.

Annual reports on railway statistics, including tables of receipts and expenditures of all railways, number of accidents, &c.

Statistics of mines of mineral productions and metallurgic industry.

Reports of the government inspectors of textile industry.

Annual reports of the civil service commissions upon the public examinations of candidates.

Yearly statistical exhibits of the sanitary condition of the army and navy.

Financial statistics, comprising the annual exhibits of every branch of the public exchequer.

Banking statistics.

Statistics of savings banks and mutual aid societies.

Annual reports of the poor-law board, including monthly statistics of the pauper population.

Statistics of asylums for the insane.

Annual reports on the primary schools of the United Kingdom by the council on education for England, Wales, and Scotland, and by the national board of education for Ireland.

Annual reports of the department of science and art.

Statistics of civil and criminal justice, of prison administration, reformatory schools, and municipal police.

A vast amount of statistical material is embodied in the Parliamentary Blue Books, which already form a respectable library in themselves. The results of the investigations of the frequent parliamentary commissions are contained in these and possess particular value. Although administrative and population statistics had been more or less systematically for many years in Portugal, that kingdom had no regular statistical service until 1859, when a special bureau was created charged with col-

lecting statistical documents relating to the country, and to devise a method for regular statistical investigations under the direction of the government. The bureau, in 1860, published a "Report upon the General Statistics of Portugal," containing all existing data relative to the territory, population, industry, and public administration of the kingdom. In 1864 a general council of statistics was created, with power to direct the labors of the statistical bureau. On January 1, 1864, the first direct and simultaneous enumeration of the people throughout the kingdom was made in accordance with the law of the Cortes, passed in the preceding month of May, which established a decennial census system.

The census operation was commenced and completed on the day named. The actual population was its basis. Household schedules were employed, with inquiries as to sex, age, civil state, condition, occupation, nationality, habitual or accidental sojourners, and the present and absent. Special commissions for the successive revision of the census returns, which were collected by enumerators specially appointed, were created for each parish, each commune, and each department and district. The final revision was made by the statistical bureau and general council. The latter authority, which is composed of representatives of the principal departments of the government, and of eminent scientists, has done much since 1864 towards the organization of an efficient statistical service.

The birth of public statistics in Greece dates from her last struggle for independence. President Capo d'Istria early instituted inquiries regarding the Hellenic population. In 1834, within a year after the establishment of a monarchy, a "Bureau of Public Economy" was created under the ministry of the interior, and charged with the supervision of public statistics. The first general enumeration of the people of the kingdom was made in 1836. The operation was repeated annually until 1845, since when censuses have been taken at irregular intervals, viz: in 1848, 1853, 1856, 1861, and 1868. Up to 1861 the census remained a mere counting of the number of inhabitants in each commune, but in the year last named a more scientific character was given to the enumeration. Census commissions, consisting of municipal and police officers, and the local clergy, were organized in each commune, and special enumerators appointed for sparsely inhabited districts. The commissions and enumerators were furnished with schedules which they were required to fill up in the course of a fixed day, by means of direct application to all residents of their respective districts. Every actual resident was inscribed with surname and christian name, sex, age, civil state, profession, religion, and nationality. The number of families was specially entered. The returns were subjected to successive revision by three different authorities before they reached the bureau of statistics in consolidated form. The census of 1868 was taken upon the same plan.

The early census reports were not printed. It was only in 1846 that a tabular statement of the population by communes, provinces, and departments was published for the first time in the press organ of the government. Similar exhibits were published as late as 1860. Since then more comprehensive official publications have appeared.

The movement of the population is determined from civil registers, kept until 1856 by the clergy, and since then by the municipal authorities. Tables of births, deaths, and marriages are published at irregular intervals. In 1860 an inquiry into the rural economy of the kingdom was had, the results of which were published in 1864.

In the several departments of the government the statistics of agri-

culture, industry, commerce, and navigation are collected with more or less success.

The fact that even in such countries as Roumania and Servia, which are usually looked upon as the "rear guard of civilization" in Christian Europe, public statistics are cultivated, may be taken as striking evidence of the progress of statistical science in the Old World.

In Roumania, a statistical service was organized about 1860 by the establishment of a central direction of statistics with bureaus in every district of the united principalities. In 1866 the central direction was made a regular section of the ministry of the interior and the district bureaus discontinued. That part of their functions relating to agricultural statistics has since been exercised by the so-called agricultural commissions and sub-commissions. A central commission of statistics, consisting of public functionaries and other persons, was created in the same year and charged with the general direction of public statistics. Since 1860, more or less successful attempts have been made to collect the statistics of territory, population, public instruction, commerce and industry, agriculture, distribution of real property, public justice and finances, prisons, habitations, and live stock. The results obtained have been printed under the title of "Statistical and Economic Annals."

Though administrative and population statistics have been collected by the government of Servia in a more or less perfect form for perhaps a generation, a regular service of public statistics in that country was not known until 1862, when a bureau of statistics was made a section of the ministry of finance. A census, probably the first, was taken in 1846, and another in 1866, the results of the latter being far superior to those of the former.

At the instance of the statistical bureau, the statistics of agriculture, live stock, wages, internal and external commerce, public finances, public instruction, civil and criminal justice, and of the post office, have been collected since 1862, as far as practicable.

Strange as it may sound to most ears, even Turkey possesses a sort of statistical service. It is of ancient origin, but owes its present form to the Sultan, Mahmoud II. What may be termed a statistical bureau exists since his reign, under the ministry of finance. This organism consists of two sections: one charged with purely cadastral functions, the other with statistics proper. The latter is under the direction of a chief, entitled controller of statistics. He has under him six chiefs of bureau and thirty clerks. There is a functionary entitled controller of the census in each of fifty-one provinces, who is subject to the order of the chief controller of statistics. The provincial controllers of the census canvass their provinces continually, and prepare at the end of each year an exhibit of the—1st, births; 2d, deaths; 3d, number of absentees and travelers; 4th, public health; 5th, movement of real property; 6th, taxable values; 7th, losses from fire, disease, &c.

The head of each village prepares annually a statement of the age, occupation, religion, military service, liability to taxation, &c., &c., of every inhabitant under his jurisdiction. This statement is transmitted to the controller of the census of the province, and by him forwarded, after proper verification, to the chief controller of statistics in Constantinople. The latter communicates with the other departments of the government through the minister of finance. He provides the basis for taxation and military conscription.



## HISTORICAL VIEW OF THE AMERICAN CENSUS.

The American census originated in the colonial period of American history. As is well known to all who have studied the history of that period, the British board of trade then played a leading part in colonial affairs; at times it was almost the supreme directing power. Under the direction of this board several enumerations of the population of the colonies were made; but, for reasons that will be stated hereafter, they were little more than approximations to the truth. Mr. Baneroff, in attempting to determine the population at different epochs, is impelled to say, "the positive data in those days are half the time notoriously false." Probably no part of the historic materials relating to the period is less valuable. And yet "notoriously false" as the tables prepared under the direction of the board of trade are, they are nevertheless the principal data for determining the population of the colonies at the periods for which they were given. The colonial censuses were taken under the immediate direction of the colonial governors, through the agency of the sheriffs and their deputies. Some of the results it is thought proper to incorporate into this report.

In 1688, the period of the great English revolution, the population of the British colonies in America was about 200,000. According to Mr. Baneroff, it was thus distributed:

Massachusetts, (including Plymouth and Maine).....	44, 000
New Hampshire.....	6, 000
Rhode Island, (including Providence Plantations).....	6, 000
Connecticut from 17,000 to.....	20, 000
New York.....	20, 000
New Jersey.....	10, 000
Pennsylvania, (including Delaware).....	12, 000
Maryland.....	25, 000
Virginia.....	50, 000
The two Carolinas.....	8, 000

On the accession of George I, in 1714, the following table was compiled by the board of trade:

	White.	Black.	Total.
New Hampshire.....	9, 500	150	9, 650
Massachusetts.....	94, 000	2, 000	96, 000
Rhode Island.....	8, 500	500	9, 000
Connecticut.....	46, 000	1, 500	47, 500
New York.....	27, 000	4, 000	31, 000
New Jersey.....	21, 000	1, 500	22, 500
Pennsylvania, (including Delaware).....	43, 300	2, 500	45, 800
Maryland.....	40, 700	9, 500	50, 200
Virginia.....	72, 000	23, 000	95, 000
North Carolina.....	7, 500	3, 700	11, 200
South Carolina.....	6, 250	10, 500	16, 750
	375, 550	58, 850	434, 600

On the accession of George II, in 1727, the board caused another table to be prepared, the totals of which are herewith given:

White.....	502, 000
Black.....	78, 000
Aggregate.....	580, 000

The results of one other of the many population tables prepared for the board of trade will be given. This table, "founded in part on muster-rolls and returns of taxables," included Nova Scotia also:

White.....	1, 192, 896
Black.....	292, 738
Aggregate.....	<u>1, 485, 634</u>

At this time, it may be worth remarking, the French colonies that made up what was then called New France, had a population of scarce one hundred thousand inhabitants, and these were scattered through the immense region extending from the mouth of the St. Lawrence to the mouth of the Mississippi, though the greater part was massed in the valley of the former river.

Mr. Bancroft has probably studied this department of American history more thoroughly than any other writer. He has constructed the following table, showing the population of the colonies at six different periods:

Years.	White.	Black.	Aggregate.
1750.....	1, 040, 000	225, 000	1, 260, 000
1754.....	1, 165, 000	260, 000	1, 425, 000
1760.....	1, 385, 000	310, 000	1, 695, 000
1770.....	1, 850, 000	462, 000	2, 312, 000
1780.....	2, 383, 000	562, 000	2, 945, 000
1790.....	3, 177, 257	752, 000	3, 924, 257

This table bears upon its face evidence that, with the exception of the last item, it is not based on careful enumerations. Mr. Bancroft pretends to give nothing more than estimates, but says they "rest on the consideration of many details and opinions of that day, private journals and letters, reports to the board of trade, and official papers of the provincial governments. Nearly all," he continues, "are imperfect;" accordingly he says he has "deduced" his table "as some approximation to exactness." Mr. Bancroft further implies that tables more valuable than those of the Board of Trade can be constructed retrospectively from the rule of increase in the population since 1790.

The foregoing tables of population have been given, partly because they have a considerable value themselves, since no better ones can now be constructed, but chiefly because they show conclusively that in the colonial period the American census was in a very rudimentary form.

That no reliable enumerations of population were made during the period of English supremacy in our country should excite no surprise. The so-called enumerations were made by the direction of the British Board of Trade, three thousand miles distant, when scarce an Englishman well informed concerning American affairs could be found. It is true, they were made under the immediate direction of the royal governors; but the sparseness of the population, scattered over immense areas, taken in connection with the free and independent modes of life prevailing in many localities precluded thoroughness and accuracy. "For the southern provinces," says Mr. Bancroft, "where the mild climates invited emigrants to the inland glades—where the Crown lands were often occupied on warrants of surveys without patents, or even without warrants—where the people were never assembled but at muster, there was room for glaring mistakes in the enumerations." Besides, superstition played

a part in several of these colonial returns, as appears from the letters of governors to the home government.

In 1712, Governor Hunter undertook to make an enumeration of the inhabitants of New York, through the agency of justices of the peace in the several counties. The returns were imperfect, "the people being deterred by a simple superstition and observation *that the sickness followed upon the last numbering of the people.*"\*

Governor Burnet, of New Jersey, in a communication to the lords of trade, under date of June 2, 1726, says, in alluding to a return of population made from New York three years before :

I would have then ordered the like accounts to be taken in New Jersey; but I was advised that it might make the people uneasy, they being generally of a New England extraction, and thereby enthusiasts; and that they would take it for a repetition of the same sin that David committed in numbering the people, and might bring on the like judgments. This notion put me off from it at that time; but since your lordships require it, I will give the orders to the sheriffs, that it may be done as soon as may be.†

To these special reasons another and general one may be added: These colonial enumerations were all made before the modern census had assumed scientific form and definiteness. European history records a few scattering censuses in the sixteenth, seventeenth, and eighteenth centuries; but they were, in the very nature of the case, very imperfectly taken, being, in fact, according to our standards of completeness, little more than rough guesses. "Enumeration is a slow and laborious process," says Sir George Cornwall Lewis; "and until experience has taught us its necessity where correctness is required, there is a disposition, particularly among uncultivated people, to rely upon computation." "To count," says Dr. Johnson, "is a modern practice; the ancient method was to guess; and where numbers are guessed they are always magnified." Tried by this principle, no census taken previous to the close of the colonial period of American history could have had any great scientific value. The census, as we know it, was a later development. England took her first census in 1801, and even then it was so imperfectly taken that it was of little value. A thorough census of the English people was not taken until twenty years later. Were there no special reasons for reaching the same conclusions, it would be absurd to suppose the colonial governors, under the direction of the Board of Trade, made accurate enumerations of the British colonists in America a half century or a century before England had enumerated her own population.

The revolutionary struggle had not far progressed before it became evident that it would assume the form of a war for independence; at quite as early a day it became apparent that all the resources of the States would of necessity be laid under contribution. In the continental Congress the question soon arose, How shall the burdens of war be distributed? During the whole course of the war the Congress found no more perplexing question. It was first grappled with in 1775. In the journal, under date of Tuesday, December 26, of that year, we find the following entry :

The Congress took into consideration the report of the Committee on the State of the Treasury, and thereupon came to the following resolutions :

Several of which here follow :

Whereas an estimate hath lately been formed of the public expense already arisen, and which may accrue, in the defenses of America to the tenth day of June next, in pursuance whereof this Congress, on the 29th of November, resolved that a further sum of three millions of dollars be remitted in bills of credit—

*Resolved*, That the thirteen United Colonies be pledged for the redemption of the bills of credit so directed to be emitted;

\* New York Colonial History, V. 339.

† *Ibid.*, 777.

That each colony provide ways and means to sink its proportion of said bills, in such manner as may be most effectual and best adapted to the condition, circumstances, and equal mode of levying taxes in each colony ;

That the proportion or quota of each respective colony be determined according to the number of inhabitants of all ages, including negroes and mulattoes in each colony ;

That it be recommended to the several assemblies, conventions, or councils, or committees of safety of the respective colonies, to ascertain, by the most impartial and effectual means in their power, the number of inhabitants in each respective colony, taking care that the lists be authenticated by the oaths of the several persons who shall be intrusted with this service ; and that the said assemblies, conventions, councils, or committees of safety, do respectively lay before this Congress a return of the number of inhabitants of their respective colonies, as soon as the same shall be procured.

The last resolution was responded to in some of the States ; in how many I have been unable to determine. New Hampshire had already anticipated the resolution. The details of these censuses are mostly lost, but enough remain to show that there was no uniformity of procedure. In the cases where responses were obtained the immediate object had in view may have been accomplished ; but for the purposes of statistical science the enumeration could not have been of great value. The attempts certainly demonstrated that no censuses, complete and uniform, could be taken without a central directing authority. This want the articles of confederation sought to supply.

On the 11th June, 1776, the day after the committee to prepare a Declaration of Independence was appointed, the Congress passed this resolution :

*Resolved*, That a committee be appointed to prepare and digest the form of a confederation to be entered into by these colonies.

And on the next day the following :

*Resolved*, That the committee to prepare and digest the form of confederation to be entered into between these colonies, consist of a member from each colony.

Just one month later the committee provided for by the foregoing resolutions, through John Dickinson, submitted its report. The Journal under that date contains this entry :

*Ordered*, That eighty copies, and no more, of the confederation, as brought in by the committee, be immediately printed and deposited with the secretary, who shall deliver one copy to each member ;

That the printer be under oath to deliver all the copies which he shall print, together with the copy sheet, to the secretary, and not to disclose, either directly or indirectly, the contents of the said confederation ;

That no member furnish any person with his copy, or take any steps by which the said confederation may be reprinted, and that the secretary be under the like injunction.

The eleventh article of this draught, so carefully guarded, was in these words :

All charges of war and all other expenses that shall be incurred for the common defense or general welfare, and allowed by the United States in Congress assembled, shall be defrayed out of a common treasury, which shall be supplied by the several colonies in proportion to the number of inhabitants, of every age, sex, and quality, except Indians not paying taxes, in each colony, a true account of which, distinguishing the white inhabitants, shall be triennially taken and transmitted to the assembly of the United States.

This article was a fruitful source of discussion. The slave interest objected to the enumeration of the negroes. Mr. Chase moved that the quotas should be apportioned according to the number of "white inhabitants." Mr. Harrison proposed as a compromise that two slaves should be counted as one freeman. The articles as finally agreed to by Congress, and ratified by the States, contained two provisions bearing upon the subject. The eighth article was in these words :

All charges of war and all other expenses that shall be incurred for the common defense or general welfare, and allowed by the United States in Congress assembled, shall

be defrayed out of a common treasury, which shall be supplied by the several States in proportion to the value of all land within each State, granted to or surveyed for any person, as such land and the buildings and improvements thereon shall be estimated, according to such mode as the United States in Congress assembled shall from time to time direct and appoint.

The taxes for paying that proportion shall be laid and levied by the authority and direction of the legislatures of the several States, within the time agreed upon by the United States in Congress assembled.

The ninth article contained only a single clause relating to the census:

The United States in Congress assembled shall have authority \* \* \* to agree upon the number of land forces, and to make requisitions from each State for its quota, in proportion to the number of white inhabitants in such State.

When these two provisions are compared with the eleventh article of John Dickinson's draught, it will be seen that, for census purposes, the Congress had taken a step backwards. The former provided in express terms for a triennial enumeration of the whole population, excluding Indians not taxed. The latter contemplated nothing more than an enumeration of the white inhabitants, together with a valuation of land, with the improvements thereon. The former required a triennial enumeration; the latter left the whole matter to subsequent legislation. Considering the weakness of the confederacy, it is questionable whether even Dickinson's article would have given us a national enumeration; certain it is that the articles themselves did not. But it is idle to compare the relative merits of the two documents. The one never became law; the other never produced, either a valuation of land, or such partial enumeration of the population as it contemplated.

I. *Valuation of land.*—The articles of confederation did not become binding until March 1, 1781, at which time Maryland, the last of the States to give in its adhesion to the new form of government, ratified them. Anticipating an earlier ratification, Congress took the following action on the 19th of October, 1778:

Whereas, by the eighth article of the articles of confederation and perpetual union, agreed upon for the United States of North America, it is provided that all expense for the common defense or general welfare, and allowed by the United States in Congress assembled, shall be defrayed out of a common treasury to be supplied by the several States, in proportion to the value of all lands within each State granted to or surveyed for any person, as such land, and the buildings and improvements thereon, shall be estimated, according to such mode as the United States in Congress assembled shall, from time to time, direct and appoint; and whereas the value aforesaid must, from the nature of things, frequently change, and frequent valuations thereby become necessary: Therefore,

*Resolved*, That it be recommended to the several States to instruct their delegates to fix the period of such valuation.

*Resolved*, That, in the opinion of Congress, five years will be a proper term for that purpose.

It does not appear that this action produced any results.

By the time peace was concluded with Great Britain, the finances of the confederacy had fallen into inextricable confusion. Demand far exceeded supply, obligations already incurred were to be met, interest already accrued was to be provided for; the army was to be paid; and the treasury was bankrupt. Congress vainly sought to bring order out of chaos; vainly tried to meet its obligations. The entire inefficiency of the confederation, that "firm league of friendship," as it styled itself, was even more apparent than it had been during the progress of the war. The severest strain came upon the weakest part of the league. The pressure of war being removed, the States had little inclination, or were unable, as the case may be, to respond to the necessities of the nation. Congress made a heroic attempt to provide for the interest on the public debt. It determined that at least \$2,500,000 would be needed

annually for that purpose. It recommended to the several States, "as indispensably necessary to the public credit, and to the punctual and honorable discharge of the public debt, to invest the United States in Congress assembled with a power to levy, for the use of the United States, duties upon certain kinds of goods imported into the said States," from any foreign port, island, or plantation. It was hoped that this recommendation, if complied with, would yield an annual revenue of \$1,000,000. To provide for the remainder of the necessary sum, it was resolved, "That it be further recommended to the several States to establish for a term limited to twenty-five years, and to appropriate to the discharge of the interest and principal of the debts contracted on the faith of the United States, for supporting the war, substantial and effectual revenues of such nature as they may judge most convenient, for supplying their respective proportions of \$1,500,000 annually, exclusive of the afore-mentioned duties, which proportion shall be fixed and equalized, from time to time, according to the rule which is, or may be, prescribed by the articles of confederation: \* \* \* \* *Provided*, that until the rule of confederation can be carried into practice, the proportions of the said \$1,500,000 shall be as follows, viz: "

The figures here inserted in the resolution are omitted, as they do not bear immediately on the historical development of the subject in hand. Suffice it to say, the proportions of the States were grounded on the number of inhabitants in each State; the committee who reported them observing that New Hampshire, Rhode Island, Connecticut, and Maryland had produced authentic documents of their numbers; and that, in fixing the numbers of other States, they had been governed by such information as they could obtain. The following is the table:

New Hampshire.....	82, 200
Massachusetts.....	350, 600
Rhode Island.....	50, 400
Connecticut.....	206, 000
New York.....	200, 000
New Jersey.....	130, 000
Pennsylvania.....	320, 000
Delaware.....	35, 000
Maryland.....	220, 700
Virginia.....	400, 000
North Carolina.....	170, 000
South Carolina.....	150, 000
Georgia.....	25, 000
Total.....	2, 339, 300

The vagueness and unreliability of the information accessible to Congress, is shown by Mr. Madison's summary of the debate on the committee's report:

The sense of Congress having been taken on the truth of the numbers reported by the grand committee, the number allotted to South Carolina was reduced to one hundred and fifty thousand, on the representation of the delegates of that State. The delegates of New Jersey also contended for a reduction, but were unsuccessful. Those of Virginia, also, on the principle that Congress ought not to depart from the relative numbers given in 1775, without being required by actual returns, which had not been obtained, either from that State or others whose relations would be varied. To this reasoning was opposed the verbal and credible information received from different persons, and particularly Mr. Mercur, which made the number of inhabitants in Virginia, after deducting two-fifths of the slaves, exceed the number allotted to the State. Congress were almost unanimous against the reduction. A motion was made by Mr. Gervais, seconded by Mr. Madison, to reduce the number of Georgia to fifteen thousand,

on the probability that their real number did not exceed it, and the cruelty of overloading a State which had been so much torn and exhausted by the war. The motion met with little support, and was almost unanimously negatived.

Comparing the total population of the congressional table of 1783 with Mr. Bancroft's total for the year 1780, it would at first appear either that the population had decreased, or that one or the other of the two estimates must be erroneous. Neither of these conclusions, however, follows. For the first time in the history of the United States we meet, in 1783, with a rule of apportionment that afterwards played a conspicuous part in the legislation and politics of the nation. In determining the quotas of the several States, only three-fifths of the slaves were counted.

Convinced that some more efficient financial scheme was essential to the life of the confederation, Congress sought to procure an amendment to the articles. Hence it sent to the States, with an urgent request that it might be ratified, the following :

So much of the 8th of the articles of confederation and perpetual union between the thirteen States of America as is contained in the words following, to wit :

"All charges of war and all other expense that shall be incurred for the common defence or general welfare, and allowed by the United States in Congress assembled, shall be defrayed out of a common treasury, which shall be supplied by the several States, in proportion to the value of all land within each State, granted to or surveyed for any person, as such land and the buildings and improvements thereon shall be estimated, according to such modes as the United States in Congress assembled shall, from time to time, direct and appoint," is hereby revoked and made void ; and in place thereof, it is declared and concluded, that the same having been agreed to in a Congress of the United States, that all charges of war and all other expenses that have been or shall be incurred for the common defence or general welfare, and allowed by the United States in Congress assembled, except so far as shall be otherwise provided for, shall be defrayed out of a common treasury, which shall be supplied by the several States, in proportion to the whole number of white and other free citizens and inhabitants, of every age, sex and condition, including those bound to servitude for a term of years, and three-fifths of all other persons not comprehended in the foregoing description, except Indians, not paying taxes, in each State ; which number shall be triennially taken and transmitted to the United States in Congress assembled, in such mode as they shall direct and appoint.

It is not the purpose of this paper to deal with the financial history of the government, except in so far as it has a bearing on the historical development of the census. Hence, no general inquiry into the results of the foregoing legislation is instituted. Suffice it to say, the proposition to abrogate the eighth article and to substitute another in its place did not prevail. The articles of confederation remained unamended, until they were swept away by the Constitution of 1787. It is proper to observe, however, that the recommendation of 1783 furnished the framers of the Constitution with the rule for apportioning representatives and direct taxes among the several States of the Union.

II. *Enumeration of white inhabitants.*—This topic can be dismissed in few words. On the 21st of November, 1781, a motion was made by Mr. Randolph, seconded by Mr. Carroll—

That it be recommended to the legislatures of the several States to cause to be taken and transmitted to Congress, as soon as possible, the number of the white inhabitants thereof, pursuant to the ninth article of the confederation.

This motion received the votes of but six States, and was consequently lost. It does not appear from the journal that the subject was again brought to the attention of the Congress.

Surveying the whole field of history to the close of the continental period, we see that so far from a census having been achieved, there had not even been a thorough enumeration of the population taken. It was left to the Constitution to give us first an enumeration, and afterwards a census.

The framers of the Constitution had few, if any, more difficult questions to deal with than the determining of a rule for the apportionment of representatives and of direct taxes. The articles of the confederation had proposed to distribute the quotas of the land forces among the States, according to the number of white inhabitants. Hence the question arose in the Constitution, why not apportion representation and taxation according to population? The earlier session of the convention revealed wide differences of opinion; but ultimately the majority settled down in the conviction that the principle proposed in 1783 was the best practical solution of the difficulty. But other troublesome questions arose. What shall be the ratio of representation? And shall it be fixed for all time to come, or shall it be left to Congress to adjust it to the growth of population? In determining the basis of representation, shall the whole population be counted? How shall the number of inhabitants be determined, and at what periods? The answers to these questions were almost as numerous as the respondents. The first was a prolific source of debate, but it is dismissed as not germane to the present inquiry. In answer to the second, some proposed that the whole number of the inhabitants of every description should be counted; others, that Indians not taxed should be excluded; others still to subtract the class last named, together with two-fifths of the slaves. In answer to the third, it was agreed on all hands that a careful enumeration would be necessary. How soon shall the first one be taken? Two years, three years, and six years, from the first meeting of Congress was suggested. How often shall the enumeration be repeated? Here, again, there was contrariety of opinion. Every ten years, every fifteen years, every twenty years, was insisted on by three different classes, respectively. These perplexing questions could be settled only by a compromise of views. The matured deliberations of the majority took this well-known form:

Representatives and direct taxes shall be apportioned among the several States which may be included within this Union, according to their respective numbers, which shall be determined by adding to the whole number of free persons, including those bound to service for a term of years, and excluding Indians not taxed, three-fifths of all other persons. The actual enumeration shall be made within three years after the first meeting of the Congress of the United States, and within every subsequent term of ten years, in such manner as they shall by law direct.

This constitutional provision has given us at each decennial period, commencing with 1790, an enumeration of population, and in two instances (1850 and 1860) a national census. Moreau de Jonnès, a distinguished French writer on statistics, pronounces this eulogium on the American founders:

The United States presents in its history a phenomena which has no parallel. It is that of a people who instituted the statistics of their country on the very day when they founded their government, and who regulated in the same instrument the census of the citizens, their civil and political rights and the destinies of the country.

It appears that statistics was seriously undertaken seventy years ago, by a people who, though very jealous of their liberties, did not hesitate to punish as a criminal offence what would otherwise be regarded as an unimportant act. To obtain the statistics of population is, in the United States, a civil duty that appeared so important to the assembly over which Washington presided, and of which Madison, Livingston, and Franklin were members, that it pronounced penalties against the inhabitant or the magistrate who neglected it.

De Jonnès's eulogium is perhaps over-warm. The American census is a growth; the Constitution contains simply the germ. There is no evidence to show that the American founders, or any one of them, considered the constitutional provision cited above in its scientific aspects; they had no thought of creating a census, the results of which should



answer the thousand questions of social and political science; they contemplated a simple enumeration of population, as furnishing a basis for apportioning representatives and direct taxes. But if the founders did not look to the ends of science, they provided an instrument with which the ends of science can be attained.

The first Congress, at its second session, passed a law to carry the constitutional provision into effect. It was approved March 1, 1790. As this law is the model after which subsequent laws are fashioned, some of its leading provisions are here stated. It was made the duty of the marshals of the several districts of the United States to take the enumeration, they having power to appoint as many assistants within their respective districts as to them should appear necessary; the enumeration was to commence on the first Monday in August, 1790, and to close within nine calendar months thereafter; the marshals were required to file the returns with the clerks of their respective district courts for careful preservation, and to forward the aggregate amount of each description of persons within their respective districts to the President of the United States; each assistant marshal was required, previous to making his return to the marshal, to cause a correct copy of the schedule, signed by himself, to be set up at two of the most public places within his division, there to remain for public inspection.

Previous to the enactment of the census law of 1800, some public-spirited citizens, engaged in scientific and philosophical pursuits, sought to prevail on Congress to make the census of that year something more than a bare enumeration of population. Two learned societies memorialized Congress on the subject. Copies of their memorials are incorporated into this paper, as being important contributions to the history of the American census:

## MEMORIAL.

[Communicated to the Senate January 10, 1800.]

*To the honorable the Senate and House of Representatives of the United States:*

The memorial of the American Philosophical Society respectfully sheweth: That this society, instituted for the promotion of useful knowledge, understanding that the legislature of the Union have under their consideration a bill for taking a new census of the inhabitants of the United States, considers it as offering an occasion of great value, and not otherwise to be obtained, of ascertaining sundry facts highly important to society. Under this impression, they beg leave respectfully to submit to the wisdom of the legislature the expediency of requiring from their officers, in addition to the table in the former act for the same purpose, others presenting a more detailed view of the inhabitants of the United States, under several different aspects.

They consider it as important to determine the effect of the soil and climate of the United States on the inhabitants thereof; and for this purpose, dividing life into certain epochs, to ascertain the existing numbers within each epoch, from whence may be calculated the ordinary duration of life in these States, the chances of life for every epoch thereof, and the ratio of the increase of their population; firmly believing that the result will be sensibly different from what is presented by the tables of other countries, by which we are, from necessity, in the habit of estimating the probabilities of life here. And they humbly suggest, as proper for these purposes, the intervals between the following epochs, to wit: Births; two, five, ten, sixteen, twenty-one, and twenty-five years of age, and every term of five years from thence to one hundred.

For the purpose, also, of more exactly distinguishing the increase of population by birth and emigration, they propose that another table shall present, in separate columns, the respective numbers of native citizens, citizens of foreign birth, and of aliens.

In order to ascertain more completely the causes which influence life and health, and to furnish a curious and useful document of the distribution of society in these States, and of the conditions and vocations of our fellow-citizens, they propose that still another table shall be formed specifying, in different columns, the number of free male inhabitants, of all ages, engaged in business, under the following or such other descriptions as the greater wisdom of the legislature shall approve, to wit: 1st, men of the

learned professions, including clergymen, lawyers, physicians, those employed in the fine arts, teachers, and scribes in general; 2d, merchants, and trades, including bankers, insurers, brokers, and dealers of every kind; 3d, marines; 4th, handicraftsmen; 5th, laborers in agriculture; 6th, laborers of other descriptions; 7th, domestic servants; 8th, paupers; 9th, persons of no particular calling, living on their income; care being taken that every person be noted but once in the table, and that under the description to which he principally belongs.

They flatter themselves that, from their data, truth will result very satisfactorily to our citizens; that, under the joint influence of soil, climate, and occupation, the duration of human life in this portion of the earth will be found at least equal to what it is in any other; and that its population increases with a rapidity unequalled in all others.

What other views may be advantageously taken they submit, with those above suggested, to the superior wisdom of Congress, in whose decision they will acquiesce with unqualified respect.

By order of the society :

THOMAS JEFFERSON,  
*President.*

MEMORIAL.

[Communicated to the Senate January 10, 1800.]

*To the honorable the Senate and House of Representatives of the United States in Congress assembled :*

The memorial of the Connecticut Academy of Arts and Sciences respectfully sheweth: That this academy, being instituted for the purpose of promoting the various branches of useful knowledge, deem it an object very interesting to a young and flourishing republic to become acquainted with its own natural history, and especially with whatever regards the origin and prosperity of its population. America, enjoying a sequestered situation on the globe, seems to be peculiarly fitted, by her leisure and means, to cultivate the arts of peace without interruption. The United States, comprehending a great variety of climates, have the power by legislative measures to collect and combine under one view many important facts relative to the effects of climate, modes of living, face of the country, and occupations upon the character of diseases and the duration of human life. And your memorialists cannot but believe that the legislature of this extensive country will consider these objects very interesting in a scientific view, and well calculated to answer valuable purposes in civil economy. Your memorialists conceive that to present and future generations it will be highly gratifying to observe the progress of population in this country, and to be able to trace the proportion of its increase from native Americans and from foreigners emigrating at successive periods; to observe the progress or decline of various occupations; the effects of populations, luxury, mechanic arts, the cultivation of lands, and the draining of marshes on the health and longevity of the citizens of the United States.

For the accomplishment of these and other scientific objects, to which on this extensive scale no individual industry is competent, your memorialists beg leave to request your honors to direct by law that the next census of the inhabitants of the United States may comprehend the following particulars, namely:

The number of children under the age of two years, and between the ages of two and five; the number of persons between the ages of sixteen and thirty, thirty and fifty, fifty and seventy, seventy and eighty, ninety and one hundred, and above one hundred, distinguishing in each class the males from the females; the number of persons not born in the United States; the number of persons in each of the handicraft occupations; the number of merchants, cultivators of land, and professional men, distinguishing the professions; the number of married persons, of unmarried persons above thirty years of age, of widows, and widowers.

And your memorialists request that the returns from the several cities, towns, counties, or other districts may be kept distinct.

As your memorialists have in contemplation solely to collect the materials for a complete view of the natural history of man and society in the country, they have full confidence that your honors will cheerfully lend the aid of legislative provisions in such manner and to such extent as shall be demanded effectually to attain so desirable an object.

By order of the academy :

TIMOTHY DWIGHT,  
*President.*

The Senate referred these memorials to a committee already charged with the duty of preparing a census law. It does not appear from the

journal of the Senate that this committee, although instructed to do so, ever made a report. No mention is made of the memorials in the recorded debates. These two facts show how little the legislature of 1800 were interested in the scientific bearings of a national census. The law finally enacted, approved February 28, 1800, was modeled after that of 1790, but contained some new features of minor importance. The general direction of the census was placed in the hands of the Secretary of State, where it remained until the passage of the law of May 23, 1850, when the Census Office was made a part of the newly-erected Department of the Interior. The schedule was considerably extended.

In 1810 the population schedule of 1800 was used without modification. But now, for the first time, the scope of the census was enlarged.

An act approved May 1, 1810, amendatory of the act of March 1, 1810, required the several marshals, secretaries, and their assistants, "at the time for taking the census or enumeration aforesaid, to take, under the direction of the Secretary of the Treasury, and according to such instructions as he should give, an account of the several manufacturing establishments and manufactories within their several districts, territories, and divisions."

Still no schedule was incorporated into the law—it was left to the discretion of the Secretary to construct. The results obtained in answer to such inquiries as were made were of no great value; still the experiment was repeated ten years later.

The law of March 14, 1820, made it the duty of the "several marshals and their assistants, at the time for taking the said census, to take, under the direction of the Secretary of State, and according to such instructions as he shall give, and such forms as he shall prescribe, an account of the several manufacturing establishments and their manufactures, within their several districts, territories, and divisions."

These two attempts to gather statistics of manufactures were so little successful, that in taking the census of 1830 the attempt was wholly abandoned. In 1840 a manufacturers' schedule was used; but it was not until the passage of the law of 1850 that results of substantial value were arrived at. Even that was so imperfect in operation, that in framing a new law no part of it needs to be more closely studied than the industrial schedule. It has been stated above that the census of the United States is a growth, only the germ of which is found in the federal Constitution. The fact is susceptible of more striking illustration. To comprehend the vigor and the extent of this growth, the schedule of inquiries used in the several censuses should be studied in their chronological order. To facilitate such study, they are here presented as thus arranged. The study will show six schedules, with more than one hundred inquiries, in 1850 and 1860, in place of the one schedule with six inquiries in 1790.

[1790.]

*Schedule of the whole number of persons within the division allotted to A. B.*

Names of heads of families.	Free white males of sixteen years and upward, including heads of families.	Free white males under sixteen years.	Free white females, including h'ds of families.	All other free persons.	Slaves.

[1800.]

*Schedule of the whole number of persons within the division allotted to A. B.*

	Name of the county, parish, township, town or city, where the family resides.
	Name of head of family.
	Free white males under 10 years of age.
	Free white males of 10 and under 16.
	Free white males of 16 and under 26, including heads of families.
	Free white males of 26 and under 45, including heads of families.
	Free white males of 45 and upward, including heads of families.
	Free white females under 10 years of age,
	Free white females of 10 years and under 16.
	Free white females of 16 and under 26, including heads of families.
	Free white females of 26 and under 45, including heads of families.
	Free white females of 45 and upward, including heads of families.
	All other free persons, except Indians, not taxed.
	Slaves.

[The population schedule of 1810 was identical with that of 1800.]

*Census of 1810.—Manufactures.*

Cotton manufacturing establishments.
Cotton duck.
Hempen manufacturing establishments.
Blended and unnamed cloths and stuffs.
Tow cloth.
Woolen manufacturing establishments.
Cotton and wool spun in mills.
Web lacc and fringe.
Stockings.
Looms for cloths of cotton, wool, &c.
Carding machines.
Fulling mills.
Sewing silk and raw silk.
Jennies.
Spindles.
Wire card manufactories.
Spinning wheels.
Hatteries.
Furnaces.
Bar iron, &c.
Trip hammers.
Rolling and slitting mills.
Naileries.
Wire drawing.
Gunsmiths.
Blacksmiths' work.
Steel furnaces.
Hydraulic engine makers.
Tacks.
Clocks and watches.
Gold and silver work.
Tin plate work.
Manufactures of mixed metals.
Copper and brass manufactures.
Bells.
Buttons.
Lead.
Tallow candles.
Soap.
Spermaceti candles.
Spermaceti oil.
Whale oil.
Spermaceti and whale oil.
Tanneries.
Boots, shoes, and slippers.
Saddlery.
Morocco skins.
Leather gloves.
Catgut.
Flax-seed oil.
Spirits distilled from grain.
Spirits distilled from molasses.
All kinds of spirits distilled.
Beer.
Shipping.
Cabinet work.
Chairs.
Carriage makers.
Wagons.
Wooden ware unnamed.
Rakes.
Essence of spruce.
Oil or essence of turpentine.
Sugar refined.
Paper.
Playing cards.
Marble saw-mills.

Many other similar heads were added, and the statistics taken of the number of establishments, amount produced, value, &c.

*Schedule of the whole number of persons within the division allotted to A. B.*

Name of the county, parish, township, town, or city, where the family resides.	
Names of heads of families.	
Free white males under 10 years.	
Free white males of 10 and under 16.	
Free white males between 16 and 18.	
Free white males of 16 and under 26, including heads of families.	
Free white males of 26 and under 45, including heads of families.	
Free white males of 45 and upward, including heads of families.	
Free white females under 10 years of age.	
Free white females of 10 and under 16.	
Free white females of 16 and under 26, including heads of families.	
Free white females of 26 and under 45, including heads of families.	
Free white females of 45 and upward, including heads of families.	
Foreigners not naturalized.	
Males under 14.	
Males of 14 and under 26.	
Males of 26 and under 45.	
Males of 45 and upward.	
Females of 14.	
Females of 14 and under 26.	
Females of 26 and under 45.	
Females of 45 and upward.	
Males under 14 years.	
Males of 14 and under 26.	
Males of 26 and under 45.	
Males of 45 and upward.	
Females under 14 years.	
Females of 14 and under 26.	
Females of 26 and under 45.	
Females of 45 and upward.	
All other persons except Indians not taxed.	

*Census of 1820.—Manufactures.*

Place.	Raw materials employed.			Number of persons employed.			Machinery.		Expenditures.			Production.	Value of production.	General remarks.
	The kind.	Quantity annually consumed.	Cost of annual consumption.	Men.	Women.	Boys and girls.	Quantity and kind of machinery.	Quantity of machinery in operation.	Capital invested.	Paid annually for wages.	The contingent expenses.	Nature and names of articles manufactured.	Market value of articles annually manufactured.	Cost and present condition of the establishment, the demand for, and sale of its manufactures.
Name of the county, parish, township, town, or city.														

Schedule of the whole number of persons within the division allotted to A. B. by the Marshal of the District (or Territory) of

Names of heads of families.					
Name of county, city, ward, town, township, parish, precinct, hundred, or district.					
FREE WHITE PERSONS, (INCLUDING HEADS OF FAMILIES.)	Males.	Under 5 years of age.	Females.	Under 5 years of age.	Total.
		Of 5 and under 10.		Of 5 and under 10.	
		Of 10 and under 15.		Of 10 and under 15.	
		Of 15 and under 20.		Of 15 and under 20.	
		Of 20 and under 30.		Of 20 and under 30.	
		Of 30 and under 40.		Of 30 and under 40.	
		Of 40 and under 50.		Of 40 and under 50.	
		Of 50 and under 60.		Of 50 and under 60.	
		Of 60 and under 70.		Of 60 and under 70.	
		Of 70 and under 80.		Of 70 and under 80.	
		Of 80 and under 90.		Of 80 and under 90.	
		Of 90 and under 100.		Of 90 and under 100.	
		Of 100 and upward.		Of 100 and upward.	
FREE COLORED PERSONS.	Males.	Under 10 years of age.	Females.	Under 10 years of age.	Total.
		Of 10 and under 24.		Of 10 and under 24.	
		Of 24 and under 36.		Of 24 and under 36.	
		Of 36 and under 55.		Of 36 and under 55.	
		Of 55 and under 100.		Of 55 and under 100.	
		Of 100 and upward.		Of 100 and upward.	
		Under 10 years of age.		Under 10 years of age.	
		Of 10 and under 24.		Of 10 and under 24.	
		Of 24 and under 36.		Of 24 and under 36.	
		Of 36 and under 55.		Of 36 and under 55.	
		Of 55 and under 100.		Of 55 and under 100.	
		Of 100 and upward.		Of 100 and upward.	
		SLAVES.		Males.	
Of 10 and under 24.	Of 10 and under 24.				
Of 24 and under 36.	Of 24 and under 36.				
Of 36 and under 55.	Of 36 and under 55.				
Of 55 and under 100.	Of 55 and under 100.				
Of 100 and upward.	Of 100 and upward.				
Under 10 years of age.	Under 10 years of age.				
Of 10 and under 24.	Of 10 and under 24.				
Of 24 and under 36.	Of 24 and under 36.				
Of 36 and under 55.	Of 36 and under 55.				
Of 55 and under 100.	Of 55 and under 100.				
Of 100 and upward.	Of 100 and upward.				
Who are deaf and dumb, under 14 years of age.			White persons included in the foregoing.		Who are deaf and dumb, under 14 years of age.
Who are deaf and dumb, of the age of 14 and under 25.		Who are deaf and dumb, of the age of 14 and under 25.			
Who are deaf and dumb, of 25 years and upward.		Who are deaf and dumb, of 25 years and upward.			
Who are blind.		Who are blind.			
Aliens, foreigners not naturalized.					
Who are deaf and dumb, under 14 years of age.		Who are deaf and dumb, under 14 years of age.			
Who are deaf and dumb, of the age of 14 and under 25.		Who are deaf and dumb, of the age of 14 and under 25.			
Who are deaf and dumb, of the age of 25 years and upward.		Who are deaf and dumb, of the age of 25 years and upward.			
Who are blind.		Who are blind.			

Census of 1840.

Name of county.	Name of ward, town, township, parish, precinct, hundred, or district.	FREE WHITE PERSONS.		FREE COLORED PERSONS.		SLAVES.		Total.
		Males.	Females.	Males.	Females.	Males.	Females.	
		Under 5.	Under 5.	Under 10.	Under 10.	Under 10.	Under 10.	
		5 and under 10.	5 and under 10.	10 and under 24.	10 and under 24.	10 and under 24.	10 and under 24.	
		10 and under 15.	10 and under 15.	24 and under 36.	24 and under 36.	24 and under 36.	24 and under 36.	
		15 and under 20.	15 and under 20.	36 and under 55.	36 and under 55.	36 and under 55.	36 and under 55.	
		20 and under 30.	20 and under 30.	55 and under 100.	55 and under 100.	55 and under 100.	55 and under 100.	
		30 and under 40.	30 and under 40.	100 and upward.	100 and upward.	100 and upward.	100 and upward.	
		40 and under 50.	40 and under 50.	Under 10.	Under 10.	Under 10.	Under 10.	
		50 and under 60.	50 and under 60.	10 and under 24.	10 and under 24.	10 and under 24.	10 and under 24.	
		60 and under 70.	60 and under 70.	24 and under 36.	24 and under 36.	24 and under 36.	24 and under 36.	
		70 and under 80.	70 and under 80.	36 and under 55.	36 and under 55.	36 and under 55.	36 and under 55.	
		80 and under 90.	80 and under 90.	55 and under 100.	55 and under 100.	55 and under 100.	55 and under 100.	
		90 and under 100.	90 and under 100.	100 and upward.	100 and upward.	100 and upward.	100 and upward.	
		100 and upward.	100 and upward.	Under 10.	Under 10.	Under 10.	Under 10.	
		Under 5.	Under 5.	10 and under 24.	10 and under 24.	10 and under 24.	10 and under 24.	
		5 and under 10.	5 and under 10.	24 and under 36.	24 and under 36.	24 and under 36.	24 and under 36.	
		10 and under 15.	10 and under 15.	36 and under 55.	36 and under 55.	36 and under 55.	36 and under 55.	
		15 and under 20.	15 and under 20.	55 and under 100.	55 and under 100.	55 and under 100.	55 and under 100.	
		20 and under 30.	20 and under 30.	100 and upward.	100 and upward.	100 and upward.	100 and upward.	
		30 and under 40.	30 and under 40.	Under 10.	Under 10.	Under 10.	Under 10.	
		40 and under 50.	40 and under 50.	10 and under 24.	10 and under 24.	10 and under 24.	10 and under 24.	
		50 and under 60.	50 and under 60.	24 and under 36.	24 and under 36.	24 and under 36.	24 and under 36.	
		60 and under 70.	60 and under 70.	36 and under 55.	36 and under 55.	36 and under 55.	36 and under 55.	
		70 and under 80.	70 and under 80.	55 and under 100.	55 and under 100.	55 and under 100.	55 and under 100.	
		80 and under 90.	80 and under 90.	100 and upward.	100 and upward.	100 and upward.	100 and upward.	
		90 and under 100.	90 and under 100.	Under 10.	Under 10.	Under 10.	Under 10.	
		100 and upward.	100 and upward.	10 and under 24.	10 and under 24.	10 and under 24.	10 and under 24.	
		Under 5.	Under 5.	24 and under 36.	24 and under 36.	24 and under 36.	24 and under 36.	
		5 and under 10.	5 and under 10.	36 and under 55.	36 and under 55.	36 and under 55.	36 and under 55.	
		10 and under 15.	10 and under 15.	55 and under 100.	55 and under 100.	55 and under 100.	55 and under 100.	
		15 and under 20.	15 and under 20.	100 and upward.	100 and upward.	100 and upward.	100 and upward.	
		20 and under 30.	20 and under 30.	Under 10.	Under 10.	Under 10.	Under 10.	
		30 and under 40.	30 and under 40.	10 and under 24.	10 and under 24.	10 and under 24.	10 and under 24.	
		40 and under 50.	40 and under 50.	24 and under 36.	24 and under 36.	24 and under 36.	24 and under 36.	
		50 and under 60.	50 and under 60.	36 and under 55.	36 and under 55.	36 and under 55.	36 and under 55.	
		60 and under 70.	60 and under 70.	55 and under 100.	55 and under 100.	55 and under 100.	55 and under 100.	
		70 and under 80.	70 and under 80.	100 and upward.	100 and upward.	100 and upward.	100 and upward.	
		80 and under 90.	80 and under 90.	Under 10.	Under 10.	Under 10.	Under 10.	
		90 and under 100.	90 and under 100.	10 and under 24.	10 and under 24.	10 and under 24.	10 and under 24.	
		100 and upward.	100 and upward.	24 and under 36.	24 and under 36.	24 and under 36.	24 and under 36.	
		Under 5.	Under 5.	36 and under 55.	36 and under 55.	36 and under 55.	36 and under 55.	
		5 and under 10.	5 and under 10.	55 and under 100.	55 and under 100.	55 and under 100.	55 and under 100.	
		10 and under 15.	10 and under 15.	100 and upward.	100 and upward.	100 and upward.	100 and upward.	
		15 and under 20.	15 and under 20.	Under 10.	Under 10.	Under 10.	Under 10.	
		20 and under 30.	20 and under 30.	10 and under 24.	10 and under 24.	10 and under 24.	10 and under 24.	
		30 and under 40.	30 and under 40.	24 and under 36.	24 and under 36.	24 and under 36.	24 and under 36.	
		40 and under 50.	40 and under 50.	36 and under 55.	36 and under 55.	36 and under 55.	36 and under 55.	
		50 and under 60.	50 and under 60.	55 and under 100.	55 and under 100.	55 and under 100.	55 and under 100.	
		60 and under 70.	60 and under 70.	100 and upward.	100 and upward.	100 and upward.	100 and upward.	
		70 and under 80.	70 and under 80.	Under 10.	Under 10.	Under 10.	Under 10.	
		80 and under 90.	80 and under 90.	10 and under 24.	10 and under 24.	10 and under 24.	10 and under 24.	
		90 and under 100.	90 and under 100.	24 and under 36.	24 and under 36.	24 and under 36.	24 and under 36.	
		100 and upward.	100 and upward.	36 and under 55.	36 and under 55.	36 and under 55.	36 and under 55.	
		Under 5.	Under 5.	55 and under 100.	55 and under 100.	55 and under 100.	55 and under 100.	
		5 and under 10.	5 and under 10.	100 and upward.	100 and upward.	100 and upward.	100 and upward.	
		10 and under 15.	10 and under 15.	Under 10.	Under 10.	Under 10.	Under 10.	
		15 and under 20.	15 and under 20.	10 and under 24.	10 and under 24.	10 and under 24.	10 and under 24.	
		20 and under 30.	20 and under 30.	24 and under 36.	24 and under 36.	24 and under 36.	24 and under 36.	
		30 and under 40.	30 and under 40.	36 and under 55.	36 and under 55.	36 and under 55.	36 and under 55.	
		40 and under 50.	40 and under 50.	55 and under 100.	55 and under 100.	55 and under 100.	55 and under 100.	
		50 and under 60.	50 and under 60.	100 and upward.	100 and upward.	100 and upward.	100 and upward.	
		60 and under 70.	60 and under 70.	Under 10.	Under 10.	Under 10.	Under 10.	
		70 and under 80.	70 and under 80.	10 and under 24.	10 and under 24.	10 and under 24.	10 and under 24.	
		80 and under 90.	80 and under 90.	24 and under 36.	24 and under 36.	24 and under 36.	24 and under 36.	
		90 and under 100.	90 and under 100.	36 and under 55.	36 and under 55.	36 and under 55.	36 and under 55.	
		100 and upward.	100 and upward.	55 and under 100.	55 and under 100.	55 and under 100.	55 and under 100.	
		Under 5.	Under 5.	100 and upward.	100 and upward.	100 and upward.	100 and upward.	

Census of 1840—Continued.

Mining.	Agriculture.	Commerce.	Manufactures and trades.	Navigation of the ocean.	Navigation of canals, lakes, and rivers.	Learned professions and engineers.	Number of persons employed in—																	
							Deaf and dumb, blind and insane white persons.		Deaf, dumb, blind, and insane colored persons.															
							Under 14.	14 and under 25.	25 and upward.	Blind.	At public charge.	At private charge.	Deaf and dumb.	Blind.	At private charge.	At public charge.	Universities or colleges.	No. of students.	Academies and grammar schools.	Number of scholars.	Primary and common schools.	Number of scholars.	Number of scholars at public charge.	Number of white persons over 20 years of age who cannot read and write.



Name of county.
Name of town, township, &c.
Iron, cast.
Iron, bar.
Lead.
Gold.
Other metals.
Coal, anthracite.
Coal, bituminous.
Domestic salt.
Granite, marble, and other stone.
Live stock.
Cereal grains.
Various crops.
Cotton, sugar, silk, &c.
Gardens.
Nurseries.
Commerce.
Fisheries.
Products of the forest.
Machinery.
Hardware, cutlery, &c.
Number of cannon and small arms.
Precious metals.
Various metals.
Granite, marble, &c.
Bricks and lime.
Wool.
Cotton.
Silk.
Flax.
Mixed manufactures.
Tobacco.
Hats, caps, bonnets, &c.
Leather, tanneries, saddleries, &c.
Soap, candles.
Distilled and fermented liquors.
Powder mills.
Drugs, medicines, paints, and dyes.
Glass, earthenware, &c.
Sugar refineries, chocolate, &c.
Paper.
Printing and binding.
Cordage.
Musical instruments.
Carriages and wagons.
Mills.
Ships.
Furniture.
Houses.
All other manufactures.

SCHEDULE I.—Free inhabitants.—[1850 and 1860.]

1	Dwelling-houses numbered in the order of visitation.	DESCRIPTION.	VALUE OF REAL ESTATE OWNED.*	10	11	12	13	14
2	Families numbered in the order of visitation.							
3	The name of every person whose usual place of abode on the first day of June, 1860, was in this family.							
4	Age.	PROFESSION, OCCUPATION, OR TRADE OF EACH PERSON, MALE AND FEMALE, OVER 15 YEARS OF AGE.	8	9	Place of birth, naming the state, territory, or country.	11	12	13
5	Sex.		Value of real estate.	Value of personal estate.				
6	Color. { White, black, or mulatto.		Value of person's estate.	Value of person's estate.				
7								
8	Value of real estate.							
9	Value of person's estate.							
10								
11	Married within the year.							
12	Attended school within the year.							
13	Persons over 20 years of age who cannot read and write.							
14								Whether deaf and dumb, blind, insane, idiotic, pauper, or convict.

\* In 1850 the schedule had but one column for "value of real estate owned." The ninth column was added in 1860, which extended the number from 13 to 14.

SCHEDULE 2.—*Slave inhabitants—1850 and 1860.*

Names of slave owners.	Number of slaves.	DESCRIPTION.			Fugitives from the State.	Number manumitted.	Deaf and dumb, blind, insane, or idiotic.	Number of slave houses.
		Age.	Sex.	Color.				
1	2	3	4	5	6	7	8	9

SCHEDULE 3.—*Persons who died during the year ending June 1—1850 and 1860.*

Name of every person who died during the year ending 1st June, 1860, whose usual place of abode at the time of death was in this family.	DESCRIPTION.				Married or widowed.	Place of birth: Naming the State, Territory, or country.	The month in which the person died.	Profession, occupation, or trade.	Disease or cause of death.	Number of days ill.
	Age.	Sex.	Color. { White, black, or mulatto.	Free or slave.						
1	2	3	4	5	6	7	8	9	10	11

SCHEDULE 4.—*Productions of agriculture in 1850 and 1860.*

1	Name of owner, agent, or manager of the farm.	ACRES OF LAND.	
		Improved.	Unimproved.
2	Improved.		
3	Unimproved.		
4	Cash value of farm.		
5	Value of farming implements and machinery.		
6	Horses.	LIVE STOCK, JUNE 1, 1850.	
7	Asses and mules.		
8	Milk cows.		
9	Working oxen.		
10	Other cattle.		
11	Sheep.		
12	Swine.		
13	Wheat, bushels of.	PRODUCE DURING THE YEAR ENDING JUNE 1, 1850.	
14	Rye, bushels of.		
15	Indian corn, bushels of.		
16	Oats, bushels of.		
17	Rice, lbs. of.		
18	Tobacco, lbs. of.		
19	Ginned cotton, bales of 400 lbs. each.		
20	Wool, lbs. of.		
21	Peas and beans, bushels of.		
22	Irish potatoes, bushels of.		
23	Sweet potatoes, bushels of.		
24	Barley, bushels of.		
25	Buckwheat, bushels of.		
26	Value of orchard products in dollars.		
27	Wine, gallons of.		
28	Value of produce of market gardens.		
29	Butter, lbs. of.		
30	Cheese, lbs. of.		
31	Hay, tons of.		
32	Clover seed, bushels of.		
33	Other grass seeds, bushels of.		
34	Hops, lbs. of.		
35	Dew rotted, tons of.		Hemp.
36	Water rotted, tons of.		
37	Flax, lbs. of.		
38	Flaxseed, bushels of.		
39	Silk cocoons, lbs. of.		
40	Maple sugar, lbs. of.		
41	Cane sugar, hhd. of 1,000 lbs.		
42	Molasses, gallons of.		
43	Beeswax and honey, lbs. of.		
44	Value of home-made manufactures.		
45	Value of animals slaughtered.		
46			

SCHEDULE 5.—*Products of Industry, 1850 and 1860.*

1	Name of corporation, company, or individual, producing articles to the annual value of \$500.	2	Name of business, manufacture, or product.	3	Capital invested, in real and personal estate, in the business.	RAW MATERIAL USED, EXCLUDING FUEL.			7	Kind of motive power, machinery, structure, or resource.	AVERAGE NUMBER OF HANDS EMPLOYED.		10	Average monthly cost of male labor.	11	Average monthly cost of female labor.	ANNUAL PRODUCT.							
						4	5	6			8	9					12	13	14					
1		2		3		4	Quantities.	5	6	7	8	Male.	9	Female.	10	Average monthly cost of male labor.	11	Average monthly cost of female labor.	12	Quantities.	13	14	14	Values.

SCHEDULE 6.—Social Statistics of 1850 and 1860.

Name of division.	Valuation of estate, real and personal.			ANNUAL TAXES.			COLLEGES, ACADEMIES, AND SCHOOLS.							
				Name or kind of each.	Amount of each.	How paid.	No.	Character, rank, or kind.	No. of teachers.	No. of pupils.	Amount annually realized from endowment.	Raised by taxation.	Received from public funds.	Received from other sources.
1	2			3	4	5	6		8	9	10	11	12	13
	Real estate ..... \$ Personal estate ..... Total ..... How valued? ..... True valuation .....													
	SEASONS AND CROPS.													
	What crops are short.	To what extent.	Usual average crop.											
	14.	15.	16.											
Name of division.	LIBRARIES.			NEWSPAPERS AND PERIODICALS.				RELIGION.						
	No.	Kind.	No. of volumes.	Name.	Character.	How often published.	Circulation.	No. of churches.	Denomination.	No. each will accommodate.	Value of church property.			
17	18	19	20	21	22	23	24	25	26	27	28			

The growth of the American census cannot be illustrated in a more striking manner than by making an exhibit of the various census publications, and of the cost of taking the several censuses and publishing the results. Such an exhibit is here appended:

1790.—“Return of the whole number of persons within the several districts of the United States, &c.” This first census publication was an octavo pamphlet of fifty-two pages, published in 1792. The entire cost of this census was \$44,377 18.

1800.—“Return of the whole number of persons within the several districts of the United States, &c.” This was a folio of seventy-eight pages, published in 1801. The cost of this census was \$66,609 04.

1810.—The report of this census was in two folio volumes: I. “Aggregate amount of each description of persons within the United States, &c.” This was an oblong folio of ninety pages; but it does not show the date of publication. II. “A series of Tables of the several branches of American Manufactures, exhibiting them in every County of the Union, so far as they are returned in the Reports of the Marshals and of the Secretaries of the Territories, and of their respective assistants, in the autumn of the year 1810: together with returns of certain doubtful goods, productions of the soil and agricultural stock, so far as they have been received.” 170 pp., 4to. Edited by Tench Coxe, and published May 30, 1813. The cost of the census of 1810, \$178,444 67.

1820.—I. “Census for 1820, &c.,” a folio of one hundred and sixty-four pages; published in 1821. II. “Digest of Accounts of Manufacturing Establishments, &c.,” a folio of one hundred pages, printed in 1823. Cost of the census, \$208,525 99.

1830.—“Fifth Census or Enumeration of the Inhabitants of the United States.” This volume was a large folio of 163 pages, printed in 1832. This report was so wretchedly printed, that Congress required by law a republication, which was made the same year under the immediate direction of the Secretary of State. The erroneous and corrected editions are bound together. This republication enhanced the cost of this census to \$378,543 13.

1840.—I. “Compendium of the Enumeration of the Inhabitants and Statistics of the United States,” a folio of 379 pages, printed in 1841. II. “Sixth Census or Enumeration of the Inhabitants of the United States,” folio of 470 pages, 1841. III. “Statistics of the United States, &c.,” a large, oblong folio of 410 pages, 1841. IV. “Census of Pensioners for Revolutionary and Military Service, with their names, ages, and places of residence, &c.” 4to, 196 pages.

The total cost of these censuses was \$833,370 95.

1850.—I. “The Seventh Census of the United States,” quarto of 1,022 pp., 1853. II. “Statistical View of the United States,” octavo of 400 pp., 1854. III. “Mortality Statistics of the Seventh Census, &c.,” octavo, pp. 304, 1855. IV. “Digest of the Statistics of Manufactures,” octavo, pp. 143, published in 1859 as Senate Ex. Doc. No. 39, second session thirty-fifth Congress. Cost up to September 30, 1853, \$1,318,027 53. There were three or four subsequent appropriations for this census, amounting to about \$11,000.

1860.—I. “Preliminary Report of the Eighth Census, 1860,” octavo, 294 pages, 1862. II. “Final Report,” in four quarto volumes, as follows:

Volume I. “Population,” pp. 694. Published in 1864.

Volume II. “Agriculture,” pp. 292. Published in 1864.

Volume III. “Manufactures,” pp. 746. Published in 1865.

Volume IV. “Mortality and Miscellaneous Statistics,” pp. 584. Published in 1866.

The appropriations for this census have amounted to \$1,786,350 73, and over \$200,000 remain unpaid, chiefly the final payments to assistant marshals in the southern States, for which no appropriations have been made.

The foregoing historical view of the rise and progress of the American census shows that its development has been, in the main, uniform and constant. Still two dates may be fixed upon that are justly entitled to be called eras: 1787, the era of the Constitution, when the national government made itself responsible for taking a decennial enumeration of the people; 1850, when the law under which the last two censuses were taken, was passed—a law that gave us in 1860 the most complete census that any nation has ever had. With the lapse of the last twenty years statistical science, and the census especially, or an instrument of the census, has made rapid progress. Parallel with the growth of statistical science there has been an astonishing development of the power of the American people and the resources of our country. The time has come when, in framing a new law, another step in the advance should be taken—a step so important that 1870, like 1850 and 1787, may hereafter be pointed to as an epoch in the growth of the national census.

While recognizing the great relative merits of the last census, it is also evident that the important advances made in social science, and the great changes that have occurred in our country during the last decade, require a revision of the law.

To this end the committee have examined the principal defects in the methods and inquiries of the existing law, and will point out the remedies proposed in the pending bill.

#### I.—DEFECTS IN THE PRESENT METHOD OF TAKING THE CENSUS.

1. The work of taking the census should no longer be committed to the charge of the United States marshals. These officers belong to the judicial department of the government; are not chosen with a view to their fitness for census-taking, or any statistical inquiry; and whether so qualified or not, the greatly increased duties devolved upon them by the revenue laws, bankrupt laws, and other legislation, since the last census was taken, make it more difficult now than ever before for them to do this work and do it well; and in the popular mind they are so associated with arrests and seizures that their census visits will create uneasiness and suspicions.

The unequal size of territory embraced in their several districts leads to an unequal and unwise distribution of the duties of supervision, and this injuriously affects the uniformity, promptness, and efficiency of the work. One is charged with the supervision of all the census work in Massachusetts, with its million and a quarter of inhabitants, while another superintends a district embracing but one-half of Florida and a population of seventy thousand, and another has but one-third of Alabama and a population of three hundred and twenty thousand.

There are sixty-two judicial districts and as many marshals. Thirty-three of the States and Territories compose each a single district. Ten States contain two districts each, and three are divided into three districts each.

This is not only an unequal distribution of duty, but the growth of the country has made many of the districts too large for any one man to perform thoroughly and expeditiously the work of supervision.

2. Too much time is allowed in taking the census and publishing its results.

The law of May 23, 1850, under which the seventh and eighth censuses were taken, allows five months in which to make the enumeration and make the returns to Washington, and authorizes the Secretary of the Interior to extend the time in certain cases. It contains no provision concerning the time of publication. As a consequence, the main report for 1850 was not printed till 1853, and the volume relating to manufactures was not printed till 1859. The preliminary report of 1860 was not printed till 1862; the full reports on population and agriculture were delayed till 1864, and those on manufactures and mortality till the end of 1866.

It has been strongly urged that the enumeration should be made in a single day, and the example of England is cited to show that it is practicable. The inquiries made in the British census are very few in number, and almost exclusively confined to facts of population. General statistics are not provided for in their census.

Again, the small extent of territory to be traversed and the density of the population make it possible to carry out a plan there which would prove a disastrous failure here, with our vast areas and sparse population.

The census is our only instrument of general statistics, and must be more elaborate than that of countries having permanent statistical bureaus; and as our enumeration is not of the actual but the legal population, a longer time, say one month, can safely be allowed.

3. Another important matter (which affects, also, the question of time) is the present objectionable method of obtaining the population statistics. The census-taker calls on a family and spreads before them his array of blanks, which they then see for the first time. Suspicions of his inquisitorial character must be allayed; fears that it is an assessment for purposes of taxation must be quieted; the subject must be explained, the memories of the family stimulated, and the data they furnish criticised and recorded.

A very capable gentleman, who was an assistant marshal in 1860, has estimated the average time required for each family, exclusive of travel, at thirty minutes. Thus an honest day's work would accomplish the enumeration of not more than twenty families. Far more important than the waste of time is the inaccuracy which must result from this method. It is not reasonable to suppose that a family can in half an hour make anything like a complete and accurate statement of a great number of details to which they have not previously given any special attention.

4. The operations of the Census Office under the present law are not sufficiently confidential. The citizen is not adequately protected from the danger, or rather the apprehension, that his private affairs, the secrets of his family and his business, will be disclosed to his neighbors.

The facts given by the members of one family will be seen by all those whose record succeeds them on the same blank; and the undigested returns at the central office are not properly guarded against being made the quarry of bookmakers and pamphleteers.

5. The rule of compensation is arbitrary, complicated, and of doubtful wisdom.

One rule is followed in paying the officers and employés at the central office, another for the marshals, and still another for the assistant marshals. One principle of compensation is adopted for enumerating the inhabitants; another for taking the statistics of industry; another for mileage; and still another for copying returns.

It has been charged, on what appear to be reasonable grounds, that

these rules offer temptations to exaggerate some parts of the returns and to make constructive charges which swell the expenses to an unreasonable degree.

It should be added that the great change which has occurred in prices and wages since the passage of the law makes the rule inapplicable to the present condition of affairs.

To remedy these defects this bill provides that the enumeration shall be made by persons chosen for their special fitness for such work, and in no way connected with the national constabulary or with the assessment or collection of taxes.

The districts should be much smaller than they now are—so small that one man may intelligently arrange the work, designate census-takers of whose qualifications and fitness he may easily have full knowledge, and personally supervise and unify all the work within his jurisdiction.

The congressional district seems to be the most convenient and appropriate unit of classification for the States; and each Territory may properly, as under the present law, constitute a district.

Separate schedules, at least for the household, the farm, and for manufacturing and commercial and other industrial establishments, are to be distributed before the day to which the enumeration relates, so that the people may be familiarized with the inquiries made, and that, as far as possible, without the aid of the census-taker, the blanks may be filled up.

This will insure greater correctness and will greatly reduce the time required for the enumeration. By the use of these schedules and the organization provided in the bill it is believed that the enumeration may actually be completed in one month from the first of June.

The committee propose to put into the law and into the official oath of all officers and employés of the bureau a provision that the returns of the census shall be confidential; that the business of no citizen shall be made public, and that the returns of money values shall not in any way be made the basis of taxation nor be used as evidence in the courts.

These provisions of the law should be printed on the schedules, and the President should issue his proclamation calling upon all the people to aid in making the returns as full and accurate as possible.

A liberal compensation in the simple form of salary or *per diem*, with no mileage or constructive charges, is provided, and the time during which persons may receive compensation is carefully restricted.

A sufficient clerical force is provided in the Census Office at Washington to tabulate, condense, and arrange the whole for publication within two and a half years after the returns are in.

The results ought to be published in a form considerably more condensed than in the last report.

## II.—DEFECTS IN THE INQUIRIES PRESCRIBED IN THE SCHEDULES OF THE PRESENT LAW.

1. *Statistics of Population and Mortality.*—As numbered in the census of 1860, the first three schedules relate to statistics of population and mortality; the second had exclusive reference to slaves. We are now happily one people, and need but one schedule of population.

All the inquiries retained from the three have been entered on the family schedule, and by dropping the nine inquiries of the slave schedule, other important ones have been added without greatly increasing the aggregate number. None of the inquiries of the first and third schedules have been



wholly omitted, but several have been modified. That relating to color has been made to include distinctly the Chinese, so as to throw some light on the grave questions which the arrival of the Celestials among us has raised.

The committee believe that the value of the inquiry in regard to children attending school will be greatly enhanced by requiring the enumerator to enter under that head the grade of school—whether a common school, academy, college, or professional school. This has been done on the schedule relating to educational institutions. The registration of those who cannot read and write is required in the old law only of persons twenty years of age and upward. This class has been extended to persons fifteen years old. It is more important to know how many illiterate persons there are between the ages of fifteen and twenty than at any later period, for between ten and twenty it is usually determined whether an education is gained or lost.

The last column of the first schedule has been so amended as to exhibit more fully the physical force of the country. The war has left us so many mutilated men that a record should be made of those who have lost a limb or have been otherwise disabled; and the committee have added an inquiry to show the state of public health and the prevalence of some of the principal diseases. Dr. Jarvis, of Massachusetts, one of the highest living authorities on vital statistics, in a masterly paper presented to the committee, urged the importance of measuring as accurately as possible the effective physical strength of the people.

It is not generally known how large a proportion of each nation is wholly or partially unfitted by physical disability for self-support. The statistics of France show that in 1851, in a population of less than thirty-six millions, the deaf, dumb, blind, deformed, idiotic, and those otherwise mutilated or disabled, amounted to almost two millions. We thus see that in a country of the highest civilization the effective strength of its population is reduced one-eighteenth by physical defects. What general would venture to conduct a campaign without ascertaining the physical qualities of his soldiers as well as the number on his rolls? In this great industrial battle which this nation is now fighting we ought to take every available means to ascertain the effective strength of the country. Beside the inquiries in these schedules that have been amended, a few new ones have been added.

Since the present census law was passed an international statistical society has been organized, and the profoundest scholars of Europe and America have united to give it authority and efficiency in the treatment of social questions. At several of its sessions the subject of national censuses has been very ably and elaborately discussed, and recommendations have been made looking to greater efficiency and uniformity both in methods and inquiries. A collation and comparison of the personal statistics of twenty-seven modern States and nations show that in all these States there have been thirty-three different inquiries made in regard to population. From these the international congress selected eight, which they recommended to all nations as indispensable for purposes of general statistical science, and seven others which they urged the use of whenever it was practicable. Two of the inquiries urged by the congress as indispensable are not in the old schedule of population, but are here added. One is the relation of each person to the head of the family, whether wife, son, daughter, boarder, servant, &c.; and the other is the civil or conjugal condition of each person, whether single, married, or widowed. These elements are the leading factors which

determine the power and value of the family as a social and producing force, and in them are infolded the destiny of the nation.

Two other inquiries not in our schedules were suggested as advisable, namely, the language spoken and the religion professed by each person. But in a nation whose speech is so nearly one, the first is hardly needed in addition to the light that will be thrown upon this question by the record of nationality, and the second might be deemed an un-called-for impertinence, and the committee therefore omitted them.

It has been strongly urged, and with good reason, that to the inquiry of the birth-place there should be added the birth-places of the father and mother of each person. This would enable us to ascertain the relative fecundity of our American and foreign-born populations. It has lately been asserted that the old ratio of increase among our native population is rapidly diminishing. If this be true the vitally important fact should be ascertained and its full extent and significance determined.

The inquiry concerning parentage was inserted in the schedule by the committee. An inquiry was also added in regard to dwelling-houses, so as to exhibit the several principal materials of construction, as wood, brick, stone, &c., and the present value of each. Few things indicate more fully the condition of a people than the houses they occupy. The average home is not an imperfect picture of the wealth, comfort, refinement, and civilization of the average citizen. The census ought to show us how comfortable a place is the average American home, and how great a physical and social force is the average American citizen.

The committee conclude the discussion of personal statistics with one further statement.

The thirteenth and fourteenth amendments of the national Constitution have radically changed the basis of representation and provided for a redistribution of political power. By the former, two-fifths of those who were lately slaves are added to the representative population; by the latter, the basis for each State is to be determined by finding the whole number of male citizens twenty-one years of age whose right to vote is denied or abridged for any other reason than participation in the rebellion or other crime, and reducing the whole population in the proportion which the number thus excluded bears to the whole number of adult male citizens.

The census is our only constitutional means of determining the political or representative population. The fourteenth amendment has made that work a difficult one. At the time of its adoption it was generally understood that the exclusion applied only to colored people who should be denied the ballot by the laws of their State. But the language of the article excludes all who are denied the ballot on any and all grounds other than the two specified. This has made it necessary to ascertain what are in fact the grounds of such exclusion, and the Census Committee have compiled a record from the constitutions and laws of the several States from which exclusion from the privilege of voting (otherwise than on account of rebellion or other crime) may be stated in nine general classes as follows:

1. On account of race or color.....	16 States.
2. On account of residence on lands of United States.....	2 "
On account of residence less than required time in United States.....	2 "
On account of residence in State less than required time, (six different specifications).....	36 "
On account of residence in county, city, town, district, &c., (eighteen different specifications).....	37 "
3. Wanting property qualifications or non-payment of taxes, (eight specifications).....	8 "

4. Wanting literary qualifications, (two specifications) .....	2	States.
5. On account of character or behavior, (two specifications) .....	2	"
6. On account of services in army or navy .....	2	"
7. On account of pauperism, idiocy, and insanity, (seven specifications) ...	24	"
8. Requiring certain oaths as preliminary to voting, (two specifications) .	5	"
9. Other causes of exclusion, (two specifications) .....	2	"

After much reflection the committee could devise no better way than to add to the family schedule a column for recording those who are voters, and another with this heading, copied substantially from the amendment: "Citizens of the United States, being twenty-one years of age, whose right to vote is denied or abridged on other grounds than rebellion or crime." It may be objected that this will allow the citizen to be a judge of the law as well as the fact, and that it will be difficult to get true and accurate answers. I can only say this is the best method that has been suggested.

Dr. Jarvis presented to the committee an able argument in favor of taking the actual as well as the legal population of the country. While the committee acknowledge the scientific value of such an enumeration, yet it is evident that to take it with sufficient accuracy the enumeration must be made in so short a time as to endanger the fullness and accuracy of answers in the other schedules, and the two results thus obtained would greatly complicate and increase the difficulty of determining the representative population.

The committee gave to the schedule of agriculture a very careful and protracted consideration. The schedule, as suggested by the Commissioner of Agriculture, contained two hundred and forty-six columns of inquiries. After repeated revisions and considerations of the material presented, the committee settled upon the schedule reported in this bill, which contains seventy-three columns, to which a few others have been added by the House, and is, the committee venture to claim, a great improvement on the schedule of the old law, which contained forty-eight inquiries. The additions made in the corresponding schedule in this bill may be classified as follows:

1. An inquiry to show by what tenure the occupier holds his farm, whether as owner or tenant.

2. An extension of the present classification of lands as "improved or unimproved," so as to exhibit separately the acres cultivated and not cultivated, and the acres of woodland and of uncultivated pasture.

3. An inquiry into the value of farm buildings other than dwelling-houses.

4. An inquiry into the total value of all labor expended on the farm during the year.

5. An inquiry into the average number of cows milked during the year.

6. A separate exhibit of the cheese made on the farm and that made at factories.

7. Instead of the present exhibit of the aggregate value of all slaughtered animals, a separate statement of the value of slaughtered cattle, hogs, and sheep.

8. A statement of the value of all the poultry on the farm and the value of its products during the year.

9. In addition to the statistics of wine produced, a statement of the value of grapes sold which were not made into wine.

10. An omission from the schedule of "water-rotted hemp." It is not thus treated in this country, as in 1859 was supposed it would be.

11. An omission also of the silk culture, which has not fulfilled the promise of the days of *morus multicaulis*.

12. A statement as regards all the principal crops, of the acreage as well as the amount of product. The importance of this last element cannot be over estimated. Without it we cannot learn the yield of the several products in different localities, and the increase or decrease of that yield at different periods. It is well known, for example, that the center of the wheat product has been rapidly moving west, but its track and rapidity of movement cannot be traced without knowing both the acres sown and the bushels produced.

It is believed that the schedule thus amended will enable us to ascertain the elements of those wonderful forces which have made our country the granary of the civilized world; will exhibit also the defects in our agricultural methods, and stimulate our farmers to adopt those means which have doubled the agricultural products of England since the days of the Stuarts, and have more than doubled the comforts of her people. The extent of that great progress can be seen in such facts as these: that "in the reign of Henry VII fresh meat was never eaten even by the gentlemen attendant on a great earl except during the short interval between midsummer and Michaelmas," because no adequate means were known of fattening cattle in the winter, or even of preventing the death of one-fifth of their whole number each year; that Catharine, queen of Charles II, sent to Flanders for her salad, which the wretched gardening of England did not sufficiently provide.

Russia alone of European States makes any considerable surplus contribution to the food of the world. The United States must continue to be the main source of supply. The fact stated by Mr. S. B. Ruggles, delegate of the United States to the International Statistical Congress, which met at the Hague, in September last, is of startling importance: that in 1868 the whole of Europe, with a population of 296,123,293 souls, produced cereals to the amount of 4,784,516,604 imperial bushels, or sixteen bushels to each person; while the United States, during the same year, with a population of 39,000,000, produced 1,405,449,000 bushels, or thirty-six bushels to each person.

### III. STATISTICS OF INDUSTRY.

This schedule, the fifth of the series in the old law, has performed exceedingly valuable service to the country and to statistical science. It is said to be the first of its kind ever successfully used in any national census; but it can be improved in several particulars.

1. There are two serious defects in the heading of the first column, which reads as follows: "Name of corporation, company, or individual producing articles to the annual value of \$500."

The first defect is in the word "articles," which has been construed to mean merchantable articles, or such products of manufacture as can be done up in packages and sold over the counter as merchandise. A large proportion of all the products of industry cannot thus be handled. The carpenter, mason, plasterer, plumber, painter, builder of ships, cars, bridges, &c., all perform most valuable labor, and their products are homes, buildings, and structures of all kinds, a most important part of the fixed capital of the nation; but these cannot be called "articles" in the restricted sense in which the word is employed in the schedule. A plumber in Washington has lately finished a single job amounting to \$20,000, but he has produced no "article" which would be entered in the schedule. A job of general repairs, however extensive, would not be entered. This defect has been remedied by requiring, in addition to the value of articles produced, an exhibit of the value of jobbing and repairing done within the year.

The second defect in this heading is the limitation of \$500. He must be a very small manufacturer whose annual product, including materials, is not more than \$500. A shoemaker who should make but two pairs of boots per week would show a product of more than that amount. And yet it is manifest from the returns themselves that the products of the great majority of artisans were not enumerated in 1860. For example, the eighth census showed that there were in the United States 144,433 manufacturing establishments, but the product of the industry of only 7,115 was reported.

The population schedule exhibited in its inquiries concerning occupation the number of persons belonging to each trade, while but a small per cent. of the product of their industry was reported in the industrial schedule. The following table exhibits the great deficiency in this respect:

NUMBER REPORTED IN THE POPULATION SCHEDULE AS BELONGING TO THE FOLLOWING TRADES.

Coopers.....	43,624
Blacksmiths.....	112,357
Carpenters.....	242,958
Painters.....	51,695

NUMBER OF THE SAME TRADES THE PRODUCT OF WHOSE INDUSTRY WAS REPORTED IN THE INDUSTRIAL SCHEDULE.

Coopers.....	13,750
Blacksmiths.....	15,720
Carpenters.....	9,006
Painters.....	913

PER CENT. REPORTED.

Coopers.....	32
Blacksmiths.....	14
Carpenters.....	3.7
Painters.....	1.8

We propose to remedy this defect by making establishments the unit of enumeration. Wherever there is a manufactory or shop in operation its occupants are required to give the facts called for in the schedule. This will include the product of all manufacturers and artisans except those at work as journeymen, and in almost every instance the latter and their work will be included under the inquiry concerning laborers employed in the establishment. It is believed that these changes will greatly increase the completeness and value of the results obtained.

In noticing the defects of this heading I am strongly reminded of the statement of Moreau de Jonnes that two monosyllables in the instructions, added by a subordinate in the statistical bureau, destroyed the whole value of the French census of 1836.

2. The inquiry in reference to motive-power has been so modified as to give the specific kinds: as steam, water, or horse, and the total power reckoned in horse-power. It is a matter of growing importance to know how the labor of society is being distributed; to ascertain what part is performed by the muscle of man, and what by the use of machinery.

3. To secure this more fully, a statement of the kind and number of machines, such as looms, spinning-jennies, &c., has also been added.

4. In reference to labor and wages the committee thought it would be useful to state separately the number of persons laboring in an industrial establishment who are owners or partners, and the number of those who work for wages.

5. An important class of products, belonging to what the Italian government has appropriately called "extractive industry," has hitherto been wholly neglected in the census. I refer to the products of our mines and fisheries and to petroleum. No further proof of the propriety of this addition is needed than the fact that last year our coal mines must have yielded thirty million tons, our iron mines four million tons, and from our oil-wells were exported over one hundred million gallons of petroleum, in addition to vast consumption at home. The schedule of industrial statistics, with the amendments proposed, can be used for petroleum and the products of mines, and a special schedule has been added for fisheries.

#### IV.—STATISTICS OF INTERNAL COMMERCE.

In the preliminary law of March 3, 1849, the census board were directed to prepare a schedule of trade and commerce, but no such schedule appeared in the law of 1850. It has been the habit to treat the exchangers of wealth—the middle-men who transport and buy and sell—as belonging to the unproductive class. But an enlightened political economy will recognize all as producers of wealth who give value to commodities by bringing them within easy reach of the consumer and aid in facilitating exchanges. According to the census of 1860, there were in the United States 13,340,000 men and women above nineteen years of age; and there were 227,177 persons set down in the list of occupations as persons engaged in trade, or one in fifty-eight of the adult population of the country. There can be no adequate defense for omitting this large and intelligent class of the community from the records of national industry.

1. A simple and comprehensive schedule for all persons engaged in trade was laid before the Census Committee by General Francis A. Walker, of the Treasury Department, and has been made a part of this bill. It follows the general plan of the industrial schedule in regard to labor and wages, and requires in addition a statement of the amount of capital invested in trade and the gross annual amount of purchases and sales.

2. Without adding to the duties of the enumerators, the bill requires the superintendent at Washington to procure full statistics of railroad, lake, river, and canal transportation, exhibiting, among other facts, the number of persons employed, the amount of freight, and cost of transportation. Such inquiries are now made in Ohio in regard to railroads by authority of the legislature, and the results are exceedingly valuable. The bill also requires full statistics of express and telegraph companies, and of life and fire and marine insurance companies.

Now that the great question of human slavery is removed from the arena of American politics, the committee are persuaded that the next great question to be confronted will be that of corporations and their relation to the interests of the people and to the national life. The fear is now entertained by many of our best men that the national and State legislatures of the Union, in creating these vast corporations, have evoked a spirit which may escape and defy their control, and which may wield a power greater than that of legislatures themselves. The rapidity with which railroad corporations have been consolidated and placed within the grasp of a few men during the past year is not the least alarming manifestation of this power. Without here discussing the right of Congress to legislate on all the matters suggested in this direction, the committee have provided in this bill for arming the Census

Office with the power to demand from these corporations a statement of the elements of their power and an exhibit of their transactions. The bill also provides for full statistics in regard to the business of fire and marine insurance. It is reported in the columns of a journal published by the insurance institutions of this country that there is at the present moment \$3,092,000,000 of insurance against fire and marine losses.

Since the census of 1860 was taken, the life insurance business of the country has grown up from almost nothing to enormous proportions. For instance, there were, in 1860, but seventeen life insurance companies in the United States, and fifty-six thousand and some odd policies in force. In 1868, the statistics of that year being the latest the committee have, there were 537,594 policies in force; over half a million of the population of the United States were insured in the fifty-five life insurance companies of this country; and the total amount insured reached the enormous sum of \$1,528,000,000.

Now, whether these companies are sound or not, whether the people may rely upon the safe investment of the money which they have put into their hands, will altogether depend upon the way in which they are conducting their business; and we propose by this bill to bring out the facts so that the country may see what are the operations of these great corporations.

#### V.—SOCIAL STATISTICS.

Under this head there were forty-eight inquiries in the old law, several of which in practice proved almost worthless. Those concerning taxation and the aggregate value of real and of personal estate, the character of the seasons and the crops, and the rate of wages for the different kinds of labor, failed to produce results which were considered worthy of publication in the final report. In the pending bill some of these inquiries are omitted altogether, and the others are placed in other schedules where they are more likely to be answered. Besides these modifications several additions have been made to this branch of the census. A more extended schedule for educational institutions has been provided, which will require not only the number of teachers and pupils in our common schools and other institutions of learning, but also the total amount of money which the nation has permanently invested in education, together with the annual amount paid for its support.

The inquiries concerning churches and religious worship have also been somewhat extended, and provision has been made for obtaining a report of the amount of money permanently and annually invested in religious enterprise, and also the number of children in Sunday schools under the supervision of churches. In the inquiries concerning libraries a column has been added which will exhibit the annual cost of maintenance and increase of those institutions, and another showing the date of their establishment, from which may be learned the increase of the aggregate number.

In the statistics of newspapers and other periodicals the committee propose an important modification, which requires the superintendent of the census to obtain a copy of each newspaper and periodical in the United States, together with a statement of the circulation of each. From the paper itself can be gathered all the important facts which it is desirable to know concerning that class of industry, and the copies thus obtained are to be classified and bound up for preservation in the archives of the government. What would we not give for a similar collection for each decade since the foundation of the government? What

more striking exhibit could be made of the country's progress in this respect?

It must be borne in mind that if our national statistics are to be taken with completeness we must lay more stress on the census than do the States of Europe. They have bureaus of statistics permanently established and under the direction of experienced statisticians; with us such a bureau is still a desideratum. The great advantages attending such an establishment are thus forcibly stated by Dr. E. M. Snow, the eminent statistician of Rhode Island, in a letter addressed to the Census Committee:

"I sincerely hope that in the statute organizing the census of 1870 provision will be made for the establishment of a permanent census bureau, or, better still, notwithstanding one failure, a permanent statistical bureau. The reasons for this are perfectly conclusive to all who are acquainted with the collection and compilation of statistics. The greatest defects in all our censuses have been owing to the want of knowledge and of experience in those employed upon them. We are almost destitute of men in this country, except in three or four States, who are familiar with the practical duties required in taking a census. The whole country needs educating on this subject. A permanent bureau with an efficient head would soon organize a corps of men in each State who would be familiar with the information to be obtained and with the best methods of obtaining it.

"On the score of economy, also, a permanent bureau would be the cheapest. With a corps of clerks educated in the best methods of doing their duties, and with trained men to obtain the information, and by making use of local officers and other sources of information in different States, I am perfectly confident that a permanent census bureau could obtain all the information now obtained by a decennial census, except that relating to population, and could obtain it every year with no greater expense than is now required to obtain it once in ten years. The efficiency and economy, in statistical matters, of men familiar with their duties are greater beyond comparison than of men who are ignorant of these duties.

"A permanent national bureau of statistics is also very much needed to systematize the whole subject, to give information to all portions of the country, and to take the lead in the organization of similar bureaus in the several States. When such bureaus become general in all the States the national government will be able, with their assistance, to obtain all the statistics now obtained by the national census, and much more, far more frequently, far more correctly, and with much less expense."

We have already a commissioner of mining statistics, some provisions in the Treasury Department for financial statistics, a department whose chief function is to collect educational statistics, and some attention is given to statistics in the Department of Agriculture. It is greatly to be regretted that these statistical forces have not been consolidated, the scope of their work enlarged, and the whole thoroughly organized; all of which could be done at an expense not greatly increased. But at this late day it is manifestly impossible to organize and equip a permanent statistical bureau in time to take the next census, and hence, regret it as we may, we must again depend wholly on the Census Office.

The committee desire to acknowledge their obligations to H. Villard, esq., of Boston, Secretary of the American Social Science Association, to Dr. F. B. Hough, of New York, and to Professor B. A. Hinsdale, of Ohio, for valuable aid in the preparation of this report.

In conclusion, the committee respectfully recommend the passage of the following bill:

A BILL to provide for taking the ninth census of the United States, and to fix the number of the members of the House of Representatives, and to provide for their future apportionment among the several States.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That there shall be established in the Department of the Interior an office to be denominated the Census Office; the chief officer of which shall be called the Superintendent of the Census, whose duty it shall be, under the direction of the head of the department, to superintend and direct the taking of the ninth census of the United States, in accordance with the laws relating thereto; and to perform such other duties as may be required by law.



SEC. 2. *And be it further enacted*, That the Superintendent of the Census shall be appointed by the President, by and with the advice and consent of the Senate, within ten days after the passage of this act, and his term of service shall continue for the term of three years and no longer, and he shall receive an annual salary of five thousand dollars. Before entering upon the duties of his office, he shall, in addition to the oath now required by the Constitution, take and subscribe the following oath or affirmation before any judge of the circuit or district court of the United States, to wit: "I, \_\_\_\_\_, Superintendent of the Census, do solemnly swear (or affirm) that I will, to the best of my ability, cause to be enumerated all the inhabitants of the United States, and will cause to be collected all the statistical information required by the law providing for taking the ninth census, and that I will faithfully execute, or cause to be executed, all the provisions of law relating thereto;" a copy of which said oath, duly authenticated, shall be filed with the Secretary of the Interior. As soon as practicable after the passage of this act, the Superintendent of the Census, under the direction of the Secretary of the Interior, shall provide blanks and distribute the same among the district superintendents, to be hereinafter provided for, and shall prepare and distribute printed instructions, defining and explaining the duties of said district superintendents and of the enumerators hereinafter provided for, and the limits by which such duties are circumscribed, in a clear and intelligible manner, and shall see also that all due diligence is employed by the district superintendents and enumerators to make the returns of their respective doings complete at the time hereinafter prescribed; and shall, as the returns are so made, cause the same to be classified, condensed, and arranged in the best and most convenient manner for exhibiting the results of the census.

SEC. 3. *And be it further enacted*, That the Secretary of the Interior shall appoint for the Census Office one chief clerk, to be paid at the same rate allowed by law to the chief clerk of the Patent Office, and such number of clerks of the first, second, third, and fourth class, and such number of watchmen, messengers, and laborers, as the duties of the office shall from time to time require, to be paid at the same rates as now allowed for similar services in the Department of the Interior: *Provided*, That at the end of three years from the date fixed by this act as the beginning of the term of service of the Superintendent of the Census, and whenever their services shall cease to be required, the terms of all officers and employes herein provided for shall expire.

SEC. 4. *And be it further enacted*, That, within thirty days after the appointment of the Superintendent of the Census, the Secretary of the Interior shall appoint, in each congressional district, and in each of the Territories of the United States, in Alaska, and in the District of Columbia, one district superintendent of the census, whose duty it shall be to cause all the inhabitants to be enumerated, and to obtain, or cause to be obtained, the other statistical information within his district, in the manner provided for in this act: *Provided*, That in any city which forms the whole or a part of two or more congressional districts, the Secretary of the Interior may, if in his judgment the efficiency of the service will thereby be promoted, appoint one district superintendent for such city, and for the whole territory of the congressional districts of which such city forms a part, instead of one for each congressional district; and a reasonable allowance for clerk hire may be made to any district superintendent, the amount whereof shall be determined by the Secretary of the Interior, whenever, in his judgment, the necessities of the service shall require it.

SEC. 5. *And be it further enacted*, That each district superintendent, before entering upon the duties of his office, shall, in addition to the oath now required by the Constitution, take and subscribe the following oath or affirmation, before any judge of any court of record, to wit: "I, \_\_\_\_\_, district superintendent of the ninth census of the \_\_\_\_\_ district of \_\_\_\_\_, do solemnly swear (or affirm) that I will, to the best of my ability, enumerate or cause to be enumerated all the inhabitants of the said district; that I will collect, or cause to be collected, the other statistical information within the same; that I will not disclose the same to any person or persons except to my superior officers; and that I will faithfully perform all the duties enjoined on me by the laws providing for the taking of the ninth census;" and when duly authenticated by the said judge, he shall forward a copy thereof, so authenticated, to the Superintendent of the Census.

SEC. 6. *And be it further enacted*, That each district superintendent, immediately after receiving his appointment, and taking and subscribing the oaths hereinbefore prescribed, shall proceed to divide his district into as many subdivisions, to be known as enumeration districts, as may be necessary to carry out the provisions of this act, and to complete the enumeration within one month after the date fixed for taking the census; and he shall employ one enumerator in each enumeration district thus formed, and shall, without delay, transmit to the Superintendent of the Census the name and post office address of each enumerator, together with a description of the subdivision assigned to each, and as near as practicable the number of square miles contained therein. The formation of enumeration districts, and the employment of enumerators, shall be subject to the approval of the Superintendent of the Census. The enumera-

tion districts shall be as nearly equal as practicable in the amount of labor to be performed, and they shall together embrace the whole territory of the United States; and their boundaries shall be clearly described by civil divisions, rivers, roads, public surveys, or other easily distinguished lines; and in no case shall an enumeration district include parts of two counties, (or parishes,) wards, or towns.

SEC. 7. *And be it further enacted*, That no enumerator shall enter upon the discharge of his duties until he shall have received from the district superintendent a certificate that he has been designated with the approval of the Superintendent of the Census as an enumerator, in accordance with the provisions of this act, and shall, in addition to the oath required by the Constitution, have taken and subscribed, before any judge of any court of record, or any justice of the peace, whose official character shall be duly certified under the seal of the clerk of a court of record, the following oath or affirmation, which shall be indorsed on said certificate, to wit: "I, \_\_\_\_\_, enumerator of the \_\_\_\_\_ enumeration district, of \_\_\_\_\_ district of the State of \_\_\_\_\_, do solemnly swear (or affirm) that I will make a true and exact enumeration of all the inhabitants within the district assigned to me, and will faithfully collect the other statistical information therein, in the manner provided for by law, and in conformity with all lawful instructions which I may receive, and will make due and correct returns thereof, as required by law, and will not disclose any information contained in the schedules, lists, or statements obtained by me, to any person or persons, except to my superior officers;" and said certificate, with said oath or affirmation so indorsed and duly authenticated, shall be forwarded to the district superintendent by the enumerator before he enters upon his duties; and no person shall be employed as an enumerator who holds any office under the government of the United States, except as hereinafter provided, and no enumerator, during actual employment as such, shall engage in any business as traveling agent, nor shall he collect any other statistics than those required by law.

SEC. 8. *And be it further enacted*, That each district superintendent shall promptly supply each enumerator within his district with the instructions issued from the Census Office, the schedules and blanks provided for the enumeration of the population and the collection of the other statistics required by law, and shall give to him, from time to time, all such information and directions as may be necessary to enable him properly to discharge his duties. He shall carefully examine whether the returns of each enumerator are made in conformity with law; and where discrepancies, errors, or omissions are detected, he shall require the same to be corrected. He shall make an accurate copy of all the returns received or obtained by him, which he shall transmit forthwith to the Superintendent of the Census, and the original he shall carefully preserve subject to the order of the said Superintendent. He shall from time to time make himself acquainted with the progress made by each enumerator in the discharge of his duties, and, in case of inability or neglect of any enumerator, shall employ a substitute.

SEC. 9. *And be it further enacted*, That the Superintendent of the Census, as soon as possible after his appointment, shall prepare and furnish to the district superintendents all the necessary blanks, schedules, and instructions for carrying into effect the provisions of this act, to the end that district superintendents and enumerators may be fully instructed in their duties before the time fixed for distributing the schedules and for taking the census.

SEC. 10. *And be it further enacted*, That, in the course of the twenty days preceding the day fixed for taking the census, the enumerator shall deliver to the head of each family in his subdivision, or in the absence of such head to an adult member of such family, a family or householder schedule; and to each occupier of a farm, a copy of the farm schedule; and to each owner, proprietor, or manager of a manufacturing, mechanical or mining establishment, a copy of the schedule for manufacturing, mechanical, and mining establishments; and to the proprietor or manager of each store or trading establishment, a copy of the schedule for persons engaged in trade and of fisheries; and it shall be his duty to explain to each person to whom he may deliver such schedules the objects of the same, and the obligation of such person in relation thereto, in order that the persons receiving said schedules may correctly fill the blanks and complete the answers to the inquiries therein, by the day fixed for taking the census.

SEC. 11. *And be it further enacted*, That it shall be the duty of each enumerator, in the course of the month succeeding the day fixed for taking the census, to visit personally each family, farm, manufacturing, mechanical, and mining establishment, store or trading establishment, and fishery in his subdivision, and having ascertained, from the occupier, owner, manager, or responsible agent, whether the schedule or schedules provided for in the preceding section have been filled, he shall proceed, in the presence of the owner, occupier, manager, agent, or other responsible person, to read and verify the same, and, in case of defect, to revise and correct the same; and in case the said schedule or schedules have been mislaid, lost, or neglected, he shall obtain from some member of each family, if any can be found capable of giving the information, but if not, then of the agent or other acquaintance of the family, full answers to all the inquiries relating to families and the members thereof, required by law; and he shall

obtain from the most trustworthy sources all information required by law concerning every farm, mill, shop, mine, store, and other establishment, institution, or place in his district, and when, in either case, the information is obtained and entered on the schedules, he shall immediately read the same to the person or persons furnishing the facts, to correct errors and supply omissions, if any shall exist. He shall also, as often as once in five days, during the month in which the enumeration is made, transmit by mail or in person to the district superintendent of his district the returns of statistics obtained by him, and before he transmits said returns he shall affix his signature to each page of the same, and shall certify that they are well and truthfully made, according to law, and all his returns shall be so transmitted within ten days after the date fixed for the completion of the enumeration. He shall not disclose any of the information, which he may obtain in pursuance of this act, to any person or persons except his superior officers, nor shall it be lawful to use said information, or any part thereof, as evidence in any court, for or against any person furnishing the same to the enumerator, except as provided in section fourteen of this act.

SEC. 12. *And be it further enacted*, That any district superintendent or enumerator, who, having taken and subscribed the oath required by this act, shall, without justifiable cause, neglect or refuse to perform the duties enjoined on him by this act, or shall, without the authority of the Superintendent, communicate to any person not authorized to receive the same, any statistics of property or business included in his return, shall be deemed guilty of a misdemeanor, and upon conviction shall forfeit a sum not exceeding five hundred dollars; or, if he shall willfully and knowingly swear or affirm falsely, he shall be deemed guilty of perjury, and on conviction thereof shall be imprisoned not exceeding three years or by fine not exceeding eight hundred dollars; or, if he shall willfully and knowingly make false certificates, or fictitious returns, he shall be deemed guilty of a misdemeanor, and, upon conviction of either of the last named offenses, he shall forfeit and pay a sum not exceeding five thousand dollars, and be imprisoned not exceeding two years.

SEC. 13. *And be it further enacted*, That if any district superintendent shall receive or secure to himself any fee, reward, or compensation, as a consideration for the employment of any person as enumerator or clerk, or shall in any way receive or secure to himself any part of the compensation provided in this act for the services of any enumerator or clerk, he shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be fined not less than five hundred dollars nor more than three thousand dollars, in the discretion of the court.

SEC. 14. *And be it further enacted*, That each and every person more than twenty years of age, belonging to any family residing in any enumeration district, and in case of the absence of the heads and other members of any such family, then any agent of such family, shall be, and each of them hereby is, required, if thereto requested by the Superintendent, district superintendent, or enumerator, to render a true account, to the best of his or her knowledge, of every person belonging to such family, in the various particulars required by law, and whoever shall willfully fail or refuse shall be guilty of a misdemeanor, and upon conviction thereof shall forfeit and pay a sum not exceeding one hundred dollars. And every president, treasurer, secretary, general agent or managing director of every corporation from which answers to any of the schedules provided for by this act are herein required, who shall, if thereto requested by the Superintendent, district superintendent, special deputy, or enumerator, neglect or refuse to give true and complete answers to any inquiries authorized by this act, such officer shall forfeit and pay a sum not less than five hundred dollars, nor more than ten thousand dollars, to be recovered by indictment in any court of competent jurisdiction to the use of the United States.

SEC. 15. *And be it further enacted*, That all fines and penalties imposed by this act may be enforced by indictment or appropriate action at law in the courts of the United States within the State, Territory, or district where such offenses shall have been committed or forfeiture incurred.

SEC. 16. *And be it further enacted*, That the Superintendent, his chief clerk, district superintendents and enumerators, are hereby authorized to transmit through the post office any paper or document relating to the census, by writing thereon "Official Business—Census," and subscribing the same, with the addition to his name of his official title. But this privilege shall extend to nothing but documents and papers relating to the census, which shall pass free. And any Superintendent, district superintendent, enumerator or clerk, who shall use or exercise this privilege for any purpose other than the legitimate discharge of the duties of his office, shall be deemed guilty of a misdemeanor, and upon conviction shall forfeit for each offense a sum not exceeding one hundred dollars.

SEC. 17. *And be it further enacted*, That each district superintendent shall receive compensation for his services at the rate of eight dollars per day, but he shall not receive pay for any service rendered after the period of sixty days from the date fixed for the completion of the enumeration; and each enumerator shall receive compensation for his services at the rate of four dollars per day for the time during which he is em-

ployed as such enumerator, but he shall not receive any compensation for any services rendered after a period of ten days from the time fixed for the completion of the enumeration, nor for a longer period than sixty days: *Provided*, That in any of the States or Territories where the duty of enumerators shall have been performed in districts sparsely inhabited, an additional allowance may be made by the Secretary of the Interior as a compensation in part or whole of expenses in such cases. The compensation of the district superintendents and enumerators, as provided in this section, shall be paid under the following restrictions, to wit: Whenever a district superintendent shall certify that an enumerator has satisfactorily completed the enumeration and made returns thereof for the enumeration district confided to him, and shall also certify to the amount of compensation to which, under the provisions of this act, such enumerator is entitled, designating the number of days during which he has been employed, the Secretary of the Interior shall cause one-half of the sum so due to be paid to such enumerator. And when said returns have been received by the Superintendent and carefully examined, if found executed in a satisfactory manner, then he shall also cause the other half to be paid. And where an appointment has been made to supply a vacancy arising in the office of enumerator, any equitable allowance shall be made for work done and accepted by each person so employed, whether by original appointment or to supply a vacancy. And whenever the Superintendent of the Census shall certify that the district superintendent has completed, to his satisfaction, and made returns of, his district, and shall also certify the amount of compensation to which, under the provisions of this act, such district superintendent is entitled, designating how long he has held his office, the Secretary of the Interior shall thereupon cause one-half of the sum, so due, to be paid to such district superintendent, and when the returns have been carefully examined for classification, if found executed in a satisfactory manner, then he shall also cause the other half to be paid: *Provided*, That the Secretary of the Interior shall reject any demand for compensation under this act which shall, in his judgment, be fraudulent or excessive. And whenever the district superintendent shall reject the return of any enumerator as unsatisfactory, he shall report that fact to the Superintendent of the Census, who shall submit such report to the Secretary of the Interior, and thereupon the said Secretary may, in his discretion, extend the time within which the duties of such enumerator may be performed, and either direct the district superintendent to refer such report back to such enumerator for revision and correction, or to direct and authorize the district superintendent to appoint a new enumerator to perform the duties of the enumerator whose report has been rejected, and the new officer thus appointed shall take the same oath and perform his duties in the same manner as required by this act of the officer originally appointed, and within the time limited by the order of the Secretary of the Interior.

SEC. 18. *And be it further enacted*, That the ninth census shall be taken as of the first day of June, eighteen hundred and seventy. The actual enumeration shall begin in each and every enumeration district on that day, and shall be completed, and answers to all the statistical inquiries shall be obtained by the enumerators, as provided by law, on or before the first day of July, eighteen hundred and seventy.

SEC. 19. *And be it further enacted*, That in all cities and incorporated towns or villages, the enumeration shall be so made and the returns so compiled as to exhibit separately all the statistical information obtained within the limits of each of said corporations.

SEC. 20. *And be it further enacted*, That if, in any Territory or places where the population is sparse, the officers of the army, or any person thereunto belonging, can be usefully employed in taking the census, the Secretary of War is hereby directed to afford such aid as may be given without prejudice to the public service.

SEC. 21. *And be it further enacted*, That any agent of the United States residing upon any Indian reservation shall, when required by the Secretary of the Interior, make, or cause to be made, an enumeration of the Indians residing upon said reservation, in such manner as the said Secretary may direct.

SEC. 22. *And be it further enacted*, That the Superintendent of the Census shall prepare for submission to Congress, at the beginning of the next December session held after the date of the census, a preliminary report, embracing statistics of the population of the United States, by States or Territories, and counties or parishes, sufficiently full for the equalization of representation of the several States in Congress. He shall, as soon thereafter as practicable, and within three years from the date of his appointment, prepare a carefully digested report, embracing full tabular statements of all the statistical information furnished by the census, with comparative tables, showing the changes from former censuses, and such other tables as may be necessary to exhibit the results of the enumeration.

SEC. 23. *And be it further enacted*, That from and after the third day of March, eighteen hundred and seventy-three, the House of Representatives shall be composed of three hundred members, to be apportioned among the several States in the manner directed in the next section of this act.

SEC. 24. *And be it further enacted*, That so soon as the next enumeration of the inhab-

itants of the several States, directed by the Constitution of the United States to be taken, shall be completed and returned to the office of the Department of the Interior, it shall be the duty of the Secretary of the Interior to ascertain therefrom the aggregate representative population of the United States, by counting the whole number of persons in each state, excluding Indians not taxed; but when the right to vote at any election for the choice of electors for President and Vice-President of the United States, representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age and citizens of the United States, or in any way abridged except for participation in rebellion or other crime, he shall reduce the basis of representation therein in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State; and it shall be his duty to thus ascertain the aggregate representative population of the United States; which aggregate population he shall divide by three hundred; and the product of such division, rejecting any fraction of an unit if any such happen to remain, shall be the ratio or rule of apportionment of representatives among the several States under such enumeration; and the said Secretary of the Department of the Interior shall then proceed in the same manner to ascertain the representative population of each State, and to divide the whole number of the representative population of each State by the ratio already determined by him as above directed; and the product of this last division shall be the number of representatives apportioned to such State under the enumeration provided for in this act: *Provided*, That the loss in the number of members caused by the fractions remaining in the several States, on the division of the population thereof, shall be compensated for by assigning to so many States having the largest fractions one additional member each for its fraction, as may be necessary to make the whole number of representatives: *And provided also*, That if, after the apportionment of the representatives under the next census, a new State or States shall be admitted into the Union, the representative or representatives assigned to such new State or States shall be in addition to the number of representatives herein above limited, which excess of representatives over three hundred shall only continue until the next succeeding apportionment of representatives under the next succeeding census.

SEC. 25. *And be it further enacted*, That when the Department of the Interior shall have apportioned the representatives, in the manner above directed, among the several States, under the next enumeration of the inhabitants of the United States, he shall, as soon as practicable, make out and transmit, under the seal of his office, to the House of Representatives, a certificate of the number of members apportioned to each State under the enumeration provided for in this act; and shall likewise make out and transmit, without delay, to the executive of each State, a certificate, under his seal of office, of the number of members apportioned to such State, under such enumeration.

SEC. 26. *And be it further enacted*, That an act entitled "An act providing for the taking of the seventh and subsequent censuses of the United States, and to fix the number of the members of the House of Representatives and provide for their future apportionment among the several States," approved May twenty-third, eighteen hundred and fifty; and also an act entitled "An act fixing the number of the members of the House of Representatives from and after the third March, anno Domini eighteen hundred and sixty-three," approved March fourth, eighteen hundred and sixty-two, be, and the same are hereby, repealed.

SEC. 27. *And be it further enacted*, That the Superintendent of the Census shall require and obtain from every railroad corporation, or the lessee or receiver thereof, in the United States, the following facts, so far as they respectively possess the same, to exhibit the condition of such company on the first of June, eighteen hundred and seventy, or at the date of the last annual report made since June first, eighteen hundred and sixty-nine, to wit: The name of the corporation or company with corporate name of lines leased; the number of miles of its road projected and the terminal points of the same; the number of miles completed; the number of miles leased; miles of double track exclusive of sidings; capital stock allowed by the charter; amount paid up; number of mail stations; highest grade, including curvature in each division operated; total cost of road and equipment, and cost of purchase of other lines of road and of telegraphs; the total amount of debt, exhibiting, separately, the funded and unfunded debt, and in what country payable; the number of acres of land derived from public grants, remaining unsold; the amount of rolling stock, exhibiting, separately, serviceable locomotives; unserviceable locomotives; passenger cars; express cars; mail, baggage, and express cars; box cars; stock cars; freight and coal cars. Also total number of employés, exhibiting, separately, the number of conductors, station-masters, ticket agents, brakemen, engineers, firemen, flagmen and gatemen, mechanics and laborers. Also the total receipts of the corporation, exhibiting, separately, the receipts from passengers; from freight; from expresses; from mails; from miscellaneous sources. Also the total expenditure of the corporation, including, separately, the kind and cost of fuel; the amount of national, State, and municipal taxation; interest on bonds and

other debts; dividends paid within the year in cash; dividends paid within the year in stock; repairs of track and bridges; repairs of rolling stock; other repairs; damages to freight; payments for personal injuries; telegraph expenses and repairs; new structures and other permanent improvements. Also the operations of the road, exhibiting, separately, the mileage of passenger trains; mileage of freight trains; mileage of repair, wood, and gravel trains; number of way passengers carried; average way fares per mile; number of through passengers carried; average of through fares per mile; total number of passengers carried, reduced to one mile; average rate per ton per mile on all local freight; average rate per ton per mile on all through freight; tons of coal; tons of merchandise; bushels of grain; barrels of flour; number of horses and cattle; number of sheep and swine; number of thousand feet of lumber; total tons of freight; total tons carried reduced to one mile; tons forwarded east, (or north;) tons forwarded west, (or south.) Also concerning casualties, exhibiting separately the number thereof, and the number of passengers or employés killed or wounded; the character of the accidents, whether by false handling of switches, signals or draws, or by defects in wheels, breaking of couplings or rails, or by impediments placed accidentally or intentionally on the track. He shall also, in like manner, require and obtain from the owners, proprietors, or managers of any canal or river improvement the following facts, to wit: Name of canal or river improvement; points connected; miles of canal; miles of slackwater; dimensions of improvement in feet, exhibiting the depth, and the width at the bottom and top; the number of locks and their standard length, depth, and width; number of feet of rise and fall; cost of structures; cost of enlargement; number of boats; total tonnage; total tons of freight carried east or north; total tons carried west or south; tons of coal; tons of merchandise; bushels of grain; barrels of flour; number of horses and cattle; number of sheep and swine; number of thousand feet of lumber; average rate of local tolls per mile; total amount received for tolls in eighteen hundred and sixty-nine; annual average expenses per mile for repairs from eighteen hundred and sixty to eighteen hundred and sixty-nine; the average number of months of navigation during the year. And he shall also procure, from the best available sources, full statistics of the coastwise trade, and of the lake and inland river navigation of the United States, which shall particularly show the number of vessels employed, and where, and whether of sail or propelled by steam; also the tonnage capacity of each; and the actual tonnage transported upon each lake, and river, and coastwise, during the year eighteen hundred and sixty-nine; and also the number of marine disasters which occurred to the lake, river, and coastwise commerce of the United States in the year eighteen hundred and sixty-nine, with the number of lives and vessels and value of property lost. He shall also, in like manner, require and obtain from the owners, proprietors, or managers of every express company the following facts, to wit: Name of corporation or company; capital paid up; total capital stock; length of lines in miles; whether the business is conducted by rail, vessel, or otherwise; total amount paid to railroads or vessels for use of line or lines; number of officers; number of persons engaged in general administration; number of agents and messengers; total receipts; total expenditures; exhibiting, separately, amount paid for salaries, for repairs, and for general expenses; and he may require such further information as in his judgment may be necessary to secure full returns of the transactions of such company. He shall also, in like manner, require and obtain from the owners, proprietors, or managers of every telegraph line the following facts, to wit: Name of corporation or company; terminal points connected; capital paid up; length of lines in miles; miles of wire; number of officers; number of persons engaged in general administration; number of persons engaged as telegraph operators; the number of messages transmitted by officers of the United States; the number of messages transmitted for the press; the number of messages transmitted for private parties; total number of messages transmitted; total receipts from messages; total expenditures of the company; exhibiting separately the amount expended for salaries, for repairs, and for general expenses. He shall also, in like manner, require and obtain from the officers or managers of all life insurance companies, the following facts, to wit: Name of company; amount of paid up capital; the number of persons employed in the general administration; the number employed as agents; the total gross assets of the company; exhibiting, separately, realized assets, deferred and unpaid premiums and premium notes and loans; total liabilities of the company; exhibiting, separately, losses adjusted and unadjusted, losses resisted, scrip and other dividends, dividends to policy-holders not applied, reinsurance fund; all other claims, including capital; receipts from cash premiums; receipts from all other sources; total cash expenditures, exhibiting, separately, amount paid for losses and claims, dividends, to stockholders, dividends to policy holders; commissions, including sums paid to agents by the insurers and the insured; officers' salaries; medical examiners' fees; national, State, and local taxation; and all other cash expenditures; also premium note expenditures; also the number and amount of policies issued during the year; also exhibiting policies terminating during the year; the number and amount terminated by death; by expiration; by surrender; by lapse; by change; total number and

amount of policies in force; exhibiting, separately, those of one thousand dollars or under; the number and amount of those from one thousand dollars to two thousand dollars, from two thousand dollars to three thousand dollars, from three thousand dollars to five thousand dollars, from five thousand dollars to ten thousand dollars; and the number and amount of those above ten thousand; also the amount of premiums received on policies in force and the average premium on each policy; also the amount of losses, in cash and notes and the percentage of the loss to the total amount of policies in force; also percentage of assets to risks in force. He shall also, in like manner, require and obtain from every fire and marine insurance company the following facts, to wit: Name of company; amount of capital stock authorized by charter; the amount paid up; the number of persons employed in general administration; the number employed as agents; the gross assets of company; the total liabilities, exhibiting, separately, the amount of losses adjusted, losses unadjusted, losses resisted, reinsurance fund, fire at fifty per cent., marine and inland at one hundred per cent.; all other liabilities, including capital; also the total receipts, exhibiting, separately, fire premiums, marine and inland premiums, and receipts from all other sources, including interests, dividends, and rents; also the total expenditures, exhibiting, separately, the number and amount of fire losses, of marine and inland losses, dividends, commissions, including sums paid to agents by the insurer and insured; officers' salaries; State, national, and municipal taxes, and all other expenses; concerning risks written during the year, the number and amount of fire, number and amount of marine and inland; concerning the risks in force December thirty-one, eighteen hundred and sixty-nine; the number and amount of fire risks having less than one year to run, less than three years to run, more than three years to run, and the number and amount of marine and inland risks. And the Superintendent of the Census shall require and obtain from each and every banking association in the United States and Territories thereof, full statistics of the condition and business of each of said associations for the year ending the first of June, eighteen hundred and seventy; and said superintendent shall require and obtain from each and every banker and broker full statistics of the business of such banker and broker, for the year ending on the first of June, eighteen hundred and seventy.

SEC. 28. *And be it further enacted*, That the Superintendent of the Census shall require each district superintendent or enumerator to obtain from every publisher, proprietor, or editor of a newspaper, magazine, or other periodical, published within the district, a copy of the number bearing the date of the first day of June, eighteen hundred and seventy, or of the date nearest thereto, and also a statement of the number of copies published. And he shall require the copies thus obtained to be forwarded to the Census Office at Washington for classification and preservation. And he shall require each district superintendent to procure from the State and municipal and other corporate authorities within his district such information as he may be able to procure, relating to the amount of debt of each State, county, or other municipal corporation, and for what purpose such debt was incurred, the amount and rate of taxation, and the various purposes for which the tax was levied; the number of criminal prosecutions in each State and municipal government, the number of arrests, convictions, and acquittals, and for the purpose of carrying into effect all the provisions of this section the Superintendent is required to prepare and issue all necessary instructions and such schedules as are not provided for by law to the district superintendent whose duty it shall be to obtain the required information.

SEC. 29. *And be it further enacted*, That the statistical information to be obtained in accordance with the provisions of this act shall be the following, to wit:

SCHEDULE No. 1.—POPULATION. (Family Schedule.)

Dwellings.	Name.	Description.		Birth-place.	Parentage.		Profession, occupation, or trade of each person over 15 years of age.	Male citizens of the United State 21 years of age.	Male citizens of the United States, 21 years of age, whose right to vote is denied or abridged on other grounds than rebellion or other crime.	Education.		Value of real estate owned.	Value of personal estate owned.	Health, physical and mental.	
		Age.	Sex.		Civil condition.	Color.				Father.	Mother.				Read.
1	Of what material principally built, as stone, brick, wood, &c.														
2	Value of house.														
3	The name of every person whose usual place of abode on the 1st day of June, 1870, was in this family.														
4	Whether head, husband, father, wife, son, daughter, or other relative, servant, boarder.														
5	Age at last birth-day; if under year, give months in fractions, as 5-12, &c.														
6	M. for males. F. for females.														
7	M. for married. W. for widowed. S. for single.														
8	If married within the year, state the month.														
9	W. white; B. black; M. mulatto; Ch. Chinese; Ind. Indian.														
10	Name the State, Territory, or foreign country, where born.														
11	Name State, Territory, or foreign country which was birth-place of—	Father.													
12		Mother.													
13	Profession, occupation, or trade of each person over 15 years of age.														
14	Male citizens of the United State 21 years of age.														
15	Male citizens of the United States, 21 years of age, whose right to vote is denied or abridged on other grounds than rebellion or other crime.														
16	Persons 15 years of age or upwards who cannot—	Read.													
17		Write.													
18	Value of real estate owned.														
19	Value of personal estate owned.														
20	Whether in good health and no disability, or sick, disabled, deaf, dumb, blind, insane, or idiotic, (not being in asylum.)														

SCHEDULE No. 2.—MORTALITY. (Family Schedule.)

Deaths in each family.

Name.	Sex.	Age.	Color.	Month.	Birth-place.	Birth-place.		Disease or cause of death.
						Father.	Mother.	
1								
	2							
		3						
			4					
				5				
					6			
						7		
							8	
								9



SCHEDULE No. 3.—STATISTICS OF AGRICULTURE. (Farm Schedule.)

1	Name of owner or occupant of the farm.	Ownership or occupation.		The farm, its condition and value.			Labor.		Live stock.							Animal products.																																							
		Acres in farm.	Acres (included in the preceding.)	Present cash value.	Wages.	Horses.	Mules and asses.	Neat cattle.	Cows.	Other neat cattle.	Sheep.	Swine.	Animals slaughtered or sold for slaughtering during 1869.	Poultry and eggs.	Bees.	Wool.	Dairy products of 1869.																																						
2	As tenant.	3	Cultivated.	4	Not cultivated.	5	Wood land.											6	Uncultivated pasture and uninclosed prairie.	7	Of entire farm.	8	Of farm buildings other than dwelling-houses.	9	Of farming tools, implemets, and machinery.	10	Total amount paid for hired labor in 1869.	11	Number June 1, 1870.	12	Number June 1, 1870.	13	Number of oxen June 1, 1870.	14	Number June 1, 1870.	15	Average number milked in season of 1869.	16	Number June 1, 1870.	17	Number June 1, 1870.	18	Number June 1, 1870.	19	Total value live stock.	20	Sheep and lambs, pounds.	21	Swine, pounds.	22	Neat cattle, pounds.	23	Value sold in 1869.	24	Pounds honey and beeswax, 1869.

SCHEDULE No. 3.—Continued.

VEGETABLE PRODUCTS.

30	Acres harvested in 1869.	Hay.
31	Tons.	
32	Grass seed—Bushels.	
33	Clover seed—Bushels.	
34	Tons.	Lint.
35	Bushels.	Seed.
36	Tons.	Hemp.
37	Acres, 1869.	Winter.
38	Bushels.	
39	Acres, 1869.	Spring.
40	Bushels.	
41	Acres harvested in 1869.	Rye.
42	Bushels harvested.	
43	Acres harvested in 1869.	Barley.
44	Bushels harvested.	
45	Acres harvested in 1869.	Oats.
46	Bushels harvested.	
47	Acres harvested in 1869.	Indian corn.
48	Bushels harvested.	
49	Acres harvested in 1869.	Buckwheat.
50	Bushels harvested.	
51	Bushels.	Peas and beans.
52	Acres harvested in 1869.	Common potatoes.
53	Bushels harvested.	
54	Acres harvested in 1869.	Sweet potatoes.
55	Bushels harvested.	
56	Acres harvested in 1869.	Hops.
57	Pounds.	
58	Acres harvested in 1869.	Tobacco.
59	Pounds harvested.	
60	Acres harvested in 1869.	Cotton.
61	Pounds.	
62	Acres harvested in 1869.	Rice.
63	Pounds.	
64	Kinds.	Sugar and molasses.
65	Acres.	
66	Pounds.	
67	Gallons.	
68	Value.	Value of orchard products, and berries.
69	Bushels of peanuts.	
70	Pounds of grape not made into wine.	Vineyards.
71	Gallons of wine.	
72	Value.	Garden and farm products not enumerated.
73	Value.	Domestic manufactures.

MISCELLANEOUS PRODUCTS.

SCHEDULE No. 4.—MANUFACTURING, MECHANICAL, AND MINING ESTABLISHMENTS.

1		Name of corporation, firm, or individual, and kind of business.	Aggregate capital invested in the business, including real and personal property.	Number of owners or partners working in the establishment.	4	Kind.	Motive power.	6	Kind.	Machines used.	7	Number.	Average number of hands employed.	8	Male.	9	Female.	Total amount of wages paid during the year.	10	Male.	11	Female.	12	Kind.	Materials used, including fuel.	13	Quantity.	Value.	14	Kind.	Articles produced.	15	Quantity.	Value.	17	18	Value of jobbing and repairing done for customers during the year.
															Total horse-power.		Total number of hands employed.			Total amount of wages paid during the year.																	

SCHEDULE No. 5.—STATISTICS OF FISHERIES.

Name of owner, firm, or company conducting the business.	Capital invested.	Description of fish or shell-fish taken.	Apparatus used in the business.	Number of hands employed.	Total wages paid during the year.	Fish or shell-fish taken.			Oil.		If of whale fisheries.			
						Kinds.	Quantities.	Value.	Barrels.	Value.	Spermaceti.		Whalebone.	
											Pounds.	Value.	Pounds.	Value.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

SCHEDULE No. 6.—MERCANTILE OR TRADING ESTABLISHMENTS.

Name of firm, or individual, and kind of business.	Number of persons engaged in establishment as owners or partners.	Annual rental value of buildings occupied.	Average amount of capital employed in trade during 1869.	Labor.				Purchases.	Sales.
				Average number of persons employed.		Amount of wages paid during the year.		Total of purchases during the year 1869, in dollars.	Total am't of sales during year 1869, in dollars.
				Male.	Female.	Male.	Female.		
1	2	3	4	5	6	7	8	9	10

SCHEDULE NO. 7.—SOCIAL STATISTICS.

Statistics of education for the year ending June 1, 1870.

1	Name of institution and its kind.	
2	Date of establishment.	
3	Male.	No. of pupils.
4	Female.	
5	Male.	No. of teachers.
6	Female.	
7	Number of months of school during the year.	
8	Male.	Am't paid teachers.
9	Female.	
10	Public funds or taxation.	Income received.
11	Endowment and rents.	
12	Tuition.	School building.
13	Principal materials, as wood, brick, and stone.	Studies—No. of pupils in each.
14	Total value of building.	
15	Common branches.	
16	Higher English branches.	
17	Ancient and modern languages.	
18	Special studies, as law, medicine, engineering, agriculture, chemistry, military and naval service.	
19	Name and kind	
20	Date of establishment.	Public libraries.
21	Number of volumes.	
22	Annual cost of maintenance and increase.	

Churches and religious worship.

Charitable, sanitary, reformatory, and penal institutions.

23	Name of church organization.	
24	In what year church organization was formed.	
25	Present cash value of church building and grounds.	
26	Value of church property.	
27	Number that can be seated in principal audience room.	
28	Usual number attending.	
29	No. of members of church.	
30	Amount paid to clergy during the year.	
31	All other expenses for religious purposes during the year.	
32	Number of children in Sunday schools under supervision of the church.	
33	Character and description.	
34	Present cash value of buildings.	
35	Amount appropriated from public funds.	Annual cost of maintenance.
36	Amount from other sources.	
37	Amount received from labor of inmates.	Sex.
38		Age.
39		Color.
40		
41	Occupation before entering institution.	
42	Civil condition, as: married, widowed, or single.	
43	Birthplace.	
44	Father.	Parentage.
45	Mother.	
46	Residence before entering institution.	
47	Read.	Education.
48	Write.	
49	If in good health and no disability, write G. If sick, write the disease, as: consumption, fever, pleurisy. If disabled, write: loss of leg, arm, blind, deaf and dumb, insane, idiot, &c.	
50	Or cause of disease for which inmate is here.	
51	Kind and duration.	

## APPENDIX A.

*Provisions of the national and State constitutions and laws relating to the right of suffrage.*

## EXTRACTS FROM THE CONSTITUTION OF THE UNITED STATES.

ART. I, SEC. 2. (3.) Representatives and direct taxes shall be apportioned among the several States which may be included within the Union, according to their respective numbers, which shall be determined by adding to the whole number of free persons, including those bound to service for a term of years, and excluding Indians not taxed, three-fifths of all other persons. The actual enumeration shall be made within three years after the first meeting of the Congress of the United States, and within every subsequent term of ten years, in such manner as they shall by law direct. The number of representatives shall not exceed one for every 30,000, but each State shall have at least one representative; and until such enumeration shall be made, the State of New Hampshire shall be entitled to choose three; Massachusetts, eight; Rhode Island and Providence Plantations, one; Connecticut, five; New York, six; New Jersey, four; Pennsylvania, eight; Delaware, one; Maryland, six; Virginia, ten; North Carolina, five; South Carolina, five; and Georgia, three.

(4.) When vacancies happen in the representation from any State, the executive authority thereof shall issue writs of election to fill such vacancies.

## AMENDMENTS.

ART. XIV, SEC. 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States, and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the law.

SEC. 2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice-President of the United States, representatives in Congress, the executive and judicial officers of a State, or the members of the legislatures thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

ART. XV, (now pending for adoption,) SEC. 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States, or by any State, on account of race, color, or previous condition of servitude.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

## EXTRACTS FROM STATE CONSTITUTIONS.

[N. B.—The following extracts from State constitutions are intended to exhibit only the qualifications of electors and the causes specified for exclusion from the right of suffrage in the several States. They do not, therefore, embrace sections relating to the time and manner of holding and making returns of elections, the powers and duties of public officers, the punishment of frauds, nor the exemptions and privileges of electors.]

## ALABAMA. (1867.)

ART. VII, SEC. 2. Every male person born in the United States, and every male person who has been naturalized, or who has legally declared his intention to become a citizen of the United States, twenty-one years old or upward, who shall have resided in this State six months next preceding the election, and three months in the county in which he offers to vote, as hereinafter provided, shall be deemed an elector: *Provided*, That no soldier, or sailor, or marine in the military or naval service of the United States shall hereafter acquire a residence by reason of being stationed on duty in this State.

SEC. 3. It shall be the duty of the general assembly to provide, from time to time, for the registration of all electors; but the following classes of persons shall not be permitted to register, vote, or hold office:

1. Those who, during the late rebellion, inflicted, or caused to be inflicted, any cruel or unusual punishment upon any soldier, sailor, or marine, employé or citizen of the United States, or who in any other way violated the rules of civilized warfare.

2. Those who may be disqualified from holding office by the proposed amendment to the Constitution of the United States, known as Article XIV, and those who have been disqualified from registering to vote for delegates to the convention to frame a constitution for the State of Alabama, under the act of Congress "to provide for the more efficient government of the rebel States," passed by Congress March 2, 1867,\* and the acts supplementary thereto, except such persons as aided in the reconstruction proposed by Congress, and accept the political equality of all men before the law: *Provided*, That the general assembly shall have power to remove the disabilities incurred under this clause.†

3. Those who shall have been convicted of treason, embezzlement of public funds, malfeasance in office, crime punishable by law with imprisonment in the penitentiary, or bribery.

4. Those who are idiots or insane.

[By article I, section 34, it is declared that temporary absence from the State shall not cause forfeiture of residence once obtained.]

#### ARKANSAS. (1868.)

ART. VIII, SEC. 2. Every male person born in the United States, and every male person who has been naturalized, or has legally declared his intention to become a citizen of the United States, who is twenty-one years old or upward, and who shall have resided in the State six months next preceding the election, and who at the time is an actual resident of the county in which he offers to vote, except as hereinafter provided, shall be deemed an elector: *Provided*, No soldier, or sailor, or marine, in the military or naval service of the United States, shall acquire a residence by reason of being stationed on duty in this State.

SEC. 3. The following classes shall not be permitted to register, or hold office, viz:

1. Those who during rebellion took the oath of allegiance, or gave bonds for loyalty and good behavior to the United States government, and afterwards gave aid, comfort, or countenance to those engaged in armed hostility to the government of the United States, either by becoming a soldier in the rebel army, or by entering the lines of said army, or adhering in any way to the cause of rebellion, or by accompanying any armed force belonging to the rebel army, or by furnishing supplies of any kind to the same.

2. Those who are disqualified as electors, or from holding office in the State or States from which they came.

3. Those persons who during the late rebellion violated the rules of civilized warfare.

4. Those who may be disqualified by the proposed amendment to the Constitution of the United States, known as Article XIV, and those who have been disqualified from registering to vote for delegates to the convention to frame a constitution for the State of Arkansas, under the act of Congress entitled "An act to provide for the more efficient government of the rebel States," passed March 2, 1867, and the acts supplemental thereto.‡

5. Those who shall have been convicted of treason, embezzlement of public funds, malfeasance in office, crimes punishable by law with imprisonment in the penitentiary, or bribery.

6. Those who are idiots or insane: *Provided*, That all persons included in the 1st, 2d, 3d, and 4th subdivisions of this section, who have openly advocated or who have voted for the reconstruction proposed by Congress, and accept the equality of all men before the law, shall be deemed qualified electors under this constitution.

SEC. 4. The general assembly shall have the power, by a two-thirds vote of each house, approved by the governor, to remove the disabilities included in the 1st, 2d, 3d, and 4th subdivisions of section three of this article, when it appears that such person applying for relief from such disabilities has in good faith returned to his allegiance to the government of the United States: *Provided*, The general assembly shall have no power to remove the disabilities of any person embraced in the aforesaid subdivisions who, after the adoption of this constitution by the convention, persist in opposing the acts of Congress and reconstruction thereunder.§

[By article I, section 22, persons concerned in duels are forever deprived of the right of voting at any election.]

\* This act allowed constitutions to be formed by conventions of delegates "elected by the male citizens of said State, 21 years old and upward, of whatever race, color, or previous condition, who have been resident in such State for one year previous to the day of such election, except such as may be disfranchised for participation in rebellion or for felony at common law." The constitutions formed at such conventions were to provide that the elective franchise should be enjoyed only by such persons as had the qualifications above stated for electors of delegates.

† This authority has been exercised in the form of a regular enactment, removing all disabilities, so that now all males 21 years of age, with the exception of convicted criminals, are allowed to vote.

‡ See note to Alabama.

§ This power has not been exercised by the general assembly

## CALIFORNIA. (1849.)

ART. II, SEC. 1. Every white male citizen of the United States, and every white male citizen of Mexico, who shall have elected to become a citizen of the United States, under the treaty of peace exchanged and ratified at Queretaro, on the 30th day of May, 1848, of the age of 21 years, who shall have been a resident of the State six months next preceding the election, and the county or district in which he claims his vote 30 days, shall be entitled to vote at all elections which are now, or hereafter may be, authorized by law: \* *Provided*, That nothing herein contained shall be construed to prevent the legislature, by a two-thirds concurrent vote, from admitting to the right of suffrage Indians or the descendants of Indians, in such special cases as such a proportion of the legislative body may deem just and proper.

SEC. 4. For the purpose of voting, no person shall be deemed to have gained or lost a residence by reason of his presence or absence while employed in the service of the United States,† nor while engaged in the navigation of the waters of this State, or of the United States, or of the high seas; nor while a student of any seminary of learning; nor while kept at any almshouse or other asylum at public expense; nor while confined in any public prison.

SEC. 5. No idiot or insane person, or person convicted of any infamous crime, shall be entitled to the privileges of an elector.

ART. XI, SEC. 19. Absence from the State on business of the State, or of the United States, shall not affect the question of residence of any person.

[By article XI, section 2, persons concerned in duels cannot be allowed to enjoy the right of suffrage.]

## CONNECTICUT. (1818.)

ART. VI, SEC. 1. All persons who have been or shall hereafter, previous to the ratification of this constitution, be admitted freemen, according to the existing laws of this State, shall be electors.

ART. VI, SEC. 3. The privileges of an elector shall be forfeited by a conviction of bribery, forgery, perjury, duelling, fraudulent bankruptcy, theft, or other offense for which an infamous punishment is inflicted.

AMENDMENT: ART. VIII. *Adopted October, 1845.* Every white male citizen of the United States who shall have attained the age of 21 years, and who shall have resided in this State for the term of one year next preceding, and in the town in which he may offer himself to be admitted to the privileges of an elector at least six months next preceding the time he may so offer himself, [see 11th amendment,] and shall sustain a good moral character, shall, on his taking such oath as may be prescribed by law, be an elector.

AMENDMENT: ART. XI. *Adopted October, 1855.* Every person shall be able to read any article in the constitution, or any section of the statutes of this State, before being admitted as an elector.

[By an amendment adopted in August, 1864, (Art. XIII,) electors in the military service of the United States, during the rebellion then existing, were enabled to vote while absent from the State. A law had been previously passed for this purpose.‡]

## DELAWARE. (1831.)

ART. IV, SEC. 1. \* \* \* \* And in such elections every free white male citizen of the age of twenty-two years or upwards, having resided in the State one year next before the election, and the last month thereof in the county where he offers to vote, and having within two years next before the election paid a county tax, which shall have been assessed at least six months before the election, shall enjoy the right of an elector; and every free white male citizen of the age of twenty-one, and under the age of twenty-two years, having resided as aforesaid, shall be entitled to vote without payment of any tax: *Provided*, That no person in the military, naval, or marine service of the United States shall be considered as acquiring a residence in this State by being

\*C went to reside in a certain county on September 22, and an election was held there on the 21st of October following. *Held*, That he had not resided there 30 days, so as to entitle him to vote under the constitutional provision requiring a previous residence for such a length of time.—*People vs. Holden*, 28 Cal., 123.

† A man is not disqualified from voting by reason of being a soldier in the army of the United States, but he will not acquire the right merely by residing in the country as a soldier.—*Orman vs. Riley*, 15 Cal., 48.

The burden of proof is upon the party who contests the right of another to vote.—*Ib.*  
Article 2, section 4, of the Constitution, declaring that no person shall be deemed to have gained or lost a residence by reason of his presence or absence in the service of the United States, does not preclude a person from acquiring a residence in the place where, and in the time while, he is present in such service. [SHAFTER, J., dissenting.]—*Ib.*

‡ The act of December 24, 1862, which provides for taking, out of the State, the votes of persons in the military service of the United States, in the election of State and other officers, is, in respect to the election of State officers and members of the general assembly, unconstitutional.—*Opinion of Judges*, 30 Conn., 591.

stationed in any garrison, barracks, or military or naval place or station within this State; and no idiot, or insane person, pauper, or person convicted of a crime deemed by law felony, shall enjoy the right of an elector; and that the legislature may impose the forfeiture of the right of suffrage as a punishment for crime.

FLORIDA. (1868.)

ART. XIV, SEC. 1. Every male person of the age of twenty-one years and upwards, of whatever race, color or nationality, or previous condition, or who shall, at the time of offering to vote, be a citizen of the United States, or who shall have declared his intention to become such in conformity to the laws of the United States, and who shall have resided and had his habitation, domicile, home, and place of permanent abode in Florida for one year, and in the county for six months next preceding the election at which he shall offer to vote, shall in such county be deemed a qualified elector at all elections under this constitution. Every elector shall at the time of his registration take and subscribe the following oath:

"I — do solemnly swear that I will support, protect and defend the Constitution and government of the United States, and the constitution and government of the State of Florida, against all enemies, foreign or domestic; that I will bear true faith, loyalty, and allegiance to the same, any ordinances or resolution of any State convention or legislature to the contrary notwithstanding: So help me God."

SEC. 2. No person under guardianship, *non compos mentis*, or insane, shall be qualified to vote at any election, nor shall any person convicted of felony be qualified to vote at any election unless restored to civil rights.

SEC. 3. At any election at which a citizen or subject of any foreign country shall offer to vote, under the provisions of this constitution, he shall present to the persons lawfully authorized to conduct and supervise such election a duly sealed and certified copy of his declaration of intention, otherwise he shall not be allowed to vote; and any naturalized citizen offering to vote shall produce before said persons, lawfully authorized to conduct and supervise the election, his certificate of naturalization, or a duly sealed and certified copy thereof; otherwise he shall not be permitted to vote.

SEC. 4. The legislature shall have power and shall enact the necessary laws to exclude from every office of honor, power, trust, or profit, civil or military, within the State, and from the right of suffrage all persons convicted of bribery, perjury, larceny, or of infamous crime, or who shall make or become, directly or indirectly, interested in any bet or wager, the result of which shall depend upon any election; or who shall hereafter fight a duel, or send or accept a challenge to fight, or who shall be a second to either party, or be the bearer of such challenge or acceptance; but the legal disability shall not accrue until after trial and conviction by due form of law.

SEC. 7. The legislature shall enact laws requiring educational qualifications for electors after the year 1880, but no such laws shall be made applicable to any elector who may have registered or voted at any election previous thereto.

[The Seminole Indians are, by Art. XVI, Sec. 7, allowed to elect one member of their tribe to each house of the legislature. This special representation is not to be a bar to the representation of any county by the citizens thereof, and whenever a tax may be imposed on these Indians, they are thenceforth to be entitled to all the privileges of citizens, and will be barred from special representation.]

GEORGIA. (1868.)

ART. II, SEC. 2. Every male person born in the United States, and every male person who has been naturalized, or who has legally declared his intention to become a citizen of the United States, twenty-one years old or upward, who shall have resided in this State six months next preceding the election, and shall have resided thirty days in the county in which he offers to vote, and shall have paid all taxes which may have been required of him, and which he may have had an opportunity of paying, agreeably to law, for the year next preceding the election, (except as hereinafter provided,) shall be deemed an elector; and every male citizen of the United States, of the age aforesaid, (except as hereinafter provided,) who may be a resident of the State at the time of the adoption of this constitution, shall be deemed an elector, and shall have all the rights of an elector as aforesaid: *Provided*, That no soldier, sailor, or marine in the military or naval service of the United States, shall acquire the rights of an elector by reason of being stationed on duty in this State; and no person shall vote who, if challenged, shall refuse to take the following oath:

"I do swear that I have not given, or received, nor do I expect to give, or receive, any money, treat, or other thing of value, by which my vote, or any vote, is affected, or expected to be affected, at this election, nor have I given or promised any reward, or made any threat, by which to prevent any person from voting at this election."

SEC. 3. No person convicted of felony or larceny before any court of this State, or of or in the United States, shall be eligible to any office or appointment of honor or trust within this State, unless he shall have been pardoned.

SEC. 5. No person who, after the adoption of this constitution, being a resident of



this State, shall engage in a duel in this State or elsewhere, or shall send or accept a challenge, or be aider or abettor to such duel, shall vote or hold office in this State; and every such person shall also be subject to such punishment as the law may prescribe.

SEC. 6. The general assembly may provide, from time to time, for the registration of all electors, but the following classes of persons shall not be permitted to register, vote, or hold office :

1. Those who shall have been convicted of treason, embezzlement of public funds, malfeasance in office, crime punishable by law with imprisonment in the penitentiary, or bribery.

2. Idiots or insane persons.

#### ILLINOIS.\* (1847-'48.)

ART. VI, SEC. 1. In all elections, every white male citizen above the age of 21 years, having resided in the State one year next preceding any election, shall be entitled to vote at such election; and every white male inhabitant of the age aforesaid, who may be a resident of the State at the time of the adoption of this constitution, shall have the right of voting as aforesaid; but no such citizen or inhabitant shall be entitled to vote, except in the district or county in which he shall actually reside at the time of such election.

SEC. 5. No elector shall be deemed to have lost his residence in this State by reason of his absence on the business of the United States, or of his State.

SEC. 6. No soldier, seaman, or marine, in the army or navy of the United States, shall be deemed a resident of this State, in consequence of being stationed at any military or naval place within the State.

SEC. 8. The general assembly shall have full power to pass laws excluding from the right of suffrage persons convicted of infamous crimes.

#### INDIANA. (1851.)

ART. II, SEC. 2. In all elections, not otherwise provided for by this constitution, every white male citizen of the United States, of the age of 21 years and upwards, who shall have resided in the State during the six months immediately preceding such election; and every white male of foreign birth of the age of 21 years and upwards, who shall have resided in the United States one year, and shall have resided in this State during the six months immediately preceding such election, and shall have declared his intention to become a citizen of the United States, conformably to the laws of the United States on the subject of naturalization, shall be entitled to vote in the township or precinct where he may reside.†

\* Whether the person offering to vote is an unnaturalized foreigner or a citizen, the judges of election have no right to investigate, under the laws of Illinois. If such person takes the oath prescribed by law, the duty is imperative upon the judges to receive his vote, unless the oath is proved to be false.—*Spragins vs. Houghton*, 2 Seaman, 377.

Nor can the judges inquire whether the person offering to vote is an inhabitant and entitled to the right of suffrage within the meaning of the constitution. It is only where the judge of the election allows the exercise of the elective franchise by one whose right he suspects, or whose vote is challenged, without tendering the oath prescribed by statute, that the judge violates his duty.—*Id.*

It seems that citizenship is not a necessary qualification of a voter in Illinois.—*Id.*

Each State has the undoubted right to prescribe the qualifications of its own voters. And it is equally clear that the act of naturalization does not confer on the individual naturalized the right to exercise the elective franchise. The qualification which the voter is required to possess in a congressional election depends entirely on the laws of the State in which the elective franchise is exercised, and is purely dependent on the municipal regulations of the State.—*Per SMITH, J.—Id.*

† By section 1 of the registry law, passed May 11, 1867, it is declared "That no person shall be deemed to have acquired a residence in any township, city, or ward, so as to entitle him to vote therein, until he shall have been a *bona fide* inhabitant of such township, city, or ward, at least twenty days before the day of election at which such person shall offer to vote."

The law above referred to was amended May 13, 1869. The following section defines the right of a person challenged upon his offering to vote.

"SEC. 6. Any person offering to vote may be challenged by any voter in such township, precinct, or ward, (as the case may be,) and if the person so challenged insists upon voting, and the challenge be not withdrawn, said board of election, or some member thereof, shall administer to him the following oath: 'You do swear (or affirm, as the case may be) that you are a citizen of the United States; that you are over 21 years of age, to the best of your information or belief; that you have been a *bona fide* resident of this State for six months immediately preceding this election; that you are now, and have been for twenty days last past, a *bona fide* resident of this township, precinct, or ward, (as the case may be); that you are generally known by the name in which you now desire to vote; that you have not voted nor will not vote at any other precinct, township, or ward (as the case may be) in this election.' And in case of person of foreign birth, the oath relative to citizenship shall be dispensed with, and the following words used in lieu thereof: 'That you have resided in the United States one year, and have declared your intention to become a citizen thereof, in conformity with the laws thereof. And in addition to such oath of such person proposing to vote, the following oath or affirmation of some freeholder who is a resident and voter of such township, precinct, or ward, (as the case may be,) in which the challenged person asks to vote, shall be required: 'You do swear, or affirm, (as the case may be,) that you are a freeholder, owning real estate in your own right, held by deed in your own name, and that the said real estate is situated in this election precinct; and that \_\_\_\_\_, who now desires to vote, has resided in this State for six months immediately preceding this election, and has been a *bona fide* resident of this precinct for twenty days last past;' which oath shall be written or printed, and shall be signed by the person making such oath in the presence of such board of elections, which oath shall be administered by some member thereof, who shall affix his jurat thereto; which affidavits shall be attached to, and be returned with, the poll-lists, to the office of the county clerk.'

SEC. 3. No soldier, seaman, or marine, in the army or navy of the United States, or of their allies, shall be deemed to have acquired a residence in the State in consequence of having been stationed within the same; nor shall any such soldier, seaman, or marine have the right to vote.

SEC. 4. No person shall be deemed to have lost his residence in the State by reason of his absence, either on business of this State or of the United States.

SEC. 5. No negro or mulatto shall have the right of suffrage.

SEC. 8. The general assembly shall have power to deprive of the right of suffrage, and to render ineligible, any person convicted of an infamous crime.

IOWA. (1857; AS AMENDED IN 1868.)

ART. II, SEC. 1. Every male citizen of the United States of the age of 21 years, who shall have been a resident of the State six months next preceding the election, and in the county in which he claims his vote sixty days, shall be entitled to vote at all elections which are now or hereafter may be authorized by law.\*

SEC. 4. No person in the military, naval, or marine service of the United States shall be considered a resident of this State by being stationed in any garrison, barrack, or military or naval place or station within this State.

SEC. 5. No idiot or insane person, or persons convicted of any infamous crime, shall be entitled to the privilege of an elector.

KANSAS. (1859; AS AMENDED IN 1864 AND 1867.)

ART. V, SEC. 1. Every white male person of 21 years and upwards, belonging to either of the following classes, who shall have resided in Kansas six months next preceding any election, and in the township or ward in which he offers to vote at least thirty days next preceding such election, shall be deemed a qualified elector:†

1. Citizens of the United States.

2. Persons of foreign birth who shall have declared their intention to become citizens, conformably to the laws of the United States on the subject of naturalization.

SEC. 2. No person under guardianship, *non compos mentis*, or insane; no person convicted of felony, unless restored to civil rights; no person who has been dishonorably discharged from the service of the United States, unless reinstated; no person guilty of defrauding the government of the United States or any of the States thereof; no person guilty of giving or receiving a bribe, or offering to give or receive a bribe; and no person who has ever voluntarily borne arms against the government of the United States, or in any manner voluntarily aided or abetted in the attempted overthrow of said government, except all persons who have been honorably discharged from the military service of the United States since the first day of April, A. D. 1861, provided that they have served one year or more therein, shall be qualified to vote or hold office in this State, until such disability shall be removed by a law passed by a vote of two-thirds of all the members of both branches of the legislature.

SEC. 3. For the purpose of voting, no person shall be deemed to have gained or lost a residence by reason of his presence or absence while employed in the service of the United States, nor while engaged in the navigation of the waters of this State or of the United States, or of the high seas, nor while at any almshouse or other asylum at public expense, nor while confined in any public prison; and the legislature may make provision for taking the votes of electors who may be absent from their townships or wards, in the volunteer military service of the United States, or the militia service of this State; but nothing herein contained shall be deemed to allow any soldier, seaman, or marine, in the regular army or navy of the United States, the right to vote.

KENTUCKY. (1850.)

ART. II, SEC. 8. Every free white male citizen, of the age of 21 years, who has resided in the State two years, or in the county, town, or city in which he offers

\* Remaining in a township, with the intention of returning upon the accomplishment of some temporary purpose, is not sufficient to give a residence within the meaning of the election laws of Iowa; there must be a *bona fide* intention to make it a residence.—*State vs. Minnetek*, 15 Iowa, (7 With.,) 123.

† The constitution of the State of Iowa, as applied to the legislative department, is a limitation, and not a grant of power; and the legislature may provide who shall have the right of suffrage, and the time, place, and manner of exercising it, when not expressly or impliedly prohibited by the terms of the constitution.—*Morrison vs. Springer*, 15 Iowa, (7 With.,) 304.

‡ The act of September 11, 1862, authorizing legal voters in the military service to vote without the State limits, is constitutional.—*Id.*

† The district court has decided that a person more than half white shall be deemed "white," within the meaning of this section, and be allowed to vote. This question has never been carried to the supreme court, but the above construction has generally been acquiesced in, and the class of persons referred to vote without hindrance.

‡ Foreigners who have resided in the State and precinct the prescribed time, are entitled to vote immediately upon being naturalized.—*Morgan vs. Dudley*, 18 B. Mon., (Ky.) 693.

to vote, one year next preceding the election, shall be a voter; but such voter shall have been, for sixty days next preceding the election, a resident of the precinct in which he offers to vote, and he shall vote in said precinct and not elsewhere.\*

ART. VIII, SEC. 4. Laws shall be made to exclude from office, and from suffrage, those who shall thereafter be convicted of bribery, perjury, forgery, or other crimes or high misdemeanors.

SEC. 12. Absence on the business of this State, or the United States, shall not forfeit a residence once obtained, so as to deprive any one of the right of suffrage, or of being elected or appointed to any office under this Commonwealth, under the exception contained in this constitution.

## LOUISIANA. (1868.)

TITLE II, ART. 25. At its first session under this constitution, the general assembly shall provide by law that the names and residence of all qualified electors shall be registered, in order to entitle them to vote; but the registry shall be free of cost to the elector.

ART. 26. No person shall be entitled to vote at any election held in this State, except in the parish of his residence, and at the election precinct in which he is registered: *Provided*, That no voter, in removing from one parish to another, shall lose the right in the former until he has acquired it in the latter.

TITLE VI, ART. 98. Every male person, of the age of 21 years or upwards, born or naturalized in the United States, and subject to the jurisdiction thereof, and a resident of this State one year next preceding an election, and the last ten days within the parish in which he offers to vote, shall be deemed an elector, except those disfranchised by this constitution, and persons under interdiction.

ART. 99. The following persons shall be prohibited from voting and holding any office: All persons who shall have been convicted of treason, perjury, forgery, bribery, or other crime punishable in the penitentiary, and persons under interdiction. All persons who are estopped from claiming the right of suffrage, by abjuring their allegiance to the United States government, or by notoriously levying war against it, or adhering to its enemies, giving them aid or comfort, but who have not expatriated themselves, nor have been convicted of any of the crimes mentioned in the first paragraph of this article, are hereby restored to the said right, except the following: Those who held office, civil or military, for one year or more, under the organization styled "the Confederate States of America;" those who registered themselves as enemies of the United States; those who acted as leaders of guerilla bands during the late rebellion; those who, in the advocacy of treason, wrote or published newspaper articles or preached sermons during the late rebellion; and those who voted for and signed an ordinance of secession in any State. No person included in these exceptions shall either vote or hold office until he shall have relieved himself by voluntarily writing and signing a certificate setting forth that he acknowledges the late rebellion to have been morally and politically wrong, and that he regrets any aid and comfort he may have given it; and he shall file the certificate in the office of the secretary of state, and it shall be published in the official journal: *Provided*, That no person who, prior to the first of January, 1868, favored the execution of the laws of the United States popularly known as the reconstruction acts of Congress,† and openly and actively assisted the loyal men of the State in their efforts to restore Louisiana to her position in the Union, shall be held to be included among those herein excepted. Registrars of voters shall take the oath of any such persons as *prima facie* evidence of the fact that he is entitled to the benefit of this proviso.

ART. 134. No soldier, sailor, or marine, in the military or naval service of the United States, shall hereafter acquire a residence in this State by reason of being stationed or doing duty in the same.

## MAINE. (1820.)

ART. II, SEC. 1. Every male citizen of the United States, of the age of 21 years and upward, excepting paupers,‡ persons under guardianship, and Indians not taxed, having his residence established in this State for the term of three months next preceding any election, shall be an elector for governor, senators, and representatives,

\* Foreigners who have resided in the State, county, and precinct the length of time required by the constitution, are entitled to vote immediately upon being naturalized. It does not require a residence after the alien becomes a citizen, or after he attains the age of 21, but only a previous residence next preceding the election, either before or after he acquires citizenship, or attains his majority.—*Morgan vs. Dudley*, 18 B. Mon., 724.

† See note to Alabama.

‡ Persons who have received assistance from any town as paupers, or been disposed of in service as such by the overseers of the poor, may still vote for State officers, if otherwise qualified, provided they have not been paupers within three months next preceding the day of election.—*Opinion of Justices*, 7 Greenleaf, App., 497.

in the town or plantation where his residence is so established,\* and the elections shall be by written ballot.† But persons in the military, naval, or marine service of the United States, or this State, shall not be considered as having obtained such established residence by being stationed in any garrison, barrack, or military place, in any town or plantation; nor shall the residence of a student at any seminary of learning entitle him to the right of suffrage in the town or plantation where such seminary is established.

MARYLAND. (1867.)

ART. I, SEC. 1. All elections shall be by ballot; and every white male citizen of the United States, of the age of 21 years, or upward, who has been a resident of the State for one year, and of the legislative district of Baltimore City, or of the county in which he may offer to vote, for six months next preceding the election, shall be entitled to vote in the ward or election district in which he resides, at all elections hereafter to be held in this State; and in case any county or city shall be so divided as to form portions of different electoral districts for the election of representatives in Congress, senators, delegates, or other officers, then, to entitle a person to vote for such officer, he must have been a resident of that part of the county or city which shall form a part of the electoral district in which he offers to vote for six months next preceding the election; but a person who shall have acquired a residence in such county or city, entitling him to vote at any such election, shall be entitled to vote in the election district from which he removed, until he shall have acquired a residence in the part of the county or city to which he has removed.

SEC. 2. No person above the age of 21 years, convicted of larceny or other infamous crime, unless pardoned by the governor, shall ever thereafter be entitled to vote at any election in this State; and no person under guardianship as a lunatic, or as a person *non compos mentis*, shall be entitled to vote.

SEC. 3. If any person shall give, or offer to give, directly or indirectly, any bribe, present, or reward, or any promise, or any security for the payment or the delivery of money, or any other thing, to induce any voter to refrain from casting his vote, or to prevent him in any way from voting, or to procure a vote for any candidate or person proposed or voted for as elector of President and Vice-President of the United States, or representative in Congress, or for any office of profit or trust created by the constitution or laws of this State, or by the ordinances or authority of the mayor and city council of Baltimore, the person giving, or offering to give, and the person receiving the same, and any person who gives, or causes to be given, an illegal vote, knowing it to be such, at any election to be hereafter held in this State, shall, on conviction in a court of law, in addition to the penalties now or hereafter to be imposed by law, be forever disqualified to hold any office of profit or trust, or to vote at any election thereafter.

MASSACHUSETTS.‡

AMENDMENT. (1821.)—ART. III. Every male citizen of 21 years of age and upward, (excepting paupers and persons under guardianship,) who shall have resided within the Commonwealth one year, and within the town or district in which he may claim a right to vote six calendar months next preceding any election of governor, lieu-

\* To qualify a citizen to be an elector of State officers, he must have resided the three preceding months not only in the State, but in the town or plantation where he claims to vote.—*Opinion of Justices*, 7 Greenleaf, App. 492.

A person who supports his family in one town, and resides to transact business in another town, can vote for State officers only in the town where his family have resided for the three months next preceding the election.—*Opinion of Judges*, 7 Greenleaf, App. 497.

† Printed ballots are within the meaning of this clause.—*Opinion of Judges*, 7 Greenleaf, App. 492.

‡ Persons who have the requisite qualifications as to age and residence, but who have been for two entire years exempted from taxation by town assessors, not being exempted by law from taxation, are not entitled to vote for governor, lieutenant governor, senators, and representatives, under the third article of amendment to the constitution.—*Opinion of the Justices*, 11 Pickering, 538.

Persons who have the requisite qualification as to residence in Massachusetts, but who have been exempted from taxation on account of their poverty, for two successive years before their arrival at the age of 70 years, are not entitled to vote as above.—*Opinion of the Justices*, 5 Metcalf, 591.

[The law of this State formerly imposed a poll-tax upon every male inhabitant between the ages of 16 and 70 years, whether a citizen of the United States or an alien, excepting those who, by reason of age, infirmity, and poverty, might, in the judgment of the assessors, be unable to contribute towards the public charges. The limitation of ages was, in 1843, fixed at from 20 to 70 years, and by further amendment of 1844 a poll-tax was imposed on every male over 70, excepting paupers and persons under guardianship, whether a citizen of the United States or an alien.]

Ratable polls of aliens may constitutionally be included in estimating the number of ratable polls, to determine the number of representatives any town may be entitled to elect.—*Opinion of the Justices of the S. J. C.*, 7 Mass., 523.

Payment of a State or county tax within two years next preceding the election of governor, &c., by one who is in other respects a qualified voter, entitles him to vote at such election, although such tax was illegally assessed upon him.—*Humphrey vs. Kingman*, 5 Met., 162.

Though a tax which is assessed upon one person is paid for him by another, without his previous authority, yet, if he recognizes the act, and repays or promises to repay the amount, on the ground that such person acted as his agent, he thereby acquires the same right to vote as if he had paid the tax with his own hand.—*Id.*

Persons who reside on lands purchased by or ceded to the United States, for navy yards, forts, and arsenals,

tenant governor, senators, or representatives, and who shall have paid, by himself or his parent, master, or guardian, any State or county tax, which shall, within two years next preceding such election, have been assessed upon him, in any town or district of this Commonwealth; and also every citizen who shall be by law exempted from taxation, and who shall be in all other respects qualified as above mentioned, shall have a right to vote in such election of governor, lieutenant governor, senators and representatives; and no other person shall be entitled to vote in such elections.

AMENDMENT. (1857).—ART. XX. No person shall have the right to vote, or be eligible to office, under the constitution of this Commonwealth, who shall not be able to read the constitution in the English language, and write his name: *Provided, however*, That the provisions of this amendment shall not apply to any person prevented by a physical disability from complying with its requisitions, nor to any person who now has the right to vote, nor to any person who shall be 60 years of age or upward at the time this amendment shall take effect.

and where there is no other reservation of jurisdiction to the State than that of a right to serve civil and criminal process on such lands, do not, by residing on such lands, acquire any elective franchise as inhabitants of such towns.—*Opinion of the Justices*, 1 Metcalf, 580. *Commonwealth vs. Clary*, 8 Mass., 77. See *Mitchell vs. Tibbetts*, 17 Pick., 298.

The inhabitants of a territory owned by the United States, and lying within this Commonwealth, have no jurisdiction, cannot exercise any civil or political privileges under the laws of the Commonwealth, because they are not interested in any elections made within the State, nor held to pay any taxes imposed by its authority, nor bound by any of its laws.—*Commonwealth vs. Clary*, 8 Mass., 72.

In an action against the selectmen of a town for refusing to put the plaintiff's name upon the list of voters and rejecting his vote, the plaintiff may prove his own statements relating to his residence, made to the selectmen before offering his vote, not under oath, for the purpose of furnishing to them evidence of his having the legal qualifications of a voter; and he may testify to his own intention in leaving the town for a prolonged absence previously to the time of acts complained of.—*Lombard vs. Oliver*, 7 Allen, (Mass.,) 155.

It is a requisite qualification for an elector of a representative in Congress that he shall have resided or had his home in the town where he votes, for the space of one year next preceding the election.—*Williams vs. Whiting*, 11 Mass., 423.

A person having a right to vote for State officers in any town, even where a year's residence is necessary to qualify him as such voter, does not lose that right by a temporary absence, although during his absence he may have voted in another town.—*Lincoln vs. Hapgood*, 11 Mass., 350.

*Domicile*.—The following decisions have been made in this State relative to the domicile:

1. Every person must have a domicile somewhere.—*Abington vs. North Bridgewater*, 23 Pick., 170, (1840.)

2. A person can have only one domicile, for one purpose, at one and the same time.—*Id.*

3. Where the boundary line between the town of R. and N. B. passed through a dwelling house, so that the portion of the house which was in N. B. was sufficient in itself to constitute a habitation, while the portion in R. was not sufficient for that purpose, it was held that a person, by occupying such house, acquired a domicile in N. B.—*Id.*

4. It seems that if, in such case, the line had divided the house more equally, the fact that the occupant had habitually slept in that part which was in N. B. would be a preponderating circumstance to show that he was domiciled in that town, and, in the absence of other evidence, would be decisive of the question.—*Id.*

5. Where a dwelling-house is so divided by the boundary line between the two towns as to leave that portion of the house in which the occupant mainly and substantially performs those offices which constitute his home, (such as sleeping, sitting, eating, and receiving visitors,) in one town, he is a citizen of that town, and has no right to elect to reside and be taxed for his personal property in the other town.—*Chenery vs. Waltham*, 8 Cush., 327, (1851.)

6. Whether a person removing from one town to another intends to change his residence is a question of fact and not of law.—*Fitchburg vs. Winchendon*, 4 Cush., 190, (1849.)

7. A domicile being once fixed, will continue, notwithstanding the absence of the party, till a new domicile is acquired.—*Jennison vs. Hapgood*, 10 Pick., 77, (1827.)

8. The intention to abandon a domicile, and actual residence to another place, if not accompanied by the intention of remaining there permanently, or at least for an indefinite time, will not produce a change of domicile.—*Id.*

9. It is difficult to give an exact definition of habitancy. In general terms, one may be designated as an inhabitant of that place which constitutes the principal seat of his residence, of his business pursuits, connections, attachments, and of his political and municipal relations. It is manifest, therefore, that it embraces the fact of residence at a place, with the intent to regard it and make it one's home. The act and intent must concur, and the intent may be inferred from the declarations and conduct. In a case of much doubt the mere declaration of the party, made in good faith, of his election to make one place rather than another his home, may be sufficient to turn the scale. But the question is one of fact for the jury to determine from all the circumstances of the case.—*SHAW, C. J.*, in *Lyman vs. Fiske*, 17 Pick., 234, (1835.)

10. If an inhabitant of a town removes to another town in this Commonwealth, not intending to remain there permanently, but with the intention of not returning to his former home, and does not so return, he loses his domicile in the former town.—*Mead vs. Boxborough*, 11 Cush., 362, (1853.)

11. The fact that such person was taxed in the town to which he has removed is not competent evidence to show that he did not continue to be taxable in the town of his former residence.—*Id.*

12. A citizen of this Commonwealth removing with his family to another State, and retaining no dwelling-place in this Commonwealth, though retaining his place of business here, and intending to retain his domicile here, and to return at some future indefinite period of time, has no domicile in this Commonwealth.—*Holmes vs. Greene*, 7 Gray, 299, (1856.)

13. A student of a college does not change his domicile by his occasional residence at the college.—*Granby vs. Amherst*, 7 Mass., 1, (1810.)

14. A seafaring man having lands occupied by himself, his servants, or hired people, although frequently absent on long voyages, has always been considered as having his residence on his lands, and as not losing his domicile by following his profession.—*PARSONS, C. J.*—*Id.* See also *Arlington vs. Boston*, 4 Mass., 312.

15. The domicile of a person *non compos mentis* and under guardianship may be changed by the direction and with the consent of the guardian, express or implied.—*Holeyoke vs. Haskins*, 5 Pick., 20, (1827.)

16. Evidence that the selectmen of a town decided that a person taxed there was an inhabitant, and put his name on the voting list, is not admissible for the purpose of showing that his domicile was in that town, without showing that they did it at his request.—*Fisk vs. Chester*, 8 Gray, 506, (1857.)

17. In an action to try the question whether the plaintiff, who had left the country with his family, was liable afterwards to be taxed as an inhabitant of the place of his former residence, a letter from him to his

## MICHIGAN. (1850.)

ART. VII, SEC. 1. In all elections, every white male citizen,\* every white male inhabitant, residing in the State on the 24th day of June, 1835; every white male inhabitant residing in this State on the first day of January, 1850, who has declared his intention to become a citizen of the United States, pursuant to the laws thereof, six months preceding an election, or who has resided in this State two years and six months, and declared his intention aforesaid; and every civilized male inhabitant of Indian descent, a native of the United States and not a member of any tribe, shall be an elector, and entitled to vote; but no citizen or inhabitant shall be an elector, or entitled to vote at any election, unless he shall be above the age of 21 years, and has resided in this State three months, and in the township or ward in which he offers to vote, ten days, next preceding such election: [*Provided*, That in the time of war, insurrection, or rebellion, no qualified elector, in the actual military service of the United States, or of this State, in the army or navy thereof, shall be deprived of his vote by reason of his absence from the township, ward, or State in which he resides; and the legislature shall have power, and shall provide the manner in which such absent electors may vote, and for the canvass and return of their votes to the township or ward election district in which they respectively reside, or otherwise.—*Amendment of 1865-66.*]

SEC. 5. No elector shall be deemed to have gained or lost a residence by reason of his being employed in the service of the United States, or of this State; nor while engaged in the navigation of the waters of this State, or of the United States, or of the high seas; nor while a student of any seminary of learning; nor while kept at any almshouse or other asylum at public expense; nor while confined in any public prison.

SEC. 7. No soldier, seaman, or marine, in the army or navy of the United States, shall be deemed a resident of this State in consequence of being stationed in any military or naval place within the same.

SEC. 8. Any inhabitant who may hereafter be engaged in a duel, either as principal or accessory before the fact, shall be disqualified from holding any office under the constitution and laws of this State, and shall not be permitted to vote at any election.

## MINNESOTA. (1857-'58. AS AMENDED IN 1868.)

ART. I, SEC. 17. \* \* \* No religious test or amount of property shall ever be required as a qualification of any voter at any election in this State. \* \* \* \*

agent in that place, expressing his intention to remain abroad permanently, is admissible in evidence, if written before he knew that a tax had been assessed upon him, though written after the assessment. Otherwise it seems, as to such letters written after he knew that he was taxed.—*Thorndike vs. Boston*, 1 Met. 242, (1840.)

18. A citizen, having lived many years at W., purchased and furnished a house in B., and afterwards with his family continued to spend his summers at his house in W., where he continued to pay his taxes, and spent his winters at his house in B. It was held that he was an inhabitant of W.—*Harvard College vs. Gore*, 5 Pick. 369, (1827.)

19. A person having a family domiciled in a town was occasionally absent in another town, engaged in his duties as clerk of courts and making arrangements for the removal of his family, and subsequently removed his family to such other town. It was held that his domicile did not change until the removal of his family.—*Williams vs. Whiting*, 11 Mass. 424, (1814.)

20. The mere fact that a student who has a domicile in one town resides at a public institution in another town for the sole purpose of obtaining an education, and that he has his means of support from another place, do not constitute a test of his right to vote, and his liability to be taxed in the latter town; he obtains this right, and incurs this liability, only by a change of domicile, and the question whether he has changed his domicile is to be decided by all the circumstances of the case.—*Opinion of Justices*, 5 Metcalf, 387.

21. A residence at college, or any other institution, for the purpose of instruction, for a sufficient length of time, will give a right of voting in the town where such institution exists, if the student have no other fixed place of residence, notwithstanding it may be his expectation to change such residence.—*Putnam vs. Johnson*, 10 Mass., 488.

22. A student in the theological institution at Andover, being of age, and making that town his home, and having no residence elsewhere, is entitled to vote in that town.—*Putnam vs. Johnson*, 10 Mass., 488, (1813.)

By an act approved March 6, 1865, it was provided, that whenever any person should make application to be assessed a poll-tax for the then current year, and it should appear that such applicant was on the first day of May preceding a resident of the city or town and liable to pay a poll-tax therein, but was not assessed therefor, and that such applicant had been, during any portion of the two preceding years, engaged in the military or naval service of the United States, it was made the duty of assessors to assess such tax, and notify the treasurer of the city or town of the same. The person thus assessed was, upon payment of said tax, entitled to vote, the same as if his taxes had been assessed and paid in the manner heretofore provided by law.

Chapter 145 of the laws of 1861 thus defines the qualifications of voters for representatives in Congress: "In any election of representatives to Congress in this Commonwealth, no person shall be allowed to vote for the same until he shall have resided in the congressional district where he offers to vote six months next preceding such election, and shall be otherwise qualified according to the constitution and laws of this State; *Provided*, That when the State shall be districted anew for members of Congress, he shall have the right so to vote in the district where he is located by such new arrangement; and *provided also*, that no voter residing in any city which now is, or hereafter may be, divided by the line between congressional districts, shall be deprived of his vote in the district in which he was assessed, or liable to assessment, on the first day of May next preceding such congressional election, if he be otherwise qualified."

\* Whether a person offering to vote at an election in Michigan has the requisite qualifications as to color and descent, (the constitution conferring the right to vote upon "white male citizens" only,) must, on challenge for the want of such qualification, be inquired into and determined by the inspectors of election.—*Gordon v. Farrar*, 2 Douglass, 411.

ART. VII, SEC. 1. Every male person of the age of twenty-one or upwards, belonging to either of the following classes, who shall have resided in the United States one year, and in this State four months next preceding any election, shall be entitled to vote at such election, in the election district of which he shall at the time have been for ten days a resident, for all officers that now are, or hereafter may be, elected by the people :

1. Citizens of the United States.

2. Persons of foreign birth, who shall have declared their intention to become citizens, conformably to the laws of the United States upon the subject of naturalization.

3. Persons of mixed white and Indian blood who have adopted the customs and habits of civilization.

4. Persons of Indian blood residing in this State, who have adopted the language, customs, and habits of civilization, after an examination before any district court of the State, in such manner as may be provided by law, and shall have been pronounced by said court capable of enjoying the rights of citizenship within the State.

SEC. 2. No person not belonging to one of the classes specified in the preceding section; no person who has been convicted of treason, or any felony, unless restored to civil rights, and no person under guardianship, or who may be *non compos mentis* or insane, shall be entitled or permitted to vote at any election in this State.

SEC. 3. For the purpose of voting, no person shall be deemed to have lost a residence by reason of his absence while employed in the service of the United States; nor while engaged upon the waters of this State, or of the United States; nor while a student of any seminary of learning, nor while kept in any almshouse or asylum; nor while confined in any public prison.

SEC. 4. No soldier, seaman, or marine, in the army or navy of the United States, shall be deemed a resident of this State in consequence of being stationed within the same.

ART. XV, SEC. 2. Persons residing on Indian lands within the State shall enjoy all the rights and privileges of citizens, as though they lived in any other portion of the State, and shall be subject to taxation.

#### MISSOURI. (1865.)

ART. II, SEC. 3. At any election held by the people under this constitution, or in pursuance of any law of this State, or under any ordinance or by-law of any municipal corporation, no person shall be deemed a qualified voter who has ever been in armed hostility to the United States, or to the lawful authorities thereof, or to the government of this State; or has ever given aid, comfort, countenance, or support to persons engaged in any such hostility; or has ever, in any manner, adhered to the enemies, foreign or domestic, of the United States, either by contributing to them, or by unlawfully sending within their lines money, goods, letters, or information; or has ever disloyally held communication with such enemies; or has ever advised or aided any person to enter the service of such enemies; or has ever, by act or word, manifested his adherence to the cause of such enemies, or his desire for their triumph over the arms of the United States, or his sympathy with those engaged in exciting or carrying on rebellion against the United States; or has ever, except under overpowering compulsion, submitted to the authority or been in the service of the so-called "Confederate States of America;" or has left this State, and gone within the lines of the armies of the so-called "Confederate States of America," with the purpose of adhering to said States or armies; or has ever been a member of, or connected with, any order, society, or organization inimical to the government of the United States, or to the government of this State; or has ever been engaged in guerilla warfare against loyal inhabitants of the United States, or in that description of marauding commonly known as "bush-whacking;" or has ever knowingly and willingly harbored, aided, or countenanced any person so engaged; or has ever come into or left this State, for the purpose of avoiding enrollment for or draft into the military service of the United States; or has ever, with a view to avoid enrollment in the militia of this State, or to escape the performance of duty therein, or for any other purpose, enrolled himself, or authorized himself to be enrolled, by or before any officer as disloyal, or as a southern sympathizer, or in any other terms indicating his disaffection to the government of the United States in its contest with rebellion, or his sympathy with those engaged in such rebellion; or, having ever voted at any election by the people of this State, or in any other of the United States, or in any other of their Territories, or held office in this State, or in any other of the United States, or any of their Territories, or under the United States, shall thereafter have sought or received, under claim of alienage, the protection of any foreign government, through any consul or other officer thereof, in order to secure exemption from military duty in the militia of this State, or in the army of the United States; nor shall any such person be capable of holding in this State any office of honor, trust, or profit, under its authority; or of being an officer, councilman, director, trustee, or other manager of any corporation, public or private, now existing or hereafter established by its authority; or of acting as a professor or teacher in any

educational institution, or in any common or other school; or of holding any real estate or other property in trust for the use of any church, religious society or congregation. But the foregoing provisions in relation to acts done against the United States shall not apply to any person not a citizen thereof, who shall have committed such acts while in the service of some foreign country at war with the United States, and who has, since such acts, been naturalized, or may hereafter be naturalized, under the laws of the United States; and the oath of loyalty hereinafter prescribed, when taken by any such person, shall be considered as taken in such sense.

SEC. 4. [Requires a registration of voters at least ten days before the day of election. Until a system of registration is established, every person offering to vote is required to take an oath and declaration of past and present loyalty, and of allegiance to the government of the United States and the State of Missouri.]

SEC. 15. Whoever shall be convicted of having, directly or indirectly, given or offered any bribe, to procure his election or appointment to any office, shall be disqualified for any office of honor, trust, or profit under this State; and whoever shall give or offer any bribe to procure the election or appointment of any other person to any office, shall, on conviction thereof, be disqualified for a voter, or any office of honor, trust, or profit under this State for ten years after such conviction.

SEC. 16. No officer, soldier, or marine, in the regular army or navy of the United States, shall be entitled to vote at any election in this State.

SEC. 17. No person who shall make, or become directly or indirectly interested in, any bet or wager depending upon the result of any election, shall vote at such election.

SEC. 18. Every white male citizen of the United States, and every white male person of foreign birth who may have declared his intention to become a citizen of the United States, according to law, not less than one year nor more than five years before he offers to vote, who is over the age of 21 years, who is not disqualified by or under any of the provisions of this constitution, and who shall have complied with its requirements, and have resided in this State one year next preceding any election, or next preceding his registration as a voter, and during the last sixty days of that period shall have resided in the county, city, or town where he offers to vote, or seeks registration as a voter, shall be entitled to vote at such election, for all officers, State, county, or municipal, made elective by the people; but he shall not vote elsewhere than in the election district in which he is at the time a resident, or after a system of registration of voters shall have been established in the election district where his name is registered, except as provided in the 21st section of this article.

SEC. 19. After the first day of January, 1876, every person who was not a qualified voter prior to that time shall, in addition to the other qualifications required, be able to read and write in order to become a qualified voter, unless his inability to read or write shall be the result of physical disability.

SEC. 20. For the purpose of voting, no person shall be deemed to have gained or lost a residence by reason of his presence or absence while employed in the service of the United States, nor while engaged in the navigation of the waters of this State, or of the United States, or of the high seas, nor while a student in any seminary of learning, nor while kept at any poor-house or other asylum at public expense, nor while confined in any public prison.

[SEC. 21. Allows voters who are absent as volunteers in the army of the United States, or the militia of the State, to vote during their absence without registration.]

[SEC. 23. Allows persons disqualified under the third section to remove such disability by entering the military service of the United States.]

[SEC. 25. After January 1, 1871, the general assembly shall have power to suspend or repeal any part of the 3d, 5th and 6th sections, so far as they may relate to the qualifications of voters, but no further. After the 1st day of January, 1875, it may wholly suspend or repeal the 3d, 4th, 5th, 6th, 8th, 9th, 10th 11th, and 12th sections.]\*

SEC. 26. The general assembly shall provide for the exclusion from every office of honor, trust, or profit within this State, and from the right of suffrage, of any person convicted of bribery, perjury, or other infamous crime.

#### NEBRASKA. (1867.)

ART II, SEC. 2. Every male person of the age of twenty-one years, or upwards, belonging to either of the following classes, who shall have resided in the State, county, precinct, and ward for the time provided by law, shall be an elector:

1. Citizens of the United States.
2. Persons of foreign birth who shall have declared their intention to become citizens conformably to the laws of the United States on the subject of naturalization.†

\* It was decided in the case of *Blair vs. Ridgely and Thompson*, that the oath prescribed in Article II, sections 2 and 6, of the constitution, as one of the qualifications for voting, does not violate any of the provisions of the Constitution of the United States. (Missouri Reports, xli, 63.)

† The constitution of this State, as adopted by the convention, restricted the privilege of voting to "whites." But Congress in an act for admitting the State into the Union, passed February 9, 1867, declared as a condition precedent, that there should be no denial of the elective franchise, or of any other right, to any person, by reason of race or color, excepting Indians not taxed. This condition was accepted by the territorial legislature, in an act declaring its assent to the conditions of the act of Congress above cited.



## NEVADA. (1864.)

ART. II, SEC. 1. Every white male citizen of the United States not laboring under the disabilities named in this constitution, of the age of twenty-one years and upwards, who shall have actually and not constructively resided in the State six months, and in the district or county thirty days next preceding any election, shall be entitled to vote for all officers that now are or hereafter may be elected by the people, and upon all questions submitted to the electors at such election: *Provided*, That no person who has been or may be convicted of treason or felony in any State or Territory of the United States, unless restored to civil rights; and no person who, after arriving at the age of eighteen years, shall have voluntarily borne arms against the United States, or held civil or military office under the so-called "Confederate States," or either of them, unless an amnesty be granted to such by the federal government, and no idiot or insane person, shall be entitled to the privileges of an elector.

SEC. 2. For the purpose of voting, no person shall be deemed to have gained or lost a residence by reason of his presence or absence while employed in the service of the United States, nor while engaged in the navigation of the waters of the United States, or of the high seas; nor while a student of any seminary of learning; nor while kept at any almshouse or other asylum at public expense; nor while confined in any public prison.

SEC. 3. The right of suffrage shall be enjoyed by all persons otherwise entitled to the same, who may be in the military or naval service of the United States: *Provided*, The votes so cast shall be made to apply to the county and township of which said voters were *bona fide* residents at the time of the enlistment: *Provided further*, That the payment of a poll-tax, or a registration of such voters, shall not be required as a condition to the right of voting.

SEC. 7. The legislature shall provide by law for the payment of an annual poll-tax of not less than two nor more than ten dollars from each male person resident in the State, between the age of twenty-one and sixty-five years, uncivilized American Indians excepted, one-half to be applied for State and one-half for county purposes; and the legislature may, in its discretion, make such payment a condition to the right of voting.

[ART. XV, SEC. 3, excludes persons concerned in duels from the right of voting or holding office.]

## NEW HAMPSHIRE. (1792.)

PART II, SEC. 28. \* \* \* Every male inhabitant of each town and parish with town privileges, and places unincorporated in this State, of twenty-one years of age and upwards, excepting paupers and persons excused from paying taxes at their own request,\* shall have a right at the annual or other meeting of the inhabitants of said towns and parishes, to be duly warned and holden annually forever in the month of March to vote in the town or parish wherein he dwells, for the senator in the district whereof he is a member.†

\* If the abatement of taxes by the selectmen, at the request of the person against whom they are assessed, is to be considered as excusing from paying taxes, within the meaning of the clause of the constitution which excludes from voting paupers and persons excused from paying taxes at their own request, it operates only to disqualify him as a voter during the political year for which the taxes were assessed, and not as a perpetual disfranchisement.—*Ford vs. Holden*, 39 N. H., 143.

† The Revised Statutes (Chap. XXVII) provide that none but native or naturalized citizens of the United States shall possess the right of voting, and aliens are expressly denied the right. No person can be considered a pauper within the meaning of the law, unless he has been assisted within ninety days prior to the meeting at which he claims the right to vote. If otherwise a legal voter, he cannot be deprived of his right to vote by reason of having been excused from paying taxes at his own request, if he shall, before he offers to vote, tender payment of all taxes assessed against him during the year prior to his offer to vote, to the moderator, collector of taxes, or one of the selectmen, and, at the time he offers to vote, presents evidence of such tender. Nor can a person be deprived of the right to vote by reason of having received assistance for himself or family, if he shall have tendered payment as aforesaid of all reasonable expenses which said town has incurred within ninety days by reason of such assistance; but, upon making such tender, he must have his name placed upon the check-list, when his vote must be received.

No person is considered as dwelling in a town for the purpose of voting, unless he shall have resided in such town six months next preceding the day of meeting. A residence, when acquired, is not interrupted or lost by a temporary absence therefrom, with the intention of returning.

By exercising the privilege of voting within a town, a person is deemed to have elected by such act to make the town his home, and is thereby disqualified from voting in any other town until he has gained a new residence as above provided.

By chapter 1, section 3, of the laws of 1868, any person who shall have been excused from paying taxes in any other town, or shall have received help for himself or family within ninety days, from the county, or any town other than that in which he offers to vote, shall, if otherwise qualified, be entitled to vote at any election, by tendering payment as provided in the section above cited. Paupers not chargeable to any town cannot vote at any election, except upon tender of payment of all reasonable expenses of any assistance received from the town or county for himself or family within ninety days.

To establish the fact that the respondent was not entitled to vote in a certain ward, under the statute requiring six months' residence, evidence tending to show that he had not actually resided in such ward for the six months preceding the election, but had remained for several months in another ward, is legally sufficient, no evidence being given by the respondent to show that the absence was temporary.—*State vs. Marshall*, 45 N. H., 281.

The provisions of the statutes of 1849 and of 1860, relating to the domicile of voters, are not unconstitutional.—*Davis v. School District*, 44 N. H., 398.

The unconstitutionality of the proposed act of the legislature of New Hampshire, entitled, "An act to secure the right of suffrage to the qualified voters of this State engaged in the military or naval service of their country," affirmed.—*Opinion of Justices*, 44 N. H., 633.

SEC. 30. And every person, qualified as the constitution provides, shall be considered as an inhabitant for the purpose of electing and being elected into any office or place within this State, in the town, parish, and plantation where he dwelleth and hath his home.

[Section 13 gives to voters for senators the right of voting for representatives.]

NEW JERSEY. (1844.)

ART. II, SEC. 1. Every white male citizen of the United States, of the age of 21 years, who shall have been a resident of this State one year, and of the county in which he claims his vote five months, next before the election, shall be entitled to vote for all officers that now are or hereafter may be elective by the people: *Provided*, That no person in the military, naval, or marine service of the United States shall be considered a resident in this State, by being stationed in any garrison, barrack, or military or naval place or station within this State; and no pauper, idiot, insane person, or person convicted of a crime which now excludes him from being a witness, unless pardoned or restored by law to the right of suffrage, shall enjoy the right of an elector.

SEC. 2. The legislature may pass laws to deprive persons of the right of suffrage who shall be convicted of bribery at elections.

NEW YORK. (1846.)

ART. II, SEC. 1. Every male citizen\* of the age of 21 years, who shall have been a citizen for ten days and an inhabitant of this State one year next preceding an election, and for the last four months a resident of the county where he may offer his vote, shall be entitled to vote at such election, in the election district of which he shall at the time be a resident, and not elsewhere, for all officers that now are or hereafter may be elective by the people; but such citizen shall have been, for thirty days next preceding the election, a resident of the district from which the officer is to be chosen for whom he offers his vote. But no man of color, unless he shall have been for three years a citizen of this State, and for one year next preceding any election shall have been seized and possessed of a freehold estate of the value of \$250 over and above all debts and incumbrances charged thereon, and shall have been actually rated and paid a tax thereon, shall be entitled to vote at such election. And no person of color shall be subject to direct taxation, unless he shall be seized and possessed of such real estate as aforesaid.

[In 1864 an amendment was added, allowing electors, in time of war, to vote while absent from the State, in the military or naval service of the United States, in such manner as the legislature might prescribe.]

SEC. 2. Laws may be passed excluding from the right of suffrage all persons who have been or may be convicted of bribery, larceny, or of any infamous crime; and for depriving every person who shall make, or become directly interested in, any bet or wager, depending upon the result of any election, from the right to vote at such election.

SEC. 3. For the purpose of voting, no person shall be deemed to have gained or lost a residence by reason of his presence or absence while employed in the service of the United States; nor while engaged in the navigation of the waters of this State, or of the United States, or of the high seas; nor while a student of any seminary of learning; nor while kept at any almshouse, or other asylum, at public expense; nor while confined in any public prison.

NORTH CAROLINA. (1868.)

ART. VI, SEC. 1. Every male person born in the United States, and every male person who has been naturalized, 21 years old or upward, who shall have resided in this State twelve months next preceding the election, and thirty days in the county in which he offers to vote, shall be deemed an elector.

SEC. 2. It shall be the duty of the general assembly to provide from time to time for the registration of all the electors, and no person shall be allowed to vote without registration, or to register without first taking an oath or affirmation to support and maintain the Constitution and laws of the United States, and the constitution and laws of North Carolina not inconsistent therewith.

SEC. 5. The following classes of persons shall be disqualified for office: First, all persons who shall deny the being of Almighty God. Second, all persons who shall have been convicted of treason, perjury, or any other infamous crime, since becoming citizens of the United States, or of corruption or malpractice in office, unless such person shall have been legally restored to the rights of citizenship.

\* A certificate of naturalization is the legal evidence of the judgment of the court, and is not to be collaterally impeached. [WILLIAMS, J., dissenting.]—*People vs. Pease*, 30 Barber, (N. Y.,) 588.

The elector is made the judge of his own qualifications, and his conscience takes the place of the judgment of every other tribunal for that occasion. The inspectors may instruct and advise him, but they cannot decide upon his qualifications.—*Id.*

## OHIO. (1851.)

ART. V, SEC. 1. Every white male citizen of the United States,\* of the age of 21 years, who shall have been a resident of the State one year next preceding the election, and of the county, township, or ward in which he resides such time as may be provided by law,† shall have the qualifications of an elector and be entitled to vote at all elections.

SEC. 4. The general assembly shall have power to exclude from the privilege of voting, or of being eligible to office, any person convicted of bribery, perjury, or otherwise infamous crime.

SEC. 5. No person in the military, naval, or marine service of the United States shall, by being stationed in any garrison or military or naval station within the State, be considered a resident of this State.

SEC. 6. No idiot or insane person shall be entitled to the privileges of an elector.

## OREGON. (1857.)

ART. II, SEC. 2. In all elections not otherwise provided for by this constitution, every white male citizen of the United States, of the age of 21 years and upwards, who shall have resided in the State during the six months immediately preceding such election, and every white male of foreign birth, of the age of 21 years and upwards, who shall have resided in the United States one year, and shall have resided in this State during the six months immediately preceding such election, and shall have declared his intention to become a citizen of the United States one year preceding such election, conformably to the laws of the United States on the subject of naturalization, shall be entitled to vote at all elections authorized by law.

SEC. 3. No idiot or insane person shall be entitled to the privileges of an elector; and the privilege of an elector shall be forfeited by a conviction of any crime which is punishable by imprisonment in the penitentiary.

SEC. 4. For the purpose of voting, no person shall be deemed to have gained or lost a residence by reason of his presence or absence while employed in the service of this State, or of the United States, or on the high seas, nor while a student of any seminary of learning, nor while confined in any public prison.

SEC. 5. No soldier, seaman, or marine, in the army or navy of the United States, or of their allies, shall be deemed to have acquired a residence in the State in consequence of having been stationed within the same, nor shall any such soldier, seaman, or marine have the right to vote.

SEC. 6. No negro, Chinaman, or mulatto shall have the right of suffrage.

SEC. 17. All qualified electors shall vote in the election precinct in the county where they may reside for county officers, and in any county in the State for State officers, or in any county of a congressional district in which such electors may reside for members of Congress.

## PENNSYLVANIA. (1838.)

ART. III, SEC. 1. In elections by the citizens, every white freeman‡ of the age of 21 years, having resided in this State one year and in the election district where he offers

\* In *Jeffries vs. Ankeny et al.*, 11 Ohio Rep., 372, the court in giving a construction to this word "white," in the constitution of 1802, held, that a person, the offspring of a white man and a half-breed Indian woman, was a lawful voter. This construction was followed in *Thacker vs. Hawk et al.*, 1b 376, where it was decided that the court of common pleas erred in holding that a man who had any negro blood in him, whatever, was not a lawful voter. The controlling idea of both cases is, that all men nearer white than black, of the grade between the mulatto and the white, were, so far as blood and color were concerned, entitled to vote as "white male" citizens.

READ, J., dissented in both cases, insisting that "white" meant "pure white—unmixed;" and that the constitution intended to exclude all persons from the privileges of the elective franchise except persons of pure white blood.

The act of April 13, 1863, "to enable qualified voters of this State, in the military service of this State, or of the United States, to exercise the right of suffrage," was intended to enable qualified voters of the State, in the military service, to vote in accordance with its provisions, as well without as within the territorial limits of this State.—*Lehman vs. McBride*, 15 Ohio St. R. 573.

Such act is constitutional. [RANNEY, J., dissenting.]—*Ib.*

The constitution of Ohio gives a right to vote to white male citizens. It having been decided that male citizens having a visible admixture of African blood, but in whom the white blood predominates, are white within the above clause; held, that a law imposing a heavy burden of proof on such citizens, providing that judges of elections should not be liable for damages for rejecting their votes, and otherwise unfavorably discriminating against them, was unconstitutional.—*Monroe vs. Collins*, 17 Ohio St. R. 665.

Persons having a mixture of African blood, but a preponderance of white blood, or being more white than black, and being otherwise qualified, were, by the settled construction of the section of the constitution of 1802, regulating the exercise of the elective franchise, entitled to enjoy the right of an elector. No change was made in this respect by the corresponding section of the constitution of 1851. The same persons, being otherwise qualified, are not to be excluded on account of color, but are entitled, under the present constitution, to vote at all elections.—*Anderson vs. Millikin et al.*, 9 O. St. R., 568.

† This time was limited by act of April 17, 1868, to thirty days in the county, and twenty days in the township, incorporated village, or ward, before election; except that heads of families may remove from one ward to another in the same city, and not out of the county, without losing the right of voting.

‡ A negro or mulatto cannot vote at a general election in Pennsylvania.—*Hobbs vs. Fogg*, 6 Watts, 553. The word "white" was introduced into the constitution in 1837, subsequent to the above decision.

to vote for 10 days immediately preceding such election, and within two years paid a State or county tax,\* which shall have been assessed at least 10 days before the election, shall enjoy the rights of an elector. But a citizen of the United States,† who had previously been a qualified voter of this State, and removed therefrom and returned, and who shall have resided in the election district, and paid taxes as aforesaid, shall be entitled to vote, after residing in the State six months: *Provided*, That white free-men, citizens of the United States, between the ages of 21 and 22 years, and having resided in the State one year and in the election district‡ ten days as aforesaid, shall be entitled to vote, although they shall not have paid taxes.

[By a law passed July 2, 1839, citizens in actual military service, in any detachment of the military, or corps of volunteers under a requisition from the President of the United States, or by authority of the commonwealth, were allowed to vote at places other than their usual residence. In 1864, an amendment was added to the constitution authorizing such persons to vote under such regulations as might be prescribed by law. An act was accordingly passed August 25, of that year, for carrying this provision into effect.§]

#### RHODE ISLAND. (1842.)

ART. II, SEC. 1. Every male citizen of the United States, of the age of 21 years, who has had his residence and home in this State for one year, and in the town or city in which he may claim a right to vote six months next preceding the time of voting, and who is really and truly possessed in his own right of real estate in such town or city of the value of \$134, over and above all incumbrances, or which shall rent for \$7 per annum over and above any rent reserved, or the interest of any incumbrances thereon, being an estate in fee simple, fee tail, for the life of any person, or an estate in reversion of remainder, which qualifies no other person to vote, the conveyance of which estate, if by deed, shall have been recorded at least ninety days, shall hereafter have a right to vote at the election of all civil officers, and on all questions, in all legal town or ward meetings, so long as he continues so qualified.

And if any person hereinbefore described shall own any such estate within this State out of the town or city in which he resides, he shall have a right to vote in the election of all general officers and members of the general assembly in the town or city in which he shall have had his residence and home for the term of six months next preceding the election, upon producing a certificate from the clerk of the town or city in which his estate lies, bearing date within ten days of his voting, setting forth that such person has a sufficient estate therein to qualify him as a voter, and that the deed, if any, has been recorded ninety days.

SEC. 2. \* \* \* \* From and after that time, [the end of 1843,] every such citizen, [male citizen of the United States, 21 years of age, two years resident in State and six months in town or city,] who has had the residence herein required, and whose name shall be registered in the town where he resides, on or before the last day of December in the year next preceding the time of his voting, and who shall show any legal proof that he has, for and within the year next preceding the time he shall offer to vote, paid a tax or taxes assessed against him in any town or city in this State, to the amount of \$1; or that he has been enrolled in a military company in this State, been equipped and done duty therein, according to law, and at least for one day during such year, shall have a right to vote in the election of all civil officers, and on all questions in all legally organized town or ward meetings: *Provided*, That no person shall at any time

\* To entitle a citizen, otherwise qualified, to vote in Pennsylvania for President and Vice-President, he must have paid, within two years next preceding the election, a State or county tax, assessed on himself individually, at least six months prior to such election.—*Callin vs. Smith*, 2 S. and R. 267.

† Where the naturalization results from the naturalization of the parent, the parent's certificate must be produced.—*Price vs. Barber*, 13 Leg. Int., 140.

‡ Election districts, within the meaning of the Pennsylvania statutes, denote subdivisions of State territory marked out by known boundaries, prearranged and declared by public authority; though not defined by the constitution, they mean in it the same as in the statute, and are recognized as among the civil institutions of the State, which can neither be created nor controlled by the military power.—*Chase vs. Miller*, 41 Penn. State R. 403.

§ "Residence," in the constitution, is the same as domicile, the place where a man establishes his abode, makes the seat of his property, and exercises his civil and political rights.—*Id.*

The party must not only have actually resided in the State one year before tendering his vote, but such residence must have been with the intent to become a citizen of the State, and to abandon the citizenship the party may have previously had in another State.—*Snow*, Com. Pleas, Phila., 3 Nov., 1848, M. S., Sec. 2d, Par. A. D., 450; 1 Ash., 125; 1 Wall, jr., 217, 2d J., 365, P. L. J., 310.

The term "election district" signifies any part of a city or county having fixed boundaries, within which the citizens residing therein must vote.—3 P. L. J., 310; 5 Wright, 403.

§ The law providing for the voting of soldiers away from home in actual service covers the case of municipal elections held at the same time as the general election; hence the soldiers in camp, belonging to Philadelphia, at the time of the election of 1861, had the right to vote for their proper municipal officers, and have their votes counted and returned, and it was the duty of the judges of each ward to meet on the second Tuesday of November, to include the votes so returned in their enumeration.—*Hulseman vs. Rems*, 41 Penn. State R. 396.

The right of a soldier to vote, under the constitution, is confined to the election district where he resided at the time of his entering the military service.—*Chase vs. Miller*, 41 Penn. State R., 403.

be allowed to vote in the election of the city council of the city of Providence, or upon any proposition to impose a tax, or for the expenditure of money in any town or city, unless he shall, within the year next preceding, have paid a tax assessed upon his property therein valued at least at \$134.

SEC. 3. The assessors of each town or city shall annually assess upon every person, whose name shall be registered, a tax of \$1, or such sum as with his other taxes shall amount to \$1, which registry tax shall be paid into the treasury of such town or city, and be applied to the support of public schools therein. But no compulsory process shall issue for the collection of any registry tax: *Provided*, That the registry tax assessed upon any mariner, for any year while he is at sea, shall, upon his application, be remitted; and no person shall be allowed to vote whose registry tax for either of the two years next preceding the time of voting is not paid or remitted, as herein provided.

SEC. 4. No person in the military, naval, or marine, or any other service of the United States, shall be considered as having the required residence by reason of being employed in any garrison, barrack, or military or naval station in this State; and no pauper, lunatic, person *non compos mentis*, person under guardianship, or member of the Narragansett tribe of Indians, shall be permitted to be registered or to vote.

Nor shall any person convicted of bribery, or of any crime deemed infamous at common law, be permitted to exercise that privilege, until he be expressly restored thereto by an act of the general assembly.

SEC. 5. Persons residing on lands ceded by this State to the United States shall not be entitled to exercise the privilege of electors.

AMENDMENT: ARTICLE 4. (ADOPTED JUNE 3, 1864).—Electors of this State who, in time of war, are absent from the State in the actual military service of the United States, being otherwise qualified, shall have a right to vote in all elections in the State for electors of President and Vice-President of the United States, representatives in Congress, and general officers of the State. The general assembly shall have full power to provide, by law, for carrying this article into effect, and until such provision shall be made by law, any such absent elector, on the day of such elections, may deliver a written or printed ballot, with the names of the persons voted thereon, and his Christian and surname, and his voting residence in the State, written at length on the back thereof, to the officer commanding the regiment or company to which he belongs; and all such ballots, certified by such commanding officer to have been given by the elector whose name is written thereon, and returned by such commanding officer to the secretary of state within the time prescribed by law for counting the votes in such election, shall be received and counted with the same effect as if given by such elector in open town, ward, or district meeting; and the clerk of town or city, until otherwise provided by law, shall, within five days after any such election, transmit to the secretary of state a certified list of the names of all such electors on their respective voting list.

#### SOUTH CAROLINA. (1868.)

ART VIII, SEC. 2. Every male citizen of the United States, of the age of 21 years and upwards, not laboring under the disabilities named in this constitution, without distinction of race, color, or former condition, who shall be a resident of this State at the time of the adoption of this constitution, or who shall thereafter reside in this State one year, and in the county in which he offers to vote sixty days next preceding any election, shall be entitled to vote for all officers that are now or hereafter may be elected by the people, and upon all questions submitted to the electors at any elections: *Provided*, That no person shall be allowed to vote or hold office who is now, or hereafter may be, disqualified therefor by the Constitution of the United States, until such disqualification shall be removed by the Congress of the United States: *Provided further*, That no person while kept in any almshouse or asylum, or of unsound mind, or confined in public prison, shall be allowed to vote or hold office.

SEC. 3. It shall be the duty of the general assembly to provide from time to time for the registration of all electors.

SEC. 4. For the purpose of voting no person shall be deemed to have lost his residence by reason of absence while employed in the service of the United States, nor while engaged upon the waters of this State or the United States, or of the high seas, nor while temporarily absent from the State.

SEC. 5. No soldier, seaman, or marine, in the army or navy of the United States, shall be deemed a resident of this State in consequence of having been stationed therein.

SEC. 8. The general assembly shall never pass any law that will deprive any of the citizens of this State of the right of suffrage, except for treason, murder, robbery, or dueling, whereof the persons shall have been duly tried and convicted.

SEC. 12. No person shall be disfranchised for felony or other crimes committed while such person was a slave.

#### TENNESSEE. (1834.)

ART. IV, SEC. 1. Every free white man, of the age of 21 years, being a citizen of the United States, and a citizen of the county wherein he may offer his vote six

months next preceding the day of election, shall be entitled to vote for members of the general assembly and other civil officers for the county or district in which he resides: *Provided*, That no person shall be disqualified from voting in any election on account of color, who is now, by the laws of this State, a competent witness in a court of justice against a white man. All free men of color shall be exempt from military duty in time of peace, and also from paying a free poll-tax.

SEC. 2. Laws may be passed excluding from the right of suffrage persons who may be convicted of infamous crimes.

AMENDMENT. (1866.) SCHEDULE.—SEC. 9. The qualifications of voters, and the limitations of the elective franchise, may be determined by the general assembly which shall first assemble under the amended constitution.\*

#### VERMONT. (1793.)

PART I, ART. 8. That all elections ought to be free, and without corruption, and that all freemen, having a sufficient evident common interest with, and attachment to, the community, have a right to elect and be elected into office, agreeably to the regulations made in this constitution.

PART II, SEC. 21. Every man of the full age of 21 years, having resided in this State for the space of one whole year next before the election of representatives, and is of a quiet and peaceable behavior, and will take the following oath or affirmation, shall be entitled to all the privileges of a freeman of this State:

"You solemnly swear (or affirm) that whenever you give your vote or suffrage touching any matter that concerns the State of Vermont, you will do it so as in your conscience you shall judge will most conduce to the best good of the same, as established by the constitution, without fear or favor of any man."

AMENDMENT. (1828.)—ART. I. No person who is not already a freeman of this State shall be entitled to exercise the privileges of a freeman, unless he be a natural-born citizen of this or some one of the United States, or until he shall have been naturalized agreeably to the acts of Congress.

#### WEST VIRGINIA. (1861-'63.)

ART. III, SEC. 1. The white male citizens of the State shall be entitled to vote at all elections held within the election districts in which they respectively reside; but no person who is a minor, or of unsound mind, or a pauper, or who is under conviction of treason, felony, or bribery in an election, or who has not been a resident of the State for one year, and of the county in which he offers to vote for thirty days next preceding such offer, shall be permitted to vote while such disability continues.

\* An act to limit the elective franchise was passed June 5, 1865. It restricted the right of voting to those white men (otherwise qualified under the constitution) who were publicly known to have entertained unconditional Union sentiments from the outbreak of the rebellion until that time, and who had not voluntarily given aid to the so-called "Confederate States."

This act was repealed by another, passed May 3, 1866, soon after the adoption of the amendment given in the text, and this was again further amended February 25, 1867. The existing provisions of these acts, so far as they admit or deny the right of persons to vote, are as follows:

SEC. 1. Every male inhabitant of this State, of the age of 21 years, a citizen of the United States, and a resident of the county wherein he may offer his vote six months next preceding the day of election, shall be entitled to the privilege of the elective franchise, subject to the following exceptions and disqualifications, to wit:

1. Said voter shall never have borne arms against the government of the United States, for the purpose of aiding the late rebellion, nor have voluntarily given aid, comfort, countenance, counsel, or encouragement to any rebellion against the authority of the United States government, nor aided, countenanced, or encouraged acts of hostility thereto.

2. That said voter shall have never sought or voluntarily accepted any office, civil or military, or attempted to exercise the functions of any office, civil or military, under the authority or pretended authority of the so-called "Confederate States of America," or of any insurrectionary State whatever, hostile or opposed to the authority of the United States government, with the intent and desire to aid said rebellion or insurrectionary authority.

3. That said voter shall never have voluntarily supported any pretended government, power, or authority hostile or inimical to the authority of the United States, by contributions in money or property, by persuasion or influence, or in any other way whatever: *Provided*, That the foregoing restrictions and disqualifications shall not apply to any citizen who may have served in and been honorably discharged from the army or navy of the United States since the 1st day of January, 1862, nor to those who voted in the presidential election in November, 1864, or voted in the election for "ratification or rejection," in February, 1865, or voted in the election held on the 4th of March, of the same year, for governor and members of the legislature, nor to those who have been appointed to any civil or military office by Andrew Johnson, military governor, or William G. Brownlow, governor, of Tennessee, prior to June 5, 1865, all of whom are hereby declared to be qualified voters, upon their complying with the requirements of this act: *Provided*, That this latter clause shall not apply to any commission issued upon any election which may have been held.

[The second and third sections provide for the appointment of a commissioner of registration for each county in the State. He is required to issue certificates of registration to those entitled, upon production of sufficient documentary proofs, and personal evidence of unconditional Union men, and upon the oath of the person making application for registration, setting forth that he has not borne arms against the United States, nor willingly given aid to rebellion. Persons personally known to the commissioner to have always been unconditional Union men, or who may be proved to be such by two such witnesses, are excused from taking the oath. Citizens of Tennessee in the army of the United States are allowed to vote wherever located, and the votes are to be counted as of the counties in which such officers or soldiers might reside.]

AMENDMENT. (1866.)—No person who, since the 1st day of June, 1861, has given or shall give voluntary aid or assistance to the rebellion against the United States, shall be a citizen of this State, or be allowed to vote at any election therein, unless he has volunteered into the military or naval service of the United States, and has been or shall be honorably discharged therefrom.

WISCONSIN. (1848, AS AMENDED.)

ART. III, SEC. 1. Every male person, of the age of 21 years or upward, belonging to either of the following classes, who shall have resided in this State for one year next preceding any election, shall be deemed a qualified elector at such election:\*

1. Citizens of the United States.
2. Persons of foreign birth who shall have declared their intention to become citizens conformably to the laws of the United States on the subject of naturalization.
3. Persons of Indian blood, who have once been declared by law of Congress to be citizens of the United States, any subsequent law of Congress to the contrary notwithstanding.
4. Civilized persons of Indian descent, not members of any tribe: *Provided*, That the legislature may at any time extend by law the right of suffrage to persons not herein enumerated; but no such law shall be in force until the same shall have been submitted to a vote of the people at a general election, and approved by a majority of all the votes cast at such election.

SEC. 2. No person under guardianship, *non compos mentis*, or insane, shall be qualified to vote at any election; nor shall any person convicted of treason or felony be qualified to vote at any election, unless restored to civil rights.

SEC. 4. No person shall be deemed to have lost his residence in this State by reason of his absence on business of the United States or of this State.

SEC. 5. No soldier, seaman, or marine in the army or navy of the United States, shall be deemed a resident of this State in consequence of being stationed within the same.

SEC. 6. Laws may be passed excluding from the right of suffrage all persons who have been or may be convicted of bribery or larceny, or of any infamous crime, and depriving every person who shall make, or become directly or indirectly interested in, any bet or wager depending upon the result of any election, from the right to vote at such election.†

ART. XIII, SEC. 2. Any inhabitant of this State who may hereafter be engaged, either directly or indirectly, in a duel, either as principal or accessory, shall forever be disqualified as an elector, and from holding any office under the constitution and laws of this State, and may be punished in such other manner as shall be prescribed by law.

SEC. 5. All persons residing upon Indian lands within any county of the State, and qualified to exercise the right of suffrage under this constitution, shall be entitled to vote at the polls which may be held nearest their residence, for State, United States, or county officers: *Provided*, That no person shall vote for county officers out of the county in which he resides.

*Constitutional provisions relating to the limitation of suffrage in States not restored to the right of representation in Congress.*

MISSISSIPPI.

CONSTITUTION OF 1832.—ART. III, SEC. 1. Every free white male person of the age of 21 years or upwards, who shall be a citizen of the United States, and shall have resided in this State one year next preceding an election, and the last four months within the county, city, or town in which he offers a vote, shall be deemed a qualified elector. And any such qualified elector who may happen to be in any county, city, or town other than that of his residence at the time of an election, or who shall have moved to any county, city, or town within four months preceding the election, from any county, city, or town in which he would have been a qualified elector had he not so removed, may vote for any State or district officer, or member of Congress, for whom he could have voted in the county of his residence, or the county, city, or town from which he may have so removed.

ART. VII, SEC. 4. \* \* \* Laws shall be made to exclude from office and from suffrage those who shall thereafter be convicted of bribery, perjury, forgery, or other high crimes or misdemeanors. \* \* \*

\* The words "any person not having all the qualifications of an elector," in this statute, mean any person disqualified, incapacitated, or disentitled, from any of the causes fixed by law, referring to his condition when his vote is received.—*Byrne vs. State*, 12 Wis., 519.

† The question whether or not a voter had a wager depending upon the result of the election, is a question of mixed law and fact, upon which the inspectors act in a *quasi* judicial capacity, and for an obvious but honest mistake of the law or error of judgment in their decision they are not criminally responsible.—*Byrne vs. State*, 12 Wis., 519.

CONSTITUTION PREPARED IN 1868 AND NOT ADOPTED.—ART. VII, SEC. 2. All male inhabitants of this State, except idiots and insane persons, and Indians not taxed, citizens of the United States, or naturalized, 21 years old and upwards, who have resided in this State six months and in the county one month next preceding the day of election at which said inhabitant offers to vote, and who are duly registered according to the requirements of section three of this article, and who are not disqualified by reason of any crime, are declared to be qualified electors.

SEC. 3. The legislature shall provide, by law, for the registration of all persons entitled to vote at any election, and all persons entitled to register shall take and subscribe the following oath or affirmation:

"I, \_\_\_\_\_, do solemnly swear (or affirm) that I have resided in this State six months, and in \_\_\_\_\_ county one month; that I will faithfully support and obey the Constitution and laws of the United States and of the State of Mississippi, and will bear true faith and allegiance to the same; that I am not disfranchised in any of the provisions of the acts known as the reconstruction acts of the 39th and 40th Congress, and that I admit the political and civil equality of all men: So help me God."

*Provided*, That if Congress shall at any time remove the disabilities of any person disfranchised in the said reconstruction acts of the said 39th and 40th Congress, (and the legislature of this State shall concur therein,) then so much of this oath, and so much only, as refers to the said reconstruction acts, shall not be required of such person, so pardoned, to entitle him to be registered.

SEC. 6. In time of war, insurrection, or rebellion, the right to vote at such place and in such manner as shall be prescribed by law, shall be enjoyed by all persons otherwise entitled thereto, who may be in the actual military or naval service of the United States or this State, provided said votes be made to apply in the county or precinct wherein they reside.

ART. XII, SEC. 2. The legislature shall pass laws to exclude from office and from suffrage those who shall hereafter be convicted of bribery, perjury, forgery, or other high crimes or misdemeanors. \* \* \* \* \*

#### TEXAS.

CONSTITUTION OF 1845, AS AMENDED IN 1866.—ART. III, SEC. 1. Every free male person who shall have attained the age of 21 years, and who shall be a citizen of the United States, and shall have resided in this State one year next preceding an election, and the last six months within the district, county, city, or town in which he offers to vote, (Indians not taxed, Africans, and descendants of Africans, excepted,) shall be deemed a qualified elector; and should such qualified elector happen to be in any other county situated in the district in which he resides at the time of an election, he shall be permitted to vote for any district officer: *Provided*, That the qualified electors shall be permitted to vote anywhere in the State for State officers: *And provided further*, That no soldier, seaman, or marine in the army or navy of the United States shall be entitled to vote at any election created by this constitution.

[The amendments proposed by the constitutional convention of 1867 define the qualifications of voters in two sections, and differently, as will be seen by the following quotations:]

"ART. III, SEC. 1. Every male person who shall have attained the age of 21 years, and who shall be (or who shall have declared his intention to become) a citizen of the United States, or who is, at the time of the acceptance of this constitution by the Congress of the United States, a citizen of Texas, and shall have resided in this State one year next preceding an election, and the last six months within the district or county in which he offers to vote, and is duly registered, (Indians not taxed excepted,) shall be deemed a qualified elector; and should such qualified elector happen to be in any other county situated in the district in which he resides, at the time of an election, he shall be permitted to vote for any district officer: *Provided*, That the qualified elector shall be permitted to vote anywhere in the State for State officers: *And provided further*, That no soldier, seaman, or marine in the army or navy of the United States, shall be entitled to vote at any election created by this constitution."

"ART. VI, SEC. 1. Every male citizen of the United States, of the age of 21 years and upwards, not laboring under the disabilities named in this constitution, without distinction of race, color, or former condition, who shall be a resident of this State at the time of the adoption of this constitution, or who shall thereafter reside in this State one year, and in the county in which he offers to vote sixty days next preceding any election, shall be entitled to vote for all officers that are now, or hereafter may be, elected by the people, and upon all questions submitted to the electors at any election: *Provided*, That no person shall be allowed to vote or hold office who is now, or hereafter may be, disqualified therefor by the Constitution of the United States, until such disqualification shall be removed by the Congress of the United States: *Provided further*, That no person while kept in any asylum, or confined in prison, or who has been convicted of a felony, or who is of unsound mind, shall be allowed to vote or hold office."



## VIRGINIA.

CONSTITUTION AS AMENDED IN 1866.—ART. III, SEC. 1. Every white male citizen of the commonwealth of the age of 21 years, who has been a resident of the State for two years, and of the county, city, or town where he offers to vote for twelve months next preceding an election, who has paid all State taxes assessed to him for the preceding year, shall be qualified to vote for members of the general assembly, and all officers elective by the people; but when a citizen of the State removes from one county, city, or town, to another in this State, he shall not, by reason of such change of residence, lose his right to vote in the county, city, or town from which he removes until he shall have acquired the right to vote in the county, city, or town to which he removes: *Provided, however,* That no person shall be allowed to vote who is of unsound mind, a pauper, or who has been convicted of bribery at an election, or of an infamous offense. No person in the military, naval, or marine service of the United States shall be deemed a resident of this State, by reason of being stationed therein; but citizens of this State, when in the military service of the United States, shall be permitted to vote, under such regulations as may be prescribed by the general assembly, wherever they may be stationed, the same as if they were within their respective cities, counties, or districts.

CONSTITUTION PREPARED IN 1868, AND NOT YET ADOPTED.—ART. III, SEC. 1. Every male citizen of the United States 21 years old, who shall have been a resident of this State twelve months, and of the county, city, or town in which he shall offer to vote three months next preceding any election, shall be entitled to vote upon all questions submitted to the people at such election: *Provided,* That no officer, soldier, seaman, or marine of the United States Army or Navy, shall be considered a resident of this State by reason of being stationed therein: *And provided also,* That the following persons shall be excluded from voting:

1. Idiots and lunatics.  
2. Persons convicted of bribery in any election, embezzlement of public funds, treason, or felony.

3. No person who, while a citizen of this State, has, since the adoption of this constitution, fought a duel with a deadly weapon, sent or accepted a challenge to fight a duel with a deadly weapon, either within or beyond the boundaries of this State, or knowingly conveyed a challenge, or aided or assisted in any manner in fighting a duel, shall be allowed to vote, or hold any office of honor, profit, or trust under this constitution.

Every person who has been a senator or representative in Congress, or elector of President or Vice-President, or who held any office, civil or military, under the United States, or under any State, who having previously taken an oath as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. This clause shall include the following officers: Governor, lieutenant governor, secretary of state, auditor of public accounts, second auditor, register of the land office, state treasurer, attorney general, sheriffs, sergeant of a city or town, commissioner of the revenue, county surveyors, constables, overseers of the poor, commissioner of the board of public works, judges of the supreme court, judges of the circuit court, judges of the court of hustings, justices of the county courts, mayor, recorder, aldermen, councilmen of the city or town, coroners, escheators, inspectors of tobacco, flour, &c., clerks of the supreme, district, circuit, and county courts, and of the court of hustings, and attorneys for the commonwealth: *Provided,* That the legislature may, by a vote of three-fifths of both houses, remove the disabilities incurred by this clause from any person included therein by a separate vote in each case.

SEC. 2. All elections shall be by ballot, and all persons entitled to vote shall be eligible to any office within the gift of the people, except as restricted in this constitution.

## SUMMARY OF CLASSES.

*Of male citizens of the United States, being 21 years of age, whose right to vote at any election for the choice of electors for President and Vice-President of the United States, representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof, is denied, or in any way abridged, except for participation in rebellion or other crime.\**

## I.—ON ACCOUNT OF RACE OR COLOR.

Colored persons indirectly described by using the word "white" in the definition of voters—*California, Connecticut, Delaware, Illinois, Indiana, Kansas, Kentucky, Maryland, Michigan, Missouri, Nevada, New Jersey, Ohio, Oregon, Pennsylvania, and West Virginia.*

Negroes and mulattoes expressly excluded—*Indiana and Oregon.*

Chinamen expressly excluded—*Oregon.*

\* The States of Mississippi, Texas, and Virginia are not included in this summary.

## II.—ON ACCOUNT OF RESIDENCE.

Persons residing on lands ceded by the State to the United States—*Massachusetts*,<sup>†</sup> *Rhode Island*.

In State less than three years, being a colored citizen and freeholder to the value of \$200—*New York*.

In State less than two years—*Kentucky*.

In State less than one year—*Connecticut*, *Delaware*, *Florida*, *Illinois*, *Louisiana*, *Maryland*, *Massachusetts*, *Missouri*, *New Jersey*, *New York*, *North Carolina*, *Ohio*, *Pennsylvania*,<sup>‡</sup> *Rhode Island*, *South Carolina*, *Vermont*, *West Virginia*, and *Wisconsin*.

In State less than six months—*Alabama*, *Arkansas*, *California*, *Georgia*, *Indiana*, *Iowa*, *Kansas*, *Nevada*,<sup>†</sup> *New Hampshire*, and *Oregon*.

In State less than four months—*Minnesota*.

In State less than three months—*Maine* and *Michigan*.

In county less than six months—*Florida* and *Tennessee*.

In county less than five months—*New Jersey*.

In county less than four months—*New York*.

In county less than three months—*Alabama*.

In county less than sixty days—*Iowa* and *South Carolina*.

In county less than thirty days—*Georgia*, *North Carolina*, *Ohio*, and *West Virginia*.

In parish less than ten days—*Louisiana*.

In county or district less than six months—*Maryland* and *Nevada*.

In county or district less than thirty days—*California*.

In county, city, or town less than one year—*Kentucky*.

In county, city, or town less than sixty days—*Missouri*.

In town or city less than six months—*Rhode Island*.

In township or ward less than thirty days—*Kansas*.

In township or ward less than ten days—*Michigan*.

In town or district less than six months—*Massachusetts*.

In town less than six months—*Connecticut*, *New Hampshire*.

In township, incorporated village, or ward less than twenty days—*Ohio*.

In district or precinct where they reside less than sixty days—*Kentucky*; less than thirty days—*New York*; less than ten days—*Minnesota* and *Pennsylvania*.

## III.—ON ACCOUNT OF WANTING PROPERTY QUALIFICATIONS, OR FOR NON-PAYMENT OF TAXES.

Those who have not paid all taxes which may have been required of them, and which they have had an opportunity of paying within the preceding year—*Georgia*.

Those who have not paid a poll-tax, as law may require—*Nevada*.

Those excused from paying taxes at their own request—*New Hampshire*.

Those who have not paid any State or county tax assessed within two years next preceding, unless by law exempted from taxation—*Massachusetts*.

Those of 22 who have not within two years paid a county tax assessed at least six months before election—*Delaware*.

Those over 22 who have within two years paid a State or county tax, assessed at least ten days before election—*Pennsylvania*.

Those who do not own real estate in the town or city, worth \$134 over and above all incumbrances, &c.; also, those who have not paid a registry tax within either of two preceding years, unless remitted on account of absence at sea—*Rhode Island*.

Colored persons, not owning freeholds during one year next preceding election, worth \$250 over all incumbrances, and on which taxes have been assessed and paid—*New York*.

## IV.—ON ACCOUNT OF WANT OF LITERARY QUALIFICATIONS.

Those unable to read an article in the constitution, or any section of the statutes of the State—*Connecticut*.

Those unable to read the constitution in the English language, and write their names, unless prevented by physical disability, or over 60 years of age when the amendment was adopted—*Massachusetts*.

## V.—ON ACCOUNT OF CHARACTER OR BEHAVIOR.

Those who do not sustain a good moral character—*Connecticut*.

Those who are not of a quiet and peaceful behavior—*Vermont*.

\* By judicial decision, and not by the express terms of the constitution.

† If previously a resident of the State, a man may regain residence as a voter in six months after his return.

‡ Six months of actual, not of constructive, residence.

## VI.—ON ACCOUNT OF SERVICE IN THE ARMY OR NAVY.\*

No officer, soldier, or marine, in the regular army or navy of the United States, allowed to vote—Missouri.

## VII.—ON ACCOUNT OF POVERTY, IDIOCY, OR INSANITY.

Those who are insane—Alabama, Arkansas, California, Delaware, Florida, Georgia, Iowa, Kansas, Minnesota, Nevada, New Jersey, Ohio, Oregon, Rhode Island, and Wisconsin.

Those who are idiotic—Alabama, Arkansas, California, Delaware, Georgia, Iowa, Nevada, New Jersey, Ohio, and Oregon.

Those "non compos mentis," or of "unsound mind"—Florida, Kansas, Minnesota, Rhode Island, South Carolina, West Virginia, and Wisconsin.

Those under guardianship—Florida, Kansas, Maine, Massachusetts, Minnesota, Rhode Island, and Wisconsin.

Those who are under guardianship as a lunatic, or as a person non compos mentis—Maryland.

Those who are paupers—Delaware, Maine, Massachusetts, New Hampshire, New Jersey, Rhode Island, and West Virginia.

Persons supported in an almshouse or asylum—South Carolina.

## VIII.—ON ACCOUNT OF NOT TAKING CERTAIN OATHS.†

Those not taking the oath of freemen—Connecticut and Vermont.

Those not taking oaths of loyalty and allegiance prescribed in the constitution—Florida and Missouri.

## IX.—OTHER CLASSES DISQUALIFIED FROM VOTING.

Those who have not been citizens ten days before election—New York.

Those disqualified as electors in States from whence they came—Arkansas.

## APPENDIX B.

*Constitutional provisions of States with reference to a Census as the basis of representation in their legislatures.*

## ALABAMA. (1867.)

ART. VIII, SEC. 1. The house of representatives shall consist of not more than 100 members, who shall be apportioned by the general assembly among the several counties of the State according to the number of inhabitants in them respectively; and to this end the general assembly shall cause an enumeration of all the inhabitants of the State to be made in 1875, and every ten years thereafter, and shall make an apportionment of the representatives among the several counties at the first regular session after each enumeration, which, when made, shall not be subject to alteration until after the next census shall have been taken: *Provided*, That each county shall be entitled to at least one representative: *And provided further*, That when two or more adjoining counties shall each have a residuum or fraction over and above the ratio then fixed by law, which fractions, when added together, equal or exceed that ratio, in that case the county having the largest fraction shall be entitled to one additional representative.

## ARKANSAS. (1868.)

ART. IV, SEC. 8. The general assembly shall provide by law for an enumeration of the inhabitants of this State in the year 1875, and every tenth year thereafter; and the general assembly elected after each enumeration so made, and also after each enumeration made by the authority of the United States, may re-arrange the senatorial and representative districts, according to the number of inhabitants as ascertained by such enumeration: *Provided*, That there shall be no apportionment other than that made by this constitution until after the enumeration to be made in the year 1875.

\* In many of the States the constitution declares that no person shall gain a residence by reason of being stationed on duty, as an officer, soldier, or marine, in the service of the United States. In several instances the courts have decided that persons do not lose their right of voting when thus stationed, if otherwise qualified.

† The election laws of all the States prescribe forms of oaths to be taken where the right of a person to vote is challenged. In the States above mentioned an oath is required as an indispensable preliminary at first voting.

## CALIFORNIA. (1849.)

ART. IV, SEC. 28. The enumeration of the inhabitants of this State shall be taken under the direction of the legislature in the year 1852 and 1855, and at the end of every ten years thereafter; and these enumerations, together with the census that may be taken under the direction of the Congress of the United States, in the year 1850, and every subsequent ten years, shall serve as the basis of representation in both houses of the legislature.

## CONNECTICUT.

AMENDMENT 1828, ART. II. [Requires the general assembly to be held in May, 1829 to divide the State into not less than eight nor more than 24 senatorial districts. The districts when established were to remain until the session next following the completion of the next census of the United States; which assembly had power to alter the same if found necessary. This was to be done at each subsequent census of the United States.]

## DELAWARE. (1831.)

[No census is required in this State.]

## FLORIDA. (1868.)

ART. XIII, SEC. 1. The legislature shall, in the year 1875, and every tenth year thereafter, cause an enumeration to be made of all the inhabitants of the State, and they shall then proceed to apportion the representation among the different counties, giving to each county one representative at large, and one additional to every 1,000 registered voters therein, but no county shall be entitled to more than four representatives.

## GEORGIA. (1868.)

ART. III, SEC. 2. [The number of State senators fixed for each county. It further provides as follows:

“If a new county be established, it shall be added to a district which it adjoins and from which the larger portion of its territory is taken. The senatorial districts may be changed by the general assembly, but only at the first session after the publication of each census by the United States government, and their number shall not be increased.”

By section 3 the apportionment of representatives among the several counties is fixed, which may be changed after each census of the United States. The constitution of 1798 provided for a census once in seven years, and this custom continued until the revision of 1865.]

## ILLINOIS. (1847-'48.)

ART. III, SEC. 8. In the year 1855, and every tenth year thereafter, an enumeration of the inhabitants of this State shall be made in such manner as shall be directed by law; and in the year 1850, and every tenth year thereafter, the census taken by authority of the government of the United States shall be adopted by the general assembly as the enumeration of this State; and the number of senators and representatives shall, at the first regular session holden after the returns herein provided for are made, be apportioned among the several counties or districts to be established by law, according to the number of white inhabitants.

## INDIANA. (1851.)

ART. IV, SEC. 4. The general assembly shall, at its second session after the adoption of this constitution, and every sixth year thereafter, cause an enumeration to be made of all the white male inhabitants over the age of 21 years.

## IOWA. (1856, as modified in 1868.)

ART. III, SEC. 33. The general assembly shall, in the years 1859, 1863, 1865, 1867, 1869, and 1875, and every 10 years thereafter, cause an enumeration to be made of all the inhabitants of the State.

SEC. 34. The number of senators shall, at the next session following each period of making such enumeration, and the next session following each United States census, be fixed by law, and apportioned among the several counties according to the number of inhabitants in each.

## KANSAS. (1859.)

ART. II, SEC. 26. The legislature shall provide for taking an enumeration of the inhabitants of the State at least once in ten years. The first enumeration shall be taken A. D. 1865.

ART. X, SEC. 2. It shall be the duty of the first legislature to make an apportionment, based upon the census ordered by the last legislative assembly of the Territory; and a new apportionment shall be made in the year 1866, and every five years thereafter, based upon the census of the preceding year.

## KENTUCKY. (1850.)

ART. II, SEC. 6. Representation shall be equal and uniform in this commonwealth, and shall be forever regulated and ascertained by the number of qualified voters therein. In the year 1850, and again in the year 1857, and every eighth year thereafter, an enumeration of all the qualified voters of the State shall be made; and to secure uniformity and equality of representation, the State is hereby laid off into 10 districts.

## LOUISIANA. (1868.)

TITLE II, ART. XX. A census of the State, by State authority, shall be taken in the year 1875, and every ten years thereafter. In case of informality, omission, or error in the census returns from any parish or election district, the general assembly may order a new census taken in such parish or election district; but until the State census of 1875, the apportionment of the State shall be made on the basis of the census of the United States for the year 1870.

## MAINE. (1820.)

ART. IV, (PART I), SEC. 2. The legislature which shall first be convened under this constitution shall, on or before the 15th day of August, in the year of our Lord 1821, and the legislature within every subsequent period of at most ten years and at least five, cause the number of the inhabitants of the State to be ascertained, exclusive of foreigners not naturalized and Indians not taxed.

The number of representatives shall, at the several periods of making such enumeration, be fixed and apportioned among the several counties, as near as may be, according to the number of inhabitants, having regard to the relative increase of population. The number of representatives shall, on said first apportionment, be not less than one hundred nor more than one hundred and fifty.

## MARYLAND. (1867.)

ART. III, SEC. 3. Until the taking and publishing of the next national census, or until the enumeration of the population of this State, under authority thereof, the several counties and the city of Baltimore shall have representation in the house of delegates as follows:

\* \* \* \* \*

[Sections 4 and 5 provide that as soon as may be after taking and publishing the next national census, or after the enumeration of the population of the State under the authority thereof, a new apportionment of representation in the house of delegates shall be made.]

## MASSACHUSETTS. (AMENDMENT 1857.)

ARTS. XXI, XXII. A census of the legal voters of each city and town, on the first day of May, shall be taken and returned into the office of the secretary of the Commonwealth, on or before the last day of June, in the year 1857; and a census of the inhabitants of each city and town in the year 1865, and of every tenth year thereafter. In the census aforesaid, a special enumeration shall be made of the legal voters; and in each city said enumeration shall specify the number of such legal voters aforesaid residing in each ward of such city. The enumeration aforesaid shall determine the apportionment of representatives for the periods between the taking of the census.

## MICHIGAN. (1850.)

ART. IV, SEC. 4. The legislature shall provide by law for an enumeration of the inhabitants in the year 1854, and every ten years thereafter; and at the first session after each enumeration so made, and also at the first session after each enumeration by the authority of the United States, the legislature shall re-arrange the senate districts, and apportion anew the representatives among the counties and districts, according to the

number of white inhabitants and civilized persons of Indian descent, not members of any tribe. Each apportionment and the division into representative districts, by any board of supervisors, shall remain unaltered until the return of another enumeration.

MINNESOTA. (1857-'58.)

ART. IV, SEC. 23. The legislature shall provide by law for an enumeration of the inhabitants of this State in the year 1865, and every tenth year thereafter. At their first session after each enumeration so made, and also at their first session after each enumeration made by the authority of the United States, the legislature shall have the power to prescribe the bounds of congressional, senatorial, and representative districts, and to apportion anew the senators and representatives among the several districts, according to the provisions of section second of this article.

MISSISSIPPI. (1832.)

ART. III, SEC. 9. The legislature shall at their first session, and at periods of not less than every four, nor more than every six years, until the year 1845, and thereafter at periods of not less than four, nor more than eight years, cause an enumeration to be made of all the free white inhabitants of this State, and the whole number of representatives shall, at the several periods of making such enumeration, be fixed by the legislature, and apportioned among the several counties, cities, or towns entitled to separate representation, according to the number of free white inhabitants in each, and shall not be less than thirty-six, nor more than one hundred: *Provided, however,* That each county shall always be entitled to at least one representative.

CONSTITUTION OF 1868, ART. IV, SEC. 33. The legislature shall provide for the enumeration of the whole number of inhabitants, and of the qualified electors of the State, once in every ten years; and the first enumeration shall be ordered at the first meeting of the legislature under this constitution.

MISSOURI. (1865.)

ART. IV, SEC. 7. Senators and representatives shall be chosen according to the rule of apportionment established in this constitution, until the next decennial census taken by the United States shall have been made, and the result thereof as to this State ascertained, when the apportionment shall be revised and adjusted on the basis of that census. In the year 1876, and every tenth year thereafter, there shall be taken, under the authority of this State, a census of the inhabitants thereof; and after every such census the apportionment of senators and representatives may be based thereon, until the next succeeding national census; after which it may be based upon the national census, until the next succeeding decennial State census, and so on from time to time; the enumerations made by the United States and this State shall be used, as they respectively occur, as the basis of apportionment.

NEBRASKA. (1867.)

ART. II, SEC. 3. The legislature shall provide by law for an enumeration of the inhabitants of the State in the year 1875, and at the end of every ten years thereafter; and at their first session after such enumeration, and also after each enumeration made by the authority of the United States, the legislature shall apportion and district anew the members of the senate and house of representatives, according to the number of inhabitants, excluding Indians not taxed, and soldiers and officers of the United States Army and Navy.

NEVADA. (1864.)

ART. XV, SEC. 13. The enumeration of the inhabitants of this State shall be taken under the direction of the legislature, if deemed necessary, in A. D. 1867, A. D. 1875, and every ten years thereafter, and these enumerations, together with the census that may be taken under the direction of the Congress of the United States in A. D. 1870, and every subsequent ten years, shall serve as the basis of representation in both houses of the legislature.

NEW HAMPSHIRE. (1792.)

[No census expressly required. An enumeration is implied in Part II, Secs. 9, 10, by which the rights of representation of towns are to be fixed according to the number of male polls of twenty-one years of age, and upwards.]

NEW JERSEY. (1844.)

ART. VI, SEC. 72. The population of the townships in the several counties of the State and of the several wards shall be ascertained by the last preceding census of the

United States, until the legislature shall provide, by law, some other mode of ascertaining it. [A law was passed, under this authority, March 24, 1855, and a census was taken in that year, and in 1865, under it.]

## NEW YORK. (1846.)

ART. III, SEC. 4. An enumeration of the inhabitants of the State shall be taken under the direction of the legislature, in the year 1855, and at the end of every ten years thereafter; and the said districts shall be so altered by the legislature at the first session after the return of every enumeration, that each senate district shall contain, as nearly as may be, an equal number of inhabitants, excluding aliens and persons of color not taxed; and shall remain unaltered until the return of another enumeration, and shall at all times consist of contiguous territory; and no county shall be divided in the formation of a senate district except such county shall be equitably entitled to two or more senators.

## NORTH CAROLINA. (1868.)

ART. II, SEC. 5. An enumeration of the inhabitants shall be taken under the direction of the general assembly, in the year 1875, and at the end of every ten years thereafter.

## OHIO. (1851.)

[No census is required by the constitution. In Article XI, Section 1, the apportionment "is ordered to be made upon the basis of the whole population of the State, as ascertained by the federal census, or in such other mode as the general assembly may direct."]

## OREGON. (1857.)

ART. IV, SEC. 5. The legislative assembly shall, in the year 1865, and every ten years after, cause an enumeration to be made of all the white population of the State.

## PENNSYLVANIA. (1838.)

[Representation is required to be equalized once in seven years, upon an enumeration of taxable inhabitants, made in such manner as shall be directed by law.—Art. I, Sec. 4; Amendment, Art. XII, (1857,) Sec. 4.]

## RHODE ISLAND. (1842.)

[Representation in the house of representatives is established, by Article V, Section 1, on a given ratio. This section further provides that "the general assembly may, after any new census taken by the authority of the United States, or of the State,\* reapportion the representation, by altering the ratio."]

## SOUTH CAROLINA. (1868.)

ART. II, SEC. 4. The house of representatives shall consist of 124 members, to be apportioned among the several counties according to the number of inhabitants contained in each. An enumeration of the inhabitants, for this purpose, shall be made in 1869, and again in 1875, and shall be made in the course of every tenth year thereafter, in such manner as shall be by law directed; and representatives shall be assigned to the different counties in the above-mentioned proportion, by act of the general assembly, at the session immediately succeeding every enumeration.

SEC. 5. If the enumeration herein directed shall not be made in the course of the year appointed for the purpose, it shall be the duty of the governor to have it effected as soon thereafter as shall be practicable.

## TENNESSEE. (1834.)

ART. II, SEC. 4. An enumeration of the qualified voters and an apportionment of the representatives in the general assembly shall be made in the year 1841, and within every subsequent term of ten years.

## TEXAS. (1866.)

ART. III, SEC. 28. The legislature shall cause an enumeration to be made every ten years, commencing on the 6th day of February, 1875, of all the inhabitants (including

\* The first State census was taken in 1865, under an act passed on the 17th of March of that year.

Indians taxed) of the State, designating particularly the number of qualified electors, and the age, sex, and color of all others, herein following the classification of the United States census; and the whole number of representatives shall, at the several periods of making such enumeration, be fixed by the legislature, and apportioned among the several counties, cities, or towns, according to the number of white population in each; and shall not be less than 45 nor more than 90: *Provided*, That there shall be an enumeration and an apportionment made in the year 1870, in the manner here indicated.

## VERMONT.

AMENDMENT, (1850,) ART. 23. The legislature shall make a new apportionment of the senators to the several counties, after the taking of each census of the United States, or after a census taken for the purpose of such apportionment, under the authority of this State, regarding the above provisions of this article.\*

## VIRGINIA. (1864.)

ART. IV, SEC. 6. It shall be the duty of the general assembly, in the year 1870, and in every 10th year thereafter, to reapportion representation in the senate and house of delegates among the cities of Norfolk and Richmond, and the several counties, from an enumeration of the inhabitants of the State.

CONSTITUTION PREPARED IN 1868, ART. V, SEC. 4. At the first session of the general assembly after the enumeration of the inhabitants of the State by the United States, a reapportionment of senators and members of the house of delegates, and every 10th year thereafter, shall be made.

## WEST VIRGINIA. (1861-'63.)

[A reapportionment to be made after each national census, under Art. IV, Secs. 5, 9.]

## WISCONSIN. (1848.)

ART. IV, SEC. 3. The legislature shall provide by law for an enumeration of the inhabitants of the State, in the year 1855, and at the end of every ten years thereafter; and at their first session after such enumeration, and also after each enumeration made by the authority of the United States, the legislature shall apportion and district anew the members of the senate and assembly, according to the number of inhabitants, excluding Indians not taxed, and soldiers and officers of the United States army and navy.

## COMPARATIVE SUMMARY.

*Interval six years.*

To be ordered at second session after the adoption of constitution, and every six years after. [1853, 1859, 1865.]—Indiana.

*Interval seven years.*

Census of taxable inhabitants to be taken once in seven years, in such manner as the law may direct.—Pennsylvania.

*Interval eight years.*

1857, and every eighth year thereafter.—Kentucky.

*Interval ten years.*

1841, and every tenth year thereafter.—Tennessee.

1854, and every tenth year thereafter.—Michigan.

1855, and every tenth year thereafter.—Illinois, New York, and Wisconsin.

1852, 1855, and every tenth year thereafter.—California.

1857, census of legal voters, and in 1865, and every tenth year thereafter, a census of the inhabitants.—Massachusetts.

1865, and every tenth year thereafter.—Kansas, Minnesota and Oregon.

1875, and every tenth year thereafter.—Alabama, Arkansas, Florida, Louisiana, Nebraska, and North Carolina.

\* No census has been ordered by law under this authority.



1867, (if deemed necessary,) and in 1875, and every tenth year thereafter.—Nevada.

1869, 1875, and every tenth year thereafter.—South Carolina.

1870, 1875, and every tenth year thereafter.—Texas.

1859, 1863, 1865, 1867, 1869, 1875, and every tenth year thereafter.—Iowa.

1876, and every tenth year thereafter.—Missouri.

Permitted, but not required, to be taken in every tenth year.—Maryland, New Jersey, and Rhode Island.

Once in ten years, the first to be ordered by legislature.—Mississippi.

At most once in ten, and at least once in five years.—Maine.

*Use of the national census for State representation.*

Use only United States census.—Connecticut, Georgia, and West Virginia.

Use also United States census.—California, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, Nevada, and Wisconsin.

Use also United States census, after 1870.—Arkansas.

Use United States census of 1870 only.—Louisiana.

Use United States census, or may use a State census.—Maryland, New Jersey, Ohio, Rhode Island, and Vermont.

No census required.—Delaware and New Hampshire.

*Classes included in the representation.*

Total population.—Alabama, Arkansas, California, Florida, Iowa, Kansas, Louisiana, Massachusetts, Mississippi, Minnesota, Missouri, Nevada, New Jersey, North Carolina, Ohio, Rhode Island, South Carolina, Vermont, and Virginia.

Total population, excepting aliens and colored persons not taxed.—New York.

Total population, excepting Indians not taxed, and soldiers and officers in the army and navy of the United States.—Nebraska and Wisconsin.

Total population, excepting foreigners not naturalized and Indians not taxed.—Maine.

White inhabitants.—Illinois, Oregon, and Texas.

White male inhabitants over twenty-one years of age.—Indiana.

White inhabitants and civilized persons of Indian descent not belonging to any tribe.—Michigan.

Taxable inhabitants.—Pennsylvania.

Qualified voters.—Kentucky and Tennessee.

APPENDIX C.

*To the Committee of the House of Representatives on the Ninth Census of the United States :*

GENTLEMEN: The community or nation is simply the sum total of all its parts, the aggregate life, force, and availability of all the individuals that belong to it. Each member or person is a component element of the whole, and contributes his or her part to its totality. The part thus contributed to that totality varies widely, both in degree and kind. One class are helpless babes, and another are decrepit in age. Both of these classes contribute nothing to the national power or wealth; on the contrary, they are burdens upon it, and the nation has so much less effectiveness in consequence of their presence.

Another class includes those who are fifteen to twenty and sixty to seventy years old. They are generally able, by their earnings, to support themselves, but can do no more; they contribute no surplus to the Commonwealth.

A third class belong to the working period, between twenty and sixty. They are in the full strength of manhood. These do the labor of the world; they contribute the force, the power, and the effectiveness of the nation. They are the sustaining and the contributing class. Their earnings are not only sufficient to support themselves, but to sustain the dependent classes in youth and age, and to create all the capital of the nation. Whatever available energy there is in the nation comes from them.

There are also differences in the health and working power of the people, even of the working age, in their degree of mental force, in their education and intelligence, in their capacity of self-direction, their skill, their methods of employing their personal faculties, their efficiency; all these affect the amount of their contribution to the nation's capital and power, and make them more or less valuable elements of the Commonwealth.

There are varieties of occupation, all of which are necessary for the common good, but which contribute variously to the public wealth.

Some are married and aid in the preparation of the elements of the generation that shall come after, and in securing the permanence of the nation, keeping it full and strong when they shall leave it.

Human force, the energy and action of muscle and brain, are the source and founda-

tion of all the power and wealth of the community. They alone create, accumulate, and administer all the property of the world; all lands, mills, ships, machinery, houses, stores and money are managed by their agency and are useless and worthless without it.

The products of human industry, the property created, the crops raised, the goods manufactured, the effects of commerce in the increased value given to grain, merchandise, &c., by removing them from places where, or changing them from conditions in which they are not wanted or cannot be used, to places and conditions in which they are needed and can be appropriated for the benefit of man—these, which are all done by the agency of human force, bear, in each year, a very large proportion to the value of all the accumulated capital of the nation. All this is mainly, almost entirely, accomplished by the people in the sustaining period, who are between twenty and sixty years old.

As the members of this class, in the productive period of life, beside earning sufficient for their own sustenance and for that of the dependent classes, older and younger than themselves, earn also a surplus, which is added to and forms the whole capital of the world, and as they and they only put capital to use and make it profitable, the power and wealth of the nation are not in proportion to the total numbers of the people, but in the proportion which their creating and sustaining class bears to the whole.

#### RELATION OF GOVERNMENT TO THE CENSUS.

The government is the concentrated intelligence and will of the nation, the supervising agent to watch over the whole, to hold in its central eye all the component elements, all the individual members of the body politic, their personal interests, and their means of sustenance and of adding to the national wealth and power. With this knowledge of the ground on which it stands, and of the means intrusted to it, the government extends its arm to every part, and protects every element under its control; it lays its plans for the future and provides law for the common good. To fulfill this responsibility for the Commonwealth, to use the national resources for the best advantage of the people individually and collectively, it is necessary for the government to analyze and measure the nation, to learn accurately the ingredients that compose it, and understand clearly the number, force, and value of the people whom it represents.

All civilized nations feel the importance of this self-analysis to determine their own elements, in order, as far as possible, to know their amount of vitality, their amount of force and productive power, the manner in which that power is employed, their degree of culture, and the quantity of comfort and happiness that is enjoyed among them. They have, therefore, from time to time, enumerated their people and ascertained in various degrees of minuteness and accuracy the condition and character of the individuals.

#### FREQUENCY OF CENSUS.

As, in the progress of time, in the natural law of growth and decay of individuals, there may be changes in the numbers and proportions of the several classes, and an increase or decrease of totality of force, it is necessary that these measurements of the nation, the enumeration of the people, should be repeated at periods of longer or shorter duration, according to the urgency or the desire of the government or country to keep their plans, legislation, and measurements in exact harmony with the means or the measure of the vital forces under their control.

Nations differ in regard to their periods of self-enumeration. The United States, Great Britain, and Ireland, Holland, Belgium, Switzerland, Portugal, Sweden, and Norway take their census once in ten years. Denmark, France, and Austria take it once in five years. Most of the German nations and principalities once in three years. Wurtemberg once in twelve years.

#### SUBJECTS OF INQUIRY.

It is important to make this analysis of nations as minute as possible, to learn, as nearly as may be, the exact measure of all the elements of force in each individual, and know what and how much he has in himself, and can contribute to the sum total of national power and wealth.

As this cannot be done as completely as a chemist analyzes a compound substance, as we cannot learn and make record of all the elements that enter into the nature and condition of individuals, we must make a selection from those that are desirable, and take only such as are possible, and such as best represent the person and best show his worth to himself and to the body politic.

#### INTERNATIONAL STATISTICAL CONGRESS.

These matters have been subjects of consideration at all the meetings of the international statistical congress, and at some of them the census, and the manner in which

it should be taken, the extent to which the investigations of the character and condition of the people should be carried, were prominent among the manifold objects of interest and discussion.

## COMPOSITION AND CHARACTER OF THE CONGRESS.

The international statistical congress is composed principally of men from all civilized nations, who, at their several homes, are members, leaders, and chiefs of their government bureaus of statistics, and have charge of the censuses, and of the registration of births, marriages, and deaths. Through the appointed agents in the provinces, towns, and localities of their countries, these men gather the facts in respect to population, living and dead, digest them into their reports to their governments, and show the condition and progress of their people.

These men, competent from education and experience, have, in the course of their official work, studied and observed the various plans of ascertaining and reporting the vital condition and power of their countries. They have sought out improvements from their own observations at home, and from the experiments of others. All these are brought and offered to these statistical congresses. There they are first carefully considered and discussed in the section especially devoted to census and population, and then their conclusions are reported to the whole congress, where, after still further discussion, they have been rejected or adopted by the whole body.

Feeling the difficulties and the want of a scheme as perfect and as practicable as possible, this was one of the earliest and most absorbing subjects of consideration at the first meeting of the congress at Brussels, in 1853, and after examination, by the census section, the congress recommended the following list of topics of inquiry as to persons. They voted that the census should comprise :

Name and surname.

Age.

Birthplace.

Language spoken.

Religion.

Civil or conjugal condition.

Profession or occupation.

Persons permanently or temporarily resident, and travelers.

Children educated in public or private schools.

Distribution of houses by stories.

Gardens attached to the houses.

Apparent maladies or infirmities.

Blind.

Deaf and dumb.

Lunatics at home and in public or private asylums.

Cretins.

These were taken up and considered by the congress at Paris, 1855; Vienna, 1857; London in 1860; Berlin in 1863; and Florence in 1867.

The preliminary programme of the London congress, 1860, gives a statement of the exact condition of the census movement at that time, and what nations had adopted the several recommendations of the previous congress for their plan and practice in enumerating the people.

From this statement the following table is constructed :

Subjects of inquiry as to persons, in the enumeration of the people, proposed by the International Statistical Congress, at Brussels, 1853, and adopted by the following nations, previous to 1860.

Subjects.	Austria.	Bavaria.	Belgium.	Denmark.	France.	Great Britain.	Holland.	Prussia.	Saxony.	Sweden.	United States.	Wurtemberg.
Name .....	Adopted..	Adopted..	Adopted..	Adopted..	Adopted..	Adopted..	Adopted..	Adopted..	Adopted..	Adopted..	Adopted..	Adopted..
Age .....	do	do	do	do	do	do	do	do	do	do	do	Do.
Birthplace .....	do	do	do	do	do	do	do †	do	do	do	do	Do.
Language spoken .....	do	do	do	do	do	do *	do	do	do	do	do	Do.
Religion .....	do	Adopted.	do	do	Adopted..	Adopted..	Adopted..	Adopted..	Adopted..	do	do	Do.
Civil or conjugal condition .....	do	do	Adopted..	do	Adopted..	Adopted..	Adopted..	do	Adopted..	do	do	Do.
Profession or occupation .....	do	do	do	do	do	do	do	do	do	do	Adopted..	Do.
Permanent or temporary or travelers .....	do	do	do	do	do	do	do	do	do	do	do	Do.
Children in school .....	do	do	do	do	Adopted..	Adopted..	do	do	do	do	Adopted..	Do.
Houses, stories, rooms .....	do	do	do	do	do	do	do	do	do	do	do	Do.
Gardens attached to the house .....	do	do	do	do	do	do	do	do	do	do	do	Do.
Maladies: deformities, blind, deaf and dumb, imatics.....	do	Adopted.	Adopted..	do	Adopted..	do	Blind, deaf and dumb.	do †	Blind, deaf and dumb. §	Adopted §	Adopted	Do.

\* Language in Ireland.

† Holland asks and records year of birth, and deduces the age.

‡ Prussia has a special census of blind and deaf and dumb.

§ Also cretins in Saxony and in Sweden.

|| United States asks idiots.

The preceding list of inquiries were those adopted in 1853, and were again brought officially and formally before the congress at London in 1860. With other and collateral questions, they were thoroughly discussed in the census section, and afterward by the whole congress. Some suggestions and improvements arising out of the further experience in the several nations were proposed, and some of them adopted.

As thus improved, the propositions for the personal census stand thus :

"1. It is desirable that the census should be *by names*, and based upon the principle of the actual population; but special returns should also be obtained to establish the legal population, which should include the army, navy, merchant seamen, fishermen, and other persons temporarily absent from the country at the time of the enumeration.

"2. The census should be taken *at least* decennially; and where the enumerations have taken place regularly at quinquennial or triennial periods, it is not desirable that the intervals should be altered.

"3. It is found, by experience, that the enumeration of the population on a *single day* is greatly conducive to the accuracy of the returns. In countries wherein for a particular reason the census cannot be taken in one day, it is desirable that the agents who have charge of the census be held responsible to carry it out within a given period, and in as short a time as possible. If a certain number of days be granted to the census agents to carry out their instructions, it is important that the population be enumerated with reference to *one fixed day*, and that such day be the same for the whole country.

"4. Although the population in most countries is generally in a settled state in the month of December, yet, where it may be practicable to take the census in one day, the accomplishment of that object must be considered as of paramount importance in determining the season and period of the year in which the enumeration should be made.

"5. There should be a separate schedule or bulletin, to be filled up with the particulars relating to each family or household.

"6. The special agents or enumerators charged with the distribution and collection of the schedules will see that they are correctly filled up, or will fill them up themselves from the information given by the occupiers of houses. In order to insure, as far as possible, accuracy in the enumeration of the particulars which have been decided upon as necessary for collection, it is important that the law under which those particulars are to be obtained should levy a penalty upon such individuals as may refuse to furnish them, or who may give them in a wilfully incorrect manner.

"7. In order that a definite meaning may be attached to the term 'family,' it shall be held that the occupier of the whole or part of a house shall be deemed the head of the family, and that the term 'occupier' shall be applicable to (1) a resident owner, or (2) the person paying rent, whether as a tenant for the whole of the house, or (3) as a lodger for any distinct floor or apartment.

"8. It is desirable that the subjects of inquiry should be divided into two categories; the first to embrace those indispensable in every State; and the second, those proper to be included in the census of all the countries in which it may be expedient or practicable to obtain the returns.

"9. The following heads of inquiry relating to *persons* shall be considered as *indispensable* in the census of every State:

"(a) Name.

"(b) Sex. (This fact, although generally indicated by the Christian name, should be expressly stated, as a check upon other details in the return.)

"(c) Age (last birthday) or date and year of birth. The governments are invited to seek the means of insuring as much as possible the exactness of the declaration as to age, and particularly to examine if it be not possible to take measures in order that, on the occurrence of the census, the age be proved by the production of an extract from the certificate of birth.

"(d) Relation to head of family.

"(e) Civil or conjugal condition.

"(f) Profession or occupation.

"(g) Birthplace. Number of foreigners (*not naturalized*) and statement of the countries to which they respectively belong.

"(h) Whether blind, or deaf and dumb.

"And information on the following subjects, although not indispensable in every State, should be obtained where expedient and practicable:

"(a) Language spoken.

"(b) Religion.

"(c) Residence, whether usual or temporary.

"(d) Children receiving instruction at school or at home.

"(e) Persons of unsound mind. The census of persons of unsound mind to be confined to those in public or private asylums, hospitals, and establishments.

"(f) It is desirable that in all countries in which the obstacles are not insurmountable, there should be established local registers of population, to be constantly kept corrected to the current date.

"10. The information to be collected respecting *houses* should include :

"(a) Whether inhabited, uninhabited, or building.

"(b) With respect to *inhabited houses*: The number of stories, dwelling-rooms, and windows; whether a private house or in part used as a shop, warehouse, work-room, or for any other industrial purpose; and by how many families occupied. Hotels, inns, public houses, and public institutions of every kind should also be distinguished.

"(c) With respect to *uninhabited houses*: Whether uninhabited by reason of their recent construction, or their dilapidated condition; all others.

"(d) Separate buildings not used for the purposes of habitation, as churches and other places of worship, manufactories, mills, &c., should be noted by the enumerator in books provided for the purpose.

"11. In order that a definite meaning may be attached to the word "house," it shall be held to comprise all the space between the external and party walls of the building.

"12. It shall be considered unnecessary to include in the tables relating to *towns* any place which shall not contain, within strictly urban limits, 2,000 inhabitants.

"13. Where, in addition to the returns relating to persons and houses, other information necessary for the elucidation of social and economical questions can be collected by means of the special machinery of the census without any great augmentation of expense, it is desirable to utilize it for such collateral inquiries, as far as may be done with due regard to the paramount importance of obtaining complete and accurate returns of the essential particulars." (Trans. Statistical Congress, London, 1860, p. 149.)

#### SEX.

The sex was not included in the list of inquiries by the congress at Brussels, on the supposition that the name would designate it. But names are not exclusively appropriated by either male or female. Sidney and Florence are common to both. A remarkable instance of this is that of Lord Anne Hamilton, who was born in the reign of Queen Anne, and by being her godson was called Anne after her, which name he bore through life. Some other names are so nearly alike in sound and spelling as to give great chance of being misunderstood when orally reported. Francis and Frances, most of the Roman names given to both sons and daughters, were distinguished only by the terminal syllables used to designate the masculine and feminine gender of nouns and adjectives, as Julius and Julia, Augustus and Augusta, &c. It had, however, been the practice of nearly all nations to distinguish the sexes in their inquiries and reports. And it was formally adopted by the statistical congress at London.

#### OPINIONS OF THE STATISTICAL CONGRESS.

In all the discussions by the congress at the several meetings, there was a perfect harmony of opinion as to the great purposes and necessity of the census. All considered it as a necessary means of showing, as nearly as possible, the exact personal condition of the people; their amount of vitality; their value of life; their capacity for labor, of production and self-sustenance, and what progress has been made, and whether there be any obstacle to the advancement of human life which may be learned and overcome.

In regard to the greater points, name, sex, age, civil condition, and occupation, there was a perfect unanimity.

All the topics proposed at Brussels and London were considered as desirable, and should be obtained if possible, but they were not all equally necessary, nor equally practicable in all countries. The congress therefore divided these into two classes, placing in the first those which were indispensable to show the state of the people and country; and in the second, those which were desirable to show the condition and vitality and power of the people more completely.

#### ACTUAL AND LEGAL POPULATION.

The matter was again considered at Berlin, and all the details, before accepted, were again brought up for consideration and reaffirmed, with a single exception, that of the question whether the actual present population, and that only, should be taken and included, or the legal population, those who have legal residences in the houses and places examined.

The British and Irish system take the former. They require the families to enter into the family schedule only those who were there the night before.

Thus in the English census of 1861: "The enumerator was to deliver, in the course of the week preceding the 8th of April, to every occupier of a house or tenement or householder, a schedule to be filled up by or on behalf of such occupier with the following particulars respecting himself and family, viz: name, age, sex, rank or occupation, condition as respects marriage, relation to head of family, and birthplace; noting also whether any were blind or deaf and dumb." (*Census, 1861, III, 2.*)

"The schedule was to be [and was] filled up by the occupier with the requisite information concerning every person who abode in the house or apartment on the night of Sunday, April 7, 1861. No members of the family absent on that night was to be entered, except in case of persons who were engaged at their usual labor during the night, and also who regularly returned home in the morning. Persons traveling by railways or otherwise were in like manner to be enumerated at the hotels or house at which they might stop the following day." (*Census, 1861, III, 2.*)

"The enumerators were directed to make diligent inquiry, for the purpose of ascertaining the number of persons not in any dwelling-house on the night of the 7th of April, but sleeping in barns, sheds, caravans, tents, &c., or in the open air, and to enter such particulars as might be obtained respecting them in a form provided for the purpose." (*Census, III, 2.*)

"On Monday, the 8th April, 1861, the enumerators had to visit [and did visit] every dwelling-house in England and Wales in order to collect the schedules which they had left in course of the week preceding. When the schedule was already filled up the enumerator had to see that the entries were made in a proper manner, and to satisfy himself that the particulars were likely to be correct. If from any cause the schedule was not filled up, it was his duty to fill it up himself from the verbal information of the occupier, or some other competent member of the family. He was directed, in all cases, to ascertain carefully that no person who abode in the house or lodging the previous night was omitted, and that no person then absent was included except those traveling or out at work during that night and who returned home on the following morning." (*Census, 1861, III, 2.*)

These extracts from the report of the last English census explain the nature and practice of the system of *actual* population, which shows only those actually present or absent in the night, but present in the day, and those traveling. This includes visitors, temporary sojourners for health, business, or other purposes in any place.

#### LEGAL POPULATION SYSTEM.

The other system which is practiced here in the United States, includes all those, and only those, *who belong to or reside in any place*—that is, the legal population. Neither of these systems offer all that is desirable.

The census is taken but once in a long period, three, five, ten, or more years, and the persons who are thus enumerated and recorded in any place are presumed to represent a permanent population, and it is inferred that they or others like them have been and will be there, for months previous and following:

The actual present population system includes visitors, who may be many, persons present for temporary purposes, health, business, &c., who are no part of the permanent population of the town or place, and cannot represent its permanent life, power, character, or wealth. These accidental accessions to any place may be very great, so great as to give the town a factitious character, widely different from its natural and permanent one; as at watering-places, sea-beaches, springs, mountains, and others places of fashionable resort. So also occasions of a still more fleeting nature, the sessions of courts in country shires, musters, the occasion of the peace jubilee at Boston, festivals, holiday seasons, college commencement week. If the census should fall upon any of these, and all the lodgers who then were in the town should be included, these places would show a large population, multiplied, in some instances, manifold beyond that which belongs to them. While thus these transient visitors give a momentary expansion to the population and an exaggerated fullness of numbers to the places where they happen to be, on the contrary, they take so many away from the places where they habitually reside and really belong; and being counted elsewhere, they diminish the apparent, though not the real, population of their own towns; thus they give false ideas of the character and importance of both the places where they happen to be for a few days or a week, and where they spend the greatest part of their time.

If the census had only regard to the whole country, without respect to any of its parts, towns, and States, if it were only desirable to ascertain the whole number of the people, wherever they might be, and if it were of no consequence where any one or any number of persons should be found and counted, provided only that they all are included in the general results, this system of actual population would answer all the purposes of the enumeration. But beside ascertaining the total number of the people of the nation, it is equally important to know their distribution in States, counties, towns and villages; it is necessary to know the numbers in each of the localities, the extent and the constituent elements of their general and permanent population.

There are difficulties in either way that may be adopted. Both systems have faults of excess and of deficiency. There are many who have a divided residence; they are partly in one place, and partly in another, and in neither constantly. There are many who spend all their days at their places of business in cities, and all their nights at their houses or lodging places in the neighboring country. Some spend all the business season at the south, sojourners only, living at hotels, and the warm season at their homes in the north. Some are moving constantly, without fixed homes, on the western rivers, at sea, &c. A friend who was captain of a steamboat, that generally ran from Louisville, Kentucky, to New Orleans, was on the rivers from the rise of the waters in the autumn until their fall in July, and then laid up his boat for the season at Louisville, and there remained himself, principally through the warm season. Yet, as he could take his choice, he claimed New Orleans, as his legal place of residence, paid his taxes there, and had the privilege of voting there, and refused to vote in Louisville, where he usually was at the time of the election in August.

There are also many who live mostly at sea, yet claim some place, port, or city, as their home, however little they may be there. Many of them go to the same boarding-house when on shore, and perhaps leave some of their property there when they go abroad. In some of the former censuses the marshals were instructed, when inquiring at these sailor boarding-houses, to take account not only of all the boarders at home, but of all who usually boarded there when on shore, but were then at sea. In this way some houses reported enormous families. As seamen are at home only for short periods in the intervals of their voyages, and absent the largest part of the time, the members of these families changed frequently; and if the house is constantly full, and all these transient lodgers are claimed as permanently belonging to it, the total numbers must be very great. If a house has accommodation for twenty, and is always filled with sailors who are absent five months and at home one, on an average it would have one hundred and twenty who made their home there and were, constructively, boarders, and, as such, returned to the marshals, while the actual number present were only twenty.

A few years ago the State of Massachusetts and the United States took the census in the same year—one in May, the other in June. In Boston it was found that there was a difference of several hundreds between the results of these two enumerations, made within a month of each other. This difference was principally in that part of the city where the sailor boarding-houses were, and was due to the fact that one enumerator took only the seamen who were found in port, while the other included all that made their homes in these when on shore.

Very many seamen have no fixed, or a doubtful residence. They are most of the time out of the country, and carry all their goods with them; when they return, they land wherever the vessel, over which they have no control, leaves them—Boston, New York, Baltimore, New Orleans—and there they rest and make their temporary home until they find another voyage and go abroad again, to return perhaps to another place and there make another home. These have no permanent place to which they cling. They pay no taxes; they have no right of voting anywhere; they have no legal residence; yet they belong to the nation; they are members of the body politic. They constitute a part of the national force, and should be included in the national enumeration; and if found in any place at the time of the census they would be counted there.

#### AMERICANS ABROAD, FOREIGN TRAVELERS.

Besides those Americans who are away from their homes, either within their own or in other countries, there are foreigners temporarily here for purposes of business or travel. By the actual population system the former would not be enumerated, if the census should be taken during their absence; the latter would be included among our own population, if the people should be counted while they were among us.

#### STATISTICAL CONGRESS AT BERLIN.

This matter was discussed again at Berlin, and the same difficulties presented themselves; all saw the very great ease and convenience in counting only the persons present, but were convinced of the importance of determining the legal population.

Not willing to forego either advantage, they came to no conclusion, but referred it to the next congress at Florence, in 1867, when and where it should receive especial attention.

#### STATISTICAL CONGRESS AT FLORENCE.

At Florence, the census section, after surveying all the other points and finding them satisfactorily settled, considered this question in all its bearings, and the delegates from the various nations severally gave their experience and practice at home, and expressed their opinions as to the way which should be pursued.



The following conclusions were adopted unanimously, both by the census section, and by the whole congress:

- "1. The actual population (*de fait*) is the basis of the enumeration.
- "2. It is necessary to ascertain and record the manner and duration of residence of each person enumerated. For this purpose, instead of the column headed '*Residence, transitory, short or permanent,*' there should be headed '*Mode of residence in the place.*'
  - "(a.) Born in the towns to be answered by *yes* or *no*.
  - "(b.) Born in any other town.
  - "What town?
  - "How long resident in this town, to be answered in days, weeks, months or years.
- "3. As to the absent. The enumerator should learn the length of absence, the place of present sojourn. This should be recorded at the bottom of the schedule, separately from the record of the persons present. Information should be obtained from the family or relations of the absent, as to
  - "Duration of absence, in days, weeks, months or years.
  - "Place of his present sojourn.
  - "None of the absent should be thus registered, except the heads of the family.
  - "Their wives
  - "Their children, who have not established homes or families elsewhere.
  - "Or relations who yet belong to the household or family.
- "4. The census should be taken at the time when the smallest number of people are away from home—that is, at the end of the year.
- "5. There should be in the schedule a column in which the degree of blood relationship between the father and mother may be entered.
- "6. There should be another column for the record of the foundlings."—(Rep. Stat. Cong., Florence, 1867, 470.)

These are the final resolutions of the Congress in respect to the personal inquiries in the census. Those which refer to the actual and legal population are in harmony with the practice of a large part of the nations, whose delegates reported that they not only enumerated the population actually present, and so made the record, but also made such inquiries as to the absent, and such other inquiries concerning the present, as to enable them to determine the legal population.

#### PRACTICE OF VARIOUS COUNTRIES.

I have now here the latest census of twenty-seven different States and nations showing how far they have been able to adopt the suggestions of the congress. I have analyzed these, and copied all the personal inquiries made by any and all of them, and designated such as each of the several States and nations adopted and used in the enumeration of their people and published in their census reports. With these facts, I have constructed the following table, which shows at a glance the points of inquiry as to personal condition which each country has made:

Subjects of inquiry as to persons, in countries and states, made at their enumerations and published in their census reports.

	Norway.	Sweden.	Russia.	Denmark.	Prussia.	Saxony.	Hanover.	Bavaria.	Baden.	Austria.	Frankfort.	Holland.	Belgium.	France.	Switzerland.	Italy.	Spain.	Portugal.	England.	Scotland.	Ireland.	United States.	Massachusetts.	Rhode Island.	New York.	Canada.	Australia.	Numbers.	
	1865.	1866.	1863.	1860.	1864.	1864.	1864.	1864.	1864.	1862.	1864.	1859.	1856.	1861.	1860.	1861.	1860.	1864.	1861.	1861.	1861.	1863.	1865.	1865.	1865.	1861.	1861.		
1 Name .....	1	1		1	1	1		1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
2 Sex .....	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
3 Age .....	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
4 Relation to family .....																													
5 Birthplace .....		1		1		1		1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
6 Absent .....	1	1			1	1		1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
7 Occupation .....	1	1		1	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
8 Civil condition .....	1	1		1	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
9 Sick or infirm .....																													
10 Blind .....	1	1		1	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
11 Deaf and dumb .....	1	1		1	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
12 Insane .....	1			1		1							1	1					1	1	1	1	1	1	1	1	1	1	
13 Idiot .....				1	1	1					1										1	1	1	1	1	1	1	1	
14 Cretins .....														1															
15 Götres .....														1															
16 Color .....															1	1	1	1	1	1	1	1	1	1	1	1	1	1	
17 Foreigners .....		1			1	1		1	1	1	1			1	1	1	1		1	1	1	1	1	1	1	1	1	1	
18 Parentage .....																													
19 Convicts .....																													
20 Education .....														1			1	1				1	1	1	1	1	1	1	
21 In school .....					1								1	1		1	1					1	1	1	1	1	1	1	
22 Language .....															1	1	1					1	1	1	1	1	1	1	
23 Religion .....		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1							1	1	1	1	1	1	
24 Pauper .....																													
25 Amount real estate .....																							1	1	1	1	1	1	
26 Voters .....																													
27 Voters naturalized .....																													
28 Family .....	1			1	1		1	1	1		1	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	
29 House .....	1		1	1	1	1	1	1	1		1	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	
30 House, stories .....																													
31 House, material .....																													
32 House, roof .....														1	1														
33 Army and navy service .....																									1	1			33

Beside these inquiries some others have been made by some nations.

As to persons present, whether they were transient, as visitors or accidental sojourners, or constant members of the household and residents in the town. Also as to the absent, whether away for a day, or week, &c., or longer period, as visiting or on temporary business, or traveling for health or other purposes, or at sea.

As to houses, some ask whether inhabited or empty; and if the last, whether by reason of unfinished state, or decay. Some obtain the number of rooms, some of windows, some whether the house is partly used for dwelling and partly for store, shop, office, or other purposes; whether inhabited by more than one family, and how many.

Especial note is made as to such as are used for larger purposes than ordinary dwellings, as taverns, hotels, boarding-houses, and all institutions used as dwelling or lodging places, hospitals, asylums, colleges, prisons, &c.

All of these were recommended by the statistical congress at Berlin.

Several states made the inquiry as to number of convicts.

Looking at the table of inquiry, it is seen that every nation inquires the sex, and all but Russia inquire the age.\*

Nearly all took note of the name, birthplace, civil condition, occupation, families, houses, religion, and the number of the blind, and deaf and dumb. These eleven elements seem to be admitted by all or nearly all nations to be necessarily included in the representation of human life and condition.

In respect to age, which would seem to be clear in every one's mind, but which is far otherwise in many cases, several nations require the statement of the birth or year, and more than this, they require a copy of the town, municipal or parish, or family record of the fact. In some countries the law requires every person to be thus recorded as to his or her birth, and when he or she removes to another town, he or she must obtain a copy of this record, and have it entered on the municipal books of the new place of residence, and thus there is ever present proof of his or her birth.

Consequently, we find in the censuses of some nations, as those of Prussia, Holland, Bavaria, &c., in the general table of population, by ages, a column of year of birth, beginning with the year next preceeding the date of the enumeration and going back to the year in which the oldest living person was born. In Holland, at the census taken in December, 1859, there were 48,199 females born in that year and then living, of course under one year old, and 39,060 born in 1858, and thus over one year old, and so for every year backward to 1760, when three, then surviving, were born, and of course 99 years of age.

In the census of Prussia, taken 3d December, 1864, there is a record of 576,702 then living who were born in that year, and were under one year. The record is made also of those born in each year backward to 1764, when 108 of the survivors were born.

The term "*absent*" in the tables of census refers to those who, without giving up their homes, were away, either within their own or in other countries; but, in some of the censuses, account is taken and record made of all the natives of the country who were abroad without being naturalized in the strange land.

In the primary inquiries, the answer to the question of birthplace includes those born in other countries, as well as natives of the land, though of other towns, and thus the number of all the foreigners and immigrants was ascertained.

Although the nations are so nearly unanimous in regard to the importance of information upon these eleven points, yet in regard to the others they differ. They severally select such as seem necessary to represent their people according to their own ideas. Yet sex and age are the only points which every nation inquired into; and of the thirty-eight or more others, none received universal attention. Ireland seems to have been the most inquisitive; France, Italy, and the United States came next in the order of minuteness of investigation.

#### INQUIRIES OF THE CENSUS OF THE UNITED STATES.

The question now presents itself whether we shall, in the next census of the United States, make all these inquiries, which have been made by any and all other nations; and if not, what shall be asked to obtain that information which will best show the life, condition, and progress of the people of this nation.

In concurrence with nearly all the civilized world, and with our own past experience, we should learn the ten facts of name, sex, age, birthplace, civil condition, occupation, whether deaf and dumb, or blind, the number of families and houses, which are generally asked.

As the inquiries are all to be made in regard to each person individually, the name is the first essential, fixing upon and retaining his or her identity through the whole of the subsequent examination. Sex, age, and color are the first and most obvious points that distinguish humanity, and the only qualities that naturally and inseparably

\* Here let me say that this is not an analysis of the Russian census, which I have, but am unable to read or even understand the tables, but these three facts here quoted are taken from the report which M. Semenov, the Russian delegate, made to the statistical congress at Florence.

belong to all. All the others are artificial, yet necessarily connected with any complete investigation of population and of human progress, and few or none of them should be omitted.

To these should be added as many other questions as can be asked and reliably answered, without so encumbering the enumerator or disturbing the informant as to peril the accuracy and value of the whole. Color here belongs to the necessary category of inquiry.

Children in schools, and whether able to read and write, are indications of the general advancement of population, and the prospect of the future.

#### HEALTH INQUIRY.

The last personal inquiry relates to the mental and physical health of the individual. In determining the power of any people, their capacity of labor and production, their ability to contribute to the power and wealth of the whole, and the value of each to the body politic, it is not sufficient merely to count them and ascertain their sex and age; they differ widely in their personal force—one is weak and contributes nothing even for his own support, still less for the support of others; another is strong, and not only creates sufficient for his own and his family's sustenance, but also a surplus to increase his own and the national capital. Estimating, then, the power of any nation by counting the individuals, is like endeavoring to determine the general wealth by counting the estates. In both cases these must be measured, examined, and analyzed, in order to learn how much each is worth, and how much each contributes to the general whole.

For this purpose, then, the inquiry should be made, whether he or she is in the fullness of manhood, womanhood, or childhood; whether he or she is in the enjoyment of the average or usual health and strength of one of his or her age, or has any sickness or infirmity that diminishes his or her power to do or accomplish as much as others of his or her age.

If the person is in good health and strength, and has no disability or disease, the record may be made against his name simply by a mark, to show that the question has been asked and answered. But if the answer is in the negative, then the further question will follow, What is the disability or infirmity? If the answer be fever, consumption, erysipelas, broken leg, loss of arm, blind, deaf and dumb, insane, idiots, &c., the record will be so made. The whole sum of these answers, when finally digested, will show the amount and kind of disability that exists in the whole country and in each of its parts, and what diseases and physical or mental impairments are then present.

From this can be determined the amount of loss of human force the nation suffers, and what discount must be made from the presumptive force, apparent from the total numbers, in order to reach the measure of actual and available force that belongs to it.

This was tried in the census of Ireland in 1861, and with good success. The volume on the status of disease shows the amount of sickness, infirmity, and disability of every sort that existed at that time in Ireland.

Portugal and Australia also made the same inquiry. In their census reports nothing is said of any more objection to these questions, or of any difficulty in obtaining proper answers, than in regard to other inquiries.

In the last three enumerations of the United States, and those of New York and Massachusetts, the inquiries were made as to the insane and idiots. Eight European nations asked for the insane, and six for the idiots, and all reported them. These are among the diseases and disabilities concerning which families and friends are the most sensitive, which touch their personal or family pride more than others, and which they are most unwilling to speak of beyond their own circles. Yet no complaint is heard from families of the improper interference with their private affairs, nor from the marshals of especial difficulty in obtaining this information. No doubt there was concealment of these facts in many cases, and the reports are far from being complete. Yet the failure was not sufficient to induce our or any other government to give up these inquiries in subsequent censuses. In regard to these and other common evils attendant on human life, the people are generally coming to consider them as parts of the condition of their being, as matters of which they may speak as freely for help or sympathy as they would of consumption or a lost limb. The people are more and more willing to tell of these matters, and the reports in regard to them are more full and make nearer approach to the probable truth.

It will be the same with the more extended and complete inquiry as regards bodily ailments. The report of many and even most of these human ills will be as full, or as nearly full, as of any other subject of inquiry; fever, consumption, pneumonia, broken limbs, will be faithfully returned, but some other, as ages, birthplace, or occupation, ailments less agreeable to personal pride or delicacy, will fall short of the truth. Yet the whole will be a valuable aid in the estimate of public health and force, and each successive enumeration will make nearer and nearer approach to completeness.

This matter was reported and urged at the statistical congress at London. The report was too late for action at that session, but was printed at length in the transactions. The subject is gradually coming into favor, and nations are extending the inquiry

beyond the original questions of blindness and deaf-mutes, to "insanity," "idiocy," "goiter," "cretinism," and "*other grave diseases.*" The last item is very elastic, and comprehends as much as the enumerator has courage to ask for and the informant is willing to give.

We have little conception of the amount of sickness constantly prevailing in any community, however healthy, and the extent of the loss of national force on that account.

There are in Great Britain associations called benefit societies. They are mutual health insurance associations. Each member pays a certain small sum weekly, or monthly, on condition of receiving certain sums weekly, when sick or disabled.

A register is kept of all the sickness and inability to labor, and of the ages of the persons who claim, on this ground, and receive the bounty. These societies have been in operation many years, and they embrace many hundred thousand members. Their experience is therefore a good means of determining the average liability of the people to sickness and impairment, to loss of productive force in each period of life.

Some time ago the British government gathered all the records of these societies, and put them in the hands of Mr. Alexander G. Finlaison, one of the most accomplished actuaries of the kingdom. He calculated the exact average number of days of sickness which persons of each sex and each age suffered, and their loss of time in consequence in each year, and also the average proportion per thousand of the same who were constantly sick or disabled.

From the experience of our health insurance companies, it is probable that we have, at least, as much sickness in this country as the people of Great Britain.

Applying these proportions to the United States we can approximate the probable number and proportion of our own people, who are constantly sick and constantly withdrawn from productive labor.

I have not the time now to make these calculations, but I made them several years ago, for Massachusetts, when its population numbered about 950,000.

The result of the calculation showed that, at that time in this State, of the persons at the ages of—

15 to 20, there were constantly sick.....	1, 188
20 to 30, there were constantly sick.....	3, 029
30 to 40, there were constantly sick.....	2, 816
40 to 50, there were constantly sick.....	2, 203
50 to 60, there were constantly sick.....	2, 262
60 to 70, there were constantly sick.....	2, 933
	<hr/>
	14, 421

And in the working period, 15 to 70, there were 14,421 constantly sick and unable to labor.

Without doubt, the loss of time from this cause in proportion to the population of Massachusetts is as great now as it was then, and as great in the other States as in this.

So great an interest and so great a loss of productive force is worthy of consideration and of inquiry through the census.

#### METHOD OF INQUIRY.

In all the former censuses of the United States, and in those of the individual States, the inquiry was made by the marshals, who carried a schedule on sheets divided into columns, one for each topic of investigation, and one for the names of each person. The sheets for population had pages with forty lines on each, and some for one hundred and sixty names, on the whole sheet. With these the marshals went from house to house, asking each question concerning each individual and making the record himself. The families were numbered in the order of visitation and were placed successively on the same sheet, until it was filled and then another was taken and used in the same way.

This was formerly the custom in all Europe, but it is now generally abandoned and the family schedule adopted. In this the vertical columns are arranged and headed in the same way, but this form is only large enough for one family.

The next following is one of the schedules used in England in 1861 :

#### GENERAL INSTRUCTION.

This paper is to be filled up by the occupier or person in charge of the dwelling. If the house is let or sub-let to different families or lodgers, each occupier or lodger must make a return for his portion of the house upon a separate paper. (See examples of the mode of filling up the return.)

#### INSTRUCTIONS FOR FILLING UP THE COLUMN HEADED "RANK, PROFESSION, OR OCCUPATION."

The superior titles of peers, and other persons of rank, to be inserted, as well as any

high office which they may hold. Magistrates, aldermen, and other important public officers, to state their profession after their official title.

*Army and Navy.*—Add, after the rank, "Army," "Artillery," "Royal Navy," "Royal Engineers," "Marines," "East India service," as the case may be. Officers on "half-pay," or "retired," to be so described. Chelsea, Greenwich, and other pensioners, to be so designated.

Persons in the *civil service* to state the department to which they are attached, after their rank; those on the superannuation list to be so distinguished.

*Clergymen* of the church of England to return themselves as "Rector of ———," "Vicar of ———," "Curate of ———," &c., or "without cure of souls." They are requested not to employ the indefinite term "Clerk." Roman Catholic priests, and ministers of foreign churches, to return themselves as such, and to state the name of the church or chapel in which they officiate. Dissenting ministers to return themselves as "Independent minister, of ——— Chapel," "Wesleyan minister, of ——— Chapel," &c. Local or occasional preachers must return their ordinary occupations; but may add "Local Methodist preacher," &c.

*Legal profession.*—Barristers to state whether or not in actual practice; officers of any court, &c., to state the description of office and name of court. The designation "Attorney" or "Solicitor" to be confined to those whose names are actually upon the roll. Clerks in solicitors' offices should state whether solicitor's managing, articled, or general clerk.

Members of the *medical profession* to state the university, college, or hall, of which they are graduates, fellows, or licentiates; also whether they practice as physician, surgeon, dentist, oculist, general practitioner, &c., or are "not practicing."

*Professors, teachers, public writers,* authors, and scientific men—to state the particular branch of science or literature which they teach or pursue; artists, the art which they cultivate. Graduates should enter their degrees in this column.

*Persons engaged in commerce,* as merchants, brokers, agents, commercial travelers, to state in all cases the particular kind of business in which they are engaged, or the staple in which they chiefly deal. Members of the stock exchange, East India merchants, &c., may be so described.

*Commercial clerk*—always add in what branch of business. [NOTE.—Clerks in the civil service, and solicitors' offices, should be distinguished as above directed.]

The term *farmer* to be applied only to the occupier of land. Example: "Farmer of 317 acres, employing 8 laborers and 3 boys;" the actual number of acres, and of men and boys employed on the farm, on April 8th, being in all cases inserted. Sons or daughters employed at home, or on the farm, may be returned "Farmer's son," "Farmer's daughter." *Farm servants* sleeping in the farmer's house must be described in his schedule as "Carter," "Dairymaid," &c., as the case may be.

An out-door *laborer*, working on a farm, must be described as "Agricultural laborer," "Shepherd," &c., as the case may be.

In *trades, manufactures,* or other business, the employer must, in all cases, be distinguished; example: "Carpenter—Master, employing 6 men and 2 boys;" inserting always the number of persons of the trade in his employ, if any, on April 8th. In the case of firms, the number of persons employed should be returned by one partner only.

In the case of *workers in mines,* or *manufactures,* and generally in the *arts,* the particular branch of work, and the material, are always to be distinctly expressed if they are not implied in the names, as in "Coal miner," "Brass founder," "Silk throwster." Where the trade is much subdivided, both trade and branch are to be returned thus: "Watchmaker—Finisher;" "Printer—Compositor."

*Artisans and mechanics* should invariably state their particular branch of art or business.

*Weaver* should always write "Silk," "Wool," "Worsted," "Cotton," &c., before this general term, so as to express distinctly the material which he weaves, thus—"Silk weaver."

*Messengers, porters, laborers,* and *servants,* to be described according to the nature of their employment on the day of the census.

A person following more than one distinct business should insert his several occupations in the order of their importance.

Persons following no profession, trade, or calling, and holding no public office, but deriving their incomes chiefly from land, houses, mines, dividends, interest of money, annuities, &c., may designate themselves: "Landed proprietor," "Proprietor of iron mines," "Proprietor of houses," "Fund-holder," &c., as the case may be. Persons who have retired from business may be entered thus—"Retired farmer," "Retired grocer."

Persons in almshouses, after being described as such, should state their previous occupations.

*Women and children* to be entered according to the above instructions. The occupations of those who are regularly employed from home, or who follow any business at home, to be distinctly recorded. Against the names of children, daily attending school, or receiving regular tuition at home, write "Scholar."

List of the members of this family, of visitors, and of servants, who slept or abode in this dwelling on the night of Sunday, April 7th, 1861.

NAME AND SURNAME.	RELATION TO HEAD OF FAMILY.	CONDITION.	SEX.	AGE LAST BIRTHDAY.	RANK, PROFESSION, OR OCCUPATION.	WHERE BORN.	IF DEAF AND DUMB, OR BLIND.
No person absent on the night of Sunday, April 7th, to be entered here; except those who may be traveling or out at work during that night, and who return home on Monday, April 8. Write after the name of the head of the family the names of his wife, children, and other relatives; then visitors, &c., and servants.	State whether wife, son, daughter, or other relative, visitor, boarder, &c., or servant.	Write either "married," "widower," "widow," or "unmarried," against the names of all persons except young children.	Write "M" against males, and "F" against females.	For infants under one year, state the age in months, writing "under 1 month," "1 month," "2 months," &c.	(Before filling up this column, you are requested to read the instructions on the other side.)	Opposite the names of those born in England, write the county, and town or parish. If born in Scotland, Ireland, the British colonies, or the East Indies, state the country. If born in foreign parts state the country; and if also a British subject, add "British subject," or "naturalized British subject," as the case may be.	Write "deaf and dumb," or "blind," opposite the name of the person; and if so from birth, add "from birth."
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							

I declare the foregoing to be a true return, according to the best of my knowledge and belief.

Witness my hand,

(Signature)

*Examples of the mode of filling up the return.*

	Name and surname.	Relation to head of family.	Condition.	Sex.	Age last birthday.	Rank, profession, or occupation.	Where born.	If deaf and dumb, or blind.
1	George Wood.	Head of family.	Married.	M.	48	Farmer of 317 acres, employing 8 laborers and 3 boys.	Surrey, Godstone.	
2	Maria Wood.	Wife.	Married.	F.	44	Farmer's wife.	Scotland.	
3	Alan Wood.	Son.	Unmarried.	M.	20	Farmer's son.	Surrey, Godstone.	
4	Flora Jane Wood.	Daughter.		F.	12	Scholar.	Kent, Ramsgate.	
5	Ellen Macdonald.	Visitor.	Widow.	F.	61	Fundholder.	Canada.	
6	Eliza Edwards.	Servant.	Unmarried.	F.	24	House servant.	Middlesex, Paddington.	
7	Ann Young.	Servant.	Unmarried.	F.	22	Dairymaid.	Surrey, Croydon.	
8	Thomas Jones.	Servant.	Unmarried.	M.	21	Carter.	Essex, Epping.	
1	Janet Cox.	Head of family.	Widow.	F.	49	Staymaker.	Scotland.	
2	Sophia Cox.	Daughter-in-law.	Married.	F.	24	Dressmaker.	Middlesex, Poplar.	
3	Alexander Cox.	Grandson.		M.	1 month.		Middlesex, Shoreditch.	
4	William Cox.	Son.	Unmarried.	M.	18	Basket maker.	Surrey, Lambeth.	Blind (from birth).
5	Margaret Cox.	Mother-in-law.	Widow.	F.	73	Formerly laundress.	Ireland.	
6	John Butler.	Boarder.	Widower.	M.	42	Printer—compositor.	France (British subject)	
1	Walter Johnson.	Lodger.	Unmarried.	M.	23	Ship carpenter.	Durham, Sunderland.	



## CENSUS OF ENGLAND AND WALES, 1861.

No. \_\_\_\_\_

HOUSEHOLDER'S SCHEDULE.—Prepared under the direction of one of Her Majesty's principal Secretaries of State, pursuant to the act of 23 and 24 Vict., c. 61.	
Parish or township.	
City, town, village, or hamlet.	
Street, square, &c., or road.	
Name or number of house.	
Name of occupier.	

TO THE OCCUPIER.—You are requested to insert the particulars specified on the other page, in compliance with an act which passed the House of Commons, and the House of Lords, in the last session of parliament, and received the assent of Her Majesty, the Queen, on the 6th of August, 1860.

This paper will be called for on Monday, April 8th, by the appointed enumerator, and it is desirable that you should have the answers written in the proper columns by the morning of that day, in order that his progress may not be delayed. It will be his duty, under the act, to complete the return if it be defective, and to correct it if erroneous. Any person authorized by you may write in the particulars if you are yourself unable to do so.

Persons who refuse to give correct information are liable to a penalty of five pounds; besides the inconvenience and annoyance of appearing before two justices of the peace, and being convicted of having made a wilful mis-statement of age, or of any of the other particulars.

The return is required to enable the Secretary of State to complete the seventh census; which is to show the exact numbers, ages, and condition of the people—their arrangement by families in different ranks, professions, and trades—their distribution over the country in villages, towns, and cities—their increase and progress during the last ten years.

The facts will be published in general abstracts only, and strict care will be taken that the returns are not used for the gratification of curiosity.

GEORGE GRAHAM,  
*Registrar General.*

Approved,  
G. C. LEWIS,  
*Home Office, Whitehall, November 13, 1860.*

The next is a translation from the Italian copy of the schedule proposed by the statistical congress at Florence for families or householders.

## FAMILY SCHEDULE.

State of Massachusetts, town of Dorchester.

Person—name.		Sex.	Age.		Educa- tion.		Condition or profession.	Relation to head of family.	Birthplace.	Duration, presence or absence.		Language spoken.	Religion pro- fessed.	Infirmity—deaf, mute, blind.	
Surname.	Christian- name.		Single, married, widowed.	Year.	Month.	Read.				Write.	Transient.				Fixed.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

Persons present in the family on the night of the enumeration:

Smith.....	James.....	M.	M.	45	6	1	1	Goldsmith.....	Husband.....	Milton.....		F.	English.....	Trinitarian.....	
Smith.....	Sophia.....	F.	M.	44	2	1	1	Seamstress.....	Wife.....	Quincy.....		F.	English.....	Unitarian.....	
Smith.....	Julia.....	F.	S.	20	1	1	1	Seamstress.....	Daughter.....	Dorchester.....		F.	English.....	Unitarian.....	
Smith.....	Charles.....	M.	S.	10	3	1	1	.....	Son.....	Dorchester.....		F.	English.....	Unitarian.....	
Smith.....	Lucia.....	F.	S.	7	9	1		.....	Son.....	Dorchester.....		F.	English.....	Unitarian.....	
Smith.....	Emily.....	F.	S.	29	6	1		Laundress.....	Sister.....	Milton.....		F.	English.....	Trinitarian.....	
Brown.....	Sarah.....	F.	W.	40	7			Servant.....	Domestic.....	Ireland.....		F.	English.....	Catholic.....	Deaf and dumb. Blind.

Strangers present on the night of the enumeration:

Jones.....	Mary.....	F.	M.	27		1	1	Wife of James.....	Visitor.....	Quincy.....	T.		English.....	Methodist.....	
Allen.....	Samuel.....	M.	S.	19	10	1	1	Student.....	Visitor.....	Boston.....	T.		English.....	Baptist.....	
Wanelt.....	Ernst.....	M.	S.	25				Painter.....	Boarder.....	Germany.....		F.	German.....	Lutheran.....	

Members of the family absent on the night of the enumeration:

Smith.....	Thomas.....	M.	S.	18	3	1	1	College student.....	Son.....	Dorchester.....	7		English.....	Unitarian.....	
Smith.....	Isabella.....	F.	S.	16		1	1	.....	Daughter.....	Dorchester.....	7		English.....	Unitarian.....	
Bland.....	George.....	M.	S.	24		1	1	Merchant.....	Nephew.....	Hingham.....	7		English.....	Episcopal.....	

JAMES SMITH, *Head of the Family.*

These family schedules are prepared in advance at the central office, and sent to the several enumerators, in all the districts of the country, in sufficient numbers to supply each family with one. Each of these local agents leaves one with every family in his district, and they are directed to fill the blanks with answers to the several questions in respect to each person in the family or household, and have them ready for delivery on a certain day.

On the day appointed, the enumerator calls on each family, examines the schedule in company with the most intelligent member he can find, to see if it is completely and apparently correctly filled. If any part is deficient, or if none of the questions are answered, he either aids the family to do so, or taking their oral testimony, fills the blanks himself.

In England, "there were two sizes of schedules, the smaller adapted for ordinary families, containing spaces for fifteen names, and the other adapted for large establishments and schools, affording room for fifty-five. An adequate supply of each description, with a liberal allowance for waste, was forwarded from the census office to the local registrars, and by them supplied to the enumerators. The total number of separate forms thus distributed being nearly 6,000,000" in 1861.

"The large public institutions were not furnished with schedules, but the governor or principal resident officer received from the registrar an 'enumeration book in which to enter the particulars required by the act.' For the use of the enumerator in delivering and collecting the schedules, a memorandum book was provided,\* in which he was required to note the description of dwellings, whether private house, lodging house, hotel, &c., the number of occupiers or separate families, and of schedules left with other particulars. The whole weight of the schedules, blank enumeration books, and other forms dispatched from the central office, at London, prior to the 8th of April, exceeded fifty tons."—Census of England, 1861, I, 2.

This plan of family schedules was unanimously recommended by the statistical congress at London, in 1860, who voted that "there should be a separate schedule or bulletin, to be filled with the particulars relating to each family or household."

The plan is put in practice by England, Scotland and Ireland, Norway, Sweden, Denmark, Prussia, Saxony,† Hanover, Bavaria, Baden, Wurtemberg, Saxe-Gotha, Saxe-Coburg, Austria, Hamburg, Holland, Belgium, France, Italy, Spain, Portugal, and perhaps by other nations, whose reports do not speak of the fact.

None of the reports of these nations speak of any difficulty or objection to the practice of this method. On the contrary, the Baden report says: "The use of these family schedules was completely successful, and facilitated exactness and execution," and this seems to be the opinion of the census bureaus of the other nations of Europe.

This plan has several advantages. The schedule being left in the house for several days, the probability of being seen by the head is increased almost to a certainty, whereas, in the other system, in which the enumerator calls from house to house, from morning to night, he will, in a large part of the families, fail to find the heads at home, as during the business and working hours they are away at their shops, offices, and farms. Moreover, it gives the family time and opportunity to consult and think over the matter, and if need be, to call in some friend or neighbor to aid in forming the answers, and in writing them down.

#### OBJECTION OF IGNORANCE.

A natural and a very ready objection arises to this plan of family schedule, from the ignorance of some families who can neither read nor write, and some of whom cannot comprehend a question until it is put to them in many forms, and explained with much patience and clearness. It is feared that this will operate with insurmountable force at the South, among the colored people. This is not an unreasonable objection, nor is it an insuperable one; certainly it has not been such in the practice of other nations, where ignorance is as great, and the people are as stolid as they are here. They have tried the plan in successive enumerations, and yet no complaint is made of it there as a system; no hint of its impracticability; no proposition to return to the old plan in future enumerations.

In Scotland, in 1861, the year of the census, 10.60 per cent. of the men, and 21.33 per cent. of the women, when married, were unable to write, and signed the registers with their mark. In the northwestern division of Scotland, the proportion of ignorance was 56.70 of the females, yet the census was taken by family schedules throughout all Scotland, and even these dark districts, without failure.

In seven counties of England and in Wales, in course of seventeen years, from 1838 to 1854 inclusive, there were 749,927 marriages. In these marriages, 472,907, or 63.06 per cent. out of the females signed their names with their marks. This calculation was made some years ago for another purpose, and did not include the males. I have now examined the report for 1861, and find that in that year twenty-nine per cent. of

\* A copy of this English enumerator's book is appended to this report.

† Prussia and Saxony have schedules for each house, including all the families resident therein

the males and forty-nine per cent. of the females, in these seven counties, signed with their marks. Some single counties and towns showed a larger proportion of ignorance. This was the year of the census, when it was taken by family schedules. It was taken in the same way in 1851. These marrying men and women were the heads of families thereafter. Yet the census did not fail.

The same ignorance was found in Ireland. In one class of counties, containing about one-quarter of the population, thirty-three to sixty-six per cent. of the females over five years old could neither read nor write. In another and smaller class of counties, containing about one-fifteenth of the people of Ireland, sixty-seven per cent. and over of those who were of the same age were in the same ignorance. The census was taken by family schedules, and the census board speak with satisfaction of the success. In all these cases, the ignorance was a block in the way of easy work; but it was not a stumbling-block in the way of success. The census did not fall over it. The difficulty from inability of the families to read and write was in many overcome by the co-operation of friends and neighbors, who lent their aid to fill the papers; and if this was not done, the enumerator had a little trouble, and accomplished his purpose as easily as in the old system.

So it will be here. There are some ignorant families in all parts of this country, and in some parts they are many. But on the contrary, we have a larger proportion of intelligent families, and especially at the North, than is found in any other nation. Our people are more ready to co-operate with the government, in all its plans, than any other. They feel that the government is theirs, and its purposes are by their own consent and for their own benefit. They obey the law from the love of it. While in the European nations the people feel that they belong to the government and not the government to them, and they obey the law from fear of it.

There are in this country more mutual sympathy and co-operation; people are more ready to aid each other, the strong to sustain the weak, and the intelligent to help the ignorant. The families that cannot write and fill their schedules, will more readily here than in other countries find those who will help them to do this work in aid of the census.

Considering the great advantage to accuracy and certainty of execution by having this information carefully digested and prepared by the best intelligence of the family, instead of any one whom the enumerator may chance to find when he happens to call at the door; considering the almost universal intelligence and readiness of co-operation in most of the States, and the large intelligence and willingness of the rest; considering also that while the work of the enumerator is greatly diminished and the information more reliable in the intelligent families, the labor is not increased nor the answers less reliable in the other families, there seems to be no doubt that the family schedule system should be adopted in our future enumerations.

For this purpose I have prepared and offer a schedule which will be easily understood and answered by the families, and will obtain all the information that is desirable or expedient to require.

#### ONE-DAY SYSTEM.

We have been accustomed, in our former enumerations, to have few and large districts, few enumerators, each of whom had a very large work, and for this a long time was allowed. In some three months, and in some cases a much longer time was granted.

In 1860 one month only was allowed. As the census is intended to be taken in reference to one and the same day throughout the nation, including all persons belonging to the family and facts occurring on the 1st of June, or other day appointed, the nearer to this day the inquiry is made, the nearer will the answers be to the exact truth. Within a quarter, a month, a week, there are changes made; persons change their residence, and may fail of being counted, or may be counted more than once, by those who make the inquiry at different times in different places. Persons in families of little intelligence may forget, or may have understood the inquiry to refer to the day on which it was made. In these and in many other ways there is danger of inaccuracy, for any delay after the day in reference to which the inquiry is made. The safest way is to make the inquiry on the day in which the facts and circumstances inquired about exist. Hence the one-day system is best. This requires more minute division of the country and people into many more districts, and a greater number of enumerators. The work of preparation is greater. It needs a greater discipline and energy in the managers of the census, to divide the territory in such districts, to find such a number of enumerators, and to prepare them for the work.

It will be necessary to divide the whole country into districts so small that one man in each can visit every family and examine the schedule, correct such as are incorrect, fill up such as are not filled, in course of one day.

All this is to be previously arranged at Washington, and by the aid of trustworthy superintending agents in all parts of the country, and in the probably short period that can be allowed by Congress, in the census of 1870.

This has been done in other nations, with less territory, yet with large population. The same intelligence, discipline, and energy, would have done the work with equal success, if it had been extended over a larger country and included a larger population.

If, as is probable, the law be passed by Congress in December, and the census department be organized and put into operation by the first of January, there will then be five months for the preparation, division of territory, printing and distributing schedules, finding and instructing the enumerators.

If, as seems now to be the best way, the internal revenue assessors be enlisted, the department will find a corps of intelligent and disciplined men already in every part of the field, who, knowing the districts and people, will be able to appoint such men to do the work as can be relied upon for faithfulness and accuracy.

The assessors and their deputies are few, compared with the numbers required to collect the facts. They will therefore not be able, themselves, to visit and enumerate the people, nor will they come in personal contact with them. The enumerators will have no other office, no other official connection with the people than that of leaving the schedules, and of seeing that they are filled.

To remove the objections that some, fearing a tax, would be unwilling to give the information to any officer known as assessor or collector, it may be well for the law to authorize the assessors to appoint the enumerators and superintend the work, but order that neither assessor nor collector should be enumerator.

With this corps, the preliminary work of preparation and execution may be done, even in the short period of five months.

If, however, between the organization of the census department and the time appointed for the enumeration, there be insufficient time to divide the country into small districts, and to find and instruct as many enumerators as may be necessary to take the census on the British plan, in one day, or if for any other reason it be thought best to allow a more extended time for this purpose, this time should be made as short as possible.

In the early censuses three months were allowed by law, and this period was extended in some cases by grace, and very greatly in a few, by sufferance.

The time allowed was gradually shortened until, in 1850 and 1860, one month was its limit, and in that period the work was done without lessening the fullness of the returns, or increasing the number and proportion of the delays beyond the allotted time. On the contrary, the shorter the period allowed for this work the more prompt were the enumerating officers, the marshals, in accomplishing their tasks within the prescribed time. Taking counsel of this experience, it may be assumed that the government can safely take another step in the progress of promptness, and if the way is not clear to the full stride to the one-day system, then, at least, the law may require that the enumerators shall gather all their facts in one week, which is the longest period that should be allowed for this work.

In aid of this promptness, as well as of accuracy, the family schedules will render essential service, and should not be dispensed with, whatever plan may be adopted for the collection of the facts.

#### BIRTHS, MARRIAGES, AND DEATHS, WITHIN THE YEAR NEXT PRECEDING THE DATE OF CENSUS.

For this purpose, the family schedule should contain forms for the entry of these events, with such attending circumstances as are necessary to describe them, and such as it will be expedient to inquire. A schedule is therefore appended, containing the forms for—

- The living,
- The births,
- The marriages,
- The deaths.

All of which the family will easily fill, and give a much more full and reliable report. I now append to this report several schedules, which are to be left with the heads of the respective private families, and of the hotels and boarding-houses, and also of the several institutions, almshouses, asylums, hospitals, parishes, &c., where any dwellers or lodgers are to be found.

The schedules are prepared with a column for the entry of the name of each person, and of all the facts and circumstances that have been mentioned in this report as necessary to describe the person, and show his condition and vitality.

On the back of each schedule there are instructions and explanations to guide the families in their work in filling the paper. There are also condensed forms which are filled, to show the manner of doing it.

The schedules which will be used by most families have lines for the entry of fifteen persons or names, which will be generally sufficient. But for larger families, another schedule is prepared with lines for fifty names. If any family should be found with more than fifty members, more schedules will be left.

Besides these schedules for private families, I have prepared and appended others for almshouses, asylums, hospitals, prisons, in which, besides the columns for the entry of facts required in the private families, are also other columns for the record of some facts peculiar to their respective conditions.

Lastly, I have prepared and appended to this report a specimen of an enumerator's memorandum book. In this are instructions as to his duty and manner of performing it, the definitions of house and of family. There are also tables in which the enumerator will record his work as he goes along, with column for the entry of the street, road or place, and the house, its description, the number of families, and the schedules which he leaves to be filled in each; and also, of those which he afterwards collects, and for the names of the absent members of the family.

One of these tables is filled, to show the manner of making his record.



## MINNESOTA STATE UNIVERSITY.

[To accompany bill H. R. No. 253.]

JANUARY 19, 1870.—Ordered to be printed.

Mr. E. M. WILSON, from the Committee on the Public Lands, made the following

### R E P O R T .

*The Committee on the Public Lands, to whom was referred, on the 26th day of March, 1869, House bill No. 253, giving construction to existing laws granting lands to the State of Minnesota for a State university, respectfully report :*

That a bill precisely similar to the one under consideration was introduced in the Senate of the United States at the second session of the fortieth Congress, referred to the Committee on Public Lands of said body, and reported by said committee with recommendation "that it pass." That it did pass the Senate, and was referred by the House to the Committee on the Public Lands thereof, and reported by said committee with recommendation of passage. That owing to the pressure of business at the close of the fortieth Congress, the bill was not acted on in the House, but was again introduced by Mr. Wilson, of Minnesota, at the first session of the forty-first Congress, and referred to this committee.

That we have examined carefully the statutes bearing upon this bill, and as the result of such examination would present the following facts and conclusions :

That Congress, by an act approved February 19, 1851, (9 Stat., p. 568,) section two, enacted "that the Secretary of the Interior be, and he is hereby, authorized and directed to set apart and reserve from sale, out of any of the public lands within the Territory of Minnesota to which the Indian title has been or may be extinguished, and not otherwise appropriated, a quantity of land not exceeding two entire townships, for the use and support of a university in said Territory, and for no other use or purpose whatsoever, to be located by legal subdivisions of not less than one entire section."

Under this law the Secretary of the Interior caused to be selected and reserved from sale 37,077 acres of public land in the Territory of Minnesota, lists of which lands he approved in the years 1854, 1855, and 1856, while the territorial condition continued.

On the 26th February, 1857, an act was passed by Congress, and approved, "to authorize the people of Minnesota to form a constitution and State government, preparatory to their admission into the Union, upon an equal footing with the original States," (11 Stat., 166,) section five of which, so far as relating to this subject, is as follows :

SEC. 5. *Be it further enacted*, That the following propositions be, and the same are hereby, offered to the said convention of the people of Minnesota, for their free accept-

ance or rejection, which, if accepted by the convention, shall be obligatory on the United States, and upon the said State of Minnesota, viz: 1st. That, &c. \* \* \*

\* \* \* 2d. That seventy-two sections of land shall be set apart and reserved for the use and support of a university, to be selected by the governor of said State, subject to the approval of the Commissioner of the General Land Office, and to be appropriated and applied in such manner as the legislature of said State may prescribe, for the purpose aforesaid, but for no other purpose.

The admission of Minnesota into the Union, under this law of 26th February, 1857, was duly declared by the act approved May 11, 1858, (11 Stat., 285.)

On the 2d March, 1861, an additional act, in relation to university lands, was approved, (12 Stat., p. 208,) which is quoted in full, as follows:

AN ACT donating to the States of Minnesota and Oregon certain lands reserved by Congress for the Territories of Minnesota and Oregon for university purposes.

*Be it enacted, &c.*, That the lands reserved for the use of a university in the Territories of Minnesota and Oregon, under section second of an act of Congress passed February 19, 1851, entitled "An act to authorize the legislative assemblies of the Territories of Oregon and Minnesota to take charge of the school lands in said Territories, and for other purposes," be hereby donated to the States of Minnesota and Oregon for the use of said university.

The governor of the State, in the memorial now under review, claims that Congress, by this act of 1861, donated the reservations of lands in the Territory that had been made by direction and under authority of the Secretary of the Interior, acting under the law of 1851, but did not thereby impair, or intend to impair, the right of the State to have the seventy-two sections promised her upon her admission into the Union under the law of 1857, above quoted.

The committee is of the opinion that this is the correct interpretation of these several acts of Congress, which embrace all the legislation that exists relative to the subject.

With the exception of Ohio, which obtained three townships for universities, and Florida, which obtained four townships, it has been the general policy of Congress to grant to new States, upon entering the Union, two townships, or seventy-two sections of land, each for the use of a State university; and in those cases in which lands had been reserved for university purposes during the territorial condition, the propositions of Congress have been so worded as to make grants of such reserved lands so as to give to each of the States the reservations and other tracts, which together made the quantity of seventy-two sections.

By reference to the following cases: Illinois, act April 18, 1818, (3 Stat., 430, section 6;) Michigan, act June 23, 1836, (5 Stat., 59;) Iowa, act March 3, 1845, (5 Stat., 789, section 6,) and Wisconsin, act August 6, 1846, (9 Stat., 38, section 7,) it will be found that lands had been reserved for university purposes during the territorial condition, which, upon the admission of the States, respectively, into the Union, were granted to the said States with other lands to make up the quantity of seventy-two sections.

In the cases of Oregon and Kansas, the enabling acts provided (11 Stat., 384, and 12 Stat., 127,) "that in case any of the lands herein granted the State of Oregon (Kansas) have heretofore been confirmed to the Territory of Oregon, (Kansas,) for the purposes specified therein, and the amount so confirmed shall be deducted from the quantity specified."

It thus appears that if it had been the intention of Congress to charge the State of Minnesota with the lands reserved during the territorial condition for a university in the Territory, such intention ought to have



been expressed, as in the cases of these other States, either in the act of February 26, 1857, or the act of March 2, 1861; but no such intention is expressed in these or any other acts of Congress, as far as the committee is able to ascertain. On the contrary, the stipulation for seventy-two sections, contained in the act of February 26, 1857, appears to be entirely independent of the previous legislation upon the subject, and to have been free from any proviso or condition that would reduce the quantity mentioned.

In fact, this law of February 26, 1857, is in the nature of a compact, and it is not to be supposed that it was the intention of Congress by subsequent legislation to modify it in the slightest degree, without the expressed consent of the State to such modification. But nothing seems to have been done by either party, looking to mutual assent and agreement to a modification of the compact, as it is recorded in the act of February 26, 1857, and for this reason the law of 1861 must be construed as a separate and independent statute.

Again, the act of 1857, in the passage hereinbefore quoted, is a law to be executed after its passage by the governor of the State, acting under State authority, and when fully executed, by its own force and virtue alone, vests the title to the granted lands in the State.

It is in itself sufficient to carry the whole quantity of seventy-two sections. Under it the State would have received that quantity, without the act of March 2, 1861. This latter act was passed during a discussion between the governor of the State and the Commissioner of the General Land Office in respect to the effect to be given by the latter to the law of 19th February, 1851, and the action under it; and whatever else may be obscure, it is very plain that the representatives of the State were at that time seeking the enlargement of the grant to her for university purposes; and it is also true that they believed, after the act of 1861 had passed, that their object had been accomplished, and that the controversy had thereby been terminated favorably to the State in the relinquishment by the United States of all title to the tracts that had been reserved by the Secretary of the Interior during the territorial condition, leaving the provisions of the act of 26th February, 1857, to be executed independently and to the full extent.

Your committee concur in this conclusion. Unless such is the legal effect and consequence of said act of 2d March, 1861, we can assign to it no use or significance as a statute, for the previous legislation on the subject was (and was recognized by the General Land Office to have been) amply sufficient to grant the quantity of seventy-two sections. To deny to it any force and effect whatever, would be contrary to all sound principle and precedent in construing statutes, and if the least possible effect be given to it, it must be recognized as relinquishing all right and title of the United States to the lands mentioned in it; and giving it that much force and effect, it operates as an enlargement of the grant to Minnesota for university purposes to the extent of the reservations that had been duly made by the Secretary of the Interior under the act of 19th February, 1851, prior to the admission of the State into the Union.

The Commissioner of the General Land Office and Secretary of the Interior, though they hesitated to give this construction and effect to the act of March 2, 1861, in consideration of the laudable object to which the land is devoted, now recommend the claim to the favorable consideration of the legislative branch of the government.

Wherefore your committee respectfully recommend the passage of the bill.



DWIGHT J. McCANN.

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JANUARY 21, 1870.—Laid on the table and ordered to be printed.

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Mr. W. B. WASHBURN, from the Committee of Claims, made the following

R E P O R T .

*The Committee of Claims, to whom was referred the evidence in the claim of Dwight J. McCann, make the following report:*

On the 23d of April, 1866, the Commissioner of Indian Affairs, on behalf of the United States, entered into a written contract with the claimant, who was to furnish land transportation from Omaha, Nebraska, for the annuity goods and provisions of the Indian Bureau, as follows: 40 tons to be delivered at Fort Laramie, Dakota Territory, or such other point in that vicinity as the agent may direct, at the rate of pay of \$1 59 per 100 pounds for each 100 miles of transportation; 40 tons at the Winnebago agency, 20 tons at the Omaha agency, and 25 tons at the Pawnee agency, at the rate of \$1 45 per 100 pounds per 100 miles, to be transported in good, well-covered wagons to the points mentioned, as the agent may direct. The claimant was to receive and transport the goods immediately upon their arrival at Omaha, and to perform the service with all proper expedition. The agent of the bureau who should superintend the loading at Omaha had a right to reject any wagon or team which he should consider unfit for the performance of the service.

The Commissioner's advertisement for proposals, dated January 27, 1866, stated that "the goods to be delivered at Great Salt Lake City and intermediate points must be transported by mules, those delivered elsewhere by oxen." This provision was not inserted in the contract, nor is the advertisement, by special terms, made a part of the contract.

On the 23d of May following the claimant received from the agent at Omaha, and dispatched for Fort Laramie, 50,000 pounds of these goods by mule teams, and presented a train of 23 ox wagons to convey the balance. The superintendent objected to this means of transportation, for the reason that Fort Laramie was considered an intermediate point between Omaha and Great Salt Lake City, to be supplied by mule teams and not cattle transportation; that the goods and provisions were required at the post by the 15th of June to meet the exigencies of a treaty to be proposed at that time, and because the subsistence on hand would then be exhausted, while bands of Indians, numbering from 1,500 to 2,000, present without rations, would tend to defeat the prospects of a treaty and invite actual danger to the commissioners and officers of the government. To avert these evils mule teams were demanded, which would reach the post in twenty-two days, while ox trains required thirty-five. The claimant replied that Fort Laramie was not an "inter-

*mediate point*," and insisted that the terms of his contract provided for ox teams. The superintendent telegraphed to the Commissioner at Washington for instructions, and was answered, "send the goods the quickest possible way."

Under these circumstances the balance of the transportation for Fort Laramie was taken from the claimant, and given to other parties at the same rate of pay, though the current price had then fallen to \$1 per hundred.

The claimant now charges the United States with the violation of the contract as follows:

For the rate of pay as per contract .....	\$13, 642 20
For detention of train, sixteen days, returning from Omaha to Nebraska City, at \$5 per day, per wagon .....	1, 840 00
For ferry charges over the Platte River .....	30 00
	<hr/>
	15, 512 20
The claimant credits the current rate and actual cost of transportation at that time .....	8, 580 00
	<hr/>
And asks an appropriation for the balance .....	6, 932 20

as the measure of damages to which he is entitled.

This claim was brought before the late Commissioner of Indian Affairs, and was considered favorably on the basis here presented. It was referred by him to the late Secretary of the Interior for a favorable decision, but that officer held that it was not properly within that class of accounts to be audited by executive officers and paid on their certificate, as the measure of damages depended wholly upon the consideration of certain *disputed questions of fact between the government and the claimant*—questions to be settled only by the legislative or the judicial authority. Of these questions, the principal one is, whether or not Fort Laramie was to be regarded as an "intermediate point," *within the meaning of the contract*, between Omaha and Great Salt Lake City.

The Commissioner who made the contract, and the superintendent who directed its execution, were of the opinion that it was. The claimant held otherwise; but his assumption rests wholly upon the explanation to be drawn from the advertisement for proposals, and not from the contract itself. Ought the claimant's interpretation to be received against the understanding of those who acted for the government? Had it been designed to exclude Fort Laramie, the claimant had ample opportunity, as well as motive, to have stipulated expressly to that effect, instead of agreeing, in these words, that "the right is reserved to the agent, who shall superintend the loading at Omaha, to reject any wagon or team which he shall consider unfit for the performance of the service." It seems clear that ox teams were unfit, because of the absolute necessity for quicker dispatch than an ox train was capable of making.

The claimant submits the statements of Isaac Coe and of A. Caldwell, of Colorado Territory, that Fort Laramie is not an intermediate point, as claimed. That is their opinion. They were "freighters," engaged in like business with the claimant, and having themselves used the route of the South Fork of the Platte River, they exclude, in their judgment, the route on the North Fork, on which Fort Laramie is situate, from all consideration. The government had excluded neither. Both routes were used to go to Salt Lake City—the northern one for its better roadway, and its supply of water and grazing in the dry seasons.

The southern route, shorter, though not quicker, was becoming more general from its proximity to the Pacific Railroad. Fort Laramie, in fact, was *an intermediate point between Omaha and Great Salt Lake City*, on the North Fork of the Platte River.

The claimant submits the further statement of Thomas Murphy, a superintendent of Indian affairs, explaining the contract as follows:

"In the fall of 1865, I addressed a letter to the Commissioner of Indian Affairs on the subject of transportation overland of Indian annuity goods, in which I recommended that the goods for Salt Lake City and intermediate points (meaning Salt Lake and Fort Bridger) should be sent by mule teams, on account of remoteness of these points from the Missouri River, and that the goods for all other points should be transported by oxen."

The witness states that the Commissioner adopted his recommendation, and this testimony is relied upon to settle the controversy in favor of the claimant. While this witness claims to have been the author of the words "intermediate points," and that they were intended to include Fort Bridger only, it is submitted that he cannot have such an arbitrary and exclusive use of the language. They were not the words to convey his avowed meaning. Fort Bridger was a point to be called by its designation and name, and not by the phrase of "intermediate points," to the exclusion of every other fort or point between Omaha and Salt Lake City. This testimony does not lack the peculiar force of impeaching itself. The reason for recommending mule teams "on account of the remoteness of the points from the Missouri River," applies also to Fort Laramie, and was the consideration which influenced the government agents in rejecting the claimant's means of transportation.

Whether or not, then, the contract is construed as the claimant insists, it seems to be more doubtful if it has been violated as claimed; and if the claimant has not got the law of the government in this transaction, he does not appear to have the equity.

The demands of the government were reasonable, and its necessities were urgent. The claimant had due notice. Since he had taken the contract, his profits had increased from natural causes thirty-four per cent. He could, therefore, well afford to provide the transportation required, and look to the government for satisfaction if his rights should be invaded.

The committee ask to be discharged from the further consideration of this claim, recommending the following:

*Resolved,* That the claim of Dwight J. McCann be rejected.



JONAS W. NYE.

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JANUARY 21, 1870.—Laid on the table and ordered to be printed.

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Mr. W. B. WASHBURN, from the Committee of Claims, made the following

R E P O R T.

*The Committee of Claims, to whom were referred the papers of Jonas W. Nye, having examined the same, make the following report :*

The subject-matter referred to the committee embraces three pretended claims growing out of three separate contracts in three distinct transactions with the government, and is divided into three parts.

Part 1. The claim of J. W. Nye, as assignee of Bargy and Van Alstine, and of Stewart, who were contractors for paving separate sections of Pennsylvania avenue, in the city of Washington, in the year 1832, is for losses sustained by said contractors, arising, as is alleged, from the refusal of the Commissioner of Public Buildings to suspend the work on account of the cholera, whereby the cost of labor was increased, and also from the interference of health officers with the labor of the men, advising them to avoid exposure during the heat of the day, by which less labor was performed, and the contractors consequently subjected to a corresponding loss.

The claimant was sub-contractor on the work as well as the judgment creditor of Bargy. He became the assignee of both contracts, and claims an amount due thereon from the United States.

He presented his petition for relief to the 25th Congress, stating the whole expenditures, under the Bargy and Van Alstine contract, at the sum of \$12,819 44, and the amount paid by the government, \$7,174 40; and a bill (S. 125) for the difference (\$5,645 04) was reported and passed in the Senate at the 2d session of the 25th Congress. The bill provided for the payment of the alleged losses sustained by the contractor, not occasioned by neglect on his part, and restricted the payment until the men employed were fully paid, or till security to that effect should be given to the Secretary of the Treasury.

In the House the bill was referred to the Committee of Claims, where it was subjected to a thorough investigation. It was discovered, on the sworn testimony of the contractor, Bargy, himself, that the amount expended was but \$11,255 76, instead of the amount stated by claimant, and that, upon the very principle of the Senate bill allowing the full amount of losses sustained, there was appropriated \$1,563 68 more than required to make up the deficiency.

The House committee went further and produced evidence to show, and so reported, that the actual loss sustained by reason of interference on the part of health officers amounted to no more than \$546 25, and that committee rejected the principle of indemnity for alleged losses on account of the epidemic.

The bill was reported back, with an amendment appropriating \$546 25

only; went to a Committee of the Whole House, on the private calendar, and was never thereafter reached in the progress of legislation.

At the next session of the twenty-fifth Congress another bill for the same purpose (S. 81) was reported in the Senate and passed for the original amount, \$5,645 04; was sent to the House and passed on the last day of Congress and became a law. (See 6 U. S. Stat. at Large, p. 760.)

The claimant received this money, all he asked, in 1839, and by the same token the laborers on the work were paid.

At the 2d session of the 27th Congress the Committee on Public Buildings and Grounds reported House bill No. 219, for the relief of Stewart, appropriating \$6,662 25 upon the same principle of the appropriation in favor of Bargy and Van Alstine. This bill was passed and became a law on the 31st August, 1842, without any direct evidence now to be found as to the actual losses sustained under that contract.

Subsequently the claim was revived in the House of Representatives, and urged for several years before the Committee for the District of Columbia on the pretext that "a considerable amount of the expenses of the work done in 1832 was not paid until 1833, which fact was not brought to the knowledge of the attorney who prepared the claim." But this pretext has weighed nothing against the well-founded conviction that there has been already paid, under said acts of Congress, more than was justly due.

The principle that contractors are to be indemnified for losses arising from natural causes, against which they may not have been able to provide, is one that the committee cannot sanction, but which they utterly condemn. In the early history of the government it was maintained in Congress that the duty of the government was to carry out the terms of its contract and no more. That inasmuch as it could not participate in the contractor's profits, it was not to make good his losses. Neither justice nor honor seems to demand this; and the violation of this principle in some notable cases, like the present one, has had the effect of keeping stale and unsavory claims for years before the standing committees, and of inviting numerous ruined contractors to besiege the halls of Congress in the expectation of regaining from the treasury their supposed losses through providence, or their own *improvidence*, by the misfortunes of business affairs.

If great names can lend authority to this just and economical rule, it has been enforced as early as the fourth Congress, and has been hitherto by the reports of John Cotton Smith and Uriah Tracy, of Connecticut, of Dwight Foster, of Massachusetts, and Bartlett Yancey, of North Carolina, who were unsurpassed as lawyers and reached the highest rank as legislators in their day. After these eminent men, the rule was maintained by Elijah Whittlesey, and J. R. J. Daniel, who were for many years, respectively, at the head of the Committee of Claims of this house. And it appears that the exceptional cases where the rule has been relaxed or overthrown, have been reported from special committees, or have not received a thorough and impartial examination in committee.

Part 2 is a claim for furnishing horses and carryalls for the use of the House of Representatives of the 28th Congress, under contract with the Postmaster, January 15, 1844, approved by the Committee on Accounts. At the second session, the officer discontinued the em- his losses of the property, and the claimant petitioned for indemnity for ployment on account of ill-usage and abuse of the property, to the amount of \$3,000.

The subject was referred to the Committee on Accounts, who investi-



gated it, settled with the claimant, made an allowance, and took his receipt in full. On the 3d of March, 1845, the committee reported adversely as to any claim growing out of the employment of that property. This by the committee who approved the contract and overlooked the service.

Subsequently, in the 29th Congress, the claim was brought before the Judiciary Committee of the House, with an account of the claimant's misfortunes and losses, by sickness and by fire, who reported that there might be *equitably* due about \$525, recommending a resolution for that amount in full satisfaction of the claim, and for all damages to the property while in the service of the House. The resolution was passed, and the claimant finally accepted of the amount, which, in the opinion of this committee, ought to be reckoned a final settlement of the claim.

Part 3 is for damages under a lease from the President of the United States of the public reservation known as the Botanical Gardens, in Washington City.

The lease was made in pursuance of an act, July 5, 1812, authorizing the President to lease any of the public grounds in said city, for a period not exceeding ten years, on such terms as in his judgment would best effect their improvement for public purposes, and was to continue for ten years from the 29th April, 1843, conditioned for the improvement of the property, but that the lessee should be liable to remove fences and stables, and give up the property whenever sooner required by the government.

After five years, the Commissioner of Public Buildings took possession of the lot for the government, and the claimant was removed. He presented his claim to the thirty-fourth Congress, and stated under oath the amount of his damages at \$3,200. The House passed a joint resolution for his relief for that amount, but the Senate committee required further evidence of the value of the improvements.

The claimant brought the testimony of one witness that the improvements amounted to \$7,982 44, and the resolution was reported and passed without amendment, and became a law January 20, 1847.

The claimant was thus paid the full amount of his own estimate of the value of his improvements. Since then he has revised his accounts, and now charges the government with the amount estimated by his witness, \$7,982 84, crediting the appropriation of January 20, 1847, \$3,200, and cash from sale of materials \$210, and the use of property one year, only \$1,140 40, \$4,550 40, making another claim for the balance of \$3,432 44.

This claim has been before Congress for several years, and received the favorable report of the Committee for the District of Columbia of the thirty-sixth Congress.

This committee regard it adversely, as the *after-birth* of an illegitimate claim, and therefore recommend that it be not paid.

In conclusion, the papers and evidence of this claimant have been thoroughly examined and official sources consulted to a full understanding of the claims, and they are found to be entirely without merit, and, in the opinion of the committee, deserve no further consideration in Congress.

The committee ask to be discharged.



FREDERICK BROSENNE.

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JANUARY 21, 1870.—Laid on the table and ordered to be printed.

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Mr. W. B. WASHBURN, from the Committee of Claims, made the following

R E P O R T .

*The Committee of Claims, to whom were referred the papers of Frederick Brosenne, of Baltimore, Maryland, make the following report :*

The claimant alleges that in the summer of 1864, the military command of Brigadier General E. B. Tyler, stationed at the Relay House, cut down and removed from his premises, in Howard County, lying adjacent; three hundred and ninety trees, valued at \$4,980, used as timber for block-houses at the Relay House and at Elysville.

While the public interests submitted to the discretion of general officers in time of war, with power to deal with the property as well as the liberty of the citizen, is of great importance and extent, it is equally their duty to report to the War Department the value and circumstance of all private property taken for military purposes, which might, under any circumstances, be required to be paid for. They are provided with staff officers for this purpose, who are governed by regulations having the force of law.

In this case there is evidence showing that no report of the use of such property was ever made to the War Department, and there is no evidence from General Tyler, or any officer of his command, of the use of said property for the purpose alleged, or of the value of it.

The committee therefore report adversely, with recommendation that the memorial and papers lie upon the table, and that the committee be discharged therefrom.



J. G. LANE.

JANUARY 21, 1870.—Laid on the table and ordered to be printed.

MR. W. B. WASHBURN, from the Committee of Claims, made the following

## R E P O R T .

*The Committee of Claims, to whom were referred the memorial and evidence of J. G. Lane, of Iowa, having considered the same, make the following report :*

The claimant in October, 1865, was engaged in transporting groceries and subsistence stores from Omaha, Nebraska, westward through that Territory, for sale and profit, on his own account, along the route of the Pacific railroad, then being constructed.

On the 29th of October, at Alkali Station, Nebraska, near the Colorado line, his teams and property, consisting of eight thousand pounds of flour, dried fruit and vegetables, of the value of \$1,740, were captured by a band of hostile Indians supposed to belong to Arapahoes, Cheyennes, or Sioux. The claimant asks to be reimbursed for the value of the goods taken. The Indians committing this depredation were not particularly identified as of tribes receiving annuities from the United States. The claimant was pursuing this enterprise at his own risk, selling to soldiers and Indians as well as emigrants, without being either a sutler to the soldiers or a trader with Indians. The Indians on the line of his trade had been in avowed hostility to emigrants and trains for several months, and none could say that they were without notice of the danger to life and property from Indian attacks.

Pursuing this hazardous enterprise at his own risk, the committee recommend that he be left to his own remedy, and therefore report adversely, and that the memorial and evidence do lie upon the table.



JAMES F. SHATTUCK.

• JANUARY 21, 1870.—Laid on the table and ordered to be printed.

Mr. W. B. WASHBURN, from the Committee of Claims, made the following

R E P O R T .

*The Committee of Claims, to whom were referred the memorial and papers of James F. Shattuck, late first lieutenant, company H, Seventy-seventh regiment Pennsylvania volunteers, make the following report :*

That said company was improperly ordered into the military service with the muster-in of said regiment, for the reason that the regiment was less than the minimum strength required, and the men of Company H were assigned to other companies, while the officers were on detached or recruiting service. The company organization was preserved, however, of which the claimant had command, and did service with the regiment in the field, in the army of the Ohio, until the 20th November, 1862. On the 18th of June, 1862, the claimant was detailed as ordnance officer of the second division of said army corps, and performed duty properly and satisfactorily until his company was discharged and he was relieved, by order of Major General Rosecrans from authority of the War Department, on account of the improper muster-in of said company. The claimant was finally paid for his service from 1st February to 30th November, 1862, inclusive, (\$1,090 50,) by order of the War Department—the full time that he performed any duty. This decision and payment was not made until 31st March, 1863, during which time the claimant represents that he was anxious to be restored and was ready and expecting to again go upon duty, and now asks an appropriation for his pay for those four months.

This committee have almost uniformly recommended the payment of claims for military service, however irregular the authority, whenever the service was performed in good faith. This was undoubtedly the case in this instance, and the claimant has been paid for the actual service performed. In the opinion of the committee the government ought not to make good to him any loss of time after his service was discontinued in endeavoring to secure his pay or to be returned to his position, lost only through the disregard or neglect of plain authority.

All military officers ought to be held responsible for an intelligent understanding of the law and regulations governing their own organization and duties, and in the opinion of this committee the officers of this regiment and company alone were at fault.

It is therefore recommended that this claim be rejected, that the memorial lie upon the table, and the committee be discharged from the further consideration thereof.





HENRY LENHART.

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JANUARY 21, 1870.—Laid on the table and ordered to be printed.

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Mr. W. B. WASHBURN, from the Committee of Claims, made the following

REPORT.

*The Committee of Claims, to whom was referred the memorial and claim of Henry Lenhart, of Paducah, Kentucky, make the following report :*

The claimant states that in November, 1861, Major J. H. Kuhn, commanding detachment of ninth Illinois infantry, was in command at Paducah as acting provost marshal, and that he took brick and lumber for military purposes, the property of claimant, to the amount of \$2,574, for which the claimant now asks to be reimbursed.

This claim has heretofore been examined by a commission of the War Department and rejected for the want of sufficient evidence of its truth and justice. For the same reason the committee report adversely, with the following recommendation :

*Resolved,* That the claim of Henry Lenhart be rejected.



MRS. CATHARINE JACKSON.

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JANUARY 21, 1870.—Laid on the table and ordered to be printed.

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Mr. W. B. WASHBURN, from the Committee of Claims, made the following

R E P O R T .

*The Committee of Claims, to whom was referred the memorial of Mrs. Catharine Jackson, make the following report :*

Claimant alleges that in August, 1864, she was a milliner at Owensboro, Kentucky, and desiring to remove to Cincinnati, Ohio, she boxed up her millinery goods, amounting to \$4,999 and dispatched the same to the wharf-boat, ready for shipping and transportation ; that a band of rebel marauders, under color of military authority, on the next day entered Owensboro, and burned the wharf-boat and all its consignments, including her property. She asks to be reimbursed by the government.

The committee report adversely as to this claim, for the reason that the government is not an insurer ; and in time of war, milliners and all other traders and citizens must take their equal risk against the acts of the public enemy.

The committee therefore recommend that the claimant's memorial lie upon the table, and that they be discharged from further consideration thereof.



GREEN AND TRAINOR.

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JANUARY 21, 1870.—Laid on the table and ordered to be printed.

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MR. W. B. WASHBURN, from the Committee of Claims, made the following

REPORT.

*The Committee of Claims, to whom was referred the memorial of Green and Trainor, of Sacramento, California, make the following report :*

On the 1st of January, 1865, the claimants were contractors for fresh beef to the United States troops at Fort Union, California, for eight months following, at nine and a half cents per pound, in government funds. The contractors executed a bond to the government, with Jerome Davis as surety, in \$15,000 for the fulfillment of the contract. Owing to a drought in California, the scarcity of beef cattle was such that the price ran up to sixteen cents per pound, in gold, and the contractors for fresh beef generally failed on the Pacific coast.

The surety for the claimants, in this emergency, tendered to the officer making the contract, and to General Wright, the military commander, \$15,000, the penalty of their bond, and asked that they might be relieved, which was refused.

The claimants fulfilled their contract to the satisfaction of the government, estimating their actual losses at \$16,013 36, and now ask to be reimbursed by Congress.

The relief is asked on the ground of losses from circumstances beyond the power of man to prevent or foresee.

The committee have reported, in similar cases, that, in their opinion, such grounds were insufficient for relieving contractors in their undertakings with the government. While these claimants were men of business, and men of integrity, their offer to pay the forfeiture did not relieve them from the full obligations of their contract. It was *the supplies* for which the government contracted, and not the penalty of the bond, to be due after forfeiture. That was but one motive towards the fulfillment of the contract. The claimants would be liable, beyond that, for the actual cost of the supplies for the period of the contract. Admitting that the government was supplied at less than actual cost, in the market, which, as a rule, it cannot desire to be, at the expense of the citizen, yet the contract was merely reciprocal, and no more, and to disturb it under these circumstances is an example too pernicious to receive the sanction of this committee. Other claims would point to it as a precedent, until finally every barrier would be broken down between suffering contractors and the treasury.

The committee recommend that the memorial and papers lie upon the table, and that they be discharged from the further consideration thereof.



SIMON VAN ETTEN.

JANUARY 21, 1870.—Laid on the table and ordered to be printed.

MR. W. B. WASHBURN, from the Committee of Claims, made the following

REPORT.

*The Committee of Claims, to whom was referred the memorial of Simon Van Etten, of Corning, New York, make the following report:*

The claimant was a deputy for Edward Dodd, esq., United States marshal for the northern district of New York, and as such held a writ of subpoena for John Huggins, Samuel Heckert, and Samuel Williams, colored witnesses, to appear and testify at the January term, 1864, of said court at Albany, New York, in the case of the United States against Henry L. Edson, indicted for aiding and abetting desertion from the army and resistance to the draft. The witnesses themselves were deserters from the draft, under arrest and imprisonment at the depot for drafted men, at Elmira, New York. The military commander at that post, in furtherance of the ends of the civil court, made a special order for the claimant, as deputy marshal, to take charge of the prisoners and convey them to and from Albany as witnesses, and that the assistant quartermaster furnish the necessary transportation.

Under these circumstances the prisoners were taken to Albany as witnesses, the marshal was allowed his legal fees under the subpoena, but no witness fees were taxed, "on the ground," as stated by the judge, "that they were deserters and sent to the court by the military authorities and in their custody."

The claimant asks \$169 for his services, including \$9 for subsistence for the prisoners and \$60 for expenses not specified. To this account there are no vouchers.

The claimant presents a further account of \$250 88 for his services in accompanying a squad of recruits from Corning, New York, to Washington, and thence to Camp Griffin, in Virginia, in February, 1862, and delivering them to Colonel B. P. Bailey, commanding the eighty-sixth New York volunteer infantry. It is claimed this service was by the authority of the recruiting officer, Lieutenant F. P. Wood, Company I, eighty-sixth New York volunteer infantry; but, in the opinion of the committee, it was the duty of the recruiting officer, and one which he could not delegate to a citizen. No vouchers are submitted for any part of this account. It is the opinion of the committee that the claimant volunteered the services without compensation, for which he now makes a claim of \$419 88, without evidence and without merit, and which ought to be rejected. The committee report the same adversely, and ask to be discharged from further consideration thereof.





LAND CLAIMS UNDER TREATY OF GUADALUPE HIDALGO.

[To accompany bill No. 740.]

JANUARY 27, 1870.—Ordered to be printed.

Mr. COOK, from the Committee on the Judiciary, made the following

R E P O R T .

*Report of the Committee of the Judiciary upon the bill relative to private land grants under the treaty of Guadalupe, Hidalgo.*

By the treaty referred to, all rights of property of the inhabitants of the territory of Mexico, ceded to the United States under said treaty, were to be inviolably maintained and protected.

In that territory many grants of land for the purpose of colonization had been made in pursuance of the laws of Mexico.

Confirmation of these grants by the United States, have been made in two modes:

1. Many grants have been confirmed by act of Congress upon direct application of the claimant where the claim has not been submitted to any board of commissioners or court of the United States.

2. Grants have been confirmed by the board of commissioners appointed under the provisions of the act of June 12, 1840, and in some cases by the courts of the United States upon appeal from the decision of said board of commissioners.

In some instances when grants have been made under the law of Mexico, and confirmed by act of Congress, the quantity of land contained in the claim was not specified in leagues or other measurements or defined by lineal boundaries with courses and distances, but the limits of the grant were very indefinite, being designated by general boundaries by natural features of the country only. Under grants so confirmed applications have been and are now being made for patents for large tracts of land in very many instances exceeding eleven square leagues, and in one instance, at least, of a claim confirmed by its number, (115,) by the act of 21st June, 1860, Statutes, vol. 12, page 71, the parties insist upon their right to a survey, which would cover 450 square leagues or over 2,000,000 acres.

Under the act of the Mexican Congress of August 18, 1824, systematic regulations for colonization were framed, bearing date November 21, 1828, and under that act the governor had not power to grant more than eleven leagues of land to any private person for the purpose of cultivating and inhabiting them. These grants were confirmed by the number of the grant without specifying in the act the quantity of the land confirmed to the claimant. The Supreme Court of the United States have repeatedly decided that, under the law of Mexico, the governor had no right to grant more than eleven leagues, (*United States vs. Larkin et al.*, 18 How., 557; *United States vs. Hartwell*, 22 How., 286,) which seems

to place the matter beyond all further controversy. The committee are therefore of opinion, that no private grant of the Mexican governor can be valid for more than eleven square leagues; and that under the treaty the United States are under no obligation to confirm any such private grant to a larger quantity of land. The committee therefore recommend the passage of the bill.

## JOHN COVODE vs. HENRY D. FOSTER.

JANUARY 27, 1870.—Laid on the table and ordered to be printed.

Mr. CHURCHILL, from the Committee of Elections, submitted the following

### REPORT.

*The Committee of Elections, to whom was referred the contested election case from the twenty-first congressional district of Pennsylvania, to which John Covode and Henry D. Foster are the parties, submit the following:*

By the laws of the State of Pennsylvania it is made the duty of the governor, on the receipt by the secretary of the Commonwealth of the returns of the election of members of the House of Representatives of the United States, to declare, by proclamation, the names of the persons returned as elected in their respective districts. On the 17th of November, 1868, the governor issued his proclamation, giving the names of the persons so elected at the election held in that State on the 13th of the previous October, except in the twenty-first district of the State, composed of the counties of Indiana, Westmoreland, and Fayette; as to which district the proclamation stated that no such returns of the election had been received by the secretary of the Commonwealth as would, under the election laws of the State, authorize him to proclaim the name of any person as having been returned duly elected a member of the House of Representatives of the United States for that district. The Clerk of the House, following the proclamation of the governor, in making up the roll of members of the forty-first Congress, named no person as member elect from that district, and the whole question was held open for the action of the House of Representatives.

The Hon. John Covode and the Hon. Henry D. Foster presented themselves to the House, each claiming to have been duly elected to represent that district, and the whole matter was, on the second day of April, 1869, referred by the House to the Committee of Elections by the following resolution:

*Resolved*, That the contested election case from the twenty-first congressional district of Pennsylvania be recommitted to the Committee of Elections with instructions to report upon the merits of the case, who is entitled to represent said district in this house, with authority to make regulations to govern the mode of conducting the contest and taking testimony.

The House afterward, on the 5th of April, 1869, adopted the following regulations for the conduct of the contest, under which the claimants proceeded to take testimony:

*“Regulations for conducting the contest and taking testimony in the contested election case from the twenty-first congressional district of Pennsylvania, to which John Covode and Henry D. Foster are the parties.*

*“Each of the claimants shall serve upon the other a notice of the grounds on which he claims the seat, before June 1, 1869, and an answer to the notice of his opponent, before June 20, 1869.*

"Said Covode shall take his testimony between the first and fifteenth days, inclusive, of July, August, and September, 1869, and said Foster shall take his testimony between the sixteenth and last days, inclusive, of the same months.

"The statutory provisions regulating ordinary cases of contest shall apply to this case so far as the same are consistent with these regulations.

"All testimony shall be transmitted, under seal, by the officers before whom the same shall be taken, to the Clerk of the House, at Washington, so as to be received by said Clerk before the 15th day of October, 1869, before which day the notices, answers, evidence, and exhibits in the case shall be filed with said Clerk; and the clerk of the Committee of Elections shall immediately thereafter arrange the papers for the Public Printer, and cause the same to be printed before the 1st day of November, 1869.

"The printed arguments of the claimants shall be filed with the Committee of Election on the first day of the next session of Congress."

*Therefore resolved*, That the foregoing regulations of the Committee of Elections for conducting the contest and taking the testimony in the contested election case from the twenty-first congressional district of Pennsylvania be, and the same hereby are, adopted by this house.

Attest:

EDW. McPHERSON, *Clerk*.

Each of the parties served upon the other notice of the grounds upon which he claimed the seat, in accordance with the above regulations, and each also served an answer denying the charges contained in the notice of the other, and thereafter each party took testimony in support of their several claims, which, with the printed arguments of the parties, have been submitted to the committee. The notices above referred to, together with the answers of the parties, from their great length are not inserted in this report, but will be found in the paper book at pages 7-16 and 278-292.

From the certificates of the return judges of the several counties composing this district, (which will be found in the paper book at pages 152 and 153, and which are accepted by both claimants as correctly stating the result of the returns from the several voting precincts in each county,) it appears that 13,807 votes were returned as cast for Henry D. Foster, and 13,766 for John Covode, showing upon the returns a majority for the former of 41 votes.

The evidence offered by the Hon. Henry D. Foster seems to establish that three persons, to wit: Edward McAlister, of Fairfield Township, Westmoreland County; and Samuel Falkenstein, of German Township, and Daniel Delaney, of Bridgeport Borough, both of Fayette County, were legal voters, and that their votes were rejected by the several boards of election of those localities, and that they would, if permitted, have voted for Henry D. Foster for Congress.

It also seems to establish that twenty persons were improperly permitted to vote at that election, and who did vote for John Covode for Congress, whose names, residences, and the reason why their votes should have been rejected, will appear from the following table:

Name.	Place of voting.	Illegality.	Evidence.
FAYETTE COUNTY.			
Martin Lutz.....	Uniontown Borough.....	Minor.....	98, 99, 328, 329, 330
Jacob Sanders.....	Concellsville.....	do.....	329
Griffin Wells.....	Fayette City.....	Non-resident.....	336
WESTMORELAND COUNTY.			
Andrew Rahl.....	North Huntingdon.....	Non-resident.....	'04, 373, 415
Jacob Martz.....	Penn Borough.....	do.....	379, 383
J. M. Clements.....	Washington.....	Minor.....	377, 438
Aaron Jeffries.....	North Huntingdon.....	Non-resident.....	416
Bennett Van Kirk.....	Rostraver.....	do.....	421, 424, 433
Sparks Cooper.....	do.....	do.....	427
William Ray.....	do.....	Negro.....	432
William R. Snyder.....	Boliver.....	Voted twice.....	417, 444, 445

Name.	Place of voting.	Illegality.	Evidence.
INDIANA COUNTY.			
John Mullen.....	Saltzburg.....	Minor.....	383
Henry H. Seger.....	North Mahoning.....	Non-paym't of tax.....	434, 446
John Winebark.....	do.....	Minor.....	434, 435
George R. Bohler.....	Center Township.....	Non-resident.....	437, 438
George W. Kephart.....	Cherry Hill.....	Minor.....	438, 439
Calvin Hall.....	Washington Township.....	do.....	440, 441
James McQuonn.....	North Mahoning.....	do.....	441
David Proctor.....	Greene.....	Negro.....	442, 443, 447
Adam Bowers.....	Brush Valley.....	Non-assessment.....	442

Adding the then first mentioned votes to those returned for Henry D. Foster, and subtracting the twenty last mentioned from those returned for John Covode, will make the majority of the former sixty-four.

To overcome this majority it is claimed on the part of Mr. Covode—

1. That the entire poll of Dunbar Township, in Fayette County, should be excluded.

2. That the entire poll of Youngstown district, in Westmoreland County, should be excluded.

3. That a considerable number of paupers from the poor-houses of Westmoreland and Fayette Counties were improperly permitted to vote in the towns where those poor-houses were situated, and where it is claimed they had no residence; and that they voted for Mr. Foster.

4. That a large number of aliens, imported men, non residents of the districts where they voted, and lunatics, were improperly permitted to vote, and did vote for Mr. Foster, and also that votes were improperly counted to him.

5. That votes offered by qualified voters for John Covode were improperly rejected.

These claims will be considered in the order in which they are stated.

1. While it is well established that mere neglect to perform directory requirements of the law, or performance in a mistaken manner, where there is no bad faith and no harm has accrued, will justify the rejection of an entire poll, it is equally well settled that where the proceedings are so tarnished by fraudulent, or negligent, or improper conduct on the part of the officers, as that the result of the election is rendered unreliable, the entire returns will be rejected, and the parties left to make such proof as they may of votes legally cast for them.

In *Mann vs. Cassidy*, 1 Brewster, Penn. R., 60, Thompson, P. J., says: "When the conduct of the election officers is such as to destroy the integrity of their returns, and to avoid the *prima facie* character which they ought to bear as evidence, due and adequate proof must be demanded of each vote relied on. This rule may operate severely upon an innocent candidate; but not his rights alone, but those of the whole people, are jeopardized by falsehoods or irregularities of a 'flagrant character,' when we look in vain for that good faith and integrity whose presence is potent to save from undersigned slips or even grave omissions."

The same doctrine was afterwards affirmed by the same court in the case of *Thompson vs. Ewing*, 1 Brewster, 67—by the court of common pleas of Philadelphia, in the case of *Weaver vs. Given*, 1 Brewster, 140—by the committee of the legislature of Pennsylvania, in the case of *Thayer vs. Greenbank*, 1 Brewster, 189—by the present House of Representatives and the present Committee of Elections, in the case of *Myers vs. Moffett*, in which the committee, in their report, say that "in such cases not only State courts but legislatures and Congress have not hesi-

tated to declare the whole poll void and of no effect, except as to such votes as either party chooses to save, by proof of their legality." 1 Brewster, 249. The whole ground has been still more recently carefully reviewed, and this doctrine sustained by the court of common pleas of Philadelphia, in the contested election cases growing out of the election for city officers in Philadelphia, in 1868.

In the election at Dunbar Township, the judge and one inspector—a majority of the board—were democratic. One inspector was a republican. Some difficulty occurred in finding the ballot-boxes, which had been deposited, it would seem, at an unusual place after the preceding spring election, and the election was opened about nine o'clock in the morning by using a hat and cigar box in which to receive the votes, in the absence and without the assent of the republican inspector, (page 26.) The box and hat were open, and placed upon the window-sill, or a shelf by the window through which the votes were received, and persons other than members of the board were permitted in the room where the votes were received, and were near the boxes, and were passing in and out at pleasure during the day, (18, 21, 29, 109.) There was great noise and confusion in the room, (18.) Whisky was kept in the room and near the ballot-boxes, and freely drank by all the members of the board, and by the democratic club, and also by other parties who came into the room, (18, 19, 20, 109.) Persons under the influence of liquor came in from the outside, (297.) A bottle of whisky fell from the pocket of one of the inspectors of election, and was broken, and a contribution was taken up among the officers of the election and another purchased, (18, 20.) A scuffle for the possession of one bottle of whisky took place in the room where votes were received, and within a few feet of the boxes, participated in by a number of persons, (21.) The amount of liquor had there, one witness says, was about half a gallon, (109.) The democratic inspector, McCullough, who received the votes at the window the greater part of the time during the day, (26,) and whose vigilance while so receiving them was the principal protection against interference with the ballots which had been voted, especially during the first two hours in which votes continued to be received in the hat and cigar box, became very much excited with liquor, was rude and boisterous, cursing and swearing, shouting to persons outside of the window, and thrusting his head and arm out of the window, and shouting for the democratic candidates, (18, 20, 109.) While so situated, he would seem to have been equally unfitted, by his position and his condition, from exercising proper care over the contents of the boxes, especially from persons on the inside, where democratic tickets, other than those which had been voted, were deposited, and were issued to persons inside of the room, (21.) More than one witness present testifies that ballots could have been put in or taken out of the hat and cigar box while being used to receive votes at that election, (21, 110.)

Challenges were disregarded. J. H. Byers, Martin B. Pope, William J. Martin, Thomas P. Walker, and others, testify that they challenged different persons offering to vote, and their challenges were disregarded, and in some instances laughed at by the democratic inspector receiving the votes; and the votes were received, notwithstanding the challenge, and without the parties being sworn. In some cases, where objection was made on the ground of alienage, and papers were presented by the voter, the vote was received without the papers being opened, and without any examination by the inspector to ascertain either their character or their genuineness, (20, 21, 25, 27, 28, 109.)

One Kelley, when challenged, presented a bottle of whisky, saying

that was his papers. He afterwards was brought again to the polls and presented pretended naturalization papers, and his vote was received, (20, 109.) He was examined, during this investigation, and swore that he was upon a drunken spree at the time of this election, and had no knowledge or recollection whatever of having been present at that election; and further, that he had never been naturalized, and had never had any naturalization papers, (52.) Others voted upon paper shown to have been fraudulent, which was greatly facilitated by the slight examination, or entire neglect of examination of papers, which seems to have characterized the conduct of the board.

While the voting in the hat and cigar box was yet going on, one William McDowell marched a company of thirty or forty persons from Irish Town, mostly strangers, in military order, to the polls, where they occupied the space in front of the window where votes were received, and held it until the company had voted, and in such a manner that it was very difficult to challenge them; they were, however, frequently challenged, but these challenges were disregarded, and no attention paid to them, (26, 28, 109.) In this company were quite a number of persons who had been imported from Pittsburg, on Saturday, the 3d day of October, the last day on which they could be assessed to vote at that election, and who had been assessed improperly by Moses Porter, the assessor of the township, from a list furnished him by John R. Smith and William Speers, who had been concerned in their importation, without their personal application to him, and without his ever having seen them, and, if Smith is to be believed, after his time to make assessments for the October election had expired, (31, 34, 74, 83, 298.) The presence of these imported voters in the township was known to the friends of Mr. Covode, but their purpose to prevent the success of the scheme was prevented by the manner of their voting, and the disregard of challenges by the board, (76.)

From what has been said, it will not be surprising to learn, what is in evidence in the case, that no democratic vote was rejected by the board that day, (110.)

A little after eleven, and after about one hundred and fifty votes had been polled, the regular ballot-boxes were obtained, and the votes were transferred to them from the hat and cigar box by the democratic inspector, (20.)

When the votes were being counted in the evening, the democratic clerk was taken sick, and William Speers was asked to take his place, and without being sworn first as clerk, until the close of the count, (25.)

On counting, six ballots were found in the boxes more than the names of persons having voted on the tally-lists of the clerk, which agreed, and only one person is shown to have voted whose name is not on the list, (18, 300, 301.)

The use of the hat and cigar box, the transfer of the ballots from them to the regular boxes when received, and the permitting Speers to act as clerk without being sworn, was contrary to the provisions of the election laws of Pennsylvania, (Election Laws, §§ 22, 29, and 38.)

To allow persons other than officers of the election to enter the room in which they were performing their duties is held, in *Thompson vs. Ewing*, 1 Brewster Rep., 110, to be decidedly improper; while the not requiring proof of naturalization, and refusing to investigate challenges, or to conduct the election in such a manner as to prevent challenges being made and passed on, are declared by Allison, P. J., in giving the judgment of the court in the contested election cases of 1867, (1 Brewster,

174,) to be not violative of directory requirements merely, but particulars which are absolutely essential to a due election.

From all the evidence, I think we must conclude that the returns of such an election are too unreliable to be received, and as neither party has attempted to prove what votes were cast for him at that election, that the whole poll of Dunbar Township must be rejected.

2. The consideration of the case of the Youngstown district, of Unity Township, Westmoreland County, makes it necessary that we should refer to the duties of assessors under the laws of Pennsylvania, in preparing lists of persons entitled to vote at elections in that State. By those laws, it is made the duty of the county commissioners, on or before the first day of August in each year, to cause to be delivered to the assessors of each ward, township, borough, or district, in their counties, a certified list, alphabetically arranged, of all the taxable persons returned at the last county assessment, copies of which list it is the duty of the assessor, on or before the 20th day of August in each year, to make and put up in at least two public places of the district, one of which must be the place of holding general elections. It is the further duty of the assessor to keep a copy of this list in his own possession, subject at all reasonable times to inspection without charge, and also, "at any such time ten days before the second Tuesday of October in each year, upon the personal application of any person, *i. e.*, white freeman, as aforesaid, claiming to be assessed within their proper ward, township, or district, or claiming a right to vote therein, as being between the age of twenty-one and twenty-two years, and having resided in the State one year, to enter the names of such persons upon the said list in their possession."

The assessors are further required to make out duplicate copies of these lists—that is, of the original list certified to them from the county commissioners, with the additions made by themselves—and, at least eight days before the second Tuesday of October in each year, to certify, sign, and deliver one of these duplicates to the county commissioners, who shall file the same in their office, and the other duplicate the assessors are required "to hold and to hand over, without alteration or addition, to one of the inspectors of election of their proper election district, on or before eight of the clock in the morning of the second Tuesday of October, in each year." That the additions to the list to be made by the assessors are to be only of such as personally applied to be assessed, appears not only from the plain language of the law, as above quoted, but also from the fact that the next section provides that the assessor shall, on writing the names of the persons claiming to be assessed, forthwith levy and assess on such persons, unless between the age of twenty-one and twenty-two years, such an amount of county tax as by law is levied and assessed on taxable inhabitants of like standing and occupation, and give a certificate of such assessment to the person so assessed, which certificate is the authority to the collector to receive the tax, and to give a receipt therefor. The assessor is further required to attend at the place of holding each general, special, and township election, during the whole time said election is kept open, for the purpose of giving, when called upon, to the inspectors and judge, any information he may possess in relation to the right of any person assessed by them to vote at such election, except that when the township is divided into more than one election district, he must attend in the district of his residence. (Election Laws of Pa., pages 23–25, secs. 11–16.) Unless assessed as above, no person has a right to vote in



Pennsylvania, unless upon his own oath to his qualifications, and that of at least one other person, that he has resided ten days in the district. (Id., p. 33, sec. 42.)

These laws make a complete and excellent system of registration. In the early part of the year, when no political excitement is likely to be prevalent, and for purposes of taxation alone, a list of all the taxable persons in each township is prepared or corrected by the assessor, and filed with the county commissioners. As the time for election approaches, a copy of this list, alphabetically arranged, is sent to the assessors, copies of which must be by them, at least as early as the 20th of August, conspicuously posted in each district, and one kept by themselves also for public inspection; and upon the personal application of any person, they are to enter his name upon the list, and assess him as above stated. This personal application enables the assessor to identify the person making such claim, to inquire into its justice, and prepares him to give reliable information on the day of election to the inspectors and judge, as to whether the person presenting himself is the same person who was by him assessed, and other matters pertinent and important to be inquired into. A fraudulent claimant would hesitate to present himself personally to the assessor to make his fraudulent claim for assessment, or to the election board, when his claims would be likely to be exposed on his being confronted with the assessor. At the same time, the list placed in the hands of the commissioner at least eight days before the election, and to which he can make no additions under severe penalties, (Election Laws, 40, sec. 75,) makes it impossible for the assessor to add any names to the list remaining in his possession, after its completion ten days before the election, without the certainty of detection, should inquiry be made and the lists compared.

The township of Unity is divided into three election districts, of which Youngstown is one, in which district Lewis Eisaman, the assessor of the town, did not reside. From his own testimony (pages 216-218) it appears that he made about one hundred and twenty-five additional assessments in the township in 1868, of which at least thirty-nine were made in Youngstown district, although, from the testimony of Jesse Chambers, (201,) it would seem that at least fifty additional assessments were made in Youngstown. Of the thirty-nine additional assessments testified to by himself, to wit, thirty at the monastery of St. Vincent and nine at the convent near by, twenty-eight, certainly, of those assessed from the monastery—and probably the whole number, and a part also of those from the convent—were assessed without any personal application, and without any knowledge on his part of the persons so assessed, or inquiry as to their right to be assessed or to vote. That he understood that the law required a personal application to him before such additional assessment could be made by him, appears from the fact, as testified to by John Stevenson, (107,) and not contradicted, that he refused to assess two crippled soldiers without their personal appearance, saying that he could not assess them unless they appeared personally.

The testimony of this assessor further shows that he did not deliver to the county commissioners a certified, or any, copy of the assessment list, including these additional assessments made by him, eight days before the second Tuesday of October, as required by law, nor at all until after the election. It further appears that he did not furnish or hand over to the inspectors of election in Youngstown district any copy of this list on the morning of the day of election or at any other time.

It would seem from the testimony of Eisaman, and also of Joseph C. West, (356,) that more than ten days before the election the former put up in the tavern of the latter, at which general elections were held in that district, a paper purporting to be a list of additional assessments; and, some of the names being found to be spelled wrong, he afterwards gave West a correct copy. This last, however, was more than ten days before the election, for West swears that the last name was put on it by the assessor on the evening of the eleventh day before the election. This paper, together with a copy of the original list from the county commissioners, which had been posted at this tavern more than thirty days before the election, was taken from the bar-room wall on the morning of the day of election by West and McAtee and taken into the election room, and, as appears from the testimony of members of the board, was used during the day as the legal assessment list of the district, and was the only list in the hands of the board that day.

Strangely enough, this list, which, if a legal paper, should by law have been preserved to be used at the November election, (Election Laws, p. 35, sec. 51,) disappears with the close of the election and has never been seen since, (348;) and, equally strangely, after the election was over and his authority in the matter was at an end, this assessor was again at the monastery, as appears from the testimony of its abbot, (218,) to obtain anew the list of additional assessments, and at the November election the board was in possession of a list which must have been prepared after the October election and without authority of law. The contents of this paper used at the October election as a list of additional assessments nowhere appears; but it does appear that it was complained of as not being full, (347.)

To recapitulate: The assessor assessed persons who made no personal application to him, contrary to the law; the names of the persons so assessed he did not enter upon the list in his possession, as required by law, but upon a separate piece of paper, which was not a legal assessment; nor did he furnish any copy of this to the county commissioners at any time before the election, nor to the inspectors of election on or before 8 o'clock in the forenoon of the day of election, as required by law. All these provisions of law are not directory merely, but mandatory, and enforced by severe penalties. (Election Laws, p. 42, sec. 85.)

But whether the assessment made by Eisaman was a legal assessment or not, (and we think no legal assessment was shown to have been made,) the failure of Eisaman to furnish to the inspectors a copy of the list had the same effect, so far as that election was concerned, as though no assessment whatever had been made.

The law of Pennsylvania is explicit that when the name of the person coming to vote is not found on the list furnished by the commissioners or assessor the board *must* examine him under oath as to his qualifications, and he must prove by at least one witness, who must be a qualified elector, that he has resided in the district at least ten days next immediately preceding the election. (Election Laws, 33, sec. 42, 2 par., 553, 580-1.) That law further provides that if any inspector or judge shall receive the name of any person whose name shall not be returned *on the list furnished by the commissioners or assessor*, without first requiring the evidence directed by the act, the person offending shall on conviction be fined not less than fifty nor more than two hundred dollars. (Election Laws, 41, sec. 81.)

The assessor having failed to furnish the inspectors with any copy of

the list of taxables, the board could legally receive no vote at that election, except by requiring him to be examined as to his qualifications under oath, and to furnish the further evidence required by the act. Nothing of this kind was done, but, instead, the votes of persons were rejected because their names were not found on this paper taken from the tavern wall, and they were permitted to vote because their names were found thereon. This alone we think sufficient to invalidate the election in that district.

But the conduct of the election board was equally blameworthy with that of the assessor. From the report which had gone out that an unusually large number had been assessed at the monastery, and from the gathering of strangers there, it was believed that improper votes would be attempted to be polled, and a purpose seems to have been formed to prevent these votes being received, except upon proper examination. But from the commencement of the election until about eleven o'clock, during which time the greater part of these votes were polled, challenges were entirely disregarded.

Jesse Chambers swears (202) that he challenged a number of persons from the monastery in the forenoon, whom he thought not qualified, and that no attention was paid to his challenge, and that he was told by one of the inspectors of the election to mind his own business—that they were attending to that concern. Shannon Nicely (209) swears that he saw eight or ten challenged, none of whom were sworn, and all of whom were permitted to vote; that one person from the convent, when challenged, took some papers from his pocket and held them on the window-sill with one hand and his ticket in the other, and that the inspector took his ticket without any examination of his papers. John Stouffer testifies (235) that he challenged one man at the request of Jesse Chambers, a stranger whom he had seen arrive at the monastery the evening before, carpet-bag in hand, (202,) but he was allowed to vote without any questioning at all. He challenged soon after two men as not being residents of the district, and was ordered by the inspectors away from the window, they saying that they were going to let people vote there that day as they pleased. He further testifies that he saw from fifty to sixty challenged during the day, most of whom were of foreign birth, but who were allowed to vote without showing any papers; that, in the forenoon, on holding up a bundle of papers in an envelope they were allowed to vote, and that when the challenge was on the ground of non-residence no evidence at all was required.

A. A. Johnson (264) and D. L. Chambers (116) also testify that challenges were made and entirely disregarded by the board.

No democrat appears to have been rejected by the board that day, while nearly all the above witnesses testify to the unfair and partial discrimination of the board against their political opponents.

From this use of a paper as an assessment list which had no claim to such authority, and the mysterious disappearance of which makes it impossible now to determine its character or value; the partiality of a board which, because all democratic, against the spirit of the law of Pennsylvania, should have been the more careful of the rights of the opposition; and the disregard of challenges, which, with the singular disregard of his duties shown by the assessor, was the only safeguard of the purity of that election—we conclude that the entire poll of that election district should be rejected. As the majority of Henry D. Foster at Dunbar Township was one hundred and ninety-eight, and at the

Youngstown district one hundred and seventy, the rejection of either of these districts will give a considerable majority to John Covode.

3. The testimony of John J. Morris (64) shows that he was steward of the Fayette County poor-house, in South Union Township, in 1868, and that of the inmates of that poor-house, Robert Rose, William Chopson, Robert McCarnes, John Dinsmore, Isaiah Cummings, and Edward Stewart, who were sent to the poor-house from other townships than South Union, voted in South Union, at the October election, 1868, and for Henry D. Foster.

The testimony of Harrison Wilson (189) also shows that he was steward of the Westmoreland County poor-house in Hempfield in 1868, and that George Haney, Henry Stoll, James Cook, Henry Sullenberger, James Johnston, Edward Laghey, Peter Patton, Alexander Cummings, and Dickson Stewart, who were sent to the poor-house from other townships, voted at that election in Hempfield, and with other testimony, that they voted the democratic ticket and for Mr. Foster.

The testimony further shows (Zundell, 191) that none of these persons were assessed upon personal application, and also that none of them paid the tax upon which they were permitted to vote, (192, 273,) but that their names were handed to the assessor and their taxes paid by an official who understood that they would vote, and for the purpose of enabling them to vote a particular ticket; both assessment and payment of tax being illegal as against the express letter of the election laws of Pennsylvania. (Election Laws, 24, sec. 13; 40, sec. 75.) But did these persons acquire a residence in the election district where the county-house was situated, within the meaning of the law of Pennsylvania, which requires that the voter shall have resided at least ten days immediately preceding the election in the district where he offers to vote? We think not. Their residence at this place was not their own voluntary act, but the act of the public authorities, who, for reasons of economy and convenience, sent them here that they might be supported at the public expense.

The court, in *Murray vs. McCarty*, 2 Mun., 397, says, that to divest a person of the character of citizen of a particular place, "there must be a removal with *an intention to lay aside that character*, and he must *actually join himself to some other community*." The italics are those of the original report.

So Burrill (Law Dic., tit. Residence) defines residence as "the *place* which one *has made* his seat, abode, or dwelling." The derivation, as well as the ordinary acceptation of the term, denotes the place where the party *has seated himself*, and his own choice or free will in the matter is assumed. We think this the legal as well as the ordinary meaning of the term, and that accordingly the soldier who occupies a place at the command of his military superiors, the criminal who does the same thing while in custody in the hands of the criminal authorities, and the pauper who is placed and supported in the county poor-house at the public expense, gains no residence in the town by his enforced stay. We think therefore that these fifteen votes should be deducted from the vote for Mr. Foster.

4. There are also a large number of votes cast for Mr. Foster in different parts of the district, the legality of which has been attacked in the evidence, on the grounds of alienage, lunacy, non-residence, minority, and non-payment of tax. As to lunacy, it was held by the court in *Thompson vs. Ewing*, 1 Brewster Rep., 104, that it was proper to show in a contested election case that a voter was *non compos mentis*, and that without a finding in lunacy. The following is a list of those votes

the illegality of which, for one or other of the above reasons, seems to have been established :

Name.	Place of voting.	Ground of illegality.	Evidence.
James T. Martin	Dunbar	Minor	27, 301, 310
Patrick Cooley	do	Alien	25, 6, 7, and 28
Michael Cooley	do	do	25, 6, 7, and 28
Andrew Wash	do	Non-resident and illegal assessment	29, 31, 39, 40-1, 302, 304
Henry Shepherd	do	do	29, 30, 55
James Maynadier	do	do	33, 34, 78, 79, 80-83, 61, 62
John White	do	do	33, 34, 80-83, 61, 62
Calvin Halfpenny	do	do	33, 34, 80-83, 75, 61
John Wilson	do	do	33, 34, 80, 83
John Cummings	do	do	33, 34, 80, 83, 174
James Cummings	do	do	33, 34, 35
George T. Dawson	Brownsville	Non-resident	40, 41, 43, 319
Connolly Walcott	Fayette City	Minor	44
Reason Dean	Menallen Township	do	47, 51, 326
John Drayhill	Dunbar	Alien	25, 52, 63
Michael Kelley	do	do	20, 21, 24, 25, 52, 53, 88, 109
Alfred Laughley	Connellsville	Minor	55, 67, 68
John Turner	do	Alien	55, 56, laws of Pa. 32
Robert Thompson	Unionborough	Not six months returned to State	57, 58
George Coleman	Luzerne	do	89
Peter Small	Perry	Lunatic	92
— Branthaven	do	Non-resident	93
Samuel Ogle	Wharton	Minor	95
Charles Lewis	Springhill	do	96-97
John Roble	do	Alien	97
W. S. Johnson	Uniontown	Minor	59-97
Uriah Yanger	North Union	Non-resident	85, 97-8
John S. Ryan	Unionborough	do	98
William Searight	do	do	98
James Searight	do	do	98
Israel Painter	South Huntingdon	Non-resident	102
Jacob Glunt	Franklin	do	104-6
Samuel Patterson	do	do	104-6
Patrick Lynch	Dunbar	Alien, and challenged, and not sworn	21, 25, 109
John Lyons	do	do	24, 25, 109, 110
George W. Kelley	Salem	Alien	113
Joseph Naleigh	Penn Township	Lunatic	118, 165, 274
Jacob Weitzel	Alleghany	Non-payment of tax	120, 135
Daniel Aubeny	Dougal	Non-resident	123, 124
David Forsyth	East Huntingdon	Minor	171
Daniel Bowers	North Huntingdon	do	171, 185, 186
John Steirs	Greensburg	Non-resident	172
C. M. Robinson	North Huntingdon	do	175, 179, 180
John P. Kunkle	do	do	175, 178-9, 180
Henry Lenhart	do	Lunatic	166, 175, 176, 178-181
Isaac Robinson	do	do	166, 175, 176, 178-181
Daniel Bradley	do	Alien and fraudulent papers	180-182
John McIntyre	do	do	180-182
Josiah Plant	do	do	180-182
Charles Penrose	Youngstown	Non-resident	209
John Brier	Mount Pleasant	do	221
Leon'd Sullenberger	do	do	222
Lewis Simpson	Sewickly	Negro	229, 234
John Potter	do	Non-resident	229
Vincent Nichols	do	do	230
James Diamond	Youngstown	do	239
Francis Cuslo	Alleghany	Non-payment of tax	242, 243
Johnson Spreul	do	do	242, 243
— Swency	do	Alien	243
Thomas McGuirty	Derry	Not six months in the State	258-9
James S. Hassinger	Fairfield	Non-resident	259, 260
George Wilhour	Ligonier	Minor	262-4
Jonas Ricinger	St. Clair	Non-resident	266
Frank Heiser	Rayne	Alien	270
Peter Adams	Unity	Minor	272-3
Charles Wilson	Rostram	do	275
Leander Corbett	do	do	275
George R. Chalfant	Uniontown	Non-resident	57, 58, 323
George Long	Rostram	Alien and non-resident	172, 274, 426
Edward Devlin	do	do	172, 274, 426
William F. James	Sewickly	Non-resident and imported voter	231, 276, 234, 122, 127
John Boyle	do	do	231, 276, 234, 122, 127
Walter McMichael	do	do	231, 276, 234, 122, 127
Patrick Haskins	do	do	231, 276, 234, 122, 127
David Robinson	do	do	231, 276, 234, 122, 127

To these should be added one vote for Foster for Congress found in the State box in Sewickly Township and counted to him, although

thereby the number of votes for Congress was made one greater than the number of names on the list, (377.)

Also, one vote for Foster in the South Huntingdon Township found upon the floor at the close of the counting, a considerable crowd standing around, and counted to Foster, although thereby the number of votes for Congress was made one more than the number of names on the list of voters. These votes, amounting altogether to seventy-seven, we conclude should be deducted from the vote for Henry D. Foster, for the reasons above assigned.

5. The evidence also shows that John Hardy, of Dunbar, (28, 30, 72, 73,) Samuel C. Myers, of Penn Township, (183, 186,) Daniel Byers, of Hempfield, (187-189,) and John M. Martin and Andrew B. Ousler, of Latrobe, (226, 227, 227-9, 282,) and Samuel Keller, of South Huntingdon, (102, 184,) qualified voters in those townships, offered to vote for John Covode for Congress, and that their votes were improperly rejected, or, in the case of Samuel Keller, prevented by threats of violence made in the presence of the board, and against which it was their duty to protect him, and which they did not do.

The result of our examination and conclusions is as follows :

The certificates of the return judges show 13,807 votes cast for Henry D. Foster, and 13,766 for John Covode, giving the former a majority of 41 votes.

Adding to the former the three votes offered for Henry D. Foster and improperly rejected, and to the latter the six votes offered for John Covode and improperly rejected, and the majority for Henry D. Foster would be thirty-eight.

The vote at Dunbar Township, for member of Congress, at the October election, 1868, was, (136)—

For Henry D. Foster .....	375 votes
For John Covode .....	177 "

The vote at Youngstown district, at the same election, was, (145)—

For Henry D. Foster .....	280 votes.
For John Covode .....	110 "

Subtracting from the vote for John Covode the twenty votes shown to have been improperly cast for him, would make the majority of Henry D. Foster fifty-eight.

But if the vote of Dunbar Township alone is rejected, Mr. Covode is elected by a majority of one hundred and forty votes.

If the vote of Youngstown district alone is rejected, he is elected by a majority of one hundred and twelve votes.

If neither is rejected, but the pauper and other votes referred to under divisions three and four are rejected, he is elected by a majority of thirty-four votes.

If the pauper votes are not excluded, but only the votes under division four, he is elected by a majority of nineteen votes.

If all these votes are rejected, as the committee think they should be, then John Covode is elected by a majority of four hundred and two votes.

We therefore recommend to the House the adoption of the following resolutions :

*Resolved*, That Henry D. Foster is not entitled to a seat in this house as representative from the twenty-first congressional district of Pennsylvania.

*Resolved*, That John Covode was duly elected representative in Congress from the twenty-first congressional district of Pennsylvania at the election held therein on the 13th day of October, 1868, and that he is entitled to a seat in this house as such representative.

JOHN COVODE vs. HENRY D. FOSTER.

JANUARY 27, 1870.—Ordered to lie on the table and be printed.

Mr. RANDALL, from the Committee of Elections, submitted the following,  
as the

VIEWS OF THE MINORITY.

Mr. Randall, on behalf of himself and Messrs. Burr and Dox, from the Committee of Elections, presented the following as the views of the minority of the said committee in the above case:

The undersigned, a minority of the Committee of Elections, have not been able to concur with the majority of said committee in their conclusions and recommendations in the contested claim for a seat in this House by Messrs. Henry D. Foster and John Covode, from the twenty-first congressional district of Pennsylvania.

The reasons for such dissent are hereinafter given.

The majority, in their report, have taken occasion to give a full history of the *prima facie* case, which was determined and disposed of by the House of Representatives on the 2d day of April, 1869. As such *prima facie* title to a seat is not now under review it is not deemed necessary to follow such statement as to said right, except to recognize the fact that the argument of the majority concedes that the *prima facie* right to the seat was vested in Henry D. Foster.

The Committee of Elections was, by resolution of the House, passed April 2, 1869, directed to inquire into the merits of this case, and determine who is entitled to represent the said twenty-first district in this house. The resolution is in the following terms:

*Resolved*, That the contested election case from the twenty-first congressional district of Pennsylvania be recommitted to the Committee of Elections with instructions to report upon the merits of the case, who is entitled to represent said district in this house, with authority to make regulations to govern the mode of conducting the contest and taking testimony.

The House afterward, on the 5th of April, 1869, adopted the following regulations for the conduct of the contest, under which the claimants proceeded to take testimony:

*Regulations for conducting the contest and taking testimony in the contested election case from the twenty-first congressional district of Pennsylvania, to which John Covode and Henry D. Foster are the parties.*

Each of the claimants shall serve upon the other a notice of the grounds on which he claims the seat before June 1, 1869, and an answer to the notice of his opponent before June 20, 1869.

Said Covode shall take his testimony between the first and fifteenth days, inclusive, of July, August, and September, 1869, and said Foster shall take his testimony between the sixteenth and last days, inclusive, of the same months.

The statutory provisions regulating ordinary cases of contest shall apply to this case so far as the same are consistent with these regulations.

All testimony shall be transmitted, under seal, by the officers before whom the same shall be taken, to the Clerk of the House, at Washington, so as to be received by said Clerk before the 25th day of October, 1869, before which day the notices, answers, evi-

dence, and exhibits in the case shall be filed with said Clerk; and the clerk of the Committee of Elections shall immediately thereafter arrange the papers for the Public Printer, and cause the same to be printed before the 1st day of November, 1869.

The printed arguments of the claimants shall be filed with the Committee of Elections on the first day of the next session of Congress.

*Therefore resolved*, That the foregoing regulations of the Committee of Elections for conducting the contest and taking the testimony in the contested election case from the twenty-first congressional district of Pennsylvania be, and the same hereby are, adopted by this house.

Attest:

EDW. McPHERSON, *Clerk*.

The testimony taken is voluminous, and full upon most of the points in controversy.

The twenty-first congressional district of Pennsylvania, is composed of the counties of Westmoreland, Fayette, and Indiana. By the returns of the election held for member of Congress, in October, 1868, in said district and State, the following result is shown—both parties to this contest agree as to the correctness of said return by the return judges of said district, or a majority of them.

	Votes.
Henry D. Foster had, in Westmoreland County, (see exhibits, page 145 and page 152).....	6, 722
Henry D. Foster had, in Fayette County, (see Exhibit Q, page 153).....	4, 706
Henry D. Foster had, in Indiana County, (see Exhibit O, page 152).....	2, 379
Making a total of, (see Exhibit W, page 162) ....	13, 807

And that—

John Covode had, in Westmoreland County .....	5, 192
John Covode had, in Fayette County.....	3, 819
John Covode had, in Indiana County.....	4, 755
Making a total of.....	13, 766

Thus giving Mr. Foster a majority of..... 41

We enter now upon an examination of the testimony and the argument of the majority thereon; and, in doing so, will follow as closely as is possible the order as laid down in their report.

First. Mr. Covode asks that the entire poll of Dunbar Township, in the county of Fayette, be excluded, upon the alleged grounds of irregularities by the election officers, and the admission by them of illegal votes cast for Mr. Foster at said poll.

The majority state in substance, in their report, that where election officers neglect to perform directory requirements of the law, or perform them in a mistaken manner, provided there is no bad faith on their part, and no harm accrues, that such neglect or mistake does not warrant the exclusion of an entire poll, unless the fraud is to an extent to make the poll unreliable; and that in such case the parties should be "left to make such proof as they may of votes legally cast for them."

We do not concur in this conclusion, believing that in such case it should be made the duty of each party to a contest, respectively, to prove the illegal votes cast at such poll, and for whom such illegal votes were given. Those not proved to be illegal should stand; that is to say, that such poll be purged of its illegal votes only; those left to be duly counted. The merits of a contested election depend upon the finding out which of the candidates received the greatest number of *legal* votes.



The only way to arrive at this is to show of the votes cast for each candidate those that were *illegal*. It is at no time justifiable to throw out an entire poll, and in this way disfranchise the whole voting population of a district, if it can be purged of its illegal portion. In this case the testimony is full as to Dunbar Township, and the *illegal* votes, by said testimony, can be readily and conclusively determined. This is a Pennsylvania case, and the courts of that State have, in all contested elections, held that *impossibility* of ascertaining the true state of the poll is the only ground for rejecting it. To show that the majority themselves are in doubt as to the justness of rejecting this entire poll, they present to the consideration of the House the condition of the poll after they have purged it of all the *illegal* votes alleged and proved to have been cast. This latter course should commend itself to your judgment, and while being in strict accordance with law and precedent, is, at the same time, a protection to the honest voters in every poll.

In this view we are not without many safe precedents. The following are some of the citations from the rulings which govern such cases in Pennsylvania, and many authorities in contested elections in the Congress of the United States.

In Skerrett's case, (2 Parsons, p. 509,) it was decided that "for mere irregularities and want of conformity to the provisions of the election law, that are merely directory, the court, for that reason, will not set aside the election."

In Mann *vs.* Cassidy, (Brewster's Reports, p. 32 :) "The entire vote of a precinct should not be rejected where it is possible to ascertain the fraudulent votes."

In Thompson *vs.* Ewing, (same reports, p. 107 :) "Mere neglect to perform directory requirements of the election law, or the performance in a mistaken manner, where there is no bad faith, and no harm has accrued, ought not to defeat the will of the people of an entire district."

In Weaver *vs.* Given, (same reports, pp. 144, 145 :) "Careless, ignorant, and even willful neglect of the directory requirements of the election law cannot operate to nullify an election."

The following are some of the congressional decisions bearing upon the same point :

In Goggen *vs.* Gilmer, (Contested Election Cases in Congress, 1834 to 1865, p. 70, twenty-eighth Congress, first session :) "The acts of proper officers, acting within the sphere of their duties, must be presumed to be correct, unless shown to be otherwise."

In Littell *vs.* Robbins, (same, p. 138, thirty-first Congress, first session :) "The legal presumption is always against the existence of fraud. Nothing but the most unequivocal evidence can destroy the credit of official returns." The report in this case was made by the Hon. William Strong, of Pennsylvania, late of the supreme court of that State, and a gentleman likely to be named by President Grant as an associate judge of the Supreme Court of the United States.

In Whyte *vs.* Harris, (same, p. 263 :) "Inspectors of an election are judges of the qualifications of electors, and if they err without wrong intent, the general result shall not be affected." (Minority Report, which the House adopted.)

In Flanders *vs.* Hahn, (same, p. — :) "That a disregard of a mere directory provision of the law cannot annul an election carried on with all the essentials of an election, and with perfect fairness."

In Bruce *vs.* Loan, (same, p. 504 :) "That no one should be vested with the right to determine who are and who are not qualified voters

save those who are by law clothed with, and by law made responsible for, the proper performance of that duty."

In *McHenry vs. Yeaman*, (same, p. 550:) "That occasional irregularities should not vitiate an election."

Having taken this general view, we proceed to enumerate the specific allegations and complaints made against the Dunbar Township poll.

William Speers was brought in as an officer during the counting of the votes, after the polls were closed, to take the place of Mr. Hurst, the democratic clerk, who was taken ill. Mr. Speers was not sworn. Hurst subsequently signed the returns. We do not consider that the temporary introduction of Mr. Speers should impair the validity of the poll. He did not force himself in, nor was he objected to by any. He performed his duty with fairness and proper decorum; and, when through counting, his tally of votes corresponded with the tally kept by Mr. Collins, the republican clerk, who in his testimony states:

Q. Was anything said by any member of the board about the impossibility of his discharging those duties without being sworn?—A. Not that I remember of.

Q. Was any objection made to Mr. Speers acting as clerk by any member of the board?—A. I don't think there was.

In *Blair vs. Barrett*, (Contested Election Cases in Congress, p. 311—Mr. Dawes making the report adopted by the House:) "The honest electors should not be disfranchised and their voice stifled from a mere omission of the officers of election to take the oath of office."

In *Milliken vs. Fuller*, (same, p. 176:) "Election officers irregularly chosen. As no fraud was alleged, the election was regarded as valid."

In the case of Alderman Boileau in Philadelphia, (2 Parsons, p. 503:) "It was distinctly decided by president judge, King, that the omission of a clerk, called in under the circumstances, to qualify, is not such an irregularity as should induce the court to set aside the election."

We think we have disposed of this complaint successfully.

In the absence of the proper ballot boxes, it is proven that a hat and a cigar box were used to deposit the votes in up to eleven o'clock a. m., when the ballot boxes were brought by the magistrate, who should have had them at hand at the opening of the poll, and then the tickets were transferred from the hat and cigar box to the proper boxes. It nowhere appears that any wrong was done in this transfer. It was done by the two inspectors in the presence of all the officers. (p. 17.) The evidence of Mr. Joseph E. Cramer, republican, (p. 314,) goes to show that there was a conspiracy on the part of certain republicans to keep these ballot boxes away, and thus make it an illegal election, because of the use of the hat and cigar box. The place of concealment was known to these persons. If the fact of the deposit of tickets in a hat is to be taken as a cause for rejecting an entire poll, then the same objection would apply against the poll in Wharton Township, where Mr. Covode had a large majority. It does not appear that any change was made during the day from hat to ballot box in this township. (See McCartney's testimony, p. 313.)

It is objected that persons other than the officers were allowed in the room during the day. This indicates no appearance or attempt at fraud. If such was designed, all persons would have been studiously kept out. Every act of the officers was overlooked during the entire day by men of both parties. In fact, one person was present during the entire day, to represent each party, in the capacity, as it were, of watchers. The testimony of Mr. Pope, republican inspector, and Mr. Collins, republican clerk, establishes that no threats were made by any officer against per-

sons offering to vote; that no irregularities existed in the reception of votes; that no votes were taken of persons who did not appear on the list of taxables; that no persons were allowed near the ballot boxes except the officers, and that they (Messrs. Pope and Collins) were not absent during the day, except for a minute or two to attend to the duties of nature. It is proved that Mr. Guthrie, who seems to have been the republican watcher, was ordered out of the room because of insulting language used against one of the inspectors, but his place was immediately supplied by Mr. Biers, another member of the same political side.

Six more tickets appeared in the box than there were names on the list of voters. Statement of this fact was made on the return papers; no attempt at concealment. It is not possible to say for whom four of them voted; they cannot, therefore, be counted as against either. It has been uniformly held by courts of Pennsylvania that, unless shown for whom such votes were given, it cannot operate against either party in court. This discrepancy can be easily explained. In a large district like Dunbar, polling several hundred votes, it is not unusual for the clerks to inadvertently omit the names of some who may have voted.

These votes were counted in the presence of the whole board, and the clerks, one a republican and one a democrat, agreed in their tallies. It is further alleged that a body of men, say thirty in number, marched to the ground where the election was held. If they did, it is nowhere shown that they were *illegal* voters. Witnesses for Mr. Foster prove that they halted some distance from the poll and went singly to vote. There is not the slightest evidence of any disorder, threats, or menaces on their part. These men certainly had a right to come there in a peaceable and orderly way. It is no unusual occurrence in country districts for voters to come to the poll together in large numbers. Teams and wagons are constantly used to carry voters, exceeding in number that proved in this case.

It is asserted that much whisky was consumed during the day, which produced noise and confusion. This is not strange. It is the custom for officers of elections to have food and drink sent in the poll-room to them, their party friends demanding their constant presence to see that no unfairness is done. The whisky seems to have been common property, for all contributed to its purchase. Mr. McCullough is said to have been somewhat affected by whisky at times during the day.

In *Thompson vs. Ewing*, 1 Brewster, p. 120: "The mere intoxication of an officer is not a sufficient reason for rejecting a poll."

One by one we have disposed of the complaints and irregularities made against this (Dunbar) township poll. Surely if they cannot stand singly, they should not be made to prop each other and thus have force combined.

#### YOUNGSTOWN DISTRICT, WESTMORELAND COUNTY.

The reasons assigned by the majority of the committee for the rejection of the Youngstown poll are not such as are sustained by the law or judicial decisions. To disfranchise the citizens of an entire district because an assessor did not perform *all* the duties incumbent upon him, seems to us a stretch of power that at any time may disfranchise the people of a congressional district, or abolish elections in a State altogether.

The duty of the assessor was to take the list of the taxable inhab-

itants of his district, make at least two copies thereof, and put up said lists in two public places in the district, one of which must be in the place of holding the general election. It is admitted that this was done. Further, it is made his duty to keep a list of the taxables in his possession, subject to inspection at all reasonable times without charge. It is admitted that this was done. Further, he is to attend at what is known as an extra assessment, to be held between the 20th day of August, and prior to ten days before the second Tuesday in October, the day of the election, and at such time add the names of those qualified who applied to be placed on the list of taxables or voters. It is admitted that this was done. He is then required to add the names of all that were extra assessed to the lists that he put up in the two public places in the district. It is admitted that this was done. But the last requirement, *i. e.*, to make out duplicates of these lists, and file one in the county commissioner's office, and hand the other to one of the inspectors of the election before 8 o'clock on the morning of said election, was neglected to be done by the assessor. And because of the neglect of this *one*, and not the most material requirement, having fulfilled every other duty incumbent on him, and in so doing acting under the sanctity of his official oath, the majority ask now to reject this entire poll.

If there had been no official act whatever performed by the assessor, necessary to the proper conduct of this election, then the committee might, with some propriety, ask for the rejection of this poll. In performing *none* of his duties, the officers of the election would have been compelled to close the polls, or to have proceeded without official knowledge as to who were the taxables and voters of the district; even then we hold that it would have been competent for the officers of the election to have received the votes of all persons offering to vote, who, upon examination under oath, were found to have the constitutional qualifications of voters. But they were placed in *no* such position by the neglect of this assessor. They were not without a *proper guide* for the conduct of the election. The assessor had done everything that was necessary for the conduct of the poll, except the making of the two copies of the voters alluded to; and when the election officers found they were without their copy, they took the *original* list, with the additional names of the extra assessment added thereto, from the room of the public house where the voting was done, and where, in accordance with law, the assessor had placed it, and used *it* for their guidance during the election. Was not this as high authority as the *copy* would have been? Was it not higher authority? The *one* was the *original* paper, and the *other* the mere copy, subject to all the chances of error in transcribing.

That the committee should ask for the rejection of this poll, because a particular, though secondary list was not produced for the use of the election officers, looks like a pretext for doing by indirection what they could not do directly. Instead of reprobating the conduct of the election officers in this regard, the majority of the committee should commend them for the propriety of their course in seeking for and using in the absence of the copy the original list, from which the copy ought to have been made. In doing so they saved the voters of that district from disfranchisement, and added to the general return of this congressional district a township return, as valid and free from any intention of fraud as the return would have been had it been based upon a *copy* of the list. We consider this irregularity gives the House "no hair's breadth of foothold" to stand upon to warrant the rejection of this entire poll.

But, say the majority, nearly thirty-nine names were added to the extra assessment of this district who did not personally apply to be

placed on the list, and that they voted at the election. Suppose they did so vote, (and there is no conclusive proof of this,) there is no certainty, as far as the evidence shows, for whom they voted. The testimony further exhibits that those who were so assessed and voted, established their right to vote by showing they possessed the constitutional requisites in the case of unassessed voters. This was all that was necessary, whether on or off the list. Reject the votes of these persons because they were added by the assessor without their personal application, but as soon as this is done you will be compelled to admit them as the votes of persons who had filled all the constitutional requirements in the case of unassessed voters.

We hold, therefore, that this assessment list, made under oath, and derisively termed by the majority report as "this paper taken from a tavern wall," was properly used in the absence of the copy; that the election officers would have been subject to censure for omitting to use it; and its use gave to the poll, as an expression of the popular will, the same legal effect as the copy could have done. It was an irregularity that was overcome by substituting in the place of the copy the paper from which the copy was to have been made.

All the citations of law and precedence made in reference to Dunbar Township in this report have the same force and applicability to this, the Youngstown district, and go to show the illegality of rejecting the entire poll of either.

The force of the statement that the officers of the election at the Youngstown district were all democrats, and that no democrats were challenged that day, is broken when the further fact is shown that at this poll, as at Dunbar Township, republican watchers were present during the entire day, and their presence there was by the request of the democratic election officers. Does this indicate any fraudulent purpose in the conduct of that election? Could anything be fairer?

Objection is made by Mr. Covode to the reception of the votes at the Hempfield district, in Westmoreland County, and South Union Township, in Fayette County, cast by persons who were inmates of the poor-house or house of employment for said respective counties. On what tenable ground this objection is made we are unable to determine. These men were at the time of the election, and for years before, actual residents of Hempfield and South Union districts, and had no other residence. They were regularly assessed in the districts in which their respective houses are located, according to law, and paid their taxes, in pursuance of the assessment, to the proper officer. If their right to vote is tested by the constitutional provision and the acts of assembly, they are relieved of every possible objection.

The constitution provides as follows:

ART. III., SEC. 1. In elections by the citizens, every white freeman of the age of twenty-one years, having resided in this State one year, and in the election district where he offers to vote ten days, immediately preceding such election, and within two years paid a State or county tax, which shall have been assessed at least ten days before the election, shall enjoy the rights of an elector; but a citizen of the United States who had previously been a qualified voter of this State, and removed therefrom, and returned, and who shall have resided in the election district and paid taxes as aforesaid, shall be entitled to vote after residing in the State six months.

The act of assembly of 2d July, 1839, follows the constitutional provision on the subject, and in neither is there any property qualification required.

In the case of this class of voters the objection is not sustained, we find, by any law of Pennsylvania, nor is it sustained by the action of the House of Representatives in the contested election case of Koontz

es. Coffroth, thirtieth Congress, first session, (report No. 92, vol. 1, of House Reports, 1865-'66.) In the majority report, which was adopted, and ousted the sitting member, it was held that this kind of vote could "not be deducted from the count of the sitting member. Each State frames its own laws for the maintenance and care of its poor. The laws provide protection for the poor, who, 'by reason of age, disease, infirmity or other disability,' become unable to work. With regard to the elective franchise by such, the laws of Pennsylvania are silent. As they are not expressly deprived of the right, we cannot see why the unfortunate, provided for by the public, may not vote as if provided for by a parent or a son; certainly not, until the authorities of Pennsylvania shall have decided for themselves the law, for which they have had frequent opportunities. Therefore we *here* make no deduction from the count of the sitting member."

As to the lunacy vote—four in number—we desire to say that the constitutional requirements do not set up any prohibition as against simple-minded men nor lunatics. The extent of the mental imbecility would seem, therefore, to have been left to the officers of the election to determine; and upon such extent of weak intellect admit or reject the vote when offered. As to one of the four votes, it is not shown at all for whom he (Small) voted. It should, in our judgment, therefore, not be charged as against either the contestant or the contestee.

With reference to the individual votes alleged to have been cast for Mr. Foster upon the different grounds of alienage, lunacy, non-residence, minority, and non-payment of tax, and of which a list is furnished by the majority in their report, we propose to enter into an examination of each individual case so reported.

1st. James T. Martin, of Dunbar Township, it is alleged, was a minor. The testimony of Martin himself (see p. 310) shows that he was informed by his grandfather, who raised him, and who was present at the election and before the board, that he had every reason to believe, both at the time of the election and while this investigation was going on, that he was over twenty-one years of age on the 13th day of October, 1868; and further, that his father died when he was very young, and his mother having remarried, then and now lived in the State of Indiana. This vote clearly should be counted for Mr. Foster.

2d. As to Andrew Work, a reference to the testimony of Beatty (p. 302) will show that Work voted in that township for forty years, owned land there, and does now, and was assessed and paid taxes in that township. His wife was dead, and he resided with his son in Dunbar Township at the time of the election, and for a considerable time prior thereto.

3d. George F. Dawson, of Brownsville, (see p. 319,) testifies that he returned to Pennsylvania in July or August, 1867, and never again left the State with the intention of acquiring a residence elsewhere; has remained in Brownsville ever since, and therefore his vote should be counted for Mr. Foster.

4th. Connelly Westcott, (see testimony of William Campbell, p. 335,) was born in April, 1847, and he was, therefore, between the age of twenty-one and twenty-two years in October, 1868. This fact is shown by the statement of the father and mother of the voter to the witness.

5th. Reason Dean was born on the 15th day of February, 1847, (see testimony of George Dean, the father of Reason, p. 329,) and upon the testimony of a *stranger*, it is proposed to reject this vote against the testimony of his father.

6th. W. S. Johnston, it is shown by the testimony of Dr. F. C. Robinson, (p. 59,) and G. W. K. Minor, (p. 97,) on the day of the election, and while being examined by the election board, repeatedly stated that "his mother had told him he was old enough to vote at that election." What better evidence one could have of his age, except what he might derive from his mother, is not known by the members of the committee who sign this report. We have already rejected the vote of Samuel Ogle, even upon the statement of a witness who heard the mother of the voter state the date of his birth to have been at a time when he could not have been a voter at the time of that election.

7th. Uriah Yeager, jr., it is shown by the testimony of A. A. Boyer, esq., a witness for Mr. Covode, (see p. 85,) was a resident of the district of North Union Township; that a full examination was made by the board as to his right to vote there and at that election, before his vote was received; it is also in evidence that the same witness was informed that he was a republican, so that if his vote *was* illegal, it surely should not be charged against Mr. Foster.

8th and 9th. As to the votes of William Searight and James Searight, both these gentlemen were clerks in departments in the city of Washington, and returned home, as is done by every clerk in every department here, and their votes should not be charged by Mr. Covode or his counsel against Mr. Foster, especially when the fact is, as we are informed, that the same train of cars which carried one of these gentlemen home also bore A. S. Fuller, esq., who resides in Washington, and Mr. Covode's counsel in this case, to the same place for the purpose of voting for Mr. Covode. The Searights were born in Union Borough, and never voted in any other place, and it will not do to say that their votes should be rejected.

10th. Israel Painter, jr., it is testified by O. P. Falton, (see p. 102,) was engaged in work in Venango County, Pennsylvania, in the oil regions, and for this reason the majority have deducted this vote from Mr. Foster, forgetting that there is no evidence whatever as to how he voted, beyond the fact that his uncle was a democrat, or that he had acquired a new residence, and they also omitted to deduct from Mr. Covode the votes of A. G. Oliver and Morgan B. Oliver, who were precisely in the same condition, (see testimony of Severn, pp. 360, 361,) but which we do not reject as against Mr. Covode.

11th and 12th. Jacob Glunt and Samuel Patterson are shown by the testimony of Jeremiah Mertz, (p. 407,) to have resided in Franklin Township, where they worked for months before the election; they were single men and mechanics, who worked wherever they could find work; that they never claimed any other place as their residence, and that one of them, in fact, owned property in that district assessed against him, and that both of them were born and raised in that township.

13th. Jacob Weitzel's vote is rejected upon the testimony of S. P. Faulk, (pp. 120, 121,) who testifies that his vote was about being challenged at the presidential election for non-payment of taxes, when the collector came to the window and vouched for the payment of taxes that day. It is not to be presumed from such testimony that this voter had not paid a tax within two years as required by law. Neither is it to be presumed that he voted for Mr. Foster from the outside appearance of the ticket. It also appears from the same testimony that he has voted in that district for five or six years, and that his vote was not challenged at that election.

14th. Daniel Bowers, it is testified by his mother, Barbara Bowers, (p. 185,) on the 14th of July, 1869, was twenty-two years of age the

preceding month, which would make him between the age of twenty-one and twenty-two years at the time of the election in October, 1868. Joseph Skeeley (p. 372) also testifies that from conversation with his mother, and from an examination of a tombstone, Daniel Bowers was of age at the time of that election, and that he assessed him for tax and collected tax from him for that year.

15th. John Stiers, it is proved by his own testimony, (p. 172,) and he was called by Mr. Covode himself, was a resident of the district of Greensburg; there in pursuance of his lawful calling, intending to become a resident, and actually such, and only prevented from still remaining a resident by the fact that he could not procure such house as suited him.

16th. C. M. Robinson is a single man, engaged in merchandising about a mile and a half from the residence of his father. His father resides in North Huntingdon Township, Westmoreland County, Pennsylvania, where the voter, whose vote is objected to, cast his vote, but his store is in Alleghany County. He was born in that township, and made his home at his father's house, and had his washing done there, and there is no evidence to show that he ever voted in any other district than that in which his vote was cast at this election.

17th. John P. Kunkle, (see his own testimony, p. 415, and the testimony of William Hawk, p. 414.) It is shown he had a right to vote in North Huntingdon Township. His residence was with his mother in that township. He was an apprentice to learn a trade, and as soon as that apprenticeship ended he returned to his home with his mother, not less than four weeks before his election. Hawk, in his testimony, is very clear and decided upon the point of residence, and no possible objection can be urged against this vote.

18th. Daniel Bradley's vote is rejected by the majority in their report on the ground that he never was a citizen. A reference to page 383 will show an admission by Mr. Covode, that the voter was naturalized on the 28th of July, 1856, in the court of common pleas, of Blair County, Pennsylvania, and that Daniel Bradley *himself* appeared and produced his certificate of naturalization, and it was agreed then that so far as the testimony of the man Mullen, pp. 180, 182, and taken at Irvine, before Notary Hoke, would lead to a different inference, *is not to be considered*.

19th and 20th. Josiah Plant and John McIntyre, are also rejected by the majority upon the ground that they were not citizens, and these two votes are deducted from Mr. Foster. We are informed, and have every reason to believe, that an admission like that in the case of Bradley was made by Mr. Covode's counsel, and entered by the notary before whom the testimony was taken as to these two votes, but upon referring to the testimony, we do not find it embraced in the report. There is not however any evidence (even assuming that the testimony of the man Mullen, pp. 180, 182, should have its *full* weight) that either of these men illegally voted or was not properly qualified as a voter.

21st. Charles Penrose, it seems, voted in the Youngstown district, and it is urged that his vote should be deducted from Mr. Foster. If hearsay evidence is to avail in this case, then this vote should be rejected; but surely, no tribunal governed by any law, will listen for a moment to the testimony of any one who testifies only to what some one else has said to him. Certainly this is only hearsay testimony, and no court in christendom will receive such testimony as *evidence*. See contested election cases from 1834 to 1865; *White vs. Harris*, p. 264; *Ingersoll vs. Naylor*, p. 34; *Blair vs. Barrett*, p. 316; *New Jersey case*, p. 24.) Lewis



Simpson, it is alleged by the majority report, is a negro and not therefore entitled to a vote, and it is also alleged that he voted for Mr. Foster. The evidence shows such to be the fact, and, under the law, this vote cannot be counted.

22d. Vincent Nichols, it is testified by Bruker, (p. 230,) was a carpet-bagger, and declared that he had voted for Mr. Foster. There is no evidence where or in what precinct he voted, and we apprehend that it is not to be assumed that he voted in one district when he might have voted in another.

23d. Francis Cuslo's vote is rejected by the majority on the ground of non-payment of tax within two years prior to the election held in October, 1868; but there is not the slightest evidence that such is the fact. It was in evidence (see Faulk, pp. 242) that he had paid taxes at the time of the October election 1866, and nobody pretends to state that he was not regularly assessed after that date, neither is it shown by any one that Mr. Cuslo did not pay taxes subsequent to that time, and in the absence of proof of that fact his vote should not be deducted from Mr. Foster. On the contrary, Sliuster, the collector of taxes, says he did pay taxes. (See page 380.)

24th. As to Johnston Sproul, the evidence of Faulk (p. 243) does not establish the fact that Sproul was over twenty-two years of age at the October election of 1868. He therefore had a right to vote without the payment of tax, and it does not follow that, because he paid taxes at the November election, that he had not attained the age of twenty-two years between the time of the October and November election. This not being proven the decision of the board is conclusive, in the absence of any proof of fraud.

25th. Frank Heiser is objected to on the ground that he did not produce his naturalization papers before the election board. If the declarations of the voter are to be received in evidence, it will be found, by reference to the testimony of Thompson, (p. 106,) that he voted for Mr. Covode; and if his vote is an illegal vote, it should be deducted from Mr. Covode and also added to Mr. Foster.

26th. Peter Adams is objected to as a minor. Neither Isaac George (p. 272) nor Hiram A. Hoops, (p. 273,) who are relied on in this case, prove conclusively the age of the voter, and, in the absence of such proof, it is not to be presumed that this vote was illegal.

27th. Charles Wilson, it is shown by his mother, Mrs. Pleas. Wilson, (p. 420,) was born on the 10th day of October, 1847; and this election having been held on the 13th day of October, 1868, no objection can be made to his vote.

28th. Leander Corbett, it is alleged, is a minor, and that fact is attempted to be shown by hearsay evidence. Houseman so swears; but surely that which is not within his knowledge, but is only stated as hearsay, is not to be regarded as evidence; and the evidence of Houseman (p. 275) shows that his vote was received without objection.

29th. George Chalfant's vote is attacked upon the ground that he is a non-resident. His testimony (p. 323) establishes the fact that he was a resident of Uniontown; that while he temporarily resided in Green County, he never was assessed in that county; that he was between the ages of twenty-one and twenty-two years, and all the time when away from Uniontown he regarded that place as his home, and so speaks of it in his testimony. He also says that he resides with his mother in Uniontown.

30th. George Long, it is said, was not a resident of the district in which his vote was cast, and had never been naturalized. His testimony

(pp. 426, 427) establishes that his father was naturalized while he was yet a child—which would also result in *his* naturalization; and that he was a resident long prior to the election. Crombie (p. 172-173) testifies that Long was in that district in September, 1868.

31st. Edward Devlin is attacked upon the ground that he is an alien and non-resident; but his right to vote is shown by the testimony of Long, (pp. 426, 427,) which proves him to be a native-born citizen, and by Crombie (pp. 172, 173) also as to his residence.

32d, 33d, 34th, 35th, and 36th. W. F. Jones, John Boyle, Walter McMichael, Patrick Harkins, and David Robinson are objected to (see Kemp, p. 231) as illegal voters; but in the absence of proof as to the illegality of these voters, and the district wherein such votes were cast, and the party for whom they were received, certainly they would not be deducted from Mr. Foster; and it is shown very clearly by the testimony of W. C. Guffey (p. 419) that the facts asserted by Kemp are not true. By the testimony of Pender (p. 392) it appears that Kemp had at one time been an *inmate* of the *penitentiary*, as a *criminal*. With this character of witnesses the committee had better have little to do.

In addition to this it is clearly shown by the testimony of A. B. McGrew, the assessor (and a republican) of Sewickly Township, (see p. 235,) "that he assessed no man unless he saw him or had sufficient evidence that he was in the township," and by the testimony of John Norcross, the judge, and Caleb Greenawalt, the inspector, both republicans, "that there were *no votes* taken at the Sewickly poll from *any one* who had not *fully* complied with the law," (see p. 376,) and further, the testimony of John Stam, the other inspector, establishes also the fact that there were no illegal votes polled at that district.

37th. John Turner is not shown to have voted illegally. All the evidence goes to show that he was a citizen, and whoever attacks a vote must prove it to be illegal. He voted without challenge, and to require Mr. Foster to show that Turner was naturalized, especially when he is no longer a resident—more than a year having gone by since that election, and he having removed from the district—would be to require such labor as might well induce him to abandon this contest.

38th. George Coleman's vote is rejected because he told Uriah Higgenbottom (p. 89) that he had not been in the State for a period of six months prior to that election. If the declarations of a voter made after the election is over are to be received—only, however, in this case it is hearsay—to defeat an election and overcome a vote, the sooner such is declared to be the law the sooner we will know that all previously accepted rules of evidence are ended.

We concur in the report of the majority as to the votes offered to different election boards to be cast for the respective candidates, but which were rejected, thus allowing to Mr. Foster three votes, and to Mr. Covode six votes, that were refused to be received by officers of the election.

As to the votes of Patrick Cooley, Michael Cooley, John White, Calvin Halfpenny, John Wilson, John Cummings, James Cummings, Patrick Lynch, and John Lyons, of Dunbar Township, it is scarcely necessary to speak beyond saying, that if John R. Smith "is to be believed," (as it is rather *naively* put by the majority in their report,) these men were in that township, as we have already stated, lawfully—in pursuance of their lawful calling, and residents therein. If it be not improper, it may not be amiss to state here, (since Mr. Smith is relied upon to prove a great many things,) that "if Smith is to be believed," we must conclude from the testimony of Mr. Collins, (see p. 448,) as also that of Smith

himself, (see p. —,) that Mr. Smith is not to be relied upon as a witness. If he proves anything, he proves that he did acts which were unlawful; and, to use a mild phrase, that he is a rascal; and, such being the fact, he is not credible.

Although we have not, for the purpose of finding out the true results in this case, deducted either of these eight votes, it is said by the majority that one vote was found in the State ballot-box, in Sewickly Township, upon which was the name of Mr. Foster; and this ticket, they say, was in excess of the number of votes upon the list, and that therefore this vote should be deducted from Mr. Foster. How such conclusion can be reached passes our comprehension. If any one can determine that the vote in excess may not have just as likely been cast for Mr. Covode as for Mr. Foster, he will have succeeded better than can be determined by those who sign this report. So, also, with regard to one vote in South Huntingdon Township, which was found on the floor, and counted for Mr. Foster.

The following statement will exhibit the names of the voters which, in the judgment of the minority, were illegally cast for Mr. Covode, the reasons assigned for their illegality, a reference to the witnesses who testify in regard to each, and the page upon which their testimony is to be found.

First. Isaac Johnson, it is alleged upon the part of Mr. Foster, voted for Mr. Covode, in Wharton Township, of which he was not then a resident. He was a married man, and his wife, with whom he was then residing, lived in North Union Township, and although he owned a farm in Wharton, and occasionally visited there, his residence has never been in that township since his marriage, and his vote, therefore, should be deducted from Mr. Covode. See testimony of McCartney, p. 313; Van Bremen, pp. 311, 312, 313.)

2d. James Chorning, it is clearly shown, voted at the election in Wharton Township, and for Mr. Covode, and that he was not then a resident of that township. See testimony of McCartney, pp. 313-314; Van Bremen, pp. 311-312; McCullough, p. 314. This vote should be deducted from Mr. Covode.

3d. Azariah Shaw is shown by the testimony of McDowell (p. 33) and Boyd (p. 331) to have voted illegally, and for Mr. Covode. He was then a resident and had a family residing in Ohio; was in Unionboro' only under medical treatment, and had not acquired any residence in this State.

This vote, therefore, should be deducted from Mr. Covode.

4th. James Kean was a resident of Venango County, Pennsylvania, and was not entitled to vote in Tyrone Township, and his vote cast in that township was therefore illegal. He came only to get married at the time of the election and voted for Mr. Covode, and left the day after the election. When here he evidently did not intend to remain, as is shown by the testimony of Kean, (p. 309,) wherein he states that his son James had a man in his place while he was absent from Venango County. This vote, therefore, should be deducted from the count for Mr. Covode.

5th. John M. Larimer, who voted for Mr. Covode in Sewickly Township, it is proved by the testimony of Colonel McFarlane, (pp. 373-374,) an uncle of the voter, resided in the city of Pittsburg and never had a residence anywhere in that congressional district.

6th. John M. Haymaker moved to West Virginia, was there elected a justice of the peace and appointed postmaster, and acted as such after being duly commissioned, and did not again return to Pennsylvania

until in June, 1868, which would be only four months prior to the October election in that year. It is in evidence that he voted for Mr. Covode in October; that in November he offered to vote, and his vote was rejected upon the ground that he had not, at that time, acquired a right to vote. (See testimony of Clark, p. 378; Harvey, p. 379.) Of course this vote should be deducted from Mr. Covode.

7th. Frank Heiser, it appears, voted for Mr. Covode without presenting his naturalization certificate to the board. (See Thompson, p. 106.) This vote is erroneously charged against Mr. Foster in the majority report, and has been deducted from him. The fact shows that it should just be reversed.

8th and 9th. William Hartford, *alias* Fletcher, and J. D. Davis voted for Mr. Covode in Kuhn's district, in Unity Township. Neither of these men were residents of that district, and their votes should be deducted from Mr. Covode. They were mere sojourners there, on a visit, not properly qualified to vote in that district, not known to the assessor; but one of them was assessed under an assumed name; and both left that district the Friday after the election for the State of Ohio. (See testimony of Barndollar, p. 358.)

10th. Jacob Justice. It is shown by the evidence of M. S. Overholt, (see p. 223,) a witness upon the part of Mr. Covode, that Justice was in the wood and willow ware business with Rowe, Euston & Co., in Philadelphia, Pennsylvania, and had been there probably eighteen months or two years; he was not engaged in any business in Mount Pleasant, was there only occasionally on a visit, and voted in Mount Pleasant Borough at the October election of 1868 for John Covode for Congress. That he had a legal residence in Philadelphia, and was a qualified voter there, cannot be questioned, and this vote, therefore, should be deducted from Covode.

11th. Lyman B. Sherrick also voted in Mount Pleasant Borough for Mr. Covode, while it is shown by the testimony of M. S. Overholt (p. 223) that he was then engaged in doing business in Philadelphia, Pennsylvania, with Adamson & Fetters, in the notion business, and had been so engaged for, perhaps, a year previous to that election; that he did not own any property in Mount Pleasant; that he was a married man, and had taken up housekeeping in Philadelphia. This vote should be deducted from Mr. Covode.

12th. Judson Newmyer also voted for Mr. Covode in Mount Pleasant Borough, although, as is shown by the testimony of M. S. Overholt, (p. 223,) he was engaged in doing business for Jesse Lippincott, of Pittsburg, in the grocery business, and certainly he was not a resident of Mount Pleasant Borough. This vote, therefore, should be deducted from Mr. Covode.

13th. David K. Faulk, in Alleghany Township, voted for Mr. Covode, and, it appears from the testimony of his brother, (pp. 243, 244,) that for four years almost he had been in Oil City, in Venango County, Pennsylvania, and only came into the district in which he voted *two* or *three* days before the election. This vote should be deducted from Mr. Covode.

14th, 15th, 16th, 17th, 18th, 19th, 20th, and 21st. John C. Paul, Samuel McCune, William J. McCune, Nelson Henry, Melton Bartley, John Decker, David Ransom, Ephraim Taylor, voted for Mr. Covode in Blairsville. It is shown by the testimony of Boyers, (p. 247,) the republican clerk, that he never saw Paul before or since the election, and that he left the town on the noon train (see p. 248) the day upon which the election was held. Paul, it is in evidence, is mail agent on the

Pennsylvania railroad. Samuel McCune (see Byers, p. 247) lived at Lewistown or Columbia or Port Deposit, and was in an engineer-corps there then, and yet. He came to Blairsville, it also appears, at noon of either the day of the election, or the day before, and went away as soon as the election was over. William J. McCune (see Byers, p. 247) is a brakeman on a passenger train between Pittsburg and Altoona, and came to Blairsville either on Saturday or Monday evening, previous to the election. He was allowed to vote (see Byers, p. 246) on his own oath, and without any other proof of residence being required by the board, and left Blairsville on the day of the election. Milton Bartley came to Blairsville (see Byers, p. 247) "several days before the election," and although the witness has been a resident of Blairsville since 1861, he does not recollect of seeing the voter there at any time except at the election. Nelson Henry (see Byers, p. 248) was mail agent on the West Pennsylvania railroad, ate breakfast and supper, and had his lodgings in Alleghany City, but took his dinner in Blairsville. He voted for Mr. Covode, without the shadow of right, and his vote should be excluded from the count.

Ephraim Taylor (see Bryers, p. 248,) was an engineer upon the West Pennsylvania railroad, and the facts in his case are precisely the same as in the case of Henry. We deduct his vote from Mr. Covode.

John Decker (see Bryers, p. 248,) was time-keeper at the soda works in Alleghany County; "he had been there two years or more, and only reached Blairsville either Saturday or Monday previous to the election." He voted on his own oath, as to his residence and all, for Mr. Covode, and we deduct his vote.

David Ransom (see Bryers, p. 248,) came to Blairsville on the evening of the election; he was working in the railroad company's shops; had been absent for a couple of years. He voted for Mr. Covode and we deduct his vote.

We cannot fail to conclude, from the evidence presented, that these persons were improperly introduced into that district for the purpose of aiding in the election of Mr. Covode.

Other votes are rejected in the same precinct, but the foregoing are the only ones that we feel called upon to exclude from the count.

22d. James Boyd, who voted for Mr. Covode, in Irwinboro, was not a resident, as appears by the testimony of Cort, (p. 387,) who is very clear that Boyd had not lived in Irwin for three or four years prior to that election. McQuaide (pp. 385, 386) testifies that he is running on the railroad, and lies over in Pittsburg, where his residence is, and is positive that he had no residence in Irwin for at least *one year* before the October election of 1868. Boyd himself (p. 271) says he claimed Irwin as a residence, because he had *relatives* living there, and had himself at some prior time lived there; since then had passed through the borough on his train running from Pittsburg, in Alleghany County to Conemaugh, in Cambria County. This vote should be deducted from the count of Mr. Covode.

23d. John Worthington, who voted for Mr. Covode in German Township, from the testimony of Thomas A. McKean, (pp. 232, 332, 342) was not a resident in that township. His vote ought, therefore, to be deducted from Mr. Covode.

24th. The testimony of Mr. McKean also proves that John Connelly voted for Mr. Covode, in German Township, he not having such residence as entitled him to vote in that district, or any other in the State of Pennsylvania. This vote should also be deducted from Mr. Covode.

25th. John Swan proves (p. 361) that Rev. W. C. Kaufman's family

resides in Chambersburg, Pennsylvania, where he would have been legally entitled to vote; if so, his vote was improperly received in West Newton, Westmorland County. He could not have had such a residence in two different districts at the same time as would entitle him to vote in either. He voted for Covode, and should be deducted from his poll.

26th. Rev. William Ewing voted for Covode in Franklin Township. His right to vote in that county was objected to on two grounds. 1. That he had not such residence there as entitled him to vote. 2. That he had not paid a tax as required by law to entitle him to a vote. The evidence of S. J. Miller (p. 383) leaves the question of residence doubtful, but it is clear that there was no personal tax assessed on him within two years, nor had he paid such tax. On this ground, his vote should be deducted from Mr. Covode.

27th. William Williams, who voted for Mr. Covode at Irwinboro, it is clearly proved by James M. Guffey (p. 404) and by Eli McCormick, (pp. 388, 389,) inspectors of that election, voted on fraudulent papers, and on that ground his vote was rejected at the November election, the inspectors only differing in their evidence as to whether or not Williams produced the same papers at the November election as he did at the October election, and in this Williams himself (see p. 418) corroborates Mr. Guffey. We have deducted this vote from the count of Mr. Covode.

28th. James McWilliams, it appears from the testimony of Robert S. Robinson, (p. 416,) voted for Covode in Penn Township, he then being a resident of the city of Philadelphia. This vote should be deducted from Mr. Covode.

Israel Gintelsberger and Tobias Gintelsberger are both proved (see Horrell, p. 410, and Bennett, p. 408,) to have voted for Mr. Covode in Fairfield Township, and that both are of unsound mind. Horrell (p. 410) does not consider them capable of judging between right and wrong. While we do not accept the conclusion of the majority upon the objection to persons of unsound mind; yet, if they are to deduct such votes from Mr. Foster, unquestionably like votes should be deducted from Mr. Covode.

J. Wesley Lee, it is shown by Millholland (p. 429) and Lutz, (p. 424,) voted in Rostraver Township for Mr. Covode, and is a lunatic. His case is precisely similar to those immediately preceding this, and even a stronger case, his lunacy being so strongly marked as to prevent him from even knowing his own acts.

29th. John Barner voted at the election in Rostraver Township for Covode; he was a foreigner, and was not naturalized. He claimed the right to vote on the ground, as he alleged, that his father was naturalized when he was a minor, which gave him the right of citizenship. This would be true if the naturalization certificate of his father had been produced to the board, but it was not. In the absence of it his own oath was taken as to the fact; this was improper and illegal. The father himself could not vote, under the statute of Pennsylvania, on his own oath that he was naturalized; it requires the production of the certificate of naturalization, except when he was a voter in the district for ten consecutive years. If this kind of proof could not avail the father, it is difficult to perceive how it could avail the son. (See testimony of Lowry, p. 433, and Houseman, p. 425.) This vote was improperly received and should be deducted from Mr. Covode.

30th. Levi Hanlin voted in East Mahoning Township for Mr. Covode. The evidence of Richardson (p. 436) shows that this man was not a resident of that district at that time, and not entitled to vote therein.

He had been there but a few days, and has never been seen there since the election. This vote we are compelled to deduct from Mr. Covode.

31st. Wilson Miller, it appears from the testimony of Blue, (p. 440,) and Brady, (p. 440,) voted in Payne Township for Mr. Covode. From his own declarations it is very clear that he was yet a minor at the time of that election. This vote we deduct from Mr. Covode.

32d. Wm. Butterbaugh voted, it would appear, at the election in Green Township, when his residence, as is shown by Wagoner, (p. 444,) was in Grant Township, to which district he had moved in the spring prior to that election. He is proved also to have been a republican, and it is not unfair to assume that he voted for Mr. Covode. We have deducted this vote from him.

RECAPITULATION.

Foster's majority .....	41
Add illegal votes cast for Covode, as appears in arguments, not embracing persons of unsound mind, twenty of which are conceded by the majority report, as per schedules marked A and B. ....	54
Add votes offered to be cast for Foster, but illegally rejected by the election officers.....	3
	<hr/>
Foster's majority.....	98
Deduct illegal votes cast for Foster, including those votes cast by lunatics, claimed and established by majority report as per schedule C.....	36
Add votes offered to be cast for Covode, but illegally rejected by the election officers.....	6
Add vote supposed for Foster in excess of tally list of names in Sewickly Township.....	1
Also one of like character in South Huntingdon.....	1
	<hr/>
	44
	<hr/>
Actual majority for Foster.....	54
	<hr/>

If individual cases are to be inquired into, and deductions made, less than this majority upon a fair examination of the evidence in each case Mr. Foster cannot have.

If anything more is needed in this case, it is to be found in the fact that at the same election General Hartranft, the republican candidate for auditor general, received in this district a majority of two hundred and seventy-nine, and this notwithstanding the fact that Mr. Boyle, the democratic candidate for that office, was a resident of Fayette County, one of the counties that compose the district, and ran considerably ahead of his ticket.

The vote for auditor general was as follows:

Indiana County—Hartranft.....	4,842
Fayette County—Hartranft.....	3,745
Westmoreland County—Hartranft .....	5,335
	<hr/>
	13,922
Indiana County—Boyle.....	2,301
Fayette County—Boyle .....	4,773
Westmoreland County—Boyle.....	6,569
	<hr/>
	13,643
	<hr/>
Hartranft's majority.....	279
	<hr/>

In the same counties—

Foster received.....	13, 807
Covode received.....	13, 766
	41
Foster's majority.....	41

Still further to illustrate the weakness of Mr. Covode's case, let me refer you to the vote in this district at the election in October, 1869, for governor:

In Indiana County—Packer had.....	2, 062
In Fayette County—Packer had.....	4, 217
In Westmoreland County—Packer had.....	6, 195
	12, 474
Total.....	12, 474
In Indiana County—Geary had.....	4, 003
In Fayette County—Geary had.....	3, 339
In Westmoreland County—Geary had.....	4, 853
	12, 195
Packer's majority.....	279

#### SCHEDULE A.

The following table exhibits the votes admitted by the majority report to have been illegally cast for Mr. Covode, which, on examination on our part, satisfies us are well established by the evidence :

Name.	Place of voting.	Illegality.	Evidence.
FAYETTE COUNTY.			
Martin Lutz.....	Uniontown Borough.....	Minor.....	98, 99, 322, 329, 330
Jacob Sanders.....	Connellsville.....	do.....	320
Griffith Wells.....	Fayette City.....	Non-resident.....	336
WESTMORELAND COUNTY.			
Andrew Rahl.....	North Huntington.....	Non-resident.....	104, 373, 415
Jacob Martz.....	Penn Borough.....	do.....	370, 383
J. M. Clements.....	Washington.....	Minor.....	377, 438
Aaron Jeffries.....	North Huntington.....	Non-resident.....	416
Bennett Van Kirk.....	Rostravr.....	do.....	421, 424, 433
Sparks Cooper.....	do.....	do.....	427
William Ray.....	do.....	Negro.....	432
William R. Snyder.....	Bolivar.....	Voted twice.....	417, 444, 445
INDIANA COUNTY.			
John Mullen.....	Saltzburg.....	Minor.....	383
Henry H. Seger.....	North Mahoning.....	Non-paym't of tax.....	434, 446
John Winebark.....	do.....	Minor.....	434, 435
George R. Bohler.....	Center Township.....	Non-resident.....	437, 438
George W. Kephart.....	Cherry Hill.....	Minor.....	438, 439
Calvin Hall.....	Washington Township.....	do.....	440, 441
James McQuonn.....	North Mahoning.....	do.....	441
David Proctor.....	Greene.....	Negro.....	442, 443, 447
Adam Bowers.....	Brush Valley.....	Non-assessment.....	442



SCHEDULE B.

The following table exhibits the votes which, in our judgment, the evidence clearly shows were illegally and improperly cast for Mr. Covode, in addition to the twenty shown in Schedule A, and admitted by the majority in their report :

District.	Name of voter.	Reason.	Evidence.
FAYETTE COUNTY.			
Wharton Township .....	Isaac Johnson .....	Non-resident ..	313, 313
Do .....	James Chorning .....	do .....	313, 314, 311, 312
Union Borough .....	Azariah Shaw .....	do .....	330, 331
German Township .....	James Keau .....	do .....	309
WESTMORELAND COUNTY.			
Sewickly Township .....	John M. Larimer .....	do .....	374
Franklin Township .....	John M. Haymaker .....	do .....	378, 379
INDIANA COUNTY.			
Payne Township .....	Frank Heiser .....	do .....	106-107
WESTMORELAND COUNTY.			
Unity Township .....	J. D. Davis .....	do .....	358
Do .....	Wm. Hartford, <i>alias</i> Fletcher .....	do .....	358
Mount Pleasant Borough .....	Jacob Justice .....	do .....	223
Do .....	Lyman B. Sherrick .....	do .....	223
Do .....	Judson Neumyer .....	do .....	223
Alleghany Township .....	David K. Faulk .....	do .....	243, 386
INDIANA COUNTY.			
Blairsville .....	John C. Paul .....	do .....	247, 248
Do .....	Samuel McCune .....	do .....	247
Do .....	Wm. J. McCune .....	do .....	247, 246
Do .....	Nelson Henry .....	do .....	248
Do .....	Milton Bartley .....	do .....	247
Do .....	John Decker .....	do .....	248
Do .....	David Ransom .....	do .....	248
Do .....	Ephraim Taylor .....	do .....	248
WESTMORELAND COUNTY.			
Irwin .....	James Boyd .....	do .....	385, 386, 367, 271
FAYETTE COUNTY.			
German Township .....	J. F. Worthington .....	do .....	232, 233, 234
Do .....	John Connelly .....	do .....	232, 233, 234
WESTMORELAND COUNTY.			
West Newton .....	W. C. Kaufman .....	do .....	361, 362
Penn Township .....	Rev. Wm. Ewing .....	do .....	383
Irwin .....	Wm. Williams .....	Alien .....	388, 418, 404
Penn Township .....	James McWilliams .....	Non-resident ..	416
Rostraver Township .....	John Barner .....	Alien .....	433, 425
INDIANA COUNTY.			
East Mahoning .....	Levi Hamlin .....	Non-resident ..	436
Rayne Township .....	Wilson Miller .....	Minor .....	440, 440
Green Township .....	Wm. Butterbaugh .....	Non-resident ..	444

## SCHEDULE C.

The following table will show the votes that, in the judgment of the minority, are erroneously deducted by the majority from Mr. Foster, as stated in their report on page 11:

No.	Name.	Place of voting.	Ground of illegality.	Evidence.
1	James T. Martin	Dunbar	Minor	310
2	Andrew Work	do	Non-resident	302
3	George F. Dawson	Brownsville	do	319
4	Connelly Westcott	Fayette City	Minor	335
5	Reason Dean	Menallen Township	do	326
6	W. S. Johnson	Union Borough	do	59, 97
7	Uriah Yauger, jr.	North Union	Non-resident	85
8	Wm. Scaright	Union Borough	do	98
9	James Searight	do	do	98
10	Israel Painter, jr.	S. Huntingdon	do	102, 361
11	Jacob Glunt	Franklin	do	407
12	Samuel Patterson	do	do	407
13	Jacob Weitzel	Alleghany	Non-payment of tax	120, 121
14	Daniel Bowers	North Huntingdon	Minor	185, 372
15	John Steirs	Greensburg	Non-resident	172
16	C. M. Robinson	North Huntingdon	do	416
17	John P. Kunkle	do	do	414, 415
18	Daniel Bradley	do	Alien	383
19	Josiah Plant	do	do	180, 182
20	John McIntyre	do	do	180, 182
21	Charles Penrose	Youngstown	Non-resident	...
22	Vincent Nichols	do	do	230
23	Francis Cuslo	Alleghany	Non-payment of tax	242, 380
24	Johnson Sproul	do	do	243
25	Frank Heiser	Rayne	Alien	106
26	Peter Adams	Unity	Minor	272, 273
27	Charles Wilson	Rostraver	do	420
28	Leander Corbett	do	do	275
29	George Chalfant	Union Borough	Non-resident	323
30	George Long	Rostraver	Alien and non-resident	172, 426, 427
31	Edward Devlin	do	do	172, 426, 427
32	W. F. Jones	Sewickly	Non-resident	376, 419, 392, 235
33	John Boyle	do	do	419, 376, 392, 235
34	W. McMichael	do	do	419, 392, 376, 235
35	Pat'k Harkins	do	do	419, 392, 376, 235
36	David Robinson	do	do	419, 392, 376, 235
37	Jno. Turner	Connellsville	Alien	55, 56
38	George Coleman	Luzerne	Non-resident	89

As to the vote of Peter Small, an alleged lunatic, it is not shown, even if it be concluded that persons of that class are to be excluded from voting, for whom he voted, and we cannot deduct this vote from either of the parties to this contest.

The minority of the Committee of Elections, therefore, recommend the adoption of the following resolution:

*Resolved*, That by reason of the foregoing facts, Henry D. Foster is entitled to represent the twenty-first congressional district of Pennsylvania for the forty-first Congress in the House of Representatives of the United States.

SAM. J. RANDALL.  
ALBERT G. BURR.  
P. M. DOX.

## GEORGIA ELECTION CASES.

JANUARY 28, 1870.—Ordered to be printed.

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Mr. CHURCHILL, from the Committee of Elections, made the following

### REPORT.

*The Committee of Elections, to whom were referred the credentials of P. M. B. Young, Nelson Tift, W. P. Edwards, J. W. Clift, Samuel F. Gore, and C. H. Prince, claiming seats as representatives from the State of Georgia, submit the following:*

In November, 1867, under the reconstruction acts of Congress, members of a convention to form a constitution of the State of Georgia were elected. This convention convened on the 9th day of December, 1867, and proceeded with the only duty which, under those acts, they had to perform, and on the 11th March, 1868, they adopted a constitution to be submitted to the people under the acts above referred to.

On the 11th of March, 1868, Congress passed an act, the second section of which reads as follows:

SEC. 2. *And be it further enacted,* That the constitutional convention of any of the States mentioned in the acts to which this is amendatory may provide that at the time of voting upon the ratification of the constitution, the registered voters may vote also for members of the House of Representatives of the United States, and for all elective officers provided for by the said constitution; and the same election officers who shall make the return of the votes cast on the ratification or rejection of the constitution shall enumerate and certify the votes cast for members of Congress.

Under the authority of this section, although anticipating its passage, the convention on the 10th of March, 1868, adopted an ordinance which provided that an election should be held, beginning on the 20th of April, 1868, "for voting on the ratification of the constitution, and for governor, members of the general assembly, representatives to the Congress of the United States, and all other officers to be elected as provided in the constitution." It was further provided "that the persons so elected shall enter upon the duties of the several offices to which they have been respectively elected, when authorized so to do by acts of Congress or by the order of the general commanding; and shall continue in office till the regular succession provided for after the year 1868, and until successors are elected and qualified; so that said officers shall each of them hold their offices as though they were elected on the Tuesday after the first Monday of November, 1868, or elected or appointed by the general assembly next thereafter."

General Meade was further requested by the same ordinance to cause due returns to be made, and certificates of election to be issued by the proper officers. Under this ordinance an election was held, beginning on the 20th April, 1868, at which representatives in Congress were voted for in the several congressional districts, each voter so voting depositing but a single ballot, on which was inscribed "for representative in Congress," with the name of the person for whom he voted. At this

time there was no act of Congress in existence, giving representation in Congress to Georgia, and therefore no time when, by the terms of the above ordinance, the terms of the persons so voted for could commence.

On the 25th of June, 1868, Congress passed a law which declared that Georgia should be entitled and admitted to representation in Congress when the legislature of the State should have duly ratified article fourteen of the amendments to the Constitution, and should also have given the assent of the State to certain fundamental conditions specified in the act; and the President was required, within ten days after the receipt of official intelligence of the fact, to issue a proclamation announcing the ratification by the legislature of the fourteenth amendment.

On the 1st of July, 1868, General Meade issued certificates of election to the several persons who had received a majority of votes for representative in Congress in their respective districts, which certificate, for the first congressional district, was in the following form:

HEADQUARTERS THIRD MILITARY DISTRICT,  
(GEORGIA, FLORIDA, AND ALABAMA.)

From the returns made to these headquarters by the boards of registration of the election held in the State of Georgia for civil officers of said State, and for members of Congress, under the provisions of General Order No. 40, issued from these headquarters, which election commenced on the 20th day of April and continued four days, *it is hereby certified* that it appears that in said election J. W. Clift received a majority of the votes cast for a representative to the Congress of the United States from the *first congressional district* in said State of Georgia.

GEORGE G. MEADE,  
*Major General U. S. A., Commanding.*

ATLANTA, GA., July 1, 1868.

The certificates were similar in form, with changes only of the name of the person certified to be elected.

The convention adjourned on the 11th March, 1868, the constitution providing that the general assembly should meet within ninety days of the adjournment of the convention, and annually thereafter on the second Wednesday in January, *or on such other day as the general assembly might provide*. This last fact is important, since it has been claimed before the committee that, under the constitution of Georgia, no election for members of Congress could be held until the year 1870. The clause of the constitution so referred to is as follows—article 2, section 11:

The election of governor, members of Congress, and the general assembly, after the year 1868, shall commence on the Tuesday, after the first Monday in November, *unless otherwise provided by law*.

But this puts no limitation whatever upon the powers of the general assembly to regulate the time and frequency of elections, and, taken in connection with the general grant of power to the general assembly (article 3, section 5, 1) to pass any law consistent with the constitution they might deem necessary to the welfare of the State, gave them full control of the subject, and the convention having required the general assembly to meet within ninety days of their own adjournment, and also on the second Wednesday of the following January, the fullest opportunity was given to the latter to provide by further legislation, if necessary, for the proper representation of the State in Congress.

On the 8th of July, 1868, the general assembly of Georgia organized, and soon after ratified the fourteenth amendment, and assented to the fundamental conditions mentioned in the amendatory reconstruction act of June 25, 1868; and the President thereupon, on the 27th day of July, 1868, issued his proclamation of the fact of such ratification. The members elect from Georgia thereupon, in July, 1868, presented

their certificates of election received from General Meade, and, so far as eligible, were thereon admitted to seats in the fortieth Congress.

Afterwards, in November, 1868, the governor of the State issued commissions to each of these parties, based upon the same election, a copy of which is as follows :

\* \* \* \* \*

These commissions are now presented to the forty-first Congress, and the persons holding them claim that, by the election of April 20, 1868, and the ordinance of the convention under which that election was held, they have a right to seats in the forty-first Congress, although they have already by virtue of the same election taken and held seats in the fortieth Congress.

This commission, as evidence of an election under the ordinance in question, is unauthorized. The only person who was authorized by that ordinance to issue certificates of election was General Meade. That ordinance was adopted by the convention itself, prior to the adoption of the constitution of the State, and is the only law governing that election, and its force is preserved by the constitution itself, which provided (sec. 12 of art. 11) that the ordinances of the convention on the subject of this first election should have the force of laws, until they expired by their own limitation, and as the ordinance is unlimited in this respect it follows that the only valid certificate of election under that ordinance must come from General Meade.

But by comparing the commission issued by Governor Bullock with the certificate of election given by General Meade, it will be seen that they relate to the same election, the same officer, and the same office; that the commission of Governor Bullock is issued under his general power and duty to grant commissions to persons elected to office in the State; that it confers and attempts to confer no powers not already conferred by the certificate of General Meade; and that the rights of the claimants whose cases have been referred to the committee are the same as though the papers referred to the committee had been the certificates of General Meade and not the commissions of Governor Bullock. It is a case of duplicate credentials to the same individual, of which this committee have already had more than one example.

For the true interpretation of these papers we must look to the law of Congress and the ordinance of the convention of Georgia under which the election was held, and also to the action of the voters themselves, of the persons claiming to have been elected, and to the previous action of the House. We shall thus ascertain when the term of office of these parties commenced, for, that determined, the laws and Constitution of the United States will determine when it ended.

The act of March 11, 1868, authorized the voters of Georgia to vote for members of the House of Representatives, which was done on the 20th of April following, when these claimants were elected. On the 25th of June following Congress enacted that Georgia should be admitted to representation in Congress when certain conditions were complied with, and that the act should take effect upon such compliance. These conditions were complied with in July, 1868, and thereupon Georgia became at once entitled to representation in Congress, for which she had already chosen her representatives. In what Congress were they entitled to take their seats upon such compliance? Certainly not in the forty-first Congress, which would not come into existence for several months, and a seat in which could not answer this right of Georgia under their acts to immediate representation. It could only be the fortieth Congress, then

in existence, then in session, in fact. To claim that a right of immediate representation upon the happening of a certain event, which was guaranteed by the law of June 25, 1868, could be satisfied with, or be interpreted as referring to a right to a seat in a future Congress, when a present Congress was in existence and legislating with respect to the people to whom this right was conditionally guaranteed, is absurd; to state the proposition is to answer it.

To the same effect is the ordinance itself, which recites in its preamble as reasons for its passage "that all civil officers are only provisional until the State is represented in Congress," and that "the interest of Georgia requires that all civil offices should be filled by loyal citizens, according to the provisions of the constitution being framed by this convention, at the earliest practicable moment."

The object of the laws of Congress of March 11, June 25, 1868, as well as of the ordinance of the convention, was to provide for and secure immediate representation, and not future representation, which could be attended to by the legislature when the State had fully returned to civil rule. The object as well as the terms of both laws and ordinance require us to interpret them as providing only for the election of members of Congress who should be members of whatever Congress was in existence, when the right of representation in Congress was restored to Georgia. The action of the people of Georgia, voting at that election, seems conclusive on this point. In accordance with the law of Congress of February 28, 1868, and of the ordinance of their own convention, they voted for representatives in Congress, naming no Congress as that to which they were elected, but leaving that to be determined by events.

The action of the persons elected, as well as of the House, was in entire harmony with this view. Immediately upon the compliance of Georgia with the required conditions, their members presented themselves, and the House received them as representatives from that State.

It is too late for these claimants to deny that their election entitles them to sit in the fortieth Congress. Their own action has estopped them from such denial, and unless they can show themselves entitled by the election of April 20, 1868, to hold for two terms, the force of their election is exhausted.

The action of the people in voting for them as representatives in Congress, and their certificates of election as such representatives, have been fully answered by admitting them as such representatives to the fortieth Congress. Nor was it a matter of choice with these men whether they should present themselves for admission to the fortieth or to the forty-first Congress. By the ordinance of the convention under which this election was held, and the law of Congress of June 25, 1868, they were to enter upon the duties of their office whenever the State of Georgia had complied with the conditions mentioned in the last mentioned act. These conditions were complied with during the following month of July, 1868, and therefore it became the duty of these men to enter upon the duties of the office to which they had been chosen. This they did, and became members of the House of Representatives of the fortieth Congress, and acted as such during the closing days of the second session of that Congress, and for the remainder of the term of its existence.

Having taken their seats as members of the fortieth Congress, it was not in the power of the convention of Georgia to extend their term so as to include the forty-first Congress. The office of representative to the fortieth Congress is entirely distinct from that of representative in

the forty-first Congress, and made so by the Constitution of the United States.

It is not pretended that there was anything in the conduct of the election of April 20, 1868, or in the action of the voters, which indicated a purpose to choose for more than a single Congress, and the ordinance of the convention cannot affect the result. Indeed, an examination of the ordinance will show that it was the State officers, and not members of Congress, the duration of whose offices was attempted to be regulated by that act.

The conclusion of the committee, therefore, is that the force of the election of April 20, 1868, was exhausted when these gentlemen were admitted members of the fortieth Congress, and they therefore recommend the adoption of the following resolution:

*Resolved*, That the claimants to seats in the forty-first Congress of the United States, from the State of Georgia, under the election held in that State on the 20th day of April, 1868, are not entitled to such seats.





WALLACE vs. SIMPSON.

JANUARY 28, 1870.—Ordered to be printed.

MR. PAINE, from the Committee of Elections, made the following

R E P O R T .

*The Committee of Elections, to whom was referred the case of A. S. Wallace vs. W. D. Simpson, from the fourth congressional district of the State of South Carolina, by virtue of the following resolution of the House of Representatives, adopted January 25, 1870—*

*Resolved*, That the claims of R. T. (A. S.) Wallace and William D. Simpson to a seat in this house be again referred to the Committee of Elections, to be examined and reported on the merits of the case as presented—

Report that they have considered said case and reaffirm their report made on the 1st day of April, 1869, (Report No. 5, 1st session forty-first Congress,) showing that the said Simpson is unable to take the oath of office prescribed by the act of July 2, 1862; and ask to be discharged from the further consideration of the claim of said Simpson, except so far as his allegations and proofs may negative the claim of said Wallace to a seat in this house.



NAPOLEON B. GIDDINGS,

[To accompany bill H. R. No. 1009.]

JANUARY 23, 1870.—Ordered to be printed and recommitted.

Mr. ASPER, from the Committee on Military Affairs, made the following

## R E P O R T .

*The Committee on Military Affairs, to whom was referred the claim of Napoleon B. Giddings, for powder taken at Santa Fé, New Mexico, in 1847, having had the same under consideration, submit the following report :*

It appears, in 1847, the claimant was a merchant at Santa Fé, New Mexico; that Colonel Sterling Price was in command of the army of occupation there, and as such issued an order, dated at the headquarters of the army of New Mexico, January 21, 1847, directing all merchants in Santa Fé, having powder and lead, to label the same and turn the same over to the ordnance officer, who was directed to store the same; and such ammunition could afterwards only be drawn out on a permit signed by the commanding officer; that the claimant, having one hundred and forty kegs of powder in the possession of Colburn and Smith; that the same was turned over to A. B. Dyer, ordnance officer, who gave his receipt therefor, bearing date January 21, 1847, and for one hundred and forty kegs of powder; that the said delivery was compulsory, and against the consent of the owner; and that it was in an enemy's country, and in the opinion of military authorities there at the time there was a necessity for the order of Colonel Price, and for the storage of the powder in the magazine, under the control of the commandant of the place.

That afterwards, when Mr. Giddings was about to leave Santa Fé, he made demand for a permit for a re-delivery of the powder, but he was refused such order, and the presumption arises that the government has used the powder. The claimant, on oath, states that he demanded the powder of the commandant, Colonel Price, about the 1st of March, 1847, and was refused, and came away immediately after, and has never been notified what disposition has been made of it since. He swears the powder was the best "fff" powder, each keg containing twenty-five pounds, worth \$1 50 per pound.

Under these circumstances, your committee believe that Mr. Giddings has a just claim against the government for his powder. The account for same is as follows: 140 kegs powder, of 20 lbs. each, 2,800 lbs., which, at \$1 50 per pound, makes a sum of \$4,200; but as the claimant never furnished evidence to complete his claim until recently, your committee do not believe that he should be allowed interest.

Your committee recommend the passage of the annexed bill, all of which is respectfully submitted.

J. F. ASPER.

SAVANNAH, ANDREW CO., Mo., *December 1, 1851.*

DEAR SIR: The inclosed papers will show that there was taken out of the possession of Messrs. Colburn & Smith one hundred and forty kegs of powder belonging to myself. The same was taken by order of Colonel S. Price, Commander at Santa Fé, N. M., and placed into the government magazine, and never returned to me, nor its value or any part thereof, and was remaining in said magazine when I left the country, although demanded by me before leaving, that I might make some disposition of it, and up to this time has been an entire loss to myself. It is against common sense, law, and justice, that I should lose it, and is, in fact, more than I am able to lose. My absence to California for several years has prevented me presenting this matter sooner, but hope the lateness of the date will not have any influence against its allowance. The cost to myself was \$1,950, though was worth at that time, at wholesale, \$20 per keg. The amount paid by me is not mentioned in the receipt from Colburn & Smith, the reason is that at the time they were largely indebted to myself, and the purchase or bargain was the original cost, insurance, carriage, and per cent., and the means of ascertaining at the time, the amount, was not at hand, but I presume it will make no difference in getting a settlement.

Mr. Dyer, the ordnance officer's receipt to myself is imperfect in not mentioning my name, it was given to Messrs. Colburn & Smith for me, and I presume through mistake the name was omitted, yet is good for the one hundred and forty kegs.

Please examine this matter and see what you think can be done with it, and whether or not it can be liquidated by getting an allowance by Congress or whether the evidence is sufficient with my statement or oath if required. It will almost be impossible for me to procure any other proof without going to Santa Fé, as I have written four or five times without accomplishing anything; twice to the ordnance officer. Please act in this matter as it were your own, and if this will not do, let me know what else will be required, and if this can be made to do, fix the price yourself. Let me hear from you occasionally, either by letter or documents.

Your obedient servant,

N. B. GIDDINGS.

P. S. We have just held a county meeting and nominated T. L. Price for governor, and A. A. King to represent this district in Congress.

N. B. G.

Buchanan for President.

Butler for Vice President.

Please get W. P. Hall to assist you in this matter. I would have written to him but I am better acquainted with you.

Hon. JOHN S. PHELPS.

SANTA FÉ, NEW MEXICO, *January 21, 1847.*

Received of Napoleon B. Giddings the amount in full for one hundred and forty kegs of Beitties best powder.

COLBURN & SMITH.

The above powder, belonging to N. B. Giddings, was taken out of our possession by order of Col. S. Price, and deposited in the magazine at this place, without the consent of said Giddings.

COLBURN & SMITH.

(Indorsed :) January 17, 1854. Referred to Com. on Military Affairs. —  
March 10, 1856. Referred to the Committee on Military Affairs. —

———. Dec. 15, 1869. Referred to the Committee on Military Affairs.

*Affidavit of N. B. Giddings as to his claim before Committee on Military Affairs.*

STATE OF MISSOURI, *County of Andrew, ss :*

Be it remembered, that on this, the thirteenth day of December, A. D. 1869, personally appeared before me Napoleon B. Giddings, of Savannah, county and State aforesaid, who being by me duly sworn, according to law, deposes and states as follows, to wit: That the one hundred and forty (140) kegs of powder taken from his possession about the first day of January, A. D. 1847, in Santa Fé, New Mexico, by Lieutenant Dyer, ordnance officer, by order of Colonel Sterling Price, commanding the post, were never returned to him; that about the first day of March, A. D. 1847, he demanded said property of Colonel Price but that said Price positively refused to deliver it up; that in two (2) or three (3) days thereafter deponent left Santa Fé and returned to his home in Missouri, and has never returned to Santa Fé in New Mexico, and since which time, deponent has never been notified that the property would be delivered up to him, nor has he ever been notified what disposition was made of it; deponent further states, that it was the best "fff" powder, each keg containing twenty-five (25) pounds, and such was retailing at that time in Santa Fé at one dollar and fifty cents (\$1 50) per pound. Deponent believes he informed honorable J. S. Phelps, who presented the claim to the House of Representatives for allowance that it was worth twenty or twenty-five dollars a keg when taken as aforesaid.

N. B. GIDDINGS.

Subscribed to in my presence the day and date aforementioned.

Witness my hand and notarial seal, at office in Savannah, Missouri.

[SEAL.]

WM. C. SMITH,

*Notary Public.*

DECEMBER 24, 1856.

DEAR SIR: Since your letter informing me the requirements of the committee in relation to my claim, I have written to Captain Dyer, who was the ordnance officer at Santa Fé, and he informs me (which appears by the inclosed letter) that, at this time, he does not recollect whether or not I demanded the powder in question. I have also sent twice to Santa Fé to learn what use was made of it, but as yet have failed to be informed. Two years since the honorable chairman of the committee informed me that all they required was to be shown that the property had not been returned, which I did; and it does appear to me to be a hardship that I should lose my rights because I may not be able to prove what disposition was made of my property after having been arrested by force, and aught that I know or could know been appropriated, lawfully or unlawfully. It does occur to me that its appropriation, or disposition, is nothing to me, and should not be in the settlement of my claims. In addition to my receipt I have established a negative proposition, that the powder was not returned, and to require me further to do something that possibly I cannot do, appears to be a hardship. If the committee will not give me a favorable report from the facts before them, I will have to ask that it be laid over until I make a further effort.

My account stands thus:

140 kegs of powder, at \$25 per keg.....	\$3, 500
Interest to 1st January, 1857, ten years, at 6 per cent.....	2, 100
<b>Total.....</b>	<b>5, 600</b>

This amount will not be half remuneration for my loss at the time and under the circumstances; double would not more than be full recompense.

Yours respectfully,

N. B. GIDDINGS.

Hon. B. B. CHAPMAN.

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FORT MONROE, VIRGINIA, *November 26, 1856.*

DEAR SIR: Yours of the 25th of October has just been received. I do not recollect whether you demanded the powder in question after it had been stored in the magazine and before you left Santa Fé. It is like you may have done so, and the fact have escaped my recollection.

Respectfully, your obedient servant,

A. B. DYER,  
*Captain of Ordnance.*

Captain N. B. GIDDINGS.

In the case of Napoleon B. Giddings, it appears, that he was a merchant of Santa Fé, New Mexico. That on the 21st of January, 1847, by an order issued by Colonel Sterling Price, then commanding the army of occupation in New Mexico, he commanded all persons to deliver all gunpowder over to the ordnance officer. That, in compliance with this order, the petitioner delivered over to Captain A. B. Dyer, of the army, one hundred and forty kegs of gunpowder, on the above date. This is proved by the receipt of Captain Dyer. That the delivery was a compulsory one, suggested by motives of prudence in the midst of a hostile people.

It does not appear, however, that he ever subsequently demanded restitution of the powder; and he now claims pay for the same. Nor does he prove its value at the time it was taken, though he states its value to be at the rate of twenty-five dollars per keg.

[Special Orders No. 37.]

HEAD-QUARTERS ARMY IN NEW MEXICO,  
*Santa Fé, January 21, 1847.*

All merchants in Santa Fé having powder and lead, will immediately have the same labelled and turned over to the ordnance officer, who will furnish the requisite storage. The ammunition will be drawn out on permits signed by the commanding officer.

STERLING PRICE,  
*Colonel Commanding the Army in New Mexico.*

I certify the above to be a true copy of special orders No. 37.

R. WALKER, *Adjutant.*

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Received, Santa Fé, January 21, 1847, on deposit in the magazine, by order of Colonel S. Price, one hundred and forty kegs of powder.

A. B. DYER,  
*Lieutenant of Ordnance.*

Hon. B. B. CHAPMAN, *Washington, D. C.*

ORDNANCE OFFICE, WASHINGTON,  
*February 2, 1855.*

SIR: The ordnance returns of the Santa Fé depot have been examined from the second quarter of 1846, until 1849, but no powder, such as you spoke of here, yesterday, could be found. I will write to Captain Dyer, however, who is now in command of Little Rock arsenal, and if anything of importance should be elicited, I will communicate it to you.

I have the honor to be, sir, your obedient servant,

A. K. CRAIG,  
*Captain Ordnance.*

Hon. N. B. GIDDINGS,  
*House of Representatives.*

LITTLE ROCK ARSENAL,  
*February 20, 1855.*

SIR: The last mail brought your note of the 3d instant, to which I hasten to reply.

The powder which was taken out of the possession of Colburn & Smith, at Santa Fé, in January, 1847, and deposited in the public magazine by order of Colonel Price, remained there on deposit up to the time of my departure from Santa Fé, in February, 1848. None of it had been used for public purposes, and I suppose no part of it has been so applied up to the present time. It was turned over by me to my successor, Ordnance Sergeant McLure, as property belonging to you which had been deposited in the magazine by order of Colonel Price.

I am sir, very respectfully, &c.,

A. B. DYER,  
*Captain Ordnance.*

Hon. N. B. GIDDINGS,  
*Washington City.*

H. Rep. 18—2





UNITED STATES SHIP WYOMING.

[To accompany bill H. R. No. 1072.]

FEBRUARY 2, 1870.—Referred to the Committee on Naval Affairs and ordered to be printed.

MR. ARCHER, from the Committee on Naval Affairs, made the following

REPORT.

That in the month of July, 1863, the American steamer *Pembroke* was fired upon in the Straits of Simonoseki, in the Japan Sea, by two vessels of war, a brig of ten guns and a bark of eight guns, belonging to the Japanese prince of Nagato. Commander McDougal, then in command of the *Wyoming*, in the China and Japan Seas, being informed of the attack, ordered the vessel to sea and proceeded to the locality of the outrage. On the morning of the 16th of July, he approached the Straits of Simonoseki and upon entering the straits he discovered a steamer, bark, and brig of war, and as he approached them and passed between the brig and bark, was fired upon by the vessels and six batteries on shore. Commander McDougal returned the fire at short range, and placing his vessel in proper position maintained the fight for about an hour. The boilers of the hostile steamer were exploded by the shell of the *Wyoming*, and the other vessels were believed to be badly disabled, and the brig to be sinking, and Commander McDougal reported that he had accomplished great destruction on shore. Having thus maintained the fight, Commander McDougal withdrew from the action, the fire being continued by the batteries as long as he was in range. The *Wyoming* lost four men killed and seven wounded, and received considerable damage in her smoke-stack, and the rigging aloft was hulled eleven times, and sustained other injuries, as papers will show. The straits were three-quarters of a mile wide, with a strong current, and the want of charts greatly increased the difficulties of the position in the presence of a much superior force. The action was maintained by Commander McDougal, his officers and men, with skill and bravery. In the *Japan Commercial News* of the 24th of July, 1863, it is thus described: "The captain, all his officers and crew, behaved with the utmost coolness and bravery. The *Wyoming* was run into the midst of the enemy's vessels, receiving and returning broadsides at pistol range, at the same time sustaining a hot and continuous fire from the shore batteries." The committee believe that Commander McDougal, his officers and men, punished the outrage committed upon an American vessel skillfully and gallantly, and that their conduct entitles them to the gratitude of their country.

The memorialist asks that there shall be allowed to him, his officers and men, the value of the three vessels, as prize money. Can that be allowed? The hostilities against our steamers and ships of war were not the acts of belligerents, and therefore the claim cannot rest upon the laws regulating belligerent prize or bounty. We were at peace

with Japan, and did not regard the hostilities of the Prince of Nagato as those of a belligerent. The firing into the Pembroke and the attack upon the Wyoming were piratical acts, and have been so treated, both by the United States and Japan. Prize is allowed in piratical cases, only when the craft is captured and condemned, in which case the proceeds of the capture are equally divided between the government and the captors. In this case there was no capture, although the benefits which accrued to our government were infinitely greater than if an actual capture had been made, and it does not come within the letter of the law. Can the claim then rest upon the equity that the "officers and crew, constrained by a discreet and patriotic sense of duty," fought "three piratical or hostile Japanese vessels," and sunk and destroyed two, and that the United States subsequently justified their conduct, by concluding a convention with Japan, whereby she received a full indemnity? The conduct was gallant; it aided to suppress formidable hostilities to our commerce, and contributed to securing the convention of October, 1864, whereby an indemnity was received far beyond the injuries done to the Pembroke and Wyoming. The sum of \$650,000 has been paid to our government by Japan, as indemnity, and is now in registered bonds, subject to appropriation by Congress. The committee think it proper that prize money be allowed out of the money received under the convention.

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EMIL RUGER.

FEBRUARY 2, 1870.—Laid on the table and ordered to be printed.

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Mr. JUDD, from the Committee on Foreign Affairs, made the following

R E P O R T .

*The Committee on Foreign Affairs, to whom were referred the memorial and accompanying papers of Emil Ruger, preferring a claim of two hundred thousand dollars against the government of Denmark, for alleged wrong done within that kingdom, begs leave to report :*

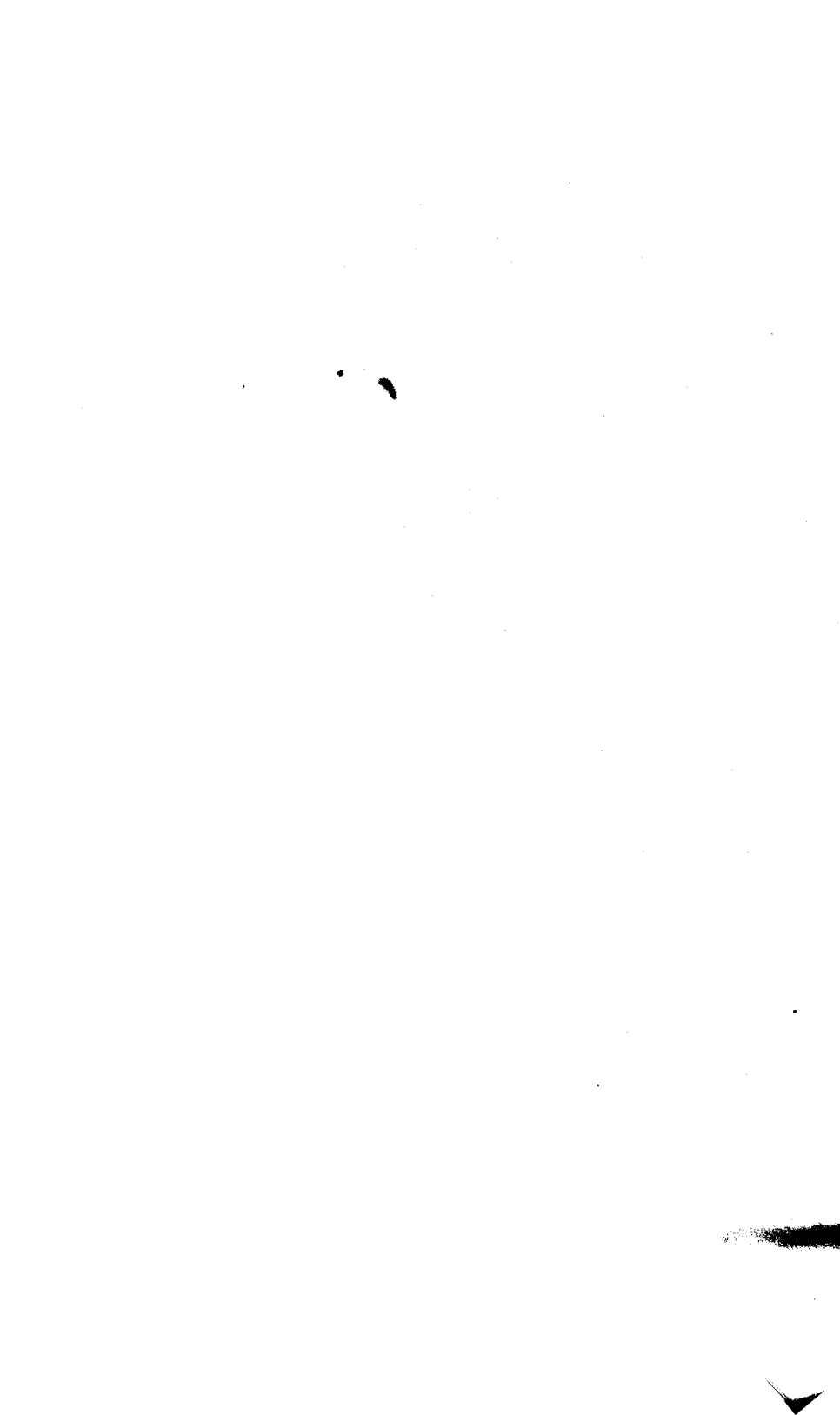
That from the memorial and accompanying papers it appears that the memorialist was a citizen of the United States, and a member of the firm of Ruger & Brothers, of New York City.

That in establishing a steamship line between New York and the Baltic the firm failed in business; that Messrs. Britners & Co., of Bremen, had a claim against the firm of Ruger & Brothers; that in March, 1869, the memorialist visited Copenhagen and was there arrested for said debt, under judicial process, put in prison and held until he compromised and settled the claim.

It appears from the papers that the arrest and imprisonment were in the regular course of a judicial proceeding and in accordance with the laws of the kingdom; that upon application to the Danish government for his release from such arrest, the response was that the executive government of the kingdom could not interfere with the courts in the administration of justice, when they were proceeding regularly according to the laws.

Your committee is of opinion that the action of the Danish government, in leaving the memorialist to defend himself in due course of law, was the only position that the executive department of that government could justly take.

The papers presented show no claim or reasonable pretense for a claim against that government; and the committee asks to be discharged from the further consideration of the matter.



## EXECUTION OF THE LAWS IN UTAH.

[To accompany bill H. R. No. 1089.]

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FEBRUARY 3, 1870.—Recommitted to the Committee on the Territories and ordered to be printed.

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Mr. CULLOM, from the Committee on the Territories, made the following

### REPORT.

*The Committee on the Territories, to whom was referred House bill No. 696, "A bill in aid of the execution of the laws in the Territory of Utah, and for other purposes," have considered the same, and make the following report:*

There are but few questions involved in the bill about which there may be any controversy. As to the power of Congress over the Territories, the Constitution says that "Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." The power is vested in Congress by the Constitution to pass such laws governing the Territories as shall be deemed for the best interests of the people. The right to exercise such power has never been denied; though in the days of the famous Kansas and Nebraska bill the question of the policy of Congress exercising control over the Territories was doubted, and the result of the legislation of those days upon the subject was to leave the people of the Territories free to determine whether slavery, the question about which the people of the country were then divided, should be allowed to exist in the Territories or not. From the earliest period of the history of our legislation in reference to Territories Congress has, either by direct legislation or by implication, claimed the right to control the legislation of the Territories. The fact of ownership by the government of the Territories carries with it necessarily the idea of control. Numerous acts passed by Congress from time to time show the truth of the position that it has the right and has exercised the power. The act of Congress approved July 1, 1836, declaring that acts of territorial legislatures incorporating banks should have no effect until approved or confirmed by Congress, is one instance of the exercise of this power. The act of January 25, 1867, entitled "An act to regulate the elective franchise in the Territories of the United States," which declared that there should be no denial of the elective franchise in any of the Territories of the United States to any citizen thereof on account of race, color, or previous condition of servitude, and that all acts or parts of acts, either by Congress or the legislative assemblies of said Territories, inconsistent with the provisions of that act, should be null and void, is another instance in which the Congress of the United States exercised positive control. The act of March 2, 1867, in which it was declared that the legislative assem-

blies of the several Territories of the United States should not, after the passage of that act, grant private charters or special privileges, but that they might, by general incorporation acts, permit persons to associate themselves together as bodies corporate, for mining, manufacturing, and other industrial pursuits, and also regulating the jurisdiction of the local courts in the Territory of Montana, was another instance in which Congress claimed and exercised the right to legislate for the Territories.

Again, the act of Congress approved July 1, 1862, "to punish and prevent the practice of polygamy in the Territories of the United States and other places, and disapproving and annulling certain acts of the legislative assembly of the Territory of Utah," by which it was declared "that every person having a husband or wife living, who shall marry any other person, whether married or single, in a Territory of the United States, or other place over which the United States have exclusive jurisdiction," shall be adjudged guilty of bigamy, and upon conviction shall be punished by a fine not exceeding five hundred dollars, or imprisonment not exceeding five years, and the second section of which act annuls all acts and laws of the Territory of Utah "which establish, maintain, protect, or countenance the practice of polygamy, evasively called spiritual marriage, however disguised by legal or ecclesiastical solemnities, sacraments, ceremonies, consecrations, or other contrivances," is still another instance in which Congress has claimed and exercised the right of legislation for the Territories of the United States.

The committee might proceed to cite instances almost without number in support of this position, where Congress has exercised this right. They might also give the opinions of the courts of the United States, showing that such legislation and exercise of power by Congress was strictly within the purview of the Constitution itself. In 1860, when the discussion upon the subject of slavery was going on in the Senate of the United States, that body having under consideration a resolution relative to the expediency of maintaining the Utah and New Mexico territorial organic acts, so as to dispense with the submission of the territorial laws to Congress for approval, Senator Green, of Missouri, said: "As long as we have the acknowledged power to repeal, as long as we have the conceded power of amendment, and that power continues as long as the territorial condition remains, it is useless to stop to inquire over the construction of a particular act that has been passed; it is idle to speculate upon the extent of the power that the Territory may exercise, because if we have given them too much, or if they have been a disobedient and disloyal people, and have abused their power, or if they have exercised it to the wrongful destruction of any individual's right, then Congress may and ought promptly to interpose to apply the necessary corrective. Such interference is both a right and a duty, often exercised and never denied."

It has always been the recognized duty of Congress to control the taxation of property in the Territories, as, for instance, in the Kansas and Nebraska act, provided in the following words: "Nor shall the property of non-residents be taxed higher than the property of residents."

The courts seem to have settled the question of the jurisdiction of Congress over the Territories by decisions declared in 1 Peters, 542-3; 14 Peters, 537; 16 Howard, 194; in the Dred Scott decision, and in various other decisions, to which the committee might refer.

The power of Congress being conceded, what is proposed to be done? By the bill referred to the committee, it is proposed, in the first place,

to clothe the courts of the United States in the Territory of Utah with such power and authority as will enable them and the other officers of the Territory to enforce the laws of the United States already upon the statute books. It is a well-known fact that the law of the United States, before cited in this report, approved July 1, 1862, declaring bigamy to be a criminal offense, and providing for the punishment thereof, while it has remained upon the statute book now for nearly eight years, and while it is an admitted and avowed fact that the practice of polygamy has been going on in that Territory ever since, and long before the passage of that law, yet there never has been a single conviction for any violation of the law in the Territory; and the evidence before the country is, that under the present condition of things, with the law as it now stands, a conviction is a moral impossibility. One of the objects of this bill is to provide such legislation as will enable the United States courts in that Territory to enforce that law.

The committee have not deemed it necessary to incur the expense of summoning witnesses from the Territory for the purpose of proving by recent testimony (as might be done) that the practice of polygamy goes on in the face of and in defiance of the officers of the law in the Territory, for the fact is admitted, and is so well known to all the world that there can be no question as to the state of things existing there.

To show the utter inability of the officers of the law in that Territory to enforce the laws of the United States, the committee have deemed it proper to gather together a few of the statements that have been made upon this point, some of them, it is true, made many years ago, but nevertheless showing the same condition of things as is shown by testimony to exist to-day.

On the 30th of March, 1857, the Hon. W. W. Drummond, then a judge of that Territory, resigned his office, and gave to the government his reasons therefor in the following letter, which has before been read and referred to in debate upon the subject of what legislation should be enacted by Congress for the suppression of the practice of polygamy in that Territory:

MARCH 30, 1857.

MY DEAR SIR: As I have concluded to resign the office of justice of the supreme court of the Territory of Utah, which position I accepted A. D. 1854, under the administration of President Pierce, I deem it due to the public to give some of the reasons why I do so. In the first place, Brigham Young, the governor of Utah Territory, is the acknowledged head of the Church of Jesus Christ of Latter Day Saints, commonly called Mormons; and as such head, the Mormons look to him, and to him alone, for the law by which they are to be governed. Therefore, no law of Congress is by them considered binding in any manner. Secondly, I know that there is a secret oath-bound organization among all the male members of the church to resist the laws of the country, and to acknowledge no law save the law of the holy priesthood, which comes to the people, through Brigham Young, direct from God; he, Young, being the vicegerent of God, and prophet, viz: successor of Joseph Smith, who was the founder of this blind and treasonable organization. Thirdly, I am fully aware that there is a set of men set apart by special order of the church to take both the lives and property of persons who may question the authority of the church, the names of whom I will promptly make known at a future time. Fourthly, that the records, papers, &c., of the supreme court have been destroyed by order of the church with the direct knowledge and approbation of Governor B. Young, and the federal officers grossly insulted for presuming to raise a single question about the treasonable act. Fifthly, that the federal officers of the Territory are constantly insulted, harassed, and annoyed by the Mormons, and for these insults there is no redress. Sixth, that the federal officers are daily compelled to hear the public men of the American government traduced, the chief executives of the nation, both living and dead, slandered and abused from the masses as well as from the leading members of the church, in the most vulgar, loathsome, and wicked manner that the evil passions of men can conceive. I also charge Governor Young with constantly interfering with the federal courts, directing the grand jury whom to indict, and whom not, and after the judges charging the grand jurors as to their duties; that this man Young invariably has some member of the

grand jury advised in advance as to his will in relation to their labors, and this charge thus given is the only charge known, obeyed, or received by all the grand jurors of the federal courts of Utah Territory.

While this testimony of Judge Drummond was given many years ago, yet it is just as applicable to the present condition of things in the Territory as it was when the letter was written. All the information that the committee have been able to obtain from the examination of witnesses, from correspondence with eminent gentlemen in the Territory, or from any source whatever, establishes the fact that, notwithstanding the law of 1862 upon the statute-books of the country declaring bigamy or polygamy to be a criminal offense, and providing for its punishment, it is utterly impossible for the courts of the Territory, however earnest, energetic, and determined they may be, to enforce the laws of the United States, which it is made their duty to enforce.

In 1867 General M. B. Hazen, of the regular army of the United States, wrote a letter to the Hon. John Bidwell, of the House of Representatives, (General Hazen having spent much time in the Territory of Utah,) in which he says, referring to the government of Brigham Young, in the Territory, that he would call their government a theocratic despotism.

"Brigham Young, or, as he is called there, President Young, is at the head of church and state, and is the supreme and absolute ruler in everything, temporal and spiritual. The civil officers of our government appointed there have no power whatever, and their positions I found in the highest degree contemptible. I conversed freely with nearly all of them. They were fully conscious of their insignificance. The church, which is also the state, is very completely organized with a system of high councilmen, bishops, priests, and wardens, that extends to every hamlet, controls the actions and influences the thoughts of every individual. From the pulpit the people are directed how to sow their crops, how to worship God, and for whom to vote, in the same sermon. Implicit confidence is their first rule. Brigham Young watches closely all new-comers until he knows their purposes." "I found in Salt Lake City about three hundred people whom they termed gentiles, nearly all traders. They had established a church, a newspaper, and a school, and I was informed at one time that they exerted some influence there. But at the time of my visit they were broken up into several factions, probably brought about by the ingenuity of the Mormons, and their influence was scarcely perceptible. I notice since, that the Mormon church has prohibited trade with them, and negotiations have been begun with them to sell everything out to the Mormons and leave the country." "The curses of God are evoked every Sabbath upon the memories of Presidents Polk and Buchanan, and Thomas Benton, whom they conceive to have been their special persecutors." Crimes against us is to them obedience. "Originally polygamy seemed to have been introduced to more speedily populate their Territory with their own people, and there is a power in this best understood by studying the progress of the early Moors in Spain, and partly from sensual reasons, there being no preventing power." Its effects on cultivated society would be to degrade it, especially the women, but with the people of Utah it appears only to retard culture, they being originally found very low in the moral scale. Whenever women there become sufficiently cultivated to appreciate the true dignity of a lady, they at once renounce polygamy. "The murder of Doctor Robinson occurred while I was in Salt Lake City, and that of Brassfield some time previous. There is no doubt of their murder from Mormon church influences, although I do not believe by direct command. Principles are taught in their churches which would lead to such murders." There is a depth of ignorance there that will take many generations of light to reach far into it. "They only acknowledge allegiance to us through protest, and then secondary to their own government. And they hate us with an unconcealed bitterness, and constantly pray in their churches for our downfall."

The practice of polygamy was not originally one of the doctrines of the Mormon church, but, on the contrary, the "Book of Mormon," and the book called "Doctrine and Covenants," containing the creed and discipline of the Mormon church, declared in direct opposition to it. The following extract is from the Book of Mormon alluded to:

And were it not that I must speak unto you concerning a grosser crime, my heart would rejoice exceedingly, because of you; but the word of God burdens me because of your grosser crimes. For behold, thus saith the Lord, this people begin to wax in iniquity; they understand not the scriptures, for they seek to excuse themselves in committing



whoredoms, because of the things which were written concerning David, and Solomon, his son. Behold, David and Solomon truly had many wives and concubines, which thing was an abomination before me, saith the Lord; wherefore, thus saith the Lord, I have led this people forth out of the land of Jerusalem, by the power of mine arm, that I might raise up unto me a righteous branch from the fruit of the loins of Joseph; wherefore, I, the Lord God, will not suffer that this people shall do like unto them of old. Wherefore, my brethren, hear me, and hearken to the word of the Lord; for there shall not any man among you have save but one wife; and concubines he shall have none; for I, the Lord, delighteth in the chastity of women, and whoredoms are an abomination before me; thus saith the Lord of Hosts: wherefore this people shall keep my commandments, saith the Lord of Hosts, or cursed be the land for their sakes.

And from the "Doctrines and Covenants" the following passage is extracted:

Inasmuch as this church of Christ has been reproached with the crime of fornication and polygamy, we declare that we believe that one man should have one wife, and one woman but one husband, except in case of death, when either is at liberty to marry again.

The practice of polygamy by the Mormon people of Utah is the result of a pretended revelation of God to Brigham Young. This practice is abhorrent to the civilization of the age, and to every Christian nation upon the globe. As has been said, it is made a criminal offense in any of the Territories by the laws of the United States. It is also declared to be a crime in the District of Columbia, over which the Congress of the United States exercises complete jurisdiction. As to the District of Columbia, the act of Congress declares that "whoever shall be convicted of the offense of bigamy shall be sentenced to suffer imprisonment and hard labor for the first offense, for a period of not less than two nor more than seven years; and for the second offense, for a period of not less than five nor more than twelve years."

It is made a criminal offense by every State of the national Union, as also by the territorial legislatures of every Territory of the Union except the Territory of Utah. The committee have examined the statutes of the different States and Territories, and append herewith extracts therefrom, showing the action of the legislative departments in reference to the crime of bigamy and polygamy.

An eminent professor in the Queen's College, Oxford University, England, James Cookson, declares in a work upon this subject that of all the schemes that have been communicated to the world within the compass of his observation, whose declared purpose has been public happiness and public utility, none have been more remote from the proposed end than that of polygamy. "For," he adds, "if we estimate this practice by the rules of sound reason, the apparent evils which are and ever must be the consequences of it in the common course of things, demonstrate it to be destructive of human felicity, and therefore no friend to society can consistently advise its introduction. It tends at once to open a door to the licentious gratification of the most uncontrollable lust and tyrannic cruelty; to promote domestic quarrels and all the horrid and alarming consequences of the most enraged jealousies, not to mention the neglect of the education of youth, on which the very existence and well-being of the state necessarily depend, with an innumerable train of other mischiefs, the appendages of those already mentioned."

Professor Cookson says, what is known to be eminently true by the whole civilized world, that "polygamy is equally abhorrent from scripture, nature and common sense. The general tenor of the scriptures militates against the idea of a plurality of wives. It is inconsistent

with the strictness of the conjugal union as enjoined and exemplified by God himself in his institution of marriage; contrary to all the plain precepts of the Bible as well as the New Testament, and repugnant to the conjugal discipline solemnly commanded by Christ, and particularly so to that illustration of it by his apostle St. Paul, the description of the relative duties of husband and wife."

Mr. Cookson again says:

That as polygamy is prohibited by the divine law, so it is also by the policy of all prudent nations. Indeed, if we look back into the political history of ancient nations, and that of the Orientals in particular, we shall find that except in a few, where the gratification of the most shameful lust had the sanction of religion, the rest unanimously prohibited polygamy by law. \* \* \* It is in the state as in the well-governed family, the members of which are bound to conform their general behavior to the rules of propriety and decency, and to be inoffensive in their respective stations. Commonwealths are made up of families, and any disorders in the lesser societies affect the greater. If we wish for public and private happiness we must avoid offenses against the due regulation and domestic order of the kingdom. Then, if a plurality of wives affects the public economy, as it certainly does, it ought to be prohibited by the laws of all well-ordered governments for that very reason.

That polygamy is contrary to the divine economy is apparent from the very history of the world itself. When God peopled the world the race began by the creation of Adam and Eve; one man and one woman were placed in Paradise together. When God peopled the world a second time, after the flood, it was without polygamy. Four men and four women only, who were the wives of Noah and his three sons, were commanded to go into the ark, and from them the whole earth was peopled. The actual statistics or censuses taken, at different periods of time in the world's history, also show, by the fact that there are more males than females, that a plurality of wives is inconsistent with the very nature of things. It is generally conceded that there are more males in the world by about one-fifth than females. The United States census for 1860 shows a white male population of 13,844,537; females 13,112,934; or 731,603 more white males than females. The same excess of males over the number of females is shown to be the case as regards the colored and Indian population of the country.

While the laws of the United States governing the District of Columbia and the Territories provide for the punishment of the crime of bigamy or polygamy, the laws of other countries have also similar punishments. Blackstone places polygamy as among the principal offenses against the due regulation and domestic order of the kingdom. He says:

The legislator has thought it just to make it a felony by reason of its being so great a violation of the public economy and decency in a well-ordered state, for polygamy can never be endured in any rational civil establishment. Whatever specious reasons may be urged for it by the eastern nations, the foolishness of it has been fully proved by many sensible writers.

By the laws of Sweden, ancient and modern, the commission of the crime of polygamy is punished by death. Notwithstanding the testimony of civilization which is given against the practice of polygamy as with one united voice, and that every State and Territory of the Union has declared with equal unanimity against it, recognizing it as a criminal offense, yet this band of people, originally organized in Missouri, afterward located in Illinois, and finally in their present location in the Wasatch Valley, in the Territory of Utah, have gone forward and not only clung to a practice made criminal by the statutes of the country, but as time has elapsed they have become more and more open and more and more defiant in the practice of their iniquities and their disregard of the laws of the country. What is to be done? Shall this nation, with the light of Christianity and civilization beaming upon it,

guided by which it has placed these laws on its statute books, and with the sentiment of its people united against this evil, longer continue to allow these people to cloak their iniquity under the garb of a pretended religion, and say we will do nothing to eradicate it? The committee believe the time has come when there should be no more temporizing; that there should be no more delay, but that measures should be taken to thoroughly overthrow and prevent the increase of such crimes. It does not forget that a provision in the Constitution declares "that Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof;" nor does the committee regard the proposed action on the part of Congress by the passage of the bill which they present as in any possible way affecting the rights of that people under that provision of the Constitution. The committee expressly disclaim any disposition or intention to recommend anything which will interfere with the proper exercise of the religious worship of any people. Still they deny the right of any people to organize themselves as a body, styling themselves the "Latter Day Saints of Jesus Christ," or by any other name, and under that pretense commit the grossest crimes known to the statutes of our country or the world, claiming that it is a part of their religious faith. To admit this would be to admit their right, or the right of any other body of men, to violate, under a similar pretense of religious worship, any law, civil or criminal, which has been or may be placed on our statute books for the well-being and protection of society and the good order and prosperity of the state. The Constitution was framed by our fathers, guided by the principles of religious freedom, and its framers never intended to sanction bigamy, polygamy, or any other crime. It was made in the early days of the republic, when the laws of England which provided for the punishment of bigamy or polygamy were fresh in their minds. And there can be no possible pretext that because of the provision of the Constitution referred to, the people of this country have not the power, the rightful power, to crush out that iniquity.

The committee give herewith extracts from the laws of nearly all the States and Territories in relation to the crime of bigamy and polygamy:

*State laws in relation to bigamy.*

MAINE.

*Be it enacted, &c.,* That if any person within this State, being married, shall marry any person, the former husband or wife being living, or who shall continue to live so married, and being thereof convicted, shall be punished by solitary imprisonment for a term not exceeding three months, and be confined to hard labor for a term not exceeding five years: *Provided always,* That this act shall not extend to any person whose husband or wife shall be continually remaining beyond sea by the space of seven years together, or whose husband or wife shall absent him or herself the one from the other by the space of seven years together, the one of them in either case not knowing the other to be living within that time, nor to the wife of any married man who shall willingly absent himself from his said wife by the space of seven years together, without making suitable provision for her support and maintenance in the mean time, if it shall be in his power to do so, nor to any person that is or shall be divorced. (Smith's Laws of Maine, chap. 10, sec. 2.)

NEW HAMPSHIRE.

Any person being convicted of bigamy in this State shall be punished as in the case of adultery. (Comp. Stat., 1853, c. 233, s. 5 and 6, p. 559.)

If any person shall commit the crime of adultery, such person shall be punished by imprisonment in the common jail not exceeding one year, and fined not exceeding five hundred dollars. (Compiled Statutes, 1853, chap. 233, sec. 1.)

## VERMONT.

Persons convicted of the crime of polygamy in this State shall be punished by imprisonment as in cases of adultery. (Gen'l Stat., 1863, c. 117, s. 5 and 6, p. 687.)

Every person who shall commit the crime of adultery shall be punished by imprisonment in the State prison not exceeding five years, and be fined not exceeding one thousand dollars, or either of said punishments, at the discretion of the court. (Revised Statutes, 1850, chap. 108, sec. 1.)

## MASSACHUSETTS.

Any person convicted of polygamy in this State shall be punished by imprisonment in the State's prison not exceeding three years, or by fine not exceeding five hundred dollars. (Gen'l Stat., 1860, c. 165, s. 4 and 5, p. 817.)

## RHODE ISLAND.

Every person convicted of bigamy in this State shall be imprisoned not exceeding five years, nor less than one year, or be fined not exceeding one thousand dollars. (Revised Stat., 1857, c. 216, s. 1, p. 542.)

## CONNECTICUT.

Every person convicted of bigamy in this State shall be punished by imprisonment in the Connecticut State prison, not less than two years nor more than five years. (Revised Stat., 1866, chap. 7, s. 128, p. 265.)

## NEW YORK.

Every person convicted of bigamy in this State shall be punished by imprisonment in a State prison for a term not exceeding five years. (Revised Stat., 1852, art. 2, s. 8 and 9, p. 870.)

## NEW JERSEY.

Every person convicted of the crime of bigamy in this State shall be punished by fine not exceeding one thousand dollars, and imprisonment at hard labor for any time not exceeding ten years, or either of them, at the discretion of the court before whom such conviction shall be had. (Nixon's Digest Laws New Jersey, 1868, p. 194.)

## PENNSYLVANIA.

Every person convicted of bigamy shall be fined and sentenced to undergo, in the like manner, and be confined, kept to hard labor, fed and clothed as is hereinafter directed, for any term not exceeding two years. See Penal Laws, XII. (Purdon's Digest, seventh edition, p. 139.)

## DELAWARE.

Every person convicted of the crime of bigamy in this State shall be punished by fine not less than four hundred nor more than two thousand dollars, and shall be imprisoned for not less than three months nor more than one year. (Revised Code, 1852, c. 131, s. 5, p. 485.)

## MARYLAND.

Every person convicted of the crime of bigamy in this State shall be punished by a confinement in the penitentiary for a period not less than eighteen months nor more than nine years. (Code Md., 1860, art. 33, s. 11, p. 207.)

## VIRGINIA.

Every person convicted of the crime of bigamy in this State shall be confined in the penitentiary not less than one nor more than five years. (Code Va., 1860, p. 803.)

## GEORGIA.

Every person convicted of the crime of bigamy in this State shall be punished by confinement at labor in the penitentiary for any time not less than two years nor longer than four years, and the second marriage shall be void. (Code Geo., 1860, sec. 4415, p. 859.)

## FLORIDA.

Every person convicted of the crime of bigamy in this State shall be sentenced to a fine not exceeding one thousand dollars, at the discretion of the jury. (Dgst. Stat. Flor., 1847, c. 7, sec. 3, p. 499.)

## ALABAMA.

Every person convicted of the crime of bigamy or polygamy in this State shall be imprisoned in the penitentiary not less than two or more than five years. (Code Ala., 1852, art. 5, s. 3232, p. 583.)

## MISSISSIPPI.

Every person convicted of the crime of bigamy in this State shall be imprisoned in the penitentiary not longer than five years. (Code Miss., sec. 11, p. 577.)

## LOUISIANA.

Every person convicted of the crime of bigamy in this State shall pay a fine not exceeding five hundred dollars, and be imprisoned not exceeding two years. (Rvsd. Stat. La., 1856, s. 17, p. 137.)

## TEXAS.

Every person convicted of the crime of bigamy in this State shall be punished by imprisonment in the penitentiary for a term not exceeding three years. (Dgst. Laws Texas, 1866, art. 2015, p. 429.)

## OHIO.

Every person convicted of the crime of bigamy in this State shall be imprisoned in the penitentiary, and kept at hard labor, not more than seven years nor less than one year. (Rvsd. Stat., 1860, chap. 33, s. 7, p. 404.)

## INDIANA.

Every person convicted of the crime of bigamy in this State shall be imprisoned in the State's prison not exceeding five nor less than two years, to be fined not exceeding one thousand dollars, and be imprisoned in the county jail not less than three nor more than six months. (Gavin & Hord's Stat. Ind., sec. 46, p. 452.)

## ILLINOIS.

Every person convicted of the crime of bigamy in this State shall be punished by a fine not exceeding \$1,000, and imprisoned in the penitentiary not exceeding two years. (Rvsd. Stat. Ill., 1868, div. 11, s. 163, p. 207.)

## KENTUCKY.

Every person convicted of the crime of bigamy in this State shall be confined in the penitentiary not less than three nor more than nine years. (Rvsd. Stat., 1852, c. 28, art. 4, s. 9, p. 249.)

## TENNESSEE.

Every person convicted of the crime of bigamy in this State shall be imprisoned in the penitentiary not less than two nor more than twenty-one years. (Code Tenn., 1858, c. 8, s. 4839, p. 867.)

## MICHIGAN.

Every person convicted of the crime of polygamy in this State shall be punished by imprisonment in the State prison not more than five years, or in the county jail not more than one year, or by fine not exceeding five hundred dollars. (Comp. Laws Mich., 1857, c. 185, s. 4, p. 1541.)

## WISCONSIN.

Every person convicted of the crime of polygamy in this State shall be punished by imprisonment in the State prison not more than four years nor less than two years, or by fine not exceeding four hundred dollars nor less than three hundred dollars. (Rvsd. Stat. Wis., 1858, c. 170, s. 2, p. 973.)

## MINNESOTA.

Every person convicted of the crime of polygamy in this State shall be punished by imprisonment in the State prison not more than four years nor less than two years, or by fine not exceeding five hundred dollars nor less than three hundred dollars. (R. Stat. Minn., 1866, c. 100, s. 2, p. 620.)

## IOWA.

Every person convicted of the crime of bigamy in this State shall be punished by imprisonment in the penitentiary not more than five years, or by fine not exceeding five hundred dollars, and imprisonment in the county jail not more than one year. (R. Stat. Iowa, 1860, c. 172, s. 4348, p. 744.)

## MISSOURI.

Every person convicted of the crime of bigamy in this State shall be punished by imprisonment in the penitentiary not exceeding five years, or in a county jail not less than six months, or by fine not less than five hundred dollars, or by both a fine not less than one hundred dollars and imprisonment in the county jail not less than three months. (Genl. Stat. Mo., 1865, c. 206, s. 1, p. 815.)

## ARKANSAS.

Every person convicted of the crime of bigamy in this State shall be imprisoned in the jail and penitentiary house for a period not less than three nor more than seven years. (Dgst. Stat. Ark., 1858, c. 51, s. 1, p. 367.)

## KANSAS.

Every person convicted of the crime of bigamy in this State shall be punished by confinement and hard labor not exceeding five years, or in the county jail not less than six months, or by fine not less than five hundred dollars, or by both a fine not less than one hundred dollars and imprisonment in the county jail not less than three months. (Stat. Kansas, 1855, c. 58, s. 1, p. 282.)

## NEBRASKA.

Every person convicted of the crime of bigamy in this State shall be punished by fine not exceeding one thousand dollars and imprisonment in the penitentiary not exceeding two years. (R. Stat. Neb., 1866, c. 12, s. 130, p. 620.)

## NEVADA.

Every person convicted of the crime of bigamy in this State shall be punished by a fine not exceeding one thousand dollars and be imprisoned in the territorial prison not less than one nor more than five years. (Stat. Nevada, 1861, c. 27, s. 127, p. 82.)

## OREGON.

Every person convicted of the crime of polygamy in this State shall be punished by imprisonment in the penitentiary not less than one nor more than four years, or by imprisonment in the county jail not less than six months nor more than one year, or by fine not less than three hundred dollars nor more than one thousand dollars. (Genl. Stat. Oregon, 1864, c. 48, s. 628, p. 558.)

## CALIFORNIA.

Every person convicted of the crime of bigamy in this State shall be punished by fine not exceeding two thousand dollars and be imprisoned in the State prison not more than three years. (Genl. Stat. Cal., 1864, div. 11, s. 121, p. 1519.)

## NEW MEXICO.

Every person convicted of the crime of bigamy in this Territory shall be imprisoned not more than seven years nor less than two years. (Comp. Stat. N. Mexico, 1865, c. 23, s. 5, p. 312.)

## ARIZONA.

Every person convicted of the crime of bigamy in this Territory shall be punished by fine not exceeding one thousand dollars and imprisonment in the county jail not more than two years. (Howell's Code Arizona, 1865, s. 32, p. 69.)

## COLORADO.

Every person convicted of bigamy in this Territory shall be punished by a fine not exceeding one thousand dollars and imprisonment in the penitentiary not exceeding two years. (R. Stat. Col., 1868, s. 122, p. 221.)

## MONTANA.

Every person convicted of the crime of bigamy in this Territory shall be punished by a fine not exceeding one thousand dollars and imprisonment in the territorial prison not less than one year nor more than five years. (Stat. Montana, 1866, c. 10, s. 126, p. 208.)

## WASHINGTON.

Every person convicted of the crime of polygamy in this Territory shall be punished by imprisonment in the penitentiary not more than four nor less than one year and be fined in any sum not exceeding five hundred dollars. (Stat. Washington Ter., 1863, c. 7, s. 120, p. 303.)

## DAKOTA.

Every person convicted of the crime of polygamy in this Territory shall be punished by imprisonment in the territorial prison not more than four years nor less than two years, or by fine not exceeding five hundred dollars. (Stat. Dakota, c. 10, p. 76.)

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*Testimony of R. N. Baskin.*

FRIDAY, January 21, 1870,

R. N. BASKIN sworn and examined.

By the CHAIRMAN:

Question. Mr. Baskin, please tell the committee, in your own way, all you know in reference to the condition of affairs in the Territory of Utah as they have been during your residence there, and as they are now.—Answer. I have been, for five years past, a resident of Utah; to explain at all fully the condition of affairs there would occupy some time, and cover a good deal of ground.

Q. Of course, we mean you to refer more particularly to the subject of the bill before the committee, the purpose of which is, if possible, to enforce the laws against the crime of polygamy in that Territory.—A. I am an attorney, and have had a pretty extensive practice in Utah Territory; I have had a great deal of business, and I know that the existing law against polygamy is perfectly a dead letter, by reason of the utter inability of the authorities, under the existing condition of affairs and system of legislation in Utah, to enforce that law.

Q. Why can it not be enforced?—A. Because you can not get a jury to indict, no matter what the evidence may be. In 1867, Captain Hooper presented a memorial to Congress from the Utah legislature asking for a repeal of the law against bigamy. In that memorial the memorialists stated that they were exceedingly anxious to test the constitutionality of that act, and had endeavored, in various ways, to get it before the courts, but in vain, the United States courts being unwilling to execute said law. In order to show his willingness to execute said law, Judge Titus, then United States judge there, had a jury empaneled, and managed to get several Gentiles upon the jury. My recollection is that the jury was composed of eleven Gentiles and thirteen Mormons. The jury, I think, was not summoned in accordance with the statute of

Utah regulating their selection in the district court, for under that no Gentile could have been obtained. Judge Titus, in charging the jury, paid especial attention to said memorial, saying that he was, and always had been, willing and anxious to see said law enforced like other laws, but that it never had been done, because no grand jury in the Territory had ever indicted any one for violation thereof. The jury sat there day after day and did nothing. Various witnesses were examined before them, and, notwithstanding it was notoriously known that one of Brigham Young's sons had recently taken a third wife, and that many others had recently violated the law against bigamy, yet, at the end of two weeks, they had accomplished nothing. The foreman of that grand jury was a member of the territorial legislature and a signer of the memorial. The great difficulty in the way of the prosecuting attorney is the impossibility of proving a marriage. Since the passage of the act against bigamy, the Mormons have adopted a new arrangement in reference to these marriages, so that now you can find no proof of the second or any subsequent marriage. Nothing is known outside about them, when or where or by whom they are solemnized. All marriages are now performed in the "endowment house," and whatever transpires there is secret. And though when it is done it is not kept secret that a marriage has taken place, and many persons are well known to have numerous wives, yet it is impossible to obtain any legal proof. The men who perform the marriage ceremony are oath-bound, and even if placed before a grand jury on oath, would manage to evade it in some way. Under the law of 1862, it is impossible to prove a marriage according to the rules of evidence, which accept no testimony except that of a party who witnessed the solemnization of it. No license is required beforehand, and no record, unless it be a secret one, kept afterwards. Previous to the passage of the law of 1862, there was a record of marriages kept by their historian, George J. Smith, now second president, successor of Heber Kimball. This record is doubtless still in existence, and on the occasion I spoke of, the district attorney had before the jury every person whom he supposed could have possession of it, and tried in every way possible to obtain some trace of it, but utterly failed.

Q. And never did?—A. And never did. I am satisfied that the party who formerly kept the record was before that grand jury. I have been informed by half a dozen men who had apostatized from Mormonism that such was the case, and that they knew it. And the law is always thus evaded, making the act of 1862 a dead letter.

Q. You understand the provisions of this bill as proposed by the committee?—A. Yes, sir.

Q. Is it your opinion that under this bill there will be any difficulty in procuring a legal conviction, if the facts of the case would justify it?—A. None whatever, sir, if it is allowed to be proven by the only evidence of which the case is susceptible, to wit, the acts and admissions of the parties.

By MR. HAMBLETON :

Q. Open concubinage?—A. Yes, sir. The territorial legislature of Utah has passed a law giving the probate courts of Utah concurrent jurisdiction with the district court. The probate judges are, in almost every instance, selected from bishops of the Mormon church, whose knowledge of law is very limited, and who pretend to despise lawyers and all legal knowledge. There is a jury law applying to these probate courts, permitting a probate judge to pick up at any time a grand jury of fifteen men. Under this machinery, when a Gentile is brought up, the law works very vigorously. But another law has been passed, regulating the selection of grand juries in the district court, shutting up every avenue by which a competent jury can be obtained. It is provided that the jury shall be made up from a list of names placed in a box, from which twenty-four names are drawn, as a regular jury; and, in case the regular jury prove insufficient, others must be drawn from the same box; the power of the court to fill the panel with talesmen, in case of the grand jury being taken away by said law. The names in that box are selected by county commissioners, who are generally bishops or officers of the Mormon church; consequently it contains only the names of Mormons.

Q. That is in the district court of the United States?—A. Yes, sir.

Q. And the probate judge you speak of, and the jurors, they (the Mormons) manipulate entirely?—A. Of course.

By the CHAIRMAN :

Q. How are the probate judges appointed?—A. The probate judges are appointed by the legislature; the legislators get their position by election by the people, but Brigham Young practically makes the nomination.

Q. And the people ratify it?—A. Yes, sir; that is the way of it. I never knew a member of the legislature who was not a bishop or else connected with Brigham in some intimate way.

By MR. TAFFE :

Q. I was not aware that jurors were selected in that manner in Utah; it is usually done by the marshal.—A. That is not the way it is done under the statute of Utah.



Q. I thought the organic act arraigned all that.—A. The organic act is silent on the question. The law under which the probate court selects a grand jury would apply alike to the district court, if the legislature had not afterwards passed a law providing specially the means of selecting jurors in the district court. With the permission of the committee, I will read a few selections from the act regulating the mode of procedure in criminal cases.

By Mr. BUCKLEY :

Q. Who puts those names into the box ?—A. The county court.

Q. Not the United States marshal ?—A. No, sir.

Q. The United States marshal summons no jury whatever ?—A. No, sir. The United States starts the machinery, but the county court controls it.

By Mr. POMEROY :

Q. What would be the immediate effect of trying to enforce this law ?—A. It would create considerable temporary excitement, doubtless ; Brigham Young would oppose it with a strong hand ; but when it came to the pinch, I do not think he would resort to open violence ; and, if he did, I do not think the great mass of the people of the Territory would back him.

Q. You think he would not like to provoke a collision with the general government.—A. He would threaten it ; he would come to the very verge of it ; then he would go down ; hundreds, yes, thousands, would desert him the moment he began any armed opposition.

Q. I should like to hear your opinion as to the effect the passage of such a law would produce on the condition of society there.—A. I think it would break up the concentration of power that at present exists in Utah ; Brigham is now as absolute as the Czar of Russia ; there is not an act of the legislature which, if it is not dictated by him, must meet his approval ; he controls everything, religious and secular ; the passage of such a law would break up all that, of course, at the cost of great temporary disturbance, but in a short time that would pass away.

By Mr. HAMBLETON :

Q. Who is chief justice in Utah now ?—A. C. C. Wilson.

Q. Where from ?—A. Illinois. There is a little collision just now between the judges, growing out of the question of the naturalization of citizens. The great mass of the people are foreigners, who have never been naturalized. This probate court naturalizes citizens. The majority of naturalization papers issue from that court. When Judge Titus and Judge Drake came to the Territory they decided that the practice of polygamy was an immoral act and a crime, and in case of naturalization would put the question to the witnesses which the applicant brought in his behalf, "Do you know whether he has done anything in violation of the law against polygamy ?" and if the question was answered in the affirmative, they refused to naturalize him. When Judge Wilson came he took a different view of the law ; he decided that a judge had no right to ask any such question. And under his administration, which commenced just after the land office was opened, which made it desirable for many to get naturalization papers, no such question is asked, and everybody is naturalized that comes. The other two judges, however, still adhere to the old rule, and, when a man comes to be naturalized, ask this question.

By Mr. TAFFE :

Q. Does Judge Wilson hold that it is competent for the probate court to issue naturalization papers ?—A. He does not ; he has refused to admit persons to citizenship whose first papers were obtained before the probate court ; and also refused to permit persons who had been naturalized in that court to sit on grand juries.

By the CHAIRMAN :

Q. What is the actual, or relative, number of those who are living in practical polygamy ?—A. That is difficult to tell. Judge Titus, who gave such matters a great deal of attention, (I never, myself, investigated the matter very thoroughly,) told me that he thought that not more than one-third of the Mormon population of Utah practiced polygamy.

Q. And the outsiders ?—A. None of the outsiders. If a man not a Mormon should form that sort of a relation they would soon be after him to punish him for seduction or lascivious cohabitation.

By Mr. TAFFE :

Q. He had no revelation ?—A. They enforce the law against seduction and lascivious cohabitation the most rigidly of any place I was ever in. That comes of trenching on the prerogatives of the church.

By Mr. POMEROY :

Q. How many women are there connected with this matter of polygamy ?—A. It

would be mere guess-work on my part to say; several thousand—two or three thousand at least.

By Mr. BUCKLEY:

Q. Would the enforcement of this bill cause so violent a disturbance of society as to be the occasion of much suffering among the women there?—A. I think not. The majority of these women support themselves now, and many of them support their husbands as well.

By the CHAIRMAN:

Q. A good many of these wives number two, and from that on, have children, have they not?—A. O, yes.

Q. What would be the effect—not the legal but the practical effect—upon these children?—A. I do not think it would produce so great a change as many imagine. The men there do not support their children now by virtue of any legal obligation, and I do not see how the enforcement of this law could make any difference in regard to the moral obligation. I do not suppose there is anything in the law making it a punishable offense for a man to furnish food and clothing to his children, and, as I said, they do not do it now by virtue of any legal obligation; and in many cases, they don't do it at all. The women do that.

By Mr. POMEROY:

Q. What would be the effect to divide the Territory and annex the parts of it to adjacent Territories?—A. That question has been considered very much by those who were anxious to see this autocratic power broken up. The objection to that is this: Nature makes the boundaries for political communities. In the case of Utah, this is particularly the fact. This region is a great basin which will some day be densely inhabited; the soil, right in Salt Lake Valley, is the richest in the world; hemmed in by mountains, as they are, the geography of the country necessitates that the people of this basin should be one indivisible community. I think a division would be unnatural and impracticable.

By the CHAIRMAN:

Q. Even if that objection did not exist, would it not be more difficult to enforce the law, after such a division of the Territory, making it necessary for offenders and witnesses, and all concerned, to be dragged several hundred miles away, to be tried in the courts of Colorado or Idaho, or whatever Territories they might chance to belong to by such annexation?—A. I think there would be no difficulty in enforcing the law in either case; no doubt there would be great temporary excitement. The elements are now existing in Brigham's own ranks, which, if his political power is once broken, will accomplish the destruction of polygamy, and the hierarchy existing there.

By Mr. BUCKLEY:

Q. Are the dissensions in the Mormon church of sufficient magnitude to really weaken Brigham Young's power to any serious extent?—A. Yes, sir; there is a very large element of dissatisfaction among them.

Q. The northern part, where the Josephites live, is that thickly settled?—A. No, sir; it is very sparsely settled. The Josephites number not more than three hundred, I suppose.

By Mr. HAMBLETON:

Q. What is the number of the Gentiles in the Territory?—A. Comparatively few—not more than four or five thousand.

Q. What is the number of Mormons in the Territory?—A. About from ninety to one hundred thousand.

By Mr. POMEROY:

Q. What proportion of this Mormon population are polygamists?—A. Not more than one-third of the adult population I should say, though I am not sufficiently acquainted with the matter to make more than a mere guess; but I do not think the polygamists amount to a majority; the census of 1860 showed a preponderance of male population in said Territory. Speaking of the women of that country under Brigham's rule, he takes charge not only of the laws, and property, and marriages, but even of the courtships of the Territory; marriages outside of the church are watchfully guarded against; whenever a Gentile begins to pay his addresses to a Mormon girl, he is first admonished, by letter or otherwise, to cease his attentions; and if he still persists, he suddenly finds himself ducked or whipped. If the United States authorities would exercise a firm control there, so that such things could be done away with, a large number of Mormon women would marry Gentiles.

By Mr. BUCKLEY :

Q. They do not love the institution so much, then?—A. No, sir; it is largely a matter of the force of circumstances with them.

Q. Does this matter of proscription extend to their courts?—A. I must do them justice to say that the question of religion does not enter into their courts, in ordinary cases; I have never detected any bias on the part of jurors there in this respect, as I at first expected; I have appeared in cases where Mormons and Gentiles were opposing parties in the case, and saw, much to my surprise, the jury do what was right; but whenever this religion, or their peculiar institution, polygamy, comes in, then they are very sensitive, and you may be very certain what will be their decision.

By Mr. DUVAL :

Q. But if the condition of the Mormon women is so unpleasant, as you describe it, how does it happen that any are brought to accept polygamy at all; why do they remain in Utah, and submit to this condition of affairs?—A. The leaders take advantage of their religious prejudices; the teachers and bishops urge them to enter into polygamy as a religious duty, and in most cases they finally yield to these influences, and find, too late, that they have been deceived, and that it is difficult to escape.

By the CHAIRMAN :

Q. What is the character of this godly schism of which you speak? Do the seceders renounce polygamy?—A. No, they still hold to polygamy, but they object to Brigham's assumption of arbitrary power in temporal matters; they say he has no right to dictate to them what they shall wear and with whom they shall trade.

Q. I received a paper a day or two since, from Salt Lake City, containing an account of a large gathering of women, in one of the wards of the city, in which they very unselfishly declared in favor of polygamy. Do you know anything about that?—A. No, I know nothing about it, but it is not incredible. A great many women could be found who would do that; some of them from religious conviction, and some of them from policy. But, on the other hand, hundreds of women would hail the passage of this bill with joy. As it now is, Brigham has it fixed so that a woman cannot help herself. These probate courts have unlimited jurisdiction in cases of divorce and alimony. I have known the first wife to be divorced and cut off from everything, sent forth alone, homeless and penniless; and, in many instances, being thousands of miles away from friends. Women are compelled to quietly submit to their husbands taking other wives, as one of the provisions of the Utah statutes is, that the fact of parties not being able to live in peace and harmony together is sufficient cause for divorce. This provision, with a knowledge of the fact that the probate court has jurisdiction of divorces, generally secures submission. In many instances, where a first wife leaves her husband on account of his marrying a second time, she is forced by her necessities to humbly return and endure it without complaint. Some women, by extraordinary force of will, manage to get along alone, or to escape from the Territory.

Q. Who applies for the divorce?—A. The husband frequently applies for it. However submissive a wife may have been, she generally becomes "refractory" when the husband takes a second wife; and if he takes a third or a fourth, it makes all the others mad. But by threatening them with the application of the divorce law, and leaving them in the way I have described, they are kept pretty well in the traces.

By Mr. HAMBLETON :

Q. What would be the allegation in such a case?—A. "That the parties cannot live in peace and harmony together." If they regarded marriage with the sacredness which they pretend, of course they never would have passed such a law. The law provides that if the court, upon hearing the evidence in the case, finds that it is impossible for the parties to live together in harmony and union, a decree of separation shall be granted. This book [referring to the volume of territorial acts which he held in his hands] is very poorly indexed, and I cannot at this moment find the law; but I know that is very nearly a literal quotation from it.

Q. What will be the result to your social status after your testimony here?—A. Well, I do not know as they can be any more hostile towards me than they are. My clients have been assassinated in the most brutal manner. I have been threatened with the same fate time and again, but have survived so long. I was attorney for Dr. Robinson, whom they murdered in cold blood—one of the best men I ever knew. He was a thorough and true Christian, and the founder of the Gentile Sabbath-school; clear of the vices which are too common among the men who go as pioneers to a new country. He had been surgeon in the army, and came out there and established himself as physician. Near the city are some medical springs—warm springs—and he saw that there was a good place for a hospital and a water-cure establishment, so he took the prescribed method to secure possession of the land surrounding them, and commenced to improve the land and build a house. His house was scarcely under headway, when the

mayor, without giving a day's notice, or bringing the matter before any court, or pursuing any form of law, declared the building a nuisance, and issued a warrant to his policemen to abate it, as such, forthwith. They went out to the springs, tore down the house, and dispersed the workmen. The doctor was not a man to yield his rights without a struggle, and brought suit to recover his property. He received many admonitions in the shape of anonymous threatening letters, containing pictures of skull-bones, coffins, &c., but he went on. The defendants in the case filed an answer, to which a demurrer was interposed, which threatened to prove fatal to their case, if successful. While the case was under advisement, the doctor was called upon by some man, who represented to him that a friend of his had fallen from a mule and had broken his leg, and desired his services as surgeon. The doctor started to go with him, but had not gone more than a block, when he was set upon by several men who had been waiting for his appearance, and was literally cut and shot all to pieces. He was the worst mutilated man I ever saw. No trace was ever found of the perpetrators of the deed. In fact, no vigilant attempt was made to discover them by the Salt Lake City police; and no motive existed for said murder that was known of, except the facts I have mentioned. I have no doubt whatever that he was killed for the purpose of putting an end to Gentiles taking up land. He was a man who paid strict attention to his business. He numbered many Mormons among his patients, and was very popular with the mass of the people.

By one of the committee:

Q. Where was this Robinson from?—A. From Michigan, I believe.

By Mr. HAMBLETON:

Q. Do the Gentiles and Mormons generally associate together, or are their circles of society perfectly distinct?—A. Almost entirely distinct. In relation to this Robinson case, which was the most flagrant I ever knew, I was talking with a gentleman who has been a Mormon for a long time. He said to me, "Suppose some evening I should be set upon and assassinated. Brigham will most likely be in the country somewhere, and no proof will exist of his complicity in the matter, of course. Could he be punished, and what would be the effect of such an occurrence?" Said I, "Certainly he could not be punished." "Well," said he, "I should not be surprised if I were knocked down some night and served like Robinson." Said I, "Mr. ———, do you not know that there is some sort of secret organization that strikes in this way at such men as are offensive to the ruling powers?" Said he, "Yes, I do know it."

Q. And he was a Mormon himself?—A. Yes; he was a Mormon himself. He was terribly frightened. I know of several cases where parties have made fraudulent disposition of property; but the marshal could never be got to act in the case. I was going to refer to the case of Mr. Potter, to show the inactivity of the officers when a church murder is committed. This man Potter had apostatized from the church, and of course became obnoxious to the authorities. He was arrested on the charge of stealing cattle. While under arrest a policeman from Salt Lake City and a man by the name of Art Hinkly went over to Colville. The evidence showed that on the way to Colville they stopped to take a drink, where others joined them, and still others on the road to Colville, or shortly after they got there. These men went over at ten o'clock at night to a school-house, where this man Potter and two others were confined; they were in bed, but were told to get up and dress themselves. One of the three, a young man by the name of Walker, inquired what was wanted of them. They replied by telling him he had better go away. He was afraid to go lest they would shoot him. There were twelve of the crowd, one of whom acted as captain; Art Hinkly was his name. The gang started off with their prisoners, when Potter said, "Gentlemen, where are you going to take us?" "None of your damned business," was the reply. He said, very much frightened, "You are going to take us out here and kill us!" Upon that, one of them struck him with a gun. He cried "Murder!" when the other immediately fired the whole contents of the double-barreled shot-gun into him. Walker was also fired at, but when he saw the gun aimed at him he instantly dropped and the charge went over the back of his head, singeing his hair, and some stray shots went into his head. They fired again and wounded his hand; also the breast of his shirt was burned. The other man who attempted to escape was pursued and shot while swimming the river. The perpetrators of this outrage made excuse that these men were under arrest and attempted to escape; but the testimony of those who saw the ground and the body of Potter was that his throat was cut from ear to ear, and the blood upon the ground showed that this had been done after the gun-shot wounds had been given him and he was prostrate upon the ground. Judge Titus committed the perpetrators of the crime to the penitentiary, to answer an indictment before the grand jury. The notes of the United States attorney, and the testimony originally given, are in the hands of some of the committees. As soon as the matter became public the Mormon papers all, with one accord, began to excuse and explain away the crime, and there was an evident desire upon the part of the people generally to throw all conceivable obstacles in the way of the prosecution. The territorial marshal took the accused in charge to convey them to

the penitentiary; but on arriving at the suburbs of the city, they deliberately set him out of the wagon, coolly said to him, "We have no further use for you," and drove home. After returning home they wrote an insolent note to Judge Titus, stating that they did not propose to go to the penitentiary; that they did not like the style of living there; that the rooms were not furnished satisfactory to them, &c. Judge Titus tried in various ways to have the men arrested; but never could do it—never did do it. The man, John Walker, of whom I spoke as escaping on the occasion of Potter's assassination, stopped about the camp for a while and then disappeared; and from that day to this has never been heard of.

By a member of the committee:

Q. When was that?—A. In 1867; just before I left Salt Lake, a young man by the name of Phelps, a clerk in the office of the territorial secretary, Mr. ———, was paying his addresses to the daughter of ———, a prominent Mormon. He had been admonished several times; the father of the young lady had expostulated with her, and urged her not to encourage the attentions of this young man; but the young couple were really attached to each other, and, notwithstanding all opposition, were engaged to be married. But one evening, while going up the street in company with another young man, two men came out from Brigham's, and two from the opposite side of the street, closed in upon this young man and his companion; the latter they told to leave, and say nothing; the former they carried to the north side of the temple, and were opening the gate to take him into the temple block, when he made a desperate effort to escape; they had omitted the precaution of taking from him his fire-arms, and he drew his revolver and shot one of them through; the wounded man fell upon the spot, great confusion ensued, and the young man escaped; I quote from this young man's testimony, as near as I can remember it; what they intended to do with him no one knows.

By the CHAIRMAN:

Q. Do I understand you to say that they have territorial attorneys too, as well as territorial marshals?—A. Yes, sir.

Q. By what authority do they appear in the United States district courts?—A. The wording of the statute bearing upon that point, is this: (reading from the statute.)

Q. So the position of United States district attorney is a mere sinecure?—A. A strong feeling always springs up whenever you make one of these questions before a Utah court; but I never permit the question of the jurisdiction of the probate court to go unchallenged, though it always stirs their temper; but I have never been able to get the question of the jurisdiction of the probate court to the supreme court yet.

By Mr. TAFFE:

The organic act is lame there, anyhow.

By Mr. CULLOM:

Q. Do you think the deputy marshals provided in this bill are necessary?—A. I do not think the United States marshal could do the business alone; from one extremity of the Territory to the other it is four or five hundred miles.

By Mr. TAFFE:

Q. Do I understand you to say that in the United States court these territorial officers appear for the prosecution or defense, as the case may be?—A. Yes, sir.

Q. And the judge recognizes them as officers of his court?—A. Yes, sir; the position is this: In that territory there are two courts, the United States court and the territorial court; and, therefore, they have two sets of officers. For instance, when the court first opens up, the first week it is a United States court; after that, the practice has been to adjourn the United States court, and open up a territorial court; so there is a double set of officers all through. Now, the position I have always taken is, that it is the same court, with different jurisdictions, federal and territorial, and not a double-headed court; it is a parallel case to that in our courts, where the same judge exercises both common law and chancery jurisdiction; by virtue of that clause, they have two sets of executive officers, and claim to have two courts. I once objected to a territorial prosecuting attorney appearing in a certain case, but they brought up the section which says, "there shall also be" &c., (reading from the statute.)

In order to find out the duties of the marshal under that section, you must go to the organic act of Oregon, and that act refers to some other act, and after several more references, you finally come back to the law prescribing the duties of the marshal of the southern district of New York. That law prescribes that the marshal shall execute all processes issued out of the district court of the southern district of New York.

Another thing I would like to say: By reference to Utah statutes you will find a great many grants to Brigham Young. For instance, he has been granted the control of City Creek Cañon. Now, at the head of that cañon is one of the most valuable pieces of

timber in the country. Brigham saw there was money in it, and so secured a grant of the legislature giving him control of it; and then built his premises in such a way as to blockade it. And now every man who draws wood from that piece of timber must give Brigham a certain per cent. of it. In the lake there are some islands. These islands have been granted, by the territorial legislature, to the church, to Heber Kimball, and to various other parties. They form fine pasturage for their herds. But should anybody else venture to turn a herd of mules there, their owner would soon find himself in difficulty.

An act has been passed for the appointment of a territorial surveyor; under the provisions of that act a man can get a surveyor to run a chain around a piece of land, and stick up stakes at the corners, and then that man has a claim on that land. But should a Gentile attempt, under the laws of the United States, to take possession of a piece of land thus surveyed, he would soon be ducked or driven off in some way, though there was no sign of improvements on the land. I know of two men, one a surgeon in the army, named Williamson, the other a lieutenant named Brown, who had served for three years. After their discharge from the service, they took up a piece of land, without a vestige of improvement on it. When they began to improve and build, some Mormons came out and claimed the land. Lieutenant Brown was a peaceful man, although a brave one, and told these Mormons that he did not want to intrude on any other person's claim, and that if they would show him that they had ever taken up this land, or commenced any improvements upon it, he would move his shanty to some other place. The men went away. But that night a gang of twenty or thirty men came and captured Brown and Williamson. There happened to be a tent about the premises, and the gang seized the two men, rolled them up in the canvas, and carried them to the river Jordan. Lieutenant Brown was a very cool man, and said, "Gentlemen, all I have to say is, if you are intending to take my life, kill me like a man, and don't drown me like a dog." At this, some one in the crowd recognized his voice, and stepped forward saying, "You cannot put him in there; when Lieutenant Brown was on the provost guard, I got into a difficulty with some soldiers, when Lieutenant Brown interfered in my behalf. I did not know that this was the same man until I heard him speak. I do not want any injury done him." So, on promising to leave the country, the two men were released.

About the same time another man took up a piece of land near the river Jordan, where there was not a house within two miles. Some other parties took him and put him in the river. He swam the river, but they shot at him, and a bullet went through his leg. These are only a few instances among many. The fact is, it is impossible for a Gentile to pre-empt any land in that country, except it be along the line of the railroad.

By Mr. TAPPE:

Q. Are those surveys you speak of without regard to the government surveys?—A. Yes, sir.

Q. Do they survey land that the government has not surveyed?—A. O. no; that country is all surveyed.

Q. Is it upon surveyed lands that they perform these outrages which you have described?—A. Yes, sir.

By Mr. POMEROY:

Q. How much land does Brigham Young hold?—A. I cannot say positively how much, but several thousand acres of the very best of it. He manages, of course, to have it taken up in some other person's name, and holds much of it in trust for the church.

By the CHAIRMAN:

Q. Others take it up and donate it to Brigham?—A. Yes, sir. At the last conference, last spring, Brigham instituted a new order—the order of Enoch. Everything the members of this order possess must be dedicated to the Lord; and Brigham, as trustee of the Lord, must hold the title. Since the organization of this order, many persons, influenced by their religious convictions and under the pressure brought to bear, dedicated all their property to the Lord—that is, to Brigham Young.

Q. Did you ever talk with Brigham Young yourself?—A. No; I have heard him preach often. I once heard him make this declaration in church: He said, "Congress might make as many laws as they damn please against polygamy, but they would have as many wives as they please."

By a member of the committee:

Q. He didn't say "damn" right out in the meeting, did he?—A. Yes, sir.

By Mr. BUCKLEY:

Q. Is there sufficient power in the civil law to enforce this bill if it should pass, or will it take military force?—A. I am satisfied that a very small force at Camp Douglas would be sufficient. I do not think any collision would result.

By the CHAIRMAN :

Q. You think that all that is wanted is to give assurance to Brigham Young that the United States government means that this work must stop?—A. Yes, sir; that is my idea. It will doubtless result in much temporary disturbance, but I do not think Brigham cares to force a collision with the government.

By Mr. BUCKLEY :

Q. There is no safety there to the lives of Gentiles now, as I understand it?—A. No, sir. Any man who takes a positive stand against Brigham Young can be assassinated at any time, with impunity.

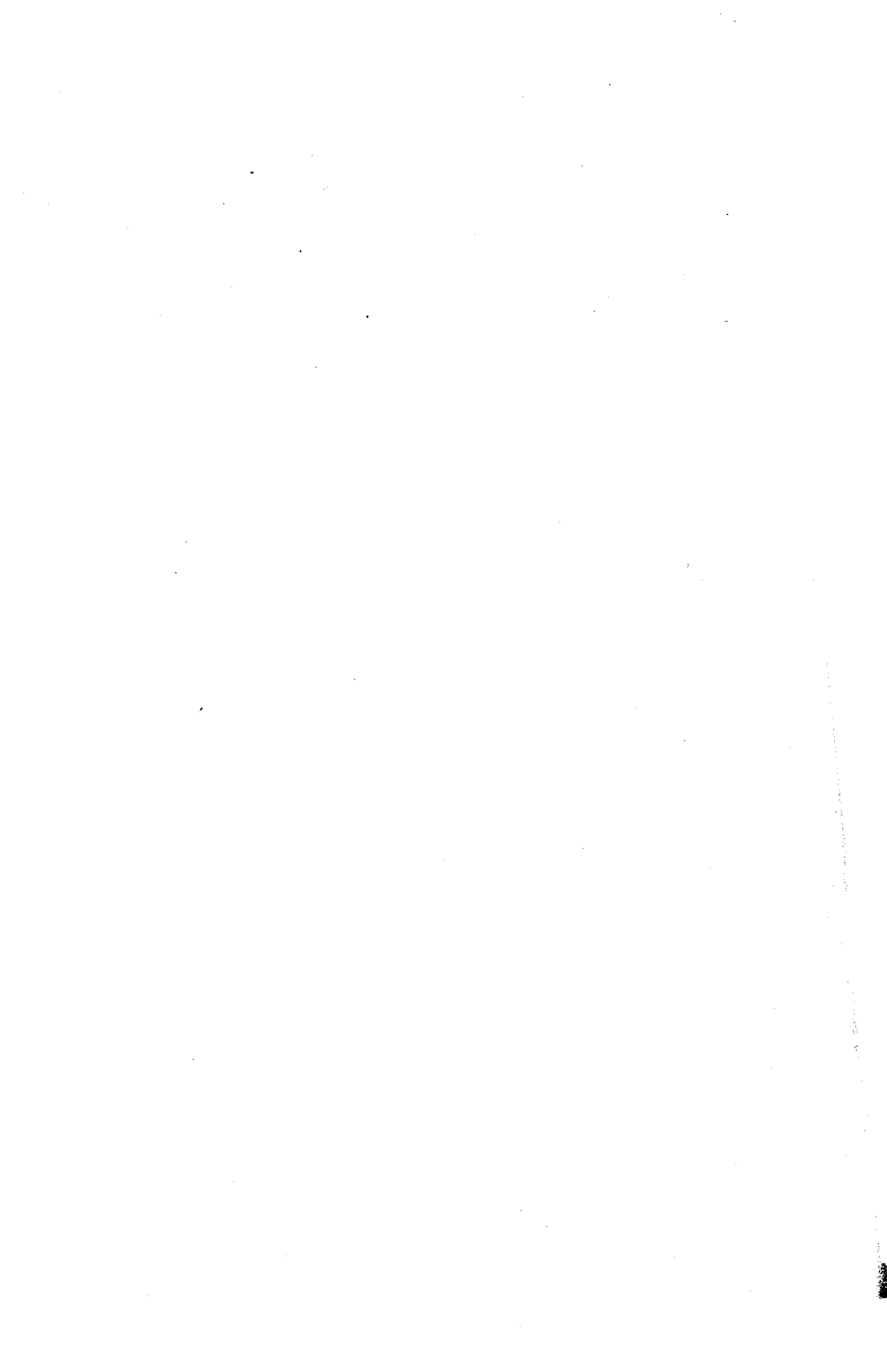
By the CHAIRMAN :

Q. You have been in correspondence with the United States district attorney in reference to this bill; what does he think of it? Does he think he can successfully prosecute for these crimes under it?—A. He does.

By Mr. HAMBLETON :

Q. Who is the district attorney?—A. Major Hempstead.

Q. What sort of a man is he?—A. A fine man, of good legal attainments, possesses all the qualifications necessary, except, perhaps, being a little too cautious.





## LAWS IN UTAH.

[To accompany bill H. R. No. 1089.]

FEBRUARY 14, 1870.—Ordered to be printed.

### ADDITIONAL TESTIMONY.

WASHINGTON, February 11, 1870.

JOHN P. TAGGART sworn and examined.

By the CHAIRMAN:

Question. State your residence and occupation.—Answer. I now reside in Utah, and am the United States assessor for that Territory; I went there in June last, and have been there since that time.

Q. This committee are endeavoring to become acquainted, as fully as possible, with the condition of affairs in Utah, with a view to determine what legislation should be had, and would be glad to have you state, in your own way, what you know of matters in that Territory.—A. Well, in the first place, I may say plainly, that confirmed Mormons recognize and observe no law except such as they are compelled to observe. So far as my own department is concerned, I know that they do not scruple at any means they can contrive to evade the revenue law. Six of the assistant assessors, previous to my going there, were Mormons. After fully investigating the matter, I was forced to conclude that these six assessors used partiality in behalf of Mormons; I let the matter run until I became thoroughly convinced, and then I removed them; since that time my assessments have increased more than one hundred per cent. Again: In July last, on seeing the decision of the Commissioner in regard to the property of a religious society in Ohio, deciding that the income of their church was taxable for revenue purposes, I became convinced that the Mormon church would come under the same rule; I accordingly wrote to the Commissioner with regard to the matter, and received from him instructions to make the assessment on the income of the property of the Church of Jesus Christ of Latter-day Saints. Upon this I notified Brigham Young, through my assistant assessor, to make out a return of the income of the church, of the property of which he is trustee. In response to that requisition he sent me a sarcastic reply, which I have brought with me for the purpose of placing the matter before the Commissioner. Young's name is not signed to it, but the assistant assessor makes the affidavit which you see attached to it. I had him do it, because I know Young well enough to know that he would crawl out of the matter if he could.

*Letter from the assistant assessor to the assessor.*

AUGUST 20, 1869.

DEAR SIR: Having furnished Brigham Young, esq., as trustee in trust for the Church of Jesus Christ of Latter-day Saints, an income blank, in compliance with your instructions of the 17th instant, on which he was requested to make return of all the gains, profits, and income of said church, I forward you herewith a correct copy of the reply received to the same, which was handed to me per his book-keeper.

Yours, very respectfully,

R. V. MORRIS.

*Assistant Assessor, First Division, District of Utah.*

JOHN P. TAGGART, Esq.,  
*United States Assessor.*

*From Brigham Young to the United States assessor.*

AUGUST 20, 1869.

We, the government of the United States, have no knowledge of any such person as the trustee in trust of the Church of Jesus Christ of Latter-day Saints, nor of any such organization as the Church of Jesus Christ of Latter-day Saints. If there ever was

such an officer, or such an organization, we, the government of the United States, have obliterated them out of existence by legal enactment.

Approved July 1, 1862.

AFFIDAVIT.

SALT LAKE CITY, August 23, 1869.

I, Richard V. Morris, assistant assessor, first division, district of Utah, do solemnly swear that the above communication was handed to me by Thomas Ellerbeck, book-keeper for Brigham Young, and is, as I verily believe, in reply to my requirement, as per order of John P. Taggart, assessor of internal revenue for the district of Utah. Dated at Salt Lake City, August 17, 1869.

R. V. MORRIS.

Sworn and subscribed before me.

J. P. TAGGART,

*United States Assessor, District of Utah.*

Witness:

EDWIN TAGGART,

*Assistant Assessor, First Division, District of Utah.*

Well, Young would make no return, and I was finally compelled to make the assessment myself. The assessment amounts to nearly sixty thousand dollars. In resisting this assessment, Young's only plea is that what I assessed was a voluntary contribution. I assessed the tithes, which amount to two or three millions per annum; the actual tithing is about a million and a half. Those Mormons who have talked with me since about it say that my assessment was low for 1868, and that the tithings for 1869 amount to a great deal more than those of 1868; many persons assure me that the tithings for 1869 will not fall short of three million dollars. They had excellent crops last year, and the demand for tithing was very liberally responded to.

Q. What is this tithing, and how is it paid?—A. I can give you a better idea of that by reading to the committee an extract from a letter of explanation which I wrote to the Commissioner some time ago. In that I said:

“In order to reach the condition and circumstances of all, the system of tithing was divided into three classes, viz, produce, cash, and labor tithing. Those whose income was derived from the soil, the raising of stock, and the various sources from which the revenue of the farmer is usually obtained, were required to pay one-tenth of their income in produce. Merchants and others, the conducting of whose business requires cash, were expected to pay one-tenth of their income in cash. Mechanics and laborers, by whose practical ingenuity, stalwart arms, and persevering industry contributions to the wealth of the country are ever being made, were required to pay also, the former sixty dollars and the latter forty dollars per annum, as labor tithing. If by self-denial and extra toil the poor mechanic or laborer should obtain for his half-furnished family a cow or two, a few chickens, a pig, or a garden, a tenth part of the butter and cheese made from the cow, besides one dollar as tithing for each calf, one-tenth of the eggs and increase of the chickens, one-tenth of the increase of the swine, besides one-tenth of the pork when killed, and one-tenth of the produce of the garden, is demanded by the watchful bishop, besides the labor tithing, which each man is expected to pay, whether in constant employment or not, and, except in some very extraordinary cases indeed, if it is not promptly paid, it is entered against him as a debt, and he is in no polite manner informed that he owes the amount of the recorded indebtedness to the church, and is expected to cancel the same without further prompting from his ecclesiastical superiors. It matters little what his pecuniary condition may be, or to what suffering his family may be reduced, his tithing must be paid.”

This letter was written to the Commissioner in explanation of the condition of affairs in Utah, more particularly in relation to the assessment I made upon the church income. As I said before, these people will scruple at no means to evade the law until they discover that it is against them in every possible shape and manner, and then they will submit.

Q. Without resistance?—A. Yes, sir; with the exception, I think, that any law against polygamy would be more seriously objected to than anything else. Brigham said last year to Senator Trumbull that he would obey all the laws of the government except the law against polygamy.

Q. Is it or is it not the fact, that the affairs of the Territory are controlled exclusively and in all respects by the Mormon church organization?—A. They are entirely so.

Q. Has there ever been, since your residence in the Territory, any attempt on the part of the judges to prosecute anybody for polygamy?—A. Not since I have been there. Mr. Hempstead, the prosecuting attorney, told me that he held the grand jury for one whole year, endeavoring to procure an indictment against somebody for viola-

tion of the law against polygamy, but never succeeded. Although Joseph A. Young had married Mr. Steinhouse's daughter for his third wife, as was notoriously known throughout the Territory, Steinhouse, when brought before the grand jury, swore he didn't know whether his daughter was married to Joseph A. Young as his first wife or not. It is difficult to obtain competent evidence, as plural marriages—celestial marriages—take place in the endowment house; persons married out of the endowment house are married only for time; but in the endowment house they are married for time and for eternity. The woman receives nothing to show that she is married. Divorces are granted only by Brigham Young. Here is a copy of a divorce granted by Brigham Young to Mrs. Louisa A. Clarke. That (handing the paper to the chairman of the committee) cost Mrs. Clarke ten dollars. Those witnesses whose names are attached are clerks in the tithing office.

[Copy of divorce.]

"Know all persons by these presents, that we, the undersigned, George Clarke and Louisa A. Clarke, before her marriage to him Louisa Amanda Clarke, do hereby mutually covenant, promise, and agree, to dissolve from the relations which have hitherto existed between us as husband and wife, and to keep separate and apart from each other from this time forth.

"In witness whereof we have hereunto set our hands, at Salt Lake City, Utah Territory, this 29th day of July, A. D. 1869.

(Signed)

"GEORGE CLARKE.

her  
"LOUISA A. + CLARKE.  
mark.

"In presence of—

"T. R. ELLERBECK.

"R. R. HANSON."

Q. It has been stated before this committee that it used to be the case that divorces were granted by Young entirely, but that now the parties applied to the probate court, as a matter of form?—A. I do not know as to that; I know Mrs. Clarke told me that it was prohibited to go into the courts for matters of this sort; that whenever a party wanted a divorce, application had to be made to Brigham, and the applicant compelled to pay him ten dollars; and if the other party objected, and Young was convinced that they ought to be separated, he signed for them. This (exhibiting another paper to the committee) is a legacy return, the first ever made in that Territory. There is a list of forty-one names, the children of Heber C. Kimball; he had fifty-four children in all, but thirteen of them died. I have taken the strong physiological ground—though Young says I "lie like hell"—that the Almighty himself has provided for the drowning out of polygamy through the operation of natural laws. I base the opinion on the fact that out of every hundred children born in polygamy, seventy-five are males. I have the statistics of two hundred and fifty-seven families—names just picked up here and there, not selected with any reference to this question—and in those two hundred and fifty-seven families eighty-three out of each hundred of the children are males. The day before I left, David Candland, chief clerk of the Zion's Co-operative Mercantile Institution, told me that he had fifteen little boys, under eleven years of age; and six daughters.

Q. This Mormon mercantile co-operative institution; what sort of an affair is that?—A. I have here a copy of the constitution and by-laws of that association—the only copy that has ever been in the hands of any Gentile in the territory, or out of it, for that matter. The quickest way to give you an idea of what this association really is, will be to read to the committee the preamble and a few extracts from this document:

"Preamble. The inhabitants of Utah, convinced of the impolicy of leaving the trade and commerce of their Territory to be conducted by strangers, have resolved, in public meeting assembled, to unite in a system of co-operation for the transaction of their own business; and for the better accomplishment of this purpose, have adopted the following constitution:

"HOLINESS TO THE LORD.

"Zion's Co-operative Mercantile Institution."

The following extracts from the constitution may be of interest to the committee:

"SEC. 20. No person or persons shall be eligible for membership, except they be of good moral character, and have paid their tithing according to the rules of the Church of Jesus Christ of Latter-day Saints.

"SEC. 21. The directors of this institution shall tithe its net profits, prior to any

declaration of dividends, according to the rules of the church, mentioned in the preceding section.

SEC. 27. The private property of shareholders shall not be held subject to the liabilities of the institution.

SEC. 28. The seal of this institution shall bear the inscription :

“HOLINESS TO THE LORD.

“*Zion's Mercantile Co-operative Institution, 1869.*

“With a bee-hive and bees in center.”

I have with me also an extract from a sermon preached by Bishop Woolley in relation to this matter. You will more fully appreciate some portions of his remarks when I mention that the bishop has a large store in the Thirteenth ward. The extract reads as follows :

“Bishop Woolley preached in the Thirteenth ward meeting-house on Sunday night. As the bishop arose to speak, some irreverent persons near the door commenced going out, but this did not seem to discompose him in the least; on the contrary, he seemed from his actions to be accustomed to such proceedings, for raising his voice he spoke as follows :

“I will just wait till the uneasy persons who are here go out, and then I will talk to those who remain.’ This had the effect to quiet the audience, when the bishop proceeded : ‘I do not want any one to hear what I have to say unless he wants to. I want to speak to-night on this co-operative movement. When I am walking up Main street, I see many of our people who are around about, patronizing those auction stores there. I see many of the citizens of the ward (the Thirteenth) there, breaking their covenant, and patronizing those men who are not of us. They have never improved a farm, nor built a house, and never would, if they lived in this Territory for all their life. They will take all our money out of the country, and return nothing for it. Now I want to tell you that when the bishops took hold of this co-operative movement, they took hold of it in earnest; and they are determined that these rules shall be enforced. They met again last Thursday night, and their instructions are that you must live up to the covenant or your membership ceases. You must support each other, and let outsiders alone.’ Pausing a moment, he added, ‘I would not have you persecute them, but let them severely alone. If they had only the trade which legitimately belongs to them, that of their own kind of people, they would soon starve out, and be compelled to leave. In this ward there is much illegitimate trade going to them, which must be stopped. When I have been going up Main street, the street where the Gentiles have their stores, I have seen many from this ward buying of those who never did and never will do us any good. I tell you now, if it is continued in, we shall make it a question of fellowship with you; for he who is not for us is against us, and he who throws his money to these traders throws it against the church. In our ward we have a good store, where a first-class assortment is always on hand. Thirty or forty years ago it would have been called a first-class store for the country. Here we sell as cheap and as good an article as can be found in the city. When you go to our store for an article, if we have not got it, we will go to the fountain-head and get it for you at a small advance on first cost. You must buy with us; for if you give your trade to our enemies, you throw your influence with them, and are one of them, and not in fellowship with us. You are not judges of goods; you are liable to be cheated by them. When you buy a cheap article of them, you will find out that you have been cheated, and that they have made a profit on the goods. You will find out that you could have bought better goods of us for a less price. Their goods look soft and nice on the outside, but they are not good; they are shams and cheats. When you think they are selling goods to you at a sacrifice, they are making higher profits than ever; bigger than we do on our regular sales. Now I tell you if this thing is not stopped, you will be reported, and your fellowship will cease. I tell you we are in earnest in the matter, and if evidence of your breaking your covenant can be brought against you, your fellowship will be taken away. Such are the instructions from the head of the church, transmitted in the regular way to the bishops, and from me, as one of them, to you.’”

Q. To what extent do the Mormon leaders succeed in practically enforcing this command to trade only at Mormon stores?—A. The command is thoroughly enforced. As a consequence, within the last eight months seventeen Gentile firms have left the city. In the town of Toole, a year ago, there were ten Gentile stores, each paying a special tax of ten dollars each to the government; now there is only one store in the ward, and that is controlled by the bishop, as I said before.

Q. What proportion of these people are actual polygamists?—A. I had a polygamist in the office with me for some time, and he told me that about seven out of twenty of the Mormon adult male population were practical polygamists. Mormonism teaches that woman is exalted by plural marriage; that unless a woman becomes on earth the

wife of a man who has other wives, she will be a servant in the other world; they believe the next world to be a physical world, with physical enjoyments; and that the propagation of the species will go on in that world as in this.

Q. Suppose this bill, or some bill with substantially the same provisions, should pass Congress and become a law, would the officers of the law be able to enforce it?—A. I think so. Just now the people are wonderfully excited, and playing their usual game of bluff. But should this bill pass, I am confident that Brigham Young would have another revelation very quick, commanding that polygamy be done away with. I believe that a thousand troops sent out there would be the best thing that ever occurred. I do not think we need a man to insure the security of the life or property of any Gentile, but a thousand troops would strengthen the backbone of those disaffected Mormons. But that would not be sufficient to break up the system of polygamy; the leaders of the schism are as strongly in favor of polygamy as Brigham Young himself.

Q. Suppose this bill should become a law, making polygamy a criminal offense; what would be the consequence to the plural wives and their children who would be sent adrift?—A. They would be in a hundred per cent. better condition than they are to-day. In that case the women would only have to support themselves and their children, and that they do now. Not only that, but in many cases they support their husbands too. I know of cases where men have married for the purpose of having women support them, and who are so supported by the labor of their wives. The same amount of labor on the part of the women that now support themselves and their husbands would certainly support themselves alone if separated from their husbands.

Q. What sort of labor do the women do?—A. Manual labor—mostly farming.

Q. I want you to give the worst features of the matter, without any palliation. Let me give you a case: Here is a man with a big farm; with half a dozen wives, and three times as many children; that land is all his property; it is his roof that shelters those wives and children; by the enforcement of this law those wives and children are taken away from him; we need not trouble ourselves about him; but those wives and children, what are they to do for a home, and how are they to get a living?—A. In almost every instance that farm will be found to have on it three or four houses, in which these women live.

Q. But wouldn't he turn them out?—A. How can he turn them out; where would they go to?

Q. That is exactly the question; where would they go to?—A. Well, I cannot but believe they would be in every case just as well off as they are now. Many of these Mormons have come to me and said, "You may pass what laws you please, but can never compel us to say that our wives are harlots and our children bastards." And I believe that those who treat these women well now would not cease to deal justly by them after the passage of this bill. The fact is, if these supernumerary wives are well treated now it is not by virtue of any law, for the law does not recognize their relationship.

By MR. BUCKLEY:

Q. Do you think it would be expedient for the United States government to suppress polygamy by force, knowing what you do of the condition of the Territory?—A. Yes, sir; I think it would. In the first place, I do not think that any force would be required. I do not believe, so far as this bill is concerned, should it become a law, that there ever would be twenty cases tried under it before the courts. In less than six months after the passage of the bill the whole thing would quietly dissolve itself away. Thousands of the women, with but one or two children, would take themselves out of the Territory as soon as they could get out. There would be plenty of other cases like that of the wife of Brigham Young, jr., who came to Philadelphia to visit her friends, and explain to them the beauties of Mormonism, but who has never yet gone back.

Q. It is alleged here by some, that if the question of polygamy were left to the women of the Territory they would vote to sustain it. I understand that the Mormon leaders are so confident of this, that a bill has been introduced looking to the enfranchisement of the women of the Territory. Suppose the women should say, "We are prosperous, we are happy, we make no complaint concerning polygamy; why should the United States government interfere?" What answer would you make?—A. I should expect them to talk in that way and to vote in that way. They will almost without exception vote as Brigham Young wants them to. Last fall, at a female relief society of women, Brigham Young had a vote taken on this very question. Every woman present rose voting in favor of polygamy but one, a Mrs. Gordon, an excellent woman and an excellent Mormon, believing in everything connected with Mormonism excepting polygamy. And Mrs. Gordon says that before she got home from that sociable that evening, eleven of those women who voted in favor of polygamy told her that in so voting they felt they had perjured themselves, and outraged their own feelings. She asked them why they voted for polygamy then? Their reply was, "Sister Gordon, if we had not, what would have been the result?" There is the whole thing in a nut-shell. They would have been excommunicated from the church at the

least; and six years ago they would have lost their lives. They would have come under the "blood atonement" act.

By Mr. TAFFE:

Q. Suppose the women should all vote in favor of polygamy, would that make it right for them to practice it?

By Mr. BUCKLEY:

I only wanted to see how much this statement about the women there voting for it amounted to.

Answer. The inference that, because they offer to give women the opportunity of voting, they have any regard for the rights of women, is a delusion. I will give you a case that came under my own observation. Rev. Mr. Foote, an Episcopalian minister, wanted a woman to help him about his household. A Mormon acquaintance said, "I can find you a Mormon woman who will come and work for you; but you must keep the matter as quiet as possible. She is the wife of a Mormon bishop, who hired her out to keep a boarding-house for another man; she was to receive \$40 a month; at the end of ten months she had earned \$400; her husband used to come up once a month and take the money that she had earned, and all he gave her during that time was two cheap calico dresses. She grew tired of this and left him." Well, this woman went to work for Mr. Foote. For some time everything went along very nicely; but one Saturday, as they were sitting at the table, the woman started up in terror, saying, "Mr. Foote, there is my husband coming through the gate; I will not see him;" and with that she rushed up stairs. The bishop requested to see his wife, if only for a few moments; but Mr. Foote refused, unless the woman should agree, and she would not; and the husband finally went away. Mr. Foote then said to his wife, "After I am gone to church this man may come back; if you see him coming, lock every door, and do not let him in." Sure enough, soon after Mr. Foote went to church, the man did return. He rapped and pounded away until he had roused the whole neighborhood, but finally left again. After Mr. Foote came home from church, the husband came again, and this time with another man with him. He said to Mr. Foote, "I have come for my wife, and have brought an officer with me." The wife had again hid herself up stairs, and declared she would not see her husband. The men came in and threatened to put Foote out of his house unless he would permit them to go up after the woman. At last Mr. Foote told her she had better come down. She came down, crying. The husband went over near her, and talked with her; but nothing he could say could induce her to go with him. At last, he leaned over and whispered something to her. A look of terror and despair came over her face; and the husband requested Mr. Foote to leave them for a few moments. Mr. Foote said he would go "if it was Caroline's wish." Caroline signified her assent, and Mr. Foote went into an adjoining room. In less than five minutes the woman came into the room where Mr. Foote was, threw her arms around his neck, with a half-suppressed cry of despairing agony, and said, "Mr. Foote, I will have to go with him; he threatens me—he threatened to bring the president here; *I must go.*" So she went away with her husband, and from that day to this that woman has never been heard from. Mr. Foote has scoured the country to find some trace of her, but in vain. She was the bishop's fifth wife.

By Mr. TAFFE:

Q. Does the husband claim to know nothing about her?—A. Nobody will question him.

Q. Why not?—A. He would simply get for answer, that it was none of his business. You inquire of a Mormon about his wife, and you get yourself into trouble very soon. Brigham Young told an official of the Territory that when men interfered with their wives they lost their lives by it. I do not think it would avail anything to make the search for that woman.

By Mr. CULLOM:

Q. Your impression is that she has been disposed of?—A. Yes; she has been "killed to save her."

By Mr. TAFFE:

Q. What is this "blood atonement" of which you spoke?—A. It is a doctrine of Mormon theology that there are some sins that the blood of our Saviour cannot atone for; only the blood of the individual himself can constitute a sufficient atonement. In that country, whenever a man is found with his throat nicely cut from ear to ear, no coroner's inquest is held, no question is asked, no comment is made; everybody knows that the man has suffered the blood atonement—has been "killed to save him."

By Mr. BUCKLEY:

Q. Do you think Mormonism can sustain itself when brought into contact with American institutions, by means of railroads, &c.? If left alone, will it not die out of

itself before advancing civilization?—A. No, sir; because the leaders prohibit association, so far as possible, between their own people and the Gentiles, and render it uncomfortable and unsafe for any Gentile to be among or near them. So far as railroads are concerned, I cannot see as that helps the matter any. Seventeen Gentile firms, that I know of, have left Salt Lake City since the railroad was finished to that place.

By Mr. CLEVELAND:

Q. How many Mormons are there in Salt Lake City?—A. Twenty or twenty-five thousand—nearer the former figure than the latter, I think.

Q. How many in the entire Territory?—A. About a hundred thousand, I should say, though they claim a much larger population. George Smith declares the population to be one hundred and fifty thousand; but he is the biggest liar in the whole Territory, and a deduction of fifty thousand from his statement is a very moderate allowance.

Q. Is he any relation to Joe Smith?—A. Not at all. He is first counselor to Brigham Young, and an utterly unscrupulous man. There is no doubt in the world but that he was the prime mover in the Mountain Meadow massacre. To illustrate the way they discourage Gentile immigration into the Territory: There is no question of the fact that the Territory is exceedingly rich in mineral resources, yet it is utterly impossible for Gentiles to get in and open up those mines. If a Gentile comes into the lower portion of the Territory, in the first place they charge him four or five prices for the common necessities of life. Then he is cramped and harassed in every possible way. Charges are trumped up, on which he is brought before the ecclesiastical courts, for their probate courts are nothing else. In short, they never leave a Gentile in peace, until in one way or another he is driven out of the Territory.

By Mr. BUCKLEY:

Q. You seem to attach little importance to these schisms as a disintegrating force.—A. Only so far as they tend to create dissatisfaction.

By Mr. CLEVELAND:

Q. Do you think the Mormons will fight?—A. Not a bit of it.

Q. If these stringent laws are passed, and an attempt made to execute them, do you anticipate any resistance?—A. Perhaps in some of the remote portions of the Territory there will be a few midnight assassinations, or some such demonstrations. But if they knew there was a regiment—I don't know but I might say a company—of United States soldiers within a hundred miles of them, they would not raise a hand.

Q. Have they a fire-arm manufactory?—A. I have heard it so alleged, but I know nothing about it.

By Mr. CULLOM:

Q. Mr. Beadle, who was examined by the committee yesterday, said he did not believe there were over eight thousand men in the Territory capable of performing military duty; what do you think in regard to that subject?—A. I think Beadle is right.

Q. Have you ever consulted with Mr. Hempstead, the United States district attorney, in reference to this bill, and as to whether he could enforce it, if passed?—A. Yes, sir; he thinks there would be no trouble in the world in enforcing it. He thinks, as we all do, that the only way to accomplish anything is to disfranchise these people so long as they persist in open violation of the law and defiance of the government; and when they exhibit a willingness to conduct themselves as good citizens should, let them be reinstated. I was going to add that the making of that assessment on the revenues of the church fired the Mormon heart wonderfully. Colonel Winder remarked to me, "Doctor, let me give you a little gentle warning. You had better drive slow in your opposition to Mormonism. The eyes of this people are on you; and you have probably heard of the fate of those who have opposed Mormonism heretofore." My purpose here now is to consult with the commissioner in regard to and other matters connected with the revenues of Utah Territory.

WASHINGTON, February 9, 1870.

J. H. BEADLES examined.

By the CHAIRMAN:

Question. Mr. Beadles, please state your residence.—Answer. My present residence is Corinne, Utah; I was editor of the Reporter, the Gentile paper published at Corinne; I have lived there since the middle of last April; before that I lived for eight months in Salt Lake City.

Q. The Committee on the Territories have now under consideration a bill in relation to Utah; they are desirous of learning all they can of the condition of affairs in that Territory; they would be glad to have you state anything you may know upon that point, or pertinent to the general subject of the bill, which, I believe, you have read.—A. Yes sir; I examined the bill when it was first printed, and again last evening and this morning very carefully. I regard the bill as comprehending all that is within the

power of the legislative department in connection with the subject. If anything more is necessary, it is the action of the executive branch of the government. The portions of the bill which struck me as being particularly appropriate, and indeed necessary, are, first, that which limits the power of the probate courts; second, that which nullifies their present system of voting; third, that which gives additional power to the United States marshal. These are the features which I have particularly dwelt upon in my correspondence and editorial management as editor of a Gentile paper in Utah.

Q. I think some one said you were a lawyer.—A. Yes, sir; before going west I practiced law in Evansville, Indiana.

Q. Will you state to the committee the sentiments of the people of Utah toward the United States government and its citizens, so far as you have observed during your stay in Utah.—A. The sentiments of a large proportion of them are those of either active or passive hostility to the government. With most of them it is a passive hostility; not the vindictive hate of the rebels, but something of that passive sort of hostility which we ascribe to the High Church party in England. There are three principal causes for this hostility. First, the nationality of the people—seven-eighths of them being foreign. At a rough estimate, I should say that the population of Utah might be classified, as regards nationality, about as follows: From Great Britain, England, Scotland, and Wales—one-half; from Scandinavia, Sweden, Norway, and Denmark—one-third; ten or fifteen each from France, Italy, and other countries in southern Europe; a few Orientals; twenty or thirty Sandwich Islanders; and a few Americans. The Americans, again, may be divided into two classes: The oldest converts, original Mormons, converted by Joe Smith and his co-laborers, and who are mostly from New England, New York, and Pennsylvania; and the later converts, mostly from the South—Mississippi and the Carolinas—poor whites, “far-downers,” “sand-hillers,” “mud-sills,” as they were formerly called. The foreigners could not be expected to have any love for our institutions as the result of Mormon teachings and influences, and those are the only ones that are permitted to reach them. They were formed into groups before leaving the Old World, and put under the control of a Mormon elder before they start. This same organization is kept up across the ocean, and after reaching our shores, across the country; so that they do not come in contact with the American people. So all their impressions of American character and institutions are necessarily only those received from the Mormon leaders; and these are, I may say, I think, without a single exception those of bitter hostility to the United States. It is true they boast loudly of their “loyalty,” but let the government send out there a judge who refuses to be a tool of Brigham Young, and you can soon see what it all amounts to. There is another fact, which creates a more active hostility. The Mormon church started out as a church of Millenarians. Joe Smith and Sidney Rigdon at first preached Millenarian doctrines—that is, that “the last days are at hand;” in fact, they at first adopted the name of “Last-day” Saints—afterwards changed to “Latter-day” Saints. They now teach that shortly—in a very few years, at the farthest—there will be a complete destruction, not of the world, but of this government. And the great prophecy, to which all others are subordinate, is that delivered by Joseph Smith, on the 25th of December, 1832, and first published in the *Seer*—a Mormon periodical at Washington—in April, 1854:

“WAR.

“Verily, thus saith the Lord concerning the wars that will shortly come to pass, beginning at the rebellion of South Carolina, which will eventually terminate in the death and misery of many souls. The days will come that wars will be poured out upon all nations, beginning at that place; for behold the southern States shall be divided against the northern States; and the southern States will call upon other nations—even the nation of Great Britain, as it is called; and they shall also call upon other nations to defend them against other nations; and thus war shall be poured out upon all nations. And it shall come to pass, after many days, slaves shall rise up against their masters, who shall be marshaled and disciplined for war. And it will come to pass, also, that the remnant which are left of the land\* shall marshal themselves and shall become exceeding angry, and shall vex the Gentiles with a sore vexation. And thus, with the sword and by bloodshed, the inhabitants of the earth shall mourn; and with famine and plague and earthquakes, and the thunder of heaven, and the fierce and vivid lightning, also, shall the inhabitants of the earth be made to feel the wrath and indignation and chastening hand of our Almighty God; until the consummation decreed hath made an end of all nations; that the cry of the saints and of the blood of the saints shall cease to come up into the ears of the Lord of Sabaoth from the earth to be avenged of their enemies. Wherefore stand ye in holy places, and be not moved until the day of the Lord come; for behold it cometh quickly, saith the Lord. Amen.”

Mormon theology teaches that, in accordance with this great prophecy, the United States government is very soon to be destroyed. There have been, I suppose, ten

\* The Indians.



thousand commentaries made upon that revelation. When the rebellion broke out, the Mormons supposed the appointed time had come; but as that ended suddenly, they now contend that it must soon break out again and desolate the country until there shall be seven women to one man; and then the new kingdom shall be set up, and the saints, *i. e.*, of course the Mormons, take possession of the whole country. It will be readily understood how constantly preaching that these things were soon to occur would make them constantly long for that time to come. The leaders never weary of portraying and denouncing the United States government and people. It is all nonsense to pretend loyalty to institutions and to a government that they prophesy, and desire, and expect, to see shortly done away with.

Another reason, more effective than all else in promoting active hostility among the Mormons toward the United States government and people, is found in the history of the church as they understand it, as laid down in their books, and as taught by their leaders. They are taught that, from the very beginning of the church's existence the saints have been persecuted, and murdered, and cruelly treated, and all redress and justice denied them, and all for no other reason except their religion. I have heard George A. Smith rehearse the history of the church not less than a dozen times; I have seen the tabernacle crowded with ten thousand people, all wrought up to such a furor of excitement at the recital of the outrages that the saints had suffered, that it would seem positively dangerous for a Gentile to be there. It is a part of the policy of the leaders to keep the people in a state of constant hostility to the government and people of the United States.

By Mr. MOORE :

Q. From your statement, there would seem to be a studied effort on the part of the Mormon leaders to prevent their people from coming in contact with our people?—A. Certainly there is. A man who had long been a Mormon, but afterward apostatized, told me that in coming from England by the old route, from Liverpool to New Orleans, and from there to Hannibal City, that on reaching the railroad they were put in separate cars—cattle cars—and told to have no communication whatever with the people along their route; that they were in a country where persons known to be "saints" were murdered; and consequently they must not even let the people know they were Mormons. Of course, under such circumstances, they could have no opportunity of learning the truth regarding our institutions and our people. It would be almost impossible for an eastern man to understand how a foreigner could get to the center of our country and know so little about it. I have asked not less than fifty intelligent Mormons what route they came to reach Salt Lake City; and I do not recollect more than two among them all that could give me the name of a single town along the route. A party came over from England in 1863, one of whom drove a team with me across the Plains; he could recollect the name of one place in New York State; he remembered it particularly, because there the cars broke down, and the passengers were without food for a day or two, and were furnished with provisions by the people. It was, and is even to this late day, a subject of amazement to him that "Gentiles" would give a starving man anything to eat. As I remarked, the wrongs, and murders, and religious persecutions which they say have been inflicted upon them by the people of the United States, furnish the staple of sermons and teachings by the leaders of the church. And unfortunately, upon this one point there is more harmony of feeling among the Mormons than on any other. The Recusants, the Josephites, and others, who have abandoned Brigham Young, and repudiated many of his teachings, scarcely seem to have attained to any better knowledge of the Gentiles.

By the CHAIRMAN :

Q. To return to this matter of the probate judges. Who are they, and by whom are they appointed?—A. The organic act of Utah is very loosely worded to start with. The powers conferred by its provisions are expressed in language at once indefinite and ambiguous, as if on purpose to allow of a mischievous latitude of construction. It provides for both district and probate courts, and says that the probate courts may have "such jurisdiction as may be prescribed by law." And the legislature has given to the probate courts complete jurisdiction of all matters, civil and criminal; it has concurrent jurisdiction with the courts of the United States, and in matters relating to divorce and alimony, exclusive jurisdiction. And thus the laws are made subservient to the demands of that perverted sexualism which is the basis of Mormonism; and the result is that, claiming to hold the marriage relation so remarkably sacred, there are more divorces in Utah than in any other community of the same number of people any where else in the United States. The causes of divorce are so numerous and so trivial that it is no wonder they do not wish them to come before the United States courts. Here it is that the civil jurisdiction interlocks, as it were, with the ecclesiastical jurisdiction. When a divorce is procured, the sealing marriage, which takes place in the "endowment house," is first dissolved; then a divorce is obtained, according to law, in the probate courts. For many years, Brigham divorced whomsoever he pleased, on his own motion, without any law at all, on payment of a ten-dollar fee. He boasted to his

congregation, in one of his sermons, that he "made enough by their damned foolishness in such matters to keep him in spending money."

Q. He would not swear that way, in his sermon, would he?—A. O, yes; that isn't considered swearing among the Mormons; nothing is regarded as swearing by them unless the name of God is used. But, as I was about to say, of late years it has been considered best to pay some attention to the forms of law; and now, although parties must first be divorced in this ecclesiastical way, they are afterward divorced according to law in the probate courts. Of course, these probate courts never oppose Brigham's wishes. And thus is presented a most remarkable anomaly in legislation—a community with no marriage act, but with an act providing for divorce; with no provision for the recording of marriages, but with records for the dissolution of marriages.

Q. But is there no record kept of these ecclesiastical marriages?—A. If there is, it is not known to Gentiles. It is hinted that there is such a record; and at one time, three or four years ago, the Mormons, or some of them, said they would produce that record; but it has never yet been produced, as any officer knows of. Whenever parties desire to be "sealed" for time and eternity, it is done in the endowment house, if the parties can reach Salt Lake City. What transpires in that endowment house very few women know until they are married; it is very rarely that a woman ever enters it until the occasion of her marriage; one of these was Mrs. Sarah A. Carmichael.

Q. What is the endowment house?—A. The endowment house is a large adobe building, near the northwest corner of Temple block, into which no "profane Gentile" can ever enter; it is sacred and secret. As to what occurs therein, there are three written accounts: One by Elder John Hyde, jr., who preached Mormonism for six years in England; on returning to Utah, and observing the practical workings of the institution at home which he had been promulgating abroad it was more than he could endure. He was sent on a mission, and apostatized as soon as he was safely out of the Territory. Another account is by Mrs. Marietta V. Smith, daughter of Silas Corey, of Hornellsville, New York. The third is by a lady whose name I do not now recollect. These written accounts differ a little as regards the details of the ceremony. The principal portion of it consists of a grand drama, representing the creation of the world, and of Adam and Eve in the garden of Eden; the temptation of the serpent; the fall, and man's condition after the fall; the contest among the different sects in the world, and the errors of the sects; and here comes in the holy priesthood: Peter and James and John descend, and anoint Joe Smith and others to be their successors; then the candidates are initiated into the four orders of the priesthood. In reference to the ceremony of initiation there is some difference in the accounts, probably the ceremonies have varied in different cases; but as to the penalties for violation of the oaths of the orders there is no disagreement. For the violation of the oath of one order, the penalty is to have the throat cut from ear to ear; of a second, to have the bowels slit across; of a third, to have the blood spilt upon the ground; of the fourth, to have the heart torn out, &c. These secret oaths seem to exercise a fearful power over all Mormons; even apostate Mormons, when far out of the reach of the church, and where its penalties certainly need not be feared, seem to hesitate to speak of them.

Q. Have you stated to the committee who these probate judges were, and how they were chosen?—A. I stated in part what the judiciary act provided; it also provides that the probate judges shall be appointed by the territorial legislature, instead of being elected by the people; this means, practically, an appointment by Brigham Young; the most prominent elder or bishop in each county is generally selected; in our county the probate is Elias Smith, a Mormon elder, an old Englishman, with six wives; two of them his nieces, his brother's daughters.

By Mr. BUCKLEY:

Q. Is it common among the Mormons for marriages to take place between persons so near of kin?—A. Well, not common; but sufficiently frequent to establish it as a lawful custom; I know one case where a man married his half-sister; the marriage of cousins is very common; but these, what we would call incestuous marriages, occur mostly in the southern settlements, where the people are more benighted; Brigham says that this is a part of the question of incest upon which no clear light has as yet been given; but that his prejudices prevent him from practicing it; Stonehouse says, "The prejudices of the old world cling about us yet; but when the children of the third generation of polygamists have reached maturity then you will have in these valleys the true feeling of patriarchal life."

By Mr. CULLOM:

Q. About these judges who are Mormon bishops; in what estimation are they held by the Mormons; are they looked upon mainly as judges, or as bishops?—A. As bishops rather than as judges; for instance, suppose a difficulty to arise between two Mormons; they go before one of these judges, but they call it going before the bishop, and such it practically is, for the question is decided by him in his ecclesiastical capacity, and if an appeal is taken, it is not to any superior court known to our laws, but to the Mormon high council; and the final appeal is from the high council to the

first presidency; in hundreds of miles of travel through the Territory you will nowhere hear of a judge making a decision, it is always the bishop; but in cases between Gentiles, or between a Gentile and a Mormon, then this officer acts in the capacity of judge.

Q. In such a case, where a Gentile and a Mormon are concerned, do these judges generally render an impartial decision, or do they decide in favor of their own people?—A. Well, I will do our bishop—we call him “our bishop” in accordance with the universal custom—the credit to say that, where no special interests of his religion are involved, he generally does substantial justice. He knows nothing of law; but in ordinary cases, when not instructed by the “council,” he will use his best judgment, and generally do nearly right.

By Mr. BUCKLEY :

Q. Then they are regarded as Mormon ecclesiastical officers, rather than as officers of the civil law?—A. Always so regarded. By the church they are considered and addressed exclusively as bishops; and we Gentiles, when in court before them, while we address the presiding officer as “judge,” we feel that he is a bishop. In conversation with a prominent minister recently, I illustrated the condition of affairs in Utah in this way: Suppose that in the State of Indiana the Methodists, (I referred to the Methodists because my friend was a preacher of that denomination, and to Indiana because that was his residence, and formerly mine; suppose that in the State of Indiana the Methodists were more numerous than all other denominations, so numerous as to outnumber the membership of all other denominations together, by thirty to one, (that is about the proportion of Mormons to Gentiles in Utah;) suppose that instead of being as enlightened and intelligent as they are they were as benighted and ignorant as the masses of the Mormons are, and like the Mormons, followed blindly the dictation of their bishop; suppose they should elect the bishop of their church to be governor of the State; and for lieutenant governor the officer in the church nearest the bishop in rank; for the upper house of the legislature, should elect prominent presiding elders; for the lower house, other presiding elders of less prominence; for judges of the courts, should elect the leading circuit preachers; for county officers, local preachers, &c., down to the lowest township officers. Nobody not a Methodist could be elected to any office of whatever grade; no other ticket would be in the field; the church would direct the people to vote that ticket, and in case of refusal would cut them off as apostates. It will at once be seen that the whole State would be entirely in the hands of the Methodists; the laws enacted would be based, not upon the Constitution of the United States, but upon the Methodist discipline; and other denominations—Baptists, Presbyterians, &c.—would stand as much chance of obtaining justice as Sampson among the Philistines. Now, instead of Methodists say Mormons, and instead of Indiana say Utah, and you will have some comprehension of the condition of affairs in that Territory.

By Mr. CULLOM :

Q. What proportion of the people of Utah are polygamists?—A. In regard to that matter I shall be compelled to differ with others who have testified upon the subject. I am quite confident that not over one-sixth of the adult male population of Utah are polygamists. Of course more women are polygamists, practically, than men. Some large estimates are made as to the number of polygamists; but as the numbers of the sexes are equal in Utah, it is manifestly impossible for everybody to have more than one wife.

Q. How many of these not practically polygamists are in sympathy with it?—A. I think about one-half the entire population.

Q. What is the entire population of the Territory?—A. I have made a careful estimate of the towns as far south as Fillmore, and up the Sevier River, and have compared my own estimates with the statements of travelers further south, and I think the population is from ninety to one hundred thousand. I do not believe it would reach a hundred thousand.

Q. What proportion of these are Gentiles?—A. When I left Utah there were very nearly three thousand. In Salt Lake City there were, last winter, eight hundred resident Gentiles. I made up that list from the subscription list of the Daily Reporter, from the roll of the Masonic and Odd Fellow lodges, from the roll of the Hebrew Benevolent Society, from the list of communicants of the Gentile church, (Episcopal,) from the list of the Gentile Sunday schools and day schools, and similar records; besides being personally acquainted with nearly or quite every one of them.

Q. It has been argued by some newspapers, and by others, that any law which might be passed by Congress, the effect of which should be the destruction or prevention of the system of polygamy, would produce great distress, particularly among the women. What do you think in regard to that matter?—A. No such statement was ever made by any one acquainted with the condition of affairs in Utah, I think. To any one who had ever lived there such a question would be simply surprising. The women support themselves now, and in many cases support their husbands too.

Certainly a law releasing them from their husbands could not make their condition any worse. A large majority—I have no hesitation in saying five-sixths—of the women in polygamy support themselves by their own labor. I could mention the names of leading and well-known Mormons, whose wives keep millinery shops, boarding houses, &c., or do weaving and spinning for a living. Country bishops generally have three wives, by which means a very convenient and economical division of labor is secured. One acts as housekeeper, the second is gardener, while the third does the spinning, weaving, and washing for the family.

By Mr. DUVAL:

Q. If polygamy were let alone, and permitted to continue without restraining influences, would it gradually die out, or would it become worse from year to year?—A. It would doubtless become constantly worse, if “without restraining influences;” but restraining influences are at work. The most hopeful feature of the whole affair, in my judgment, is in the fact that nearly all the young girls, those just growing up into womanhood, are opposed to polygamy. And I believe that even if the United States government should do nothing specifically against polygamy, but simply give a sort of sanction to this and other disintegrating forces, the question of polygamy would by and by settle itself, and the rising generation slough it off in the course of the next twenty or thirty years.

By Mr. BUCKLEY:

Q. It is alleged, and with some degree of force, that polygamy will cure itself, if simply let alone; that with the opening up of railroads, and the settling of the country around them, those people will be brought into contact with American institutions, and polygamy and its kindred abominations gradually fade away before the advancement of a higher civilization. What is your opinion upon that point?—A. It never would, so long as such absolute power is left in the hands of the Mormon hierarchy. They could almost completely nullify all these outside influences, and perpetuate polygamy indefinitely. But if you can in any way break the power of the Mormon hierarchy, even though you should decide to make no crusade against polygamy itself, I think these disintegrating influences would be sufficient to destroy it in twenty or thirty years.

By Mr. DUVAL:

Q. To what extent is Mormonism increasing by the accession of new converts?—A. Not nearly to so great an extent as they claim. The additions for five years past have numbered from one to three thousand a year—men, women, and children. To balance that, however, there has been considerable apostasy: so the increase has not been very great, after all.

By Mr. CULLOM:

Q. Is the increase of the population by births larger, in proportion to the population, than it is in the States?—A. No, sir; I think not so large in proportion to the number of women. I know the medico-theologians among the Mormons claim that population increases much faster under their system, but from the testimony of unbiased physicians, and of old women, who are pretty apt to know the fact in relation to such matters, I think the contrary. You see, the question is not whether one man will have more children with five wives, but whether each of those wives has more children than she would with a husband of her own. The bishop of Provost has five wives, and not a single child. As a general thing, I do not think that the wives, in households where polygamy is practiced, average as many children as the ordinary women of our agricultural communities. To this, however, Heber C. Kimball seemed to be an exception, and Brigham Young likewise. Kimball had twenty-two wives in all; at his death he left eighteen widows, eleven of whom still reside in his block—he had in all forty-one children. Yet it is not unreasonable to suppose that of those twenty-two wives, one-half, at least, should be child-bearing women—for whom forty-one children would be a small allowance. When Heber Kimball was living, it used to be noted as a curious fact that there were in Salt Lake City five men with an aggregate of seventy wives and one hundred and fifty children. The bishop of the ward in which I lived has thirty children living, and twenty dead. Another bishop, with six or eight wives, has seventeen children buried in a row, and the longest grave is not over four feet.

Q. What is the population of Salt Lake City?—A. I should say a little less than eighteen thousand.

Q. How many of the ninety or one hundred thousand Mormons—that, I believe, is what you estimate the population of Utah to be—are dependent for their support entirely upon the labor of their hands, and not upon the revenues of the church, or upon their connection with the heads of the church?—A. Nearly all; the remainder would constitute so small a proportion as not to be appreciable in a politico-economical point of view. The farms in Utah are generally small, particularly in the northern settle-

ments—say from five to twenty acres; the latter is regarded as quite a large farm. Artificial irrigation is necessary in that country, and, with their awkward system of irrigation, twenty acres is about as much as one man can attend to properly. As a result of this system of small farms, the Mormons naturally settle in communities. The whole Territory is divided into wards; and the center of each settlement is so thick as almost to amount to a village. Each of the wards has an incorporated government, with a mayor and other city officers; and has also an ecclesiastical organization, whose authority extends over all the adjacent country. The people farm these small patches of which I have spoken, and live upon the proceeds, besides paying one-tenth to the church. The great majority have but one wife. Living in that country is tolerably cheap. The region is peculiarly adapted to grazing. Utah can turn out the finest beef cattle in the world. Wheat, rye, barley, pumpkins, carrots, and turnips flourish particularly well; but for Indian corn the climate is a little too cool. Imphee cane grows luxuriantly where there is no alkali in the soil, and is largely cultivated for the molasses obtained from it.

Q. You speak of breaking the political power of polygamy. This bill, which the committee have agreed to recommend to the House, disfranchises—cuts off from the right to hold office, or to vote, or to pre-empt land—all persons actually living in and practicing polygamy. Would you, or not, regard that as being an effective means of breaking the political power of Mormonism?—A. Assuredly, I should. The most important things to be done are the removal of power from the probate courts, the disfranchisement of those guilty of polygamy, and the giving the United States marshal the power to enforce the decrees of the district court. This would completely destroy the political power of the Mormon hierarchy everywhere north of Salt Lake City, and I think in Salt Lake City, too. But when you pass the cañon of the Jordan, from there south, through what is known as the “black country,” it would be more difficult to carry these measures into effect.

By Mr. TAFPE :

Q. In Utah, do as many children live and grow to adult age as in communities where polygamy does not prevail?—A. No, evidently not; not even according to their own statistics. But I would not be understood as attributing this entirely to polygamy. It is largely the result of their fanaticism, or “reliance-on-faith doctoring;” their general prejudice against the medical profession, and practice of resorting to their priests instead, to be cured by the laying on of hands. Neither knowing nor practicing any physiological or hygienic laws, diseases and deaths are very frequent, especially among children.

Q. Have you ever heard Brigham Young preach?—A. I have, frequently.

Q. Did you ever hear him refer to the government of the United States, or to any attempt on its part to enforce the law of 1862?—A. I do not think I ever heard him refer to that law specifically. I have frequently heard him refer to the government of the United States; I heard him do some tall swearing, once, in that connection; he was giving a review of the judges that had been sent out to Utah. He began at Judge Brochus, appointed by President Fillmore in 1850, and cursed them regularly and in order down to the present time.

Q. Then there is no concealment on their part that they consider the law of 1862 a dead letter, and that they have no disposition nor intention to obey it?—A. None whatever; on the contrary, they openly put it at defiance; they say it is unconstitutional; they say the Constitution guarantees to them a local form of government; whatever bears hard on them they call unconstitutional; they regard as law whatever is expedient, and denounce as illegal whatever they do not choose to obey. The authority of the church is paramount; that they openly avow.

By Mr. BUCKLEY :

Q. You speak of the necessity of breaking the political power of the Mormon leaders; but can we strike at that political power without laying ourselves open to the charge of persecuting the people for their religious faith?—A. With the more fanatical portion—one-half the people, and perhaps more—you could not; they would regard any action as illegal which should interfere with polygamy. Do not understand me as claiming that the good effects of this bill would be made manifest immediately. I have no doubt there would be a year or two of general confusion and uncertainty. But what I say is, no class of community need suffer. So far as suffering is concerned, there could not but be, it seems to me less suffering than now; the women who would cease to be regarded as wives under the operations of the law would only have to support themselves and their children, and that they have to do now; the tithing system would be abolished; the people would be permitted to trade wherever they chose, buying wherever they could buy cheapest, and selling wherever they could sell to the best advantage. The polygamists generally, I doubt not, would shortly receive a revelation commanding them to seek some new home, and would leave in large numbers, and their places be supplied with Gentiles.

Q. Where would the Mormons go to?—A. To Arizona; it may not be generally known, but it is a fact, that the Mormons now own an entire county in Arizona.

Q. If they should determine to leave Utah on account of the action of the United States government, would they stop again inside of the United States?—A. They would for some years; they could not leave immediately. It is noticeable that the Mormons have been constantly establishing their outposts farther and farther south, until they now reach nearly to Sonora, in Northern Mexico. And these Mormon settlements extend in a band, not over fifty miles wide anywhere, and in most places not over ten miles wide; the whole constituting a sort of an arc for five hundred miles. Commencing at Malade City, in Southern Idaho, we pass through Oneida, Bear Lake Valley, Cache Valley, Bear River Valley, Salt Lake Valley—in which I include the farms along the eastern shore of Salt Lake—Jordan Valley, forty miles long, extending to Provo, and the Utah Lake district. There a new point of departure might be taken; that brings us to Mount Nebo, sixty or seventy miles from Salt Lake City, and across the big divide; we then pass Payson, Piontown, Le Van, Chicken Creek, and Salt Creek, to Fillmore, the old capital. Here again we might take a new point of departure; Sevier River runs through Southeastern Utah, and has some small settlements along its course; from Fillmore, south, you pass St. George, Washington, Harmony, Cedar City, Santa Clara, and Mountain Meadows, which brings you to the Great Desert; crossing the desert you have a little settlement on the Rio Virgin, and another on the Big Muddy—which are really in Southeastern Nevada. Below these there are a few detached settlements, extending into Arizona. The whole constitutes a belt of settlements of not less than five hundred and fifty miles in length.

By Mr. CULLOM:

Q. The bill before the committee contains a section providing for a system of proceedings in court for the condemnation and sale of property belonging to Mormons who shall be convicted of polygamy and sent to the penitentiary, or shall move away, leaving their wives and children without support—the property to be sold for the support of the women and children. Is it your opinion that there would be really any necessity for that sort of a provision in the bill?—A. I do not know that I am quite clear on that point. It is doubtful whether occasion would often arise for the enforcement of that provision of the bill. To convey to the committee my ideas on this subject, it would be necessary to preface them with a lengthy explanation of the manner in which these family matters are managed in Utah. Unless the husband is a hotel-keeper, as I have before described, the wives generally live in different places, each on a little patch of ground, a few acres; from this she obtains her own living; but it is not hers; no means for a woman's support are provided, whether the husband be living or dead; the right of dower, &c., are things unknown to Mormon law.

By Mr. TAFFE:

Q. Suppose a woman marries, who before her marriage had property in her own right; do I understand that she loses the right to that property when she marries?—A. I cannot give you the exact wording of the law upon that point. The practice is for the church authorities to take the matter in hand and settle it; and when a man dies, they divide the property up, giving so much to each widow. I do not understand that any provision is made for any legal proceedings in reference to the case. A case of this kind has arisen with our new assessor. Heber Kimball, on his death, left something to each of his children; the assessor claimed the right to tax as legacies all the bequests, except those to the children of the first wife; this of course, the church resisted, and the question has been referred to the revenue department; the decision of the department in regard to the matter, I have not learned.

Q. What do you think as to the possibility of enforcing the provisions of a law like that proposed by the committee? Do you anticipate a resistance which would result in bloodshed, or a general war?—A. I find that the idea prevails largely in the States, at least I have seen it set forth in the editorials of leading newspapers, that any attempt to enforce such a law would precipitate a furious and desolating war in Utah. One paper says it would require a standing army of forty thousand soldiers to enforce it. Now it is barely possible that by sending out three hundred men and letting the Mormons destroy them, and follow them up by three hundred more and letting them be destroyed, and so on, you might manage to aggravate a disturbance into something like military proportions. But let the government take the initiative and send out two thousand men, placing, say six hundred at Camp Douglas, and three or four hundred each at each place where a district court is held, and two or three hundred at Provo, Ogden, and Brigham City, and I would pledge my life almost that there never would be a particle of trouble.

Q. What do you consider the actual military strength of the Mormons?—A. If Brigham Young were given full and fair warning, say six or eight weeks' time, he might be able to muster eight thousand men capable of holding a musket. I have seen the tabernacle as full as it could hold, and it will hold about ten thousand people, but I

have never seen the time when a regiment of able-bodied men could be got out of it. Of the eight thousand men whom I have mentioned, the Americans and most of the foreigners living in and near Salt Lake City, have some skill in the use of arms; but as for the rest, a heterogeneous assemblage of Swedes, Danes, Norwegians, Welsh, &c., the more of them there were together, the easier they could be whipped. Give me our old regiments, the Fourteenth and Thirty-first Indiana, and I will take the contract to whip all the men Brigham Young can bring into the field.





## LAWS IN UTAH.

[To accompany bill H. R. No. 1089.]

MARCH 10, 1870.—Ordered to be printed.

### ADDITIONAL TESTIMONY.

WASHINGTON, February 28, 1870.

FRANKLIN HEAD SWORN and examined.

By the CHAIRMAN :

Question. State your residence and occupation.—Answer. I reside in Kenosha, Wisconsin; I was appointed superintendent of Indian affairs in Utah five years ago, and since then have spent the most of my time in that Territory.

Q. When were you last in Utah?—A. I left there about a month ago.

Q. By whom were you appointed superintendent of Indian affairs?—A. I was at first acting superintendent in the fall of 1865, but was appointed superintendent in 1866. I was appointed by President Johnson.

Q. State to the committee whatever you may know in regard to matters in Utah, in your own way.—A. During the time I have been in Utah I have traveled about the country a good deal, and am probably as widely acquainted as any Gentile who was ever in the Territory. I have looked over the testimony given by previous witnesses before this committee, and I think there are several points in which they have fallen into errors; perhaps not intentionally. In the first place, in regard to the statements relative to the probate courts, I think the witnesses are, all of them, entirely in error upon that point. The probate court is entirely a distinct thing from what is ordinarily spoken of as the bishop's court. The probate courts have jurisdiction of almost everything. What is usually known as the bishop's court in no way conflicts with them. One of the leading teachings of Mormonism is, that brethren should not go to law with brethren; that they ought to settle their disputes without resort to litigation; so when any matter of disagreement comes up, instead of going to law, they go before the bishop of their ward. There are twenty bishops in Salt Lake City—one to each ward; and one or two in each town throughout the Territory. As I was saying, one of the parties will go before the bishop and make complaint; upon this the bishop will send for the other party to come before him; both parties then appear with their respective witnesses; the bishop hears what they have to say, and gives his decision, without respect to law or precedent—a sort of wild equity, that is generally not far from just. In ninety-nine cases out of a hundred the parties are satisfied. At the same time, there is no binding legal force in the decision of the bishop; it is more of the nature of an arbitration. After that, or before, either party can go before a justice of the peace, or other civil court, and seek his remedy at the hands of the law. Or, on the other hand, he can appeal to the board of bishops; but this is not a legal tribunal, nor do they pretend to so regard it. It is simply their way of settling their little neighborhood disputes, without resort to litigation. Almost all the cases which in our country would be brought before a justice of the peace, in Utah come before the bishops. But cases that arise between two Gentiles, or between a Gentile and a Mormon, come before the probate court. The probate judges are not generally bishops; they are, however, generally Mormons; not always, for Judge Carter, at Fort Bridger, was a Gentile; and was elected many times. Captain Hooper this morning handed me a paper showing that of twenty probate judges in the Territory only three were bishops; I presume they were all Mormons.

Q. As a matter of fact, they are all prominent Mormons, are they not?—A. I believe they are.

Q. And many of them have a number of wives, have they not?—A. I know that some of them have. Judge Smith, probate judge of the county where I used to live, has five or six; so I have heard, at least.

Q. Are any of them married to near relatives?—A. I have heard that two of Judge Smith's wives were sisters, but they were not, so far as I know, blood relations of his.

Q. You do not know of any of them marrying their own half-sisters?—A. No, sir.

Q. What is the population of Utah?—A. I should say something over a hundred

thousand. The Mormons claim considerably more, but I think that is not far from the correct figure.

Q. What proportion of these are living in actual violation of the law of 1862, prohibiting polygamy?—A. I should say that from one-seventh to one-tenth of the adult males have more than one wife.

By Mr. BUCKLEY:

Q. You say that not more than one-seventh to one-tenth of the adult males among the Mormons are practical polygamists, living with more than one wife; how is it with the rest—are they believers in it? Is polygamy an essential article of the Mormon faith?—A. Those who do not practice, still believe it is right for them to do so. They may not themselves desire more than one wife, or may not be in a position to support more than one; but theoretically they sustain the institution.

Q. What I want to get at is this: If we undertake to destroy polygamy, will those of the Mormons who have but one wife feel that we are wronging and persecuting them by striking at an essential article of their religious faith?—A. I think they would. They take the position that the revelation of God, through Jo. Smith, is a consistent whole; and that polygamy is one of its vital doctrines.

Q. You judge that from one-seventh to one-tenth of the people are living in the actual practice of polygamy?—A. That is about the proportion, I should say. It is entirely a matter of estimate and conjecture, of course. In Salt Lake City full one-fifth of the men, old enough to be married, have more than one wife; but there is a much larger percentage of polygamists there than in the country back. In some of the farming regions, very few have more than one wife. Taken altogether I should say that outside of Salt Lake City not more than one in ten or one in twelve had more than one wife.

Q. How do those who are living in the actual practice of polygamy pretend to justify themselves in the face of the law of 1862?—A. They take the position that the law is unconstitutional. They claim that the Constitution of the United States guarantees religious freedom; that polygamy is an essential part of their religious faith, and consequently that any interference with it is a direct violation of the Constitution.

By Mr. CULLOM:

Q. Have you ever conversed with the prominent Mormons as to what course they would pursue in case there should be an attempt made to enforce the authority of the government—whether they would submit or make a forcible resistance?—A. Some of the people say they would fight sooner than give up polygamy; I do not know as I have heard any of the bishops or probate judges express themselves on that point. I have heard Brigham Young say he would never obey the law unless it was decided to be constitutional by the Supreme Court of the United States.

Q. Did he say he would obey the law if the Supreme Court should decide it to be constitutional?—A. He always expressed his confidence that if brought before the higher courts it would be declared unconstitutional.

By Mr. BUCKLEY:

Q. Is there not a party among the Mormons who do not believe in polygamy?—A. Yes, sir; there is one considerable sect, the Josephites, who claim that Joseph Smith never received any revelation commanding polygamy. Two of Jo. Smith's sons came to Salt Lake City last summer and went to preaching and made some converts; they claimed that their father never believed in or practiced polygamy. There was an argument on that point while I was in Salt Lake City. Another Smith—I forget his first name—he is a son of Jo. Smith's brother, and one of the twelve Mormon apostles—discussed this question with the young Smiths, and, to clinch the question, read the affidavits of twelve women now living in Salt Lake City, who swore that they were Jo. Smith's wives. This rather worsted the Smith boys. They did not raise any issue with Brigham except on that one point of polygamy.

By Mr. BUCKLEY:

Q. To what extent is the schism among the Mormons weakening Brigham's power?—A. I think that, in time, if no outside pressure intervenes to compel a union among them, it will become so serious as to split the church to pieces. Its leaders, Godbe, Lawrence, and Kelsey, are among the most intelligent and influential men in Utah. They have established a paper—

Q. Yes; but their paper still supports polygamy.—A. It acknowledges the revelation in regard to polygamy, but claims that the revelation has been misinterpreted. I had a long conversation with Mr. Godbe on that very point. His idea is that the marriage referred to in that revelation is entirely a spiritual affair—nothing carnal about it.

By Mr. HAMBLETON:

Q. Has there not been an election recently, which showed the adherents of this sect to be very few in number?—A. There was an election in which Lawrence was a candidate in opposition to Wells for mayor of Salt Lake City; he received 294 votes out

of the whole number cast. But then, this schism is young, and, considering the length of time since its origin, it has made remarkable progress. It has a much larger number of adherents in Salt Lake City than that vote would indicate, and has branches in almost all parts of the Territory. The fundamental point of difference between them is on the question of union of church and state. Brigham has insisted that the church authorities have the right to dictate in temporal matters, regarding business and trade, &c. Godbe and Lawrence and their faction acknowledge the supremacy of the church in spiritual matters, but not in temporal. Nearly all the business men sympathize with the new movement—the men of wealth, position, and intelligence. In conversation with Godbe and Lawrence, speaking of this bill, the latter said—and he is a very fair and candid man—that the result of any such legislation, or of any legislation which could be considered unfriendly and oppressive, would be to weaken their party, and to heal up the schism more than anything else that could possibly be done—would raise a hue and cry and unite all Mormons in defense of their institutions.

By Mr. POMEROY:

Q. Do Brigham Young and his party claim the right to exercise control in temporal matters?—A. Yes, sir. The inauguration of what is known as the co-operative movement had much to do with giving rise to this schism. Brigham and the church leaders devised the plan of having a single store, and compelling all the people to trade there. But this movement was very unpopular, and aroused a powerful opposition.

Q. Have any Gentile business men left the Territory recently?—A. Yes, some Jewish houses have left. (They call the Jews "Gentiles" in that country.)

Q. Nobody else?—A. I do not recollect of any; but there may have been. Business has been exceedingly dull in Salt Lake City of late; a good many of the Mormon merchants have gone to Ogden, and other points on the line of the railroad. Speaking of this co-operative movement, there is one point more dwelt upon by Brigham Young than any other, which has not been adverted to, as I see, by any of the other witnesses. He urges it upon the Mormons upon the ground that it is for their interest to keep money in the Territory. It has been customary for outsiders to go there, start a store, do a heavy business for a while, make money, and leave, taking it with them, by that means keeping the Territory impoverished. I heard Brigham Young make use of this illustration in one of his sermons, and it is the great point made by the Mormon leaders. He said: "Here are two merchants, living side by side, one a Mormon and the other a Gentile. Each does a large business, and each accumulates a hundred thousand dollars. The Mormon merchant expends his capital in building up houses, thus furnishes homes for new-comers, giving employment to the poor working-men and adding to the prosperity of the Territory. The Gentile takes the money which he has accumulated and carries it out of the Territory, and it goes to build up Chicago, or some eastern city, and thus strengthens the hands of their enemies."

Q. If that co-operative movement were fully carried into effect, would it have a tendency to keep Gentiles out of the Territory?—A. I think it would.

Q. Does Brigham Young acknowledge any temporal power superior to his own in the management of the affairs of that Territory?—A. No, sir. His theory is that the church is supreme. He claims that theirs is a republican system of government. The leaders are elected every six months.

Q. Is Brigham Young elected every six months?—A. Yes, sir.

By Mr. CULLOM:

Q. I see it stated that the Mormon emissaries are being sent further south to look up a new location.—A. No, sir. They are, however, extending their settlements southward. Their hobby is to become a self-supporting community, and as an important step toward this they want to raise cotton and make their own cloth, so they are extending their settlements southward to the Rio Virgin and Muddy Rivers, where they think cotton can be raised. In reading the testimony of the other witnesses before this committee I notice that there is one point which they do not seem to fully understand; that is, in regard to marriage and divorce among the Mormons. The Mormon theory is that the first marriage, as with us, is a civil contract; but after-marriages are an ecclesiastical matter, valid simply by reason of church ordinances. When a man desires to obtain a divorce from his first wife, as that is a civil contract, he seeks a release through the civil courts and applies to the probate court for a divorce; but to be divorced from a second wife, or any other except the first, as the marriage was an ecclesiastical matter, he goes before the church authorities to obtain a divorce; by them the rite is celebrated, and they only can annul it. Another fact the previous witnesses seem to have not fully understood; I refer to the matter of grants of land to the church dignitaries. Timber is very scarce in that country and difficult to get at. It grows almost entirely on the summits of the mountains five or six thousand feet above the valleys. It often costs from ten to fifty thousand dollars to make a road up a cañon to reach the timber. They have a usage that any person or association of persons constructing such a road shall have a right to control it, and collect toll to partially reimburse them for their

expenses in making the road. Brigham Young has made such a road through his property and up City Creek cañon, at an expense of at least thirty thousand dollars. He exacts as toll one-third of the wood that is drawn over it. I have known Gentiles to build roads to timber and charge toll in the same way. They do not exact the toll, nor does Brigham, because of any claim to the timber, but to pay them for building the road and keeping it in repair.

Q. Have you any idea of the aggregate amount of tithes paid to Brigham Young yearly?—A. No very accurate idea. There is but a small proportion of tithes paid in money; it is mostly in kind. I tried once, for my own satisfaction, to figure out what it ought to be. As a basis of calculation, I took the taxable value of the property in the Territory; it is assessed at about ten and a half millions of dollars. This assessment was by the local authorities, for purposes of territorial taxation. This was a year or two ago. If we estimate the increase of value of the property of the Territory at ten per cent. per annum, and that a tenth of that increase goes to the church, that would make a revenue of over a hundred thousand dollars a year. But not one-fifth part of that is paid in money. The tithing is collected by the bishops, who are the secular officers in each locality, and is likewise disbursed by the bishops. The tithing is not all collected; some refuse entirely to pay. There is no way to compel their payment by any legal process. As a general thing, however, men who claim to be in good and regular standing in the church, and desire to be so regarded, pay their tithes promptly. One thing that increases the general willingness of the people to pay their tithing is the fact that many of them have been brought to that country, and often assisted pecuniarily after their arrival there, by the church.

Q. What disposition is made of these tithes?—A. They are used for building public houses of worship; for the support of the poor; for bringing poor people from Europe to America, &c. The tithing is not used for the support of schools.

Q. They have schools in Utah, I suppose?—A. O, yes, sir; in consideration of the newness of the country, and the poverty of the people, they have very good schools; there are twenty school-houses in Salt Lake City.

Q. What school-books do they use?—A. The ordinary text-books; I do not know that I can specify them; I remember they use Wilson's series of school-readers. I should say their schools are about on a par with ordinary district schools in the States. There are schools not only in Salt Lake City, but in nearly all the settlements. The adults have about the same education as ordinary emigrants from the British Islands and other foreign countries to America; a good many of them cannot read or write; the masses are rather lower in the scale of intelligence generally than in most parts of the United States; a smaller percentage of them are well educated. About three-fourths of the Mormon population are foreigners—mostly from the British Islands, but some from Denmark, Sweden, and Norway.

By Mr. WARD:

Q. How do the sexes compare as to numbers?—A. The last census showed a slight preponderance of males; and I presume the proportion is about the same now as then. The proportion of women to men is much larger in Utah than in any other of the Territories. The men who go to Utah generally take their families; and some single women are found among the emigrants.

Q. What is there in the Mormon doctrine to attract women to emigrate there? Is there anything in polygamy for a woman to admire?—A. That has always been a mystery to me; nothing but the most blind religious zeal and devotion can account for it. I have asked a great many young women whether they could be satisfied with that sort of a life. Their answer has always been, in substance, that it was a matter of religious duty. When a husband takes another wife, the first one regards it as a grievous burden, one of their severest and heaviest crosses; but then, this is a world of trials and tribulations, and if they endure them meekly and uncomplainingly, their reward will be so much the greater in the world to come.

Q. Are there many Mormons in Nevada, and those other western Territories?—A. In Nevada there are some, but not many. They did commence a settlement near Carson City; but there was such an influx of miners that they all left. In Idaho and Arizona there are a good many Mormons. In California there are quite a number, but they are mostly Josephites—anti-polygamists.

Q. Are there any other facts or suggestions you would mention, in connection with Utah, or the bill for its government now under consideration?—A. There is one point on which I should not agree with the gentlemen who have heretofore testified before this committee; that is, in regard to the insecurity of the property and lives of the Gentiles in Utah. During all the time I have lived there, I have felt as perfectly safe as in any part of the country—safer than in any of the mining Territories adjoining it. In all those new Territories there are more or less roughs and reprobates; but fewer in Utah, and fewer instances of murder and other acts of reckless crime, than in any other of the new Territories.

Q. Is it safe for a man to preach against Mormonism and polygamy among them?—

A. O, yes, sir. There is a Gentile church in Salt Lake City, and has been for many years. At first it was a Congregational church, but now it is Episcopalian. They used to preach very vigorously against polygamy. The Mormons often invite Gentile preachers to preach in their tabernacle.

Q. Utah has now population enough to entitle her to admission as a State. Congress must act in the matter, and that soon. We must either admit her, or insist that she has some radical wrong; and if we acknowledge the latter, consistency demands that we should eradicate it. Under these circumstances, would you admit Utah as a State, without first securing the destruction of polygamy?—A. I believe that polygamy would perish of itself, in a short time, if let alone.

Q. But polygamy is *now* in full sway there; and if Utah should now demand admission as a State, would you admit her, or first endeavor to destroy polygamy?—A. I should be in favor of admitting her. I believe that polygamy would be sooner eradicated by kind treatment than by any course of legislation which they can claim is oppressive.

By Mr. CULLOM:

Q. Do you think that any action on the part of the government which should result in putting a stop to polygamy could rightfully be regarded as oppressive, when we have had a law, declaring polygamy a crime, upon our statute-books for the last eight years?—A. I do not think the law against polygamy is wrong—

Q. But to *execute* that law would be wrong—is that it?—A. I think it would be very difficult to frame any legislation to affect that matter, without being oppressive. Such a law would be in the position of the fugitive slave law in the northern States before the war. Everybody considered the law to be wrong, so nobody would obey it, and disobedience to it could not be punished. As Edmund Burke said, "It is difficult to indict a whole community."

Q. So you think that any action on our part looking to the enforcement of that law would be wrong?—A. I do not think it would be wrong, if there were any way of accomplishing it without violating the right of trial by jury.

Q. But if it could be accomplished, you think it would be right?—A. Yes, sir; as I said before, I would be in favor of putting a stop to polygamy if it could be done consistent with the Constitution and the right of trial by jury.

Q. But if it could not be done in that way, do you think it would be wrong to break it up by force?—A. I certainly think it would be bad policy; it would result in enormous expense, in a great deal of ill-feeling if not destruction of life, and not accomplish the result any quicker nor so quickly as a more considerate course. I do not say it would be wrong, but I certainly think it would be injudicious. The best thing to be done with that system is to let it alone, and it will die out of itself.

Q. So it was said twenty-five years ago, and yet it is now stronger than ever.—A. But those twenty-five years the Mormons have remained completely isolated from the rest of mankind; now, the railroad has brought them into contact with the civilized world outside, and new agencies will be brought to operate upon them. This very schism is the result of completing the railroad through that Territory.

By Mr. POMEROY:

Q. I understood you to say that on account of this co-operative movement the Gentiles were moving out?—A. Well, perhaps a few, but many more are being brought in; not so many into Salt Lake City as into the towns along the line of the railroad, but they will have all their influence in changing the tone of public sentiment in the Territory.

By Mr. WARD:

Q. If Utah should be admitted as a State, this Mormon element would have supreme control, so far as numbers are concerned, would they not?—A. Certainly.

Q. Then they could make such laws as they chose to protect their own "domestic institutions," could they not?—A. I suppose so.

WASHINGTON, D. C., February 28, 1870.

ALEXANDER MAJOR sworn and examined.

By the CHAIRMAN:

Question. Mr. Major, please tell the committee, in your own way, anything that you may know in regard to the condition of affairs in Utah.—Answer. I am not a resident of Utah; I am camped at Soda Springs, in the Territory of Idaho; I am engaged in the lumber business; I have been among the Mormon people a great deal ever since the fall of 1858; I was raised in Jackson County, Missouri, where the Mormon church first reorganized after going West; I remained there until they were broken up and driven away from the place; I perhaps know as much in reference to their condition and feelings as any outsider in America, and have been fully acquainted with their history,

except during the time they were at Nauvoo. When they first emigrated to Salt Lake City they commenced trading with me, buying stock to carry them across the plains. I was acquainted with the leading Mormons, however, before they ever went to Salt Lake City.

Q. Do you know Brigham Young?—A. Yes, sir.

Q. Have you ever conversed with him with reference to his feelings toward the government of the United States?—A. I heard him say that he had no unfriendly feelings toward the United States government, except because it interfered with the Mormons, on account of their religion. I told him it was not on account of their religion, but on account of their, I was going to say "polygamy," but he took the words out of my mouth. He said he would sooner have been in his winding-sheet than to have had that commandment come, but that the will of the Lord must be done. This was all that was said about matters between him and the United States. I have seen him since the enactment of the law of 1862, but have never had any conversation with him upon that subject.

Q. What proportion of the people of Utah are actual polygamists?—A. I never was at any pains to make any accurate estimate. If I was going to guess, I should guess from one-tenth to one-twelfth, perhaps not more than one-fifteenth, of the adult male population.

Q. What proportion of the men are married at all?—A. Almost all the men of twenty-five years of age and over. There are fewer unmarried adults among the Mormons than among us. Some of the men do not want but one wife; some of them do, but are not in a condition to support more than one, or even one. Many men who would like to have more than one cannot get any. The same reasons that operate among us to prevent young men from finding wives exist in Utah.

Q. Suppose that the government should adopt such measures as would put a stop to the practice of polygamy, would the Mormons submit, or would they resist by force; and if polygamy were abolished, in what condition would the people be left?—A. You interrogate me now upon a point upon which I feel very incompetent to express an opinion. In my opinion it would depend very much upon the manner in which such legislation were proceeded with, as to whether they would resist it or not. In the first place, I am very thoroughly impressed with the conviction that these people are as sincere in their religious views as any class of people I ever was acquainted with. The Mormons, the women as well as the men, not only those who have a plurality of wives, but those who have but one wife, or even none at all, most sincerely believe that Jo. Smith did get a revelation from the Almighty for men to take spiritual wives.

Q. Could they be made in any way to desist from the violation of the law of 1862 prohibiting polygamy, except by forcing them to do so—for instance, by convicting them in the courts and sending them to the penitentiary, or by the presence of military power?—A. Either of these things would break up polygamy, and probably break up the entire Mormon community with it.

Q. What have you to say in reference to the safety of persons and property of those who are not Mormons in Utah?—A. Well, some persons get terrified and think their lives are in danger, but I feel as safe in Salt Lake City as any place in the world.

By Mr. POMEROY:

Q. In view of the fact that but one-tenth or one-twelfth of the men in Utah have more than one wife, do you consider it likely that any law against polygamy would break up and destroy the entire Mormon settlement?—A. Yes, sir; most assuredly. It should be understood that the influential men are the only men that can live in polygamy—the men who have the energy and the brains and the business habits to make money and acquire a position, so as to become desirable for more than one wife to accept as a husband. My opinion that the attempt to enforce such a law would result in breaking up the entire Mormon community is based upon this fact: that the men who are polygamists, and who would be principally affected by such a law, are the men who exercise a controlling influence in the community. The women, even those who live as we do, one wife with one husband, are as strong polygamists as anybody else.

By Mr. WARD:

Q. How long does it take a woman to change her entire nature in that respect?—A. Well, really I never made the calculation; but you are acquainted with what we call the Sisters of Charity; they are, very many of them, very fine women, of superior talents, and high religious zeal; they possess the same emotions and affections as other women, but for the sake of their religion they forego their homes and society and all of what are ordinarily considered the pleasures of life, confining themselves in gloomy retreats, away from all society, to spend their lives in contributing to the needy or waiting upon the sick, because they deem it to be their duty, and believe it will result in a higher felicity in another world. The women in Utah, as a general rule, are just as smart and intelligent as these; their religious impulses are just as high, and their convictions just as sincere. They do not embrace polygamy because they choose it, but

because they believe it is their duty and will result in a higher felicity to them in the world to come. I was one day introduced to a party of polygamist mothers and daughters. I questioned the young ladies upon this point, asking them if they would just as soon take up with some old man with a number of wives already as to marry some young man unincumbered. Their answer was to the effect that they were ready to do their duty.

Q. When a first wife finds herself superseded by other wives, do you believe that her conscience and judgment actually assent to this doctrine of polygamy?—A. I do.

By Mr. BUCKLEY:

Q. They do it from a sense of duty?—A. Yes, sir; duty is all that they look to. They are taught that the raising of children is woman's destiny; when she does that in a laudable and lawful way she is filling her proper sphere. The Mormon women do not expect to have the entire devotion and affection of one man; that is not their intention when they marry.

By Mr. CULLOM:

Q. She understands from the beginning, then, that she is to be only a fraction of a wife?

By Mr. WARD:

Q. If these wives have so strong a sense of duty, is it not slanderous toward them to say that if this law of 1862 is enforced and they are released from their husbands they will become prostitutes or anything of that kind? If this law were enforced, have we not a right to hope that these ladies will live virtuous lives and seek to make an honest living?—A. Certainly, sir, so far as they can; but a law which, if enforced, reduces the wife to the condition of a common woman—

By Mr. BUCKLEY:

Q. No; not a common woman, but simply an unmarried woman.—A. It is a very delicate question, gentlemen.

By Mr. CULLOM:

Q. Mr. Major, there is a law upon the statute-book of the United States declaring bigamy to be a crime; in your judgment, ought that law to remain on the statute-book or to be repealed; and if it remain, ought it to continue a dead letter, or ought the government to enforce it?—A. Well, I must say I do not consider that it is a very wholesome thing for a community to have laws enacted and not to enforce them. If I had the administration of the law myself, with my knowledge of the condition of affairs in Utah, I certainly should not make any attempt to enforce the present law. I would either repeal the law or wait till some other time before attempting to enforce it.

By Mr. WARD:

Q. Is not the population of Utah now large enough to entitle it to admission as a State?—A. It is.

Q. If the inhabitants should claim admission as a State, what would you do?—A. I would admit them.

Q. With polygamy?—A. Yes, sir; with polygamy. I would let a hundred thousand polygamists come in contact with forty millions of people claiming, at least, to possess a higher civilization. They are paying their taxes; they are behaving themselves in all respects, except as regards polygamy, as well as any other community within our boundary. If the government should get into trouble, and should call upon them for troops, I have no doubt they would furnish them.

Q. How many troops did they furnish the government during the rebellion?—A. We never asked them for any.

Q. How many did they furnish the other side?—A. None, that I know of. I never heard of a Mormon going to war on either side.

By Mr. BUCKLEY:

Q. Mr. Head has testified that, in Utah, the State is placed beneath the church; that the government is ecclesiastic rather than civil; would you admit a Territory, and permit that condition of things to continue?—A. I do not think that Brigham feels himself to be supreme over the government, except so far as church affairs are concerned—affairs that do not come into conflict with the organic law of the Territory.

Q. I understand that Brigham Young considers himself the head of the church, and the controller of civil affairs as well as ecclesiastical; would you be willing for that form of government to continue in any State of this Union?—A. I understand that to apply to the settlement of their own affairs, and not to matters that would be within the province of State legislation. There is no controversy between the Mormons and the government, except on this one question of polygamy. The men and women there have grown up in polygamy—

By Mr. CULLOM:

Q. Well, we do not propose to kill them, but we do propose to stop polygamy, if we can.—A. They would certainly consider it as oppressing and persecuting them for their religion.

Q. Notwithstanding, it would only be the enforcement of the law of 1862.—A. Yes, sir; I recollect that last August or September I was in conversation with one of their presidents, (they have three presidents.) Several congressmen had been there recently on an excursion. There was considerable discussion regarding the difficulties between the Mormons and the government. These leading Mormons alluded to the oppression they had endured from the government, and from the Gentile world. I said, "Gentlemen, you ought not to complain of these persecutions, for you acknowledge that they have done a great deal to build you up." He had admitted that they had, but that, notwithstanding the benefits which had resulted, he thought none the better of their persecutors. I stated, I believe, my firm conviction that life and property were as safe in Utah as in any other community in the Union. I have been in that country much with herds of stock, and men attending them; and the Mormons never troubled me, nor did I ever know of any Mormon interference, except when they burned the trains and took off the stock, to defeat the government's object in getting there.

By Mr. WARD:

Q. Did you ever hear of any murders in that Territory?—A. O, yes.

Q. Do you not believe that Dr. Robinson was murdered?—A. Yes; I have reason to believe so.

Q. Do you not regard that as the result of Mormon interference?—A. Well, I cannot say. I never heard of any investigation of the subject. The people outside say it was the Mormons who did it, and the Mormons say they did not.

Q. You have always had friendly relations with the Mormons?—A. Yes, sir; I have always had pleasant relations with them.

Q. You have rather agreed with them upon these matters?—A. Well, I have never made it a point to denounce their religion.

Q. You probably sustained valuable business relations with them?—A. I have traded with them, sir, to an extent of hundreds of thousands of dollars.

Q. Your views were as well known to them as they now are to this committee?—A. Yes, sir; of course, my views were known to them.

By Mr. HAMBLETON:

Q. You have expressed your opinions of polygamy to them?—A. In conversation with them I have asked their views and reasons, and have never quarreled with them or abused them. I have told them that if it had been revealed to them, it was, of course, a matter which I had no means of knowing.

Q. And did not propose to interfere with?—A. Of course, I did not propose to interfere with them.



## VAN WYCK vs. GREENE.

FEBRUARY 3, 1870.—Laid on the table and ordered to be printed.

**Mr. R. R. BUTLER**, from the Committee of Elections, made the following

## REPORT.

*The Committee of Elections, to whom was referred the case of contest from the eleventh district of the State of New York, to wit, Charles H. Van Wyck vs. George W. Greene, presented the following report:*

The majority for the contestee as returned is three hundred and twenty-three. The contestant gave notice of his intention to contest as required by law, and in said notice he specified upon what he relied and expected to prove. Contestant charges fraud and illegality in issuing naturalization papers, and illegal voting, and that the board of inspection of registry and election acted unlawfully and fraudulently. The contestee denies all the allegations, and in his answer charges fraud and illegality in issuing naturalization papers in the interest of contestant, and illegal voting, and the use of money to hire and bribe voters by contestant and his friends, but admits that the naturalization mentioned was irregular.

The first to determine is, was the naturalization of foreigners, as shown by the proof, who participated in said election, done in compliance with the laws of the United States and the State of New York, and can we give it our sanction? The law as decided by the supreme court of the State of New York, (see Barbour's Reports, Vol. XVIII, page 444.) In that case the court said the powers upon courts in admitting aliens to the rights of citizenship are judicial and not ministerial or clerical, and consequently cannot be delegated to the clerks, and must be examined by the court itself. An examination must be made in each case sufficient to satisfy the *court* of the facts upon which the application is based, and upon which it must fail if not proven to the satisfaction of the court. The court, in the same case, adds: "The practice of clerks of courts in issuing certificates of citizenship without any application being made to the court, and on proof of residence only, is an abuse which needs be corrected." How utterly disregarded was this decision of the highest court in the State in the naturalization of foreigners in the eleventh district of the State, where the decision was made. By reference to Schedules B, C, D, and F, beginning at page 133 of the printed evidence, it will be seen that in the months of September and October, 1868, the two months preceding the election in the aforesaid district, there were naturalized eight hundred persons in one county, to wit, Orange. Contestee admits that there were naturalized in said county of Orange, it being one of the counties composing said eleventh congressional district, in the year 1868, eight hundred and thirty-five persons, (see his brief, page 4, at the top.) Contestee states that the answer to the number so naturalized is exceedingly

plain, as one-third of that number came from counties outside of said district, and to sustain his statement he refers to the testimony of Louis Cuddeback and King Chandler, on pages 188 and 189, printed evidence.

On looking to the proof as per Schedules B, C, D, and F, we find that Cuddeback only issued about two hundred of the certificates of citizenship, and out of eight hundred and thirty-five issued in said county of Orange, consequently he did not occupy the position to certify satisfactorily on that point, as three-fourths of said eight hundred and thirty-five had received their papers from his deputies and special deputies, and at various places. Another excuse is given by the contestee for the large number naturalized in said county during the year of 1868. That is, that it was the first presidential election since the rebellion, and that during the rebellion that foreigners would not file their declarations of intention to become citizens to avoid the draft, and that naturalization was during the war to a considerable extent suspended. There might be something in that statement; but as a historical fact we know that in the year 1866, more than a year after the surrender of the rebel armies, New York elected a governor, members to the State legislature, and members to the fortieth Congress, and the contest between Governor Fenton and Mayor Hoffman was bitter and excited, and during that year the usual number only were naturalized, to wit: from fifty to one hundred. But in two months eight hundred foreigners are as by magic changed from aliens to citizens of the United States, ready and anxious to contribute their mite to the party who put in motion the easy-going machinery that so suddenly and conveniently made them citizens. By reference to Schedules B, C, D, and F, it will be seen that the name of Patrick O'Brion is put down as a witness for forty-seven persons to obtain their naturalization papers. The evidence discloses the fact that there are four Patrick O'Brions, and they are all sworn as to their being witnesses as aforesaid. Patrick No. 1 (see page 26) was a witness for three. Patrick No. 2 (page 18) was not a witness for any one. Patrick No. 3, a witness for one, (pages 30, 31,) and Patrick No. 4 for one. So forty-two are disclaimed by the Patrick O'Brions. The proof fully and satisfactorily establishes the fact that the clerks and deputies issued naturalization papers at various places other than in court. Louis Cuddeback swears (see page 188) that at one court he appointed four deputies to make out naturalization papers, and that they operated in a jury-room, and that he (Cuddeback) made it a rule to visit said jury-room and see how they were getting along, and to see that they did it right. That on that occasion he was ill, and in going to the water-closet he would call in as he went by the jury-room; and that the judge took no part in the business, (see page 192, at the top.) Owen Pilley swears that he received his papers at the engine-house, and that there were one hundred others there who were brought up from the coal dock in wagons, (see page 27.) Lewis E. Carr, on page 94, swears to the manner of proceeding in naturalization cases in Newburg, in said district in October, 1868.

LEWIS E. CARR sworn for Mr. Van Wyck:

Q. Question. Where do you reside?—Answer. Port Jarvis.

Q. What is your occupation?—A. Lawyer.

Q. Was you present at the court in September and October while persons were being naturalized?—A. I was at the court in Newburg in September, and at Goshen in October.

Q. Tell us what you saw as to the mode and manner of naturalizing.—A. I think the court opened at Newburg about 11 o'clock a. m. There were many there to be natu-

ralized. The confusion became so great that the clerk gave notice that Mr. S. E. Dimmick would go in the petit jury room and issue papers there. Mr. Dimmick then left the court-room, and a great number followed him. The crowd continued great, and the clerk said Mr. W. J. Dickson would go down in the grand jury room and issue papers there; he left the court-room and a portion of the crowd followed him. The clerk continued issuing papers at the desk for some time, and a very little business was being done by the court; and at about half-past 12 the judge came down from his desk and whispered to the clerk that if he didn't see him there the court was open all the same. He then took his hat and left the court-room, and did not return until some time past 2 o'clock. Soon after that Mr. Dickson returned to the court-room, took his seat inside the bar, and commenced issuing papers there. They continued issuing papers until after two o'clock, until about all in the court-room had got their papers. That was about all I saw at Newburg; there were, I thought, during the time I was there, about one hundred naturalized.

Q. Did the judge take any part in the naturalization in any way?—A. No.

Q. You say you was present at Goshen; how was naturalization over there?—A. There was a special term of the county court held at Goshen, and they were naturalizing people there; I was present.

Q. How was it done there?—A. The clerk issued papers in the court-room, and Mr. Elliot, the deputy clerk, issued them down stairs in the sheriff's room.

On page 36 we have the evidence of George H. Clark as to Schedule C; also the time and illegal manner in which the clerk Cuddeback did business, to wit:

GEORGE H. CLARK SWORN for Mr. Van Wyck:

Question. Where do you reside?—Answer. Newburg.

Q. What is your profession?—A. Lawyer.

Q. Did you visit the clerk's office of this county; and if so, when?—A. In the month of October last, I think.

Q. For what purpose?—A. To examine the record as to the naturalization papers granted at county court in Newburg, in same and previous month.

Q. Did you examine record and get copies of same?—A. Yes.

Q. Have you those copies with you?—A. I believe I have.

Q. Will you state what facts you obtained?—A. First, I found men naturalized upon their first papers. They were signed by different clerks, Cuddeback, Dickson, Dimmick, Shaw, Millspaugh. Next, the time when each got first papers, and the clerk who signed them. Next, when second papers were obtained, and clerk who signed them; and witnesses to second papers. I found in the case of Patrick Flynn, who obtained his first papers, in February, 1866, that his second papers were obtained September 28, 1868, signed by L. Cuddeback, without a witness. In case of James Gorman, first papers obtained October 31, 1866, at New Jersey, Stont, clerk; second papers obtained September 28, 1868, signed by L. Cuddeback. Robert MacFarlan obtained first papers October 23, 1866, and second papers September 30, 1868; last papers signed by W. T. Shaw, as special deputy clerk.

Q. Does the paper shown you contain the names, together with the kind of information you have stated, of all the persons which the county records show were naturalized on presentation of first papers at county court in Newburg, in September and October last?—A. To the best of my belief it does.

(Mr. Van Wyck offers the paper spoken of in evidence. Objected to on the ground that it is not a certified or exemplified copy of the record of which it purports to give information, and that it is improper. Received, and marked Schedule B.)

Q. Did you ascertain from the records the names of other persons naturalized at same court?—A. I did; they purported to be persons naturalized on the ground that they were under eighteen years of age when they came to this country; I found the name of the clerk who signed the separate papers, the dates when obtained, and the name of the witness.

(Paper shown witness.)

Q. Does the paper contain all the information which you obtained from the records as to that class of persons at the Newburg court?—A. I believe it does.

(Paper offered in evidence. Objected to on same grounds as last above. Received and marked Schedule C.)

Q. State any other fact you obtained which appears on Schedule C.—A. I found that out of the number naturalized under eighteen, the greater portion of the applicants and witnesses signed their names by making their marks; no residence given of naturalized persons.

Q. From the said records did you obtain any information as to another class of persons naturalized at the same court?—A. I did.

Q. State it.—A. Those that were obtained on the purported ground that they had been in the military service of the United States, I obtained the name and residence

of the individual naturalized, the date of his papers, and the name of the clerk or deputy who signed them.

(Paper shown witness.)

Q. Does this paper contain that information?—A. I believe it does.

(Produced—objected to as before—and marked Schedule D.)

Q. Were these records furnished you by the county clerk in the county clerk's office?—

A. Yes; and told me by him to be the complete list of the names of the persons naturalized at the county court in Newburg, held in months of September and October last.

Cross-examined:

Q. How many persons appear to have been naturalized of the class stated in Schedule B?—A. About ninety.

The testimony on the subject of naturalization is very full, and clearly establishes the fact that the law was totally disregarded and frauds perpetrated. The clerk, and all his deputies, regular and special, were demerats, and worked in the interest of their political friends. It further appears from the evidence that, before the said election, public attention was directed to the frauds practiced in obtaining naturalization papers in said county of Orange, and that the district attorney made an effort to have the matter investigated by a grand jury of the county; and that after the subject had been before the grand jury several days the foreman notified the district attorney that he would not act on the cases, and had destroyed a part of the testimony taken before the jury, and would not surrender the same to the district attorney, as the law directs. And the facts and circumstances warrant the assertion that the democratic judge winked at the same. See the evidence on pages 41 and 42. as follows:

Q. Was general attention called to election and naturalization frauds in this county and your ward before election?

(Objected to.)

A. There was.

Q. Was any investigation made with the view of ascertaining illegal and fraudulent naturalization papers and illegal votes on the registry lists; if so, when, and where, and by whom? State fully.—A. The only investigation I know of was an investigation before the grand jury on complaints against parties whose names appeared as witnesses for various persons in obtaining their naturalization papers. I was at that time district attorney of the county, and subpoenaed the clerk of the county, who appeared and produced before the grand jury the affidavits upon which certificates of naturalization had been granted. On that examination I subpoenaed before the grand jury the affidavits upon which certificates of naturalization had been granted. On that examination I subpoenaed before the grand jury many men whose certificates had been granted but a short time previous by the clerk of this county and deputies. Now I do not know that I should state what took place on the examination of these men before the grand jury, because I was district attorney.

(Mr. Greene objects to witness disclosing any of the testimony given before the grand jury by witnesses subpoenaed before them on this or any other subject, for the reasons that he was the prosecuting attorney of the county, acting officially; that the minutes of the grand jury are the property of the grand jury until delivered up to the prosecuting officer, and that the giving of such testimony is to contravene and defeat the whole object of grand juries; and again, that the minutes themselves are the best evidence of the testimony taken before the grand jury.)

Witness states minutes are not in existence.

Mr. Greene asks that the witness be required to state the source of his information as to the non-existence of the minutes; and witness answers: My information is derived from a communication made by the grand jury in open court to the court prior to their discharge.

Mr. Wilkins for Mr. Van Wyck, insists on the witness proceeding.

Mr. Greene objects.

The register rules that he cannot require witness to disclose testimony taken before the grand jury while he was district attorney; but if the witness pleases he can proceed.)

One witness was subpoenaed against Patrick O'Brien. The affidavits on which he got his papers were shown to him, signed by Patrick O'Brien, by making his mark. This witness was the person naturalized.

The affidavit signed by him purported to show he came to this country under eighteen years of age. His evidence was that he was between thirty and forty years of

age when he came here, or older—I don't remember the exact age; that he did not know Patrick O'Brien; that he did not know who he was, while the affidavit signed by Patrick O'Brien to such papers purported to show that he had known this witness for the last five years, and that he came to this country under eighteen years of age.

There were other parties who had obtained naturalization whose witnesses on obtaining such certificates were Patrick O'Brien, which certificates were obtained on the ground that they arrived in this country under eighteen years of age, but who testified before the grand jury they were over eighteen years of age when they came to this country.

This testimony was taken by the clerk of the grand jury, and I think I conducted the examination or the greater part of it.

This examination ran along through two or three days, and just before the grand jury were being discharged I was informed by the foreman, in response to an inquiry I made, that they did not propose to act upon these cases. I then asked the clerk of the grand jury for the minutes of the evidence given before such grand jury, and was informed by Mr. Thomas Chrystie, the foreman, that a portion of the evidence had been destroyed. I told him I then wanted the balance of the evidence; that it was usual and customary for grand juries to leave with the district attorney all evidence taken before them, whether indictments were found or not, and I never knew of an exception being made in this country to that rule and custom.

Mr. Chrystie said he would not give them up to me unless he had to. I told him I should apply to the court for instructions as to what should be done. He had the subpoenas that I had issued for the subpoenaing of these witnesses. He at first refused to give the subpoenas back to me. I told him they were my property; that they had been returned to me by the officers serving them, and those officers would expect that I would hold them as my vouchers if I did not deliver them back to them. After some words I got the subpoenas.

Judge J. F. Barnard was then holding the circuit court and court of oyer and terminer. A few minutes after my conversation with Mr. Chrystie, the foreman of the grand jury came into court, presented their indictments, and informed the court they had no further business. I then stated to the court, in the presence of the grand jury, that such grand jury refused to give me the evidence taken before them; that they had destroyed a portion of it, as they had informed me, and were going to destroy and threatened to destroy the balance.

I will here say that Mr. Chrystie informed me that they were going to destroy the evidence before they went into the court-room.

I then took the section of the law relating to grand juries, and Judge Barnard said he would read them the provisions of the law applicable to this question, but that he had no power to compel the grand jury to give me the minutes.

He then read them the section of the law, as follows:

"The revised statute provides that every grand jury may appoint one of their number to be a clerk thereof, to preserve minutes of their proceedings and of the evidence given before them, which minutes shall be delivered to the district attorney of the county, when so directed by the grand jury."

After he had read them the law, I objected to his discharging them until they should act upon the question, and determine whether the clerk of the grand jury or myself should have the custody of the minutes. He said to them: "Gentlemen, you may just as well meet this issue now. You had better retire to your room and dispose of this matter or question. Before you go I will again read to you the law;" and he again read over to them the section above stated.

The grand jury went down to the room, were gone about five minutes, returned into the court-room, and informed the court that they had voted or agreed to destroy the minutes, and they had destroyed them.

The court then discharged the grand jury.

I stated to the foreman and the court, both, that all I asked was that they should either allow the clerk of the grand jury or myself to keep the minutes, so that they might be found afterwards if they were wanted; and I farther stated that the statute required them to be preserved and not destroyed.

Those minutes I never saw afterwards, and supposed they were destroyed as stated by the foreman of the grand jury.

(This court was held in the city of Newburg, October 28, 1868, after the registration had commenced, and before the election, and after the holding of the county court referred to, at which such large naturalization was had.)

The naturalization established by the foregoing evidence was in the interest of the contestee. It further appears from the evidence of Joseph Crawford, a witness offered by the contestee, that a clerk, who was engaged in the naturalization business just before the election of 1868, proposed to furnish witness eight hundred or one thousand naturaliza-

tion papers at a discount, provided they were for democrats. See his testimony, pages 158 and 169, as follows:

Question. Where did they get their papers; at which place?—Answer. I can't tell which court they got them in.

Q. In which of these places did they receive their papers, in Center street or the corner of Chambers and Center streets?—A. I don't know where they got them; they got them themselves.

Q. Did you not see naturalization papers handed these men in one or the other of the places mentioned by you?—A. I did not.

Q. Did you say to James Fitzgibbons that he could go up town on business, if he wanted to that day, and that his papers would be got for him?—A. Not to my recollection.

Q. What part did you take in assisting these men to get their papers, any other than what you have stated?—A. I came down here to Goshen, on the 19th of October, with ten men, to help to get them their papers. I went up, and the court-room looked to me like a democratic machine. I worked some time to get these men through. Mr. L. Clark was in the court-room; he was getting up all the papers that there were in the room that were democrats; stood there with them in his hand at the clerk's desk, behind the clerks, and I waited for a long time to get a chance for these men; finally I slipped the papers to one of the constable's hands—don't know his name—acting there; he put them on the clerk's desk, and after a while I got them through. I then came down stairs; I found George Millsbaugh sitting at this table in this room; he had a lot of papers before him. I then went to the sheriff's room—little room on other side; there found them making out papers there. I went to New York, as before stated, and went into this place at the corner of Center and Chambers streets. I found I was in the wrong place. I then went to Center street democratic headquarters; there I found men who took charge of these men that I took down, or went down with me, and put them through. I also saw the clerk of the court; he offered to furnish me eight hundred or one thousand papers at a discount. I told him I lived in the upper part of the city, and he told me to come down in the morning and give him the names, and he would furnish me the papers the next morning, but I did not go. I believe that is all.

Q. How did you get these two papers?—A. Through this democratic clerk of the court.

Q. How do you know he is a democrat?—A. He told me he was, and that he would not give me one for \$200 for any other purpose than a democrat. I told him I was a democrat.

That witness was offered by contestee, and thereby advertised to be truthful.

The contestee charges that persons were illegally naturalized in the interest of the contestant, and on page 14 of his brief gives the names of the witnesses to establish the fact. It appears from the evidence that some sixteen persons were taken to New York and naturalized, and, it is reasonable to suppose, in the interest of the contestant. Of that number some of them did not vote, as appears from the evidence of James Fitzgibbons, page 32, relating that he was one of the sixteen, and voted the democratic ticket. Patrick Tyrell, page 19, obtained papers, but did not vote. Two papers were, in addition, brought from New York by Young or Crawford. The contestee states in his brief that, in addition to these above named, one Anthony Gallani voted on bogus naturalization papers, but in looking to his evidence, as cited by contestee, he denies to have been one of the sixteen taken to New York, and was entitled to his papers if the proceedings had been regular. Contestee, at same page, cites Heman Lewis as an illegal voter, when the proof fully shows he was legally naturalized, and had all the other qualifications of a voter, (see his testimony, pages 164 and 165.) Contestee states on page 18 of his brief that Augustus Klemans, John D. Van Vooris, George Lipp, John Ryders, John L. Lobin, William Hall, John J. Basem, jr., Clodius Burard, Edward Mackey, John P. Duboins, and Thomas Rise voted without being entitled thereto, and cites to prove the same the testimony of William Avery, pages 220, 221, and 222. On examination of the same we find no proof to show that Van Vooris was not entitled to vote; but the proof shows that Klemans was

not entitled to vote. Same witness swears that George Lipp was entitled to vote, as he was a soldier, and that John Ryners was not a voter in the place he voted, and that John L. Lobin was not a voter, and that said William Hall voted the democratic ticket; also, witness proves that John J. Basem was a clerk at New York; also, that Clodius Burard was not a voter, and that Edward Mackey, John P. Dubins, and Thomas Rice lived at West Point. The cross-examination of the witnesses is not very satisfactory about some of those who, he states, were not entitled to vote, but take it to be true as stated, and it shows that nine out of the eleven were not entitled to vote, and one of that number voted the democratic ticket. Contestee states also in his brief, page 18, that David S. Hadley, John F. Miller, John Fritz, Charles H. Van Wyck, Joseph Rodgers, and Robert Barton were not entitled to vote, and voted the republican ticket; and cites, to prove the same, the testimony of Andrew J. Bell, pages 78 and 79 of the rebutting testimony, and evidence of William Jordan, pages 10, 11, and 12, same evidence. The proof is not satisfactory, but tends to show that most of those persons, except General Van Wyck, were in government employment at Washington, and went home to vote, and were duly interrogated at the polls. The proof shows that General Van Wyck voted at the same precinct where he has always voted.

Contestee further states in his brief that the testimony shows that Charles H. Van Wyck, on election day and the morning following, declared that he would have the seat of the sitting member if he was beaten seven hundred; that he would contest the same, and he would get the seat; thus prejudging and presuming that the committee and the House would do whatever he might, for his personal advancement, require of them, whether sustained by the testimony or not. When we look to the proof, we find that it did not warrant that remarkable statement of contestee. Let the witness speak for himself:

Question. Did I say anything about fraudulent or illegal voting when I spoke to you about contesting the election?—Answer. I think you did.

Q. What did I say?—A. I think your remarks were something like this: "That if we did not beat you by more than 900 or 1,000 you would contest the election, as you thought we were going to get more fraudulent votes than that."

Q. Was anything said about the character of these fraudulent votes?—A. I should think not.

The evidence as to the illegal voting of Andrew Schultz, Abram Bowle, Lyman P. Brown, Jacob R. Schultz, Bently King, and Hollock Titus, is not satisfactory, (see the testimony of Robert E. King, pages 227 and 228.) The proof shows that Whitney Wood voted the republican ticket, and was not entitled to vote. The proof also shows, page 177, that Hugh Milliken and Hiram Comfort voted the republican ticket, and they were illegal voters. John Sanders also voted, and was not entitled, (see pages 196 and 197.) William Taylor voted illegally the republican ticket, (see page 200.) Contestee says on page 19 of his brief, that D. F. Tozer voted illegally, but the witness says he don't know whether he voted or not. James Crane also voted the republican ticket and was not a legal voter. The contestee, on page 20 of his brief, gives the names of eight persons who, he says, voted the republican ticket and were not entitled to vote, and cites the testimony of David G. Star, (pages 127, 128, and 129;) but on page 129 witness states that he did not see them vote, nor knows how they did vote. James Ross and Charles Newman voted the republican ticket and were not entitled to vote, (see Patrick O'Conner's deposition, page 15 of the rebutting testimony.) Contestee states the evidence of Charles C. Dell, to show that two colored men voted who had not the property qualifications

required by the laws of New York, but he don't know how they voted. Thus it is plain from the evidence that illegal votes were polled for both contestee and contestant. The next question that presents itself is, for whom did the persons vote, that voted upon the illegal naturalization papers, and who were disqualified otherwise, and whether the election inspectors conducted the election in such a manner as to authorize and justify the committee in disregarding the vote of certain wards and districts in said congressional district. If the eight hundred and thirty-five foreigners who were naturalized (as admitted by the contestee) in Orange County, in the year 1868, by the democratic clerk and his democratic deputies, are held to have been unlawful, and they voted in the interest of the party that controlled the convenient machinery for naturalization, it will give the contestant several hundred majority, after deducting all found to be illegal, for him.

In the city of Newburg, First ward, Jesse Merit, a witness on pages 48, 49, and 50, states that 110 voted illegally, and that number was only a part in his opinion who so voted at said precinct. In looking to his testimony, he proves that Schedule A, page 48, contains 140 who voted illegally. The names are given, and by looking to Schedule C, pages 135, 136, 137, 138, 139, 140, and 141, seventy-five of these names will be found, which establishes beyond any question that number as being illegal; the witness states that about seventy voted on these papers, and when the list is examined and compared with Schedule C, we find that there were seventy-five, which shows that this witness is quite accurate in his recollection. Also, on page 51, same witness presents a list of thirty-one who voted at said precinct illegally; eight of that number is to be found on Schedule C, which added to the seventy-five makes eighty-three who voted, illegally, the democratic ticket; and the same witness testifies that he was well acquainted with the voters of the district, and that his lists contain one hundred and seventy-one who voted, and illegally. John H. Drake, a witness for contestant, begins his evidence on page 39 and concludes on page 44, and corroborates and strengthens the evidence of Merit, in the number of illegal votes cast in said district, and places the number of persons who voted on taking the general oath at one hundred and fifty; but his testimony on that particular point is not so satisfactory as Merritt's, for Merritt swears he was well acquainted with the voters of the district, and that the lists he presented contains the names of those who voted illegally. And the contestee presents no evidence to disprove the fact, and the committee finds that at said district one hundred and forty voted for contestee who were not entitled to vote. The town of Hamptonburg next claims the attention of the committee, and from the evidence of James H. Jackson, page 61, it appears that the inspectors refused to comply with the law in putting the preliminary oath to those challenged, and from the evidence of Henry Leonard, page 63, they persisted in violating the election law, until one hundred and sixty-two had voted, out of a poll of two hundred and seventy-one. Doubtless the democratic inspectors knew that all had voted who would be prohibited by the preliminary oath, and when the one hundred and sixty-two voters applied to vote, they became very much in favor of complying with the law. The testimony is very satisfactory as to the unlawful misconduct of the inspectors, but not so satisfactory as to the number of illegal votes polled; but the best proof places the number at twenty-eight, (see page 63.) The testimony bearing on this district is to be found from page 60 to 65. The conduct of the inspectors at the first district of Goshen was very unbecoming men, discharging a public



duty, and they were aided and encouraged by those who knew better, and should have endeavored to uphold and sustain the law, rather than encourage and advise to violation of the same. David Redfield, a witness, who was an inspector of the election in said district, but who was in a minority and was compelled to submit to a majority, presents a lamentable state of facts, (see his testimony, commencing on page 87.) From his testimony, forty voted on illegal papers for the contestee. As to the partial and unlawful proceedings and illegal voting, he is strengthened and corroborated by the testimony of Jerry Mapes, on pages 78, 79, and 80, and of Henry C. Duryea, on pages 81 and 84; as the witnesses differ as to the number, the committee places the number at ten, the lowest figure.

The proof as to the first district of Newburg will be found on pages 33, 34, 35, and 36. Daniel T. Weed swears that he had resided in the district about thirty-eight years, and knew most of the voters, and that more than nineteen voted on illegal papers the democratic ticket. At the Fourth ward of Newburg, Thomas Booth, a witness, swears on pages 37 and 38 that he had resided in said ward over thirty years, and knew the votes of the same, and that fifty-one or fifty-two voted illegally the democratic ticket, and there is no evidence to rebut the same. At the Second ward of Newburg, Thomas McAlles, on pages 45, 46, and 47, swears that he has lived in said ward fifteen years, and knows the voters, and attended said ward as an inspector, and that fifty voted on illegal papers for the democracy. He swears from a list he had in his possession. No evidence appears to rebut the same. Also at the Third ward of Newburg, on pages 44 and 45, John Corwin, an inspector of registry and election in said ward, had lived in the ward nearly two years, and in the city thirty years; knew most of the voters, and that nine or ten voted for the democracy on illegal papers. No rebutting evidence appears in the record. Also the first district of New Windsor, on pages 57 and 58, J. De Witt Walsh swears he resided in said district fifty years; that four voted for the democracy on those illegal papers, and these names appear on Schedule C. As to the illegal voting at Chester, (on pages 68 and 69,) William King swears that he has resided in said district twenty-five or thirty years, and knew the voters generally, and that twelve voted, on illegal papers, the democratic ticket. This is corroborated by Masten, Durland, and Foster, on page 69, and by Vail, on page 70. At the second district of Goshen, (or Mape's Corner,) on page 86, John Kavanaugh swears that ten voted the democratic ticket on illegal papers, and gives their names. Also at Highland Mills, town of Monroe, pages 125 and 126, Samuel R. Weeks, a witness, swears that he has resided there forty-one years, and attended the election in said district as an inspector, and that thirteen voted on illegal papers, the democratic ticket. Also at the town of Monroe, district one, on page 126, Robert Ashman swears that he has resided in said district forty years, and attended the election as an inspector, and that there were from twelve to twenty voted on illegal papers; and two deserters—one voted the republican ticket. The committee placed the number at thirteen who voted illegally the democratic ticket. Also at Middletown, in the town of Wallkill, Joseph Crawford, a witness, called by contestee, swears that he and Colonel Young stood behind the inspectors, and that from sixty to seventy persons registered on papers obtained at New York, and that they took a memorandum of the same. Also same witness swears that forty were registered on Orange County papers, making one hundred by the lowest figures. Same witness swears that these persons never went after their papers nor went off their

work. (See testimony, pages 161 and 162.) H. B. Young, a witness for contestee, swears, on page 186, that sixty-four voted on the New York papers, and all on the Orange County papers, the democratic ticket. Also at the first district of Cochection, Sullivan County, Gideon Wales, on page 107, swears that he has lived there since 1852, and that twenty-six voted at that district, and gives their names as per Schedule G; but witness cannot state how they voted. The laws were violated and disregarded by the inspectors of the election. All three of the inspectors were democrats, and one of them not legally appointed. While the proof shows no increase in the population, there was a gain of more than fifty votes in said district for the democracy, and the republicans polled their usual rate, and but one conclusion can be arrived at from the facts in the case, that the twenty-six illegal votes—if not more—voted the democratic ticket. In Lumberland district, Oscar Lambert, on page 116, swears that he has always lived in said district, and that three persons voted illegally the democratic ticket. The inspectors were all democrats, and showed much partiality, and the democrats formed a ring around, so that no one could challenge the voters, and the vote was largely increased for the democracy, while there was no increase in the population, or falling off of the republican vote. Also at Port Jervis, town of Deerpark, third district, G. F. Vinall, a witness, (on page 97,) swears he has resided in said district six years; that Port Jervis is an incorporated village; that six persons voted who were not on the registry, five voting the democratic, one the republican ticket, which, after taking the one republican vote from the five democratic votes, leaves four illegal votes for the democracy. Same witness, on same page, testifies to four more votes polled for the democracy on illegal papers, signed by Jarvis, and particular attention is called to the evidence on page 73, so as to show the character of the papers signed by Jarvis. Also said evidence, on page 73, discloses further and other naturalization frauds. Thus it will be seen from the foregoing evidence, that at the aforesaid districts the contestee received four hundred and ninety-six illegal votes, as follows:

First ward, Newburg .....	140
Town of Hamptonburg .....	28
First district, Goshen .....	10
First district, Newburg .....	19
Second ward, Newburg .....	50
Third ward, Newburg .....	9
Fourth ward, Newburg .....	50
First district, New Windsor .....	4
Chester .....	12
Second district, Goshen .....	10
Highland Mills .....	13
Town of Monroe, first district .....	13
Middletown, Wallkill .....	100
First district, Cochection .....	26
Lumberland .....	3
Port Jervis .....	9
Total .....	<u>496</u>

By taking the majority of contestee, which was three hundred and twenty-three, from the four hundred and ninety-six illegal votes polled for him, and it gives the contestant a majority of one hundred and

seventy-three. The contestee charges that there were illegal votes polled for contestant, which was found to be true. Twenty voted on Poughkeepsie papers, (see the evidence of Wilson, on page 217;) also two on New York papers, and twelve others, (see pages 8 and 9 of this report,) making in the aggregate thirty-four; by taking that number from the one hundred and seventy-three, it leaves a majority for contestant of one hundred and thirty-nine.

But the proof discloses other and further frauds; and it is safe to infer that out of more than eight hundred persons naturalized as aforesaid, within two months preceding an unusually excited contest for President, governor, and members of Congress, to say nothing of the other offices that were to be filled, that said persons voted, and voted for contestee. And while it is true that the proof shows that some few persons voted on like illegal papers for the contestant, and some few otherwise illegal votes were polled for him, the proof is overwhelming to show that if none had voted only those entitled to do so by law, the contestant's majority would have been several hundred. While the committee should be slow to throw out the whole vote of a ward or district, nevertheless, if the facts and circumstances show that the inspectors of the registry and election knowingly produced frauds, and violated the election laws, and permitted illegal voting, and the polls can't be purged, the whole vote should be thrown out. Does the proceeding at the first ward of Newburg justify the vote being thrown out? John H. Drake, a witness, testifies on page 39 as follows:

JOHN H. DRAKE sworn for Mr. Van Wyck:

Question. Where did you reside last November?—Answer. In First ward of city of Newburg, and have resided there since 1846 with exception of about six years.

Q. Was you an inspector at last election in First ward?—A. Yes.

Q. Please state all that took place at election on that day.—A. Immediately after the opening of the polls one of the men offering to vote was challenged. I asked to have the preliminary oath administered to him; the other two inspectors refused to have the preliminary oath put; they put to him what is known, I suppose, as the general oath from the registry law. I objected to that, and sent and got a copy of the election law in which were the oaths, which law and its forms they refused to use, and insisted upon and did use the general oath. There were about forty men challenged one after the other. I requested that the preliminary oath should be put to each of these men; the other two inspectors refused to allow it to be put except in one instance. In this excepted case I went on to examine the voter, following the questions put down in the election law; the other two inspectors informed him that he need not answer the questions, and to pass on, and received his ballots. I then said to the other two inspectors that it would be useless for me to object or to ask to put the preliminary oath to any man challenged if they were going to overrule it, and that we had better settle the question then, and I then asked them that they consent to put the preliminary oath to any man that should be challenged, and they gave me to understand that they would not do it, very plainly. I then told them that I protested against their ruling, and I wanted them to recollect it. The preliminary oath was put once after that, in the afternoon, to a man whose name, I think, was Williams, who testified that he was at work at the coal dock; that his family lived somewhere in Ulster County; I think Rondout. He went a short distance from the polls, and Mr. Wilson, one of the inspectors, called him back, told him he was entitled to a vote; some one furnished him with a roll of tickets, marked as the democratic tickets, and he voted. Immediately after the polls opened, and the 19th voter on the poll-list, a man voted under the name of Bernard Lynch, from South Water street. Quite a long time afterward Bernard Lynch appeared. There was but one Bernard Lynch upon the registry, and on examination it was found that that name had been voted upon. The other two inspectors, however, decided to receive and did receive the vote of Bernard Lynch, No. 2, which was marked on the outside as democratic tickets; I don't know what was inside. I have examined the poll-list and I have been unable to find the name of Bernard Lynch upon it, except the one voting the 19th man. I find the 241st voter upon the poll-list is put down as Thomas Lynch; that the first name had been erased and the word Thomas written over it, and there are traces still upon the poll-list of the first name that had been written there, and it looks to have been the name of Bernard erased. The B is quite distinct. There were two Patrick O'Brians on the check-

list, and four under the name of Patrick O'Brian voted; there being but two on the registry. They are numbered on the poll-list as 82, 347, 455, and 518. The clerks never gave me any intimation that the third man voting as Patrick O'Brian was not upon the check-list, and I only discovered it by comparing the check-list with the poll-list. When the fourth Patrick O'Brian came to vote, however, the clerks informed us that the name had been voted on; the other two inspectors, however, decided to receive, and did receive, the ballots of said Patrick O'Brian, No. 4, to which I then and there objected, and those ballots were marked on the outside democratic. After the polls were closed, we compared the clerk's poll-lists, and finding them to agree, we unlocked the first box, turned the ballots out on the table and found an excess of ballots, I think, to the number of ten over the number put down on the poll-list, and put the ballots back in the box again. The other two inspectors decided that one of them should draw out the surplus ballots; he did draw them out—drew out all the republicans but one or two—and after having drawn them out they were destroyed. I will here state there was no difficulty in telling, from the touch, the difference between the democratic and republican ballots. After the destruction of these ballots the remaining ballots were counted, and after counting them the result was publicly declared. The second box was then turned out, containing the State ticket, and I think the excess of ballots in that box over and above the number on the poll-list was eight or ten—I think ten. They were all put back in the box; the other two inspectors decided that one of them should draw out the surplus ballots. They drew out all the ballots in excess—all republican except one or two—and destroyed them. After that, the remaining ballots were counted. After they were counted the result was publicly declared. The third box was then turned up, containing assembly ballots, and when we came to count over those ballots we found we had ten more there than the poll-list called for. We then concluded to go back and re-examine the poll-list, and we found that both clerks had made a mistake of ten votes in adding. We had torn up the surplus ballots and had taken no account of them. We then consulted as to what was best to do, and after a consultation the other two decided to add to the count so many of each kind of ballot, the whole number equal to the surplus. I objected to all this on the ground that the result had been publicly declared and the ballots destroyed. They then added on the amount they allowed on each side to the several candidates. The two other inspectors were democrats, and I understood and believed both the clerks to be democrats.

Said ward gave a majority of 131 for contestee. Also, by examining the proof, it will be seen that the inspectors of the election referred to put the preliminary oath to persons challenged, and used the general oath, all in direct violation of the statute in such case made and provided.

The inspectors of the election at the town of Hamptonburg acted unlawfully and corruptly.

James H. Jackson testified as follows on the conduct of the election inspectors at said district:

JAMES H. JACKSON sworn for Mr. Van Wyck:

Question where do you reside?—Answer. Town of Hamptonburg.

Q. How long have you resided there?—A. Almost twenty-three years; was born there.

Q. Did you attend last presidential election, and in what capacity?—A. Yes, sir; as inspector of election.

Q. Did you also attend at the registration?—A. Yes, sir; as a member of the board.

Q. State what took place at registration at your board.—A. The first day we made out a new registry by copying from the registry of the year before.

Q. Were many new names put on the registry last fall?

(Objected to for reason that there is no evidence to show that the registry list of last fall or the election previous are lost or destroyed; that they are the best evidence of what was done by the inspectors.)

A. Yes, sir; quite a number; from thirty to fifty; probably more.

Q. Were most of these men strangers in your town?—A. A large number were strangers to me.

Q. Do you know the voters in that town generally?—A. A majority of them.

Q. Is it a small, compact, and agricultural town?—A. Yes, sir.

Q. Did you object to any of these men being registered?—A. Yes, sir.

Q. What led you to object?—A. I was led to believe that they had not been in this country long enough, and that they had got their papers from New York without going after them.

Q. Did the men produce and show their papers?—A. Yes, sir.

Q. Were they sworn?—A. No, sir; they would not be sworn.

Q. Did the registrar ask to have them sworn?—A. I asked to have them sworn.

Q. What did the other registrars do?—A. They said I could swear them if I was a mind to. I tried to administer the oath to them; they would not swear, and I told them they could not be registered, and then the other members of the board said their names must be put down on the registry, because these men had their papers, and their names should be and were registered.

Q. Did any of these men make any statements, not under oath, as to how long they had been in this country?—A. I asked one man how long he had been here, and he said four years and two months. It was Mathew Gill.

Q. Was he registered?—A. Yes, sir; and afterward voted.

Q. Who had Oliver P. Coleman's name registered?—A. I don't remember; probably one of the other registrars; Mr. Booth, he had a list of names to put down.

Q. What are the names and politics of the other registrars and inspectors of your board?—A. David H. Booth and John P. Monell, democrats, and myself, a republican. Both of the clerks were democrats.

Q. Did this Coleman vote on election day?—A. Yes.

Q. Was he challenged?—A. Yes, sir, he was, and took the preliminary oath.

Q. What did he say?

(Objected to.)

A. He swore he had been at Elmira long enough to gain a residence there; had voted there, and been in this county about two months. Elmira is in Chemung County. He was told he could vote all above congressmen by David Booth, one of the inspectors. The challenge was withdrawn, and immediately renewed, and he then took the general oath and voted both the State and electoral ticket; part of the State, I suppose; I did not see his ticket at all.

Q. The tickets were folded?—A. Yes.

Q. What ticket did he vote?—A. Democratic; the democratic and republican tickets could easily be distinguished.

Q. Was he challenged by republicans?—A. Yes.

Q. Where did the naturalization papers used in your town purport to be issued?—A. Some were from courts in New York, others from courts in Goshen.

Q. About how many New York papers?—A. From ten to twenty.

Q. About how many Goshen papers?—A. From eight to fifteen, or about there; may be more or less.

Q. Were these men challenged?

(Objected to, for reasons above given.)

A. Yes, sir; quite a number of them.

Q. State what was done in the matter of putting the preliminary oath.—A. When the first naturalized citizen was challenged the chairman of the board, who was a democrat, put the general oath first. I asked why he did not put the preliminary oath. He said that it wasn't necessary, because the challengers were not there to withdraw the challenge. I asked them to put the preliminary oath, and the board refused. The attention of the board was called to the law that the preliminary oath must be put, and they refused in the forenoon to put the preliminary oath. In the afternoon the preliminary oath was put, and I questioned the challenged voters under the preliminary oath, and sometimes they answered, and sometimes evaded the question. They didn't refuse to answer, but the board overruled my questions and wouldn't allow the witnesses to answer. The board overruled the question "how long have you been in this country," "before what court they got their papers;" and the inspectors overruled the last question, because they said it couldn't be expected that they could remember before what court or officers they got their papers. They continued to put the preliminary oath, but ruled out the questions.

Q. Did one man state where he did get his papers?—A. One man said he got his papers at Goshen; that he picked the papers up on the street one morning.

Q. After this man made this statement was his vote received?—A. Yes, sir; he took the general oath and voted.

Q. Did Patrick Koscorin vote?—A. Yes.

Q. Where did he get his papers?—A. He was challenged on election day, and took preliminary oath, and swore he got his papers in New York, October 21, 1868. I asked him if he went himself before the court. He said he made an application for them, and I asked him how long he had been in this country, and this question was overruled.

Q. Was October 21, 1868, the date of the New York papers used at your polls?—A. Yes, sir; the most of them; I think two or three others had other dates. It was near that time.

In that district the contestee's majority was one hundred and five. The inspectors of the election at the first district of Goshen was illegal, partial, and corrupt.

*David Redfield, a witness, testified as follows, on pages 26 and 27*

DAVID REDFIELD sworn for Mr. Van Wyck :

Question. Where do you reside ?—Answer. In Goshen.

Q. How long have you lived there ?—A. Over forty years.

Q. Did you attend the election last fall, and in what capacity ?—A. Yes ; as a republican inspector of election, and was one of the board of registration.

Q. Do you know the voters in your election district No. 1 ?—A. Yes, sir ; very generally.

Q. Were men who had naturalization papers issued last fall put upon the registry ?—A. Yes.

Q. About how many ?—A. To the best of my knowledge, about forty.

Q. Did they show their papers ?—A. Yes.

Q. Where did their papers purport to be issued ?—A. A portion from New York, signed by Charles E. Loew—half, say—and balance from Orange County.

Q. Did these men vote at your poll at the last general election ?—A. Yes, with but few exceptions.

Q. What ticket did they vote ?—A. I suppose the democratic ticket. I judge from the men who brought them up, the label on the ticket, and kind of paper.

Q. Please tell us what took place, and in its order, as to challenges and alleged illegal voting ?—A. In the first place there was a man (Mr. Drake) came up and offered his vote ; the vote was objected to on the ground that he was not registered. Mr. Drake's name was upon the poll-list of the year before. We left it off the new one because during the year he had left Goshen and gone to reside in New Jersey. The whole board concurred in that view. He claimed that he had not given up his residence in Goshen. The board determined the act of leaving him off was wrong, and the board concluded to receive the vote, after my protest. The vote was received, but his name was not put on the registry list. His name was not on the registry list. I have the registry list with me. This is not the original list kept at the polls, but a copy compared in the board, which I know to be correct. The list copied from was used in the board. A man came, that I cannot remember his name, with a paper, upon its face regular. I think it was one of the New York papers. He was challenged by Hon. A. S. Murray, upon the ground that he had not been in the country five years. Upon administering the preliminary oath he acknowledged he had been in the country less than five years. His vote was rejected. Hugh McGuire offered to vote ; was challenged. The preliminary oath was administered to him ; he swore he had never been before any court to receive his papers, and that they had been sent to him. His vote was rejected. Some one else came up and offered a paper. Mr. Green came up and stated to the board that they had no right to institute this investigation as to the papers ; that the person offering the vote should demand and take the general oath and thereupon the board must receive the vote. Mr. Millsbaugh also made a statement to the same effect to the board. There was a discussion in the board as to the propriety of dispensing with the preliminary oath. I objected to dispensing with it upon grounds we had a right in all cases to put it. The majority of the board overruled me, and decided that in all cases where one came up who was registered, and with papers regular on their face, if he demanded the general oath we must administer it and receive the vote. I protested on grounds that a preliminary oath was required, or might be put, and asked that they record my protest. Subsequent to that, in every case where persons offering to vote, all votes were received without allowing the preliminary oath to be put. In the case of all these newly naturalized voters they were challenged, but the preliminary oath was not allowed to be, nor was it, put. I protested generally against this course, but to no effect. After I made the protest the votes were received without the preliminary oath having been put or taken. I told the board several times that I protested to that manner of business.

Q. Was Schedule E presented there that day ?—A. There was a paper read, and I think it was Schedule E.

Q. Either on registration or election day did you notice any naturalization papers produced without any date ?—A. Yes ; one.

Q. Where from ?—A. It was from New York.

Q. Do you know Mr. Tompkins, that keeps a hotel at Mapes's corner, at Goshen ?—A. Yes.

The testimony of Jesse S. Mapes goes further, to show the illegality of the election in said district.

JESSE S. MAPES sworn for Mr. Van Wyck :

Question. Where do you reside ?—Answer. Village of Goshen, first district.

Q. How long have you resided there ?—A. About two years.

Q. Did you attend there at the last presidential election ?—A. Yes ; during all the day.

Q. In what capacity?—A. Republican challenger.

Q. Had you a challenge list?—A. I had.

Q. Did you keep a record of what took place that day?—A. I did.

Q. Who were the board of inspectors?—A. Benjamin F. Edsall and William C. Little, democrats, and David Redfield, republican.

Q. Please tell us from your recollection, or memorandum, what took place, and the order.—A. Victor M. Drake appeared and offered his vote; was challenged on account of non-residence and not being registered.

(Mr. Mills objects to all evidence about challenges, on the ground that the official record of these challenges must be produced instead of the recollection of the witness.)

Q. Was his name on the registry?—A. It was not.

Q. What was done?—A. The majority of the board, Edsall and Little, decided to register him and allow him to vote; I think Mr. Redfield objected; his ballot was taken.

Q. Did you see the ticket he voted?

(Answer objected to.)

A. I did; it had the democratic heading; Mr. Drake is a democrat. John Ford was next challenged, on the ground that he had fraudulent papers. Mr. George W. Mills-paugh told him to take the general oath, and the board received his vote; Mr. Redfield objecting, upon the ground that he was not allowed to have the preliminary oath to be put; Mr. Redfield wanted to put it. Hugh McGuire was next challenged, on the ground that he also had fraudulent papers. Mr. Millspaugh told him to take the general oath. Mr. Redfield insisted on his taking the preliminary oath. He took the general oath, and then, after some debate, the preliminary oath was administered. He was asked by Mr. Redfield, "Where did you get your papers?" His answer was, "I got my first papers in New York." "Where did you get your second papers?" "I got them here." "Did you apply to the court in person for them?" "No; they were brought to me on the railroad." His vote was rejected. Edward Kam's vote was next challenged, on the ground of fraudulent papers. The board decided to put the preliminary oath. He was asked by Mr. Redfield, "Where did you get your papers?" Answered, "I got them here." "Did you apply to the court in person for them?" "No; they were brought to me." Mr. Millspaugh then arose and made a speech in a loud voice; said he was there to protect these Irishmen from Union Leagues; that this was no inquisition; we could go before the grand jury if we wanted to; and produced and read from a printed circular, purporting to be the opinion of the attorney general, that no board had any right to put any oath but the general oath, if the party should elect that oath. He handed the circular to Mr. Edsall, when he read it aloud, and, after some consultation with the other democratic member, announced that no more preliminary oaths should be put; that if these men took the responsibility of taking the general oath, the board would take all such votes. The man took the general oath, and the board took his ballots. Mr. Redfield called their attention to the fact that the man admitted under oath he did not apply in person for his papers. John Sauntry was next challenged, upon the grounds of fraudulent papers. Mr. Millspaugh advised him to take the general oath, and told the board to administer the general oath. Mr. Redfield objected, claiming the right to give the preliminary oath, and during the debate that followed, Mr. Redfield asked Sauntry if he applied to the court in person, and he replied, "No, they were brought to me;" and Mr. Millspaugh said, "Don't answer him." The general oath was administered and vote accepted. Mr. Redfield protested. Roger Carrigan was next challenged on the ground of fraudulent papers. Mr. Redfield demanded the preliminary oath; the board refused to put it or allow any questions to be asked him. The vote was taken, and Mr. Redfield protested. James Ryan was next challenged on same ground. The board refused to put preliminary oath or allow any questions to be asked, Mr. Redfield objecting; the vote was taken. Michael Burns was next challenged upon same grounds. The man who employed him, or had a short time previous, told me he had only been three years in the country. No questions were allowed to be asked him. He took general oath, and the board took his vote. Redfield demanded the preliminary oath. Patrick Callahan was next challenged upon same grounds, and same proceedings took place as in the Ryan case. Thomas Kain was next challenged. We had been informed that he had never declared his intentions, and that his father had never been naturalized, or he received a certificate of citizenship. He took the general oath, and his vote was admitted.

Q. Did those men whose names you have given vote the democratic ticket?

(Answer objected to.)

A. To the best of my knowledge they did. I could, by the headings, easily distinguish the difference between republican and democratic tickets.

Q. Is Mr. George W. Millspaugh a leading democrat in that town and this county?—

A. He is.

Q. Is Goshen an incorporated village?—A. It is.

Q. Did men vote in that district last fall who got naturalization papers at Goshen or Newburg?—A. I presume they did.

Q. Were there other new voters at that time besides those you have mentioned?—

A. I believe there were.

(Paper shown witness.)

Q. Is this paper the circular Mr. Millspaugh read?—A. I believe it is.

(Introduced, marked schedule E.)

The majority for contestee in that district was one hundred and twenty-nine.

The majority for contestee in the three last mentioned districts, to wit: First ward, Newburg, town of Hamptonburg, and first district Goshen, was three hundred and sixty-five. The committee are of opinion that the irregularities and misconduct of the inspectors of the election at said districts were sufficient to throw out the entire vote of said districts, but do not recommend the same, as the contestant did not specifically demand the same in his notice to contestee. In all of said precincts actual fraudulent voting was proven; misconduct, illegality, and partiality of inspectors, all go to prove that the allegations of contestant were true that a conspiracy was formed to issue naturalization papers, and to prevent a judicial investigation of the frauds and to prevent an investigation of the many wrongs perpetrated by the friends of contestee. Therefore, the committee recommends the adoption of the following resolutions:

*Resolved*, That the Hon. George W. Greene is not entitled to a seat as a representative in the forty-first Congress from the eleventh district of the State of New York.

*Resolved*, That the Hon. Charles H. Van Wyck is entitled to his seat as a representative in the forty-first Congress from the eleventh district of the State of New York.



VAN WYCK vs. GREENE.

FEBRUARY 3, 1870.—Laid on the table and ordered to be printed.

Mr. BURR, from the Committee of Elections, presented the following

VIEWS OF THE MINORITY.

The report of the majority of the committee is erroneous both in its conclusions of fact and its application of law. Its statement of facts is based on a partial investigation of one side only. The unsupported guess or supposition of one witness is accepted as establishing a fact, notwithstanding a fair cross-examination of the same witness may show him to be without personal knowledge in the premises, and notwithstanding his guess or supposition may be directly contradicted by numerous witnesses on the other side, testifying of facts within their own knowledge. With this general statement let us consider the testimony on the several points on which the majority base their report.

Of these the first is the charge of fraudulent naturalization. It was boldly charged by contestant in his brief that a conspiracy existed throughout the State of New York to secure thousands of votes to the democratic party by fraudulent papers to persons not legally entitled to them; and that this conspiracy, with the attorney general of the State at its head, was developed in the congressional district composed of Orange and Sullivan Counties, and that by its procurement about eight hundred illegal votes were polled for Greene by parties not entitled to naturalization. But the testimony of Lewis Cuddeback, (pages 188-9,) and of A. K. Chandler, (page 233,) shows that at least one-third of this number came from counties outside of the district in question, leaving, in round numbers, 550 as the naturalization of the district for the year. Admitting this to be in excess of the vote of former naturalization, is it not within the knowledge of all that throughout the Union there was an excess of the numbers naturalized over any former year since 1860? The reason is plain. The sitting member, in his brief, furnishes that reason in the following language, quoted from his brief:

From the year 1860 up to the year 1868 naturalization in the eleventh district, as elsewhere, almost ceased. The war being still going on at the presidential election in 1864, those entitled to certificates of naturalization not only refrained from taking them, but concealed the fact that they had ever declared any intentions. And 1868 was the first presidential election had since the war ceased, and the reserve of eight years was brought out in 1868.

But the fact stands out clear as testimony can make it, that the men so branded wholesale as wrongfully holding papers were, with very few exceptions, entitled to certificates of naturalization. A "conspiracy" to secure certificates for those legally entitled to them would be senseless, and is not charged. On the contrary, the theory of the contestant is, that it was a conspiracy to procure certificates for parties *not* legally entitled; and to show that they were not entitled, contestant commenced the examination of these newly naturalized citizens, (pages 22-

30,) and after being questioned, twenty-six of them developed the fact that each one of them was legally entitled to papers. At this point he dismissed the remainder, some of whom were afterwards examined by contestee, and all were shown to be legally entitled to naturalization papers.

But it is further urged that all the certificates issued in this district were void for want of conformity to law in the mode of procedure by the officers issuing them. It is charged that they were granted and issued irregularly; some while the judge was not present; some in a jury room near the court-room, and that many were signed by special deputy clerks, appointed by the regular clerk without authority of law. It can hardly be questioned that the county court of Orange County was competent in law to issue certificates of naturalization. In its organization it fulfills all the legal requirements to give it jurisdiction over the subject of naturalizations. It is a court of record; has a clerk, and a seal, and has common law jurisdiction. This court, with others of similar grade throughout the State of New York, has been accustomed, from its first organization, under whomsoever might for the time being preside over it, to examine applicants and grant certificates of naturalization. But it may be said "it is not the power but the abuse of it against which we complain." Let us then consider the irregularities charged in its proceedings; keeping in mind the legal proposition that all officers of the law are to be presumed to have acted properly until the contrary is proven; and as a result that each particular certificate issued by a court of competent jurisdiction must be presumed, if regular in form and duly tested, to be truthful in statement until it shall have been successfully impeached. The first irregularity, as charged, is that certificates of naturalization were issued by the clerks in absence of the court; and, second, certificates were signed and sealed by "special deputies," appointed by the clerk without due authority.

In answer to the first objection, it might be suggested that it does not come with good grace from those who have, in earlier days and when the court was differently constituted, sanctioned the practice now under review, to make the first complaints. But as to facts: This court is composed of three judges who conduct its business. It has a clerk, (Lewis Cuddeback,) and a regular deputy, (Charles G. Elliott.) The authority of these two to sign and seal such certificates in proper cases is not, as we understand, challenged by any one. Before considering, then, the rights of special deputies to so certify, let us dispose of a great portion of the question under discussion by referring to the testimony of the clerk, Cuddeback, on page 189, printed record:

Q. At the court held in Goshen in October last, were there naturalization certificates granted or signed to any person or persons by any person beside yourself, or by your regular deputy, Charles G. Elliott?

(This question objected to.)

A. There were none signed by any one except myself and him.

Q. Did you grant any certificate of naturalization, at the court held at Goshen in October last, to any applicant until he and his witness had taken the oaths required by law to entitle him to such certificate?

(Objected to.)

A. I did not.

As all the certificates bearing on this question and issued in this district were issued at Newburg and Goshen, the above testimony settles the question of special deputies as to Goshen, and it only remains to investigate the case in reference to Newburg.

At the court, when held here, the clerk was assisted by W. J. Dickson, regularly appointed and sworn as a deputy, in February, 1868. Still, the clerical force being insufficient, under sanction of the courts,

Mr. Dimmick was appointed. Afterward Dickson and Dimmick left on business, and Mr. Millspaugh and Mr. Shaw were appointed. Each of these deputies was appointed in writing and oath filed with clerk, and each was sworn to the due performance of his duties. Each of them did sign certificates of naturalization, but we need not investigate their right to do so, inasmuch as at all the districts these certificates, when presented, were either refused by the board of registry, or challenged before and rejected by the board of inspectors sitting as judges of elections. We have been unable to find a single instance where the holder of a certificate of naturalization, issued by one of these special deputies, was permitted to vote. Henry C. Millspaugh, one of these deputies, a resident of Newburg, who attended the polls all day, was placed on the stand as a witness by Mr. Van Wyck, and when questioned, answered as follows:

Q. How many papers did you sign?—A. Forty-two.

Q. Were they granted to any person unless they took the oath required by law?—A.

No, sir.

Q. Were there any papers granted to any persons that were not entitled to have them?—A. Not to my knowledge.

Q. Were the affidavits or oaths they took read over to the parties before and when they were sworn?—A. Yes, sir.

Q. Do you know of any person voting upon the papers made out by you?—A. No, sir.

The same statement is certified by several other witnesses as to other polls.

We next consider the charge of issuing papers when not in the presence of the court. On one occasion it is stated that "while naturalization was going on, and near dinner time, Judge George took his hat saying, 'consider me present, I will be back soon,' and was gone some time, during which the court proceeded just as though he were present." Suppose that to be true; his associates constituted a quorum, and the court was actually and legally in session. The right of the majority of a court to act can no more be questioned than can the right of the majority of a committee of this house, except it be shown that the law creating such court required the presence of all, and entire unanimity in its proceedings. It is charged further that on one occasion certificates were issued by the duly authorized clerk, in a jury-room of the courthouse and not in the presence of the court. The explanation to this perverted statement is, that the citizens of Newburg, on one occasion, requested of the court leave to use the court-room for a railroad meeting; yielding to that request, the court adjourned to meet in the evening in the jury-room, and *did so meet*, and during the whole evening a majority of the members of the court were present with the regular clerk. This is well settled by the testimony of W. J. Dickson already cited.

In determining the right to a seat here, we will, therefore, consider only the questions involved so far as relates to the majority, whichever way it may be, of votes which cannot be questioned. We understand, however, that the majority of the committee, while not directly declaring, do intimate that the whole naturalization of the fall of 1868 is fraudulent and void. They assume the illegality of the whole naturalization, and then assume that all holding certificates, of whatever character, voted; and last of all, assume that all such naturalized parties voted for the contestee; and on these three successive violent assumptions they conclude that Mr. Van Wyck was elected. Here is their strongest *proof* contained in their report, from which we quote in their own language:

It is safe to infer that out of more than 800 persons naturalized as aforesaid, within

two months of an unusually excited contest for President, governor, and members of Congress, to say nothing of the other offices that were to be filled, that said persons voted, and voted for contestee.

It is fair to "infer" that said persons voted and voted for contestee, say the majority of the committee. Is a seat in Congress to be disposed of on an *inference*? We had supposed that something in the nature of *proof* was required to annul a certificate issued by State authority expressing the wish of the people of a given district; but the majority of the Committee of Elections stand in the position, by their report, of asking this house to charge eight hundred illegal votes to contestee on a mere inference of their own, entirely outside of, and unsupported by, the proofs in the case! Would they ask this house to "infer" such condition of facts if they could show proof and thereby convince? With the remark that all votes should be regarded as legal until otherwise sufficiently proven, we pass from the "eight hundred persons naturalized as aforesaid" to consider objections raised to whole returns of towns and districts, as also to individual votes.

We are first called upon to consider objections to the returns from the First ward of the city of Newburg. Against the legality of the election in this ward it is urged that the inspectors failed and refused to administer the "preliminary oath," but that they administered the "general oath" in all cases of challenge. To prove this reference is made to the testimony of John H. Drake, Jesse Merrit, and J. C. Barr. The cross-examination of each of these reduces his testimony to the grade of mere hearsay, and against all their statements affecting this poll we place the testimony of Patrick Brennan, page 206; J. R. Dickson, 207; Nicholas Wilson, 217; and a republican, named D. H. Merritt, 214. If human testimony can establish anything, we submit that the testimony of these men fully establishes the fairness and legality of the election in this ward.

In Hamptonburg, every foreign-born voter showed his certificate of naturalization before being registered. The only complaint of papers urged here in connection with that poll is against those issued at Newburg; but inasmuch as the witnesses for Mr. Van Wyck all admit (see Jackson, 62) that all the papers presented or used there were signed by either clerk or his regular deputy, and that none offered to register or vote on papers signed by any special deputy, we submit that there is no legal objection to any such papers, or to those voting on them.

The Second ward of Newburg is assaulted on the testimony of McAllis, who tells of illegal registration, as he judged, and the men he thought illegally registered are, by the majority of the committee, charged to Mr. Greene as so many illegal votes cast for him, whereas the cross-examination of this same witness shows no illegal votes. We quote from his cross-examination, (page 47,) as follows:

Q. About how many were registered on papers granted last fall, on the first day?—  
A. I should think about fifty. There were more registered the first day than in all the other days put together.

Q. You didn't, after the first day, register any one who presented papers without examination, and not then, unless his examination showed him to be entitled to registry?—  
A. No, not unless the papers signed by Dickson were illegal.

Q. Did you, even though the paper was signed by Dickson, if his examination showed him not legally entitled to his papers?—A. No.

Q. Were all the men who were registered on papers last fall challenged?—A. I think they were.

Q. The preliminary and general oath both administered when there was any question about legality?—A. I think it was.

Q. Did you permit anybody to vote whose examination showed either that he was not entitled to his papers or that he was not entitled to vote?—A. I did; there was one man, Cornelius Keeler; that is all I remember in my ward.

The judges of election in this ward were republicans, as shown in his testimony. Both the preliminary and general oath were put; only one man deemed illegal by that board voted, and for whom is not stated. Yet the committee ask the House to throw out fifty votes from Mr. Greene on the mere fact so many registered and were afterward refused a vote on the mere ground that they were "naturalized last fall at Newburg." The only theory by which we can avoid the conclusion that the majority are blindly seeking to accomplish a coveted result in this case, regardless of law and fact, is, that they have never read the testimony, but have chosen to adopt as true, without investigation, the points made in contestant's brief.

In the Third ward of Newburg, the majority say it is proven by John Corwin that "nine or ten voted for the democracy on illegal papers." Corwin says no such thing. He says nine or ten voted "who got naturalization papers last fall." In his cross-examination he says the board rejected papers signed by the special deputies but accepted those issued by the clerk and his regular deputy. The board in this ward were republicans, and whether they were right or wrong in rejecting papers issued by "special deputies" there is certainly no *legal* reason against their acceptance of others in regular form and regularly issued.

The majority say as to Fourth ward of Newburg, that Thomas H. Booth swears that "fifty-one or fifty-two voted illegally the democratic ticket," and adds "there is no evidence to rebut the same." Taken together, the full testimony of this witness needs no rebuttal. He says only that fifty-one or fifty-two voted on papers procured last fall at Newburg; and in speaking of their being challenged he answers questions on cross-examination, (page 38,) as follows:

Question. Have you any paper on which you took down the sworn statement of any or either of these men.—Answer. Yes.

Q. Can you produce it?—A. Yes; I have a memorandum of the affidavits taken at the time by the clerk, Mr. Ball, in the presence of the board and the person swearing; Timothy Ryan swore he was 53 years old; been in the county 10 or 12 years; declared intention to become a citizen 4 years ago and got his papers 2 years ago. James Welsh got papers 2 years last January. William Degan, 46 years old; 6 years in this country, got first papers in October, 1866. William Karboj, 6 years in this country; got all papers last court; don't know if he was under 18 years of age when he came. Patrick Norton, about 35 years old; came here about 13 years ago; got first papers before first draft; got last papers this fall. William J. Blake, born 1842; been in country since 1860. John Quigley, 40 years old; 16 years in country; got papers 6 years ago. August W. Fisher came to this country when 15 years old. Pat. Keelan, 60 years old, naturalized, 2 years between first and last papers. Daniel Ryan swore 55 years of age; been in country since June, 1853; declared intention March, 1866. Lewis Parapart did not vote. Thomas Ryan swore he lacked 5 months of being 18 years of age when he came to this country. I don't see that Edward Ryan was challenged. Lawrence Garrigan naturalized, 46 years old; been in country 20 years; got first paper over 4 years ago. I don't see that Edward Cooman, Bryan Fitzpatrick, or Cavanaugh, were challenged.

Q. These papers from which you are testifying are the same that were made at the time and read and approved by inspectors as correct.—A. Yes.

Q. They contain the names of all persons sworn or challenged.—A. Yes; and I have no doubt of the correctness of the statement, and I have given a correct minute of the testimony taken.

This testimony shows that when the witness is brought to the record made by himself, only thirteen were challenged, of whom one did not vote at all, and we submit that the statements of the twelve who voted, as shown in the record presented by the witness, show that all were entitled to vote, with the possible exception of William Karboj. Admitting his vote illegal, and the list of illegal votes charged by the majority dwindles from fifty-one to *one* by their own witness. We have only to add that at the polls in this ward two of the three inspectors (judges) were republicans, as were also two of the three clerks, and we are through with that ward.

As to New Windsor, the witness (Walsh) says that all newly-naturalized voters were challenged, and none allowed to vote unless their examination under oath showed them clearly entitled. He shows that the four votes proposed by the majority to be thrown out were never cast at all. He is the witness cited by the majority to sustain their proposition. We can only conclude that they did not read his cross-examination at all.

The only objection urged to the Chester poll is that twelve men voted there who "got their papers last fall." It is not proven that there were more than three such voters; but the number is not material unless illegality be shown. It is not proven how these men voted.

At Mapes's Corner, according to the testimony of Kavanaugh, (page 86,) seven men illegally got papers, and perhaps that is true. But he cannot say they voted, or how. He says, in answer to the question, "did these men vote?" "I suppose they did." We submit, as he was neither an inspector nor challenger, and does not even say that he was at the polls at all, such testimony should be received with great caution. If these men *did* vote, the fact is susceptible of better proof than this. The indecent and uncalled-for profanity marking his testimony would readily excuse decent men from scanning it any further.

In Highland Mills, town of Monroe, the majority throw out thirteen as voting on "illegal papers." Of these men only two had been registered on any papers, and the witness to whom the majority refer (Weeks, pages 125-6) says the remaining eleven were not on the registry, but "proved themselves entitled to suffrage by the production of their papers and the oath of a householder resident of the district on election day," which is in exact accordance with the laws of New York relating to voters omitted from the registry. The majority of the election board at this town was republican.

In the town of Monroe, district one, the majority charge Mr. Greene with thirteen illegal. This is a repetition of the case of persons "naturalized last fall." They were examined by a republican board of election officers, proved title to the franchise by their oaths respectively, as also by a householder, and having satisfied the republican board of their right, did vote.

In Chester the majority claim to throw out twelve votes for Greene on same grounds as above.

At Middletown, in the town of Wallkill, the majority propose to throw out one hundred democratic votes on the testimony of Crawford and Young. An examination of Crawford's testimony will show that his statements about voting are mere hearsay. He *knows* nothing about it. He says that some sixty or seventy names were on the registry as having papers from New York, and he inquired of others and could not find out that such men had been to New York at all. Hearsay again. If it were true that men holding such papers had not been in person to the points where they were issued, why did not the contestant produce witnesses knowing the fact themselves, and not depend on a partisan friend to gather up the hearsay of a town and parade it as a reason for disfranchising sixty or seventy voters. The record convicts this same Crawford, who was a member of the republican committee on naturalization in Wallkill, of having knowingly aided in procuring fraudulent papers for republicans, of which more hereafter. Young's testimony adds forty to the list of naturalized voters—that number, he thinks, having presented Orange County papers. On cross-examination witness says when men were challenged they took both oaths, and can only assert with certainty to himself three illegal democratic votes, and admits that there was some illegal voting done by republicans, but does not know the number.

From the polls at the first district of Cohecton, contestant seeks to throw out twenty-six votes as having illegally voted for Mr. Greene, and the majority of the committee yield to his request. Witnesses swear that twenty-six voted, as shown by the list, whom they did not know. For instance, they say the list copied for them by the radical clerk shows a man to have voted named Willer; another, Farker; another, Kain, &c. By looking at testimony of S. T. Pendell (page 13, additional record) it will be seen, on examination of the original poll-lists, shows, by order and number of names on the copy, Willer should have been Miller, Farker was written by the ignoramus instead of Parker, and he very conscientiously transformed Rain into Kain, preparatory to making a list of twenty-six illegal voters. Every name of the whole number is shown by Pendell and John Baring, (page 21, additional testimony;) all were legal voters. Some were democrats and some republicans, yet you are urged to throw out just twenty-six votes from Greene's list on the mere inference that an error *might* have existed to that extent. We hardly know which is most surprising, the skill of the clerk, Ward, in preparing this list of twenty-six names, or the readiness with which the majority of the committee have been led to indorse his bad spelling and worse conduct. Still another charge is made against this poll with the intention of throwing out the entire vote. A witness was produced by contestant to prove a conversation between himself and one of the inspectors, Peter Theis, wherein he says Theis claimed to have changed numbers of tickets while receiving them from voters and putting them in the boxes. The witness says he did not believe this at the time. We append the testimony of Theis himself, which, we suppose, was never read by the majority, else they certainly would not propose, on such trivial suggestion, to disfranchise the voters of an entire town.

PETER THEIS sworn for Mr. Greene:

(Objected to by contestant for reasons heretofore stated.)

Question. Do you live in the town of Cohecton?—Answer. Yes, sir.

Q. Were you inspector of election there at the last general election?—A. Yes, sir.

Q. Do you know Colonel Rockwell Tyler?—A. Yes, sir; I know the man by that name.

Q. You know him to be a republican?—A. Yes, sir.

Q. Did you ever state to him, or to any one in his presence, that you had changed any ballots, and substituted others in their places, that were voted or offered at that election in your district?—A. No, sir.

Q. Did you ever make any such changes?—A. No, sir.

Q. Do you know of any such having been made?—A. Not to my knowledge.

Q. Did you have, on the day of election or the day following, a conversation with S. F. Pendell, in which you both were boasting, or speaking in a boasting and jocular manner, of your labors at the election; and if so, state what that conversation was?—A. We were boasting. Mr. Pendell was boasting what work he had done. I guess I asked him for a set of tickets to vote; this was on election day, and after he had handed me the same I told him he might give me all them tickets and I would put them in, and that would save him the trouble. He gave me some; how many I don't know; may be a set or two; I can't tell. I voted out of them one set myself, and that was all the tickets I put in. I don't remember that there was anything more; I cannot tell.

Q. You say they were the only tickets you put in, except what other people voted, you acting as inspector.—A. Yes, sir; that was all.

At Port Jervis, Deerpark, the majority of committee charge six votes as illegal, and infer that they voted for Greene. Their own witness, Vinall, admits that one probably voted the republican ticket, and that all the remaining five took both oaths, proved their right, and voted. The sum of their offense was, they held papers issued that fall, and though issued in New York, and bearing the signature of the clerk of a court of record, and the seal of that court, it is "inferred" that they were illegal.

At the first district of Goshen a few names were registered on newly issued papers. Redfield's testimony is relied on by contestant to throw out forty votes as having been illegally given for Mr. Greene. The claim to that number is based simply on the fact that Redfield says forty men were challenged there that day, and finally voted. Of course he, like others, is ready to *infer* that these men were illegal voters, and that they voted the democratic ticket. He discloses, on cross-examination, that such conclusion is a mere inference; but an analysis of the forty shows that seventeen of them were republicans challenged for minority, betting on elections, &c., and that ten more were negroes, challenged as not being owners of real estate of value of \$250, leaving only thirteen of the forty who may have voted the democratic ticket; and we claim that no one of these thirteen votes is shown to be illegal. We quote from testimony of Hon. G. W. Millspaugh:

Q. You were present at and about the polls on the election day at the last general election in the 1st district of the town of Goshen?—A. I was there the whole of the day, with the exception of about twenty minutes in the afternoon, about three o'clock, when I went for a lunch.

Q. Do you know all who were challenged on that day by both parties? and if so, state the number challenged, and any facts connected with the matter of those challenges.—A. I was at the poll almost the whole of the day as a challenger of the democratic party, and saw, perhaps, nine-tenths of the voters who voted in the 1st election district vote, and voters were challenged, their names were taken upon a paper by one of the clerks of election, and which paper containing the names of the persons challenged is now on file in the town clerk's office of the town of Goshen; the town clerk's office is kept in my office; that list contains the names of about forty who were challenged; I have examined the list upon two occasions and made a copy of it; that is about the number, to my recollection, that was challenged in that district last fall; in that list of challenged voters is the names of ten negro voters who voted at that election; in all those cases the general oath was put to them as required by law; in the list of forty challenged voters I think there are seventeen of them who voted the republican ticket; a great many of them I challenged myself, some for being under age, and some for betting on election, and in each case the preliminary oath was put to them; other men who had been challenged by the opposite party, whose names are contained in this list, were legal voters in the town, to my knowledge, and had been previous to that election. About three o'clock in the afternoon, while taking my lunch, I was sent for by the board of inspectors and asked by them whether a man who came here under age, but had not been five years in the country, had a right to vote. I told them he had not. This man's name who had offered to vote, I think, was Daly, I know was Daly, and is the one spoken of by Mr. Redfield in his testimony. Mr. Redfield is mistaken as to the time he offered to vote; I know it was in the afternoon because I was taking my lunch when the board sent for me; in his case the board put the preliminary oath to him; when the voter demanded the preliminary oath it was administered by one of the inspectors in all cases; and when a person offering to vote was challenged, demanded the general oath, it was administered to him by one of the inspectors, instead of the preliminary oath; in some cases the challenger insisted on the preliminary oath, and it was not administered by the inspectors; I should think there was less than ten of these cases; I think from this statement in the clerk's office it was about ten, and that is my recollection of it.

Having now finished the review of charges of wholesale illegal voting, we call attention to a comparison of the votes of this district, so far as we can reach it, from 1860 to 1869. This we do to show that there is no force in the suggestion that the increased vote is indicative of fraud. From statistics we compile as follows:

YEAR.	REPUBLICAN.	NO. VOTES.	DEMOCRATIC.	NO. VOTES.
1860.....	Van Wyck .....	8,311	St. John .....	8,163
1862.....	Fullerton .....	7,552	Winfield .....	9,326
1864.....	Murray .....	9,736	Winfield .....	9,976
1866.....	Van Wyck.....	10,174	Anderson .....	9,933
1868.....	Van Wyck.....	11,298	Greene.....	11,630



From the above lists the increase of votes from 1860 to 1864 (presidential elections) was three thousand two hundred and thirty-eight, while the increase from 1864 to 1868 (presidential) was three thousand and six. But if comparison be challenged between biennial elections, see vote of Sullivan County, where contestant charges most illegal voting in 1868, and D. G. Starr, an intelligent witness sworn for Mr. Van Wyck, says (page 129) that the democratic increase in that county in 1868, over the vote of 1866, was one hundred and twenty-nine; republican increase in same period was three hundred and twenty-two.

We have not the data to establish a comparison in Orange between the same two years, 1866 and 1868, but a comparison between 1867 in that county, (about which no complaint was made,) and 1868, shows about the same result. If any further explanation of why this increase in Greene's voté over former candidates for Congress on the same ticket, it may be found in the fact that Mr. Van Wyck, from personal unpopularity or other personal cause, ran behind his ticket at a great majority of the polls in the district. In Orange County alone he was two hundred and thirty-two behind General Grant's electors. We append some testimony from republican voters on this subject:

DAIN A. STEVENS sworn for Mr. Greene :

Question. Are you by profession and practice a lawyer?—Answer. Yes.

Q. Where do you reside?—A. Third ward, city of Newburg.

Q. Did you vote in that ward at the last general election?—A. Yes.

Q. Are you a republican?—A. Yes.

Q. Who did you vote for for member of Congress?—A. I voted for George W. Greene.

Q. How did you come to vote for him?—A. Because I thought he was the most proper person, and I considered him much the best man of the two.

THOMAS KIMBALL sworn for Mr. Greene :

Question. Where do you reside?—Answer. Third ward, city of Newburg.

Q. What is your business?—A. Lumber business.

Q. How long have you been engaged in that business in Newburg?—A. About seventeen or eighteen years.

Q. You are a republican.—A. Yes.

Q. Do you know of a republican who had the republican ticket with Mr. Van Wyck's name erased?—A. Yes.

Q. About how many?—A. From twenty to twenty-five I know.

Q. Do you know whether or not any such ticket was voted?—A. Yes, I know of one such; I voted it myself. I had, in my opinion, good reasons for doing so; I did not think Mr. Van Wyck to be a worthy representative of republican principles or an honest man.

Cross-examined :

Q. Do you know whether any of the twenty or twenty-five tickets you have spoken of was voted with but your exception?—A. I don't know of it to be a fact, but only of the promise of the parties to vote them.

Q. Can you name the parties you gave them to?—A. I prefer not to do so at present.

THOMAS KIMBALL.

HENRY M. CONNELLY sworn for Mr. Greene :

Question. You are a lawyer residing in the city of Newburg?—Answer. Yes, and live in the Third ward.

Q. How long have you resided in the city of Newburg?—A. About seventeen or eighteen years..

Q. Did you vote at last general election in the Third ward?—A. I did.

Q. You are a republican and a member of the republican party?—A. Yes.

Q. Do you know of any republicans in the city of Newburg who voted against Charles H. Van Wyck at last election for congressman?—A. Yes.

Q. State as near as you can about the number in your ward.—A. I know of between thirty and forty.

Cross-examined :

Q. You were formerly an officer in the Fifty-sixth regiment New York volunteers. Can you name any of the thirty or forty men you speak of?—A. Yes, I can name some of the thirty or forty.

Q. Will you name them?—A. Yes, if I am obliged to. I am willing to state anything I done myself, but I don't want to expose any one else.

Q. Do you know, of your own knowledge, that thirty or forty republicans living in the Third ward who voted against Charles H. Van Wyck as member of Congress at the last general election?—A. I do.

Q. Now will you give us the grounds of your knowledge?—A. At that election I acted as clerk at the polls, and particularly noticed the split republican tickets on congressmen, and there were at least that number of republican tickets with Mr. Van Wyck's name erased, and in the majority of cases the name of Mr. Greene written thereon.

Q. Can you state the majority of the splits for Mr. Greene?—A. About two-thirds of them; I think they were over forty.

Re-direct :

Q. Who was the colonel of the fifty-sixth regiment when you was in the service?—A. Charles H. Van Wyck.

Q. In what capacity were you in that regiment?—A. I enlisted as second lieutenant.

Q. How long were you in the service?—A. From September, 1861, until 17th March, 1865.

Q. What rank did you hold when discharged?—A. Brevet lieutenant colonel.

Q. On whose staff were you?—A. General Jordan's. I was in Fifty-sixth regiment until October, 1862.

HENRY M. CONNELLY.

ISAAC M. MARTIN sworn for Mr. Greene :

Question. In what ward of the city of Newburg do you reside?—Answer. Third.

Q. How long have you resided in Newburg?—A. All my life, with the exception of seven years.

Q. You are a republican and a member of the republican party?—A. Yes.

Q. Did you vote in the Third ward at the last general election?—A. Yes.

Q. Do you know of any republican who voted in that ward that voted against General Van Wyck at last election for member of Congress?—A. Yes.

Q. Did you vote for him?—A. I voted for George W. Greene for congressman.

Q. Can you state about how many republicans voted against Mr. Van Wyck in the Third ward?—A. I think seventeen.

Q. State, if you have no objections, how you came to vote against General Van Wyck.—A. I would rather not answer.

Cross-examination :

Q. Were you a member of the Fifty-sixth regiment New York volunteers?—A. No.

Q. Can you name the republicans who voted against Mr. Van Wyck in the Third ward?—A. I can, but I don't want to do it.

Q. Do you know, of your own knowledge, that seventeen republicans voted in the Third ward at last general election against Van Wyck for congressman?—A. Yes, sir.

Q. What is the ground of your knowledge?—A. In comparing tickets before voting and fixing tickets for others to vote.

From the foregoing résumé it will appear that if every vote cast for Mr. Greene, and around which any degree of legal doubt has been cast, were deducted from his side, it would not affect his right to a seat, but would only reduce his majority from 323 down to about 250, leaving him still with clear title to the certificate and the seat. We have proceeded on the theory that except where otherwise shown, courts and election officers are presumed to have acted regularly, and that in approaching the ballot-box to review the votes, each should be regarded as sacred until successfully impeached by competent testimony. We append a list of cases presenting legal questions involved in the case as presented :

New Jersey cases, page 24, Contested Elections; *Botts vs. Jones*, page 74, Contested Elections; *Bennett vs. Chapman*, page 204, Contested Elections; *Whyte vs. Harris*, page 263, Contested Elections; *McHenry vs. Yeaman*, page 551, Contested Elections; *Wright vs. Fuller*, page 155, Contested Elections; *Goggin vs. Gilmer*, page 71, Contested Elections; and cases therein cited.

## THE OTHER SIDE.

Having now, as we think, fairly disposed of the charges against the votes received by Mr. Greene, shall we glance very briefly at the record of the contestant? Shall we ask whether he comes into this contest with clear record, and seeks admission to this hall with pure hands? Let the record answer. That record shows a systematic plan to secure naturalization of republican foreigners, regardless of right to papers and reckless of the manner of obtaining them. Joseph Crawford, heretofore referred to, and H. B. Young, two active working republicans of the village of Middletown, where contestant then *staid*, were the committee on naturalization for the republican club of the town of Wallkill in 1868; money was provided for the purpose of procuring the naturalization of persons; some persons were through them naturalized by the courts of Orange County; in the month of October, John Hurst, after consulting with and arranging with the committee, Crawford and Young, upon the assurance that all persons whom he would gather together at the railway station in Middletown, on a morning named, should be taken to New York, and should have their naturalization papers obtained for them, did gather some sixteen or seventeen persons, who were, according to promise, taken to New York City—a part by Crawford and a part by Young; the fare of part paid and the naturalization papers for all purchased at two dollars apiece. These men were taken first to the republican headquarters in Chambers street for naturalization, then into the democratic headquarters, then back to the republican headquarters, where they finally had their papers handed them; not having been into court, been sworn, or had any witnesses.

The testimony further shows that these men were brought back, and that some of them voted, and voted the republican ticket; that Mr. Crawford obtained other naturalization certificates, with the seal of the court and the signature, or pretended signature, of the clerk attached; that subsequently two papers of this kind, with the names of Patrick Tyrell and William Southwell, were left at the brewery, in Middletown, of Ogden & Robertson, the latter being an active republican; that Tyrell and Southwell received these papers, and that Southwell voted, and voted the republican ticket, but that Tyrell did not vote.

It further appears that Mr. Hermon B. Young was a challenger at the polls in the village of Middletown, where most of these persons voted, but did not challenge them; that at the time Mr. Young was connected with the internal revenue business of that congressional district.

Mr. Crawford admits he brought from New York two such certificates as were left at the brewery, with the exception that no name was *then* filled in. How many more he brought, or what was done with them, it ought not to be difficult to guess in part.

In addition to the persons above named are Anthony Galbania, of Middletown, who had bogus papers and voted the republican ticket, (pages 162, 163,) and John Watson, of Middletown, who had not been in this country two years. He was one of the sixteen or seventeen taken to New York by Young and Crawford, (pages 163, 164.) Also, Herman Lesser, (pages 164, 165.)

*City of Newburg.*—The testimony of Alexander Darragh, page 215; William J. Dickson, pages 230, 231; Nicholas Wilson, pages 217, 218; Charles M. Ridelick, page 150, &c.; William Jackson, page 226; John Cumberlandedge, page 229; Robert Leach, page 239, and others, show and establish these facts, viz:

That the county clerk and county judge at Poughkeepsie, in Dutchess

County, are republicans; that in the month of October, 1868, just prior to the general election, numerous batches of persons from Newburg City were taken to Poughkeepsie to be naturalized, and did obtain naturalization certificates and return to the city of Newburg and vote the republican ticket in the November election of 1868.

That they were taken or accompanied there, and the fares and expenses of part of them paid by active leading republican politicians; that their papers, produced on the examination, purported to be issued out of the supreme court, while, in fact, there was no supreme court sitting at Poughkeepsie at the time the certificates purported to be issued.

And further, that all of these several batches of persons were pretended to be naturalized in the county clerk's office at Poughkeepsie, without the presence of any court or judge or jury, and that no applications were filed in said clerk's office.

That one Thomas R. Glassey, proven not to be a resident of Newburg then, and never in the recollection of the living, swore as a witness for thirty-three persons; this was one batch.

Accompanying George W. Underhill, a prominent republican politician of the city of Newburgh, was another batch of sixteen thus pretendedly naturalized. (See the evidence of John Cumberledge, page 229.)

Accompanying Alexander Darragh, another prominent and active republican politician of Newburg City, were seven or eight thus pretendedly naturalized at Poughkeepsie. (See his testimony, pages 215 and 216.)

Accompanying Thomas Ray, another republican, there was a batch thus fraudulently naturalized. (See his testimony on pages 208, 209.) There were various other batches thus fraudulently naturalized at Poughkeepsie, as is shown by the testimony of Nicholas Wilson, (pages 217, 218.) The persons he testifies voted in the First ward of the city of Newburg, and on Poughkeepsie papers, not being included among the names given by the other witnesses.

The testimony of Robert Leach, the foreman of the Washington Iron Works in the city of Newburg, shows that fraudulent naturalization papers were handed to the men in said works by one Jack Lewis, an active republican.

The testimony of Charles M. Redelick (page 150) shows that this same Jack Lewis, on the Friday immediately preceding election, gave to him, Redelick, in an envelope, one of these bogus Poughkeepsie naturalization certificates, and that he, on the following Tuesday, voted on such paper, and voted the republican ticket, he still being an alien.

The testimony of William Jackson (page 226) shows that one of these bogus Poughkeepsie naturalization certificates was left at his house in his absence, and that he voted on that paper, and voted the whole republican ticket.

The testimony of Nicholas Wilson, one of the inspectors of election in the First ward of the city of Newburg, shows (pages 217 and 218) that the following named persons, and some ten or twelve more, voted in that ward at the election in November, 1868, on these bogus Poughkeepsie naturalization certificates and voted the republican ticket, viz: Charles M. Redelick, Henry Bauman, John Guthrie, Morris J. Keenan, John Cumberledge, William Jackson, Richard Gamel, Richard Parrott, sr., Richard Parrott, jr., and Frank Sadler. The testimony of other witnesses discloses the fact that there were persons in every ward in the city who voted on these bogus Poughkeepsie natural-

ization certificates; so as to leave no doubt but there was a general and systematized business carried on successfully in the Poughkeepsie bogus papers.

The republicans have control of all but the First ward in the city; detection was, therefore, made more difficult, as well as the actual proof. But sufficient is shown to prove that it existed in each and all the wards of the city, and that wholly and solely in the interest of the republican party.

Illegalities or irregularities on both sides, the sitting member should retain his seat.

Now, as to the proof of those who voted the republican ticket who had not the legal right to vote.

The testimony of William Avery (pages 220, 221, and 222) shows that the following named persons voted, without legal right, the republican ticket, viz:

Augustus Kleemans, John D. Van Vorhies, George Lipp, John Ry-ners, John L. Lobin, William Hall, John J. Basew, jr., Clodius Birard, Edward Thackery, John P. Dubois, and Thomas Rise.

And the testimony of Andrew J. Bell (pages 7, 8, and 9 of rebutting testimony) shows, with the testimony of William Jordan, (pages 10, 11, and 12 of rebutting testimony,) that the following persons voted the republican ticket when not legally entitled to vote, viz:

David S. Holley, John F. Miller, John Fritz, Charles H. Van Wyck, Joseph Rodgers, and Robert Barton.

Their testimony further shows, that the contestant, Charles H. Van Wyck, on election day, and the morning following, declared that he would have the seat of the sitting member if he was beaten seven hundred; that he would contest the same, and that he would get the seat; thus prejudging and presuming that the committee and the House would do whatever he might, for his personal advancement, require of them, whether sustained by the testimony or not.

The testimony of Robert E. Ring, (pp. 227 and 228,) shows that Andrew Schultz, Abram Bowle, Lyman P. Brown, Jacob R. Schultz, Bently King, and Hallock Titus, voted the republican ticket in 1868, without the legal right to vote at all.

The testimony of Alonzo Smith, (pp. 155 and 156,) shows that Whitney Wood voted the republican ticket, without any legal right to vote at all.

The testimony of Hugh Milliken, (p. 162,) shows that he voted the republican ticket, without any legal right to vote.

The testimony of William Titus, one of the inspectors of election in the town of Montgomery, shows (p. 177) that Hugh Milliken and Hiram Comfort voted the republican ticket, without any legal right to vote.

The testimony of John Sanders, (pp. 196 and 197,) shows the same thing with reference to himself, and that on the promise of several active and leading republicans to give him a pair of boots, (which they gave him,) and of protection from the consequences of voting, he voted the republican ticket; and was by the same republicans advised to run away when subpoenaed in this contest as a witness.

The testimony of John Steadworthy, (p. 200,) shows that William Taylor voted the republican ticket without any legal right to vote.

The testimony of Elmore Earle, (pp. 201 and 202,) shows the same thing with reference to D. F. Lozier.

The testimony of D. K. Lynch, (p. 202,) shows the same thing with reference to Benjamin Gray.

The evidence of John Coffey, (p. 203,) shows the same thing with reference to James Crowe.

The evidence of William H. Uptigrove, (pp. 222 and 223,) shows the same thing with reference to himself.

The testimony of David G. Starr, (pp. 127, 128, 129, and 130,) shows that Charles O. Holmes, John Sexton, Maitland Royce, Alfred Underhill, Nelson Rowland, Andrew J. Holmes, James Simpson, Nehemiah Lord, and David Holley, voted the republican ticket, having no legal right to vote at the polls where they voted.

The testimony of Patrick Conner, (p. 15 of rebutting testimony,) shows that James Ross and Charles Newman voted the republican ticket, having no legal right to vote at all.

The evidence of Charles G. Dill, (p. 25 rebutting testimony,) shows the same thing with reference to James H. Johnson and James Gale, colored voters.

The testimony of many other witnesses, too numerous to mention, shows the same thing in almost every election district in the congressional district.

For proof we refer to, first, the testimony of Joseph Crawford, pp. 157-'8, &c.; Herman B. Young, p. 184; John Hurst, p. 168; Edward Southwell, p. 24 sup. tes.; William Southwell, p. —; George Biggs, p. 172; Patrick Tyrell, p. 19 rebut. tes.; John Watson, p. 166; James Fitzgibbons, p. 32 reb. tes.; Thomas Butcher, p. 32 reb. tes.

We allude now to facts disclosed in the record, as to which we feel that the committee and the House should express their disapprobation, however unpleasant such duty. We refer to the corrupt use of money to secure the election of a candidate, that candidate being the contestant in this case. The attempt is shown to have been made in various parts of the district by friends of Mr. Van Wyck, to demoralize the voters of the district, and pervert the tone of public sentiment by the direct purchase of votes. Standing offers, in different places, of from four to ten dollars per vote, are shown to have been made for votes for Mr. Van Wyck, and supplies for family use, such as flour, boots, hats, coal, &c., were distributed with a lavish hand as the consideration of so many expected votes. On this subject we refer to the following list of witnesses:

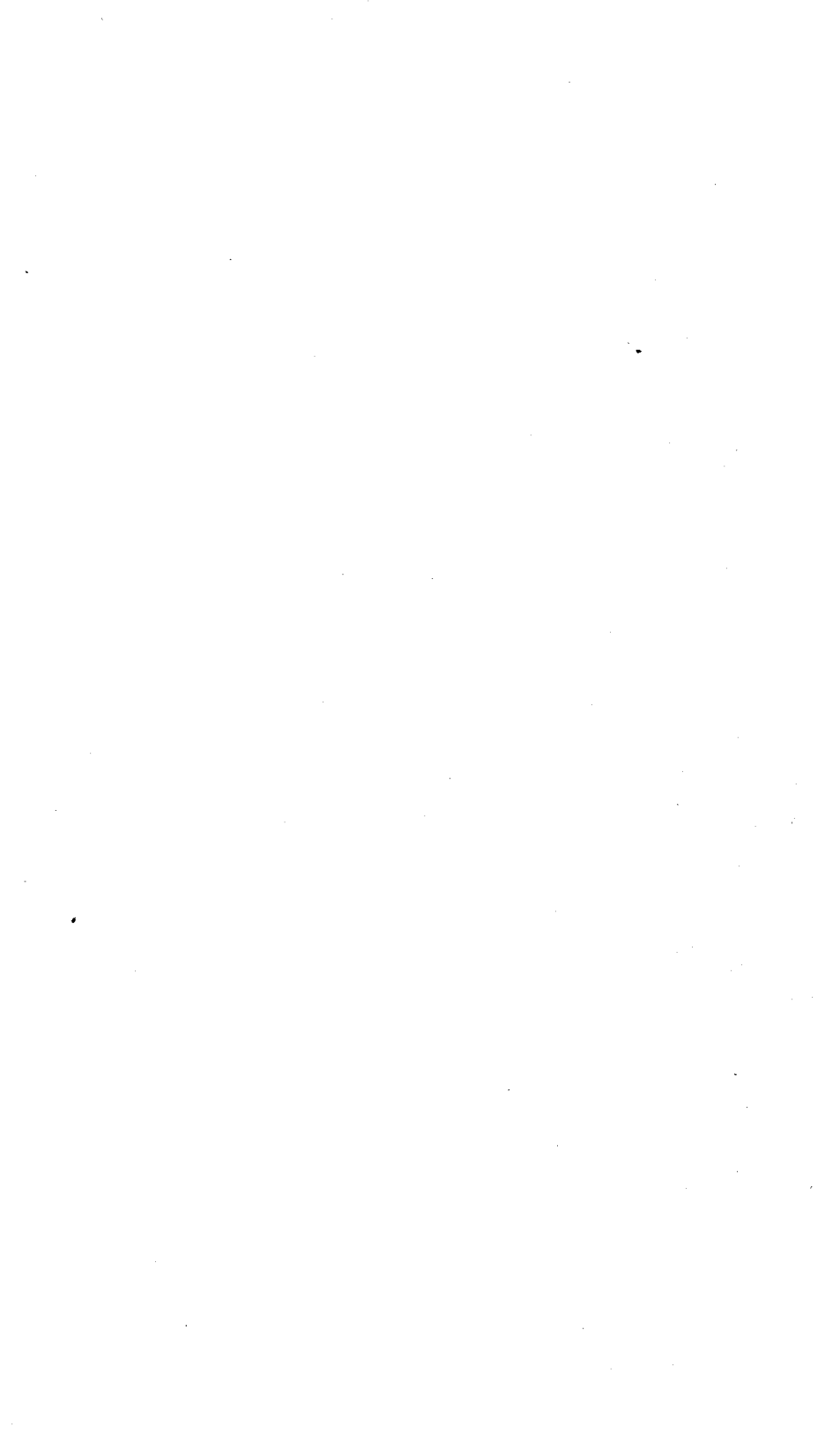
James E. Post, page 192; Jesse R. Wood, pages 183, 184; George H. Price, pages 11, 12, rebutting testimony; Ira S. Clawson, pages 3, 4, 5, rebutting testimony; H. A. Wadsworth, pages 198, 199; Patrick Connor, page 15; Everett L. Hulse, page 187; James O'Connor, pages 182, 183; letter of J. F. Bailey, page 240; William D. Hall, pages 225, 226; Grant B. Marvin, page 6 of rebutting testimony; Peter Belcher, pages 192, 193; William H. Kirby, pages 175, 176; Silas H. Case, page 181; John Myers, pages 163, 164; Reuben C. Miller, page 165.

This system of corruption in American politics is becoming too common, and whether by the one or the other political party will pave the way for utter political demoralization. If persisted in and countenanced by the House, offices will soon be sold as merchandise, and the price received will be the price of American liberty and independence. Without classifying and numbering the legal or illegal votes, we have, as we claim, shown clearly that without charging illegal votes to the contestant we are justified in the conclusion that Mr. Greene justly and legally holds his seat as the representative of the district in question. Consider the illegal votes on papers fraudulently procured by the friends of Van Wyck, from New York and Poughkeepsie, and we submit that

the majority returned from Mr. Greene is very materially increased. We therefore offer to the House the following:

*Resolved*, That Hon. George W. Greene was legally elected to the forty-first Congress, and properly holds his seat as representative from the eleventh congressional district of New York.

ALBERT G. BURR,  
SAM'L J. RANDALL,  
P. M. DOX.





## STEAMBOATS AND OTHER VESSELS OWNED IN THE LOYAL STATES.

FEBRUARY 4, 1870.—Ordered to be printed and recommitted.

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Mr. POLAND, from the Committee on Revision of the Laws, made the following

### REPORT.

*The Committee on the Revision of the Laws of the United States, to whom was referred a communication from the Secretary of the Treasury "relative to steamboats and other vessels owned in the loyal States, and taken by the government without the consent of the owners, during the war, and suggesting that the joint resolution of December 23, 1869, upon that subject be repealed or modified, have had the same under consideration, and report thereon as follows:*

The joint resolution of December 23, 1869, modifies and limits the act of February 19, 1867.

The last-named act, as construed by Attorney General Stanbery, prohibits all departments of the government from making any settlement or payment for property, or the use of property, taken by the military authorities for the use of the army, during the late war, in any State which passed an ordinance of secession, or was declared in insurrection by the proclamation of July 1, 1862, without regard to the loyalty or disloyalty of the owner, or his residence in a loyal or disloyal State; or whether the property was taken by contract or against the will of the owner, or the manner in which the property came to be within rebel territory. The joint resolution of December 23, 1869, modifies the act of February 19, 1867, to this extent: where steamboats belonging to loyal men, residing in loyal States, were taken into the rebel States by the government itself, by contract with the owners, or taken there by the owners themselves by the license and permission of the government, and being thus lawfully there were impressed into the transportation service of the army and lost therein, to allow claims therefor to be presented to, and settled by, the accounting officers of the government, in the same manner they were prior to said act of 1867, and unaffected thereby. Prior to the act of July 4, 1864, such claims might have been prosecuted against the government in the Court of Claims, but that act took away the jurisdiction of that court over all claims for property appropriated, damaged or destroyed by the army or navy during the war, and this without regard to the residence of the owner, his loyalty or disloyalty, or whether taken in a loyal or disloyal State. Provision was made in the same act for the allowance by the Quartermaster's and Subsistence Departments for supplies furnished to the army by loyal men, living in loyal States. Claims of the character now under consideration continued to be settled up to the passage of the act of February 19, 1867, by the accounting officers of the government, and the committee are in

formed, to some extent, afterward, until the promulgation of Attorney General Stanbery's opinion of February 4, 1868. Whether the view taken by the Attorney General of the true legal effect of that act be technically correct or not, the committee find no occasion to express an opinion. Whether the class of cases now excepted out of the act of February 19, 1867, by the joint resolution in question, were literally and technically covered by that act, and their settlement and payment prohibited by it, it is clear that they were not within the purpose and spirit of that law, and were not of the class that act was designed to prohibit.

None of the legislation of Congress upon the subject of paying or not paying for property taken for the use of the army, has, as the committee suppose, been designed to be in disregard of the constitutional provision that "private property shall not be taken for public use without just compensation."

During the existence of the war it was impossible for the Court of Claims, or any governmental department, to be allowed to adjudicate claims against the government arising in that portion of the country which was in armed hostility against it. It was impossible then to determine with any certainty whether the claimants were friends or foes; whether they had aided in bringing the great calamity upon the country, or whether they were innocent sufferers by it. The condition of things also prevented the ascertainment of all facts necessary to a safe and proper adjustment. Since the close of the war Congress has hitherto refused to allow any of its tribunals to have jurisdiction to allow claims for property taken for the use of the army in the disloyal States, where the owners continued personally loyal to the government. Whether payment of such claims can justly and constitutionally be withheld by the government, upon the ground that all persons residing within the insurrectionary States were in a legal sense public enemies, is a question the committee have no occasion to enter upon in this connection.

The committee are satisfied that the omission of Congress thus far to make any provision for the settlement and payment of such claims, has not been on the ground of any general acquiescence in the ground of objection above referred to, but on other grounds wholly. The magnitude of the war, and its long continuance, caused immense waste and destruction of property, both of loyal and disloyal owners. Such losses the government is under no obligation to pay, and cannot pay, and the sufferers, whether friends or enemies of the government, must each bear his part of the loss, as if caused by fire or flood.

If the government could be held responsible for the direct loss and destruction caused by the war, they would be equally liable for the *indirect*—the losses by derangements in business, &c. It is often difficult to determine whether property taken by an army in its course is an appropriation for public use, or mere waste and destruction of war. Many cases of the latter character could easily be converted into the former by a skillful, interested claimant, with the aid of sympathizing friends and neighbors for witnesses.

An objection, probably still more potent, to opening the door to payment of claims of even loyal men, who were residents in disloyal communities, is the danger that thereby the government would be subjected to pay many where the claimants were really unworthy and disloyal, and were really abettors instead of sufferers in the rebellion. Experience has already shown that every man who was resident in the South who was not engaged in active armed hostility against the government, can easily prove himself to have been a good Union man; and many who

did actively support the rebellion, establish very respectable characters for loyalty, on the ground that their disloyal acts were caused by coercion or duress.

The committee believe these considerations to have been mainly operative with Congress, although the doctrine that true Union men, residing in the South, whose property was appropriated to the use of the army, have no legal or just claim to be compensated therefor, has its supporters. The class of cases for which the joint resolution in question provides, are open to none of these objections. In a certain sense, these boats are taken in States declared to be in insurrection, but necessarily it must be in those portions of them that were in our military occupation.

In order to justify a settlement or payment, it must be shown that the vessel came into such insurrectionary State either under a direct contract with, and in the service of, the government, or that it was taken there by the permission and authority of the government.

It must also be shown that the vessel was impressed into the government service by proper military authority.

Now, all these matters are such as must necessarily appear by public, authentic, documentary evidence, and as little danger of false and fraudulent claims can be apprehended as of any class of claims which can be made against the government. The Secretary suggests that, in the course of proceeding by the accounting officers of the government, their means of determining the loyalty of the owners and the value of the vessels are insufficient. As already said, the owner must be a resident of a loyal State, or his claim cannot be allowed; his vessel must have gone from a loyal State by contract with or permission from the government. If the vessel had been impressed into service within the limits of a loyal State, the claim would not have come under the exclusion of the act of 1867.

But would not the questions of the loyalty of the owner and the value of the vessel have been precisely the same, and determined upon exactly the same character of proof, in the one case as the other? It is precisely the same mode of proceeding, and upon the same character of proof, that is applied to all claims made before the accounting officers of the government. The act of 1849, in providing for the settlement of this class of claims, arising in the War Department, provides that the Secretary of War shall establish rules to govern their allowance. These rules are very strict in their character, and if observed, (and it is not suggested that they have not been,) a false claim could hardly be allowed, except upon false and fraudulent official reports. Upon a careful consideration of this whole subject, the committee are unanimously of opinion that the difficulties suggested by the Secretary, in his communication, have no more or better application to the cases covered by this joint resolution than to all claims settled in the departments, and that if valid, this whole mode of settling government liabilities should be abandoned.

It is suggested by the Secretary that a law be passed sending all these cases pending in the department to the Court of Claims to be there litigated, where the government can appear in due form as a litigant.

It should be borne in mind that Congress took away the jurisdiction of the Court of Claims over these cases long before it did that of the departments.

Most of these cases were presented to the department, and all the proofs prepared and filed, while the department had full jurisdiction to settle and adjust them.

Many of these cases occurred more than six years and all of them at least five years ago.

All of them have been pending a long time in the departments, and every possible opportunity has been afforded the officers of the government to examine into the question of the loyalty of the owners, or any other question affecting their right to be paid. If this has not been done, it is still open for the Secretary of War, in whose department these claims originated, to direct that the case be reheard by the accounting officers, and to furnish any new facts bearing upon the case.

Under these circumstances, and after the weary delay these claimants have endured, to turn them over to take their places at the foot of the calender of the Court of Claims for a fresh litigation, we feel would be a mockery of justice.

In considering this subject at the time the original joint resolution was before us, and upon this reconsideration of the subject, the committee have had occasion to look into some of the cases pending in the department. So far as the particular facts have thus come to us, the cases seem to be most meritorious and just. If the officers of the government know any infirmity in any of them they have yet an opportunity to make it appear before the accounting officers, and it has not been suggested that they ever intentionally erred against the government.

The Secretary in his communication states that he has suspended action in these cases, to await the result of a reconsideration by Congress.

It cannot be doubted but that the Secretary of the Treasury has ordered such suspension upon the sincere belief that such reconsideration was necessary, and such suspension proper.

Upon a most careful reconsideration of the subject the committee are unanimously of opinion that the joint resolution should not be repealed, and needs no modification.

Upon what precise ground of authority the Secretary has directed a suspension of proceedings under it the committee are not informed. These claims arose in the War Department, and if the Secretary of War shall be dissatisfied with the findings of the accounting officers in any of the cases, he can direct a rehearing.

This is the extent of authority of any head of department over these accounting officers, as the committee understand the act of March 30, 1868.

The committee therefore ask to be discharged from the further consideration of said communication, and that the same be laid upon the table.

RICHARD M. GREEN.

[To accompany bill H. R. No. 1188.]

FEBRUARY 11, 1870.—Ordered to be printed.

Mr. HALE, from the Committee on Naval Affairs, made the following

R E P O R T .

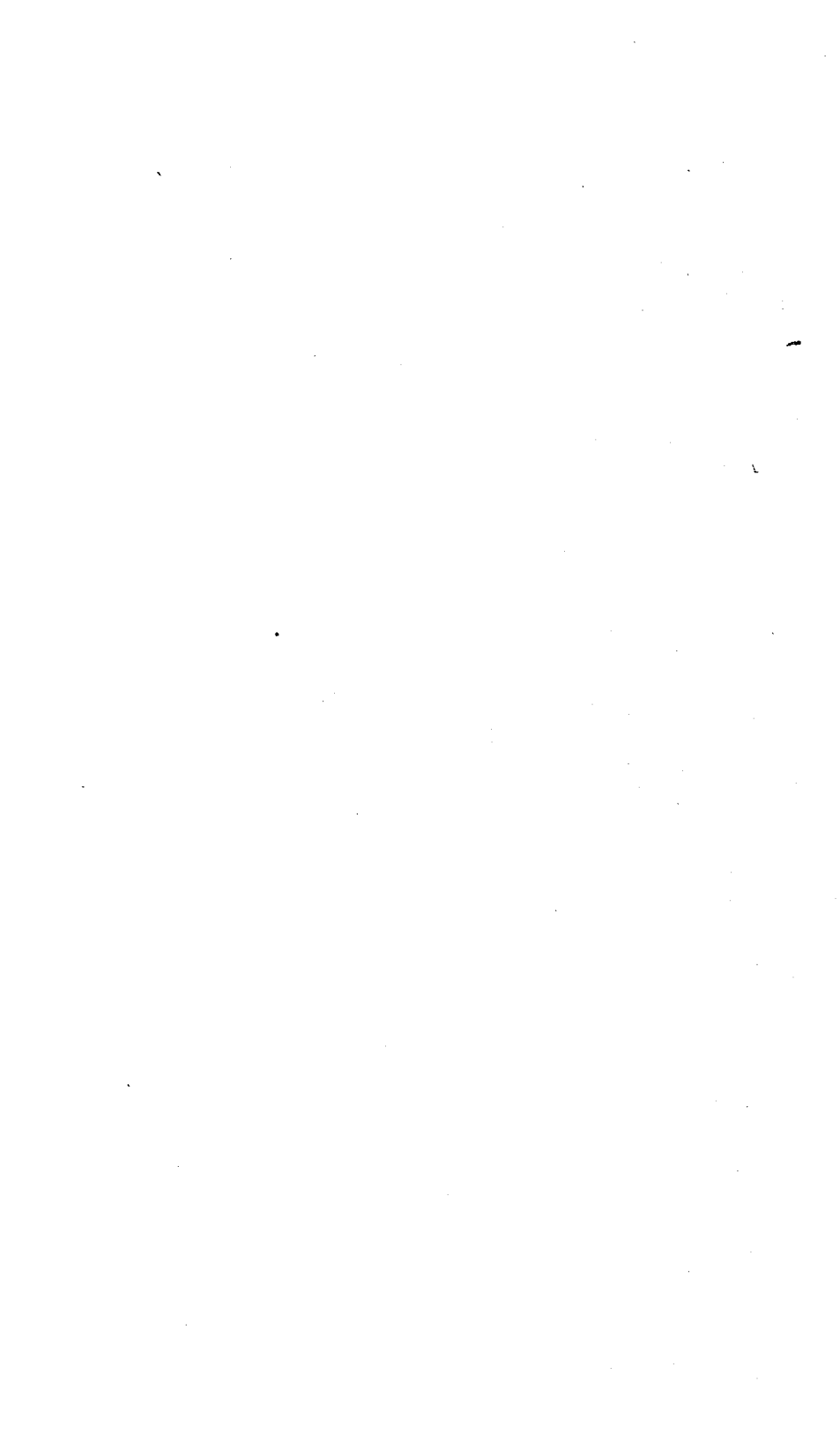
*The Committee on Naval Affairs having had under consideration the petition of Richard M. Green, for compensation for the use of his patent-right in the navy yards of the United States, make the following report :*

The invention of said Green is of a machine for bending chain cable links and tackle hooks by pressure instead of by blows with a hammer.

The advantages are :

1. Uniformity of shape, which could not be attained by the old method.
2. Less liability of breaking the fibre of the iron, on account of the equal strain in bending.
3. Great saving in labor, it being shown by actual use that this machine will bend as many links in a day with the labor of three men, as six men, of more mechanical skill than the three required to work the machine, can bend in the same time with sledges.

The saving of labor in bending tackle hooks is much greater, this machine being capable of turning out more than two hundred in one day, at a cost for labor of nine dollars, while by the use of hammers only twenty can be bent in one day at a cost of seven dollars fifty cents. Considering the amount of work now being done and to be done, both in the manufacturing of cables and tackle hooks, a very large saving could be made to the government by the purchase of this machine for the sum appropriated.



WILLIAM CONELLY.

[To accompany bill H. R. No. 1189.]

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FEBRUARY 11, 1870.—Ordered to be printed.  
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Mr. GILFILLAN, from the Committee on Revolutionary Pensions and the War of 1812, made the following

R E P O R T.

*The Committee on Revolutionary Pensions and the War of 1812, to whom was referred the petition of William Conelly, praying Congress for relief, beg leave to report:*

That the memorialist, William Conelly, having by competent evidence shown that the property and services for which he asks pay were duly furnished for the benefit of, and in compliance with the orders of the duly authorized agent of the United States; and that such property was a total loss to said Conelly in consequence of and by virtue of the authority of the United States, by causing the same to be delivered at a point rendering the same valueless, except for army purposes, and which is, in the judgment of the committee, an equitable delivery of the property, as the property was sent where directed.

The committee further state that the storehouse built at petitioner's private expense was in fulfillment of the requirements of the United States, and not in any manner his own benefit.

The committee therefore report the accompanying bill and recommend its passage.





## CONTRACT WITH CONGRESSIONAL GLOBE.

FEBRUARY 12, 1870.—Laid on the table and ordered to be printed.

Mr. LAFLIN, from the Committee on Printing, made the following

### REPORT.

*The Committee on Printing, in reply to the following resolution adopted by the house, viz: "Resolved, That the Committee on Printing be directed to report to this house a copy of the contract under which the Congressional Globe is now published," begs leave to report, by memorandum marked "A," a copy of said contract.*

TREASURY DEPARTMENT,  
*Comptrollers' Office, February 11, 1870.*

SIR: I have the honor to inclose herewith a copy of the contract between Messrs. Rives & Bailey and John D. Defrees, late Congressional Printer, for reporting and printing the debates of Congress in the Congressional Globe, as requested by you.

Very respectfully, yours,

R. W. TAYLER, *Comptroller.*

Hon. A. H. LAFLIN,  
*House of Representatives.*

A.

[Copy of contract with Congressional Globe, April 15, 1869.]

Whereas John D. Defrees, Congressional Printer, has been duly authorized by the Joint Committee on Printing of the Congress of the United States to contract with Franklin Rives and George A. Bailey for reporting and publishing the debates and proceedings of the forty-first Congress, in accordance with a certain proposition submitted by the said Rives & Bailey, dated March 25, A. D. 1869, with certain additional provisions required by the said joint committee, all of which are fully stated in the contract hereinafter set forth: Now, therefore, this agreement, entered into this fourteenth day of April, in the year eighteen hundred and sixty-nine, by and between Franklin Rives and George A. Bailey, of the city of Washington, District of Columbia, of the first part, and the United States of America, by John D. Defrees, their Congressional Printer, acting under and by virtue of the authority aforesaid, of the second part, witnesseth: That the said parties of the first part, for and in consideration of the money hereinafter agreed to be paid unto them, do hereby covenant and agree with the said party of the second part, as follows, viz:

First. To report promptly, by a corps of competent reporters sufficient for that purpose, the debates and proceedings of each house of Congress, for and during the sessions of the forty-first Congress; and that the said reporters, and their associates, for the Senate shall be such persons only as shall be approved in writing by the Senate Committee on Printing, and those for the House of Representatives such only as shall be approved in writing by the House Committee on Printing; and that any failure or refusal to fulfill these provisions shall, at the option of Congress, work a forfeiture by said Rives & Bailey of all rights under this contract.

Second. That they will publish the debates in the Daily Globe, using the same kinds of type and the same quality of paper as are now used in that publication, at ten dollars and thirty cents per column, and will issue it in season to be sent from Washington by the earliest mails leaving on the morning of its publication, when the matter shall not exceed fifty columns; and when the matter shall exceed fifty columns the publication of such excess may be deferred until the said parties of the first part, using all due diligence, shall find its publication practicable. And the publication of all speeches not actually delivered in either house may be deferred until their publication shall not extend the measure of the work beyond the said fifty columns, the columns to be of the same length and width as those in the present issue of the Daily Globe. Said rate per column shall cover all charges, not only for the matter set in brevier type, but also for the more costly matter set in nonpareil, and all tabular work, also set in nonpareil, and all corrections and alterations in matter put in type.

Third. They shall furnish two copies of the Daily Globe to each member of the Senate and House of Representatives at one cent per page for each copy, which charge shall also cover all expenses for mailing both this issue and such copies of the quarto issue as members may desire mailed.

Fourth. They shall transfer the proceedings and debates from the Daily Globe into quarto form in pages of the size of the present issue of the Congressional Globe and appendix, and print the same on paper of the same weight and quality as that now used for that publication, at two mills per page, the number of copies of the quarto issue not to be less than that heretofore supplied to Congress for its members.

Fifth. They shall furnish an ample index to the quarto edition, the charges for which shall be the same as those above named for the proceedings and debates.

Sixth. They shall print the laws passed by Congress in the same manner as the proceedings and debates, and at the same rates.

Seventh. They shall furnish storage, free of charge, for the printed sheets for such reasonable time as the Congressional Printer may desire, who shall give duplicate receipts therefor, at such times as may be required by the parties of the first part.

And the United States of America, by John D. Defrees, their Congressional Printer, acting under and by virtue of the authority aforesaid, do hereby agree with the said parties of the first part to pay them for the work hereinbefore specified to be done at the respective rates heretofore named, the accounts for reporting and printing the proceedings and debates in the Daily Globe to be paid monthly, and the accounts for the quarto edition to be paid for as the work progresses, at the request of the parties of the first part.

All accounts arising under this agreement for work done for the Senate are to be audited and paid for by its Secretary; and the accounts for work done for the House of Representatives are to be audited and paid for by the Clerk thereof.

In testimony whereof the parties aforesaid have hereunto set their hands and affixed their seals, on this 14th day of April, A. D. 1869.

FRANKLIN RIVES. [SEAL.]  
 GEORGE A. BAILEY. [SEAL.]

JOHN D. DEFREES, [SEAL.]

*Congressional Printer, for and in behalf of the United States of America.*

## CAPITOL BUILDINGS IN TERRITORIES.

FEBRUARY 16, 1870.—Ordered to be printed.

Mr. POMEROY, from the Committee on the Territories, made the following

## REPORT.

[To accompany bill H. R. No. 1259.]

*The Committee on the Territories to whom was referred bill H. R. 687, entitled "A bill to set aside certain proceeds from internal revenue, for the erection of capitol buildings in the Territories of Arizona, Dakota, Idaho, Montana, Washington, and Wyoming," have had the same under consideration, and report :*

Knowing and feeling in full sympathy with the desire of a large majority of the House, and of this committee, to exercise the strictest economy in the expenditures of the public moneys, it has been with much reluctance that the committee, feeling forced by the facts developed by the investigation of the merits of the bill, have felt constrained to adopt the conclusions embraced in the following report.

A glance at the acts of Congress upon this subject must convince any one that there has been no uniform rule regarding the erection of public buildings in the Territories, except so far as continued appropriations recognized the duty of the general government to erect these buildings.

The amount of appropriations for this purpose, and the time and manner of making them, seem to have been governed by no precedent, and to have followed no settled course of action. In the act of 1854, establishing territorial governments for Kansas and Nebraska, it was provided that there should be appropriated, as had been customary for territorial governments, a sufficient amount for public buildings and library at the seat of government, not exceeding sums heretofore appropriated. There was afterward appropriated by different acts \$55,000 for public buildings in Nebraska, and \$50,000 for Kansas.

In the act of 1850, establishing territorial governments for Utah and New Mexico, there was an appropriation to each of \$20,000 for public buildings and \$5,000 for library. The appropriations have since been increased until they have reached \$130,000 for public buildings in New Mexico, and \$20,000 additional for a penitentiary. Forty-five thousand dollars has since been appropriated for a penitentiary in Utah.

The act of 1849, for the government of the Territory of Minnesota, appropriated \$20,000 for public buildings, and this amount was afterward increased by appropriations until it reached \$60,000 for public buildings and \$20,000 for a penitentiary. By act of May, 1838, establishing territorial government for Iowa, \$20,000 was appropriated for the erection of public buildings. In 1812, \$15,000 more was appropriated to complete the penitentiary, and the act provided that no further work or material is hereby authorized to be done or furnished for the completion of said penitentiary on the faith of future appropriations by

Congress, but the same is expressly prohibited; but in 1845, five sections of land were granted to finish the public buildings.

By the act of June, 1836, admitting Arkansas into the Union, five sections of land, in addition to ten before granted, were appropriated for public buildings at Little Rock.

Enough evidence has been given, we think, to show that while Congress has always recognized its duty to provide public buildings for the Territories, the amount of those appropriations seems to have been largely dependent upon the wants, influence and persistency of those asking for them.

The original appropriations made to Arkansas, Iowa, Minnesota, New Mexico, and Utah, would seem to indicate that Congress regarded \$20,000 in money or lands as a sufficient amount for capitol buildings, but additional appropriations have made the amount given for that purpose vary from \$20,000 to \$130,000.

By the act of March, 1857, Congress appropriated \$30,000 for capitol buildings in Washington Territory, making in all \$35,000 appropriated for that purpose in that Territory, and \$20,000 for a penitentiary, providing in the same act that this amount should finish the buildings. Thirty-five thousand dollars may therefore be considered as the amount which Congress, at that time, considered an adequate appropriation for this purpose.

As this, however, was in 1857, when building could be done cheaper than it can at this time, the committee think that an appropriation of \$40,000 to each of the Territories would be a reasonable, and at the same time ample amount for the purpose for which it is required.

There seems to have been no established rules as to the time when these appropriations should be made, based upon the number of inhabitants or its near or remote prospects of admission into the Union. The appropriations for Kansas and Nebraska were made in 1855, but a short time previous to their admission into the Union; while the first appropriations for New Mexico and Utah were made in 1850, for Washington in 1857, and Colorado in 1864. It would seem reasonable to suppose that when Congress deemed a Territory of sufficient importance to require the establishment of a territorial government, it had at the same time admitted its duty to erect the necessary buildings to enable the officers of its creation to discharge their appropriate duties.

By the act of 1867, appropriating money for penitentiaries in these Territories, Congress fully recognized its obligations to them, and that the time had arrived when they should be discharged.

Washington Territory, as has been seen, has received an appropriation of \$35,000 for capitol buildings, and the law appropriating \$30,000 provided that the amount then appropriated should be deemed sufficient to finish them. Their acceptance of this appropriation under that law should conclude the people of that Territory against any further appropriations from Congress, and the committee would recommend that nothing more be given for public buildings in that Territory.

So far as the committee have been able to ascertain, Dakota, Arizona, Idaho, Montana, and Wyoming, have never received any appropriations for the erection of capitol buildings, and your committee would therefore recommend that \$40,000 each be appropriated for the erection of capitol buildings in each of those Territories, and that no land or money be hereafter appropriated to either of said Territories for that purpose.

It was a question in the minds of the committee whether this money should be appropriated direct from the treasury, or the proceeds of the

internal revenue of the various Territories be set aside for that purpose, as provided by the bill.

The action of Congress heretofore would justify the adoption of either method. An act passed January 22, 1867, devotes the proceeds of the internal revenue of the Territories for the years 1866, 1867, and 1868 for the erection of penitentiaries, provided the amount shall not exceed \$20,000 for Washington, and \$40,000 each for Nebraska, Colorado, Idaho, Montana, Arizona, and Dakota. The committee can see no valid objections to appropriating the revenues in this manner; while it is evidently attended with less trouble and expense to the government than a direct appropriation from the treasury, which would involve the transmission and return of the revenue from the Territories and back. The appropriations by the act of 1867 gave to the above Territories \$40,000 each for penitentiaries. Add \$40,000 for capitol buildings, and we have a total of \$80,000 appropriated for public buildings in each of those Territories. We find by examination that while Oregon, New Mexico, and Minnesota received appropriations in excess of \$80,000 for the same purposes, Iowa, Arkansas, Utah, Washington, Kansas, and Nebraska received much less than that amount, and this is another reason with your committee for believing that \$40,000 is all that should be given to these Territories in addition to what they have already received for the purposes named.

The government is now paying annually in each of these Territories from \$6,000 to \$10,000 for the rent of buildings in which to transact the public business. Would it not be much more in accordance with a wise economy to appropriate a sufficient amount to erect these buildings than to pay from fifteen to twenty-five per cent. yearly of the whole cost in obtaining temporary accommodations?

Believing, therefore, that the erection of these buildings is a duty incumbent upon the government, that a neglect to provide for their construction at this time would be a wasteful economy and unjust to the people of the Territories, the committee would recommend the accompanying bill as a substitute for the original and recommend its passage.



CAUSES OF THE REDUCTION OF AMERICAN TONNAGE.

[To accompany bills H. R. No. 1261 and 1262]

FEBRUARY 17, 1870.—Ordered to be printed.

Mr. LYNCH, from the Committee on the causes of the reduction of American tonnage, made the following

REPORT.

*The select committee appointed by resolution of the House of Representatives March 22, 1869, "to inquire into and report at the next session of Congress the causes of the great reduction of American tonnage engaged in the foreign carrying trade, and the great depression of the navigation interests of the country, and also to report what measures are necessary to increase our ocean tonnage, revive our navigation interests, and regain for our country the position it once held among the nations as a great maritime power," have considered the subject referred to it, and agreed to the following report :*

Your committee, in prosecuting its inquiries, have, during the recess of Congress, held sessions at the cities of New York, Philadelphia, Boston, and Portland, receiving the statements of merchants, ship-builders, ship-owners, and insurance agents; gentlemen having practical knowledge and experience relating to the matter under investigation. The ship-owners associations of New York, Philadelphia, and Maine, and the board of trade of Boston were represented at the sessions of the committee, and presented the views of these various associations. Like information and evidence have been received in the sessions of the committee held at the capitol during the present session of Congress. Circular letters have been addressed to gentlemen engaged in the various branches of business connected with the shipping interests, requesting a statement of their views on the subject under inquiry, and also to American consuls at the principal ports of foreign countries, asking them to furnish information in regard to the condition of the mercantile marine of those countries.

The evidence elicited by these various modes of inquiry will be found under the head of testimony taken by the Special Committee on Navigation Interests, and appended to this report.

The committee would call special attention to the exhaustive paper furnished through the State Department by our consul at London, Hon. Freeman H. Morse, and also to the tables of statistics prepared for the

committee by Mr. F. A. Walker, Deputy Special Commissioner of the Revenue, and by Joseph Nimmo, jr., of the Treasury Department, who has made the condition of our shipping interest a subject of special attention.

#### THE DECLINE IN AMERICAN OCEAN TONNAGE.

In order fully to comprehend the extent of the decadence of American shipping and the causes which have operated to produce that decadence, we must ascertain the points at which the prosperity of this interest culminated, and trace it thence back to the source of that prosperity, and forward to the present time of decay. It is obvious that whatever causes may have existed prior to the commencement of the late rebellion tending to produce the present condition of our shipping, their effects did not become manifest until that period. Previously there was a gradual, steady, and healthy increase of our ocean tonnage, fluctuating with the fluctuations of business, but constantly gaining until the year 1861.

The increase of our tonnage engaged in the foreign carrying trade from 1830 to 1840, was about sixty per cent.; from 1840 to 1850, seventy-five per cent.; from 1850 to 1860, sixty per cent. This latter is the first decade in which we find any reliable statistics of the registered tonnage of Great Britain, to enable us to institute a comparison between it and our own. In this decade the tonnage of Great Britain, employed exclusively in the foreign trade of that country, increased about forty per cent. Our own tonnage engaged in the foreign carrying trade, reached its highest point in 1861, being that year 2,642,628 tons, while that of Great Britain was at the same time 3,179,683 tons, giving us the second place in rank among nations in the extent of our ocean tonnage, while we were the acknowledged superior of all in the proficiency which we had attained in the science of naval architecture and in the efficiency of our mercantile marine.

It is difficult to realize that our country, which in little more than half a century ending in 1860, had reached the very foremost rank of maritime nations, has in less than a decade lost half its merchant shipping and all its maritime prestige, and that we now stand debating whether we shall without a struggle yield all, and become the mere commercial dependency of the nation for whose advantage we have been thus spoiled and reduced.

From 1861 to 1866 our tonnage engaged in the foreign trade decreased from 2,642,628 tons to 1,492,926 tons, a loss of 1,149,902 tons, or more than 43 per cent., while Great Britain, in the same time, gained 986,715 tons, or more than 30 per cent. Even this statement does not show the full extent of our relative loss as compared with Great Britain, a very large percentage of the increase of the latter in tonnage having been made in steamers, one ton of which class of vessels is equal in efficiency to at least three tons of sail vessels, while by substituting



largely iron for wood, as building material, a still further advantage was gained over us in her much larger class of iron vessels, doubly as durable as those of wood. The increase of the steam tonnage of Great Britain during the period alluded to, was 275,988 tons, making an addition in efficiency over our sailing ships of at least 500,000 tons. So that, taking into account the durability and efficiency of the tonnage added by Great Britain to her merchant marine from 1860 to 1866, it would probably equal an increase of 50 per cent. of sail vessels.

RISE AND FALL OF THE MERCANTILE MARINE.

The following tables of statistics present a more forcible statement of the rise and fall of our mercantile marine, and furnish a more striking illustration the effect of the war upon our own shipping and that of Great Britain, engaged in foreign commerce, than any other language than that of figures can furnish.

Table showing the tonnage of United States and British registered vessels employed in the foreign trade of each country, during the years, respectively, 1830, 1840, 1850, and from 1860 to 1868, both inclusive.

Year.	United States.			Great Britain.*					
	Registered sail.	Regist'd steam.	Total registered.	In the foreign trade.			Partly in home and partly in foreign trade.		
				Registered sail.	Regist'd steam.	Total registered.	Regis'd sail.	Reg'd steam.	Total reg'd.
1830	575,016	1,419	576,475						
1840	895,610	4,155	899,765						
1850	1,540,769	44,429	1,585,198	2,143,234	45,186	2,188,420	222,341	5,298	227,639
1860	2,448,941	97,296	2,546,237	2,804,610	277,437	3,082,047	226,556	29,803	256,359
1861	2,540,020	102,608	2,642,628	2,866,218	313,465	3,179,683	219,522	24,924	244,446
1862	2,177,253	113,998	2,291,251	2,993,696	328,310	3,322,006	246,479	29,463	275,942
1863	1,892,899	133,215	2,026,114	3,246,526	371,201	3,617,727	284,413	33,547	317,960
1864	1,475,376	106,519	1,581,895	3,532,242	456,241	3,988,483	268,125	36,944	305,069
1865	1,504,575	98,008	1,602,583	3,629,023	523,698	4,152,721	282,295	43,225	325,520
1866	1,294,637	198,289	1,492,926	3,612,973	553,425	4,166,398	278,167	47,194	325,361
1867	1,369,917	198,115	1,568,032	3,641,662	608,232	4,249,894	189,846	50,201	250,047
1868	1,343,703	221,939	1,565,732	3,646,150	619,199	4,265,349	240,921	52,150	293,071

\* NOTE.—This table includes Channel Island vessels but not those of the British plantations. The home trade signifies on the coasts of the United Kingdom, or to ports between the limits of the river Elbe and Brest. The foreign trade signifies to ports beyond such limits.

Registered tonnage of United States, 1860 .....	2,546,237
Registered tonnage of Great Britain (exclusive of colonial) ..	3,082,047
<b>Total</b> .....	<b>5,628,284</b>
Registered tonnage of United States, 1868 .....	1,505,732
Registered tonnage of Great Britain, 1868.....	4,265,349
<b>Total</b> .....	<b>5,771,081</b>
If to this we add, for increase in steam tonnage.....	500,000
	<b>6,271,081</b>

It will be observed that notwithstanding the check caused by the war upon the production of the crops of the South, which furnished so

arge a percentage of our exports, the aggregate tonnage of the United States and Great Britain engaged in the foreign carrying trade has increased about 14 per cent., while from the position of nearly an equal in tonnage with that nation, our own tonnage had dwindled to less than one-third of that of Great Britain.

The change of the business furnished by our own country in exports and imports from American to foreign vessels is still more striking, as will be shown by the following table :

*A table showing the amount of American and foreign tonnage entered the ports of the United States from foreign countries in 1830, 1840, 1850, and from 1860 to 1869, both inclusive.*

Fiscal years.	American tonnage.	Foreign tonnage.	American in excess of foreign tonnage.	Foreign in excess of American tonnage.
1830 .....	967, 227	131, 900	835, 327	.....
1840 .....	1, 576, 946	712, 363	864, 583	.....
1850 .....	2, 573, 016	1, 775, 623	797, 393	.....
1860 .....	5, 921, 285	2, 353, 911	3, 567, 374	.....
1861 .....	5, 023, 917	2, 217, 554	2, 806, 363	.....
1862 .....	5, 117, 685	2, 245, 278	2, 872, 407	.....
1863 .....	4, 614, 698	2, 640, 378	1, 974, 320	.....
1864 .....	3, 066, 434	3, 471, 219	.....	494, 785
1865 .....	2, 943, 661	3, 216, 967	.....	273, 306
1866 .....	3, 372, 060	4, 410, 424	.....	1, 038, 364
1867 .....	3, 455, 052	4, 318, 673	.....	863, 621
1868 .....	3, 550, 550	4, 495, 465	.....	944, 915
1869 .....	3, 402, 668	5, 347, 694	.....	1, 945, 026

#### VALUE OF TONNAGE.

The estimated value of the tonnage of the United States engaged in the foreign carrying trade was, in 1861, \$108,347,748; the estimated gross yearly earnings of which was 33½ per cent., or \$36,115,916. In 1869, the estimated value of the same tonnage was \$70,488,945, and the estimated earnings, \$23,496,315; a net loss in yearly earning of this interest, of \$12,619,601. (Table No. XIV of the Appendix.)

The increase in gross earnings of this class of tonnage from 1850 to 1860, \$14,719,397, or 73 per cent. Taking the same ratio of increase from 1860 to 1869, say 65 per cent., and we should have, in 1869, \$57,417,643. The actual amount of gross earnings is \$23,496,315, or a net annual loss, in consequence of the decline of our ocean commerce, of \$33,921,328.

Add to these the table showing the relative proportion in value of the imports and exports by American and foreign vessels to and from the United States, (table No. XV in Appendix,) and we have a complete epitome of the deplorable condition to which our shipping interests has been reduced. The following, from the table referred to, shows the total foreign commerce of the United States in 1850, 1855, 1860, 1865, and 1869 :

Fiscal year.	Exports and imports in American vessels.	Exports and imports in foreign vessels.	Total.
1850 .....	\$229, 272, 084	\$90, 746, 954	\$330, 037, 038
1855 .....	405, 485, 462	131, 139, 904	536, 625, 366
1860 .....	507, 247, 757	255, 040, 793	762, 288, 550
1865 .....	167, 402, 872	437, 010, 124	604, 412, 996
1869 .....	280, 950, 272	586, 492, 012	876, 442, 284

It will be seen by the foregoing that in 1850, 75 per cent. of our total exports and imports were shipped in American vessels. In 1855, 75 per cent. in American, and 25 per cent. in foreign vessels. In 1869, 34 per cent. in American to 66 per cent. in foreign vessels. Our exports have doubled since 1853, while the percentage carried in American vessels has fallen from 67 per cent. to 34 per cent.

Could there be a more striking refutation of the assumption that the revival of our shipping will follow the increase of our exports, than is furnished by the statistics referred to. The increase of our exports will only furnish an increased business to foreign ships unless we put our own vessels in a position to compete with them on equal terms. It is estimated that more than 60 per cent. of the registered tonnage of the United States is engaged in the carrying trade between foreign countries, on long routes carrying the bulky cheap freights, while, as has been shown by the foregoing table, our own exports and imports are passing in foreign bottoms, the freights going to enrich our commercial rivals, and to swell the foreign balances against us, which must be settled in gold.

VALUE OF IMPORTS.

The following are the values of imports into the district of New York during the fiscal year ending June 30, 1869, with estimated proportion in sailing and steam vessels:

Total value of imports.....	\$295, 137, 415
Of which estimated proportion in sailing vessels.....	57, 867, 025, or $19\frac{607}{1000}$ per cent.
Proportion in steam vessels.....	237, 270, 390, or $80\frac{393}{1000}$ per cent.
<b>Total.....</b>	<b><u>295, 137, 415</u></b>
Estimated proportion in American steamers.....	35, 441, 606
Estimated proportion in foreign steamers.....	201, 828, 784
<b>Total in steamers.....</b>	<b><u>237, 270, 390</u></b>

Or nearly seventy per cent. of the imports at the great commercial city of the country in foreign steamers.

There are now running regularly, to and from New York, 89 foreign steamships, the aggregate tonnage of which is 205,338 tons. The increase in this class of vessels, since 1860, has been 47 ships, 139,605 tons, or more than two hundred per cent., and the number is constantly augmenting to meet the increased demands of business. (See table XXV in Appendix.)

Estimating the freights paid at eight per cent. of the value of the cargoes and we have here paid to foreign carriers of goods to a single

port, in round numbers, sixteen millions of dollars, while the amount paid on outward cargoes will probably reach half that sum, making a grand total of twenty-four million dollars annually drawn from our own people to support the steamships of foreign nations, which steamships constitute the naval reserve of those powers.

#### STEAMSHIP LINES.

At present the whole tendency of the freighting business of the world is to seek direct routes, and by steam communication, to combine mail and passenger with merchandise transportation. The long and tedious voyages around capes are avoided by connecting oceans either by ship canals or railways. The advantage of this change in the mode of transportation, in addition to that of carrying passengers and mails, is that it furnishes a way business that cannot be commanded by sail vessels which can only carry advantageously between two points.

Great Britain availing herself of the use of steam has obtained control of the chief of these direct lines of ocean communication, and in doing so has occupied the shortest routes and those which, without loss of time or distance, afford the most points to touch and tap the trade belonging to them.

Between America, North and South, she has nine direct lines. Two carry the mails between the United States, British America, and England. Both lines start from Liverpool, touch at Queenstown, and sail direct to New York. One, however, calls at Halifax. To feed these lines the Cunard Company run a line from Halifax to Nassau, which is subsidized. There are also "way" steamers, if we may call them so, between Halifax and Newfoundland, the Bahamas and New York. There is a line between Liverpool, New Orleans, and Balize.

Three lines sail direct from Southampton to the Gulf of Mexico. One to Tampico, Mexico, another to Aspinwall, the third runs to Puerto Cabello, in Venezuela.

There are also three lines sail for the Atlantic coast of South America. One to Brazil, stopping at Rio de Janeiro, after calling at the leading ports to the north; another makes Buenos Ayres its stopping place. The third runs to Montevideo. These lines sail from Falmouth and Southampton direct, taking the shortest route across.

Panama is the starting point for four lines of British steamers. One down the Pacific coast of South America to Valparaiso, touching at all the chief ports. Another to the leading places in Central America. A third is a local line running to neighboring points, and the fourth direct to Wellington, New Zealand, connecting with an Australian line to Sydney and Melbourne.

There are two lines along the West coast of Africa, both starting from Southampton, one going to and from the Cape of Good Hope, touching at St. Helena and Ascension, the other tapping the coast, from Cape St. Vincent, Portugal, to Sierre Leone and other points.

Besides a number of short routes connecting different points, the greatest line of all is that of the Peninsula and Oriental Mail Steamship Company. Its point of departure is Southampton. From that port their vessels go to Gibraltar, through the Mediterranean, touching at different points, as Malta, &c., to Port Said, through the canal, the Red Sea, across the Arabian Sea, to Bombay and Ceylon. At the latter place a line runs to Australia; there connecting with a line already mentioned, running from Panama, and thus making the circle complete. The general route of the steamers takes in all the leading Indian ports, also Singapore, Penang, Hong Kong, and Shanghai. By following the indicated routes it will be at once seen that they leave out only two principal regions; Pacific North America and the lower portions of the Indian Archipelago. For the latter, short routes from point to point are being organized, while it is understood that this great company propose to unite the British steam marine at either end of our continental railroad system, by establishing a competing line with the Pacific Mail Steamship Company from Shanghai to San Francisco. This will inevitably be followed by another line from San Francisco to Panama. This extension of lines of steamers has been procured mainly by means of liberal subsidies paid by the British and French governments for carrying the mails.

For the postal service they perform Great Britain pays to twelve of her principal mail steamship companies, in the form of an annual subsidy, £903,750, or \$4,392,244, besides the amounts collected for postage over from other principal routes and a number of connecting lines, amounting to enough more to make the entire payments at least \$5,500,000. Of this large sum about \$2,000,000 is paid to the lines connecting with the American Continents.

The French government is even more liberal than that of Great Britain, and the effect of their policy is seen in the establishment of several lines of the finest equipped steamships afloat, even rivalling the best British lines. The French government pays several million dollars annually to these lines. The French Transatlantic Company run three lines—to New York, to the West Indies and Vera Cruz, and to Gaudaloupe and Aspinwall. It receives all the money paid for postage and a direct annual subsidy of \$1,000,000. Besides these amounts, the French government loaned it \$5,000,000 for ten years without interest, which is being returned by the withholding ten per cent. of the postage paid. The subsidies to the other steamship lines are on the same scale, having received a loan as part of their capital, and all are paid the amounts collected on mail matter which they carry.

Other chief lines start from Marseilles and run to the various Mediterranean ports, the French colonies of Algiers; and one of the finest appointed lines in the world, *Méssageries Imperiale*, runs direct to Alexandria and Port Said, through the Suez Canal, down the Red Sea, communicating with the French colonies off the east coast of Africa, and thence to the leading ports in the Indian Seas direct to the two or three

points which yet remain in French possession, thence to Saigoon in Cambodia or Cochin China. The present terminus is Shanghai.

By means of these lines France is tapping the chief sources of commercial prosperity: North America, the West Indies and Central America, Africa, and Farther Asia.

There are besides the great lines indicated others which are also extending rapidly. From Hamburg and Bremen there are finely-appointed transatlantic lines, which receive aid in heavy charges for carrying mail matter from Great Britain and the United States, besides direct aid from the North German government. Austria and Italy both have lines sailing from Trieste and Vienna, and carrying the mails for Mediterranean ports. One or both these lines are pushing toward India and China. Holland has a regular line to and from her East Indian colonies, and Spain one also to the Phillipine Islands. All these governments see the advantages derived from development of the "through route" steamship system. Even Japan, just waking up to the influences of Western material progress, is encouraging the formation of a mercantile steam marine, and owns and employs in her own waters, and in trade with China, twenty first-class steamers, paying liberally for the transportation of the mails between her own ports and islands.

In striking contrast with the activity displayed by foreign nations, is the want of it manifested by our own. During the year ending June 30, 1869, there was paid by the United States, for ocean mail service, \$1,101,674, of which amount \$336,163 was paid to foreign companies.

We have but two lines of mail steamers running on the Atlantic. One, monthly, runs to Rio de Janeiro from New York, stopping at St. Thomas and Pernambuco, the other, Pacific Mail, from New York to Aspinwall, making weekly trips. On the Pacific side we have from Panama, one line to San Francisco, and from there to Yokohama, and Shanghai. From the same port there is a semi-monthly line to Honolulu, Sandwich Islands, one to Vancouver's Island, carrying the mails to Oregon, British Columbia, and the Puget Sound country, and one, semi-monthly, to Mazatlan, Mexico. In all not more than thirty steamships are employed in this service, of which the Pacific Mail have fourteen. The British Peninsula and Oriental Company alone employ forty-nine large vessels, forty-six of which are mail carriers for the East and Australia.

Thus it appears that our shipping has declined absolutely and relatively with that of other nations; that not only the carrying trade between foreign nations, but between our own and foreign countries; the business furnished by our exports and imports is being transferred to foreign bottoms; and last, and most important of all to our prestige as a maritime nation and our influence in the affairs of the world, that we have allowed other nations to possess themselves of the most important lines of steam navigation connecting distant parts of the globe.

In consequence of this decline of our shipping the business of ship-

building in the United States is at the present time at a complete standstill. The yards are empty, the workmen out of employment, and what capital has survived the wreck of disaster is either idle or turned to other channels.

#### CAUSES OF DECLINE.

It has been urged by some that this depression of our navigation interests is the result of general causes, such as an over-production of tonnage and a depression in the business of the world.

But such causes, if existing, would be temporary in their operation. If the shipping of the world were temporarily in excess of the business of the world, the equilibrium would soon be restored by the natural decrease of ships and the ever-advancing increase of commercial business. The period of prosperity would, as it always has, speedily follow that of depression. The facts stated, however, show a decline of our navigation interests running through a decade—a period too long to be affected by a mere depression of business or any over-production of tonnage.

Moreover, the decline has been wholly in the shipping of the United States. While that of other nations has been *depressed* from the causes alluded to, there has not only been no absolute *decline*, but, as has been shown, a constant increase in tonnage and in the efficiency of their vessels. In 1868, there were built on the Clyde alone 197 vessels, of 169,571 tons, more than one-half of which were steamers. The total of tonnage built and registered in the United Kingdom in 1868 was 316,197 tons—a larger amount than was built in any one year prior to 1863.

It is obvious from the foregoing that the causes operating to produce the present condition of the navigation interest are special—such as affect American tonnage only—and, as your committee believe, may be readily ascertained.

The steady increase of our shipping engaged in the foreign trade up to the commencement of the rebellion, and the sudden and rapid decline from that point, leads directly to the conclusion that its decadence is attributable mainly, if not solely, to incidents of the war. According to the best available data, 919,466 tons of American shipping disappeared from our lists during the rebellion. Of this amount, 110,163 tons were destroyed by anglo-confederate pirates, while 803,303 tons were either sold to foreigners or passed nominally into their hands and obtained the protection of their flags. Here was an actual loss to the private owners of less than five per cent., and a loss to the nation of about thirty-seven per cent. of the total of American tonnage engaged in the foreign carrying trade. The loss of this amount of tonnage would not of itself have produced such disastrous results as we have seen had not the value of what remained been virtually destroyed by the peril in which it was placed from English piratical vessels sailing under the confederate flag. The risk of sailing under the American flag was so

great as to divert a large share of the carrying trade into foreign bottoms, principally those of Great Britain.

That changes which have occurred in naval architecture and in the materials of which ships are now being constructed operated anterior to the rebellion, and tended to produce a revolution in the shipping of the world, is undoubtedly true. Iron, as a building material for ships was fast superseding wood, and screw steamers were, as we have said, crowding out sail vessels on all ocean routes where the carrying of passengers and mails could be combined with the general freighting business. But it by no means follows that this revolution in the character of the mercantile marine of the world would, if peace had continued, have prevented us from maintaining with foreign nations our relative position as a great maritime power. Our people, with their sagacity, enterprise, and aptitude for mercantile and mechanical pursuits, would doubtless have perceived and availed themselves of the advantages resulting from this progress in nautical mechanics.

Having invented the steamship and first navigated the ocean with this class of vessels, and taken the lead of all nations in the science of naval architecture, we should, it may be safe to assume, have held our way against the world in competing for supremacy on the ocean, had not our attention been diverted from the pursuits of peace to the preservation of our national existence.

The war not only deprived us of the advantages resulting from this change in the character of commercial vessels and the currents of trade affected thereby, but gave an impetus to all business connected with ocean navigation, in the hands of our great commercial rival, and an advantage over us, that but for the war she would not have possessed. The business thus diverted into new channels could not be immediately regained by American vessels even under the most favorable circumstances. But the disastrous effects of the war did not cease with the return of peace. They were rather aggravated by the burdens of taxation which the war had left imposed upon all the industries of the country, but which operated with peculiar hardship upon this particular interest, inasmuch as it is subjected to the unrestricted competition of untaxed foreign rivals, and this competition must be met not only at home in our own ports, but in all parts of the world.

In a contest so unequal there can be but one result, and that is the total loss of our foreign carrying trade and the destruction of our merchant marine. Under such conditions as these it is as impossible to revive our shipping interests, unaided by the government, as it would be to build up our manufacturing interests by imposing a heavy tax upon all raw materials, and at the same time admitting all manufactured articles free of duty.

#### REMEDIES.

The fact that our commerce is rapidly disappearing from the ocean has been mathematically demonstrated. The causes which have brought



it to this condition can be traced with considerable certainty, but the remedy for the evil, the means best calculated to restore it, are more difficult to discover and apply.

The committee, in endeavoring to find the best method of remedying the evil, have considered the following proposed plans of legislation in relation thereto, which have been urged upon its attention and received its careful consideration :

1. The readmission of the vessels which sought the protection of a foreign flag during the war to American registry.

2. The modification of our navigation laws so as to admit foreign-built vessels to American registry, either free of duty or on payment of a moderate duty on the tonnage of such vessels.

3. The allowance of a drawback on imported material which is used in the construction of vessels, or an equivalent to the drawback where American materials are used.

4. Permission to withdraw from bond stores to be consumed by vessels on voyages to foreign ports.

5. Exemptions of tonnage from all taxes other than by the federal government. And

6. The granting of such government aid, by way of postage on mails and by subsidies, as will insure the establishment of lines of American ocean steamers to the principal foreign ports of the world, thereby enabling our citizens to participate in the profits of the trade created by such lines.

#### REGISTRATION OF FOREIGN-BUILT SHIPS.

Your committee are of opinion that the readmission to American registry of vessels placed under foreign flags during the rebellion is against sound public policy. To allow citizens to avail themselves of all the advantages conferred by our government during peace, and escape all the risks of supporting it during war, by placing their property at such times under the protection of a foreign government, would be a dangerous precedent to establish. Most of the vessels which changed their nationality were placed under the flag of a nation that, under the guise of neutrality, was making war upon our commerce for the benefit of its own. They identified their interest with those of our enemy, and obtained all the advantages resulting from such connection; to readmit them now to the same privileges accorded to vessels which adhered to the flag and fortunes of the country through all the perils and under all the disadvantages incident to the war, would be to encourage desertion in times when the country most needed the aid of its citizens.

The argument in favor of the policy of admitting foreign-built vessels to American registry is based upon the assumption that the change which has taken place in the character of commercial vessels from wood to iron, and from sail to steam vessels, has given to foreign nations, par-

ticularly to Great Britain, such advantages in regard to the cheap construction of this latter class of vessels, as to make it impossible for us to compete with her; and that we are reduced to the alternative of either purchasing our ships of her or of surrendering to her the carrying trade. It is further urged that this trade contributes so greatly to the wealth of a nation that we should secure it, by purchasing and sailing foreign-built ships; to which end it is necessary that all restrictions to the purchase of such ships should be removed from our statutes.

The opposite policy of allowing only American-built vessels the privilege of the American flag and register was adopted at the formation of the government, and has been uniformly adhered to since, modified only by the act of December 23, 1852, which permits foreign vessels wrecked in the waters of the United States, and repaired in our ports, the repairs amounting to two-thirds of the value, to take out an American register. The best proof of the wisdom of this policy is the rapid and uninterrupted progress which we attained as a commercial nation under its operations. Great Britain became the first maritime nation of the world under a like policy, which she never relaxed until her merchant marine was strengthened beyond danger.

In order to understand and appreciate the practical operation of the policy of admitting foreign-built ships to American registry, and its effects upon the national wealth, we must consider somewhat in detail the manner in which the shipping of a country—and particularly that of our own—is built up and maintained. The shipping of the United States has never been built, and only to a limited extent has it been owned, by capitalists, but by men of moderate means, the lumberman, the mechanic, the ship-master, and the merchant, each having an interest in the production, the sailing, and the freight of the ship, independent of the profits to be directly derived from its earnings.

The lumberman to make a market for his timber, the mechanic to obtain employment in constructing, the ship-chandler for sale of his goods in furnishing, the ship-master to obtain business in his profession, and the merchant to secure the commissions resulting from the management of the business, all unite in building, owning, and sailing vessels. To use the expression of Mr. Loring, a practical ship-carpenter, largely interested in building and owning vessels, who testified before the committee at Portland: "The whole parish are often interested in building and owning vessels."

This associated effort not only supplies the capital but the practical knowledge and experience to construct and manage this description of property successfully, and also furnishes an incentive to produce it far greater than that of mere interest on investment of capital alone.

By purchasing our ships in foreign countries we transfer not only all the labor necessary to construct them, from the taking of the timber from the forests, and the ore from the mines, to the launching of the ship, but also all the business of furnishing the outfits and supplies for

the voyage. It is estimated that more than sixty per cent. of the tonnage of the United States engaged in the foreign carrying trade is engaged in freighting between the ports of foreign countries, and many of these vessels never return after sailing from our ports. What advantage would it be to our country to have the real or nominal ownership of this class of vessels, built, fitted, manned, and provisioned for their voyage in a foreign port, touching only at the ports of the United States to obtain an American register, and then pursuing their voyage, perhaps never to return? If such vessels were really wholly owned in the United States it could be of no advantage to us.

It would not be tonnage, the production of which would aid in furnishing profitable employment to American mechanics and American agriculturalists and help to increase our national wealth. It would not multiply comfortable cottages nor create thriving villages of industrious workmen around busy American ship-yards in time of peace. It would be simply the investment of American capital in property out of the country, the dividend from which only would be returned to us. It would give no strength in time of war. Representing capital alone, it would partake of the timidity of capital, and whenever danger threatened, seek safety under a neutral or hostile flag.

Still further, we cannot build up a truly American merchant marine in a foreign country, for the reason that the countries in which we build will have every advantage over us in competing for the carrying trade which is to sustain such a marine. First, in the profits of the business of building and fitting out the vessels. Second, in the command of cheap capital. Third, in combining the building, owning, and manging interests, which can only be done in the country where the shipping is built. And fourth, in the prestige such countries would obtain by furnishing the vessels which Americans would own, and also those which were to compete for the business with American-owned vessels. Furthermore, it is not probable that American capital would be sent to Europe to build ships with which to compete on equal terms for business with the ships of those who build for them, unless these foreign-built vessels were allowed to participate in our coasting trade—a change in our policy which would not only entirely destroy every branch of mechanical industry in the United States dependent upon ship-building, but would ruin the present owners of coasting vessels. It would be admitting to the enjoyment of American business foreigners who pay no taxes to the American government, and who, by virtue of that exemption, would be enabled to drive American tax-payers out of employment.

The policy of admitting foreign-built ships to American register, on payment of a duty, has also been urged. The committee cannot recommend such legislation, for whatever duty might be so imposed, would operate only to the advantage of the foreign ship-owner, with whom the American purchaser and owner of such foreign-built ships would have to compete. If we were to admit foreign-built ships to American regis-

ter at all, it would be with the view of enabling our ship-owners to supply themselves with vessels at a rate as low as that paid by foreign competitors. An American ship-owner must in such case be able to purchase as cheap as the foreigner, or he must obtain better ships; otherwise he is deprived of that equality of ability to compete, which is an essential quality of the success desired by those who engage in the carrying trade of the world. The statement is in itself a sufficient answer to the proposition.

But there are other objections more weighty than those referred to, that should prevent the adoption of either policy. They would deprive us of the mechanical skill requisite to build our navy in time of war, or oblige us to maintain it at great expense connected with the government works in time of peace, and would also compel the maintenance of a large naval force entirely useless as a peace establishment, but necessary to preserve and defend the national honor and interests in case they were menaced. It would be humiliating, indeed, to every American to see Great Britain employed and paid by us to build shipping to replace that which she so effectively aided to destroy during the rebellion. If we adopt a policy that will admit of such results, that nation could well afford to pay our most extravagant demands upon her for damages inflicted by the cruisers which from her ports made war upon our commerce during the rebellion.

Every consideration, whether of interest or of national pride, impels us to build upon our own soil the ships which are to bear the flag of our country to all quarters of the globe.

This result can only be accomplished by adopting a policy as liberal and enlightened as that of the nations with which we are to compete for the carrying trade of the world, which nations are now in possession of the field.

Those nations admit all the material entering into the construction of vessels free of duty; they also allow the withdrawal from bond of all stores used on the voyage of a ship sailing to a foreign port, the same as though such stores were exported; and they pay liberally to steamers for carrying the mails, and thus establish lines to all parts of the world.

#### SUBSIDIES TO STEAMSHIPS.

The subsidies paid by Great Britain and France to establish their steamship lines, and for the promotion of their general shipping interests, are returned to them many fold by the nations that pursue a more narrow and short-sighted policy. It is the United States that supports the foreign steamships which run to and from her ports, by the mail, passenger, and freight money which she pays to them, rather than to establish lines of her own. Worse still, while we carefully scrutinize every appropriation for our own navy, we pay annually more to support this most efficient arm of the navy of Great Britain than is asked for the support of our own.

The testimony taken by the committee is nearly unanimous that by offering to our citizens the same encouragement and protection as is afforded by other commercial nations to their citizens, our shipping can be built and lines of ocean steamers established as fast as the requirements of business demand, and that there would be a present demand for ships if they could be cheaply supplied.

That although the cost of iron and some other materials would be higher by the amount paid for freight, and the wages of labor are also higher with us than in Europe, yet we should have an advantage in the cost of timber, a large amount of which is used, even in the construction of iron vessels; and that the higher rates paid for American labor would be more than counterbalanced by its greater efficiency and skill. This leads us to the difficult question, as to the methods in which government shall endeavor to extend its aid to our decaying navigation interests. Your committee, after the most careful deliberation, impressed with the great importance of restoring our commercial marine, not only as a means of increasing the national wealth in time of peace, but also as one of the most efficient agencies for national defence in time of war, respectfully recommend the following measures as calculated to promote the desired object:

*First.* The remission of the duties imposed upon the raw material entering into the construction of vessels and steamers, limiting the amount to the minimum of duties per ton collected on the material required for certain classes of vessels; and where American iron is used in the construction of iron vessels, an amount per ton equivalent to the duties on a like amount of imported raw materials, limiting the amount to be paid.

*Second.* That all stores to be used by vessels sailing to foreign ports may be taken in bond free of duty; and

*Third.* Further to encourage investment in shipping, and to extend the aid to ships already built, and which have been sailed during and since the rebellion at great disadvantage, allowing to all sail vessels and to all steamers running to the British North American Provinces, one dollar and fifty cents per ton; on steamers to European ports, four dollars per ton; and on all other steamers running to foreign ports, three dollars per ton.

In view of the fact that the tax upon tonnage cannot be removed without relieving the vessels of all foreign nations of the same, while no such exemption is extended to American vessels in foreign ports, and in view of the further fact that the shipping interest of the country is to receive some relief by the passage of the proposed measures, the committee recommend only the removal of all tonnage, harbor, pilotage, and other like taxes imposed upon shipping by State and municipal authority, (most of which taxes have been declared by the Supreme Court unconstitutional,) and the readjustment of the present tax upon tonnage, so that it will fall more equitably upon the different classes of vessels

affected thereby. The amount which will be received from this source is estimated by the committee to be more than three million dollars per annum, and will to that extent contribute to the relief which is proposed to be granted in aid of the shipping interest of the United States. For the purpose of carrying out the foregoing recommendations, your committee report herewith two bills for consideration.

In reporting the bills referred to, your committee are hopeful that in case of their adoption the shipping interests of the country may derive very considerable relief. That they will fully meet the expectations of the large class of our citizens connected with this interest they do not expect. Nor have they full confidence that the result will be the speedy restoration of our lost commerce.

Time will be required to organize the capital and labor necessary to embark extensively in the business of constructing iron sail and steamships; and still greater inducements must be offered to insure the establishment of lines of American ocean steamers which will relieve us from our present humiliating and disgraceful dependency upon foreigners.

It is but a few days since that our government was reminded by the managers of the English lines of steamers, the Inman and Cunard, of the disgraceful fact, that not a single merchant steamer bearing the American flag now crossed the Atlantic, and that we were entirely dependent upon them for the transportation of our mails, which they carry under temporary arrangements, to be terminated at their pleasure. While our government has with lavish liberality, in subsidies of lands and money, aided in extending railways through the West, and have appropriated large sums for the improvement of interior water communications, our ocean navigation has been left without either aid or protection. The prosperity of the country in time of peace, as well as its security in time of war, is largely dependent upon an efficient merchant marine, and it is worthy of the consideration of Congress whether by granting such aid as will secure the building up of a large part of this marine, in swift ocean steamers, readily convertible into cruisers in time of war, we are not providing a most economical and efficient means of naval defense. It was stated by Admiral Porter, before this committee, that with a few such ships converted into war vessels at the breaking out of the rebellion, such a blockade of the southern coast could have been established as would have prevented the rebels from sending out a pound of cotton or obtaining supplies or munitions of war, and the rebellion would have been strangled almost at its birth. Who can compute the loss in lives and in money consequent upon the want of a few such ships?

It is evident that our future wars with any of the great powers must be upon the ocean, and with an enemy that must cross the ocean to attack us, and whose vulnerable point to assail is the population and wealth which he has scattered on every sea.

Great Britain has, as we have seen, adopted the policy of subsidizing

her lines of ocean steamers, and the result is that she has doubled the efficiency of her navy, and at the same time added immensely to her national wealth. These subsidized ships are subject at all times to the demands of the government. Our government has no such source to draw from, and must consequently depend entirely upon a navy supported in peace, to be available in war.

It would even be a matter of economy if our government should build vessels adapted to the uses of commerce in time of peace, and readily convertible into fighting ships in time of war, giving the free use of such ships in time of peace to merchants who would take care of and use them until required for the national defense. Under such circumstances the government would be relieved of the cost of taking care of the ships when not required for the public service, and the national wealth would be increased by their use for mercantile purposes. As the government can have the control of such vessels when needed, by paying only a small percentage of their cost, is it not clearly a matter of economy and sound public policy to legislate with a view to such results?

The policy here suggested, in regard to extending government aid to establish lines of steamers, should be entered upon only after such careful and thorough consideration of the whole subject as will lead to the adoption of a comprehensive system that will be permanent in its character and certain to secure the desired results.

Your committee have only had time to consider the general question relating to navigation interests, and leave this particular branch of the subject to be reported upon after considering fully the various bills relating thereto referred to them by the House.

#### OUR RIVER AND RAILWAY NAVIGATION.

The vast navigable rivers and extensive lines of railway of our country are so intimately connected with the subjects of ocean steam navigation that your committee cannot refrain from alluding to them in concluding this report.

The continental position and geographical features of this republic, lying in the direct route between Europe and Asia, washed on either shore by the two great oceans of the world, and interlaced with a vast net-work of interior navigable waters, affords in itself the grandest of all possible incentives toward determining the granting of such legitimate aid as may be accorded in the effort to revive our shipping interests, as well as to achieve that supreme maritime leadership to which we may reasonably aspire.

Our natural advantages are still further aided by the artificial means which scientific and material enterprise has afforded through the development of the railroad system, especially of those great lines which connect the Atlantic and the Pacific, and which, with their branches,

are to intersect the whole territory between those oceans. They are like so many mighty rivers, furnishing capacity for unlimited transportation.

The mail route from London to Eastern Asia lies across the American continent, and passengers and valuable freights such as the trade of China and Japan provides will pass over the same lines. Yokohama, the principal port in Japan, and Shanghai and Hong Kong, in China, are all nearer in time and distance to London via New York and San Francisco than via the newly opened route of the Suez Canal.

The following comparative distances between London and New York and some of the principal ports of Eastern Asia illustrate the advantages of our position :

London to Yokohama (Japan) via Suez Canal .....	11,509
London to Yokohama (Japan) via New York and San Francisco	10,000
New York to Yokohama (Japan) via Pacific railroad and San Francisco .....	7,520
San Francisco to Yokohama (Japan) per steamer.....	4,520
London to Shanghai via Suez Canal.....	10,469
New York to Shanghai via Pacific railroad and San Francisco..	8,555
San Francisco to Shanghai per steamer.....	5,555
Chicago to Yokohama.....	6,900
St. Louis about same distance as Chicago.	

Nothing in the future is more certain than that the foreign importations of the West are to be made directly to her chief commercial cities, and distributed therefrom as they now are from the ports of the seaboard. The railways which are to supply them in part are but in their infancy, and by means of improvements yet to be introduced may ere long be able to compete successfully with steam transportation by water. Through such improvements, the routes across our continent, already the most direct, may become the cheapest routes from London to China and Japan. Between the western termini of these routes and the lands that are washed by the Pacific and Indian Oceans, nature has provided free of cost a great highway, which we have only to occupy with vehicles of transportation. No mountain barriers are to be scaled or leveled to reach them.

Those Asiatic countries are teeming with a busy, industrious population, skilled in the mechanic arts, and adepts in the science of agriculture. Abounding in wealth, with extensive internal, and little external commerce, their trade has been the prize for which all commercial nations have for centuries contended. The trade of the more important of these countries, India, China, and Japan, Great Britain now draws to herself, and distributes again from her stores to the rest of the world.

The silver products of the mines of America make nearly the circuit of the world to reach, via Great Britain, the countries of the East, while the products of those countries come back to America by the same circuitous route.



These far Eastern countries are at our very doors ; their relations with us more friendly than with any other nation ; their trade is at our command, if we will but stretch forth our hand and take it.

The advantages to result from the revival of our commerce and navigation, and especially from our obtaining possession of the Pacific trade, are confined to no one section of the country. With the Sandwich Islands in our possession, and by the adoption of a wise and liberal commercial policy, we can control the trade of Eastern Asia and the commerce of the Pacific, and pour their wealth directly into the valley of the Mississippi, which is to be the center of population in the future of our country. Chicago, St. Louis, and other cities of the West are, as we have said, to become ports of entry, and distributors of the products of Asia as well as of Europe. Thus, the great West has the same interest in reviving and maintaining the ocean commerce of our country under the American flag that the Atlantic States have in opening up internal lines of commerce, whether by the building of great lines of railway, or by the improvement of lake or river navigation.

Shall we, after having expended millions in opening this opportunity of controlling the commerce of the world by uniting the two great oceans that wash the opposite shores of the continent—after astonishing the world by our energy and wisdom in carrying through such a gigantic commercial enterprise while in an armed struggle for national existence—surprise it still more by our supineness and folly in neglecting to avail ourselves of the greater advantages which nature has opened to us without cost ?

JOHN LYNCH.

JAS. BUFFINGTON.

CADWALADER C. WASHBURN.

GILES W. HOTCHKISS.

DAN'L J. MORRELL.

HERVEY C. CALKIN.

ERASTUS WELLS.

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Mr. LYNCH, from the Select Committee on the Causes of the Reduction of American Tonnage, reported the following bill :

A BILL to revive the navigation and commercial interests of the United States.

Whereas the mercantile marine of the country was nearly destroyed during the late rebellion in consequence of the inability of the government to protect it ; and now, while bearing its share of taxation, has no such protection from foreign competition as is afforded to other great national interests and industries, and is therefore steadily declining ; and whereas the restoration of our commercial marine, constituting as it does, one of the most efficient means of defense in time of war, is of

great national importance and essential to the maintenance of our position as a first-class power: Therefore,

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That upon all imported lumber, timber, hemp, Manila, and composition metal, and upon iron not advanced beyond plates, rod bars and bolts, which may be used and wrought up into the construction of steam or sail vessels built in the United States, whether for the hull, rigging or equipment, or machinery of such vessels, there shall be allowed and paid by the Secretary of the Treasury, under such regulations as he may prescribe, a drawback equal to the duties which may have been paid on such material: *Provided,* That the amount of such drawback shall not exceed on wooden vessels, eight dollars per ton; on iron vessels, twelve dollars per ton; on vessels known as composite, that is, vessels composed of iron frames and wooden planking and sheathing, ten dollars per ton; on wooden steamers, ten dollars per ton; on composite steamers, composed of iron frames and wooden planking, twelve dollars per ton; on iron steamers, fifteen dollars per ton: *And provided further,* That where American material is used in the construction of iron or composite vessels or steamers, there shall be allowed and paid, as aforesaid, an amount equivalent to the duties imposed on similar articles of foreign manufacture when imported, the full allowance on American and foreign materials not to exceed the amounts per ton, on vessels of each class respectively, hereinbefore specified.

SEC. 2. *And be it further enacted,* That all ship stores and coal, to be used and consumed by any vessel on its voyage from any port of the United States to any foreign port, may, in such quantity and under such regulations as the Secretary of the Treasury may prescribe, be taken in whole packages in bond, and disposed of for such purposes, free of import and internal duty and tax.

SEC. 3. *And be it further enacted,* That the owner of any American registered sail or steam vessel which shall be engaged for more than six months in the year in the carrying trade between American and foreign ports, or between the ports of foreign countries, shall, at the end of each fiscal year in which such vessel has been so engaged, be paid by the collector of the port where such vessel is registered, upon exhibiting satisfactory evidence, in form to be prescribed by the Secretary of the Treasury, that such vessel has been so engaged, upon every sail vessel, one dollar and fifty cents for each registered ton; and upon every steamer running to and from the ports of the North American Province, one dollar and fifty cents for each registered ton; and upon every steamer running to and from any European port, four dollars for each registered ton; and upon every steamer running to and from all other foreign ports, three dollars for each registered ton.

Mr. LYNCH, from the Select Committee on the Causes of the Reduction of American Tonnage, reported the following bill :

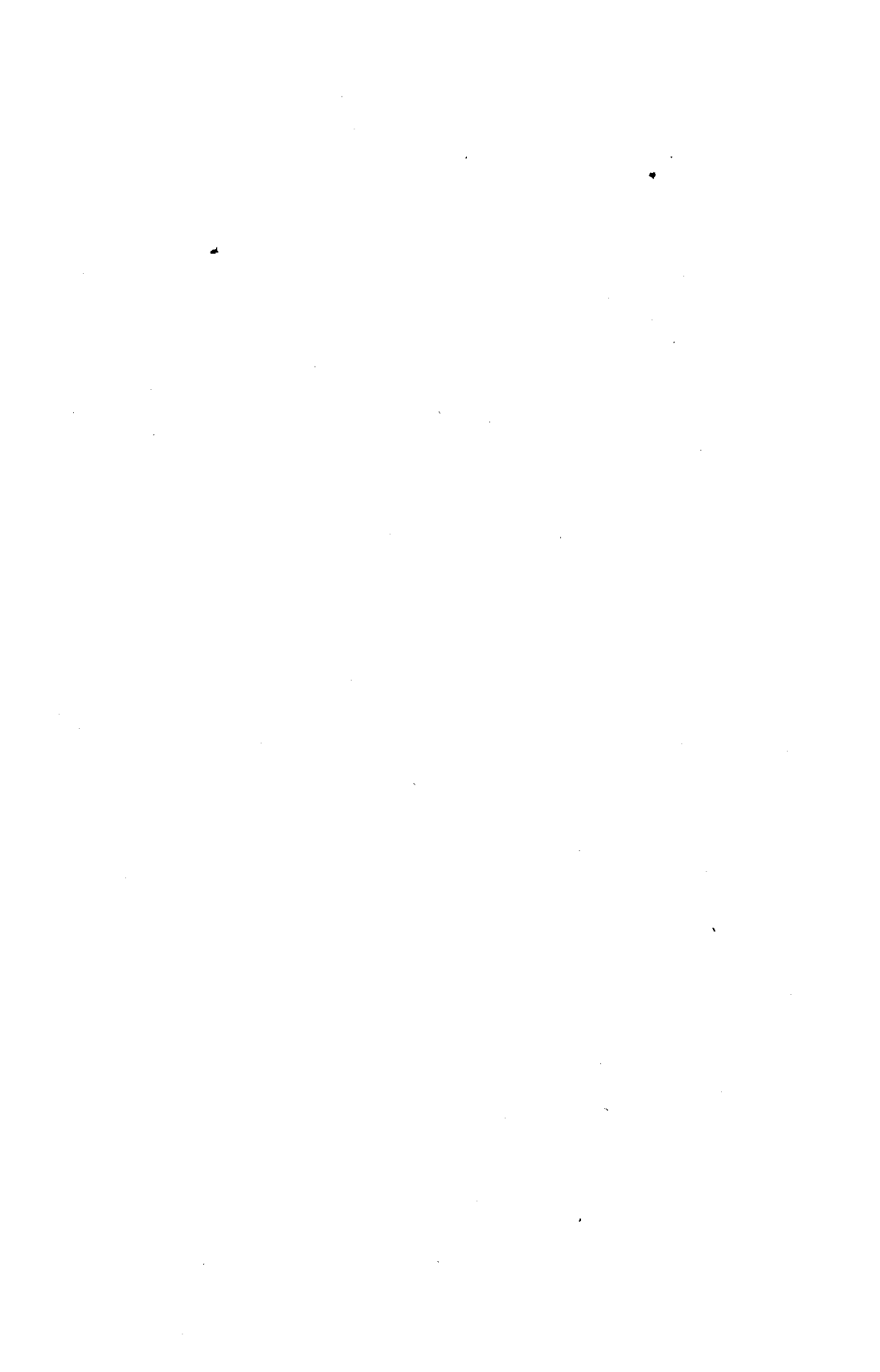
A BILL imposing tonnage duties, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in lieu of all duties on tonnage now imposed by law, a duty of thirty cents per ton is hereby imposed on all ships, vessels, or steamers entered in the United States; but the receipts of vessels paying such tax shall not be subject to the tax provided in section one hundred and three of an act approved June thirty, eighteen hundred and sixty-four, nor by any act amendatory thereof: *Provided,* That no ship, vessel, or steamer having a license to trade between different district of the United States, or to carry on the bank, whale, or other fisheries, and no vessel or steamer to or from any port or place in Mexico, or from any port or place south of Mexico, down to and including Aspinwall and Panama, or from any port or place in the British Provinces of North America, or the West India Islands, and employed regularly in these trades and no others, shall be required to pay the tonnage tax contemplated by this act more than once in each fiscal year.

SEC. 2. *And be it further enacted,* That no harbor dues, pilotage fees, or other taxes on imports levied, or pretended to be levied, on the tonnage, merchandise, trade, imports, or cargoes of any vessel, by virtue of the authority of any State or municipal government, except wharfage, pierage, and dockage, shall be collected; and the collection of, or attempt to collect the same, or any portion thereof, shall be a penal offense, to be punished as hereafter provided.

SEC. 3. *And be it further enacted,* That any person who, by virtue of any authority or pretended authority derived under any State or municipal government, shall collect any such illegal tax, fees, or dues, or shall attempt to collect the same, shall, upon the conviction of each offense, be fined in a sum not exceeding one hundred dollars for each offense, the amount of which fine shall be paid into the Treasury of the United States to the credit of the judiciary fund, and he shall further be liable to pay a sum not exceeding double the amount of the illegal taxes, fees, or dues thus collected, or attempted to be collected, one-half to be paid to the informer, and the other to be placed to the credit of the appropriation for light-houses.

SEC. 4. *And be it further enacted,* That any captain or master of a vessel, or any other person being the duly authorized agent of any vessel, line of vessels, or transportation company, who shall pay, with or without protest, any such illegal taxes, fees, or dues as are prohibited by this act, may recover the sum from the person collecting the same by action in appropriate form in the district court of the United States of the district where the collection was made, and the courts of the United States shall have full jurisdiction in all cases arising under this act.



# NAVIGATION INTERESTS.

## TESTIMONY TAKEN BY THE COMMITTEE.

NEW YORK, *October 14, 1869.*

The committee met in a room in the custom-house.

Present: The chairman, Messrs. Buffinton, Morrell, Wells, Calkin, and Holman.

The chairman stated the objects for which the committee was appointed, and said that he had been notified that committees had been appointed by the Ship-owners' and Ship-builders' Associations, of New York, to present the views of those associations, and that the committee would now be pleased to hear from the New York associations.

The New York Ship-owners' Association was represented by Messrs. Gustavus A. Brett, Edward Hincken, Ambrose Snow, James W. Elwell, William Nelson, jr., and Allston Wilson.

Mr. HINCKEN, as one of the representatives of the New York Ship-owners' Association, stated that there were one hundred and eighty members on the rolls of that association, and that almost every man owning a ship in the city of New York was represented by the association. The matter before the committee had been discussed by that association, and it believed that there was but one salvation for the shipping trade, and that that consisted in Congress permitting the purchase of ships where they could be bought cheapest. He thought that, with one or two exceptions, that was the unanimous opinion of the ship-owners of New York. The ship-builders of Maine would present their own views of the case. The ship-owners saw no other means of competing with foreign nations for the carrying trade unless they could buy their ships in the same market. The cost of sailing-ships, after they came under the American flag, would be greater than their cost would be to foreign ship-owners; but it was believed that the ship-owners of America had sufficient energy, enterprise, and ability to overcome that difference, just as the ship-builders of Maine thought that they could overcome the difference in the cost of labor, &c., if the materials that entered into the building of their ships were free of duty. The ship-owners of New York were for buying their tools where they could buy them cheapest, because a ship was but a tool, and it was the only tool that was prohibited from being imported. As to the amount of duty that was to be paid on imported ships, that would be a question for Congress to decide. They claimed as carriers that they ought to have the right, if the carrying trade of the country was of any advantage, to buy their tools wherever they could buy them cheapest. England had bought her ships here when she could not build them so cheaply herself; but England was now building iron ships, and France and Germany and Belgium were buying their ships in England. Before the French had entered into this commerce there were sixteen regular packets running from New York, which sailed as regularly as the day of sailing came round, whether they were full or not full. But what was the case now? The house which he (Mr. Hincken) represented was

the sole survivor of four similar houses, and it was reduced to two ships. The trade of France had gone into foreign steamers. And why? Because American houses could not buy and sail foreign-built vessels. Certainly, they might go to England and buy steamers and run them under the English flag; but he asked that those vessels should be allowed to run under the American flag, if there was any national importance attached to the fact that the carrying trade of the country should be done under the American flag.

The CHAIRMAN. Cannot ships be built in the United States as cheaply as in Europe, provided the materials used in the construction are obtained free of duty?

Mr. HINCKEN. I only know by what our ship-builders say—that, if they had the materials duty free, they would compete with the cheaper labor on the other side; but they could not compete with the greater cost of the materials. I am told that England allows drawbacks on everything that enters into the construction of ships, and I know that she does upon ship stores. If I take a cask of sugar out of the custom-house in this city, it will cost five or six dollars for custom-house fees besides the duty, whereas in England such stores are admitted free of duty and of fees; so that this operates very much against American navigation interests. There is no provision for so provisioning ships under our revenue laws.

Mr. AMBROSE SNOW, also representing the New York Ship-owners' Association, said that, as to the matter of cost of building ships, that could be very well explained by the gentlemen who would come before the committee as builders, but that he and the gentlemen with him, representing the Ship-owners' Association, confined themselves simply to the difficulties that they met in the prosecution of their business. They were prepared to answer any questions that might be put to them in that connection.

The CHAIRMAN said that he had asked the last question because he supposed that the gentlemen who were members of the Ship-owners' Association knew the relative cost of building vessels on both sides of the Atlantic.

Mr. SNOW remarked that they were all more or less familiar with it, but that they were disposed to confine themselves to the difficulties which they had to contend with as ship-owners, and to the condition of the ship-owning interest. It was very apparent that the foreigner was taking away that trade, and they had cast about to see where the trouble lay. They could see that there was no way for them to compete with the foreigner, unless they were able to buy ships as cheaply as foreigners bought them, and they had settled down on the proposition that a free navigation law, similar to the law passed in England some twenty years ago, was what would relieve the ship-owners of the United States. It seemed rather paradoxical that the ship-owner who was interested in protection should at the same time be in favor of free trade. The ship-owners of the United States had now the whole coasting trade, and yet they asked for free trade in their ships. It might seem natural for them to oppose free trade, but they did not; they found that every nation in the world was encouraging free trade in ships; they found that all nations had been forced, from one cause or another, to recognize that their interests lay in that sort of free trade. The ship-owners of New York had had a great deal of discussion on the subject, and they had come to the conclusion that a free navigation law, similar to the law passed in England some twenty years ago, would relieve the shipping interest more than any other thing. If American ship-builders could

compete with foreign ship-builders upon the allowance of a drawback, then the free navigation law which the ship-owners advocated would not hurt the ship-builders. The question was not so much one of building wooden ships in Maine as it was a question of occupying the ocean routes, which he compared to railroad routes. The route of the Peninsular and Oriental Steamship Company, which started from Southampton, touching at Marseilles, and which went from Marseilles to Alexandria, then across the Isthmus of Suez, then down the Red Sea and to Hong Kong, and from Hong Kong across to San Francisco, and from San Francisco to Panama, and then back to Southampton, making a complete circuit of the world, might be considered as a railroad track round the world. That company was putting on just as many steamers as could be employed in the trade, and was thus absorbing the trade. As American ship-owners could not build ships to compete with such companies, they held that free trade in ships should be made the law, so that they could buy ships where they could buy them cheapest. Another line of ships, starting from Southampton and touching at Bordeaux and the Canary Islands, going thence to Valparaiso, was taking possession of those avenues of trade. This was almost like laying a railroad track across a continent. Once a railroad track was laid to San Francisco, there was not any great encouragement toward laying another railroad track near it. The New York ship-owners were simply asking for a law to enable them to occupy, as it were, railroad tracks across the Atlantic Ocean, and they had settled down to the belief that the only relief which they should ask from Congress was the passage of a free navigation law. He remembered very well the passage of a similar law in England some twenty years ago. He recollected very well the discussion on that law. The ship-owning interest had opposed it very much. They had said that England, of all other nations, should keep the shipping trade to herself. She had her colonies then the same as she had now, and could build cheap ships. She had a very large colonial trade, and the English government opened the whole of that trade to competition. And yet, during the twenty years since then, the English shipping trade had increased enormously, so that that navigation law proved to be one of the most beneficial measures of legislation. If Great Britain were to do with this country what this country was doing with her, and refuse to Americans a participation in her colonial trade, American ship-owners would be obliged to put a large portion of the ships they now own under the British flag, in order to get employment for them. The conclusion that American ship-owners had come to was, that unconditional free trade in ships was what they must have.

Mr. MORRELL. Do you not think it better that we should, if possible, build our ships in this country?

Mr. SNOW. We have thought of that a good deal, and there are many gentlemen, particularly ship-builders, who entertain that opinion.

Mr. MORRELL. Will it not in the end be likely to produce the same result as it produced in England, namely, build up an interest which will eventually cheapen the cost of ships? The proposition seems to me, so far, rather beneficial to English ship-builders and English interests than in favor of American interests and American ship-builders.

Mr. SNOW. If American ships could be built cheaper than English ships, we admit that that would be a help. We also think that a bonded warehouse system, such as they have in England, would be of much advantage to us. Prior to the war, and prior to having any internal revenue tax upon our goods, we did not feel the want of a bonded warehouse system; but now we do. If a ship is taking among her stores a

barrel of whisky, for instance, instead of buying it here out of bond, at cost price and free of duty, she has to go to England and buy it there; because there she can get it free of duty and here she cannot. In England, all ships going abroad take their stores out of bond free of duty, which lessens very much the cost of the outfit of the ship. Here there is no such provision, and we need it very much. We have thought that such a system might be inaugurated here with a great deal of profit. The trade of ship-chandlers in this city has been almost ruined by the difference between the two countries. It would take four hundred sailing ships of one thousand tons each to do the work which the European lines of steamers to this port now do; and those steamers buy nothing here except their fresh stores. They buy in their own ports our products which go from here abroad, because they get them cheaper than they can get them here. It will be seen that the laws governing our commerce in this respect require modification. They require first-class talent to be brought to their examination, and they require complete modification. It is the defect in our laws that is putting us behind other nations in the carrying trade. A few years ago American ships always got the preference in fine goods and fabrics going to the East; but now American ships get no fine goods for trade; they get nothing but the coarsest articles. In England, ship-building has been so much improved that England is now a first-class nation in the carrying trade. Heretofore, in the cotton ports, our ships always got one-sixteenth of a penny per pound more than English ships did; but now we do not get any such preference.

Mr. MORRELL. That is to be attributed to the introduction of steam, is it not?

Mr. SNOW. No, sir; it is to be attributed to the improvement that the English have made in the building of their ships. From being a first-class carrying nation we have become a second or third-class carrying nation.

The CHAIRMAN remarked to Mr. Snow that he supposed that in the matter of ship stores the disadvantage was one more to the general trade than to ship-owners especially.

Mr. WELLS inquired as to the relative cost of iron ships and wooden hips.

Mr. BRETT, one of the committee of the New York Ship-owners' Association, remarked that he found that question answered in the New York Times of this morning, in a letter from a correspondent, who was sent to Europe for the purpose of inquiring into the ship-building business. He (Mr. Brett) read a portion of the letter, and asked that it be incorporated in the proceedings of the committee.

As the author of this letter was not before the committee, it was not deemed proper to introduce an anonymous paper into the report.

Mr. HINCKEN replied that it affected ship-owners also, and that if the disbursement bills of foreign ships at this port were examined it would be seen that their disbursements for ship stores were confined to articles of positive necessity. Ship-owners would buy wherever they found stores the cheapest.

The CHAIRMAN. The point is, whether an American master provisioning his ship in a foreign port is placed upon the same footing as the masters of vessels belonging to that nation?

Mr. HINCKEN replied that he was. American ship-masters bought their ship stores abroad on the same terms as foreign ship-masters. In regard to the building of iron ships in this country, he remarked that it would not do to suppose that they could be built here at first as good



and as cheap as they were now built upon the Clyde. The first building of them here would necessarily be an experiment, and very few ship-owners were willing to try that experiment.

Mr. MORRELL. Do you not consider it an advantage that we should acquire the skill and facility to build iron ships here?

Mr. HINCKEN. Certainly.

Mr. MORRELL. Would it not be better for us to so legislate as to make that possible, rather than to drive our ship-owners abroad to obtain ships?

Mr. HINCKEN. I believe it would be much better if we could so legislate that ships could be built here; but it would take four or five years to acquire that facility in building iron ships as cheap and as good as they are now built on the Clyde, and that period of four or five years might be very fatal to the interests of commerce in this country.

Mr. BRETT read a letter which he had received some time since from a very intelligent ship-master, and which had been recently published in the *Journal of Commerce*, of New York.

The letter is as follows:

SAN FRANCISCO, September 10, 1869.

DEAR SIR: As an old friend, I take the liberty of writing you a few lines in regard to a matter in which I know you take a deep interest—that is, our “shipping.” I see that the Ship-owners’ Society of New York, of which you are a prominent member, have made a movement, which I hope will lead to the repeal of the navigation laws; laws so ancient that the far-famed “oldest inhabitant” does not remember when they were made. That our shipping interest has declined no one will deny. The cause, most ascribe to the war; but I do not think this a correct assumption. The war I consider an accessory after the fact only. The main cause for the decline of our shipping interest I ascribe to the wording of our reciprocity treaties and the existence of our navigation laws. Many years ago Congress passed an act admitting into our ports, on the same terms as American vessels, the vessels of all foreign nations that would extend to us the same privilege in their ports. By the wording of these treaties foreign nations are allowed to bring into our ports, on reciprocal terms with an American vessel, all vessels sailing under their flag. Now the American is not allowed by his government to hoist the United States flag on any but an American-built ship, and at the present day all foreign nations allow their subjects to nationalize vessels without regard to where they are built, whether at home or in a foreign country; and these vessels can then enter a United States port on the same terms as an American-built vessel. If when these treaties were made our *diplomats* had understood the matter in hand, they would have considered that as the American flag could only be hoisted (legally) on an American bottom, so must reciprocity exact the same of the foreigner, and only those foreign vessels be admitted to reciprocity that were built in the country of the flag under which they sailed.

As the case now stands the Hamburger can go to England or Scotland, buy a steamer, put her under the North German flag, and run her between any foreign port and any port in the United States with all the privileges of and in effect as an American vessel. This with the consent of our own government. At the same time the American is not allowed by his laws to purchase this steamer and hoist on her the American flag. And even gives the Hamburger further encouragement by giving him the European mails to carry from our country. Here we see our government, by its laws and acts, encouraging foreigners, to the detriment of its own citizens. I suppose no one will dispute at this time that iron steamers are much better than those built of wood, for ocean navigation, as regards strength, speed, capacity, and economy. The high cost of iron steamers and vessels in the United States precludes our building them, and if not allowed by our government to purchase them abroad, we must go without them and see all foreign-carrying trade pass out of our hands. Ship-owners can, and have the right to, demand of our government that they be placed by our laws on the same equality as the foreigner, or else that the reciprocity laws be repealed, and no vessel of any nation or flag be allowed to come into our ports on terms of reciprocity, unless it be those built in the country of the flag under which they sail. Almost all the iron steamers or sailing vessels are built in Great Britain; they can be built much cheaper there than in any other country. A first-class iron ship, to class A 1 for twenty years, with an East India outfit, which includes two suits of sails, three bower chains and anchors, and in fact everything belonging to the ship, except provisions and cabin stores, can be built for £14 10s. per ton register, and guaranteed to carry one and a half tons weight per register ton; also to attain a speed of twelve knots. The insurance on such a ship

out to Calcutta and back is two and a half per cent. I know you are fully aware of the advantage of iron in the construction of ships, and I merely mention the above as facts that have come under my own observation. There is another matter I would wish to call to your notice. Last summer Mr. Seward made an arrangement with Great Britain whereby vessels under that flag could enter at the custom-house in the United States under their English register and not be remeasured, American ships to enter the customs in England under their American register. This is another example of the smartness of our *diplomats*. Now, in England American ships almost invariably measure less than they do (honestly) at home. For instance, the Norway, that I now command, measures in England 1,983 tons; United States register says 2,107 tons, a difference of 124 tons. By this American register now dock dues, pilotage, steam hire, &c., are paid, and our government, in its great desire to reciprocate with foreign nations, obliges me to pay the above dues on 124 tons more than I ought or would, provided the above arrangement had not been made. The *Ne Plus Ultra*, that I commanded before this ship, was 1,534 tons American and 1,450 English; and, if necessary, I could give you many other instances of the same kind. I complained to the English officials, but they told me to go to my own government; it was it that made the arrangement. To that I could make no reply. I was really in hopes that when we got a new Secretary of State it would be one who knew how to make a bargain, and who would get value equal to what he gave. Of Hamilton Fish I have not much hope. All our laws relating to seamen abroad want revising as they now stand. Consuls can do as they please, and ship-masters are obliged to submit.

Excuse this, if uninteresting, for the good of the cause.

With many regards, I remain yours, truly,

J. T. WOODBERRY.

G. A. B., Esq.

The CHAIRMAN. It has been a question with some whether we really sail our vessels as cheaply as foreign vessels are sailed, on account of our higher-priced provisions and higher wages to officers and men. I want to get at the views of you, gentlemen, as to whether we do not really stand on the same footing with foreign vessels in that regard, as we have the privilege of buying at foreign ports, and as foreign vessels are subject to the same disadvantages as American vessels in buying at American ports; in other words, whether that thing does not equalize itself, and whether we do not really provision our vessels as cheaply as foreigners provision theirs; and also, whether we do not man them nearly as cheaply as they do, we having the privilege of manning our vessels with foreign crews to a certain extent the same as they have.

Mr. SNOW. When our vessels are in the same trade as foreign vessels, of course we have the same facilities in those respects. If a foreign vessel was in our port bound from here to an English port, she would have no advantage which our vessels would not have; but if we are fitting out a ship to go from here to the East Indies, we cannot take out of bond, duty free, the ship stores that we want for that voyage, but we have to pay internal revenue tax upon them; whereas an English ship going to the East Indies would provision herself duty free.

The CHAIRMAN. Suppose, for instance, that an American line of steamers or of sailing vessels were running between Liverpool and New York, with an English line running alongside of it, would not both buy their stores in England at the same rates?

Mr. SNOW. Certainly.

Mr. CHAIRMAN. And both would buy on this side at the same rates?

Mr. SNOW. Certainly.

The CHAIRMAN. The vessels of both lines are assumed to be in port and out of provisions the same number of times. Are they not, therefore, really equal in respect to the purchase of ship stores, except in their first outfit?

Mr. SNOW. I presume so.

The CHAIRMAN. Then the cost of provisions is, in the long run, no greater to an American vessel than to an English vessel?

Mr. SNOW. That is so when they are trading between here and England, but it is not so when they are trading between here and Rio Janeiro, or Buenos Ayres, or Havana. The vessels that get their stores here do not get them free of duty, whereas the English vessels going to those ports get their stores free of duty. I grant you that when trading directly to England, American vessels would be on the same footing precisely as English vessels.

The CHAIRMAN. But the foreign and American vessels that pursue the same trade stand on precisely the same footing?

Mr. SNOW. Precisely; if English ships were running from here to Havana, they would be on the same footing precisely as American ships in the same trade. As to ship-building, capital is being diverted from that branch of industry to something else. Take an eastern ship-building town where the people have been in the habit of investing their capital in ships. They find now that that business has become unremunerative, and little by little, as their ships are sold off, their capital is diverted into something else, and the town ceases ultimately to be a ship-owning town. There are towns in Maine that have ceased to be ship-owning towns in consequence of the depression in commerce. When you do not protect the ship-owner, the ship-builder has no market, and the matter of first importance is to make a market. If you want to protect the ship-builders, there must be somebody for them to sell to. Now, if all the capital is driven out of that business and diverted into other channels, most of the people engaged in ship-building will in ten years have gone out of the business; the father will die and the sons will not be brought up in it. If it is a matter of importance that our commerce shall be retained, something must be done for that purpose sooner than it can be done by the means of granting drawbacks to the builders.

The CHAIRMAN. If you buy your ships as cheap, can you sail them in competition with foreign ship-owners?

Mr. SNOW. I think we can; there is no doubt of it; but if we want to run a line of steamers between here and England, in competition with the English, we must have vessels fully equal to theirs in every respect. They recently built two steamers in Boston which cost fourteen hundred thousand dollars. One of them went one voyage, and the other never has been at sea. One of the owners talked with me the other day about buying those ships at six hundred thousand dollars. He said to me that if I would take a half interest in them, he would take the other half, and I could keep the management of them and run them in the Liverpool trade. Now that seemed to be a very good opening, the ships being cheaper than English ships; but I venture to say that you cannot run those ships by the side of the existing lines of steamships, because you would have to contend with all the adverse influences that would be brought to bear by the first-class iron ships in that trade. That is the position we are brought to. There is no use in looking at it in any other way.

The CHAIRMAN. Could not that be on account of the want of adaptation of those ships to that particular business?

Mr. SNOW. They are very fine wooden ships; but those foreign ships occupy the ground. You cannot, for instance, put another line of railroad alongside of the Pacific railroad after the present line has got the start. Any other company going in would have to meet with so many disadvantages, as would be ruinous to them.

The CHAIRMAN. You mean that a regularly established line has advantages?

Mr. SNOW. Yes, it has all the advantages. But what I wish to impress upon the mind of the committee is, that we are letting foreign ship-owners take possession of all those routes, and that when once they have possession, we cannot, even though we may get vessels as cheap or cheaper than theirs, cut inside of them with any prospect of success.

The CHAIRMAN. Does that apply to the general freighting business as well as to established lines of steamers?

Mr. SNOW. Not so much; but a general revolution in business has been going on, and we are being run out of the business. We are sailing wooden ships, and cannot participate in the business of running iron ships.

Mr. MORRELL. Are these Boston ships unfit to enter into competition with foreign vessels?

Mr. SNOW. We build the finest wooden vessels. When the Cunard folks withdrew their line to Boston, the Boston people felt a great deal of pride in having a line of their own, and they built those two ships, hoping to get a subsidy from the government, and intending to build other ships, and to have a successful line.

Mr. WELLS. Are not the English steamers that are running here mostly subsidized by the English government?

Mr. SNOW. No, sir; there are a few lines subsidized by the government. Speaking of subsidies, our ship-owners, as a rule, would oppose with all their influence any subsidy, because it would be building up the interests of a few to the prejudice of a great many. In England they have subsidized steamers, and the result has been, perhaps, up to this time, profitable; but subsidies would not be favored by the ship-owning interest in this country.

The CHAIRMAN. I understand you to give it as your opinion, that in the general freighting business, if an American ship-owner could procure his ships as cheaply as the foreign ship-owners procure theirs, he could run them in competition with foreigners, except in regard to those established lines?

Mr. SNOW. I would not individually go so far as to say what we could do in that way; but after all the discussion that we have had on the subject, we have come to the conclusion that if there is anything that will help us, this one thing is what will help us, namely, giving us the benefit of free trade in ships. I do not believe that ship-owners generally claim to be sure that that would relieve them entirely. It is possible that the foreigner, having still other advantages, may do better than we can do, but we have faith to suppose that we should compete successfully with foreigners in that trade. We want a law giving us the privilege of purchasing where we can purchase cheapest. There is no other nation in the world that does not purchase ships wherever she can purchase them to the best advantage.

Mr. WELLS. Do you believe that a drawback of the small duty of twenty per cent. or ten per cent. on materials entering into ship-building would remedy the evil?

Mr. SNOW. I think it would help.

Mr. BRETT expressed the belief that if American ship-owners could procure their vessels as cheaply as foreigners do they could compete successfully with any foreign line. Although it cost more to sail American vessels, still, the superiority of the American ship-masters was more than an equivalent for that. He mentioned the case of an Austrian vessel which recently arrived at this port, taking one hundred and twenty-nine days to come from Bordeaux. She was manned by Austrians, who received only \$8 a month, her captain receiving only \$40 a month;

whereas American crews received from \$25 to \$30 a month, and an American captain from \$125 to \$150 a month. But with all that difference in the cost of running, he believed that the American vessels could compete with foreign vessels, on account of the greater activity and intelligence of the Yankee officers and seamen.

The CHAIRMAN. Let me ask you if that same superiority is not manifested by American mechanics and workmen?

Mr. BRETT replied that it was. He said that mechanics in this country now demanded five dollars a day for their labor, whereas in England they obtained only five shillings sterling a day; and he thought that, having to pay five dollars a day for skilled workmen in the building of ships, American ship-builders could not successfully compete with English ship-builders. That was the reason why the Ship-owners' Association asked the privilege of buying vessels where they could buy them cheapest, and of having such vessels, when purchased, navigated under the American flag.

The CHAIRMAN. What I want to get at is whether, although American labor costs more than foreign labor, its greater efficiency does not overcome the difference in the rate of wages.

Mr. BRETT. Our labor is no better, so far as mechanical skill and work are concerned, than it is in England.

The CHAIRMAN. But do not our workmen accomplish more in the same time.

Mr. BRETT. No; English laborers do more work. They work a greater number of hours, and do much more labor in a day than the mechanics in our yards do, because our workmen are so independent that unless the boss allows them all the privileges which they demand, they immediately knock off work and go to some other yard; and the demand for skilled labor in this country is so great that we cannot successfully compete with England.

Mr. MORRELL. Is that the case in the ship-building business?

Mr. BRETT. It is.

Mr. MORRELL. Then I would infer from that that the ship-building business is not so very much depressed.

Mr. BRETT. So far as this city is concerned, our ship-workmen demand the same rate of wages that they did during the war.

Mr. HAYDEN, of Bath, Maine, representing the ship-building interest of Maine, addressed the committee in reference to the question of obtaining ship stores free of duty, and as to whether that privilege was reciprocal between other nations and ours. So far as the direct trade between this country and England was concerned, he admitted that the advantages were reciprocal, but showed that in regard to the trade from New Orleans, Savannah, Norfolk, and other southern ports, the advantages were not reciprocal. American vessels going to those ports had to pay duty upon all their stores, whereas British vessels going to British ports had their stores free of duty, and came directly into competition with American vessels for the freights from those ports. The advantage, therefore, was evidently with the foreign vessels, and against American vessels. So it was with the trade to Cuba, and the West Indies, South America, and all over the world, except in the direct line from this country to England.

Mr. BRETT read to the committee a resolution which he had submitted last evening to the Ship-owners' Association, and which it had been thought prudent to lay over for the present. The resolution is as follows:

*Resolved*, That the committee of this association appointed to confer with the congressional Committee on Commerce and Navigation be instructed to express the views

of this association as desiring for American citizens the right of purchasing vessel property in any part of the world where they may find it most advantageous to do so, which vessel or vessels, when so purchased, shall be entitled to all the privileges of United States registry.

Mr. MORRELL. Can you tell how much more per ton it costs to build an iron ship here than it costs to build one in England?

Mr. SNOW. Iron ships are now built in England, classed A No. 1, for from £12 10s. to £14 a ton. Steamers will cost about £20 a ton.

Mr. WELLS. What do they cost in this country?

Mr. SNOW. There have been very few iron ships built here, and I do not know what they cost. The ship-builders will be able to answer that question.

Mr. WELLS. What does it cost to build wooden ships here?

Mr. SNOW. Wooden ships, classed A No. 1 for about nine years, are costing now about \$80 in currency per ton.

Mr. BRETT. These questions are answered in the communication from the Journal of Commerce, to which I have already directed the attention of the committee.

Mr. SNOW remarked, in speaking of iron ships, that an American ship captain had mentioned to him the other day the case of the iron ship Richard Cobden, which had been built about thirty years ago, and which had been registered in England some time since for ten years longer, making her classification run for forty years. He mentioned in that connection that the life of a wooden ship is usually considered as ten years, although by extensive repairs they are sometimes made to last twenty years.

The CHAIRMAN. Have you ever got any proposals from American iron ship-builders, so as to know what iron ships could be built here for?

Mr. SNOW. No, sir; I am not prepared to say what they can be built for here. There is only one yard in this country that builds iron ships that I know of; that is the yard of Harlan & Hollingsworth, in Wilmington, Delaware. I understand that they would contract to build iron ships on English specifications at the same price as they are built in England.

Mr. BRETT. That has been rumored here for some time, but I understand it has never been carried out. I understand that they did build one iron ship, the Costa Rica, for the Panama Railroad Company.

Mr. MORRELL. How does the ship compare with foreign-built iron ships?

A MEMBER OF THE SHIP-OWNERS' ASSOCIATION. She went down to Aspinwall, and was wrecked within three months after her arrival.

The CHAIRMAN understood that there was one American-built iron sailing ship in this port now.

Mr. SNOW had heard of it, but did not know the particulars. But if it were a fact that American builders can build iron ships as cheaply as the English can, that was no argument against free trade in ships, because that fact would be all the more in their favor. If American builders can build as cheaply as English builders can, we should not go abroad to get ships, only in such measure as our own builders cannot supply them fast enough.

The committee from the Ship-owners' Association thereupon, having submitted their views, withdrew from the committee room.

Mr. JOHN HAYDEN, of Bath, representing the Ship-builders' Association of Maine, remarked that he had now very little interest in ship-building, as, owing to the effect of the present laws upon that trade, he had gradually got out of it, so that the position which he took upon the subject he took upon national considerations, not on personal considerations. If the

disabilities that were now imposed upon American shipping, and which prevented the building of ships in this country as cheap as they could be built in other countries, were removed, the ship-building trade would be revived in a very short time, and ships would be built in this country as cheaply as in any other country; instead of Americans going abroad to buy ships the people of other countries would be coming here to buy them, as they did before the war. He regarded the remedy proposed by the New York Ship-owners' Association as one which would be disastrous to the ship-building interest. He argued that if the government should take the present burden off American ship-builders, and still should allow them no time to fill the void existing in the American shipping trade, but would give the ship-owners time to fill up that void with the refuse ships of Europe, American ship-yards would be rendered inactive for all time to come. But if a little time were allowed (two or three years would be sufficient in his estimation to give American ship-builders all the start they wanted) they could fill this void that had been created, and things would go on as smoothly as before. Why did Great Britain own such a large amount of shipping as she now owned? It was because, during the late contest in this country, American ships had been sold to England. He himself had gone over to England and sold two of his ships. England had thus filled up her trade, while Americans had been depleting theirs; besides that, the extra cost of ship-building in this country was now so great as almost, not quite, to annihilate American ship-building. The British kept on building, and now they had four or five times the tonnage engaged in the foreign carrying trade that Americans had. The remedy for the evil was to remove those disabilities. He suggested that a certain amount per ton, the exact figures to be obtained by estimates, should be allowed as a drawback upon every vessel built in this country, as an equivalent for the duty paid on the copper, iron, cordage, sail-cloth, &c., used in her construction. He thought that with these allowances American ship-builders could compete with foreign nations. He put this on high national grounds. It was of the utmost importance that the country should be in a position, in regard to her mercantile marine, to deter other nations from going to war with her. If she put herself in that position she would insure peace, and thereby prevent the cost of war. It was incumbent on this country to have a large mercantile marine, and to have American sailors to man her ships, and to have skilled mechanics of every kind on hand; and all this could not be secured if the ship-building interest was allowed to decay. He considered that if the other course were to be adopted, namely, the course proposed by the New York Ship-owners' Association, the mechanics skilled in ship-building would either leave that business and turn to some other branch of industry, or would leave the country and go where they could profitably pursue their business, and that, consequently, in the time of emergency, we would not have skilled mechanics to extemporize a defensive or offensive fleet. He held that it was of vast importance that this country should retain the carrying trade and the profits arising therefrom.

Mr. WELLS. What do you propose?

Mr. HAYDEN. I propose the allowance of drawbacks on the amount of materials used in ship-building. I think that nothing else would be requisite. Let us have this and we can build ships as cheaply as other nations can. The ship-owners of New York, who have one particular view of the question, would be in a very short time satisfied, because things would return to the condition they were in ten years ago. They

would have no more cause of complaint than they had then. It is not necessary that we should always have a navy on hand, but it is necessary that we should always have skilled mechanics to construct a navy.

Mr. HOLMAN inquired of Mr. Hayden as to the extent to which Great Britain had been engaged in the purchase of American vessels before the war.

Mr. HAYDEN said that he was not able to state that definitely, but he had been in ports of Great Britain and of the Continent, and had seen a great many ships, which he knew to be American-built ships, under the flags of foreign nations. Still he would not state in what proportion other nations were purchasers of American ships.

Mr. HOLMAN inquired to how late a date citizens of other nations had been purchasers of American-built ships.

Mr. HAYDEN replied that the last one he had himself sold in England was sold in 1864.

Mr. HOLMAN inquired whether ships had been built in the United States for foreign capitalists upon contracts.

Mr. HAYDEN replied that he did not think they were, except in some few instances. The rule generally was to send them abroad with freight, or in ballast.

Mr. HOLMAN inquired whether up to 1860 wooden ships had been built as cheaply in the United States as in England or on the Continent.

Mr. HAYDEN. Undoubtedly; and they could be sold so as to compete with foreign-built vessels.

Mr. HOLMAN. Labor was higher in the United States?

Mr. HAYDEN. Yes, sir.

Mr. HOLMAN. But materials were cheaper?

Mr. HAYDEN. I do not know that; but persons who have seen our mechanics at work in this country, and have seen mechanics at work in other countries, cannot help appreciating the vast difference there is between them. On this point Mr. Hayden proceeded to give some illustrations.

Mr. WELLS. Is the skill of American laborers so much superior to that of English laborers?

Mr. HAYDEN. I will not say as to England. The illustration I have given had reference to France.

Mr. HOLMAN. Your theory is that American labor, considering its quality, is actually cheaper than foreign labor?

Mr. HAYDEN. Exactly so.

Mr. HOLMAN. And you think that if drawbacks were allowed on materials entering into the construction of ships, ships could be built as cheaply in this country as abroad?

Mr. HAYDEN. I have no doubt of it.

Mr. HOLMAN. Supposing that policy were adopted, how many years would be requisite to construct any considerable number of ships so as to materially increase our mercantile marine?

Mr. HAYDEN. So far as wooden ships are concerned, a good deal might be done in one year; but I can't say as to iron ships. Iron ships have been laid and constructed in this country—in Boston and in Wilmington—and I cannot entertain a doubt that, if due encouragement were given, the building of iron ships here would succeed as well as in any other nation.

Mr. HOLMAN. Suppose that the policy were adopted of allowing American registrations to foreign-built vessels, either without the payment of any duty, or with the payment of a small duty, imposed upon the tonnage; and suppose at the same time that a drawback were allowed upon



the materials entering into the construction of ships in this country, what would be the effect of that policy on the shipping interest of the country?

Mr. HAYDEN. The immediate effect would be that the ships already built by other nations would flow in here at first and fill the void so as to deprive our mechanics of the opportunity to do so.

Mr. HOLMAN. Suppose that such vessels as were purchased abroad were excluded from the coastwise trade, and that American-built vessels had the exclusive coastwise trade, how would that policy affect both the commerce of the country and the ship-building interest?

Mr. HAYDEN. In reference to the coastwise trade, I do not think that we derive any advantage now from the discrimination in our favor. What American who is concerned in shipping at all, and who wishes to invest money in it, would invest his money in coasting vessels rather than in foreign trading vessels? What little of the foreign trade we have is better to us than the coasting trade, so that I do not see any objection at all to removing altogether the restrictions on the coastwise trade.

Mr. MORRELL. Is the foreign trade better than the coasting trade?

Mr. HAYDEN. There is more money made out of it.

Mr. MORRELL. The coasting trade is entirely in our own hands?

Mr. HAYDEN. Yes; but that is a trade which requires but little capital, and the competition is already complete, so that there is no room for foreigners to get into that trade.

Mr. HOLMAN. But by persevering in that policy some encouragement and protection would be furnished to ship-builders.

Mr. HAYDEN. Let the whole matter remain as it is for a few years, (in my judgment three years would be sufficient,) and let American ship-builders be allowed drawbacks on the materials, and then I shall be perfectly willing, as one interested in shipping and as a citizen of the United States, to repeal all navigation laws, and to make them just as the British navigation laws now are. But if we admitted free trade in ships at once, the effect would be to crowd in all the refuse vessels of foreign nations, so that it would take some time before we could have anything to do. It would be a blow to ship-building worse than anything that we have yet received.

Mr. HOLMAN. Can those inferior vessels compete with the foreign lines already established?

Mr. HAYDEN. Of course we would want equally good vessels to compete with them. The British have the whole run now.

Mr. HOLMAN. As to the ordinary carrying trade, would not the preference be given to, and a lower rate of insurance required on, the superior vessel? As a commercial adventure, would there be any advantage in purchasing those inferior foreign-built vessels?

Mr. HAYDEN. No; but a great many would be brought in for general business. In reference to the letter published in the *Journal of Commerce*, to which the attention of the committee has been called to-day, it was written by a gentleman of San Francisco, and it is not necessary, I presume, to say anything about it, because the testimony amounts to nothing. He says that iron ships can be built at £14 10s. a ton; but I am very incredulous on that point, as I think it costs very much more. Any letter written in that way is a very loose kind of evidence.

Mr. HOLMAN. Do you know how long it is since any European nation has imposed restrictions on the granting of registers to foreign-built vessels entering into their commercial marine?

Mr. HAYDEN. I do not recollect, myself, except by what has been al-

ready stated here as to Great Britain, which removed such restrictions about twenty years ago.

Mr. HOLMAN. Has any nation, within the last twenty years, adhered to that policy?

Mr. HAYDEN. I do not know; I cannot testify on that point.

Mr. HOLMAN. You spoke of the importance of protecting the ship-building interest, as a national measure, on account of the necessity of being prepared for emergencies in case of war. How far has the experience of this country, say from the beginning of the war of 1812 up to this time, demonstrated the facilities of improvising an effective navy for war purposes out of the commercial navy of the country?

Mr. HAYDEN. I suppose I know no more on that point than any other person; but I suppose it will be conceded by every one that we were in a good condition at the beginning of the late war. At the beginning of the war of 1812 we were not in so good a condition, because the embargo had almost annihilated our shipping interest.

Mr. HOLMAN. In a national point of view your argument would be in reference to the facilities for building ships for war purposes.

Mr. HAYDEN. Exactly; and to the advantages which the country would have from the carrying trade.

Mr. HOLMAN. Would not that result follow as well from American citizens being the owners of foreign-built vessels?

Mr. HAYDEN. Yes, sir; undoubtedly.

Mr. HOLMAN. So that the other is the real advantage for encouraging that particular industry?

Mr. HAYDEN. Yes, sir. It will be recollected that in the war of 1812 the frigate which took the principal part in the action on Lake Erie was built in eighteen days from the time that her keel was laid. If we had not had skilled mechanics, such a thing could not have been done.

Mr. P. M. WETMORE, of New York City, made some remarks to the committee in reference to a proposition which had been made by him during the late civil war, to send out privateers against British commerce, and said that if that had been done British commerce would have been swept from the seas to a greater extent even than the American commerce had been. He also advocated the subsidizing of American lines of steamships, giving some facts in reference to former subsidies to the Collins line, and to the two lines owned by Mr. Law and Mr. Aspinwall. He declared his belief that whenever the United States government would restore the system of giving a reasonable subsidy to mail steamers on the ocean, it would be a happy day for the commerce of the country. Americans to-day could not send a letter to any nation in Europe without hiring a foreign steamer to carry it. He did not think that creditable to the intelligence, the enterprise, or the public spirit of the country. He gave an illustration of the injury to the American trade with China, caused by the necessity of our sending, some years since, American letters destined to China through the English mails.

Mr. WELLS inquired whether there was not an American line subsidized to Rio Janeiro, and one to Hong-Kong.

Mr. WETMORE replied that that was so, but that it was a very small affair, and that when the commerce of the nation is spoken of it is not South American commerce, but the Atlantic commerce that is meant.

Mr. WELLS inquired whether those subsidies did not operate beneficially to the trade between this country and South America.

Mr. WETMORE replied that they did, and that he should not like to live to see the day when they would be withdrawn; but that was only

one point in the common system of commerce. He believed that a mail line on the ocean could not be supported by the mere carrying of mails and passengers, but that there must be subsidies, and that the United States government could well afford to give subsidies.

Mr. HOLMAN inquired whether there had not been many successful American lines prior to 1860 that were not subsidized.

Mr. WETMORE replied that if there had been he was not acquainted with them. The Collins line had had a subsidy of \$385,000, Mr. Law's line a subsidy of \$290,000, and Mr. Aspinwall's line a subsidy of \$199,000.

Mr. HOLMAN. These lines were in the direct trade with Europe?

Mr. WETMORE. Yes, sir.

Mr. HOLMAN. Had we any subsidized line to South America prior to 1860?

Mr. WETMORE. No, sir; none to South America, nor was there any subsidy to any line on the Pacific Ocean. I think that the granting of a subsidy to the Pacific Mail Steamship Company was a beneficial public measure. I think that that company has committed the same fault that Mr. Collins committed, in making its ships too costly; in other words, I think that there has been a want of economy in the management of the concern.

Mr. N. G. HICHBORN, president of the Maine Ship-owners' Association, next addressed the committee. He said that the ship-owners of Maine simply asked the committee to recommend such measures of relief as would unfetter that interest, and bring back the mercantile marine of the country to its former position. Up to 1860 the Maine ship-builders constructed sailing ships for England cheaper than the English could build them, but under the disabilities which the ship-building interest was now laboring under, that trade had languished. The representatives of that trade asked this committee to recommend to Congress the passage of such laws as would facilitate their efforts in building up commerce, and such as are granted to the same interests in other commercial nations. A ship now costs sixty or seventy dollars a ton built in this country, whereas in the Provinces it only costs forty-five or fifty dollars a ton, and the two ships when afloat were brought into competition with each other. He spoke of the importance of having a merchant marine that could, in case of emergency, be used for the defense of the sea-coast, and remarked that during the late civil war a single British gunboat could have destroyed all the towns upon the Penobscot Bay and along the coast of Maine, whereas if the government had authorized it to be done, the people of Maine could have created a floating defense in three weeks that would have defied attack from abroad. He spoke of the commander of the Kearsarge having been educated in the mercantile marine in Boston, and said that though an army might be extemporized in three or four months, sailors could not be extemporized in that way. He asked that the ship-building trade be unfettered, and that it have the opportunity to use iron and coal and wood and all other materials as cheaply as it can procure them, and there would then be no fear of foreign competition, and there would be, in a time of national peril, a fleet and sailors ready to defend the country. If the mercantile marine were increased, the ships of the navy, which were now maintained at great cost, could be brought home, and the commerce of the country would be better protected through the evidence of the strength and power and civilization of the country, manifested by the fleets of the American mercantile marine. He understood that there were to-day in the port of New York some sixty barks, forty-three of them being foreign vessels, and only

seventeen American vessels. Those vessels were principally engaged in carrying western grain to European markets; and he showed how it was to the interest of the western producer to have his grain sent to the market in American bottoms rather than in foreign bottoms. Valuable as was the guano of the Chincha Islands, the carrying of that guano was of more value, so that if Peru continued to own those islands, and if Americans owned all the shipping engaged in the transportation of the guano, they would get more value out of it than Peru would. The East India trade was now being carried on almost entirely by foreigners. He had been informed recently by an intelligent American master that in his voyage to and from Yokohama he had only spoken two American vessels. It was of vast importance that this nation should have as much of that business as it could possibly have. As to the inquiry whether Americans could compete with foreigners in the sailing of vessels, he thought that they could. American masters and seamen were superior to foreigners. He related an instance of the master of a small vessel of six hundred or seven hundred tons which was lying some time since at Boston, there being lying on the other side of the wharf at the same time a British iron ship which was understood as a fourteen-knot ship and of about one thousand five hundred tons. They were both bound for Melbourne. The merchants of Boston were invited to put their cargoes into the iron ship, because she would be at Melbourne before the wooden ship. But the young American master (who had come to him a barefooted boy some fifteen or eighteen years before) said that he would do the best he could to get there before the other, and the result was that he delivered his cargo seventeen days before the iron ship arrived, so that the Boston merchants who shipped by his vessel had saved more than the cost of the freight in having their merchandise arrive first at Melbourne. The same principle of American superiority held true in the line of ship-building. As to the question of labor, labor was now in excess in Europe, and the ship-builders there did not use machinery to the same extent as the ship-builders here did. He did not like to be over-sanguine, but he believed that if the ship-builders of Portland could not learn to build an iron ship in two years they would have forgotten their skill. They only wanted two or three years, and they would then take care of the ship-building interest.

Mr. WELLS inquired how Mr. Hichborn proposed to remedy the evil. Was it by drawbacks?

Mr. HICHBORN. Yes, sir; we want a drawback on the articles entering into the construction of ships. He did not want to antagonize the interests of Pennsylvania or any other interest; but simply asked that if it took one thousand dollars to pay the duty on iron entering into the construction of ships, that duty should be refunded whether the iron was procured from abroad or from Pennsylvania. He spoke of the English insurance companies combining against the American shipping interest, by requiring a premium of from eight to ten per cent. upon American wooden vessels to Calcutta, and requiring only two and a half per cent. upon English iron vessels. Whereas if he were to decide which style of vessel was the most competent to take a cargo to Calcutta, he would say that the wooden vessel was at least as competent as the other. He did not believe that the time had come for the end of wooden ships, or for the disappearance of sailing ships. Ships of wood and ships of iron would both be continued, propelled by steam and propelled by sails. The ship-building interest of Maine called upon Congress simply to unfetter it in the matter of ship-building, and it would then meet all the demands upon it.

Mr. HOLMAN inquired what the present condition of ship-building in Maine was?

Mr. HICHBORN replied that it was a great deal depressed now, owing to the fact that the late war had troubled the exchange of the world, and that a very large amount of shipping had been transferred, together with the fact that more iron vessels were being built now.

Mr. HOLMAN inquired whether any iron vessels had yet been built in the Provinces?

Mr. HICHBORN replied that very few, if any, had been.

The CHAIRMAN inquired whether the yards where the government iron-clad vessels had been built were prepared to build mercantile iron vessels, and whether the same kind of work and machinery would answer for both classes?

Mr. HICHBORN replied that at all events the same kind of workmen would answer, and that the difference between the two classes was about the same as the difference between the building of steamships and of sailing-ships. There was a very fine yard in Wilmington, Delaware, for the building of iron vessels, and such vessels could easily be built in Maine, if they could have the iron in Maine as cheap as they had it on the Clyde. American mechanics would simply need the time to learn how to rivet, and they would get out of four days' labor as much as they would get out of six days on the Clyde. He would say to his New York friends that both the ship-owning and ship-building interests were aiming at the same subject, but in a different direction. They both wanted cheap ships, and the ship-builders of this country would supply them if Congress would only unburden the ship-building interest.

Mr. HOLMAN. If you are allowed drawbacks on the materials entering into the construction of ships, what is gained in a national point of view between the building of ships here and the purchase of ships abroad? Is there anything else gained than the value of the labor which goes into the construction of the ship?

Mr. HICHBORN. Yes, sir. First we have our ship-yards kept intact in case of the emergency of war with a foreign country, and that I think a very essential point. Secondly, we have our sailors trained and formed; but if we get our ships abroad, we will get our sailors there too, and they will be men on whom we would have no claim, and who would have no love for this country in case of danger. Perhaps a great many of the masters also would be from Europe, and they would be men who would have no love for our flag and no disposition to spread our civilization and sentiments.

Mr. HOLMAN. Up to 1860 had the ship-building interest of Maine steadily increased from the time it commenced?

Mr. HICHBORN. Yes, sir; very steadily. You will understand me to admit that it had its intermittent spells.

Mr. HOLMAN. Was it greater in 1859 and 1860 than it had been previously?

Mr. HICHBORN. I do not think that it was. Our great ship-building years were 1852, 1853, 1854. They were wanting ships on the other side, and they discovered that we could build them very cheaply, and we did build for ourselves and for the world.

Mr. HOLMAN. Between 1848 and 1860 was any large number of vessels built in Maine on contracts with foreign capitalists?

Mr. HICHBORN. Not extensively so. Our people constructed ships and sent them abroad, some in ballast and some with freight, and there they were sold. There were, however, some built on contract;

but yet we did not get acquainted with each other enough to go into that business extensively.

Mr. HOLMAN. What is the present condition of the ship-building interest in Maine?

Mr. HICHBORN. At this time I should think that about three-fifths of our ordinary capital is at work. The inquiry may be made, how we can do so much work as that under the circumstances? The answer is that those towns of ours which have been used for ship-building have that business as a specialty and have nothing else that they can do. The people who have followed it understand it and understand nothing else; and they are now building more than they can afford to do, simply because the workmen must have something to do, and they must have some employment themselves. I built a ship this year, and I cannot get 85 per cent. of what it cost. The ships now being built in Maine will not sell for more than 85 or 90 per cent. of their cost.

The CHAIRMAN. What are the rates that are paid now to mechanics in ship-building?

Mr. HICHBORN. From \$2 to \$2 50 a day for skilled mechanics and ship-carpenters. I have not paid over \$2 50, and I have had a great many at \$2.

Mr. CALKIN. What were the wages before the war?

Mr. HICHBORN. I am quite certain that in 1854 I have paid \$3 50.

The CHAIRMAN. Is not the decrease in wages in consequence of the depression in business, and is not labor as low in that branch of business as it was before the war?

Mr. HICHBORN. Yes, sir; we have two applicants for labor where we can only employ one.

Mr. CALKIN. Do you know anything about the price of labor of machinists, as to how it rates now in comparison with what it did before the war?

Mr. HICHBORN. I think that a good machinist to-day gets from \$3 50 to \$4 a day. I fell in this morning with a friend of mine who wanted some stone-cutters to send to Maine, and the man with whom he was talking told him that if he could not give more than \$4 a day he need not seek any here, because they were getting \$4 50 a day here, and yet our very best mechanics in ship-yards can only get \$2 50 a day.

The CHAIRMAN. Then I understand you that in regard to labor you can build ships as cheaply now in currency as you could before the war in gold?

Mr. HICHBORN. Certainly we can. In 1854 I have paid \$3 50 in gold to the same men that I am now paying \$2 50 a day in currency; but that was in an emergency.

The CHAIRMAN. How did the average rate of wages then compare with the present rate of wages?

Mr. HICHBORN. My judgment would be that it would not vary twenty-five cents to-day from the average for ten years before the war.

Mr. CALKIN remarked that in New York good machinists could be had for \$2 a day, on account of the depression in business.

Mr. BUFFINTON remarked that in his city (Fall River, Massachusetts) good machinists received \$3 50 a day, and that there was plenty of work for them.

Mr. CALKIN said that Mr. Roach was hiring them in this city at \$2 a day.

Mr. BUFFINTON remarked that house-carpenters in Fall River received thirty-five cents an hour, and that common dirt-diggers in the street got \$2 50 a day.

Mr. WELLS inquired from Mr. Hichborn what amount per ton should be allowed for duty in the shape of drawbacks.

Mr. HICHBORN replied that the estimate was about \$8 per ton upon wooden vessels.

Mr. WELLS inquired what it would be on iron vessels.

Mr. HICHBORN replied that it would be something more—perhaps \$10 or \$12 a ton.

The CHAIRMAN. Is that for the hull alone?

Mr. HICHBORN. No, sir; it is for the hull and spars and rigging.

Mr. MORRELL. Do you think that a bounty equal to \$10 or \$12 a ton on iron vessels, and \$8 a ton on wooden vessels, would put you on an equality with foreign ship-builders?

Mr. HICHBORN. Yes, sir; I am clearly of the opinion that \$8 a ton would do it on wooden vessels, but I am not so clear as to iron vessels.

The CHAIRMAN. If that is the case, why is there so much difference between the cost of building in the Provinces and in Maine.

Mr. HICHBORN. The ships in the Provinces are not so well constructed as ours are, though they will get the same rate as we do through English houses. They make ships entirely of spruce, which is a light and cheap quality of timber. If we built ours of spruce we could build them at \$8 or \$10 a ton less; but we use oak and hard pine and hackmatack. I had a vessel of five hundred tons at Boston, and on the other side of her was a British vessel built entirely of spruce inside and outside. My vessel was discharging sugars at perhaps \$15 or \$20 expense of cooperage on her cargo, whereas the other vessel was also discharging sugar at \$200 or \$300 expense of cooperage, and you could have scraped up cart-loads of sugar. I think my vessel had twice the strength of the other. She cost \$20 or \$30 more per ton.

In conclusion Mr. Hichborn extended an invitation to the committee to visit Portland in the pursuance of its investigation.

Mr. WETMORE addressed the committee in defense of wooden vessels as against iron vessels. He believed that if a careful calculation were made it would be found that from two to three iron-built steamers were wrecked off Newfoundland for the one wooden steamer that was wrecked there. He spoke of Admiral Farragut having put the bow of the wooden frigate Hartford dead upon the iron ram in Mobile Harbor; and about the Star of the West, also a wooden vessel, placing herself alongside of Fort Sumter and bringing back her flag in safety. He believed that the public interest of the country required that its commerce should be extended wherever it could be done without infringing upon any of the great principles of the Constitution.

The committee adjourned till to-morrow, October 15.

NEW YORK, *October 15, 1869.*

The committee met at 10 o'clock a. m. Present, the chairman, and Messrs. Morrell, Holman, Calkin, Buffinton, and Wells.

Mr. A. C. STIMERS addressed the committee. He said that he was interested in seeing ships built and run under the American flag, which was not done now to any extent. If there were the same laws on the subject of shipping in this country as there were in other countries the result would be the same—the growth of American shipping and commerce. He understood the law of England to be, that all materials entering into the construction of a ship were free of duty, and that all stores subsequently put into her were also free of duty. With such a law in this country ships could be built and run in competition with any nation. Americans were superior in the arts of ship-building and navi-

gation to the French, Germans, and Spaniards, and were certainly equal to the English. Labor cost more here, but it was also worth more, in consequence of the superior intelligence of American mechanics; so that if the duty were taken off materials a ship would not cost any more here than in England. The tax should come off iron used in the construction of iron ships.

Mr. MORRELL remarked that there was not much tax now on manufactured iron, except the mercantile tax.

Mr. STIMERS replied that that was one of the taxes which he wished to see taken off. Ships could be built here now cheaper than was generally supposed. He had noticed that it had been stated yesterday before the committee that iron steamers could not, for the present, be built here as well as they were abroad. He did not agree to that. During the late war iron steamers had been built for the government under his general superintendence, and Mr. Rowland, now present, had built as good iron ships as ever had been built.

Mr. MORRELL inquired whether it would not be desirable to use American materials in the construction of ships when they could be got as cheap as foreign materials.

Mr. STIMERS replied that American iron was much better than English iron. Shippers and shipping merchants always paid a higher price for American iron than for English iron.

Mr. MORRELL inquired whether it would not be better to allow a drawback on iron equivalent to the duty, so as to allow the ship-builder to use American iron.

Mr. STIMERS replied that it would, and that ship-builders would always prefer American iron on account of its superiority. If it were made free it would come to that. At first English iron might be imported, but builders would soon come round to American iron. He had been government inspector of the iron-clads, which had been constructed under his supervision, in various parts of the country. The machinery for government iron-clads and for iron mercantile vessels was just the same. The armature of the iron-clads would be heavier, but the construction of the hulls would be the same. Vessels with iron hulls had been built for the government at Portland, Boston, New York, Jersey City, Greenpoint, Chester, Wilmington, Baltimore, Pittsburg, Cincinnati, and St. Louis. He had been abroad, and had seen nothing there to surpass the American iron work. The iron here was better than is made in Europe, and, therefore, the ships were better. These iron-clads had been to sea, and had pounded on sand-banks, and not a hole had been made in one of them. Americans had not to learn how to build iron ships. They knew to-day how to do it. Give them a chance and they would build fleets of them. As to the low insurance on English iron ships, the insurance would be equally low on iron ships built here. The latest works on naval architecture were obtained and studied in this country, so that American ship-builders knew all that English ship-builders were doing, and would not produce work inferior to the English work.

The CHAIRMAN. Do I understand you as saying that the difference is simply the difference in duties on materials, and that in all other respects we can compete with foreign ship-builders?

Mr. STIMERS. Yes, sir; decidedly.

The CHAIRMAN. How would you overcome the difference in the cost of labor?

Mr. STIMERS. The labor here is worth more. You can get more out of an American mechanic than you can out of an English mechanic.



The CHAIRMAN. Is there more machinery used here?

Mr. STIMERS. No, sir. We use similar machinery. In a great many cases we have more ingenious arrangements for saving labor; but more attention has been paid to that in England recently than used to be. In 1854, when I was in England, their ships were, as a rule, inferior to ours in New York; but now, I think, they are rather superior, because we have had so much discouragement, and have been running down.

The CHAIRMAN. Do the builders of wooden ships adapt themselves readily to the building of iron ships?

Mr. STIMERS. Yes, sir. The change is very simple. My opinion is, that when iron ships come to be made here, it will be found that the builders are those who have been building wooden ships. It requires only a different arrangement of materials, which is very easily learned. In fact, the art of ship-building is simple if you understand naval architecture, and that the wooden ship-builders understand. I have seen men acting as common laborers, carrying iron about, and have seen them in six months afterwards driving rivets, which is the most particular thing. If you have the head man right the labor part is easily learned, as is proved by the building of all these iron ships all over the country. Of course the knowledge how to direct all to be done requires a labor of years; but, after the plans and specifications are completed, the other parts of the work are easy.

Mr. MORRELL. I suppose you would apprehend no difficulty in supplying the demand for all the iron ships needed if you were sure of the demand after the ships were built?

Mr. STIMERS. I would apprehend no difficulty at all.

Mr. MORRELL. That was proved by the ability to supply the demand during the war?

Mr. STIMERS. Yes, sir. That is the best proof of it. Mr. Fox, the Assistant Secretary of the Navy, complained to me that the South was building ships faster than we were. I said, "Yes; but when the ships meet, what becomes of the southern ships? We not only build a number of ships, but we build good ships."

Mr. MORRELL. What you want is to be secured possession of the American market for ships?

Mr. STIMERS. We want to be on a par with Englishmen. That is all.

Mr. MORRELL. You would prefer to be able to use American materials?

Mr. STIMERS. Yes, sir; they are better. American iron will always command a better price than English iron. It is worth more.

Mr. HOLMAN. The vessels built by the government during the war would be too costly for commercial purposes?

Mr. STIMERS. Their cost was not on account of their being government vessels, but on account of the disturbed condition of labor and finances. They were made after the rules of building iron vessels.

Mr. HOLMAN. But a capitalist could not think of expending anything near the amount of money for a ship for commercial business that the government did for its vessels.

Mr. STIMERS. No; but he would have equally good vessels. The difference is that labor now is cheaper, and materials are cheaper, and the finances are in a better state. The machinery for building iron ships is simple.

Mr. HOLMAN. Your experience only goes to the question of the practicability of building such vessels in this country.

Mr. STIMERS. I know the cost of all the vessels that we were build-

ing then. I saw how they were being built. I saw how the process was carried on, and how it was carried on abroad. The processes are quite similar, except that an American workman will always get off more work.

Mr. HOLMAN. I understand you to say that, with relief from the payment of taxes, internal and external, on the materials entering into the construction of ships, they could be built in this country, of wood or of iron, so as to compete with foreign builders?

Mr. STIMERS. Yes, sir; but then I also want the inducement of letting all stores be put on board ship free of duty. That would be an additional inducement to build ships, because it would afford profits.

Mr. HOLMAN. Is that the practice of all commercial nations?

Mr. STIMERS. It is the practice of England. A passenger on board a Cunard steamer gets his bottle of champagne for three shillings; whereas on an American ship he has to pay three or four dollars for it.

Mr. HOLMAN. Does that policy of furnishing goods from bonded warehouses extend any further than Great Britain?

Mr. STIMERS. I do not know. I notice, however, that other continental nations are adopting the liberal policy of England in reference to ships. Ships that are built in England are imported into France, Germany, and other countries, and enter into navigation under their laws.

Mr. HOLMAN. That is the policy of all the commercial continental powers.

Mr. STIMERS. I understand that it is.

Mr. HOLMAN. There is no government except ours that prohibits the sailing under its register and flag of vessels built in foreign countries.

Mr. STIMERS. I do not know of any.

Mr. HOLMAN. Suppose that ship-builders were allowed a drawback of duties, internal and external, on all materials entering into the construction of ships, what would be the gain to the country between that policy and the policy of letting our merchants buy their ships abroad?

Mr. STIMERS. I think our ships would pay better profit than English ships would. My opinion is that the American ship will earn money where the English ship will be simply paying expenses. There are technical reasons why I think that is so. The vessel that is constructed here is owned here, and our people make the profit resulting from running her.

Mr. HOLMAN. Would not that result follow if the ship were built abroad and owned here?

Mr. STIMERS. Yes, except that if we build our own vessels we will make more money than by buying foreign vessels. Ours are more profitable vessels to run. We have always led all other nations in the construction of ships, both naval and mercantile. The French vessels used to be superior to the English, but the French had not the aptitude for going to sea that the English had, and they were consequently driven from the sea by the English.

Mr. MORRELL. Is there not another and a higher reason for building our own ships—and that is that we may be able to supply our navy in time of need?

Mr. STIMERS. Yes, that is a further consideration which should be kept in view by statesmen. During the war we derived great advantage from the fact that our people were able to construct ships.

Mr. HOLMAN. Vessels purchased abroad by Americans would be likely to be manned by American citizens.

Mr. STIMERS. If you buy a ship abroad you would be very apt to put

people aboard of her there. Ships now are owned here, as nearly as they can be owned, running under the American flag, that are commanded and manned by Englishmen.

Mr. HOLMAN. Sailors are admitted to vessels without regard to nationality.

Mr. STIMERS. Yes, sir. I think it has been always so. I never heard of any restrictions on that account either as to officers or crews.

The CHAIRMAN. I believe that a certain proportion of the crew has to be American.

Mr. STIMERS. Perhaps so. I do not know about that.

Mr. HOLMAN. Then your view of the matter is, that the advantage to be gained by the United States from relieving ship-builders of the duty on materials is that resulting to labor from the construction of the vessel here, and that of keeping up our ship-yards with a view to any national exigency that may occur, and also the fact that you think our ships are better than foreign-built ships.

Mr. STIMERS. Yes. These are the advantages that I had in my mind.

Mr. HOLMAN. Taking the present condition of our commerce into consideration, would the advantages to labor resulting from the construction of vessels here countervalue the advantages of allowing our merchants to buy their ships abroad and have them registered here, thus stimulating our commerce immediately? In other words, which would employ the largest number of persons?

Mr. STIMERS. I suppose that the building of ships here would. I should like to see the whole thing left free—to see the duties taken off materials entering into the construction of ships, and then to let our merchants go and buy ships abroad if they chose. I think that very few would buy their ships abroad.

Mr. HOLMAN. And American commerce and ship-building would be promoted to a large extent?

Mr. STIMERS. Yes, sir. In the first year, no doubt, there would be quite a number of ships bought abroad; but merchants would soon find out that they could do better here. The comparison would be in favor of our ships. And after the first year, I think there would be few ships purchased abroad by our ship-owners.

Mr. HOLMAN. Then you think that the true end would be obtained by allowing foreign-built vessels purchased by American citizens to obtain American registers, and, at the same time, by removing all duties from the materials entering into the construction of ships here.

Mr. STIMERS. Yes, sir.

Mr. HOLMAN. You think that both these plans would improve our commerce?

Mr. STIMERS. Yes, sir.

Mr. HOLMAN. Without any injury to the ship-builder?

Mr. STIMERS. Yes, sir. I do not think he would suffer at all. I am interested in it myself, because I am a ship engineer.

Mr. HOLMAN. Would you make any distinction between vessels built abroad and those built at home as to their right to engage in the coastwise trade?

Mr. STIMERS. I would throw the coastwise trade open to all ships under the American flag, wherever they were built.

Mr. HICHBORN, of Maine, remarked that it seemed to have been the sentiment of those who had appeared before the committee yesterday that, even with a remission of duties, iron ships could not be constructed here at once to compete with those built on the Clyde or the Tyne, but

that it would require two or three years for the American iron ship-builders to get ready.

Mr. STIMERS replied that Americans could proceed at once in the construction of iron ships. There were several establishments ready now to go right ahead and build iron ships, and large numbers of such ships could be supplied in the first year. He thought that they could be produced here quicker than they could be procured abroad.

Mr. MORRELL. Do you think that if you had a demand for iron ships at this time you would be able to build them of American materials as quickly as you could by importing the materials?

Mr. STIMERS. Yes, sir. We have rolling mills that are prepared to roll such iron if they only get the order.

Mr. MORRELL. You found no trouble during the war in supplying the demand after a few months?

Mr. STIMERS. No, sir. The mills sprung up to meet the demand. I superintended the construction of our first iron vessel, the little Monitor, and we got the iron from Baltimore for the armature. It was supposed at that time that it could not be obtained anywhere else; but just as soon as more vessels were wanted the whole country was ready to supply the article.

Mr. MORRELL. If the duty on iron were remitted and there were no provision made for the use of American iron on our ships, do you suppose that those American mills could live? Do you not suppose that all the American vessels would be built of foreign materials?

Mr. STIMERS. It is impossible to say how cheaply the American mills could produce the article. My opinion is that they would soon come to the point of producing it as cheaply as it could be imported.

Mr. HOLMAN. Were all those monitors and iron vessels built of American iron?

Mr. STIMERS. Yes, sir. All of their iron was rolled here. There never was a pound of English iron imported for the purpose.

Mr. MORRELL. You experienced no trouble in getting anything you wanted of American manufacture when you were able to give the order?

Mr. STIMERS. No, sir; not at all. This country can produce anything required for ships. There was competition throughout for the supplying of these things.

Mr. WELLS. What material used in the construction of a ship is not produced in this country?

Mr. STIMERS. I believe we import Manila hemp; but that is a very small matter, particularly in steamships. Most of the ships built hereafter will be, I think, iron steamers. That is the tendency.

Mr. WELLS. Then the drawback would be principally on iron and on the stores that go into the ship after its construction?

Mr. STIMERS. Yes, sir.

Mr. HOLMAN. Were any new navy yards established during the war?

Mr. STIMERS. No, sir. All those vessels were built in private yards. There were naval stations established, but not what we understand as navy yards. Those at Cincinnati and St. Louis and other points were just improvised ship-yards. Mr. Rowland, who built the first monitor for us, had already a ship-yard.

Mr. WELLS. The iron vessels at St. Louis were built on the open levee?

Mr. STIMERS. Yes, sir.

Mr. HOLMAN. All that was needed to secure the prompt construction of vessels for the government was to have the skilled workmen?

Mr. STIMERS. Yes, sir. The only difficulty about skilled workmen was the needs of the army. Many of them were drafted into the army,

and employers had to look around and make them out of common laborers, which they soon did. At present we could not have any such difficulty.

Mr. HOLMAN. Any man skilled in iron-work can readily be trained in that kind of work?

Mr. STIMERS. Certainly, sir. The head man, of course, wants to understand naval architecture. We have men enough in the country to build hundreds of iron ships very soon.

The CHAIRMAN. Were not a majority of the iron-clad government vessels built at private yards?

Mr. STIMERS. Yes, sir; all having iron hulls were. We did not attempt iron hulls at the navy yards. Mr. Fox asked me how long it would take to build them at the navy yards. I told him that it would probably take a couple of years; and that, therefore, we must build them at private yards. A few iron-plated vessels, with wooden hulls, were built in the navy yards; but the iron vessels proper were built in private yards. I went into a ship-yard on the river Clyde. It had been a meadow eighteen months before, and yet they had already launched fourteen ships from it; so that you see it does not take long to establish an iron ship-building yard.

Mr. HOLMAN. In case of emergency, would there be any difficulty in constructing any number of vessels that might be required, with a reasonable degree of promptness?

Mr. STIMERS. No, sir. I really think we could get the vessels more promptly than by going abroad for them.

Mr. CALKIN. Are there not concerns in Wilmington, New York, and Boston, that would be prepared at once to build iron steamers?

Mr. STIMERS. Yes, sir. At Wilmington, Delaware, Chester, Pennsylvania, Philadelphia, New York, and Boston, they can go right to work at once, as soon as they get contracts; you would see the riveters at work in a week.

Mr. MORRELL. The difficulty is the want of demand, rather than of means to supply it?

Mr. STIMERS. The want of demand is the entire difficulty. That is why I want to see ship-building encouraged here by the withdrawal of duties.

Mr. CALKIN. Do you not think that the talent of this country in the way of building iron ships is equal to that of Europe?

Mr. STIMERS. Yes, sir. We build better ships than they build abroad; ships that earn more money. I refer to iron ships, as well as wooden ones.

Mr. T. F. ROWLAND next addressed the committee. He said that he was the proprietor of the Continental ship-yard at Greenpoint, Brooklyn. That yard was established in 1859—about two years before the war broke out. Previous to the war he had only built some three or four iron vessels there—coasters running between New Orleans and Mobile, and one or two for the Sound trade. After the breaking out of the war Captain Ericsson took a contract to build what was afterward called the Monitor, and as he (Mr. Rowland) was the only man in the business in New York, Captain Ericsson applied to him to do the work. That vessel was built in just one hundred and one days from the day she was started. She happened to be successful, and the government wanted some more of the same kind, and Captain Ericsson got a contract to build six, somewhat larger. There were only twelve months allowed to build the whole six. Captain Ericsson sent for him, and he told Captain Ericsson that he would undertake three of them. He sub-

sequently became sick, and his foreman called to see him, and proposed that if he should get ten per cent. of the profits he would stay; otherwise he would strike. He (Mr. Rowland) told him to strike and to clear out; and he cleared out the whole tribe of workmen who had been with him two or three years. After clearing out the whole party of experts, he went to work and laid the keels of the Passaic, Montauk, and Catskill. Not a man struck a blow upon them who had ever struck a blow on an iron ship before. He built those vessels with house-builders, molders, and all kinds of mechanics. There were no ship-carpenters among them. Mr. Badger, a house-carpenter in New York, helped him a good deal. Mr. Badger's business had given out, and he had a good number of German mechanics—good fellows—with whom the work was done and the vessels got out. The other three, which were built in Wilmington, Delaware, came out after his. After that the government had given orders for two large monitors, the Dictator and Puritan, and he (Mr. Rowland) took the Puritan. He thought he would send to England for some workmen, and he got eleven of them from the Tyne, agreeing to pay them two dollars a day. These men staid but three weeks with him. They were not worth their two dollars a day, and they cleared out. He was better without them than with them. He built the Puritan and launched her, and he believed that there never was a piece of iron work done to excel the work on her. He did not know the cause of the present decline in the shipping interests. During the last year, at least once a week, he had made propositions to build iron sailing vessels at not exceeding ten per cent. in currency over their cost on the other side; but people did not want ships. Mr. Low had sent for him, and he had made drawings and a contract to build a ship for the China trade, but just then the recent troubles in Wall street occurred, and consequently the ship had not been built. He had offered to build her as cheap as she could be got in England. He had seen by the paper to-day that Mr. Low had stated before the committee yesterday that they did not know how to build iron ships in this country. He himself, however, had built a good many. The Americans were a peculiar people, but the English were still more peculiar. The English never learned anything without immediately running to some printing office and publishing it all. The Yankee never did that; but he knew enough to read up and keep posted. The Yankee thus had the benefit of his own experience and of the Englishman's too, and had sense enough to pick out the good and to throw away the bad. The iron planing machine, which had long been in use here, had only recently been adopted by the English; and that was one reason why they were doing better work. But yet the English could not build a ship much cheaper than Americans could. Iron sailing ships cost about £16 sterling per ton, and steamers from £22 to £24.

It was in England as here. One could get a vessel for almost any price. The idea of using English iron was all moonshine. Ships could not be built in this country of English iron, but the American iron would have to be rolled to order, for by the time that iron could be procured from England rolled to order, the Yankee would want his ship launched. During the war the Passaic had come into New York wanting some repairs done. He had gone into Mr. Wells's store with an order for about thirty plates of iron, saying that it was life and death to have them; that the vessel was in the dock, and that they must be got. Mr. Wells hadn't them in the store, but said he would have them rolled. This was about eight o'clock in the morning, and the same evening a cart drove into his yard with one load of that iron, which had been rolled in Jersey City, sheared and delivered at Greenpoint, and the rest of it

came the next day. If it had been necessary to send to England for a lot of iron, he would have had to wait a long while to get it, and price was no object in such a case as that. All that he had ever seen of English iron was perhaps thirty or forty per cent. poorer than American iron in regard to its ductility and strength.

Mr. MORRELL. Do you not think that those English ships that are built so cheaply are built of iron that is vastly inferior to American iron, and that it is an unfair competition for American builders to be brought into contact with them?

Mr. ROWLAND. The kind of iron that I have seen from England is mighty poor stuff.

The CHAIRMAN. Do not the insurance companies in Europe discriminate against a poor quality of iron in ships?

Mr. ROWLAND. No, sir. According to Lloyds' regulations a certain weight of iron per ton measurement must be put into a ship. That iron must have a strength of twenty thousand pounds to the square inch, and there is no difference made. If we put into our ships iron of one hundred thousand pounds to the square inch, we would have to put in the same weight of iron as if it was only twenty thousand pounds to the square inch. Until that regulation of Lloyds' is changed, I do not see how we can enter into competition with the English. I will make a contract to build an iron ship at less than they can produce it in England, if regard is had to the strength of the iron, not to its weight.

The CHAIRMAN. You would use a lighter quality of iron and get the same strength?

Mr. ROWLAND. Yes, sir. I would use not more than five-eighths the weight of iron and get greater strength. I do not propose to build a ship out of English iron. I would rather leave the business. I could not do it.

The CHAIRMAN. Your experience in iron ship-building was during the war, when you were obliged to have everything at once, without any regard to its cost. The only question is whether you could afford to pursue that mode of doing business in regard to mercantile ships?

Mr. ROWLAND. You could not build ships of any magnitude without ordering the iron rolled at the mill and cut to shape. You cannot afford to have it rolled except on pattern, because if you had afterwards to cut it into shape you could not stand the waste.

The CHAIRMAN. Would not the iron be all of a certain shape, and if the business were pursued would not the result be to come down to those certain shapes and certain sizes, and to have them imported and kept on hand?

Mr. ROWLAND. No, sir, I think not.

The CHAIRMAN. If you were building several thousand-ton ships, would you not necessarily build them on the same model, so as to have the patterns and sizes of plates alike; in other words, would you not follow the mode of building them all pretty much in the same way?

Mr. ROWLAND. I have been an engineer for about twenty-two years. It is about that length of time since I first started in the building of locomotive and marine engines. Our marine engines that go to sea, and that all look alike to the eye of a layman, do nevertheless differ from each other. I do not recollect making two engines that were precisely alike. We are always making alterations and what we call improvements, though they are only sometimes improvements. I never built two engines precisely alike. I built three ships for the government, all apparently alike; but if you came to measure them, you would find them entirely different.

The CHAIRMAN. Do I understand you that the plates are necessarily cut to shape?

Mr. ROWLAND. They are cut to shape. We generally allow a half inch for the edges and use the shears.

Mr. MORRELL. You order the plates to be cut to pattern?

Mr. ROWLAND. Yes, sir.

Mr. MORRELL. And the rolling mills cut the plates to pattern?

Mr. ROWLAND. Yes; and a half inch is allowed for irregularity in the shearing. That makes a waste of a quarter of one per cent., whereas if you order plates promiscuously, there will be a waste of five per cent. and the labor of cutting, and no ship-builder could stand anything like that.

The CHAIRMAN. What, in your opinion, is the remedy for the present depressed condition of the ship-building interest?

Mr. ROWLAND. That is a pretty hard question to answer.

The CHAIRMAN. What would be requisite in order to revive the ship-building interest?

Mr. ROWLAND. Taking the duty off iron might help us some. It would make those Pennsylvania people come down in their prices, and then, instead of building ships at the same prices or at greater prices than they are built in England, I think we could build them ten per cent. cheaper. It looks to me like a lack of enterprise among our merchants. When an Englishman makes three or four per cent. on the capital invested, he is quite well satisfied; but our people do not look at it in that light.

The CHAIRMAN. Do you not know that Americans are negotiating to buy ships in England, and are sailing them under foreign flags, in consequence of their inability to procure vessels here at cheaper rates?

Mr. ROWLAND. No, sir; I do not know that.

Mr. BUFFINTON. Do I understand you to say that you are prepared to-day to build an iron ship as cheaply as it can be built in Europe?

Mr. ROWLAND. I said I would do it at a difference of not exceeding ten per cent. over the cost in England. On a large specification I would build a ship for less money. I do not want anything but the contract.

Mr. BUFFINTON. You would build a ship as good, in your opinion, as it could be obtained abroad for the same money?

Mr. ROWLAND. Yes, sir.

Mr. WELLS. But under Lloyd's regulations it would cost you ten per cent. more?

Mr. ROWLAND. Yes, sir.

Mr. BUFFINTON. Then if that statement is correct, it is not the duty on the iron and on the materials that go into ships that causes the depression in the trade?

Mr. ROWLAND. I think not, myself; but I want the duty taken off iron, so as that we can build ships under Lloyds' rule and build them as they are built in England.

Mr. MORRELL. Would you not consider it rather a disaster than an advantage if by legislation you compelled the iron masters of this country, in order to compete with English manufacturers, to reduce the standard of their quality of iron?

Mr. ROWLAND. I do not want it reduced any more than it is now. Our American iron is poor enough now, to say nothing of the English iron. The trouble is that we do not always get the Pennsylvania iron when we think we do. At the present time there are four thousand tons of scrap iron in port here, which will be rolled and sold for American plate iron.



Mr. MORRELL. If you want plates rolled to specification, you must have American bloom iron, and can afford to pay more for it; but if you compel American iron masters to sell their iron as cheaply as foreign iron is sold, you will break down the business?

Mr. ROWLAND. I do not know. I have got an idea that iron masters like to make a great deal of money.

Mr. MORRELL. There is probably some money made in the business; but there are rolling mills that are standing idle now for want of orders. The best mill in the United States to-day, and the one most able to make those plates, is comparatively idle, has not made money, and has not declared a dividend. I refer to Abbott's, at Baltimore. We want to save this work to our own country. We do not want extreme profits, but simply to be able to earn interest on the capital invested.

Mr. ROWLAND. It seems to me that if we were to go abroad to buy our vessels, and if English vessels were allowed to come here on the same basis as American vessels, American capitalists would cease to be interested in commerce on the seas, and would put their money in railroads, so that we would lose our coasting trade also. If that kind of policy is pursued it seems to me that we might as well give up our ship-yards altogether. The ship-yards and ship mechanics of the country must be taken care of. History says that the time has been when the English would not sell us vessels. That may be again. We had better be ready to do our work at home. Without knowing much of the policy of the government, it seems to me that if the government should give up all its navy yards and should have its ships outside, it would be better for the government in case of an emergency. The navy yards were not worth the room they took during the war. They never built an iron-clad during the war. The government had to take for that purpose to poor fellows like myself. As to the cost of machinery here, that can be constructed by the horse-power for the same money as is paid in England. Mr. Delamater and Mr. Roach, of the Morgan Iron Works, would take a contract to-day to do it.

Mr. HOLMAN. The; you are inclined to attribute the decline in our ship-owning and ship-building commerce to the fact that American capitalists are not satisfied with the small rate of interest that English capitalists are satisfied with?

Mr. ROWLAND. Yes, sir. There is to-day, in our port, an iron ship that was built in Wilmington, Delaware, and she lies here without any business. I do not know why it is. She has been here three or four weeks, and there is no business to be found that would pay her. She is a ship of eight hundred tons, as splendid a vessel as ever entered the port of New York. There is apparently no business for her. She lies at the dock paying wharfage, waiting for freight, I suppose.

Mr. MORRELL. Do you not think that there are certain combinations of great shipping lines to divert freight into the channels in which these foreign vessels are chiefly employed?

Mr. ROWLAND. No; I guess that merchants go where they can get things cheapest. These Englishmen carry for less money than we do. They are satisfied with less profit upon their investments.

Mr. WELLS. Is it your opinion that the allowing of drawbacks on the materials used in ship-building would facilitate and encourage the building of ships here?

Mr. ROWLAND. It would make a ship cost fourteen or fifteen dollars a ton less, and that would help us some; there is no doubt of it.

Mr. CALKIN. You spoke of building ships of a lighter class of iron,

using a better quality, of course not giving so great a weight. Please to state that again.

Mr. ROWLAND. An inch square bar of English iron is supposed to hang up 20,000 pounds without breaking. I suppose that would be the test of a bar of English iron. A bar of American iron of the same size would be considered rather poor if it did not hold up 40,000 pounds.

Mr. MORRELL. The average is 60,000 pounds?

Mr. ROWLAND. Yes, sir. The Abbott Company iron will carry 40,000 pounds sure. Under Lloyds' rules we are bound to put quite as much of that 40,000 pounds iron into a ship as an Englishman puts in of the 20,000 pounds iron. The one costs about two and a half cents a pound in gold, and we pay from four and a half to five cents a pound in currency, so that really our iron does not cost a great deal more than theirs, if you take it by the real value. But if you take it by the thickness, they can beat us to death. But where we do beat them is in our labor. They pay a great deal less for labor than we do; but we do more in one day than they do, and what we lose in iron we gain in labor.

Mr. HOLMAN. Do you pretend to say that the English capitalist is satisfied with less profit and a less rate of interest as well on the building as on the earnings of ships?

Mr. ROWLAND. I think so.

Mr. HOLMAN. And you attribute the decline in ship-building and in American commerce largely to that fact?

Mr. ROWLAND. I think that the American people got pretty well discouraged during the war by having their vessels taken away, and they went into other speculations in which there is a great deal more gain with less risk.

Mr. HOLMAN. Speaking of Lloyds' regulation in regard to the weight of iron in ships, that has only reference to the insurance?

Mr. ROWLAND. That is all; but the insurance of a ship is the life of her. If we cannot insure our ships there is no use in building them.

Mr. HOLMAN. To what extent does that rule act?

Mr. ROWLAND. It acts the world over. An American ship to-day would not pass Lloyds' muster. To-day there are American vessels in China lying up for want of trade, while there is freight waiting for English vessels built under Lloyds' rule.

Mr. HOLMAN. English vessels as well as American vessels are insured here in the same way?

Mr. ROWLAND. Yes, sir.

Mr. MORRELL. Would it not be an advantage to American commerce if our merchants could establish something like Lloyds regulations here?

Mr. ROWLAND. Yes, sir; and if we could make Englishmen come under it at this end of the route, it would hurt them some; there is no doubt of it.

Mr. MORRELL. Is it not time that we, as a nation, should establish our own registration of ships?

Mr. ROWLAND. Yes, sir.

Mr. HOLMAN. How long has this evil been felt?

Mr. ROWLAND. It is about twelve years since Lloyd's rule was originally established. Four years ago, after the Royal Charter and other vessels were lost, they went to work and got up a new set of rules requiring more iron than before, and the inspection since then has been more rigid than it was before.

Mr. HOLMAN. Has this question ever been a subject of diplomacy between this government and the English government?

Mr. ROWLAND. Not that I am aware of. I do not know than any

effort was ever made by the United States to relieve American ship-owners from the effect of the English rule in reference to insurance. This rule has existed ever since iron vessels have been in vogue.

Mr. L. A. SMITH, of the Continental Iron-works, New York, next addressed the committee. He said that there appeared to be a discrepancy between the ship-owners and ship-builders. The ship-owner wanted his ship free; but if absolute free trade in ships were established, he believed that the ship-builder could not keep his business going. There should be absolute and unconditional free trade for all or for none. If the manufacturing interests of the country were to be protected, the ship-building interest should be protected. As to allowing iron ships built in England to be brought in here duty free, and to run under an American registration, it would simply amount not only to allowing English iron to come in duty free, but also to allowing English labor to come in duty free. He had been at some little pains within the last day or two to ascertain the cost of a thousand-ton iron sailing-ship, built in New York, to comply with Lloyds' specification, and fitted out ready for sea, excepting stores. It would cost \$121,000. The same vessel would be built in England at £16 per ton, which, allowing currency and exchange to be at \$1 40, would make it cost in our currency very nearly \$116,660. That would be a little over 4,000 less than the American-built ship, and that showed about the extent of the relief that American ship-builders wanted. The duty on iron averaged about thirty-five per cent. The duty on the iron in such a ship would be about \$21,000; so that if that duty were taken off, it would give the American builder an advantage of between \$16,000 and \$17,000.

Mr. MORRELL. You mean pound for pound of iron, making the American ship of the same weight as the English?

Mr. SMITH. Exactly. As to the question of steam, they are paying in England from £45 to £50 per horse-power. At that rate American engines could be built at good profit, though not English engines, perhaps.

Mr. MORRELL. Does that include the boiler, &c.?

Mr. SMITH. Yes; it includes the engine complete, ready to propel the ship. The Pacific Mail Steamship Company is running its ships with a consumption of about forty tons of coal a day, and making between eleven and thirteen knots. They are about three-thousand-ton ships. The Clyde-built steamers, I believe, are using from fifty to seventy tons of coal per twenty-four hours, and are making about the same rate of speed.

The CHAIRMAN. The Pacific Mail Company's ships are American-built?

Mr. SMITH. Yes; they are American-built, and with American engines; they are built of wood; they are not as good ships as the Clyde or Tyne built vessels; that is, they are not such shapely ships, but their engines appear to be superior.

The CHAIRMAN. Do I understand you to say that American engines can be built as cheaply here as in England?

Mr. SMITH. Yes, sir.

The CHAIRMAN. The difference, then, is only in the hull of the vessel?

Mr. SMITH. The difference would not be even in the hull if we could put in American iron according to its real merits. They build ships in England of steel or semi-steel; it is not a very good material—it is rather treacherous; but where they have built those ships and shown a tensile strength of sixty or seventy pounds to the square inch, a reduction has been allowed in their scantling; if that same reduction could be allowed

to American-built ships, that would sustain from one-third to one-half more tensile strength than the English iron, then the enhanced cost of the American iron would be made up practically to the builder and the owner of the ship. If we had an American insurer as reliable all over the world as Lloyds, then we should have no difficulty in the matter.

Mr. BUFFINTON. Has there been any recent improvements in steam-engines?

Mr. SMITH. Yes, sir; a good many.

Mr. BUFFINTON. I suppose you know the machinery and engines of the Old Colony, the Newport, the Providence and the Bristol steam-boats?

Mr. SMITH. Yes, sir.

Mr. BUFFINTON. Do you know that the Providence and the Bristol consume in a trip from ten to fifteen tons less coal than the other two boats, while they are much larger boats?

Mr. SMITH. I do not know that; I have no information on the subject.

Mr. BUFFINTON. If it is so, it is not the result of the model of the boats?

Mr. SMITH. No, sir; the Old Colony and the New Bedford are as good models of boats as the Bristol and the Providence; if that is the fact, it arises from the construction of the motive power, either in the engines or in the furnace.

Mr. WILLIAMS, of the firm of Williams & Guion, ship-owners, next addressed the committee. He said that the great difficulty in the way of our navigation was, he supposed, pretty apparent. The English had got the tools to work with and we had not; and the English were running away with our business. The English had started with iron steamers years ago, had followed it up, and had arrived at a great degree of perfection. The Americans had not done so; they were just making a commencement, he might say. There were very few iron vessels built here; he believed that there was only one square-rigged iron sailing vessel built here, and that one was built recently. Iron vessels, both of steam and of sail power, were generally approved by shippers. They were much the superior class of vessels; underwriters would insure them at much less rates, and of course that was operating against wooden vessels and against the American shipping interest. That was the whole thing, and the question, he supposed, was how to overcome that difficulty.

The CHAIRMAN. Have you had vessels built in England?

Mr. WILLIAMS. Yes, sir.

The CHAIRMAN. Have you made any comparison as to the cost of building on each side? Have you got any proposals from parties here to build iron ships?

Mr. WILLIAMS. I cannot say that we have had proposals. We have had specifications made out, and some approximation to the cost.

The CHAIRMAN. Do you regard the difference in the cost between American and English built ships as being the main difficulty in the way?

Mr. WILLIAMS. I do not know what the difference is; but, of course, that is a very important point. But we have not been prepared here to build iron ships; we have had no works here to enter on that large business of building iron steamers of two thousand tons and upward. We have not had experience in it to do it to a large extent on an economical basis. During the war a great many iron vessels were built here;

but I do not think that they would meet the economical wants of our commercial interests.

The CHAIRMAN. How many English ships have you running in your line?

Mr. WILLIAMS. We have six running now.

The CHAIRMAN. What is about the cost per ton of that class of vessels in England?

Mr. WILLIAMS. They are not all the same price. They cost perhaps, on the average, about £22 or £23 per ton. They are three thousand ton ships, some a little less and some a little more. They are iron propellers running from two thousand eight hundred to three thousand five hundred tons. That price includes all the outfit of the ship ready for sea.

The CHAIRMAN. Do you know whether the English have any advantage over ourselves in the sailing of their vessels outside of the government subsidy?

Mr. WILLIAMS. I think they have. I think that generally they man their ships more economically. I do not know that there is any principle which shows that that should be so, except simply that we have not had the experience. We have a great many American sailing ships, but not steamers, engaged in the foreign trade. Sailing between Liverpool and New York, the trade that we are engaged in, the foreign vessel would have no advantage over the American in regard to fuel, although you get fuel in England cheaper than you get it here. But when vessels are sailing from both ports their facilities for getting cheap fuel are the same. I think that the officers and crews of English ships generally sail at less rates. I think it is certainly so at present, and has been so up to this time.

The CHAIRMAN. Do you officer and man your vessels principally with Englishmen?

Mr. WILLIAMS. Mainly so. We have a great many Americans.

The CHAIRMAN. About the same proportion of Americans, I suppose, as there would be of Englishmen in an American ship?

Mr. WILLIAMS. Yes, sir.

The CHAIRMAN. But the character of the vessel and crew is English?

Mr. WILLIAMS. Yes, sir; necessarily so.

Mr. CALKIN. There is also an advantage in being able to buy your liquors and stores in bond on the other side?

Mr. WILLIAMS. There is a very great advantage in that; but that advantage we would have with an American vessel as well as with an English vessel.

Mr. WELLS. The English government gives you the same advantage in that respect under the American flag as under the English flag?

Mr. WILLIAMS. Precisely. There is no distinction at all. We go in there with American ships, and we take our stores out of bond duty free.

The CHAIRMAN. I understand, then, that your vessels are substantially English vessels?

Mr. WILLIAMS. Yes, sir; we have nothing but American captains.

The CHAIRMAN. Would not the effect of building our vessels in Great Britain be, in the ordinary course of business, to have them substantially English vessels, manned, officered, and fitted out—would it not substantially transfer the business, except as to the ownership, to Great Britain?

Mr. WILLIAMS. O, no; that would not be so. If we put them under the American flag of course we should be subject to United States laws,

and could not have a foreign crew. We might, perhaps, have English engineers; but as to officers, captains, and mates, they should be Americans. I think that this thing is all in a nut-shell. What we are seeing now was as apparent to me fifteen years ago as it is to-day. I saw that we were going to lose our commerce simply from the effect of the advantage which Great Britain had over us in the building of iron steamers. They had seen the advantage of those steamers before we did, and had facilities for building them, and pressed the business ahead.

The CHAIRMAN. Did that advantage become manifest before the commencement of the war?

Mr. WILLIAMS. It was manifest to me fifteen years ago.

The CHAIRMAN. When did it develop itself?

Mr. WILLIAMS. It had commenced to develop itself in 1858. I went to England expressly for that purpose, seeing that we could not get American iron vessels here, and could not get foreign iron vessels registered under the American flag. The war only hurried on the development.

Mr. WELLS. From your experience, what remedy of legislation would you recommend?

Mr. WILLIAMS. I am, myself, a free-trade man. I go for free slips. That policy would certainly have saved our commerce to a very great degree, if it had been adopted fifteen years ago.

Mr. WELLS. That policy was adopted in Germany and France as well as in England?

Mr. WILLIAMS. Yes, sir.

Mr. WELLS. As I understand, they buy their ships wherever they can get them cheapest, and run them under their own flag?

Mr. WILLIAMS. Yes, sir. Most of the vessels in the French and Bremen lines have been built in England.

Mr. WELLS. Are all the lines of steamers between this port and the ports of Great Britain subsidized lines?

Mr. WILLIAMS. No, sir; the only subsidized lines are the mail lines. The Cunarders run two boats a week. One of them is subsidized and the other not. The Inmans run one boat weekly here, which is subsidized, and one fortnightly, by way of Halifax, which is subsidized; but a large part of the tonnage is not subsidized.

Mr. HOLMAN. What restrictions are imposed upon a foreigner in England as to obtaining a registry on a vessel which he purchased there? Can he hold the title himself and obtain the registration?

Mr. WILLIAMS. I apprehend not.

Mr. HOLMAN. The title of the vessel must be in a British citizen?

Mr. WILLIAMS. Yes, sir; I think so.

Mr. HOLMAN. The fact of a foreigner being an owner constitutes no impediment to obtaining the registration?

Mr. WILLIAMS. I really cannot answer as to that. As regards our own case, we are only part owners. We are shareholders in an incorporated company.

The CHAIRMAN. Have not these lines been established under subsidies?

Mr. WILLIAMS. No, sir; the largest amount of tonnage between here and Liverpool has never been subsidized. One boat each week of the Cunard line and one of the Inman line are subsidized; but the Inman line ran for a dozen years without being subsidized. It is only recently, within a year or two, that they got that contract. The Cunard freight line, and the National line, and our line, have never been subsidized.

Mr. WELLS. Are not the French and German steamers that run to this port subsidized?

Mr. WILLIAMS. Yes, sir; they have mail contracts; they all get more or less compensation from their own governments, and some of them from our government, for the mails that they carry; and they get some from the British government for the letters that they carry to England. Vessels stopping at Southampton and Plymouth get a certain portion of the mail money.

Mr. HOLMAN. Is there any commercial nation except ours that inquires into the fact of where a vessel is constructed, for determining the question as to granting registration?

Mr. WILLIAMS. Yes, sir; I presume that they all do. In England transfers are made without impediment; but in France there is a duty of, I think, ten per cent. imposed on foreign-built ships.

Mr. HOLMAN. Is there a duty imposed by most other nations?

Mr. WILLIAMS. I am not advised as to that.

Mr. NELSON, a member of the Ship-owners' Association of New York, next addressed the committee. He thought that the question before the committee was one which concerned the whole country, not one particular portion of it. All were directly interested in this matter of ship-building. Ship-owners were clogged and dragged down by what he considered an obsolete and a fossil law—a law which compelled them to buy their vessels in this country alone. It was a law copied, he thought, from the enactments of the time of Cromwell, and yet the American government was still sticking to that old law. Our commercial rival, Great Britain, had known the effect of that law and had twice altered it, the last time in 1854. In that year the American tonnage was 5,100,000 tons, equal to that of Great Britain; but now what was it? It had declined within the last ten years fifty per cent., whereas the tonnage of England had increased to about 7,500,000 tons. The whole tonnage of the world, outside that of Great Britain, was something like 9,800,000 tons. Deducting from that all the river tonnage and lake tonnage, fishing boats and canal-boats, and reducing it down to ocean tonnage, it would be found that the tonnage of Great Britain at this day was equal to that of the rest of the world. The business of entering and clearing from British ports had so increased that statistics showed that they carried last year from sixty to seventy per cent. of the whole business, while all other countries carried only about thirty-three per cent. They were all seeking about to find where the trouble lay, and it was a ray of light to see the appointment of this committee. They had nearly given up every hope, but they now trusted that this committee would make such a report and would so sift the thing down as to find a solution of the trouble.

There were three important things necessary to increase American tonnage: first, the vessels; second, marine insurance; third, negotiability, based both on the vessel and on marine insurance. They first wanted to get the vessels, but American capital was now invested in lands, houses, bonds, and all other interests that give a better return than shipping gives. He would leave it to any ship-owner in New York and vicinity to say whether or not the owning of tonnage for the last three years had not been a grievous thing to his pocket. The knowledge that a man was keeping race-horses would probably not help his character as a business man, but really the character of owning ships was about equal to that. After the Crimean war he had been in London and he found the docks there full of transports, vessels that were owned by doctors, clergymen, ladies, bishops, apothecaries, tin-smiths, and all

classes of the community. Every one owned a little piece, and many of them made large fortunes during the war; but since the war had closed they were very glad to get rid of their vessels. He had seen some very fine boats there for sale, and thought it would be a good thing if they could be bought and owned here; but the collector at New York informed him that they could not be owned and registered here. He had asked the collector whether he could not own them and put them under somebody else's name. The collector said: "Mr. Nelson, if you can swear that no person except a citizen of the United States owns them, or is directly or indirectly interested in their profits, you can take them." He (Mr. Nelson) had, therefore, to drop that idea, and he presumed that there were others at the same time willing to do the same thing. But the Germans saw the chance, bought two or three of those boats, fitted them up as passenger boats and sent them to this country as a nucleus for new lines, and they had now grown into extensive steamship lines. Gentlemen had said that the English people were contented with less profit than Americans would be. He did not admit that that was so; they were not contented with small profits. Some years ago the Anchor line to Glasgow consisted of one solitary ship, and now that same line had thirty steamers, all built out of the profits of their business. To this day the Chinaman was operating under the same navigation law that he was operating under thirty centuries ago, and the Americans were just following that example, wanting to shut out everything. He did not think that that was a proper mode to pursue. If nature had placed iron and coal and a superabundant population in one portion of the world, enabling iron vessels to be built cheaper than elsewhere, Americans should take advantage of that and buy their vessels where they could get them cheapest. Mr. Rowland had said that he could build an iron vessel within ten per cent. as cheap as it can be built in Great Britain, and yet for two years he had been trying to get an order and could not get one. That gentleman thought that American capitalists wanted more return for their money than the Englishmen did, and that, therefore, they would not invest in ships; but surely the business of New York was open to the capitalists of the whole world on the other side of the water. However, they had the business so nicely digested and so nicely arranged that capitalists were always ready to come forward and advance money upon any steamship line. But what was the case here? There was no security to be had on wooden vessels. Wooden vessels had had their day. In Maine, to be sure, there had been considerable money made in the building of wooden vessels; but they had lost a great many such vessels. The loss from 1854 to 1858 had been one thousand two hundred, and the loss for the last five years was about one thousand eight hundred. Many gentlemen on the committee were probably not familiar with the ship-owning interests. It was absolutely ridiculous for a man to spend his time now in going around among capitalists and soliciting them to invest money in ships. An old ship-owner had said to him a day or two ago, that a man who would invest money in ships here was deemed a lunatic. And why? Because there was no security in lending money on a vessel. Americans could not build up their tonnage unless they could buy their ships where they could buy them cheapest. He supposed that there must be more or less shipping consisting of sailing-vessels; but the great desideratum now was speed, and therefore the great bulk of the commerce would be done in steamships. If the Englishman, the Frenchman, or the German could come to New York and do business between New York and New Orleans cheaper than he could do it, let them do so, and let the people of the country receive the



advantage of it. Six years ago there were between thirty and forty large ships being built in New York alone. Now there was but one. Two years ago, for the space of four months, there was not a single American ship or vessel going from New York to Liverpool, whereas there used to be six or eight great lines of ships in that trade. American sailors were all going into other avocations, and, in a short time, there would be very few American sailors left. He should like to see this committee take up this question of supplying American ships with sailors; because, in case of foreign war, sailors would be wanted. He should like to see every ship obliged to carry a certain number of apprentices. He should also like to see all the local pilot laws of the country repealed, and one general statute passed to cover all the points.

The following letter was received from Mr. Allston Wilson :

NEW YORK, October 15, 1869.

*Hon. John Lynch, Chairman of Committee, &c. :*

DEAR SIR : As a member of the committee of the Ship-owners' Association, and having been prevented from attending the conference held yesterday, I desire to call your attention to a collateral branch of the subject which does not appear to have been discussed before you by my colleagues. While fully agreeing with those gentlemen in their statements that the only salvation for the shipping interest under our flag is to admit to free registry all vessels upon their becoming the property of American citizens, I would add that free ships require free sailors, and therefore suggest the removal of all restrictions as to the nationality of officers and men serving in our mercantile marine. It is an admitted fact that our navigation laws are behind the times, and that we require a new code that will not suffer in comparison with that of Great Britain, which passed in 1854 an act known as the merchants' shipping act, many of the provisions of which might be adopted to advantage in this country, to assure the better protection of seamen, and to secure an organized system of shipping and discharging by proper officers, with forms of certificates of capacity and conduct. The mercantile community being alive to the alarming decrease of their tonnage, it becomes those of us who have the ear of your committee to present our opinions for suitable legislation.

Very truly, yours,

ALLSTON WILSON.

Mr. WILLIAM H. WEBB next came before the committee. He said that he was not prepared to make any statements, but would answer any questions that might be asked. He did not see the ship-owners of New York represented before the committee. He did see some members of the Ship-owners' Association, but in his opinion they did not represent the ship-owners of New York. He had heard the sentiment expressed by some ship-owners that they would be very glad if the meeting of the committee could be postponed for a little time, until they could get together and put their views in some shape to lay before the committee.

The CHAIRMAN intimated that the committee would be very glad if the ship-owners would do so.

Mr. WEBB repeated that the principal ship-owners of New York were certainly not represented by the Ship-owners' Association. Those who were most largely engaged in the business were not connected with that association.

Mr. WELLS. I understand you to be a ship-builder as well as a ship-owner?

Mr. WEBB. Yes, sir; I have been long engaged in the building of ships, and I have been heretofore very largely interested in sailing ships; and I suppose that to-day I have as large an interest in steamships as any other man in the country.

Mr. WELLS. What remedy would you recommend for the present depressed condition of commerce and ship-building?

Mr. WEBB. My general views are that if Congress would pass a law freeing all materials that enter into ship-building from the payment of

duties, we could then begin to build ships and could compete with any foreign ship-builders. It has been said that that would open the door to a great many frauds upon the government. To avoid that, I would suggest that the materials when purchased and when used in the ship should be ascertained by the government in such manner as might be deemed best for its own security, and that then the drawback should be made upon the materials that were absolutely used in the ship. I think that that would enable the government to adopt this plan without being defrauded.

The CHAIRMAN. I understood you to say that you are not now engaged in the construction of vessels, but that you are merely a ship-owner?

Mr. WEBB. I have a ship-building establishment, and keep it open, but unfortunately we do not do much business there. I am sorry to say that in that yard, where we built a great many ships, the grass is now growing.

The CHAIRMAN. As a constructor of vessels, do you give it as your opinion that you can build ships in competition with the ship-builders of Great Britain if you are allowed a draw-back to the amount of the duties on the materials entering into the construction of vessels?

Mr. WEBB. I do, under the protection that the ship-building interest has in the prohibition of foreign bottoms being owned and registered in this country. We built ships in this country, from here to Maine, so cheaply and so well that we absolutely obliged foreign ship-owners to come to this country and buy our ships, and I think I may say, without fear of contradiction, that there is no other production known in this country, or perhaps in any other, where that thing has been accomplished. The English came here to buy ships, the Germans, the French, and the Italians came here to buy ships. And why? Simply because they could buy better ships and cheaper than they could at home. And yet the wages of our operatives then were nearly double the wages of the same class of operatives abroad; but we managed our business so as to be able to do that. Put us on the same footing as we were then, and we would be able to compete again with the rest of the world in ship-building. It is true that the cost of operating ships is much greater in this country than on the other side, but I trust that that will eventually find its proper level. Wages were always higher here. At present we have to pay firemen on board our steamers more than twice as much as they are paid in Europe.

The CHAIRMAN. Is there any greater difference now than there was before the war?

Mr. WEBB. Yes, sir; there is a greater difference. The difference against us is from forty to fifty per cent. greater than it was then, and it has been as high as from sixty to seventy. But notwithstanding the difference of wages, if we could get the materials of our ships at about the same as they have them on the other side, we could compete with them successfully; at any rate, I should be willing to go in and invest my money in ships and make the trial; but as it is now it is entirely hopeless. I have a place where I built more than one hundred ships within the last thirty years, and, as I said, the grass is growing there now. I have attempted to build a ship recently, and I have lost money by it.

The CHAIRMAN. Do you believe that if the draw-backs were allowed to the amount of the duties paid, the ship-building business of the United States would revive immediately?

Mr. WEBB. Yes, sir; immediately.

The CHAIRMAN. And that a vessel could be built as cheaply here as in England?

Mr. WEBB. Not quite so cheap, but the difference would not be so great as that we could not compete with them. We might not have so good a return for our money, but the return would be such as would induce our people to go in and build ships, and I think that in a comparatively small number of years we would regain the position that we have lost. We have always had much to contend with in this country against foreign ship-building. One considerable item was that a ship-owner was always taxed more or less on his shipping interest as personal property, whereas in Great Britain there was no personal tax on shipping. A ship-owner in Great Britain does not pay any personal tax on his shipping interest; he pays income tax, but that is all. We have always had much of that to contend with, and yet we competed with them successfully. That was due to the fact that we built better ships and on better models. The same talent exists in the country now; and I do not hesitate to say that if we had the same help from our government that the foreign steamship owners and builders have from theirs, we would be able to compete successfully with them in building and running steamships. I am entirely satisfied that we can surpass them in the model of our ships.

The CHAIRMAN. What would be the effect on the ship-building and general navigation interests of the country of amending the navigation laws, and allowing the purchase of foreign ships, while at the same time allowing a draw-back of duties on the materials entering into ship-building in this country? What would be the effect of having the two measures go into operation at the same time?

Mr. WEBB. That is a question which I have not deliberated enough upon to be able to give a satisfactory answer.

The CHAIRMAN. Would the vessels probably be contracted for here, or would they be contracted for in England?

Mr. WEBB. I think, without giving the thing due reflection, that the operation of that would be that the ship-owners of this country would buy ships that are already built to such an extent as they could, and that beyond that they would be obliged to contract for new ships. I think it would take all the ship-building business from this country, and for such a length of time that it would die out. I think that all the ship-yards of the country would die out under that system.

The CHAIRMAN. Do you think that if drawbacks on materials were allowed for three years, and that then the navigation laws were amended so as to admit foreign vessels to register, the American ship-builders would be in a condition to compete with foreign ship-builders?

Mr. WEBB. It would take a much longer time than two or three years. Time soon runs away. It would take a much longer time than that. The navigation laws might have been abrogated any time between 1850 and 1860 without injury to the American ship-builders. Then we had enough of the field to ourselves to have enabled us to have continued to compete with foreign ship-builders. Our labor was at a moderate rate, and everything was going on successfully. All kinds of materials for building ships could be obtained then at much less rates than they can be now. The business was extensive, and the supply was very great. Now the supply is limited and irregular.

Mr. WELLS. I understood you to say that American-built ships were superior to foreign-built ships?

Mr. WEBB. Yes, sir.

Mr. WELLS. Do you not believe that American merchants would

give the preference to American-built ships sufficiently to overcome the difference that you speak of?

Mr. WEBB. Yes, sir; an American ship-owner will give more money for a first-class American-built ship than he will for any other ship. He would be induced to do that because the underwriters of this country would certainly give the preference to American-built ships.

The CHAIRMAN. I suppose that they have been gaining on us in that regard in Great Britain while our business has been depressed?

Mr. WEBB. Certainly; not only in one direction, but in all the ramifications of the shipping interest they have been gaining ground upon us until they have got the field pretty nearly to themselves, and if the thing runs on as at present for one or two years longer, not only the ship-yards of this country will be all closed, but the skilled operatives will have gone away or left the business, and we will have no men to build our ships. For the last ship that I built, last year, I found more difficulty in getting skilled operatives to work upon her than upon any vessel I ever built.

Mr. MORRELL. Do you believe that if the Alabama, and the other confederate privateers, had not been permitted to prey upon American commerce we would have been able to have held our supremacy, notwithstanding the war?

Mr. WEBB. No, sir; I do not think we would. These vessels, of course, aided very much in injuring our commerce; but the high price of labor and of materials has been perhaps the principal drawback. I do not expect that labor will ever come to the level that it was at many years ago; but it will fall sufficiently, I think, to enable us to build ships if we can buy our materials cheap.

Mr. NELSON, speaking for the Ship-owners' Association, asserted that it represented three-fourths of the tonnage visiting the port of New York, and that that fact could be proved if Mr. Webb denied it. He presumed that Mr. Webb was not putting a stigma upon that association.

Mr. WEBB said he had no desire of that kind. He had given what was his impression, and he still thought that the older ship-owners of New York, who had had the most experience in the business, were not represented by the Ship-owners' Association.

Mr. WESTERVELT next addressed the committee. He expressed his belief that very much of the trouble was owing to the fact that the American standard of mechanical labor was very greatly reduced, and that we were paying very much more for the amount of labor performed than we used to do in former years. He thought that the ship-builders had neglected their own interests. Twenty years ago it had been the custom for each ship-builder to educate a certain number of boys to the business, and to make them familiar with the mysteries of ship-building; but he believed that there had been no apprentices taken for many years past. The result was that the mechanics employed by ship-builders now knew very little about their business, and that ships cost a great deal more to build than they used to cost. Probably the bosses themselves had not kept up with the times, and he did not think that they had. He thought, however, that the days of wooden ships were ended. He believed that iron ships possessed all the qualities that wooden ships did, and possessed besides many qualities that wooden ships did not. In almost all respects iron ships were superior to wooden ones, and it was no longer worth while to talk about their respective merits. There had been very little experience in the building of iron ships in New York. He understood that in other parts of the country iron ships could be built almost as cheaply as they could be abroad. He thought that we might be able ultimately to compete with foreign ship-builders, but not for some years; because

the foreigners had got men educated to the business, and Americans were not so well skilled in the art of iron ship-building as the English were, and that, for the best of all reasons, because very few iron ships had been built here in comparison with the immense number of iron ships built in England. There were very few establishments in the country in which iron ships could be built. He believed that it cost more to build ships in New York than in any other place in the world. There had been a time when New York built ships which were equal and superior to the ships of any part of the world; but now they were turning out ships in England which, in his opinion, were equal to anything that New York had ever done in that way.

The CHAIRMAN. If you obtained the materials free of duty, could you construct ships in competition with the English?

Mr. WESTERVELT. I cannot speak of iron vessels, because I am not conversant with them, and to build wooden ships I think would be labor lost.

The CHAIRMAN. How much higher are the wages that are now paid to ship-carpenters than they were before the war?

Mr. WESTERVELT. Before the war we paid \$2 25 per day; we are now paying \$4. At that time a first-class ship cost \$55 a ton to build; to-day it costs \$110 a ton.

Mr. WELLS. What proportion of the expense of building wooden ships is in the labor?

Mr. WESTERVELT. I can hardly state that, for I have built no ships for several years. I have got the cost of ships recently built in Boston, and I am told that they cost about \$110 a ton. I have not built ships for several years.

Mr. MORRELL. Would the cost per ton for a ship of eight hundred tons be the same as for a ship of sixteen hundred tons?

Mr. WESTERVELT. The cost per ton would be rather greater in the small ship than in the large one. As a ship increases in size the rate per ton would be less. I am speaking about ships of fifteen hundred tons costing about that much per ton.

Mr. WILLIAM H. WEBB was again called before the committee.

Mr. CALKIN. As Mr. Webb has had experience in running steamers to Europe, I desire to ask him whether, if Congress should pass a law relieving the shipping interest so that iron steamers could be built as cheap in this country as abroad, and if Congress should subsidize them to a small amount, could a line of steamers then compete with the present European lines and pay a fair dividend to the owners?

Mr. WEBB. I have had some experience in running steamships in different directions—in the past year to Europe. Judging from that experience, I should say that if Congress should pass a law relieving the construction of steamships from the onerous duties now paid, and should also grant a liberal subsidy—I cannot say a small subsidy, but a liberal subsidy, no more than European governments have heretofore granted to their ship-owners—we could run steamships and compete successfully with any of the foreign lines.

Mr. CALKIN. In reference to immigration, do you know whether the immigrant coming to this country usually prefers to come in an American ship and under the American flag rather than in a foreign ship?

Mr. WEBB. Heretofore they gave a decided preference to American ships; but from the fact that American ships have almost died out, that preference, as a matter of course, has also died out. I have sent two ships last year, and the preference was given to them simply because they were American ships. I do not mean to say by that that the pref-

erence has been given to them over any foreign ships, but I mean over foreign ships of the same class. And I know from my recent traveling in Europe that a sympathy exists there, especially among emigrants, in favor of American ships, and a desire that American ships should be put into the business again.

Mr. FRANCIS COBB, of Rockland, Maine, largely interested in ship-building, next appeared before the committee and was inquired of in reference to the wages paid to ship-carpenters. He said that ship-carpenters in Maine were now being paid from \$2 50 to \$3 a day.

The CHAIRMAN. How do their wages now correspond with what they were before the war?

Mr. COBB. There has not been that advance with that class of labor that there has been with other classes, for the very reason that there has been less ship-building than there was formerly. We used to get men at perhaps half a dollar a day less before the war. There was one statement made here to-day in reference to the cost of ships, which I desire to correct. It has been stated that first-class ships cost, in New York, at the rate of \$110 per ton. I can say that first-class ships are built in Maine (nine-year ships of the very first class of oak and pine) at \$55 per ton. They can be fitted out ready for sea, with all their fittings, at from \$70 to \$75 per ton.

The CHAIRMAN. What did the same class of ships cost before the war?

Mr. COBB. The cost of such ships before the war was about \$40 per ton, without spars. Similar ships are now being built at from \$50 to \$55 per ton. I saw a contract recently for a large ship at \$55 per ton. That is about thirty or forty per cent. more than they were before the war. That is the price that ship-builders are selling them at, and I suppose they would not build them without making some profit on them.

Mr. R. P. BUCK, of New York, next addressed the committee. He said he rose principally to corroborate what Mr. Cobb had just said relating to the present cost of ships. He had just sent to sea a new ship which had cost, coppered, \$73 per ton, and he should launch another of one thousand four hundred tons within a week, which would cost \$75 a ton without copper. She is more of a white-oak ship, and cost a little more money on that account. She is rigged with wire rigging, which is a little cheaper than hemp rigging, although I am inclined to think it is not quite so good. As to the remedy for the present evil, it has puzzled my head for the last fifteen years. I do not know where the remedy is. Most certainly we cannot throw open our whole coastwise trade to foreign ships unless we have free trade in everything, and that we cannot afford to have under the present circumstances. I think that if the matter is sifted down it will be found that most of the men who want free trade in ships are men who are directly or indirectly interested in ships built in the provinces, and who would like to get those ships registered here so as to put them into the coasting trade. The very moment that foreign ships are admitted to registration here those ships will do all our coasting trade instead of the ships that are built in Maine. It will produce what Mr. Webb has described, a dearth of mechanics, and we will have no ship-builders in time of war. It will also make our sailors extinct, because they will not go to sea in foreign ships. I have known American captains, during the war, who were so loyal that they would rather stay at home than go to sea in foreign ships that were offered them. I think that if we had a reduction of the duties on all the materials going into the construction of ships, whether the materials be American or foreign, and if we could also be freed from the

taxation on ships, as is the case, I understand, in other countries, we could then afford to build our ships in this country and to compete with any other nation. I do not believe that there is any more ingenuity in Glasgow or any other ship-building place than there is in this country; nor do I believe that there is any more energy among the foreigners than among Americans. I think that if we are put upon the same footing we will be able to compete on the ocean with the rest of the world. We have a greater ocean front than any other nation, and it would be a terrible disgrace if we allowed ourselves to be driven from the ocean. It has been wisely said that the nation which controls the ocean controls the world; and since we have the Pacific and the Atlantic, we are destined to do that. That is what we will do if we have sufficient encouragement from the government, or rather if the government withdraws its restrictions upon us. The tariff renders the cost of materials so great that we cannot build ships. I do not think that the ship-owners of New York are represented extensively in the Ship-owners' Association. I am free to say that I believe that if you could call together the men who have been twenty or forty years in the ship-owning business in this city, you would not find the majority of them ready to throw the business open to foreigners and to have our ships purchased abroad. I saw that it was stated here yesterday that British vessels are insured at two and a half per cent., while the rates on our ships are from eight to nine per cent. I have made inquiry this morning at the office of the Atlantic Insurance Company, and I was informed that insurance is just as cheap on an American vessel as on a foreign vessel.

The CHAIRMAN. The statement was that the low rate of insurance is only charged upon iron ships abroad, and the high rate of insurance upon wooden ships.

Mr. BUCK. They may insure on what they like abroad, but we want our insurance done at home. They may insure iron ships cheaper there; but I do not believe that they insure cargoes any cheaper in an iron ship than they do in a ship built by Mr. Webb. Just think how the balance of trade is against us. If we bought our ships abroad, paying gold for them at thirty per cent. premium, we would be impoverished so speedily that we would never be able to get back to specie payments.

The committee adjourned till to-morrow, 16th October.

NEW YORK, *October 16, 1869.*

The committee met.

Present, the Chairman and Messrs. Wells, Holman, and Calkins.

Mr. A. A. Low appeared before the committee.

The CHAIRMAN. The committee would like to hear from you in regard to the general policy of building our ships at home or buying them abroad, as we understand that you are a ship-owner and importer. What should be the policy of the government to protect and foster our shipping interest and to bring it back to the standard position it held before the war?

Mr. Low. Individually, I have always been in favor of protecting American interests. I have been inclined to sustain our own architects, builders, and mechanics, and to rear our own sailors and advance the interests of commerce generally in that direction. Most of our laws are formed with a view to protecting our various industries; but the laws which protect our general industry bear oppressively upon this particular interest, so that the laws which are designed for the protection of American industry are really a burden upon our shipping industry.

The CHAIRMAN. We would like you to give the committee your views

as to the causes which have operated to produce the present depressed condition of affairs in our shipping interests.

Mr. Low. In the first instance we have a depreciated currency. I think that militates against the building of ships. We have very high prices of labor, and high prices of all the materials that enter into the construction of ships. These prices are increased by the laws which are designed to protect other branches of industry, and of course they all tend to increase the cost of the ships in the first instance, and the cost of the sailing of the ship after she is built. I think that the American shipping interest suffered before the war came on. The California trade had caused the building of a vast number of ships, especially of the class known as clipper ships. Then the steam lines began to multiply and to take the valuable traffic on the Atlantic. That forced sailing ships upon distant courses, and the freight was very low for several years before the war—so low as to be wholly unremunerative. When the war came on, the privateers burned our vessels and added to the cost of sailing by increasing the rates of insurance upon our ships. Our ships were destroyed, and there is no motive to replace them at the increased cost. Nor do I see how we can recommence building ships unless the ship-building interest is relieved from the taxes put upon all the materials that enter into the construction of vessels. My own belief is that the policy of England, in subsidizing lines of steamers to the various ports of the world, has given her a prestige which is almost insuperable. Her mechanics have been trained in the construction of iron ships and of all the machinery requisite for the purpose, and it would seem to me that it would take our mechanics a long time to get into a condition to compete with England. We have just now but one important steam line, and that is the Pacific Mail Steamship line, and it seems to me that all the subsidies which our government has ever given to all the steam lines that we have ever had would not be equal to the amount of loss inflicted upon that single remaining line by the Pacific railway. We gave fifty or sixty million dollars, and lands extending for miles on either side, to that railroad—an internal line of communication to the Pacific, which has cut off all the support that hitherto belonged to the Pacific Mail Steamship line—so that during the little time that that Pacific railroad line has been opened that single line of steamers must have suffered an injury of from six to eight million dollars. The capital of the Pacific Mail Steamship line is twenty million dollars. Two years ago its stock was worth from one hundred and forty to one hundred and fifty; now it is down to fifty-six. It has fallen within a year from one hundred and twenty-five down to fifty-six, which would represent about fourteen million dollars. I do not know why the Pacific Mail Steamship line would not be as good property to-day as it was before if Congress had not given fifty or sixty million dollars, and immense quantities of land, to that line of railroad, and so built it up at the expense of the only single line of steamers remaining to this country. There does not seem to be a law upon our statute books which does not inflict an injury upon our commercial interests. Then, again, the policy of England in reference to subsidies has been different from our own. The English have engrossed the traffic from almost every country. They have manufactures in abundance to supply the distant markets. They have their distant colonies to incite them to effort. Occupying an insular position as they do, there is not a man in England that does not appreciate the importance of commerce; so that all the English laws are for the benefit of commerce. Our country is so large, and the opportunities for the employment of capital are so diverse, that our legislators do not give



that attention to commerce which the statesmen of England do. I think the English statesmen have been wiser than ourselves in subsidizing largely, in the first instance, all their ocean lines, until they have trained their mechanics perfectly in the creation of steamships. There is a very interesting article in the Times this morning which shows what the English are doing in that line. It is easier to explain the causes of our decline than it is to suggest a remedy. If there is any way of relieving the ship-building interest from the duties imposed upon it for the protection of other American industries, that would certainly be a step in the right direction. If a subsidy could be given to ocean steamers that would be an offset to the extra cost of building our steamers, that would be another mode of meeting the difficulty. My own impression has been that large subsidies should be given as an inducement, and that those subsidies, while they would cost the government something in the beginning, would cost the government nothing in the end, because the materials used in the construction of ships would pay back in taxes to the government whatever is paid in subsidies. At present we build no steamers—we can build none. We cannot build steamers, I suppose, because iron has taken the place of wood. We abound in wood but not in cheap iron. The screw steamers have taken the place of the side-wheelers, and wooden vessels cannot bear the action of the ocean upon the screw; so that we are inevitably driven upon iron in the construction of our ocean steamers, and we have not the cheap iron to compete with the cheap iron of England and with the skilled labor of England. I see that Mr. Webb and others express great confidence in the ability of our mechanics to compete with English laborers. I must say that I have not that same confidence in the superiority of our workmen. They work a shorter time than the English workmen do, and demoralization seems to have extended into the department of labor to a greater degree perhaps than to almost any other. Our labor generally is very much demoralized, and any one who undertakes to build a house or anything else will soon find it out. I have no doubt that we can command as skillful workmen as any in the world, but that we can command better workmen than are in England I do not believe. Certainly the ships that they send here are superior to any that have ever been made hitherto. They are excellent in model and in workmanship. Any one who has made a passage across the Atlantic in one of their ocean steamers will be satisfied of their stability and excellence as well as of their great speed. It seems to me that the English have attained to the utmost excellence in that line, and that although our mechanics may be of the best order, we should be weak and foolish to think that we can excel the English in any of those respects. We should be put to our mettle to hold our own with them until we have had a good many years to study the art and to practice it.

The CHAIRMAN. Can you give us any information as to the amount of subsidies paid by our government and by the English government?

Mr. Low. I cannot give you the particulars of the different subsidies paid by Great Britain or by this country. I only know that the English have adhered to the policy of sustaining their ocean lines of steamers by sufficient subsidies. They have never shrunk from the necessity of paying whatever was needed to continue a line to distant countries. For instance, if a line of steamers were formed to Australia and were unsuccessful, and if it were found that a larger subsidy was necessary to continue it, they would liberally give what was sufficient for the purpose. In a word, the English have always, in peace and in war, manifested a determination to hold the supremacy on the ocean; and the supremacy which

they acquired by arms in war they have in peace acquired by subsidies. They have, deliberately and intentionally, driven the Americans from the ocean by paying subsidies which they knew our Congress would not pay. I believe it has been the deliberate purpose on the part of England to maintain her supremacy on the ocean by paying larger subsidies than any other nation as long as subsidies were necessary to preserve their control. I believe that when the Collins line was running, the subsidy to the Cunard line was renewed for the express purpose of enabling it to run off the Collins line. It was renewed several years before the expiration of the subsidy already granted, so that the Cunard line might enter upon contracts for new ships; and a committee of the English Parliament similar to this committee was employed to make the most minute investigation into the matter. It was after the most careful inquiry by that committee that the contract with Cunard was renewed, for the express purpose of enabling that line to run the American steamers from the ocean; and they have driven us from the ocean by that policy just as effectually as they ever did drive an enemy from the ocean by their guns.

MR. WELLS. From your experience of the mode of conducting steamship lines, do you not think that the English run their lines at much less expense than the Americans, and that if Collins had run his line at the same expense as Cunard it could have been sustained?

MR. LOW. The English protect their ships, but we burden ours. We burden every supply that goes on board our ships. Every pound of tea and every pound of sugar is burdened with heavy tariff charges. The English exempt the stores that are put on board their ships from such charges. In every way they increase their shipping interests, and in every way we depress ours. In the time of the war the shipping interest was the only interest that suffered. The privateers burnt our ships or subjected them to heavy rates of insurance; and so far as foreign insurance companies were concerned, they turned their faces against insuring our ships.

THE CHAIRMAN. In your opinion are ship-owners generally in favor of amending the navigation laws, so as to allow the purchase of ships abroad and nationalizing them here?

MR. LOW. I dare say that those who are not fully American in their feeling would be in favor of bringing foreign-built ships here, and of putting them under the American flag; but I, individually, would prefer to see our mechanics encouraged as hitherto, to build those vessels. I think that we should be relieved from the burdens which now stand in the way of ship-building, so that we shall not only have ships to sail, but men to build them. Still, it would be better to go abroad and buy our ships and put them under the American flag rather than to be ruled out off the sea altogether, as we now are. The shipping interest has been so unprofitable in this part of the country that capital has been diverted from that branch of commerce to more inviting fields.

THE CHAIRMAN. In your opinion, if the American ship-builders and ship-owners were put upon the same footing and offered the same encouragement as the ship-builders and ship-owners of Great Britain, would we be able to compete with them?

MR. LOW. If it were possible to put them on the same footing, of course there is an aptitude among our people in the pursuit both of building and sailing vessels that would soon manifest itself, unquestionably.

MR. WELLS. In other words, you think that if drawbacks were allowed on the materials entering into ship-building in this country,

and if the disabilities in reference to buying ships abroad and putting them under the American flag were removed, our commerce would revive?

Mr. LOW. I have said that there are many things in the way of the restoration of our commerce, and one of the first difficulties is the condition of the currency. That aggravates everything.

Mr. WELLS. That cannot be remedied for the time being. But as to the more immediate relief, what do you think would be its result?

Mr. LOW. Our mechanics say that if the materials that enter into the construction of ships were relieved from taxes they could go to work, and I have no doubt that that is so. I have no doubt that we have iron equal to any other for the construction of ships, and that we have the skill to construct them. We have not the experience; but I have no doubt that that will come.

Mr. WELLS. And we have national pride, too.

Mr. LOW. We have the pride.

Mr. WELLS. That, together with the subsidies, you think would probably be the only policy to relieve us for the time?

Mr. LOW. Yes, sir.

The CHAIRMAN. You speak of the currency being an impediment. Where we compete with England upon gold prices, would the condition of our currency make any real difference?

Mr. LOW. Inasmuch as the traffic is carried on in gold prices, we would be on a par with them; we should have the same remuneration as they have.

The CHAIRMAN. Then, really, what effect does the currency have on the question?

Mr. LOW. It is the parent of a great deal of demoralization. Everything is high—rents, and labor, and materials. We have exaggerated prices for everything.

The CHAIRMAN. Above the difference between gold and currency?

Mr. LOW. Apparently. Labor is certainly out of proportion to the difference between gold and currency. Where we used to pay eleven dollars a month to sailors, we now pay twenty-five dollars. That exhibits more than the difference between gold and currency. I speak of the sailors in the China trade, where the rates are lower than in the European trade. We used to pay eleven dollars where we now pay twenty-five dollars. Commerce now is threatened in another way. The trade that we have hitherto done in ships to China shall be lost to us through this Pacific railroad, after awhile. The teas that now come by ships may come from San Francisco over the road; and I presume they will do so before long. Then, again, we are threatened through the Suez Canal, and through the competition of steamers with sailing vessels. I understand that the English are already making inquiries here in relation to the cost of transportation of teas by steam from China; so that the commerce which we have carried on with the East is threatened the whole way by the land route across the continent, and by the steam route through the Suez Canal. I do not, myself, believe in the transportation of teas by so expensive a route. At present there is no profit in the importation of teas, and there has not been for two years past. And inasmuch as there is no profit with the inconsiderable cost of bringing them by sailing vessels, there would be no warrant for the higher cost in bringing them by steam vessels, as steamers cannot transport freights so cheaply as sailing vessels can.

The CHAIRMAN. I understand you, then, to be in favor of an attempt

to restore our shipping by building it at home rather than by buying it abroad?

Mr. Low. Certainly, sir; my feeling is to have our ship-yards revived. The skill acquired there would make us independent of foreign labor. That has always been my feeling. I always had a desire to see our own ship-yards restored to their usefulness, and to see men trained up in this country so to make us independent of foreign skill and labor in that regard. I suppose that it is the natural feeling of every one who has an interest in American commerce to see American industry thrive in that direction. Still, I think it would be better to resort to England for steamers, rather than be ruled out entirely from the benefits of a very profitable pursuit.

The CHAIRMAN. What effect do you think it would have on our commercial interests if we were to amend our navigation laws and go abroad to buy our vessels?

Mr. Low. It seems to me that at present the English can build much more cheaply than ourselves, and that that policy would put off the time when we should be independent of other nations. It would be pursuing a course in reference to that particular industry of ship-building at variance with that which is adopted in reference to all other American interests. In regard to all other internal pursuits, we adhere to the policy of protection; but in reference to ship-building, we adhere at present to one of oppression. We protect all other industries at the expense of commerce.

The CHAIRMAN. Would the effect of purchasing our ships abroad be to make them foreign in their character to a considerable extent?

Mr. Low. They would be foreign ships; and I think they could build them at present so much more cheaply than we can that there would be little hope of reviving that industry among ourselves.

The CHAIRMAN. What I mean is, whether there would not be interests of ownership on the other side which would make those ships to a great extent foreign—whether it would not necessitate a change of laws as to officering and manning our ships, and whether our ships would not be finally pretty much under the control of foreign interests?

Mr. Low. If Americans should buy ships abroad and put them under the American flag, we have men enough to command and man them, and I do not know whether there would be any tendency to employ others instead of Americans.

The CHAIRMAN. Why I ask that question is, that was submitted by the Ship-owners' Association of New York, in favor not only of foreign ships, but of foreign officers and crews.

Mr. Low. I think that that is the sentiment of an alien, not of an American. I cannot imagine that any American should wish to see foreign ships where we hitherto had American ships, and to see foreign commanders and sailors in place of Americans. Our sailors have been always very largely foreigners, but our ship-masters and mates have been generally Americans. There are enough of them awaiting employment now, and every patriotic sentiment would urge their employment.

The CHAIRMAN. I suppose that that was a question of economy, as it is in the purchase of ships?

Mr. Low. We have many men now idle who would be glad of employment at a very moderate compensation. In former times we had no disposition to employ foreigners in preference to Americans, when the laws allowed it. We always had good commanders, and when wood was employed in the manufacture of our ships, we had the sea. It was only when the new condition came into force, steam instead of sailing ships,

and iron instead of wood, that we lost it, and then, I think, through the policy of England in subsidizing steam lines, which took all the valuable traffic and all the passengers. The English maintain their steamers by ample subsidies; our government does not. And, as I said before, the propeller has taken the place of the side-wheeler, and the wooden ship cannot bear the propeller; therefore England now engrosses almost the whole building of steamers.

The CHAIRMAN. You say that wooden ships cannot bear the propeller. Is that on account of the strain?

Mr. LOW. The action of the propeller, I am told, is such that no wooden vessel can stand it on the ocean. They do very well along the coast and in still waters; but I was told that on the Atlantic a wooden vessel cannot stand the action of the propeller. I think that Mr. White will tell you the same thing. Therefore our steamers are driven from the ocean. I do not think myself that wooden fabrics would stand the strain.

Mr. CALKIN. I do not understand you to be in favor of abrogating the present navigation laws?

Mr. LOW. I have been always in favor of American interests.

Mr. CALKIN. You are one of our leading merchants, and I should like that expression from you.

The CHAIRMAN. He has already given it while you were out.

Mr. LOW read some proof-sheets of an article contributed by him to Putnam's Magazine for December, which article is hereto annexed, as follows:

#### SOVEREIGNTY OF THE SEAS.

An idea extensively prevails that the contest for supremacy on the ocean was virtually closed with the victories of Trafalgar and the Nile. After the destruction of the French fleets in the Mediterranean, it was indeed evident enough that no single nation, nor all the maritime powers in the world combined, could successfully cope with Great Britain on the sea. Throughout the waters of the globe the British ensign waved triumphantly, the undisputed and unquestioned symbol of sovereignty. Down to the time when the wars of Napoleon ceased the naval arm was used more as an auxiliary to contending armies battling for dominion on the land than as a means of controlling the commerce of the world. As an agent for crippling the strength of an adversary the navy has always been employed; while the lust for gain has stimulated an active crusade against private property in aid of a more direct national aim. Even now, when commerce is so much extended, and the interests of all countries and all peoples are so blended as to be inseparable, every effort to abolish privateering fails, and, when nations resort to war, merchant-ships, doubtless, will continue to be the prey of the national cruiser and privateer alike.

The purpose of this article, however, is not to consider the "usages of war," nor the abuses to which war gives rise. Friend and foe have taught the United States a lesson in this regard that will not soon be forgotten. It is our aim, rather, to show in this paper that supremacy on the ocean in the interests of commerce was not so directly sought, nor so effectually gained, by the vast and costly armaments of Great Britain in the wars that preceded the present century, as it has been by the more peaceful and inexpensive method steadfastly pursued by that country during the last thirty years. Or, without undertaking to show, what it might be difficult to prove, that the contest on the ocean has not always been waged by Great Britain to advance the interests of her foreign commerce; or, admitting this to have been the ultimate aim, and open communication with her distant colonies a *sine qua non*, demanding the utmost exertion of her naval power, it is still of paramount importance to mark the policy that has governed her statesmen since the cessation of the continental wars. Whether for coast defense, or as a means of hostile attack, or to keep pace with the growing navies of other maritime powers, England steadily adds to the number of her ships of war, never faltering in her purpose of holding, at any cost, the dominion of the sea. Let any who doubt this visit her dock-yards and her channel fleets, and behold the majestic iron-clads, formidable for their size, their armor, and their armament, as well as for their great propelling power. The superiority of England in this class of vessels for purposes of attack and defense it is not popular with us to admit. We are vain enough to assume that against armored ships of the greatest magnitude and the most powerful batteries, our slowly-moving monitors, with two and four heavy guns, are a safe reliance. Be it so!

Monitors have answered the purpose for which they were created; and it is not in the direction of her naval armaments that the policy of England demands our present attention or imitation. Were it otherwise, our naval officers are abroad—they are intelligent and observing—and we can safely leave to the verdict of their judgment such problems as only experts can solve.

From 1815 to 1835 peace reigned throughout the world, affording an opportunity to all the nations bordering on the sea to enter into a friendly competition for the carrying trade of the nations. In the ensuing struggle the United States acquired a prestige that was unexcelled; and such was the skill of our mechanics, the abundance of our material for the construction of ships, and the aptitude of our sons for the life of a sailor, that our republic gained the command of the trade to and from Europe, and was a bold and successful competitor with Great Britain for the traffic between her own colonies and the mother-country, as well as for that from China and other portions of the East. A little later on, our clippers, outsailing the old-fashioned vessels, became models for merchantmen; and, notwithstanding the proverbial obstinacy of the English and Scotch, they were alert enough to accept and adopt them.

But what a change since then has taken place, commencing in 1837 and 1838, but not patent to the common eye till ten or fifteen years later on. England's maritime supremacy is so manifest now as to reflect our national humiliation! How this is to come to pass it is not difficult to explain; but the explanation is mortifying and painful.

Many things have combined and worked together to produce the revolution. In the chain of events resulting in the rapid decline of our commerce may be cited the following, viz:

1st. A substitution of steamships for sailing-vessels; this commenced about 1837-'38.

2d. The use of iron instead of wood in the construction of ships and steamers.

3d. The reaction from high rates of freight, because of the vast increase of tonnage which the trade of California brought into being, the expulsion of sailing-vessels from short ocean routes, and the consequent overcrowding of distant ports.

4th. The war of the rebellion, which raised up an insidious foe, and for five years rendered the building and sailing of American ships a worse than profitless pursuit, and which finally imposed a burden of taxes on all the material that enters into the construction of vessels, and so enhanced the price of labor and of seamen's wages as to make competition with our great rival most unequal.

When it is borne in mind that the shipping interest was the only important interest at the North that suffered by the war, and that other great interests have been benefited rather than injured by the enactment of import and internal revenue laws, it seems strange that Congress has done little or nothing to mitigate the burden on our external commerce; failing utterly to relieve it from the operation of laws that bear unjustly on the mercantile class, and hence, injuriously on the community at large.

Under four distinct heads we have now stated what seem to be secondary causes of the decline of our national commerce. The disturbed condition of our currency might have been named after the fourth of the series, because it is the direct consequence of our civil war. It is too important to be overlooked; it is too well understood, and too keenly felt, to require comment. Would that there were any disposition in the people at large to correct what so many profess to deplore, and yet do nothing to amend! Unless a better spirit appears than hitherto has marked the deliberations of Congress, this fruitful source of demoralization and disability must continue and stand out as a harm and a hindrance to our commercial progress. The depreciation of the national currency, considered in connection with the other reasons for the depression of our commerce, serves to intensify the claim on our government for the renewal, on a more generous scale, of *subsidies to ocean mail steamers*. Assuming, as we do, that the contest for supremacy on the ocean did not cease in 1815, but has taken a new form, nothing has transpired to signalize the wisdom of British statesmen more striking than the plan so successfully pursued of subsidizing lines of mail steamers to all important parts of the world. The wisdom on their part would be manifest enough if not contrasted with our own folly; and our folly would be more endurable if we had not been misled by the arguments of our free-trade adversary, plausibly presented, instead of being guided by his example.

The astute Emperor of France disdains not to listen to English counsel, but, with a judgment better than our own, imitates English example. Indeed, it is beautiful to behold two hereditary foes, in loving obedience to the doctrine of "free trade," steaming side by side, in quest of the silk of China and Japan—competing in generous rivalry for the trade of the East. And observe the consequences! By degrees Lyons becomes the distributing mart instead of London, and English manufacturers close their doors in view of the French competition. France returns the chalice to the lips of England! In the face of such results it must have amused the friend of Cobden—the renowned Emperor—when it was declared in Parliament that to receive proposals from the Messageries Impériales for the transportation of her Britannic Majesty's mails would be "free trade run mad," and the sentiment was applauded to the echo! England was for free trade just so long as England could profit by it, and no longer.

The application of steam as a motive power to ships on the ocean about 1837 and 1838 inaugurated a new era in maritime history, and the statesmen of England were quick to discern the importance of the epoch. Almost immediately a contract for the transportation of British mails to the United States was entered into, being the first of a system of contracts which has been persistently extended till it has become world-embracing. Lines of steamers to Canada, to the West Indies, to Brazil, to the Cape of Good Hope, to Australia and New Zealand, to British India, China, and Japan, are among the most important of those hitherto established. These have not all been uniformly successful. In the loss of ships at sea several have been unfortunate, and financial disaster sometimes has been imminent; but under every discouragement the British government has been faithful, sustaining by large and larger subsidies the waning fortunes of the weak, and by most liberal concessions strengthening others to resist either threatened or actual competition. From the outset, the vivifying effect upon the commerce of England of these swift messengers to different countries was too apparent to escape observation. It was seen that under another name an international express system had been established which was taking to Great Britain the "quick orders" and also the most enterprising traders, to seek in the well-supplied warehouses of England the merchandise they needed, while returning steamers conveyed goods and buyer, at once, to his own doors at home.

The results of this extended, well-organized, and regular system of international transportation were soon apparent:

- 1st. In the creation of a class of unsurpassed steamers.
- 2d. In raising up a select body of seamen, loyal adherents to the service in which they were reared, and ready both to man the transports so useful in peace, and to sustain the honor of their flag in the emergencies of war.
- 3d. In educating a corps of accomplished officers, all the while acquiring familiarity with the navigable waters, ports, and harbors constantly visited and revisited.
- 4th. In perfecting the skilled mechanics of the realm in the use of iron, and its adaptation to the rapidly-growing steam marine.
- 5th. In imparting a stimulus to the manufacturing industries of the kingdom, so abounding in resources and talent, garnered up and held in reserve for new and enlarged uses.

6th. In drawing to the bonded warehouses of London and Liverpool the products of every country and every clime, to be distributed, through largely increased facilities, to the less favored nations and the waiting markets of the surrounding world.

It were easy enough to extend the recital of advantages immediately resulting from the adoption of a policy in the pursuit of which British statesmen have never wavered. But the record is long enough and amply suggestive.

When ten years or less had borne abounding testimony to the success of this policy on the other side of the Atlantic, the American Congress was awakened from its slumbers, and manifested a willingness to follow a lead that was so full of promise, and to strike for a share in the prize that was not yet beyond our grasp. A subsidy was finally granted to the "Collins line," and we recall, with melancholy pleasure, the outgoing and incoming of those noble ships, the Atlantic, Pacific, Baltic, Arctic, and Adriatic, as they entered on their brief, brilliant, unfortunate, disastrous career. The time of service was long enough to establish their excellence as sea-going vessels, and the record of their passages will compare favorably with any similar number made in later years. But misfortunes came apace. The Arctic and Pacific both foundered at sea—the Arctic in consequence of a collision with a French steamer; the Pacific, probably, in consequence of a collision with an iceberg. There was bad management on shore, and it is said injudicious applications were made to Congress for increased pay. These things disheartened and disgusted the friends of the enterprise, and it came to an untimely end. The failure of this line to justify public expectation proved a death-blow to the hopes of all who had looked to Congress for a more generous support. Unlike British statesmen, our own had yielded a reluctant assent to a pressing popular demand. The statesmen of Great Britain embraced with ardor a great opportunity, and adhered to it with courage and fortitude as in the prophetic strength of a grand inspiration. All are familiar with the sequel. Three hundred thousand immigrants come annually to our shores in British-built steamers; and thirty to fifty thousand Americans cross and recross the Atlantic, paying tribute in gold to the superior genius of British statesmanship; and it is come to pass, in the great contest for supremacy on the ocean, that the "stars and stripes" droop beneath the cross of St. George.

It is disheartening to pursue the topic; but hope is not wholly banished. Amid the host of lawyers, farmers, and politicians that through the halls of Congress there are many men of enlarged minds and noble impulses—American in name and in heart. It is not too late for them to ponder the lesson so dearly learned, and to fight out the battle once more on the old line.

Brazil shares with our country the merit of sustaining by a feeble subsidy a number of steam-packets, which, sailing monthly, touch here and there along the South American coast. The Pacific mail, stretching out seven thousand miles across the ocean

whose name it bears, being subsidized by Congress, still lives, fulfilling all reasonable expectations. But the subsidy it receives from the Post Office Department of \$500,000 is wholly inadequate to an extension of the service. At any time it may be driven from the field by the Peninsular and Oriental line of steamers, whose contract with the British government for carrying her Majesty's mails has lately been renewed, with the subsidy increased to £500,000, a sum greater than \$3,000,000 of our currency. In this connection, let it not be forgotten that when Cunard wanted to build the Persia and Scotia to run off the Collins steamers, after a careful investigation by a parliamentary committee, the contract with his company was renewed years in advance of the period of its expiration. Some "blue book" that is yet to meet our eyes may enlighten us in regard to the spirit and arguments that animated her Majesty's ministers in this increase of pay to the Peninsular and Oriental line.

The recent completion of our great continental railway imparts a fresh interest to the subject of this article. The munificent appropriation of sixty millions of dollars in aid of a single work of internal improvement, a work, too, that comes in direct competition with the Pacific Mail Steamship Company, presents in niggardly contrast the annual appropriation of less than one million dollars to facilitate the transmission of the mails on all the great highways of the ocean, when, as we have seen, so much else depends upon the venture.

About two hundred millions in gold, annually, are derived from duties on imports; fifteen or twenty millions are voted, annually, for the maintenance of a navy; and one of the declared purposes of the national income is to protect our external commerce.

Indirectly much good results from the expenditure of this income in ways that have been suggested in the course of this paper; but far better returns would be obtained if subsidies were largely and wisely bestowed in building up and sustaining lines of steamers on all the great ocean routes. Let the national money be so spent as to restore, if possible, our lost prestige on the sea.

The foe to our commercial development is in cabinets, and not in hostile cruisers; money, instead of guns, is the instrument employed to secure supremacy on the ocean; and, in these modern days, victory is won under the banner of peace.

When our legislators cease to be mere politicians and learn to be statesmen, they will heed the voices that come up from the sea. Then the "stars and stripes," floating at the peaks of our transatlantic steamers, will once more gladden our eyes, and the mortification of the present hour will give place to a pride like that of our fathers, in which some of us shared in our youthful days!

Mr. POILLON made a statement to the committee. He said that he was a ship-owner and ship-builder in New York. He was engaged in the construction of wooden vessels, and was part owner in some twenty-four vessels. His views had been fully expressed previously by Mr. Stimers. The views expressed by Mr. Stimers were generally correct in relation to the conduct of our shipping interests and the mode of its revival. He should like, however, to correct the impression that the Ship-owners' Association reflected the views of the ship-owners generally of New York. That was not so. He had in his hand the constitution and by-laws of the Ship-owners' Association, which contained all the names of its members, to the number of one hundred and forty one. Of that one hundred and forty one there were forty who owned foreign ships entirely, and whose interests were not identical with American interests in any way whatever. Although among the remainder there were some of the most respectable ship-owners of New York, yet there were also many others whose business was confined entirely to the consignment of foreign vessels, and who were thus identified with foreign ships. He therefore considered that that association was not a fair exponent of the ship-owners of New York or of the country. Many of the most respectable ship-owners, among others Messrs. Low, Nesmith & Sons, R. P. Buck & Co., and many others whose names he could not now recall, had no connection with that association. Several ship-owners connected with the association entertained entirely different views from those expressed yesterday, and were most strongly opposed to the repeal of the navigation laws. He thought that all that the ship-building interest of the country required was a drawback of duties on all the materials that enter into the construction of ships, particularly of the duties on iron, copper, and cordage. The duty on copper at present was



a prohibitory duty, preventing any importation of copper, and compelling American ship-builders to pay some seven or eight cents per pound for copper more than the English ship-builders paid. The duties on iron, he believed, were from thirty to thirty-five per cent., operating to that extent against the American ship-building interests. As to labor, although the American workmen were paid more than the English, yet he thought that the superior skill of the American mechanics more than offset the difference in wages.

Mr. HOLMAN. You say that the duty imposed on copper results in actual prohibition?

Mr. POILLON. Yes, sir; the act of last winter is a prohibitory tariff so far as copper is concerned. It acts very seriously on the ship-repairing interest. The ships that require to be recoppered will take a freight which they know is not profitable, and sometimes where they know that there will be real loss upon it, for the purpose of getting to England in order to make a saving on their copper; thus not only cutting off the revenue that might be derived by this country from a moderate tariff such as existed before the war, but also seriously injuring our mechanical interests in the coppering work being done in England which should be done in this country. Not only was the coppering work thus lost to this country, but also a large amount of repairs, which generally go with the coppering of vessels, such as rigging and carpenter work. It strikes at a dozen different kinds of mechanical interests.

Mr. HOLMAN. How does that occur, inasmuch as the duty on copper does not exceed that on iron?

Mr. WELLS. It does exceed that on iron.

Mr. HOLMAN. Very slightly.

Mr. WELLS. The duty on iron is thirty-three or thirty-four per cent., and on copper seventy-five per cent.

Mr. POILLON. The copper is furnished in England at about  $7\frac{1}{2}d.$  per pound, whereas here it is twenty-seven cents.

Mr. HOLMAN. Then the practical result is actually to exclude copper from importation?

Mr. POILLON. Yes, sir. It operates also very seriously against our docking interests. We have the best docking facilities in this port that there are in the world. We can take up the largest vessels with the most expedition. There are millions of dollars invested in the docking interests in this port, and this prohibitory tariff on copper strikes them very seriously.

Mr. WELLS. What effect would the imposition of a duty upon all foreign-built ships coming to this country have upon our commerce?

Mr. POILLON. That would cause great excitement, and foreign governments would be inclined to put the same duty upon American ships, so that I think it would not have the desired effect.

Mr. WELLS. Then the only remedy, you think, is to allow drawbacks upon the materials used in the construction of ships?

Mr. POILLON. Yes, sir; to put our mechanics on the same footing with the English mechanics.

Mr. WELLS. In the event of Congress passing a law of that kind, what would be your opinion as to the expediency of removing all obstacles in the way of purchasing ships abroad and affording them American registration?

Mr. POILLON. I think that, after we once got a start, we would require but a short time to be able to compete with England in ship-building, and American ship-owners would find that ships could be built as cheaply

here as in England; and, wherever that has been so, American vessels have always been preferred.

Mr. WELLS. Under our present law a great number of ships owned by Americans are sailing under the English flag, and that would bring those ships back under the American flag, and would, of course, give our commerce more respectability abroad as well as at home?

Mr. POILLON. It occurs to me that all that the ship-building interest of this country requires is to be put upon the same footing with the English. If free trade in foreign bottoms were to be allowed, and not free trade in ships' materials at the same time, so that the two should go hand in hand together, the result would be that our coasting trade would be swamped with English bottoms before we could defend ourselves. They would be nominally held by Americans, but in reality they would be held by British subjects and would be controlled by British capital; and our immense coasting trade, the only thing of value left to us, would be swept entirely from us.

Mr. HOLMAN. Mr. Stimers expressed the opinion that if drawbacks were allowed to the extent of the duty on materials entering into the construction of ships, and if free trade in ships were allowed at the same time—those two measures going together, without any reference to admitting foreign-built bottoms to our coasting trade—our commerce and ship-building interest would revive. What would be your view on that point, taking those two measures together?

Mr. POILLON. I think that they ought not to go together at the same time. I think that the ship-building interest ought to have the preference, so as to give sufficient start to put itself on a fair footing, so as to make the responsibility equal. After the ship-building interest having this advantage for two or three years, then the whole trade should be opened; but I think we should have a little chance first to recover ourselves.

Mr. CALKIN. Let us have your idea of the time required again more definitely.

Mr. POILLON. Two years would be ample. What Americans cannot do in two years they never can do.

Mr. HOLMAN. If you connect these two measures, free trade in foreign-built vessels and drawbacks on materials entering into ship-building, and if you give American-built vessels exclusively the whole coastwise trade, how would that affect commerce, the whole three going together from the beginning?

Mr. POILLON. I think that that is all that our people could reasonably ask for.

Mr. WELLS. Do you not think that allowances of reasonable subsidies to new lines of steamers, in connection with those other measures, would have a tendency to increase our commercial interests?

Mr. POILLON. I think that that is the only way we can ever recover the European trade; but it would not be requisite in regard to other trade. The English have such an immense start over us in the European trade that that is the only way we can ever place ourselves even with them, even if we should build ships as cheaply as they do.

Mr. WELLS. Do you not think that our business men here would give American bottoms the preference?

Mr. POILLON. American merchants have not the same unity of action that the English merchants have. Capital is more abundant in England, and the English are content with less interest for their money. For any enterprise that looks like paying at all there never is any lack of capital there. The English and French have pursued the same policy

in the South American trade. They subsidize vessels to a large extent in the Brazilian trade and in the trade to the west coast of Africa, and wherever there is an opening to build a commerce, there they subsidize ships. The result is that in the Brazilian trade the French lines are superior to the English, as they have more encouragement.

Mr. WELLS. The French subsidize their ships heavier and have finer ships?

Mr. POILLON. Yes, sir; that is the opinion I have heard expressed by Brazilians of them—that the French ships are preferred to the English.

Mr. CALKIN. Then I understand from you that the English and French governments are subsidizing their steamers running to South America and to other ports more than they do those running to this port?

Mr. POILLON. Yes, sir; that is done to get this Brazilian trade. That has always been the policy of England. It was so in relation to this country. It was the means employed to crush out the Collins line—together with the opposition of Vanderbilt, who failed to get a subsidy for his line at that time, and then turned and helped to crush the Collins line.

Mr. CALKIN. The English government formerly subsidized the Cunard line more than it does now?

Mr. POILLON. Yes; the line is now more able to take care of itself. But the English government would have supported that line to any extent rather than see it broken down.

Mr. HOLMAN. You are not able, I suppose, to state the extent to which the English encourage shipping by subsidies?

Mr. POILLON. No, sir; I have seen the amounts that are paid by the mail department, but I have not them in my mind at present. The English government is more liberal with lines to South America and other countries, than with lines to this country at present.

Mr. HOLMAN. You are not able, I suppose, to state the extent of its subsidies to this trade?

Mr. POILLON. No, sir; I am not. We would require something more than free trade in ships in order to put us on a par with England. Their policy is to allow a drawback upon all the articles that a ship requires for her outfit. They are taken out of bond duty free. An English ship would still have a very great advantage over our vessels if our vessels were not entitled to the same privilege.

Mr. HOLMAN. Does that system prevail generally among commercial nations?

Mr. POILLON. I am not prepared to state how it is in France; but my impression is that it does, because the French have been copying in a measure the English laws so far as they relate to commerce.

Mr. HOLMAN. Would that system naturally exist with any nation that was not peculiarly a commercial nation?

Mr. POILLON. I think not.

Mr. HOLMAN. Where commerce is the main object, such a policy would be natural and proper enough?

Mr. POILLON. Yes, sir. The fostering of commerce has been the source of England's wealth, and they have always had that in view.

Mr. HOLMAN. I understood you to express the idea that if free trade were allowed in foreign-built vessels at the same time as a drawback of duties on the materials used in the construction of ships here, and if a preference were given in the domestic trade to American-built vessels, those three measures going together would revive our shipping and commercial interests?

Mr. POILLON. Yes, sir.

Mr. George Opdyke, banker, and vice-president of the New York Chamber of Commerce, came before the committee.

The CHAIRMAN. The committee would like to hear any suggestions that you may desire to make in reference to the subject of inquiry, which is as to the causes operating to depress our navigation interests and as to the remedies needed in order to revive them.

Mr. OPDYKE. My reflections on the subject of the depression of our shipping interest have led me to the conclusion that the present depression is mainly due to three causes: The first is—and perhaps in as large a degree as any other—the substitution of iron for wooden vessels, and of steam for sailing vessels. Great Britain has a great advantage over this country in the lower cost of iron and in her larger experience in its manufacture. The English can build of iron much cheaper than we can. When vessels were built mainly of wood we had the advantage of the English in consequence of the superior abundance and cheapness of that material in this country. In machinery, as well as in steam, they have the advantage. The cheaper labor there for running vessels gives them also another advantage. The second cause is the high duty charged upon such foreign materials as enter into the construction of our ships. Ships, after they are built in this country, have to compete, without any protection, with the ships of other countries. If we charge a high duty on the materials used in the construction of our ships, their cost is necessarily enhanced to that extent. And after they are finished, unlike our domestic manufactures that are sold at home, our ships enter on the ocean and have to compete, even, without any protection, with the vessels of other countries. That I regard as a most onerous exaction upon our shipping interest, and one that has done much to cripple it. Then there is another cause, which is probably temporary, but which, for the time being, has been more potent than either of the others named: It is the effect of the premium upon specie. We know that everything bought with our currency at home, including real estate, commodities of all kinds, and the price of labor, which is the best criterion of all, is on an average at least seventy-five per cent. higher than it was under our convertible currency; so that we are building ships and paying for materials in currency at an enhanced cost of seventy-five per cent., and sending them out to a trade where the business is done upon a coin basis, but where we do it on a currency basis. You see at once what an enormous disadvantage we labor under in competition with ships built for coin, and the earnings of which are in coin. The difference between the premium on gold and the depression of currency—some thirty-five or forty per cent.—is an absolute loss to that interest. That, after a time, will be corrected. The difficulty has existed since the war in consequence of our dropping the use of coin as currency, save in a few of our transactions, and lessening the demand for coin at home. Our securities have gone abroad to pay the adverse balance of trade, so that the demand for the precious metals in this country has not been equal to the supply, and this has kept the premium far below the price of other things. That, in brief, is my view of the cause of the present depression.

The CHAIRMAN. What measures would you suggest for the improvement of the navigation interest?

Mr. OPDYKE. The first advantage to the shipping interest would be to exempt from duty all materials entering into the construction of ships. I have long felt that that was due to the shipping interest, and without it I do not think that we can ever fully or successfully compete with foreign-built vessels. The last cause will correct itself very soon. It

does not need any legislation. The other cause is more difficult to overcome, and I fear it will be very many years before we can build steamships of iron, such as are now controlling nearly all the ocean trade, as cheaply as they can be built in Europe. One remedy has been suggested, and that is to permit foreign-built vessels to have American registration, and to make absolute free trade in ships. As a free-trader, I am inclined to believe that that would be the true policy; but so long as protection is the policy of the country, we can scarcely expect an exception to be made in favor of the shipping interest. It is one of the last things that the American mind will accept. But if we had a policy of absolute free trade, which I think would result in great benefit to the country, (not to do it at once, but to do it gradually,) then I would embrace with it ship-building, and the purchase and the sale of ships abroad. The granting of subsidies is another remedy. While I am opposed in theory to all government subsidies, it would seem to be essential, if we desire to control the maritime commerce that properly belongs to us on important lines, that our government should, to some extent, follow the policy of Great Britain in that respect, as otherwise we cannot probably successfully compete with her. How far that policy should go I am not prepared to say. In theory I am opposed to it altogether. But from the present crippled condition of our commerce, if we desire to regain the position that we once held, I am inclined to believe that it would be good policy for the government in proper cases, where valuable lines of steamers should be established between this and other important ports of other nations, to meet Great Britain with her own weapons and grant subsidies in some form.

The CHAIRMAN. I understand you to say that you are in favor both of exempting materials used in the construction of ships from duty, and also of amending the navigation laws, so as to allow the registration of foreign ships?

Mr. OPDYKE. As an ultra free-trader I should be in favor of that; but that is not the policy of our country, and I should not be in favor of it unless it is adopted prospectively as the policy of the government in reference to other things. I mean absolute free trade.

The CHAIRMAN. At first you would be in favor of the exemption of materials used in ship-building, and you would let all the other things follow?

Mr. OPDYKE. Yes; my policy would be to abandon gradually the whole protective policy of the country—not suddenly, which would be disastrous to many interests and unjust to them, but by a system of gradations extending over ten or twenty years, so as ultimately to get out of this false system altogether. The navigation laws stand upon the principle of reciprocity and are an absolute necessity for every maritime nation. We cannot, for example, permit other vessels to come and join in our coasting trade, and to come into our ports and be exempt from the charges and duties to which our vessels are subject in the ports of other countries, except on the principle of reciprocity. It would never do, therefore, to repeal the navigation laws, even with absolute free trade. They are always necessary.

Mr. HOLMAN. Taking those three subjects in connection: the rebate of the taxes, internal and external, on materials entering into the construction of ships; free trade in ships built abroad; and the giving to ships built in America the preference in our domestic trade—what effect would those three measures together have, probably, upon our commerce?

Mr. OPDYKE. I take it that they would give us the supremacy of the sea. The American people have more aptitude for maritime commerce

than any other people in the world, and all that they want is an open field and fair competition to win that supremacy. I mean by the "supremacy of the sea" that we should have a larger maritime commerce than any nation in the world.

The CHAIRMAN. What effect would those measures have upon our ship-building interests?

Mr. OPDYKE. My impression is that they would greatly diminish the building of ships in this country for a period. How long that period would last would depend on circumstances.

The CHAIRMAN. In your opinion, is there not some protection needed for a period to our ship-building interest from foreign competition, in order to overcome the disadvantages under which it has labored for a few years past, and the advantages which foreigners have acquired by that condition of things?

Mr. OPDYKE. In my opinion there is no means of protecting the ship-building interest successfully except by the granting of bounties. Our ships have to compete with the ships of other nations, and inasmuch as we have not the same advantages for building ships as cheaply in this country as they have in Europe, the only way that the government, by its interference, can annul that advantage possessed by foreigners, would be by the granting of a bounty.

The CHAIRMAN. You mean by "the granting of a bounty," the exemption from duty of the materials employed in the construction of ships?

Mr. OPDYKE. That in itself would not be sufficient at present, on account of the superior advantages of Europe in the construction of iron vessels and of steam machinery, and in consequence of the cheaper labor there, and also in consequence of the marked difference between the value of coin and paper money. The purchasing powers are different.

The CHAIRMAN. The statement of steam engineers yesterday was that we can now build steam-engines as cheaply as they can be built in Europe.

Mr. OPDYKE. I am not sufficiently informed in regard to that; but judging from all other fabrics of metal, such as rails for railroads, and a thousand other things of import paying a very heavy duty on them and competing with our home productions, I am satisfied that England has great advantages over us. The rebate of duties upon foreign materials entering into the construction of ships is no protection whatever. It simply puts the American builder upon the same platform with his foreign competitor. The ships would cost our people precisely the same as they cost the people of England. And then, besides, we labor under the disadvantage of a difference of thirty-five per cent. between the purchasing power of gold and of paper money.

Mr. HOLMAN. Do the nations which admit foreign-built vessels to their registration exclude them from their domestic trade?

Mr. OPDYKE. I am ignorant of the policy of other nations in regard to registration; but if England and France do admit foreign-built ships to registration, I suppose they put them on the same basis as their own ships in regard to the coasting trade.

Mr. HOLMAN. Supposing that to be a fact, taking into consideration the extent of our coasting trade in connection with our foreign commerce, if you exempt from duty the materials entering into the construction of ships, and give American-built ships the exclusive control of the domestic trade, and supposing the duty on the main material entering into the construction of ships amounted to thirty-five per cent., would not the protection to the American builder be equal to forty-five per cent. in the construction of ships?

Mr. OPDYKE. If I properly apprehend the question, I cannot say that it would. There is another view, suggested by your question, which is a very important one: If we should admit foreign-built vessels to register here and put them on an equality with our own American-built vessels in our coasting trade, I think the effect would not fail to be injurious to American ship-building.

Mr. HOLMAN. Can you state the relation which our domestic shipping interests bear at this time to our foreign shipping interest?

Mr. OPDYKE. I suppose that our coastwise trade is at least three-fourths of our whole trade, because our shipping interest in foreign commerce is very small.

The CHAIRMAN. Have you ever had anything to do with the building of ships, or have you ever contracted to have them built for you?

Mr. OPDYKE. No, sir.

The CHAIRMAN. Have you ever owned or sailed ships?

Mr. OPDYKE. I have had a very small interest in ships, but I have not at present. I believe if anything is done in the way of admitting foreign-built vessels to registration, it should be on the condition that they should be only employed in the foreign commerce. I do not believe that the government or the people will ever permit foreign-built vessels to participate in our domestic trade. That is a prize of our own which we have a right to make the most of.

Mr. HOLMAN. Agricultural people, however, may take one view of that subject, and the strictly commercial and manufacturing interests of the country may take a different view.

NEW YORK, *October 16, 1869.*

Mr. HOWLAND, of the firm of Howland & Frothingham, shipping merchants of New York, stated as his opinion that the loss of American commerce resulted from various causes: First, that there is less carrying than heretofore; second, that there is a superabundant supply of tonnage in proportion to the business; and third, on account of the accident of the late civil war, which gave to foreigners an advantage in shipping business, and in fact gave them the track for the time being, and which he believed they would always keep. He did not see anything to prevent it. Foreigners could build their ships cheaper than Americans, and could sail them cheaper, and their ships, he thought, were better managed. They had better seamen, and better officers, as a class, than Americans. Their iron ships were improving, whereas American wooden vessels were growing old and out of date. Iron was superseding wood for ships, and must take the place of wood for the reason that it was much more economical. It would be some years, he thought, before the United States would be able to cope with Great Britain in building iron ships, because the English had had a long time to organize and to systematize their business, so that they could now build ships almost in a day. He was a ship-owner and had been a ship-master. His ships had always sailed under the American flag. They were American-built wooden ships. He had no iron ships.

The CHAIRMAN. What advantage do you consider the iron ship has over the wooden ship?

Mr. HOWLAND. Economy throughout. An iron ship carries her cargo much safer and with less damage. The only inconvenience is the not being able to metal the bottom. But there is no wear and tear. They are twenty-year ships.

The CHAIRMAN. Is not the matter of fouling the bottoms of iron ships a serious one?

Mr. HOWLAND. Yes; but they are getting over it. Barnacles will grow on the bottoms of iron ships very rapidly in tropical climates.

The CHAIRMAN. Do I understand you to say that the English sail their ships cheaper than we do?

Mr. HOWLAND. No, not cheaper. They carry more men than we do. They are required by law to have twenty-five per cent. more men than we carry. They can sail cheaper because they buy all their outfits in bond, free of duty; and not only that, but their wages are lower. I do not see that it is possible for us to compete with them under our present federal and State laws. So long as sailor landlords here have charge of manning our ships they have it all their own way, and we cannot expect wages to be any lower than now. A ship-owner has no control of his vessel in that respect. My impression is that it will be some years before we can compete fairly with foreign countries.

The CHAIRMAN. Do you believe that if the materials entering into the construction of vessels were admitted free of duty, we could build ships here in competition with English ship-builders?

Mr. HOWLAND. We could, after a certain length of time; but I think it would require a few years first, to build up our prestige again. We must use machinery in building iron ships, and it will be some time before we are fairly started. Then, again, there is another difficulty to contend with. The shipping interest is not a favorite interest with investors. On the contrary, it is probably the poorest interest. No man will invest in a ship unless it pays him at least as much interest as other investments; and as to outsiders, who used to own small interests in ships, you can hardly find any person now in the city of New York to make such an investment, because it is considered a poor one. A man puts his money into a ship, and there it must remain. He puts it entirely out of his own hands, and has not the least power over it.

The CHAIRMAN. Has it not been usual for ship-builders to get up parties to make a company for the ownership of the vessel?

Mr. HOWLAND. That was done not so much by the builder as by the agents. The agent would endeavor to make up capital for the ship. The builder would generally take an interest in it. There would be generally eight or ten owners of the ship; but now it is almost impossible to get any man, who knows the history of our shipping interests for the last six or eight or ten years, to put his money into a ship. There is nothing to warrant him in doing it. There is no encouragement. I think, however, that if all the duties were removed from ship-building materials, and if ship's stores could be taken out of bond free of duty, these measures would be the best that could be adopted.

Mr. CALKIN. Previous to the war, when ships could be built as cheap here as in England, and when the carrying trade was good, is it not a fact that, all along our sea-coast and in our large seaport cities, there were many men who amassed large fortunes in running ships?

Mr. HOWLAND. Not large fortunes. Many have made comfortable fortunes. I do not know of any one who made a large fortune in this city by running ships, whatever may have been the case in the East. But what *has been* is evidently not what *is now*, or what is likely to be. I do not see any encouragement for building ships, except we can build them and sail them as cheap as other nations. And we are worse off in that respect in regard to steamers than we are in regard to sailing vessels, for there is the strongest competition in steamers.

The CHAIRMAN. Would you be in favor of an abrogation of the navigation laws as a means of restoring our shipping interest?



Mr. HOWLAND. I should not. I should be in favor of throwing off all restrictions and duties on building materials.

The CHAIRMAN. You would be in favor rather of building ships at home than of buying them from abroad?

Mr. HOWLAND. Certainly. The foreigners have got our carrying trade now; and if we pay them for making our ships, and even after that cannot compete with them for the carrying trade, we would be worse off than we are now. Then, again, that would endanger our coasting trade, for, once they get in the entering-wedge, we do not know where they would stop. The right to buy and register foreign-built ships would benefit a certain class of people, such as commission merchants and shipping agents for British ship-owners; but it would not benefit our mechanics or ship-owners. On the contrary, it would be a prejudice to our coasting trade, which has saved our shipping interest for the last five or six years.

Mr. HOLMAN. What would be the effect on our commerce alone (without reference to the question of ship-building) of allowing foreign built vessels to obtain American registers, and of excluding them from the coastwise trade?

Mr. HOWLAND. It would increase competition.

Mr. HOLMAN. Would it increase largely ship-owning in the United States?

Mr. HOWLAND. I do not think it would; because I think there is already tonnage enough for the business of the world. I do not believe that we would increase our tonnage; but, at the same time, many vessels might come under the American flag.

Mr. HOLMAN. Suppose that a duty of twenty-five per cent. (the lowest average of duties on manufactures) were imposed on vessels purchased abroad by American citizens, so as to entitle them to American registry, would such a policy increase the ship-owning interest in the United States?

Mr. HOWLAND. I should think not, because that would bring ships quite as high as they could be built for at home.

Mr. HOLMAN. Do you know any good reason why a different protective policy should be extended to the ship-building interest from that extended to any other manufacturing interest in this country?

Mr. HOWLAND. I do not. I think myself that the allowance of drawback of duties on ship-building materials would be inconsistent, and an exception to the general rule. I do not think that we have a right to claim free trade in ships more than in anything else.

Mr. HOLMAN. Is there any national interest connected with the subject at all, except it may be that of having facilities for the construction of vessels for war purposes in case of emergency? Is there any other reason to discriminate in favor of that particular branch of industry in preference to others?

Mr. HOWLAND. I do not see any.

Mr. HOLMAN. To what extent ought it to be the policy of a nation like this to afford peculiar protection to the ship-building industry, with reference to securing available means for the prompt construction of war-vessels?

Mr. HOWLAND. I should think to no great extent at this time, because high wages will bring all the men that we want for our navy.

Mr. HOLMAN. Supposing that iron vessels supersede entirely wooden vessels, (as may possibly be the result in the course of time,) in the event of an emergency and necessity for the rapid construction of ships—taking into consideration the various branches of industry con-

nected with iron manufactures—if the government did not specially protect its ship-building interests, would there be a trouble in the construction of ships resulting from the absence of skilled workmen in that branch of industry?

Mr. HOWLAND. Yes; I should think that that might have an effect, because it would spread into other pursuits all over the country the mechanics now engaged in ship-building, so that the government could not avail itself of their services.

Mr. HOLMAN. Is the art of ship-building so peculiar and exclusive that you could not readily get together bodies of skilled workmen to construct ships, even if they had not been specially employed in that particular branch of industry?

Mr. HOWLAND. I take it for granted that all house carpenters, after a little practice, could go in and assist in building ships. Still, every man to his business and trade. I do not apprehend, however, that it would affect the government much, one way or other, whether we build iron ships or wooden ships. If ships were to be built rapidly, they would be probably wooden ships, because iron ships cannot be built so rapidly.

The CHAIRMAN. If I understand Mr. Holman's question, it is whether there is any real necessity for a nation to have an educated class of skilled workmen for the construction of ships, or whether that is a matter that can be improvised at once, at any time—whether ship-building is really an art to be cultivated and that requires time and experience, or whether workmen in any other business can be set to work at it?

Mr. HOWLAND. I should think it necessary to have men trained to the business.

The CHAIRMAN. We have always been a ship-building nation?

Mr. HOWLAND. Always.

Mr. HOLMAN. And would be, under any policy?

Mr. HOWLAND. Undoubtedly.

Mr. JAMES W. ELWELL, a member of the Ship-owners' Association, stated that he had been a ship-owner and a ship-agent for over thirty years. During the Mexican war and the famine in Ireland there had been a great stimulus given to ship-building, and American tonnage had increased very rapidly, because the few ships then employed were finding remunerative business. Up to 1854-'56 so many people entered into the building of ships that the market became overstocked and the owners suffered great losses. Then the commercial panic of 1857 depreciated the shipping business very much. Afterward a market was found for American shipping in England, on the continent, and in the East Indies. This, and the business resulting from the new article of guano, again stimulated the building of ships. Up to the commencement of the late war the size and number of American ships had been increasing, and finer ships were being built. During the war the foreign demand for American ships increased, owing, a good deal, to the difference in the value of gold and currency, and a large number of ships, especially those advanced in years, were sold abroad. Very few ships were built here at the same time, on account of the great cost of materials and labor; and as, in addition to these causes, many ships had naturally been lost, American tonnage had decreased very materially—perhaps fifty per cent. The burden of the ship-owners now consisted in the increased cost of building and equipping vessels, and in the increased expense of running them. The present expense of the labor part—loading and unloading vessels—and of the mechanical part, for repairs, was, on an average, two hundred or three hundred per cent. over what

it was before the war. For instance, the stevedore's bill, which used to be, say, \$500, would be now from \$1,200 to \$1,500.

The CHAIRMAN remarked that that applied to all vessels, native and foreign.

Mr. ELWELL assented, but remarked that foreign vessels kept their own crews, and did the work with them, whereas American vessels did not. Then the cost of repairs had increased so largely that the yearly insurance on a ship, which was formerly from seven to eight per cent., was now from twelve to fourteen per cent. The cost of building vessels now was not so great in proportion as it was during the war. Ships that cost, during the war, \$100 per ton in currency, could now be built for from \$65 to \$70. His impression was, that if there were a drawback of duties allowed on all ship-building materials, American ship-builders could build ships and make a small profit on them. Then the ship-owner should be allowed, as in other nations, to buy his outfit and equipments, including provisions, in bond. Then he thought that Americans could compete with foreigners in the carrying trade of the world. At present the largest proportion of the repairs of American ships is done abroad, and outfits of all kinds were purchased abroad, thus causing large American expenditures to be made on the other side instead of at home. Every two or three years a ship required a general overhauling, and this was done abroad now, as well by American as by foreign vessels, taking a large amount of employment from American mechanics and giving it to foreign mechanics.

The CHAIRMAN inquired whether foreign vessels had any advantage in that respect over American vessels running in the same trade, inasmuch as the former had to employ American mechanics just as much as the latter had to employ foreign mechanics.

Mr. ELWELL replied that the ship-owner made repairs on his ship where he could do them most cheaply, but that still, as a general thing, an American ship-owner preferred to have his repairs done, if possible, at home, even at an advanced cost, because he could have them done under his own eye and supervision. The item of drawing stores and supplies free of duty was a very important matter to ship-owners. Americans had that privilege in England, but were liable to be called upon at home to pay duty on any excess of stores that they might have on board.

The CHAIRMAN. Do you think that the remission of duties on ship-building materials would tend to restore American shipping?

Mr. ELWELL. I think it would, very materially. It would produce an interest in ship-building which would grow as fast as the country would require it.

The CHAIRMAN. Are you in favor of the repeal of the navigation laws as a means of restoring our commerce?

Mr. ELWELL. Not at present. I do not think that the country is prepared to take that measure yet. I think it could have been done years ago with more propriety than it could be now. And it may again, years hence. Still, there might be an import duty imposed on vessels the same as on merchandise. But even that would be objectionable, as it would burden commerce with a great many old vessels at low cost, unless there was a specific duty imposed of so much per ton, without regard to the age or quality of the vessel. This, too, would be liable to a great deal of fraud and of objection.

Mr. HOLMAN. To what extent, under that policy, would our people become ship-owners more than they are now?

Mr. ELWELL. It is difficult to answer that question, as I think that a

large portion of our ships might be owned in other nations, though really sailing under the American flag.

The CHAIRMAN. Then you think that it would lead to foreign ownership?

Mr. ELWELL. Yes, sir.

The CHAIRMAN. For the purpose of obtaining the benefit of our coastwise trade?

Mr. ELWELL. Yes, sir.

Mr. HOLMAN. Supposing our coastwise trade to be at present equal to three-fourths of our entire commerce carried on by American citizens, how would these three measures, taken together—the relief to the ship-builder to the extent of a rebate of internal and external duties on all materials entering into the construction of ships, free trade in foreign-built vessels, only excluding them from the coastwise trade, and giving to the home-built ships the exclusive right to that trade—affect, first, the commerce of the country, and second, the ship-building interest? Would they promote or diminish either?

Mr. ELWELL. They would promote the commerce of the country, and they would promote the ship-building interest, if the time for allowing foreign-built ships to be owned and registered here were postponed until our own ship-builders could commence operations. If that time were not postponed, foreigners would come in at once and fill up all the gaps in the way of commercial lines from place to place, before our people were prepared. I think that, in the course of a few years, our people would be prepared, and that then we could compete with other nations in building ships, whether with free trade or not.

Mr. HOLMAN. Taking into account the rebate of tax on materials entering into the construction of ships—internal revenue as well as external—and the exclusive benefit of the domestic commerce to American-built vessels, what would be the approximate extent of protection to the American ship-builder resulting from these two things together?

Mr. ELWELL. It would vary from ten to fifteen per cent. on the value of the ship. It would be more on iron vessels than on wooden ones, because there would be a greater rebate of duty on the former. It would not be over from ten to fifteen per cent. Our labor here is higher than it is abroad. Our ship-builders are ready to contract for a ship of one thousand tons, and would be satisfied with a profit of from \$2,000 to \$3,000 for their superintendence and the use of their tools and yards.

Mr. WELLS. Have you any means of knowing the proportions of our domestic and foreign commerce?

Mr. ELWELL. I should think that forty per cent. of our tonnage goes to foreign ports, and that sixty per cent. is engaged in the domestic trade. The coastwise trade is not of so much importance for the last two or three years as it was formerly. There used to be ten or eleven lines to New Orleans, each line employing five or six ships; whereas now there is not a regular line of sailing-ships to New Orleans. The domestic carrying trade is now done a good deal by the land lines of transportation instead of by sea.

Mr. HOLMAN. Is not the tonnage employed in the domestic trade increasing?

Mr. ELWELL. I should think it is. Since the close of the war a good deal of trade has been opened in the South. So far as large ships are concerned, our domestic trade, except the California trade, is of very little consideration. The California trade employs large ships, otherwise there would be very little business for them. The domestic trade is mostly done by a small class of vessels, and by steamers.

Mr. HOLMAN. But these vessels require the ship-yards to be kept up, and enter largely into the profits of ship-builders?

Mr. ELWELL. Our coasting trade has not been profitable.

Mr. HOLMAN. Do you attribute the falling off in that trade to inland land transportation?

Mr. ELWELL. Yes, sir; there has been an entire change. We used to bring all our tobacco, cotton, lead, &c., from St. Louis and Cincinnati by water, and *vice versa*, but now they all go by land.

Mr. HOLMAN. Suppose that our tonnage in 1860 was something over five million tons, what proportion of that would naturally, in these nine years, have been taken off by the use of inland land routes?

Mr. ELWELL. I should say that the coastwise trade is not over one-half of what it was previous to the war. It may not be over a third.

The CHAIRMAN. I understand you to represent the Ship-owners' Association?

Mr. ELWELL. Yes.

The CHAIRMAN. That association had a meeting and passed some resolutions, and appointed a committee, of which you were a member?

Mr. ELWELL. Yes.

The CHAIRMAN. How many were present at that meeting?

Mr. ELWELL. Perhaps between a dozen and twenty—about as many as generally attend the meetings of the Chamber of Commerce—out of a thousand members.

The CHAIRMAN. My object is to ascertain how full an expression of opinion it was. To what extent do the ship-owners of the country (not the ship-builders) favor a more liberal policy with regard to granting American registry to foreign-built vessels?

Mr. ELWELL. I should think they were about equally divided. They are all unanimous in favor of some legislation to relieve the shipping interest; but I should think there was not a majority of them in favor of free trade in ships.

The CHAIRMAN. Suppose the policy were adopted of relieving the materials entering into the construction of ships of all duty, what then, in your judgment, would be the opinion of the majority of the ship-owners in reference to admitting foreign ships to American registry?

Mr. ELWELL. I do not think that at present there would be a large majority in favor of it. The one measure would, of course, increase the number in favor of the other; but I do not think that that would satisfy all parties.

The CHAIRMAN. But you think there would be a majority in favor of excluding foreign ships from American registry?

Mr. ELWELL. I do; but I think that, after a few years, it could be done with greater unanimity of feeling among the ship-owners and ship-builders, and all connected materially with the interest of ship-building. Their attention is turned now to the building of iron ships; and it will require two or three years to get up all the machinery and appliances to build them.

Mr. PAUL M. SPOFFORD, ship-owner, expressed the opinion that there were various causes operating to produce depression in the American shipping interest. Among them were the system of subsidies granted by foreign governments to their lines of mail steamers, which had built up their steam marine at the expense of that of the United States, and the very great cost of constructing and navigating American ships. He did not know but that these were among the chief causes. If it were the policy of this government to revive the commerce of the country, he thought that it would be conducive to that end to allow Ameri-

cans to purchase ships wherever they could be bought cheapest, and to allow those ships to American registry. He thought that the American ship-owner should not be compelled to use American ships at the high price that he has now to pay for them, when he had to come into competition for trade with foreign ships. He thought it also desirable that on the materials used in ship-building there should be a rebate of duty. The duty should either be entirely taken off, or only a small duty charged, so that American ship-builders might have an opportunity of competing on more favorable terms than they had at present.

The CHAIRMAN. I understand you to be in favor of the abrogation of the navigation laws?

Mr. SPOFFORD. I should be in favor of the abrogation of the navigation laws so as to permit American citizens to purchase foreign-built ships and run them wherever they pleased. But I should not be in favor of allowing the foreigner to engage in the coasting trade with a foreign ship.

The CHAIRMAN. If foreign-built ships were admitted to American registry, and if three-fourths of the vessel were owned by English and the other fourth by the nominal owner, an American, would not three-fourths of that ship's profit in the coasting trade go to the other side of the water?

Mr. SPOFFORD. I presume so.

The CHAIRMAN. Would there be any practicable mode of preventing that result?

Mr. SPOFFORD. I do not know that there would be.

The CHAIRMAN. And might not the entire ownership, by some little evasion of the laws, be on the other side, just as the entire ownership of some vessels under the English flag is here?

Mr. SPOFFORD. Yes, sir. I presume there would be methods of evading the laws and giving the benefit of the coastwise trade to foreigners.

Mr. HOLMAN. There is nothing now to prevent a foreigner being the actual owner of an American vessel engaged in the foreign trade?

Mr. SPOFFORD. No, sir. There is that disadvantage at present. If I purchase a British ship and wish to employ her in the English coasting trade, it is my impression that I must get a registry in the name of an Englishman. The English grant registers only to citizens. That is what I am in favor of. We should grant to our citizens a registry which would enable them to purchase their ships wherever they pleased, and to engage in our coasting trade or in any other trade; and if foreigners reap any side advantage, or if in benefiting our own citizens we also benefit foreigners, I do not think that the small advantage which we thus confer on them would counterbalance the great advantage which we would be conferring on our own citizens. I am speaking now with reference to the general advantage to the commerce of the country. I do not suppose that, so far as the mere ship-building interests are concerned, a measure of that kind would be particularly beneficial to them. But if, in addition to that measure, ship-building materials were relieved from duty, I think that there is that preference for American-built ships, and that there is that skill and industry in this country, to enable our ship-builders to compete favorably, and that they would eventually carry the day.

The CHAIRMAN. Do you believe that if the duty on ship-building materials were taken off, the demands of American ship-owners for ships could be supplied by our ship-builders at as low a cost as they could be got by purchasing them abroad?

Mr. SPOFFORD. I think that it would require some little time to get things organized. Our commerce has received too severe a blow, not only by direct but by indirect causes. Take, for instance, the case of the Collins and Cunard lines of steamers. The Cunard line has been in the receipt of a very heavy subsidy, while the subsidy to the Collins line was discontinued. We find that the English government is paying subsidies for its mail service all over the world. Of course that gives the recipient of such subsidy a very great advantage. I do not say that it is an insuperable advantage. I think that talent and attention to business will sometimes overcome this advantage. But, all other things being equal, it certainly gives a very great advantage. Government subsidy has been the English idea for many years, and it seems as if it was now being followed up by the French. The French and English are building up a magnificent marine, and ours is all going to decay. Within a comparatively few years the business of ocean commerce has been much changed. Steamships have taken the place of sailing-vessels. That alone is one cause of the decay of the business of building sailing-ships. Take our own case. A few years ago we had a line of packets from New York to Liverpool, comprising five or six of the largest ships sailing out of port. We could not run those packets now in opposition to the steamers. We have been obliged to send them to the Pacific. It is not because they are under the American flag as much as it is because we come right into competition with steamers which, on these short voyages, can carry their freight at a less rate. The English steam marine has been built up by subsidies in the mail service, and by the efforts which have been made in every way to develop that interest.

Mr. CALKIN. You now own steam-vessels?

Mr. SPOFFORD. Yes.

Mr. CALKIN. I believe that it is a fact, conceded by the merchants of New York, that the Collins line was extravagantly and badly managed. Do you not think that the merchants of New York have learned very much, in running steamship lines, to economize and run them cheaper?

Mr. SPOFFORD. I think they have.

Mr. CALKIN. They can manage them more economically now than they could when they first got into the business, so that, with a little help, they would be able to compete with foreigners better than they could ten or twelve years ago?

Mr. SPOFFORD. It may be a little egotistical in me to make the remark that my father, the senior of the firm, was engaged in the first ocean steamboat line in this country, and we have thus far, until within a few years past, found our steamship interest profitable. We have continued the business steadily up to the present time.

Mr. CALKIN. Then I understand your answer to be that they do manage the business with more economy than formerly, and are, of course, getting more knowledge of the business?

Mr. SPOFFORD. Yes, sir; so that with some subsidy we should be able to compete with foreigners.

Mr. HOLMAN. Your theory is that three measures are necessary to give new impetus to American commerce: first, the drawback on materials entering into the construction of ships to the extent of the duty, external and internal; second, free trade in ships; and third, subsidies from the government to encourage American lines in competition with foreign lines?

Mr. SPOFFORD. Yes, sir; these three measures I am in favor of.

Mr. HOLMAN. As to the coastwise trade, you think that whatever

vessel sails under the American flag, without reference to the nationality of its birth, should be at liberty to participate in that trade?

Mr. SPOFFORD. Yes.

The CHAIRMAN. If the policy of admitting foreign ships to American registry were adopted at once, do you not think that the tendency would be to have our navigation interests owned, in a few years, very largely by foreigners, and that, after a short time, our commerce would not be essentially a foreign interest?

Mr. SPOFFORD. I am hardly prepared to give an opinion on that subject. So long as we keep the control of it under our flag, I do not know that there would be any more disadvantage in that than in allowing foreigners to own large interests in our railroads.

Mr. HOLMAN. Would they own in our shipping to the same extent?

Mr. SPOFFORD. I think not. Of course foreigners cannot be directly interested in our shipping, on account of the oath required of the American ship-owner, but they might be indirectly interested.

The CHAIRMAN. Is not the tendency to have ships owned and controlled where they are built?

Mr. SPOFFORD. I am hardly prepared to give an opinion on that subject. My impression is that the mere building of the ship does not give the control. I do not know that the people of Maine, a large ship-building State, control vessels as much as the citizens of New York do.

Mr. HOLMAN. Is it not a fact that foreign capital is to some extent, interested in American shipping now, not only in ownership but in running vessels?

Mr. SPOFFORD. That is my impression. I know cases where it has been so in former years. I am not prepared to say that that is any great disadvantage. If we wish capital for the prosecution of other public works, so long as we retain the management of it, I do not know that it is any great disadvantage for us to have it.

Mr. WILLIAM WHITLOCK made some remarks to the committee on the change that has taken place in substituting steamers for sailing vessels. He said that to a large extent the coastwise trade was done by steamers. The lines of packets between New York and the Gulf were now almost unknown. So with the Liverpool packets. Steamers were superseding them. He held that the application of all laws should be made universal. If the navigation laws were repealed it would be for the benefit of a class, thus introducing a species of class legislation in order that the capitalist might invest his money to the best advantage. He had no objection to that, but the principle should be carried out to its logical conclusions. He believed, however, that if the restrictions which now interfere with the building of ships here were removed, capitalists could invest their money in ships here as well as they could abroad. He was in favor of the latter solution of the difficulty, but was not in favor of the former. He had been a ship-owner and had been more or less intimately connected with ships for some years. He thought that all who were engaged in commerce, and who wanted to be able to carry freight at the minimum price, would undoubtedly favor for the time being the abrogation of the navigation laws, but he believed that the true American policy was to continue to foster every interest which would enable ships to be built in the United States rather than have them purchased abroad. He did not see what harm could be done (but rather benefit) by the investment of foreign capital in American shipping interests.

Mr. NESMITH, ship-owner, remarked that they had been very much puzzled by the question, What ought to be done to restore American commerce—whether that could be best accomplished by allowing draw-



backs to ship-builders, or by allowing ship-owners to buy their vessels where they could buy them cheapest? They had thought that the idea of allowing drawback could not possibly be carried through, and they had therefore about made up their minds that free trade in ships was the only course that could give the country a commercial position. In order to show the condition of things—in the East Indies, for example—he had brought with him, and he submitted to the committee, the last Calcutta Freight Report, which showed that out of 101 ships in port only 6 were American, and that three-fourths of them were iron ships. He also submitted the specifications for an iron sailing ship of 1,030 tons, with a proposal from a Glasgow firm to build such a ship, with outfit and all ready for sea, at £14 10s. sterling per ton. They had had such ships offered, ready for sea, with double outfit, as low as £12 sterling per ton.

The CHAIRMAN. If the American ship-builder could obtain his materials, whether for an iron or a wooden ship, free of duty, could he, in your opinion, build his ships to compete with foreign ship-builders, and supply the demand as fast as ships are required here?

Mr. NESMITH. I should think so; but I do not think that, whatever you do—whether you open the door to free trade in ships or allow a drawback on ship-building materials—you can increase our commerce largely at present.

The CHAIRMAN. You think, however, that whatever ships are required to supply the demands of American ship-owners can be supplied by American ship-builders as cheaply as by English ship-builders, if they have the materials free of duty?

Mr. NESMITH. As to wooden ships I should say that there is no question but that they can do better; but as to iron ships I am not so well satisfied. In the first place, we must be able to get our material as cheap, which we cannot do, even with the drawback. I think, however, that if the American ship-builders were placed on the same footing with regard to materials as the English ship-builders are, they could furnish ships, whether of iron or wood, as fast as they are required, and better ships, too.

The CHAIRMAN. You then do not believe it necessary to buy our ships abroad for the purpose of supplying the demand—providing the other measure can be carried out?

Mr. NESMITH. I should say not. We are altogether Americans, and we want American ships and American everything. We do not wish to be compelled to step out of the business because we cannot have iron ships, and prefer that something should be done, either through free trade in ships, or in some other way, to enable us to procure and run ships in competition with other nations.

The following is the specification referred to in the statement of Mr. Nesmith:

#### SPECIFICATION OF AN IRON SAILING SHIP.

##### DIMENSIONS.

Length for tonnage 208 feet.

Breadth of beam, 34 feet 9 inches.

Depth of hold, 21 feet 2 inches.

Break, 45 feet by 20 inches.

Tonnage register, about 1,030 tons.

To class A A 1 at Lloyds, and twenty years in the Liverpool underwriters' book.

Keel to be of forged iron, 8½ by 3 inches, in long lengths, scarfed together.

Stem of forged iron, 8½ by 3 inches, scarfed at least 7 feet into the keel.

Stern post of forged iron,  $8\frac{1}{2}$  by 4 inches, with solid forged gudgeons on back for rudder braces.

Center keelson to be box form, 16 by 17 inches, of  $\frac{1}{8}$ -inch plates, with angle irons  $3\frac{1}{2}$  by 3 by  $\frac{5}{16}$  inches, riveted to double-reverse bars on top for floors.

Frames of angle iron, 5 by 3 by  $\frac{9}{16}$  inches, spaced 21 inches to center, to be in one piece from keel to gunwale.

Reverse frames of angle iron,  $3\frac{1}{2}$  by 3 by  $\frac{5}{16}$  inches, extending to gunwale and lower deck beams on alternate frames.

Floor plates, on every frame, 24 by  $\frac{1}{8}$  inches, extending up to the bilges to the 4-foot water line.

Bilge keelsons, four in number, of angle iron, 5 by  $4\frac{1}{2}$  by  $\frac{5}{16}$  inches, riveted back to back and to double-reverse angle irons, and to be connected together at ends by breast hooks.

Intercostal keelson to be fitted on at each side at half-floor for two-thirds the vessel's length, of  $\frac{1}{8}$ -inch plates, connected to floor-plates by angle irons  $3\frac{1}{2}$  by 3 by  $\frac{5}{16}$  inches, and to project above floor-plates to form a keelson; riveted between double-angle irons 5 by  $3\frac{1}{2}$  by  $\frac{5}{16}$  inches, to have iron wash-plates.

Main deck stringers, 34 by  $\frac{1}{8}$  inches in midships, reduced at ends to 26 inches, to be fitted close to the sheer strake, and secured thereto by an angle iron 5 by  $4\frac{1}{2}$  by  $\frac{5}{16}$  inches, with a flange formed round the scuppers. An angle iron 4 by 3 by  $\frac{5}{16}$  inches, to be riveted to the stringer plates, forming a gutter water-way 16 inches broad. The butts of stringer plate in midships to be triple riveted.

'Tween deck stringers, 25 by  $\frac{1}{8}$  inches, riveted to top of beams, and connected to reverse bars on frames by an angle iron 5 by  $4\frac{1}{2}$  by  $\frac{5}{16}$  inches.

Main and 'tween deck beams, of Butterby iron,  $8\frac{1}{2}$  by  $\frac{5}{16}$  inches, spaced  $3\frac{1}{2}$  feet to centers with double-angle irons  $3\frac{1}{2}$  by  $3\frac{1}{2}$  by  $\frac{3}{8}$  inches riveted on top edge, secured to side of vessel by the ends of the beams being turned down and formed a knee of, which is to be riveted to the frames 21 inches deep; hatch beams and fore and afters to be  $9\frac{1}{2}$  inches deep.

Deck tie plates,  $12\frac{1}{2}$  by  $\frac{1}{8}$  inches, to run fore and aft on each side of hatchways on main and lower deck beams. Diagonal ties to be fitted, where practicable, on main deck beams, and in wake of masts, on 'tween deck beams. Mast partners to take three beams in length with bulb-iron combings.

Bulkhead—One collision bulkhead, to be fitted forward, of  $\frac{7}{16}$ -inch plates, riveted between double frames, and stiffened with angle iron  $3\frac{1}{2}$  by 3 by  $\frac{5}{16}$  inches, spaced 30 inches apart. All stringers to be continued through the bulkhead, and collars fitted round them to be perfectly water-tight.

Stanchions in lower hold  $3\frac{1}{2}$  inches diameter, 'tween decks 3 inches diameter. Double stanchions to form iron ladders at main hatch, to have option of hollow stanchions, extra size.

Plating—

Garboard strakes,  $\frac{1}{2}$  inch;

From garboard bilge,  $\frac{1}{8}$  inch;

From bilge to three-fifths depth of hold,  $\frac{1}{8}$  inch;

From three-fifths depth of hold to sheerstrakes,  $\frac{1}{8}$  inch;

Sheerstrake,  $\frac{1}{8}$  inch;

Butts of sheerstrake and main deck stringers to be triple riveted in midships.

Bulwarks to be of iron  $\frac{5}{16}$  inch in way of break and forecastle, and  $\frac{5}{16}$  inch in body of ship; to be stayed with H-formed stanchions,  $1\frac{1}{2}$  inch. Top-gallant bulwarks to be neatly paneled with teak, varnished, and to have cast lead ornaments.

Main rail, of angle iron,  $7\frac{1}{2}$  by  $3\frac{1}{2}$  by  $\frac{3}{8}$  inches, riveted to bulwarks with angle iron on inside edge,  $2\frac{1}{2}$  by  $2\frac{1}{2}$  by  $\frac{5}{8}$  inches, for fixing greenheart pin rail, say 7 by  $3\frac{1}{2}$  inches, or teak rail, owner's option, and greenheart pin rail.

Top-gallant rail, of teak  $7\frac{1}{2}$  by  $3\frac{1}{2}$  inches, fixed to an angle iron  $2\frac{1}{2}$  by  $2\frac{1}{2}$  by  $\frac{5}{16}$  inches, riveted to bulwarks and caulked.

Rudder stock, of forged iron,  $5\frac{1}{2}$  inches diameter at head and 3 inches diameter at heel, with two short stays forged to the frame, and plated with  $\frac{5}{16}$ -inch plates.

Riveting—To be double riveted throughout, bevel necked rivets to be used on the outside plating.

Decks, of yellow pine: main deck 5 by 4 inches, break-deck 4 by  $3\frac{1}{2}$  inches, fastened with galvanized iron bolts and nuts let well into the decks, and plugged with well-seasoned turned plugs dipped in white lead. Decks to be well freed from knots, and have two coats of raw oil. Teak plank next water-way, 8 inches broad, and one for ring bolts on each side of hatches 10 inches broad; cabin deck 6 by 3 inches.

Half deck, laid on 'tween decks, 8 feet from side and from after-hatch to break bulkhead; full deck also from fore bulkhead till afterpart of fore-hatch, 6 by 3 inches.

Hatches to be in size according to plan approved of by owners, with iron combings standing 15 inches above the deck. The fore and after hatches to have teak booby hatches on top. Main hatch 17 by 12 by 6 feet; lower hold 21 by 12 by 6 feet, with loose beams bolted with screw bolts. Fore and after hatch 6 by 5 feet.

Ceiling, to turn off bilge, of red pine, 2½ inches thick; the flat of bottom to be laid in hatches, with rings to lift; the ceiling at bilge and ends where no hatches are formed to be properly caulked; the side, from top of bilge to main deck, to be sparred with 2½-inch battens, spaced 10 inches apart, the battens to be properly planed and beaded on both edges.

Sweat boards—The gunwale stringer to be fitted with movable shutter boards, to carry off sweat from cargo. Shutters to be made of 1-inch pine and fastened with battens.

Chain lockers, of sufficient size to contain the chains, fitted according to plan approved by owners, to be made of greenheart.

Hawse pipes—Two on each bow, of cast iron, fitted in hard wood chocks, with iron sliding shutters.

Timber heads, of cast iron, to answer for ventilators, with brass tops and elevators; also all necessary mooring pipes of cast iron.

Windlass to be fitted with a patent, say 23 inches purchase, with fluting whelps and patent stoppers, spindle to run through the entire length of windlass; the windlass bits to be of iron or greenheart; pall bitt of iron.

Winches—One at main-hatch with triple purchase, and one at fore-hatch with double purchase, and chain lifters; one small, portable, for cargo.

Capstan—Two on main-deck of the large size, and one smaller on fore-castle-deck, to have brass plates on top and brass mountings round the holes; capstan plates to have ship's name and port engraved.

Store-decks in fore and after peaks as required by owners.

Galvanizing—All wrought and cast iron work connected with the hull, on deck, to be galvanized.

Tanks, two in number, to contain 4,500 gallons, placed where required by owners. Bread tanks, six in number, to contain 10 cwt. each, placed where required; or if required by owner, one tank fitted in run to hold 20 cwt.

Pumps, of Wilson & Fornby's patent, 7 inches diameter, with fly-wheel motion. Bilge pumps, 5 inches diameter, to work of same spindle as main pumps. One small pump to be fitted between main pumps, 4 inches. One head pump to be fitted, and one pump in fore-peak. One brass or copper pump for water tanks, with all necessary pipes, &c.

Deck house to be fitted between main hatches and foremast for officers, crew, and boys, and galley store-room, &c., to be strongly built, and neatly finished outside with teak pilasters and moldings, and have carved moldings round top.

Fore-castle—Fitted up in a plain style, for the accommodation of crew, with store-rooms, if required.

Cabin—Fitted in mahogany and maple, polished, with gilt moldings, and trusses between skin and ceiling to be filled with cork shavings. Captain's room to be fitted with mahogany bed, front drawers, book case, sofa, &c. Chief officer's room to be fitted in a comfortable style and painted oak. Pantry to be fitted with dresser with lead top and brass basin, with all necessary racks and lockers, lined with zinc. State-rooms to be fitted according to plan, with wash-hand basin with marble top in each room. The plan of the cabin to be approved by owners, and all to have first-class finish.

Companions and skylight to be of teak, varnished. The cabin skylight to have stained glass, and all locks and hinges to be of brass.

Painting—To have three coats of paint, inside and outside, to owner's satisfaction; the bottom inside to be cemented with the best Portland cement. McInnes's or other approved composition to be put on the bottom; the ship to be tested with water before cemented.

Boats, as required by board of trade. Boats' beams to be fitted, also chocks for long-boat, with swivel and a set of davits, with gear complete on each side. Boats' beams to be covered on top, and paneled on sides with teak wood, to owner's approval.

Masts—Fore and main and mizzen masts, also bowsprit, lower yards, and lower top-sail yards, of best iron. The other spars of red and pitch pine, owner's option. The smaller spars of spruce. The dimensions of masts and spars to be mutually agreed on, and masting plans to be approved by owners. All the spars to be of first-class quality.

Rigging—Standing rigging of best charcoal iron wire rope, 4½ inches circumference, to be parceled and served over with small strings, the rest in proportion. The running rigging of European or best St. Petersburg clean hemp, to be fitted with a complete suit of ropes and blocks, brace balyards, and principal blocks to be patent roller bushes and steel pins. Blocks and bushes to be to owner's satisfaction. Dead eyes of lignumvitæ 10 inches, brass caps for end of stays. In addition to the above, the vessel to be supplied with spare gear, as hereafter mentioned. Jibstays to be fitted in wake of booms with chain.

Anchors and chains according to Lloyds' and underwriters' rules, and admiralty test. Anchors to be of Rodgers's patent. An anchor davit to be fitted on fore-castle deck;

90 fathoms of 1-inch mooring chain to be supplied, together with all necessary small chain for rigging; one box chain punches to be supplied.

Generally—The whole to be of best workmanship and materials, as required for an A A 1 iron ship by Lloyds, and for the twenty years' class in red, in Liverpool underwriters' book.

### GENERAL OUTFIT.

#### WARPS, ETC.

- 1 towline, 11 inches, 90 fathoms.
- 1 warp, 8 inches, 90 fathoms.
- 1 warp, 7 inches, 90 fathoms.
- 1 warp, 5½ inches, 90 fathoms.

#### BOATS, ETC.

- 1 long boat, 26 by 8 by 3 feet 8 inches, bottom coppered, and round stern, } Carrel.
  - 1 skiff, 24 by 5 feet 9 inches by 2 feet 9 inches, }
  - 1 gig, 24 by 5 feet 9 inches by 2 feet 4 inches, } Cleucher.
  - 1 dingy, 18 by 5 feet 6 inches by 2 feet 3 inches, }
- Rowlocks brass for gig and dingy. Brass yoke do., and with rudders for each boat. Boats to be of larch, and thoroughly copper-fastened. Necessary back boards, gratings for boats, &c. Long boat to have cover over top, with teak-wood top-sides, and fitted under on deck for live stock. Iron rowlocks for long boat and skiff.

#### SAILS.

- 1 flying jib.
- 1 standing jib.
- 2 small jibs.
- 2 foretopmast stay-sails.
- 1 fore stay-sail.
- 2 fore-sails.
- 2 sets foretop sails.
- 2 foretop-gallant sails.
- 1 fore royal sail.
- 2 mainsails.
- 2 sets maintop sails.
- 2 main top-gallant sails.
- 1 main royal sail.
- 1 main stay-sail.
- 1 top-gallant stay-sail.
- 1 main topmast sail.
- 1 royal stay-sail.
- 1 main spencer.
- 2 mizzens.
- 1 cross jack.
- 2 sets mizzen top-sails.
- 1 set mizzen top-gallant sails.
- 1 set mizzen royals.
- 1 mizzen stay-sail.
- 1 mizzen top-mast stay-sail.
- 1 mizzen top-gallant stay-sail.
- 3 topmast studding-sails.
- 2 lower studding-sails.
- 3 top-gallant studding-sails.
- 2 royal studding-sails.
- 2 wind-sails.
- 1 set awnings to mainmast and foremast, with stanchions and ridge chain complete; also, fore-castle awnings, with same.
- 6 bolts canvas, Nos. 1, 2, 3, 4, 5, and 6.
- 24 pounds seaming twine.
- 18 pounds roping twine.
- 1 set boat sails and spars for long boat and skiff. (Owners to be allowed to make sails at 1s. 10d. per yard, dropping ½d. each number.)
- 2 sets fids.
- 6 palms, assorted.
- 6 dozen sail needles.

- 6 sail hooks.
- 2 iron rubbers.
- Canvas covers for skiff, gig, and dingy.

## CARPENTER'S AND BOATSWAIN'S STORES.

- 1 hand copper pump.
- 4 pump spears.
- 4 lower boxes.
- 1 break and weege and wheel motion.
- 1 pair rigging screws.
- 2 sounding-rods.
- 1 spare top-gallant mast or yard.
- 1 spare top-mast or lower yard of red pine.
- 1 spare jib-boom or topsail yard of red or pitch pine.
- 4 spare Norway spars.
- 1 full set studding-sails, booms, and yards, with blocks and gear complete.
- 1 side accommodation ladder, fitted and mounted complete, of teak wood.
- 1 Jacob's ladder, complete.
- 1 hold ladder.
- 1 half-deck ladder.
- 1 fore-castle ladder.
- 1 store-room ladder.
- 1 lazarette ladder.
- 1 set hatch bars with brass padlocks.
- 2 sets tarpaulines.
- 6 handspikes.
- 2 sets tarpaulines for small cargo hatches.
- 2 log chips. Full set capstan bars, fitted in rack where required.
- 1 pitch pot and ladle.
- 1 booby hatch for half-deck and fore hatch, teak wood.
- 30 gallons lamp oil.
- 35 gallons raw oil.
- 3 gallons turpentine.
- 5 gallons olive oil.
- 10 oil tanks, 10 gallons each.
- 2 five-gallon tanks. All to be fitted where required.
- 1 bladder patty.
- 1 leaf hog's lard.
- 1 brass bell and stand with ship's name and port on.
- 1 small brass bell for quarter-deck, with stanchions complete and ship's name and port on.
- Mahogany wheel and teak-wood cover, and ship's name carved and gilded on each side of cover, and bound with brass, and ship's name engraved.
- Screw steering apparatus, with spare tiller and blocks and chain, to owner's approval.
- 3 fore-castle lamps.
- 1 cook's lantern.
- 1 shark hook.
- 1 portable filter.
- 1 medicine chest, with ship's name on brass plate, mahogany or teak, fitted complete for India or China voyage, say 30 inches by 17 inches.
- 1 ensign.
- 1 union jack.
- 1 burgee.
- Ship's name.
- 1 house flag.
- 1 set signals and halyards and book, Maryatt's, and commercial code complete, in addition to full set of gear.
- 1 coil  $1\frac{1}{2}$ -inch rope, 120 fathoms.
- 1 coil  $2\frac{1}{2}$ -inch rope, 120 fathoms.
- 1 coil 3-inch rope, 120 fathoms.
- 1 coil  $3\frac{1}{4}$ -inch rope, 120 fathoms.
- 1 coil  $3\frac{3}{4}$ -inch rope, 120 fathoms.
- 1 coil 18 thread.
- 1 coil lanyard rope, 5-inch.
- 1 coil 2 yarn-spun yarn.
- 4 skeins amberline, } say 2 hundred-weight.
- 4 coils marline, }
- 4 coils house line, }

- 2 buoys and ropes.
- 2 patent life buoys.
- 1 spare shackle for each anchor.
- 2 dozen assorted forelocks.
- 2 dozen washers for bolts.
- Fids for masts, iron.
- 1 hundred-weight nails, assorted.
- 1 axe.
- 1 adze.
- 1 saw.
- 1 mall.
- 1 hammer.
- 4 cork fenders, large size, to be worked over with hemp ropes by hitching.
- 1 set boat's chocks, complete.
- 1 pig-house, with iron bars.
- 2 dozen assorted connecting shackles.
- 2 dozen small shackles.
- Iron check blocks on lower yards for top-sail sheets.
- Iron hoops on lower yard for jack-stays, and quarter hoops for top-sail sheets, with rollers for studding-sail booms.
- 1 portable forge.
- 2 hundred-weight rivets, assorted.
- 1 set riveting jacks.
- 1 ratchet.
- Set of drills from  $\frac{1}{2}$  inch to 1 inch, with knee.
- 4 chisels.
- 1 screw wrench, with patent spanner.
- 1 chain-purchase sling.
- 2 pairs skeets for ship's side, with covers for the rail in way of fore and main hatches.
- 60 feet hard wood, 12 by 3.
- 8 scrapers.
- 400 feet red fir planks.
- 4 spare ash oars.
- 4 iron crowbars.
- 2 dozen hooks and thimbles, assorted.
- 2 dozen clip hooks.
- 4 large ventilators, to be properly placed.
- 6 deck scrubbing brushes, with weegie.
- 1 register box and locks, with ship's name.
- 8 paint scrubbing brushes.
- 2 whitewash brushes.
- 18 paint brushes, assorted.
- 4 pencil brushes.
- 48 birch brooms.
- 4 joiner's scrapers.
- 2 plumber's scrapers.
- 2 cabin sweeping brushes, long and short.
- 12 hundred-weight paint, assorted.
- 1 cask M'Innes's paint, or tallow, say 3 hundred-weight.
- 40 gallons paint oil.
- 1 transparent compass, fitted on tripod, or some other suitable place.
- 1 azimuth compass.
- 1 steering compass, fitted complete in brass dolphin binnacle, all properly adjusted.
- Compass fitted with 10-inch card and storm gimble center, owner's approval.
- 1 cabin compass, transparent.
- 2 spare compass cards marked with degrees.
- 1 thermometer.
- 1 barometer,            }
- 1 sympiesometer,        } combined.
- 1 pair glasses.
- 1 telescope, to be approved of.
- 4 log glasses.
- 1 patent log and line.
- 1 half-hour glass.
- 2 mops and handles.
- 1 log slate.
- 1 log book.
- 1 log reel and line.
- 1 patent deep-sea lead line and reel, 200 fathoms.

- 1 patent sounding machine.
- 2 hand leads and lines.
- 1 harpoon.
- 1 pair grains.
- 1 side pump leather.
- 1 side service leather.
- Brass signal lamps, to be fitted up per board of trade requirement, say 4.
- 1 flash light.
- 12 fishing hooks.
- 1 box blue lights.
- 1 box rockets.
- 3 fishing lines.
- 2 spare log lines.
- 1 brass speaking trumpet.
- 1 fog horn.
- Gratings between skylight and wheel; also, between cabin doors and skylight, with gratings front of poop, and gutter waterway on poop, all of teak wood.
- 1 grindstone and trough.
- 4 long tar brushes.
- 2 short tar brushes.
- 1 set ash oars to each boat.
- $\frac{1}{2}$  cask pitch.
- $\frac{1}{2}$  cask rosin.
- 1 cask Stockholm tar.
- 2 hundred-weight oakum.
- 18 chain hooks.
- 7 luff-tackle blocks, say 13 inches double.
- 7 luff-tackle blocks, say 13 inches single.
- 18 spare blocks.
- 2 spare dead-eyes and pins.
- 2 spare cargo pennants, with blocks and fall.
- 2 chain stoppers.
- 2 shank-painters.
- 2 chain claws.
- 1 spun-yarn winch, iron.
- 2 double 21-inch purchase blocks.
- 1 triple 21-inch purchase block.
- 2 cat-blocks.
- 2 top blocks, say 5 and 6 each rope.
- 3 snatch-blocks.
- 1 purchase gin and chain.
- 1 gaff fitted to mainmast.
- 1 ballast gin and chain.
- 1 anchor fishhook.
- 2 boat-hooks.
- 2 watch tackles.
- 12 marline spikes, flat pointed.
- 6 serving mallets.
- 3 serving boards.
- 2 pair chain can-hooks.
- 2 pair chain nippers.
- 1 pair chains for puncheons.
- 1 pair chain-purchase slings.
- 9 ballast shovels.
- 9 coal shovels.
- 16 feet hen-coops, teak.
- 1 fire-engine and hose, with teak cover.

## COOPER'S STORES.

- 4 water casks, 100 gallons.
- 2 breakers, 20 gallons each.
- 2 oval harness casks.
- 12 deck buckets.
- 1 water can.
- 1 wash deck tub.
- 12 mess kids.
- 1 water funnel.
- 2 draw buckets.
- 4 bread boxes.

- 1 cask for flour.
- 3 vinegar casks, 20 gallons each.
- 2 lime casks, 20 gallons each.
- 1 molasses cask, 15 gallons.
- All casks and 12 buckets to have galvanized iron hoops; also, 12 buckets and 2 harness casks which are to have brass hoops, and to be of teak.

## CABIN STORES.

- 1 iron tea-kettle.
- 1 copper tea-kettle.
- 1 britannia metal tea-pot.
- 1 britannia metal coffee-pot.
- 12 table-spoons, E. P. No. 1.
- 12 tea-spoons, E. P. No. 1.
- 1 dozen table knives and forks, with white ivory handles.
- 1 dozen table forks, E. P. No. 1.
- 1 dozen dessert knives and forks, with white ivory handles.
- 1 dozen forks, E. P. No. 1.
- 1 basket for electro-plates.
- 1 metal tureen and ladle.
- 1 electro-plate tureen and ladle, No. 1.
- 12 electro-plate dessert spoons, No. 1.
- 1 electro-plate mustard-pot spoon, No. 1.
- 2 electro-plate salt spoons, No. 1.
- 6 common knives and forks, with 6 table and 6 tea-spoons, britannia metal.
- 1 carving knife and fork.
- 1 steel, ivory handle.
- 1 set castors, E. P. No. 1.
- 4 dish covers, E. P. No. 1.
- 1 black jack.
- 4 brass candlesticks.
- 4 pair snuffers and tray.
- 4 dozen plates, assorted.
- 1 dozen dishes.
- 6 vegetable dishes.
- 1 dozen mugs.
- 2 butter boats.
- 2 butter pots.
- 1 dozen egg-cups.
- 2 glass salts.
- 2 sugar basins, (1 glass.)
- Crockeryware to have ship's name on.
- $\frac{1}{2}$  dozen basins.
- 1 wash-hand basin and jug to be fitted up in each state-room.
- 2 water jugs for cabin.
- 2 dozen cups and saucers.
- 4 decanters.
- 1 dozen tumblers.
- 1 dozen wine glasses.
- 1 dozen champagne glasses.
- 2 brass cocks.
- 4 chamber pots.
- 1 pair flour scales and weights.
- 1 pair steel-yards.
- 1 set weights and scales complete.
- 2 coffee mills.
- 1 candle box.
- 1 spice box.
- 1 flour dredger.
- 1 set pewter measures, say 6.
- 1 plate basket.
- 1 corkscrew.
- 1 dust pan.
- 1 hand bell.
- 2 fancy bread baskets.
- 1 cabin lamp, to be approved.
- 1 brass bar, to be fitted in skylight, with swing tray attached.
- 1 berth lamp to each state-room and pantry.
- Damask curtains in each room.
- 1 cabin stove, with copper funnel complete.



Iron funnel inside of copper, to be approved.

- 1 coal box, japanned.
- 1 set fire-irons.
- 1 chair for end of table.
- 1 stool for each room.
- 1 fore-castle stove and funnel.
- 1 teak or mahogany table, to draw out.
- 1 stove for house on deck, and funnel.

Settees on each side of cabin table, with swinging backs.

All hair-cloth to be covered with hollands and bound with red.

Sideboard to be fitted in cabin of Spanish mahogany and marble top and brass rail. Sofa, drawers, and book-case of teak in captain's room, with small table for chronometer.

Settees and after-lockers to be covered with best hair-cloth.

All hinges or locks in cabin or elsewhere to be brass.

Furniture for locks to be glass, owner's approval.

- 1 cloth for cabin table.
  - 1 oilcloth for cabin table.
  - 1 carpet for cabin floor, and oilcloth for each state-room and pantry, with runners.
- Carpet for captain's room, with oilcloth and all necessary table-cloths and towels for the voyage.

- 1 side light in each room, and all to be approved by owners.

Steward's pantry and lazarette to be properly fitted up, with all necessary pease and other lockers, lined with zinc throughout.

- 1 water-closet and bath to be fitted in cabin, to have double-action valves, and 1 in wing of monkey, fore-castle.

Cabin stairs to be leaded, and to have brass diamond step plates, fitted with brass rods from deck to cabin.

All small ladders on deck to have diamond brass plates.

1 looking-glass over sideboard, and one in each room, to owner's approval.

1 time-piece to match mirror.

2 guns complete, with carriages of teak, say 4-pounders.

24 rounds cartridges, ammunition, 24 shots for the voyage, with copper magazines.

6 muskets.

• 2 pistols.

6 bayonets.

6 cutlasses.

6 hand-cuffs.

Ship to have female figurehead.

The poop skylight companion grating over wheel.

12 buckets and harness casks and fore-castle scuttle to be of teak.

All cooking utensils to be supplied, with caboose of first-rate quality for East India voyages, to owner's approval.

COOKING RANGE, (to be sufficiently large to cook for 24 hands.)

2 copper boilers and steamer.

3 lined oval pots.

4 saucepans.

1 fish pan.

1 cullender.

2 frying pans.

1 cook's ladle.

1 basting spoon.

1 cook's knife.

1 cook's axe.

1 saw.

1 cleaver.

1 steel.

1 tormentor.

1 mincing knife.

1 bread grater.

2 pudding pans.

3 bread tins.

3 pudding molds.

2 roasting pans.

2 gridirons.

1 pepper box.

1 slice.

6 skewers.

3 baking dishes, enameled.

It is understood that anything enumerated twice is only to be singly supplied. No extras to be supplied without the same be given in writing to any party appointed by the owners, and having their approval by signing the notice, a copy of which is to be sent to

Anything left out of this specification which it is customary to supply to this class of vessel, it is understood that the same will be supplied by the builders. And anything left out of this specification must be supplied in this case in accordance with contract, and everything to be carried up to Lloyds' and underwriters' rules.

Everything of first-class material and of the best workmanship. Delivery at the Broomielaw, Glasgow, after being in graving dock, on the \_\_\_\_\_, or before, if practicable.

Model to be approved of before laying the vessel down, and finished model sent to purchasers during the building.

Builders' present price, as per specification, £14 10s. per register ton.

Mr. WILLIAM H. WEBB suggested that the committee should, before adjournment, request the ship-owners of New York, and the underwriters, to communicate their views in writing on the question before the committee. He himself would be prepared to do so, and could give more information in that way than he could orally.

The CHAIRMAN stated that the committee intended to address circulars to gentlemen interested in the various branches of the business, and to get all the information that it could, in writing as well as orally. The committee would be very glad to have Mr. Webb communicate his views in writing.

Mr. WEBB said he should be very glad to do so.

The following was received, and ordered on file:

MR. CHAIRMAN AND GENTLEMEN OF THE CONGRESSIONAL COMMITTEE: I have heretofore been quite a vessel owner and builder, but not so now, and therefore cannot complain much; but I feel proud to think that there has been enough evidence before your honorable body by the merchants and ship-builders of the United States to convince you that the taxes and tariffs on ships and ship-building materials ought to entirely cease, for the protection of commerce. But there is another branch of taxes which I wish to call your serious attention to. I have been for the last three years contesting the illegality of State and municipal taxes on the commerce of the United States. Those sort of taxes on vessel property are enormous, and attended with obstructions, delays, and damage. I hope, Mr. Chairman, you and your committee will not be unmindful in assisting us in pressing our claims at the next session of Congress to abrogate and finally break up the different and various State and municipal taxes that are imposed upon and exacted from commerce at the various ports in the United States, as partially set forth in this petition, which has been presented to Congress, but which has not been acted upon at present.

I also wish to state to you that within the walls of this edifice the collector of the port of New York has collected millions of dollars, and up to this date is collecting State and municipal taxes and tonnage dues from commerce, in violation of the Constitution of the United States; in violation of the Congress of the United States; in violation of the supreme court of the District of Columbia in a case decided October 24, 1867. (*Nantilus* case;) in violation of the Supreme Court of the United States, decided December term, 1867, (*steamship Charles Morgan—New Orleans* case;) and, last, in violation of the orders of N. Sargent, Commissioner of Customs at Washington, dated August 13, 1869.

C. F. BARNES.

The committee adjourned to meet in Boston on Monday, 18th October.

BOSTON, TUESDAY, *October 19, 1869.*

The committee met in the rooms of the Board of Trade.

Present: the Chairman and Messrs. Buffinton, Morrell, Calkin, Wells, and Holman.

The CHAIRMAN stated the object of the committee, and invited the gentlemen appointed by the Board of Trade to express their views in reference to the cause of the depression of American commerce and navigation

MR. EDWARD S. TOBEY, chairman of the Board of Trade, welcomed the committee to the city of Boston and to the rooms of the board, and said that the Board of Trade hailed the meeting of this committee as an auspicious omen to the interests of commerce, and as showing that Congress had become impressed with the importance of doing something to restore the shipping interest of the country. It was not his purpose now to present at length any views that he might hold on the subject, but rather to call upon other members of the Board of Trade to present their views, and in the course of the investigation he would endeavor to take some proper opportunity to give a statement of facts which had come within his own knowledge, and such deductions from those facts as might suggest themselves to his mind. He mentioned the presence in the room of one of the prominent representatives of the iron steamship-building interest, the treasurer of the Atlantic Works of East Boston, Mr. Smith, who was already known extensively throughout the country by his very able communication on the subject of iron steamship construction.

MR. FRANKLIN W. SMITH, treasurer of the Atlantic Iron Works of Boston, addressed the committee. He said that he would not take up the time of the committee by repeating what it was better informed of than himself, the history of American commerce, its prosperity and decline. Nor would he trouble members of Congress with statistics, among which they were buried for a great part of the year. He only wished that a moiety of the intelligence possessed by members of Congress on this matter were possessed by the people. If that were so this committee would not be in session to-day. He need not recall how, in 1861, the American tonnage was greatly in excess of the tonnage of any other nation. Nor need he recall the record of the decline of that commerce. In 1868 there were but six iron vessels built in the United States, and at present he believed that there was not one iron vessel on the stocks in this country. A bark of six hundred or seven hundred tons, and the iron bark *Novelty*, built by the Atlantic Works, were the only iron sailing vessels built in this country. As to wooden shipping he was not able to follow its decline, the decline being so rapid. What was the reason for this? The answer might be given in one word—the tariff. The contrast on this matter between the United States and Great Britain was most painful. In 1867, out of two hundred and twenty-seven ships built upon the Clyde, there were but fourteen of wood, and these averaged only one hundred and sixty tons each. He held in his hand a slip from the *Glasgow Herald* of August 7, 1869, detailing the launches which had taken place during the previous month. There were thirteen of them, amounting in all to thirteen thousand nine hundred and ninety-one tons, averaging nearly eleven hundred, and all of iron. Why could not this be done here? Because of the tariff. He was indebted to one of the able articles of the *New York Evening Post* for a record of the changes in the tariff, and of the pressure which those changes had brought to bear upon the ship-building interest. In 1857, common rounds and squares of iron, such as are used in the wooden ship-building interest, and which were then the great item to be taxed in ship-building, were taxed twenty-four per cent. ad valorem. In 1861 they were taxed fifty per cent., and in 1864 one hundred and twelve per cent. ad valorem. It was stated that by the proposed bill introduced by Mr. Moorhead in 1868, those very bars of iron, essential in wooden ship-building, were struck at for a rate of one hundred and sixty-eight per cent. He held in his hand a list showing the charges to-day of an iron ship of one thousand tons burden, supposing that all her materials of

foreign construction were imported. He submitted it in detail to the committee, as follows:

*Duties on materials for a 1,000-ton iron ship.*

IRON.		
53 per cent., plate.....	530,000, duty, 1½ cents..	\$7,950 00
18 per cent., refined iron and rivets,	180,000, duty, 1 cent....	1,800 00
23 per cent., T. and angle or beams,	230,000, duty, 1½ cents..	2,875 00
3 per cent., forgings.....	30,000, duty, 2 cents..	600 00
3 per cent., castings.....	30,000, duty, say 1 cent.	300 00
<hr/>		
100 per cent.	1,000,000 lbs., divided by 3,	13,525 00
		4,508 33
		<hr/>
		\$18,033 33
RIGGING.		
35,000 pounds chain cable, duty, 2½ cents, gold.....	}	\$1,075 00
8,000 pounds small rigging-chain, duty, 2½ cents, gold.....		
8,000 pounds anchors, 2¼ cents, gold.....		180 00
8½ tons Russian hemp, \$40 ton, gold duty; or if cordage be imported, 10 tons, 2,000 pounds each, 20,000 pounds, 3 cents....		600 00
5 tons Manila hemp, 2,210 pounds, at \$25 ton, gold; or if cordage be imported, 12,000 pounds, at 2½ cents.....		300 00
		<hr/>
		2,155 00
Add 33¼ per cent.....		718 33
		<hr/>
		2,873 33
		<hr/>
		20,906 66

If wire rigging be used, 5 tons, cost 22 shillings sterling for 112 pounds, duty 35 per cent. ad valorem; costs now 7½ cents, gold, for galvanized, duty paid.

That was about twenty-five per cent. extra on the cost of an iron ship of one thousand tons in England. The Atlantic Works had recently invented a tank vessel for the carriage of molasses in the bulk—a peculiarly difficult liquid to carry, because of its expansive and fermenting qualities. A vessel for this purpose must be constructed of iron, so far as experience went, because it had been found impossible to get a wooden vessel strong enough and fixed enough in its joints to hold those tanks under all conditions. Those tanks, therefore, were constructed with the ship, adding strength to the ship. That vessel had been invented here and had been patented both here and in England, and had made two voyages which had been deemed to have been an absolute and unqualified success. He might state with entire safety that there had been a saving of five per cent. on each of those cargoes of molasses. The saving might have been much more. That vessel would bring five cargoes in the season, which would be a saving in a single season of twenty-five per cent. The molasses imported into Boston alone in a single season employed fifteen vessels, and one concern in New York employed fifteen vessels in the trade. The Atlantic Works had built one such tank vessel, and the firm for which they built it, as well as other parties, desired to have more such vessels. They were ready to build two on their own account; but, singularly enough, they had been actually stayed in the building of them, by the expectation of the benefits which they were now asking at the hands of Congress. They did not dare to build those vessels, in the expectation that Congress would strike off the duty and reduce the valuation next spring from \$10,000 to \$15,000. The building, therefore, of at least three of those vessels had been postponed to another season. But meanwhile the Atlantic Works Company finding their hands tied as iron ship-builders, and finding it im-

possible to build those brigs themselves, wrote to England and had an offer from England to build them on the Clyde at twenty-five per cent. less than they could build them themselves. They were seriously debating the building of those brigs abroad, and having them under a foreign flag. This would probably be the case next year unless the necessary relief were granted. He had no doubt that the American merchants' interest in the molasses trade would insist upon this saving of \$5,000 per cargo. If America could not supply those vessels England would; and if American merchants were too patriotic or too timid to put their vessels under the English flag, they would go abroad and give to England, not only the building of the ships, but the transportation besides. All that the Atlantic Works asked was a royalty on their patent which was registered abroad.

He had given the committee the rates on bars and plate iron, but there was another item to which he should call especial attention. The duty on beams and angle-irons was practically prohibitory. They were now rolled in this country by only three concerns. In iron ship-building they constituted twenty-three per cent. of the entire work, and the committee would see the disadvantage of a monopoly even in the hands of the best of men, from this fact, that no matter what rate of tariff was imposed, so long as the construction of those beams paid a profit—as they had paid a large profit for many years—those three mills had only to raise their scale of prices up to just below the cost of importation; and the consequence was that at present all beams and all angles had their prices adjusted by the rate of importation. It was natural that this should be so, and he did not wish to be understood as reflecting, in the least degree, upon the patriotic impulses or business course of any concern that might pursue this policy. Doubtless every concern in the country would consider it perfectly legitimate; but with our commerce to-day depending upon the closest possible competition and upon the most advantageous circumstances both as to material and labor, it was certainly a most discouraging feature that twenty-three per cent. of the materials that enter into the construction of iron ships should be absolutely in the hands of a monopoly of manufacturers. It was not so with pig or other descriptions of iron.

He had placed in a pamphlet, which he had had the honor to submit to Congress, the reasons, drawn from most experienced authority, showing why wooden ships were to-day practically superseded by iron ships. In Calcutta and San Francisco iron ships commanded five shillings sterling a ton premium in charters, because of their durability, because of their increased capacity, because of the fine condition in which merchandise could be transported in them, and because of the rates of insurance. While America had in her magnificent forests the monopoly of material, and thus gained her prestige on the ocean, England was at the disadvantage that America was at now. Now things were reversed; the advantages of coal, iron, and labor England had to-day, and she was building ships and selling them all over the world. Prussia was protecting her iron interest by charging ten per cent. upon the iron ships bought abroad, while she charged only five per cent. upon the wooden ships. But England, despite that, was building for all the world. J. S. Forbes & Co., of Boston, had, last March, sent to the Atlantic Works specifications for a first-class iron ship for Chinese waters. The Atlantic Works had not pretended to do any better than build the ship at cost. They had got one contract from the Boston and Baltimore line of steamships, and were glad to get it at cost, because such establishments as theirs were better kept running. To stop them

causes great deterioration. They had received those specifications from Messrs. J. S. Forbes & Co., and had endeavored to figure them down to the necessary point; but they had despaired at the outset of getting the contract. While they were at it they had received a note from Forbes & Co., stating, "Gentlemen: We are informed by cable that this ship is ordered in England."

A few days since he had gone to New York to meet a gentleman who would have ordered an iron ship for the trade between New York and Mexico. This gentleman had said that his judgment was that in every respect iron ships were preferable to wooden ones, and that he intended to build of iron, but that when he came to figure out the cost and found that the absolute taxes on the materials entering into the construction of such a ship would be from \$40,000 to \$50,000, he had determined to build a wooden ship, take the chances, and let her rot out in ten or fifteen years, considering that the interest on the difference would build another ship. These were the facts as to the entire and absolute suppression of iron ship-building in the United States. As to a remedy, he should not suggest that American ports should be thrown open to foreign produce. For his own part he should be glad to see American products used in preference to foreign; they were better. He desired to see, through the influence of Congress, or through an organization of the merchants of the country, the establishment of the authority of the American Lloyds in rating ships equal to the authority of the British and French Lloyds. They should then have the opportunity to take into account the admitted and unquestioned superiority of American iron, and could make out a gain of twenty per cent. in the cost of iron ships. He had been astonished to see that with the American prestige, they had not before this time asserted an authority which should be equally authoritative before the world in the matter of rating ships. He could not understand why the underwriters should compel American ship-owners, who a few years ago owned more ships than any nation in the world, to bring everything up to a standard of British or French engineering. It seemed to him that Americans had proved in the history of the last war that the judgment of their mechanics as to what was strong and as to what was required to give strength, was equal to the judgment and intelligence of foreign engineers. If Congress could secure for American ship-owners the privilege of having their ships rated by underwriters as authoritatively as they are now rated by English or French companies, Americans could go into their own mines and dig out an iron superior, by from twenty-five to thirty-three per cent., in strength to English iron, and they could thus, with a modified tariff, be in a position to ask no favors from any source for the restoration of their commerce.

Mr. SAMUEL HALL, of East Boston, ship-builder, made a statement to the committee. He said that the wooden ship-building interest had been much depressed since the war. He had built but one ship since the war, and had one upon the stocks now. This depression was owing wholly to the high cost of the ships. The high duties upon the materials entering into the construction of ships, made ships cost from fifty to sixty per cent. higher than they did previous to the war. Iron which they used to buy for not exceeding forty dollars per ton was now eighty dollars per ton; rigging which they used to buy at eight cents per pound was now sixteen cents per pound; duck which they used to buy at twenty-eight cents a pound was now worth fifty-six cents; and everything else was in the same proportion. Unless there was something done to relieve ship-builders they would have to give up their business entirely.

Mr. MORRELL. The prices that you speak of now are in currency, as compared with gold prices before the war?

Mr. HALL. Yes, sir. Formerly we used to take ships to England and sell them. I believe that I took the first ship to England from this country and sold her there. Now I presume that if the trade were thrown open so that the English could send their ships here to be sold, there would be no ships at all built on this side. We cannot compete with them. They can build iron ships cheaper than we can build wooden ones.

Mr. CALKIN. How does the mechanical labor here compare with the mechanical labor of England?

Mr. HALL. It is much higher here than it is there.

Mr. CALKIN. Do our ship-carpenters here do any more work than their ship-carpenters do?

Mr. HALL. I think they do.

Mr. CALKIN. What would the average be?

Mr. HALL. I think that we are degenerating very fast on that point in this country, so far as my experience goes.

Mr. CALKIN. The reason why I ask the question is because the builders of New York gave it as their opinion that the American mechanics were superior to the English mechanics and did more work; and I want to get the opinion of a Boston builder on that point.

Mr. HALL. I think that they do, as a general thing. I think that the English hold on to their own notion of doing things. I do not know but that their workmen work as hard as ours; but the means that they take to accomplish the work is different. Their tools are not so good as ours. I think that if Congress would relieve the ship-builders by removing the duties on the materials that enter into the construction of ships, it would be a great advantage to them. Unless they do so, I think, in the course of a few years, there will be no more ship-yards in this country.

Mr. WELLS. I understood you to state that it costs to build a ship now from fifty to sixty per cent. more than it did before the war?

Mr. HALL. Yes, sir.

Mr. WELLS. By removing all the duties and allowing a drawback on the materials entering into the construction of wooden ships, would you then be able to compete with ships built in the provinces, where timber is equally as plenty as it is here?

Mr. HALL. If they used the same quality of timber that we do, we could build as cheap as they can in the provinces; but they build their ships out of cheaper timber, such as spruce and birch. I have worked in the provinces and know the manner in which they do their work.

Mr. WELLS. You have been carrying on that business for many years?

Mr. HALL. About forty-six years.

Mr. WELLS. What is your opinion as to the necessary legislation of Congress in order to enable ship-builders in this country to compete with foreign ship-builders?

Mr. HALL. I think that if all the articles used in ship-building were admitted duty free, American ship-builders would be able to go on as formerly.

Mr. WELLS. Suppose you were able to go on, would you find a market here for your ships?

Mr. HALL. I see no reason why we should not. Nothing but the high prices prevents our finding a market now. Enough of people want ships but cannot pay the prices for them.

Mr. WELLS. I notice several ships lying idle here, and also in New York, as if they had not any business. How do you account for that?

Mr. HALL. There is not a large amount of tonnage now, I think not near as much as there was before the war. There are not half the ships in New York now that there were formerly. If it were not for the coasting trade I do not know that there would be hardly an American ship to be seen. If our ports were thrown open to other nations and our coastwise trade opened to them, we should not have any use at all for our ships.

Mr. WELLS. Your opinion is that if Congress should remove all the obstructions in regard to duty, allowing ship-builders a drawback, and at the same time should throw open the purchase of ships in Europe, the mechanics in this country could compete with English mechanics in the building of ships?

Mr. HALL. I do not think they could. If the English were allowed to put their ships into the market, and if our navigation laws were repealed, I do not think there would ever be any more ships of any kind built here.

Mr. WELLS. American merchants are free now to go and buy ships abroad and to sail them under the English flag?

Mr. HALL. Yes; and I am told that quite a number of them are doing it.

Mr. MORRELL. Do you understand that the business as now carried on by the English nation is profitable; that they are making money to-day in their commercial marine?

Mr. HALL. I cannot say as to that. I should not think that the business is depressed there as it is here, because they build much more there, and people are not apt to follow a losing business a great while.

Mr. MORRELL. But they are willing to keep their ships running even when they are not making money?

Mr. HALL. I cannot say as regards the English whether their shipping is depressed or not; but I know that in this country it is very much depressed.

Mr. CALKIN. The question was asked you whether, if the drawback on the materials were allowed, and if the navigation laws were repealed so that capitalists could go abroad and buy ships, American mechanics could compete with English ship-builders, and you answered that they could not. Do you think that if the time were extended—for instance, if the drawback were allowed, and then in the course of four or five years the navigation laws were repealed—the ship-builders of this country could get themselves in a position by that time to compete with foreign builders?

Mr. HALL. I do not think they could.

Mr. CALKIN. You think it would take a longer time?

Mr. HALL. Yes. If the navigation laws were repealed almost all the ships in the world would be built in England.

Mr. CALKIN. You understand my question. It is whether, if a drawback were allowed for four or five years before the navigation laws were repealed, the American mechanics would then be in a position to compete with the English mechanics?

Mr. HALL. I think not.

The CHAIRMAN. How long a time would it take for American ship-builders to compete with foreigners?

Mr. HALL. I do not think they ever can. If Congress anticipates repealing the navigation laws it may as well do so to-day as wait for five years hence. The result would be the same.

The CHAIRMAN. What are the wages paid at present to ship carpenters and mechanics here?



Mr. HALL. About three dollars a day in currency.

The CHAIRMAN. What were they paid before the war—say from 1854 to 1860?

Mr. HALL. Not exceeding two dollars a day—from that to one dollar and seventy-five and one dollar and fifty cents. I built the first clipper ship, I believe, that was built in Boston, the *Surprise*, in 1850, and I then paid one dollar and seventy-five cents a day.

The CHAIRMAN. 1850 was a year of great depression. How was it in 1854, which was a year of great activity in the building of ships?

Mr. HALL. Not so much as in 1852. In 1852 we had the greatest activity in ship-building in this country that we ever had. I recollect that I built four ships from March to December of that year, of eleven hundred tons each.

The CHAIRMAN. What were the average rates of wages paid to first-class mechanics from 1850 to 1860?

Mr. HALL. It would fall below two dollars. I should say that one dollar and seventy-five cents would be about the average, and sometimes it went down to one dollar and fifty cents for first-class mechanics.

The CHAIRMAN. So that there has been an advance of fifty per cent. in wages?

Mr. HALL. Yes, sir. The carpenter work on a ship which would then cost about seven thousand dollars would now cost about twelve thousand or thirteen thousand dollars.

The CHAIRMAN. You think, then, that something more than the admission of the materials entering into the construction of ships duty free is necessary to enable American ship-builders to compete with foreigners?

Mr. HALL. As long as things remain as they are now, the cost of labor will not recede much. Mechanics are going out of the business and seeking other employment, and there is great scarcity even now of mechanics in ship-building. That, of course, enhances the cost of wages.

The CHAIRMAN. Do you think, from your knowledge of the character of workmen here, and in Europe, that the difference in labor would be overcome or nearly overcome by the greater efficiency of the American workmen?

Mr. HALL. I do. It takes the English a great while to do a little work. They are diligent men, but they are very slow.

The CHAIRMAN. How would the cost of materials that enter into the construction of ships stand now free of duty as compared with the price of materials before the war, making an allowance for the difference between gold and currency?

Mr. HALL. The cost would be considerably higher now.

Mr. MORRELL. Does that refer to timber as well as to iron?

Mr. HALL. No, sir; to nothing but the iron; the wood we get here.

Mr. MORRELL. What is the value of the iron in wooden ships as compared with the value of the other materials?

Mr. HALL. A ship of one thousand three hundred and fifty tons, such as I am building now, will take about seventy-five tons of bolt iron and square iron.

Mr. WELLS. Do you not use a great deal of copper in the building of wooden ships?

Mr. HALL. Yes, sir.

Mr. WELLS. What is the difference between the cost of copper now and its cost previous to the war?

Mr. HALL. We do not now use clear copper.

Mr. WELLS. You cover the outside with copper?

Mr. HALL. That is sheathing copper. Before the war it was worth seventeen cents a pound; now it is worth twenty-seven cents.

Mr. CALKIN. In case of a repeal of the navigation laws, what would be the effect upon ship-carpenters' labor in this country in the course of four or five years?

Mr. HALL. There would not be any at all.

Mr. CALKIN. Can you take a house-carpenter or a wood-worker of any kind and make a ship-carpenter of him readily?

Mr. HALL. No, sir; no more than you can take a common mechanic and set him to make a watch.

Mr. HOLMAN. What will be the policy of ship-builders hereafter in regard to the building of wooden vessels? Are wooden ships likely to be built hereafter to any extent, or will iron ships supersede them?

Mr. HALL. I do not think that iron ships at present, unless they are built much cheaper, will compete with wooden ships.

Mr. HOLMAN. Take the commerce of the world.

Mr. HALL. I think the tendency is toward iron vessels.

Mr. HOLMAN. Supposing that Congress should adopt a more liberal policy by admitting foreign built vessels to American registration, only excluding them from the coastwise trade, and supposing that a rebate were allowed upon all the materials entering into the construction of ships, what effect would these measures, taken together, have upon our commerce and our ship-building? Would they promote the one and injure the other, or would they promote both?

Mr. HALL. I should think you would not promote the ship-building interest by throwing the trade open to foreign vessels.

Mr. HOLMAN. By giving the coastwise trade exclusively to American-built ships?

Mr. HALL. I do not think that there is enough of that to make it worth while building ships.

Mr. HOLMAN. In 1860, when our commercial marine was much larger than it is now, was not our domestic trade equal to fifty per cent. of the whole of our commerce?

Mr. HALL. Congress can tell better than I can about that.

Mr. HOLMAN. You had no occasion to inquire into that question?

Mr. HALL. No, sir.

Mr. HOLMAN. You think that the advantages resulting from the domestic trade to American-built ships are not very important, and that the reservation of that trade to American-built ships, combined with the use of free materials in the construction of ships, would not promote our ship-building, if registration were granted to foreign-built vessels?

Mr. HALL. No; I do not think that these measures would be of any great benefit; I think that ship-building here would finally die out. If the government does not do something to protect the ship-building interest it certainly will die out, and that very soon.

Mr. HOLMAN. And you think that this would be done in two ways: first by preserving the navigation act; and secondly, by allowing materials exempt from internal and external taxes to be used in the construction of ships?

Mr. HALL. Yes, sir.

Mr. HOLMAN. Are American capitalists willing to employ their capital at as low rates of interest in ship-building as English capitalists are?

Mr. HALL. Yes, I think so.

Mr. BUFFINTON. Can you tell whether the business of building

wooden ships in the provinces is about as much depressed as it is here?

Mr. HALL. I cannot tell you. I think there is very little business doing there.

Mr. BUFFINTON. Have you any means of knowing whether it is depressed there as much as it is here?

Mr. HALL. I have not.

Mr. JOHN TAYLOR, ship-builder of Chelsea, next made a statement to the committee. He said that he agreed in the main facts that had been stated by Mr. Smith and by Mr. Hall. What had been said in regard to iron ships was equally applicable to wooden ships, so far as half or more of the whole cost of the ship was concerned. He would not add to or take from what had been already stated. There was great depression here in the ship-building interest. The cause of that depression had been stated, and he did not know that he could add anything to the statement. He had been thirty-five years engaged in ship-building, and had constructed over one hundred large ships. He was not constructing any ships at present, nor did he contemplate doing so, as he had made up his mind to abandon the business altogether, and never to build another ship. This was for the simple reason that it could not be done; that American ship-builders could not compete with the ship-builders of other nations so long as the difference in the cost of materials existed. He believed that there were two ships at present on the stocks in this port, but that in two weeks from this time there would not be a ship on the stocks in Massachusetts. He accounted for the fact that there was any ship-building going on now in Boston, by saying that it was in order to keep the yards in existence and to employ the mechanics. He himself had done as little as he could possibly do, so as to employ his materials and workmen, hoping ere long that some assistance would come to the ship-building interest.

The CHAIRMAN. Can the ships which are now being built be sold at profit to the builder?

Mr. TAYLOR. No, sir; they are being built merely on account of the mechanics, and for the purpose of using up the materials and keeping the men together, in the hope of better times.

The CHAIRMAN. Where have you constructed heretofore?

Mr. TAYLOR. In East Boston for the last few years.

The CHAIRMAN. How long is it since you have built any ships?

Mr. TAYLOR. I have one now just about finished.

The CHAIRMAN. Please state to the committee the rates of wages which you are paying to first-class mechanics.

Mr. TAYLOR. From three to three and a quarter dollars a day.

The CHAIRMAN. What were the average rates of wages for the same kind of mechanics previous to the war—say from 1852 to 1860?

Mr. TAYLOR. In 1852-'3 wages were very high. In 1850 and 1851, and again in 1856-'7-'8, they were low. My experience would vary a little from Mr. Hall's. I think that the average would reach quite as high as to day, and perhaps a little higher for first-class mechanics. For second-class mechanics wages would be very much below that. A great portion of them would be hired at from nine shillings a day to one dollar and seventy-five cents.

The CHAIRMAN. Reduced to gold, the present rate of wages would be about thirty-five per cent. higher than the rate of wages then?

Mr. TAYLOR. Yes, about that. There has been a great deal of tampering with labor here, and that, in my estimation, has injured the cause a great deal. These societies here have formed laws regulating labor, determining the hours of labor, &c.

The CHAIRMAN. How many hours do your mechanics work now?

Mr. TAYLOR. We have worked ten hours. The navy yard here employs about seven-eighths of all the ship-carpenters in this vicinity. There they work for only eight hours, and are paid three dollars and twenty-four cents a day, so that all the ship-carpenters are flocking to the navy yard.

The CHAIRMAN. What hours did your mechanics work previous to the war?

Mr. TAYLOR. Ten hours.

The CHAIRMAN. What effect does the navy yard have upon labor? Does it tend to increase the rates of wages in the neighborhood of the yard?

Mr. TAYLOR. Yes, sir; it always does.

The CHAIRMAN. So that a ship cannot be built as cheaply in the neighborhood of a navy yard as remote from it?

Mr. TAYLOR. No, sir; men will always seek employment in a navy yard even at lower rates of wages than they can get at private yards.

The CHAIRMAN. How does the price of materials at the present time (keeping in mind the difference between gold and currency) compare with the price of materials before the war—say from 1852 to 1860?

Mr. TAYLOR. If we used white-oak plank it would be very much higher; yellow pine would be very little higher.

The CHAIRMAN. How would it be, taking the materials for a ship right through by the ton?

Mr. TAYLOR. All the outfits, everything like spars and rigging, sails, iron, copper, and all finishing work, trimmings, brass work, and everything of that kind, is more than one hundred per cent. higher in currency.

The CHAIRMAN. Reduce it to gold and take the duty off, and how would the price of materials then compare with the prices previous to the war?

Mr. TAYLOR. If the duties were all taken off, I do not think there would be a great deal of difference, with the rates reduced to gold.

Mr. CALKIN. Do not navy yard commandants send to the different manufacturing establishments in the community and base the price of labor in the yard upon the price of labor outside?

Mr. TAYLOR. I do not think that they do. That is to say, I do not think that they get a fair representation of labor outside. Labor is always higher in the navy yard than it is out of it. We have several classes of labor. There is the repairing of ships. That labor fetches a higher price than new work does. For instance, if new work were paid at the rate of three dollars a day, old work would be paid at the rate of four dollars. The navy yard people are more inclined to take that kind of labor as a criterion; or, at all events, they take that kind of labor and the new, and they draw a line between them which would make the labor on the new ships higher than is paid outside.

Mr. CALKIN. Do you think that ship-carpenters get any higher wages than they ought to according to the price of everything?

Mr. TAYLOR. I do not think they do. I do not find any fault with the price of labor. We do find some fault with the time that mechanics propose to labor.

Mr. MORRELL. You say that you believe that the vessels now being built cannot be sold at a profit to the builder. Do you think that they could be sold at a profit, provided the duty on all the materials were refunded or a drawback allowed?

Mr. TAYLOR. I do.

Mr. MORRELL. Do you think that an additional number of vessels could be profitably put into the service and run at this time?

Mr. TAYLOR. Yes, I think we can run our ships against the world.

Mr. MORRELL. Is there a demand at this time for ships at any price?

Mr. TAYLOR. Perhaps not at the present moment.

Mr. MORRELL. Do you not think that the want of a demand for vessels has something to do with the depression in the business just now?

Mr. TAYLOR. Undoubtedly; there is no question about that.

The CHAIRMAN. I suppose that you experienced periods of depression before the war?

Mr. TAYLOR. Oh, yes.

Mr. MORRELL. You have seen dull times in ship-building before?

Mr. TAYLOR. Yes, sir; very dull indeed.

Mr. MORRELL. Do you not think that the introduction of iron vessels and of vessels of larger capacity propelled by steam has had a great deal to do with the depression of the ship-building business?

Mr. TAYLOR. It may have; I should think, however, very little now.

Mr. MORRELL. One vessel of large capacity takes the place of several vessels of smaller capacity and makes quicker trips?

Mr. TAYLOR. Yes, that affects the coastwise trade and perhaps the trade between here and Europe. It has been asked whether iron ships would finally supersede wooden ones entirely. There are some trades which iron ships are not fit for. For instance, the China trade. There they prefer wooden ships. In Calcutta and Bombay iron ships have quite the preference over wooden ones—some half dollar a ton, I think, in freight. The question was asked about our competing with foreign labor. I am inclined to think that we can do so. I am satisfied in my own mind that we can. Three years ago I was in Liverpool and had some large repairs done upon a ship there, and I made up my mind that so far as the labor was concerned we could do the work quite as cheap. Two years ago I was in Bremen, where labor was very low—only sixty cents a day for the best mechanics. I am satisfied that labor there costs more than it does here in Boston, although we pay four dollars a day and they only pay sixty cents.

Mr. WELLS. Why do they prefer wooden ships to iron ships in the China trade?

Mr. TAYLOR. I do not know. I think that I know the fact, but why it is I do not know.

The CHAIRMAN. If you have any other suggestions to make, the committee will be pleased to hear them.

Mr. TAYLOR. In reference to repealing the navigation laws, it occurs to me that in that case the government would be more seriously affected than even ship-builders or merchants, for, as Mr. Hall says, the ship-carpenters would become extinct in a short time, there would be scarcely enough left to repair old vessels, and then in case of a war like the last one, or in case of a war with England, (and such a thing may be,) we should be in no position whatever to provide ships of war, because our mechanics would be all gone.

Mr. WELLS. Is not the navigation law virtually repealed already?

Mr. TAYLOR. I think not.

Mr. WELLS. There is nothing to prevent American ship-owners buying ships in England and running them under the English flag?

Mr. TAYLOR. No, sir; but that has its disadvantages.

Mr. WELLS. It has been shown before the committee that it also has its advantages, as they get their stores cheaper and labor cheaper.

Mr. TAYLOR. Perhaps so.

Mr. WELLS. I suppose that the disadvantages are with reference to the title to the property and to the management of it?

Mr. TAYLOR. That is the disadvantage that I have spoken of.

Mr. MORRELL. Would not the allowance of a drawback of duty on all the materials going into the construction of a ship operate to exclude the use of American materials?

Mr. TAYLOR. No, sir; it would affect the prices of American materials, as Mr. Smith represented.

Mr. MORRELL. Do you not suppose that other interests are affected by legislation the same as your own? Do you not suppose that other interests can be entirely wiped out, as well as the ship-building interest, by adverse legislation?

Mr. TAYLOR. Yes, sir; there is no question about that.

Mr. MORRELL. If you render it impossible to produce those materials in the country profitably—that is, if the labor that produces them can be employed more profitably in other pursuits than in producing materials for ship-building—would it not operate to prevent their production here, and to compel you to buy foreign materials?

Mr. TAYLOR. Yes, sir; that would be the tendency, beyond a doubt.

Mr. HOLMAN. It is a fact, however, that certain interests have been rather protected by the events of the war?

Mr. TAYLOR. Yes, sir.

Mr. HOLMAN. Has not ship-building been entirely depressed by the war?

Mr. TAYLOR. Very much so. It was effectually destroyed. Those who were engaged in it were carrying it on under great disadvantages and loss; whereas the iron trade has been protected, so that the people engaged in it have been making money.

Mr. CALKIN. Do you think that if you were able to build ships cheap in Boston the Boston merchants would put their money in them?

Mr. TAYLOR. Yes, sir, I do.

Mr. HOLMAN. At as cheap a rate as foreign capitalists? For instance, will not an English or a French or a Prussian capitalist invest his money in ships at from four to five and six per cent.? And with the various advantageous modes of investing money in the United States, will American capitalists do that?

Mr. TAYLOR. I think they will. I think that a certain class of American capitalists would prefer to invest in ships rather than in anything else.

Mr. HOLMAN. That would be the case, perhaps, in commercial centers and in ship-building districts?

Mr. TAYLOR. Yes, sir.

Mr. PAUL CURTIS, ship-builder, next made a statement to the committee. He said that he could not add much to what had been already said. It was very evident that under the existing tariff ships could not be built in this country. If a ship-builder should go to a merchant and ask him to buy a ship, the merchant would say, "No, our ships are taxed too much. I cannot invest money in them." He thought that there would not be any ship-building done in Boston, at present, were it not for the purpose of keeping up the ship-yards. He himself was not building any at present. He had built a ship this summer of 1,418 tons, new measurement.

The CHAIRMAN. Please state to the committee the difference in the cost of the labor on that ship now, and what it would have been before the war—both in gold.

Mr. CURTIS. If you take gold at one-third higher than currency, I do

not think there would be any great difference. Ship-carpenters are working probably as cheap as they can work.

The CHAIRMAN. What were the average rates of wages paid to ship-carpenters before the war, say from 1852 to 1860?

Mr. CURTIS. In California times we were paying a great deal more than we are paying now. That was from 1852 to 1854. There was a great deal of building then, and frequently when we got a ship built she would fetch ten thousand or twelve thousand dollars more than the contract price. Now it is quite the reverse. We get a ship built and there is no chance to sell her so as to make anything out of her. Lately I have not built any ships except on contract. This ship that I built was built on English account. They sent over word that if we could build a ship at so many pounds sterling we might go ahead and build her. We could not meet them at first, but finally we did get together and took the ship very low and built her. One of the parties in England, however, thought that he preferred an iron ship, and he requested us to sell her on his account. That ship was built at some four thousand or five thousand dollars less than we could duplicate her for, and yet we would not find a merchant who would buy that ship. She was offered here at two and a half per cent. on the cost, and there was no one to step forward and buy her.

The CHAIRMAN. Have you made any estimate as to the difference in the enhanced cost of materials at present and before the war?

Mr. CURTIS. Hard pine is about a third higher. Before the war we could get hard pine at twenty-five cents, and now we are paying from thirty-six cents to thirty-eight cents.

The CHAIRMAN. How is it as to the cost of iron?

Mr. CURTIS. Iron is a great deal higher.

The CHAIRMAN. How much is the total cost of iron to-day that is put into a thousand-ton ship all fitted for sea?

Mr. CURTIS. I do not know exactly. All that I know is that the lowest ever paid for iron was thirty-seven dollars a ton, and now we are paying somewhere about eighty dollars.

Mr. MORRELL. When did you buy iron at that price?

Mr. CURTIS. I guess four or five years before the war. I imported it.

The CHAIRMAN. You were going on to state the cost of all the materials entering into the construction of a ship?

Mr. CURTIS. Mr. McKay says that he went into a careful calculation, and that he made out the difference in the cost of a thousand-ton ship, caused by the tariff, to be from eight thousand to ten thousand dollars.

Mr. WELLS. What does it cost to build a wooden ship of that tonnage?

Mr. CURTIS. We can build her for about eighty dollars a ton in currency.

Mr. MORRELL. What would she have cost from 1855 to 1860?

Mr. CURTIS. You would have got her for about fifty-five dollars a ton.

The CHAIRMAN. Do you mean fitted out for sea?

Mr. CURTIS. Yes, sir. I have rigged many a ship for eleven thousand or twelve thousand dollars. This ship which I have just sent away cost us twenty-five thousand dollars for rigging, over and above the hull.

The CHAIRMAN. That is a great deal more than the difference which you have just stated as the difference on all the materials.

Mr. CURTIS. These ships may not have been quite as large; but for a number of years the price of rigging a ship did not vary a thousand dollars. It would be from eleven thousand to twelve thousand dol-

lars. At present they are using iron with the rigging, and they would probably use it more than they do if it were not for the high tariff on it.

The CHAIRMAN. Is it used to any great extent upon wooden ships?

Mr. CURTIS. There have been three or four lately rigged with it; this one which I have just sent away was rigged with iron rigging; but I believe our merchants think that they would rather have the hemp rigging, because the old hemp will sell for enough to pay for the wear; they use the hemp here for some time, and then they go to England and put in wire rigging, and the hemp is then worth as much to sell as the wire costs in England.

Mr. HOLMAN. Prior to 1860 to what extent were vessels built by ship-builders of Boston for foreign capitalists?

Mr. CURTIS. When we built ships on our own account, if we could not sell them here we sent them to Europe; and there were a great many built here and sold in that way.

Mr. HOLMAN. Do you know of any having been built by contract with foreign capitalists prior to 1860?

Mr. CURTIS. Yes, sir; I built some myself, and I believe two or three since 1860 for the firm of Warren & Co.; four years ago I built a wooden ship for them of one thousand three hundred or one thousand four hundred tons; two or three years before that I built one of one thousand one hundred or one thousand two hundred tons for them. I do not know whether we can compete with the English in iron-ship building; we cannot at present; but I am satisfied that we can in wooden-ship building if we could have some relief on the tariff on our materials.

Mr. HOLMAN. You think that if the materials were relieved from taxation our ship-builders could compete with English ship-builders as to wooden vessels?

Mr. CURTIS. Yes, sir.

Mr. HOLMAN. But you think it doubtful as to iron-ship building, supposing that iron were relieved entirely from duty?

Mr. CURTIS. We should want a little more experience than we have got; the English are building their iron ships very scientifically—that is, they have got fairly under way, and it would require some time for us to do so.

Mr. HOLMAN. Is it not an advantage to the English ship-building interest that the rate of interest for capital in England is low?

Mr. CURTIS. Undoubtedly; at the same time I have built three ships for an English house within the last six or seven years.

Mr. CALKIN. Where does the government get its mechanical labor for from the navy yards—ship-carpenters, calkers, engineers, boiler-makers, &c.?

Mr. CURTIS. It gets them, of course, from private yards.

Mr. CALKIN. The government does not educate mechanics of any kind in the navy yards?

Mr. CURTIS. No, sir; apprentices are very seldom taken.

Mr. MORRELL. I understood you to say that a ship which formerly cost fifty-five thousand dollars would now cost about eighty thousand dollars?

Mr. CURTIS. Yes, sir; it would not vary much from that.

Mr. MORRELL. That is eighty thousand dollars in currency against fifty-five thousand dollars in gold before the war?

Mr. CURTIS. Yes, sir.

Mr. MORRELL. That is twenty-five thousand dollars in currency over the gold cost?



Mr. CURTIS. Perhaps eighty dollars a ton is a little more than a ship would cost now.

Mr. MORRELL. I think it was stated in New York that a ship could be built for seventy-five dollars a ton.

Mr. CURTIS. We took an account of stock before we commenced to build this last ship, and we took an account of stock after we got through. We took the contract for less than eighty dollars a ton; but we lost money on it. For a thousand-ton ship I should say that eighty dollars a ton was a fair price; but for a larger ship it could be done cheaper. It does not cost so much a ton to rig a large ship as it does to rig a small one.

Mr. MORRELL. If all the duties were taken from the materials that entered into the construction of that ship, how much cheaper could you have constructed her?

Mr. CURTIS. I have not gone into that question; I only know, from what Mr. McKay says, that on a thousand-ton ship the difference would be about eight thousand dollars.

Mr. MORRELL. About eight dollars a ton?

Mr. CURTIS. Yes, sir.

Mr. MORRELL. Would the cheapening of a ship eight dollars a ton enable you to find work for it in this port?

Mr. CURTIS. I think it would; I think our merchants would give considerably more for an American-built ship than for a foreign-built ship.

Mr. MORRELL. Then it seems that the whole matter lies in the cheapening of a thousand-ton ship from eight thousand dollars to ten thousand dollars; would it not be a greater boon to the ship-owner if he could get the supplies of that ship relieved from duty rather than have the cost cheapened to that extent?

Mr. CURTIS. The ship-owner would evidently want some other things off. For instance, if Mr. McKay is going to carry his ship to New York, he has got to pay a year's license on her in order that he may carry her to New York and sell her. I understand that it costs six hundred dollars to get a ship sent there.

Mr. MORRELL. Is not that tax in itself more important than the duty on the materials?

Mr. CURTIS. All these things go to depress the business.

Mr. HOLMAN. After the vessel is constructed can the American owner run her as cheap as the English or the French owner?

Mr. CURTIS. I have no doubt that he can, and cheaper; he pays a little more to his men; but he takes less of them, and they are more efficient.

The CHAIRMAN. Do you run ships as well as build them?

Mr. CURTIS. I am to some extent a ship-owner. We are often obliged to take one-eighth of a vessel for the sake of getting the contract to build her.

The CHAIRMAN. Do ship-builders here generally own interests in the ships that they build?

Mr. CURTIS. There has been very little of that business done here. Ship-builders have depended upon the merchants. There is where we have not done so well as the people of Maine have. The ship-builders in Maine have owned parts of the ships, and there is more money made in running ships than there is in building them.

Mr. HOLMAN. Do our merchants attach any importance to the custom that prevails in some European countries of allowing ships' stores to be taken out of bond free of duty? Is that a matter of any importance in any of our lines of trade?

Mr. CURTIS. That is not a subject with which I am familiar.

The CHAIRMAN. Please state the effect on the ship-building interest of the tariff on copper.

Mr. CURTIS. I hear it stated that you can get your yellow-metal some seven or eight cents a pound cheaper in England than we can get it here.

The CHAIRMAN. What is the general practice of ship-builders and ship-owners in reference to the coppering of vessels? Is it generally done here or on the other side of the water?

Mr. CURTIS. If vessels are going to California, they are coppered here. If they are going to a cotton port and thence to Europe, they wait till they get over there.

The CHAIRMAN. If the cost of a ship at the present time is eighty dollars per ton here, would it be as low as that if there was the usual amount of ship-building being done? In other words, is not the cost reduced by the limited amount of business?

Mr. CURTIS. Probably wages would go higher if there was much work doing; but they are repairing vessels at the navy yards and are employing a great deal of labor. That, however, is local and temporary.

The CHAIRMAN. If the navy yard were not in operation would the rates of wages be lower?

Mr. CURTIS. Yes, sir.

The CHAIRMAN. And on the other hand, if ship-building for mercantile purposes were increased, that would increase the cost?

Mr. CURTIS. That would bring it up again, probably.

The CHAIRMAN. If there were ten or fifteen ships building here when you were building yours, would it have cost you any more for the labor; and if so, how much more?

Mr. CURTIS. Undoubtedly, if there were more ships building with the same state of things in the navy yard, there is no doubt but wages would be higher; but that is merely local and confined to the neighborhood of navy yards. Of course the more business that there is doing, the more wages we have got to pay.

The CHAIRMAN. Does not that thing always regulate itself? Does not the increased business always enable you to pay the increased cost of labor?

Mr. CURTIS. Certainly.

The CHAIRMAN. Do you think that you could build a ship for eighty dollars a ton if labor was in as large a demand at present as it was in 1860?

Mr. CURTIS. I do not suppose that I could. I suppose that that would increase the cost of the ship.

Mr. MORRELL. Was there not a time previous to the war when there was a large demand for ships, and when you could not produce them for fifty-five dollars a ton?

Mr. CURTIS. In California times, when everybody went on ships, and when they could get freight enough to pay for the ship, they wanted ships built in a hurry, and then wages were high; but just before the war the business was very much depressed; labor was low, and materials and everything. That is the time when ships could be built at fifty-five dollars per ton.

The CHAIRMAN. In your opinion, providing the materials that enter into the construction of ships were admitted free of duty, you could then build ships in competition with foreign ship-builders?

Mr. CURTIS. We could build wooden ships; I have no doubt of that.

As to iron ships, I have no experience that would enable me to answer the question.

The CHAIRMAN. But you think there is no doubt that the remission of the duties would enable you to build wooden ships here as cheap as before?

Mr. CURTIS. I have no doubt of it.

The CHAIRMAN. Do you believe there would be the demand for the ships in case they were built at that reduced rate?

Mr. CURTIS. I can only say that that is what the merchants estimate.

Mr. MORRELL. Is it not more the tax to which the ship is subjected after she is built that merchants object to, rather than the enhanced cost of the ship itself?

Mr. CURTIS. That is a question which had better be answered by the merchants.

Mr. WELLS. Speaking about coppering those ships, what is the expense of coppering a thousand-ton ship? How many tons of copper does it require?

Mr. CURTIS. I do not know that I can answer that question. Coppering is an extra charge, and it is not very often that we copper ships ourselves.

The CHAIRMAN. If the price of a ship is eighty dollars per ton fitted out for sea, does that include a copper or metal bottom?

Mr. CURTIS. No, sir.

The CHAIRMAN. How much would that increase the cost of a vessel of one thousand tons?

Mr. CURTIS. I suppose about \$4,000 or \$5,000, or four dollars and fifty cents a ton.

Mr. E. H. DERBY next addressed the committee. The committee was aware that the American tonnage, when it culminated in 1851, had reached the point of about five and a half million tons. It had risen just above the tonnage of England. Now, American tonnage had decreased to 4,300,000 tons, and the English tonnage had risen to 7,300,000, and was at present about seven millions. During the late war, and while England drew the great bulk of her cotton from India, the voyage occupied nearly a year; but, when the war ended and England again drew her cotton from America, the voyage was shortened more than half, so that less than half the tonnage was required for that business. That had some effect in diminishing English tonnage, and an immediate check was given to ship-building in England, which had been exceedingly rapid during the war, the tonnage having nearly doubled. Many American vessels had been placed under the English flag, and the consequent increase of English tonnage and decrease of American tonnage had been very great. With the close of the war, when American ships again entered into the field of commerce, there was a great check given to English tonnage; from the end of the war to the present time there had been rather a diminution than increase of English tonnage; but still the disparity between that and the American tonnage was very great.

By referring to statistics of American tonnage it would be found that now the coasting trade preponderated greatly over the foreign trade. By analyzing the returns of about nine months of the past fiscal year—from June to April—he found that the arrivals and clearances in the domestic trade were fifty-one million tons, and the arrivals and clearances in the foreign trade only seventeen millions, showing that the amount of business done in the coasting trade (the voyages being shorter) was nearly three times as great as in the whole foreign trade. When he came to

analyze the foreign trade he found that of this seventeen million tons (of which, in former times, two-thirds were American and one-third foreign) two-thirds were foreign and one-third American, the American dwindling from year to year, and the foreign increasing. He found that, during those nine months which he had examined, the increase in the foreign tonnage was at the rate of fourteen per cent., and the diminution in the American tonnage was at the rate of twenty-eight per cent.; so that it would be seen that the American tonnage engaged in the foreign trade was being very rapidly extinguished, and was being driven from the ocean.

There was on the files of Congress at Washington a very valuable report on the commerce of the United States, which contained the reports of the United States consuls at all the foreign ports. That of Mr. Morse, consul to London, showed that before the war the American tonnage engaged in the carrying trade of the world was two and a half million tons, of English shipping very nearly an equal amount, the aggregate of all the rest not coming up either to the American or English. He (Mr. Derby) entertained no doubt that that two and a half millions of American tonnage was now reduced to five or six or seven hundred thousand tons, (less than one-third of what it had been,) and that that small proportion was rapidly diminishing.

The condition of American shipping at present was, that in the coastwise trade it was gradually and slowly increasing, particularly on the rivers and lakes, and a little on the coast; and that in the foreign trade there was an immense diminution. While the schooners, brigs, and small steamboats were increasing there was a great diminution in the construction of ships. For instance, before the war there were on the average three hundred and fifty ships a year built; now that three hundred and fifty had dwindled to sixty, and those were employed almost entirely in the coastwise trade. It had become apparent from the course of events that American vessels were being driven from the ocean in competition with foreign vessels, that Americans could not hold their own in the foreign trade, and that all they could do was to cling to the coastwise trade.

What had caused this, and how was it to be remedied? It had been said that the diminution in American shipping was due to the war. They had lost by privateers and British pirates between one and two hundred thousand tons of shipping, but that did not explain the loss of tonnage. The explanation was in the diminution in ship-building, and in the departure of vessels from the American flag to the British flag. Thus the tonnage of England had been increased, and that in the United States very materially diminished.

The difficulty in which commerce was at this moment was that, by the legislation of Congress, American vessels were shut out from the foreign trade. First, the vessels that had gone under a foreign flag were forbidden by law to return. They could not come back again. If a sheep were lost it might be recovered and brought back to the fold, but the ship once gone was gone forever. Such was the legislation of Congress. He would say a word for those parties who had parted with their ships. He regarded them as among the most meritorious merchants of the country. The duty of the sailor was to save his ship, to cling to his ship, and to bring her safe back to port. From time immemorial it had been the custom in time of war to put ships under a neutral flag, and it had always been considered perfectly legitimate to do so. During the late war the United States navy could give no protection to commerce. No armed ships could be spared to take care of American commerce on the

open sea. He believed that there had not been a convoy during the war, the armed ships being employed in blockading southern ports, and properly so employed. The question that addressed itself to the committee and to Congress was a question of common sense. Was it to the interest of the country to save its ships? He held that it was to the interest of the country to save the ship, and to bring her safe to port. She could now return safe to port if Congress would only permit her. The question was whether Congress would compel an American owner to continue still to sail his vessel under the English flag, or permit him to bring her back to her own country. These ships could still make good whalers, and render good service in carrying oil from the Pacific and Atlantic. They could render good service in the Pacific trade, carrying lumber from Washington Territory to California. He did not represent one of them directly, but he would respectfully ask that the door be opened to them and that they may be brought home to diminish by so much the tonnage of England and increase that of the United States.

He presumed that at the end of the war there were nearly a million tons of American shipping sailing under the British flag. He did not suppose that there were now more than four or five hundred thousand tons, and he would ask that every American-built ship be permitted to come back. If the government did not take care of them during the war was it not proper that they should take care of themselves, and should they not now have the opportunity to return?

Passing from that subject to the subject of those duties that precluded the building of ships in the United States, he would say, in the first place, that by the navigation act foreign-built ships are prohibited from getting an American registry. He suggested that it would be politic to permit some foreign-built vessels to be owned and registered in the United States on the payment of a duty. If iron ships could be built cheaper in England than in America let them come—not freely, so as to break down American mechanics, but under a duty of ten or fifteen per cent., or \$10 or \$15 per ton; and then let a remission of duty to the same amount be made to the American ship-builder. He would not be in favor of taking the duty directly off the foreign commodity used in ship-building, but would make a general remission of duties to the amount of \$10 per ton. That was Mr. McKay's estimate of the difference in the cost of a thousand-ton iron ship caused by the tariff, not \$8 per ton, as had been mentioned to-day. He would let that sum go to the American ship-builder, and let it go to buy American goods instead of foreign. He had been lately in the provinces, (having made four reports on the subject of reciprocal trade,) and he found that labor there was little less than in the United States; that ship-building materials were inferior in quality, but were suitable for building a cheap class of vessels that would endure for only two-thirds or one-half the length of time that the white-oak vessels built in the United States last. Still, they made them very cheap, and, for certain purposes, they came in competition with the vessels built in the United States. Formerly those vessels had carried lumber to England, Ireland, and Scotland, but, under the free-trade system, they were now excluded from all but the western coasts. Norway, Denmark, and Prussia were sending supplies to the eastern coasts, and were getting round to the Bristol Channel, where the competition was about equal. He entertained the very confident opinion that if the duty on ship-building materials were virtually taken off, by making a concession of so much per ton, American merchants and ship-builders would be enabled not only to supply their own wants but to go into the market and again sell ships abroad. There should be a remis-

sion of \$10 per ton, and at the same time there should be another change which he had seen foreshadowed the other day in California—the restoration of gold and silver as the circulating medium. A specie currency was needed to relieve the shipping interests. If a man were now to build or buy a ship at \$85 per ton, and if next year the country were to go back to the gold currency, he would find his investment reduced to \$60 per ton. Therefore it was necessary to get back to the gold currency as soon as possible, because the present condition of the currency deterred men from going into that kind of investment.

Another view of the subject was, the change produced by substituting steam for sails and iron for wood. They had undertaken recently in Boston to build two magnificent steamers, two of the finest vessels in the world. But Congress had virtually provided, by refusing to grant subsidies, that the United States should have no steamers carrying the mails across the ocean. The only subsidies allowed were to a few vessels running to Brazil and China, not half the number that ought to run between China and California. How could Americans under such circumstances run lines of steamers in competition with English and French lines which were largely subsidized? England had a fleet of a hundred sail of steamers running to the east, to Bombay, Calcutta, Japan, and China. And how was this immense fleet supported? How was it that England had to-day something like 500,000 tons engaged in steam navigation, and a navy more powerful than the navies of all the rest of the world? It was by her subsidies. She gave one, two, three dollars a mile to steamers, and, if necessary, was prepared to give four dollars. France had put on a line to China, and had begun to press the English line a little; but the English government had come forward and said, "We will give you \$3 a mile on condition that your profits shall not get up beyond a certain sum; but you shall run your steamers and not be put down by the French." When other governments pursued the policy of granting liberal subsidies, why should not the American government do the same? Not one of the great steamship lines could have paid expenses without a subsidy, and the subsidy had been the sole basis on which they had run. If that were the case, if they could not run without subsidy, how could American lines run without subsidy, and with all the duties imposed upon them? Were Americans prepared to abandon the ocean? They were abandoning it to-day. If they wished to win fame and wealth on the ocean, as their fathers had done, their steam lines must be subsidized. They must be put on an equality with foreign lines, and then they would compete with the rest of the world.

It had been suggested that navigation should be made free, and that foreign vessels should be admitted to American registry. In theory that might seem to do very well, but would not Congress have to go a step further? When it dealt with navigation in that way, would it not have to go further and take the high duties off manufactured goods, and off iron and other things? If Congress took the high duties off ships, and kept them on everything else, who would want to own ships? What seemed essential to him was that a great reduction should be made in the cost of American-built ships, without doing injury to American manufactures, and that a tax should be put upon foreign-built vessels.

He had been in California the other day, and had seen that there was a competition between the Pacific railroad and the Pacific mail steamers, but he was certain that if the steamers running to Panama could be diverted to China, the diversion of each of the tri-monthly steamers would be worth a million dollars to the railway. In the one case the steamship line was an opponent, in the other case it would be a feeder. He thought

it would be extremely desirable to have a line of propellers established between San Francisco and China, and he understood that the English were thinking of it. It seemed to him that there was so much need of some iron screw propellers for that trade that, if they could not be built cheaply here, some of them should be let in from England, and run on American account.

He had to say a word on another point in this connection. If they were to have shipping, the shipping must have something to carry. But Congress, by its legislation, provided that the foreign business should be to a great extent destroyed. He was rather inclined to give some protection to manufactures; but he thought there were certain limits to the protection which should be given. When duties were higher than thirty per cent. they encouraged smuggling. He found that there was a large amount of smuggling going on from the provinces, which operated in weakening and impairing the force of the United States duties. In the article of woollens particularly there was a very great amount of smuggling. He wished Congress to take off the duty on foreign wool, and to have the wool come in free, as it does in Europe, so as to give American shipping something to do in the way of carrying wool. He had been to California, and had learned something there about the manufacture of wool. The current price of a three-quarter pluck wool—nearly up to the full-blood grade—was twenty-one cents a pound; and he was told they could raise it a good deal cheaper than that. A gentleman, Colonel Halliday, had crossed the mountains in 1854 with a flock of twelve hundred sheep, and lost four hundred on the way.

Mr. WELLS. I understood that it was eight thousand, and that he had lost two thousand.

Mr. DERBY. "I tell the tale as it was told to me" at the Pioneer Woolen Factory in San Francisco; but whether the flock was eight thousand or twelve hundred will not matter materially, because the result is so prodigious that either will answer. That flock has increased to sixty-four thousand, and is yielding \$100,000 a year to him, with wool at twenty-one cents a pound. And yet we have gentlemen from Ohio and Iowa saying that they must have forty or fifty cents a pound on wool, while here is a man making \$100,000 a year out of what was originally worth little or nothing, by selling wool at twenty-one cents a pound in California.

That carries me to the story of La Plata wool. They have on those plains seventy-five million sheep, yielding a large amount of wool. In 1865 we received, principally from that country, Australia, and Africa, eighty-seven million pounds of wool. While we were receiving this large quantity of wool the government threw on the market some army clothing. Probably the country was a little overstocked with woollens. Wool fell in price; an excitement was got up; and a duty equivalent to thirteen or fourteen cents was put on foreign wool. The result was that the importation of wool was reduced from eighty-seven million pounds to twenty-three or twenty-four million pounds, and that sixty million pounds were excluded from the country by that duty. I want to show its effect on shipping. That wool gave employment to several hundred thousand tons of shipping. The vessels engaged in the trade carried back flour, furniture, fish, domestics, and a great variety of commodities from this country. They were exchanged for wool, and the wool was brought here and manufactured. The duty on wool was put up; and what became of La Plata? They sent their wool to England, France, and Belgium, where it was sold very cheap. We who give away our land to the settlers have put on a duty of fourteen cents a pound on an

article which has since been selling in Liverpool at ten cents a pound—a duty of one hundred and forty per cent. The effect is that, in La Plata, they are getting out of the wool business, and are raising cattle instead of sheep. They have advertised a great fair, and have invited our government to send out specimens of all the macines of Yankee invention. They are abandoning the sheep business and are going into the cultivation of wheat and the raising of cattle. We are excluding them from the sheep business, and now they are going to take the cattle business and the wheat business out of our hands. Instead of shipping our wheat from California, England is going to get it more or less from La Plata, because we have excluded her wool.

You are sitting here on the question of ships, but let me say we do not want the ships unless we give them something to do. If you are going to destroy the foreign trade, and to say that foreign wool shall not be imported, what occasion have we for shipping? If the importation of wool employed three or four hundred thousand tons of shipping, and if you say that no more can be imported, we do not want the ships. Give us the trade.

Take the article of salt. I passed the other day through the very flourishing village of Syracuse, where salt is made. They have a protection of two hundred per cent. on salt. After the Revolution our ancestors put on duties of ten per cent., thinking that that was sufficient. We put on two hundred per cent. The result is that Syracuse is a flourishing village. They are said to have made \$5,000,000 from salt since the war. But the salt trade and the navigation that should bring the salt home is very much broken down. In New Brunswick the duty on salt is three per cent., in the United States two hundred per cent. We compete with New Brunswick and Nova Scotia in the fisheries. Some relief was given by Congress. It was provided that all the salt which our fishermen could buy in New Brunswick (and no thanks to Congress for that, for our fishermen could stop at the Nova Scotian ports and take the salt) should be free of duty. And what do you think the Syracusans do? They determined that we should not have a salt trade with the West Indies. They come to Gloucester and say, "We have two prices of salt—that which is used on shore and that which is used on sea. We will take the duty off the price of that used at sea." They go over to Canada and sell salt, duty free, at a certain price; but if New York wants to buy salt it must pay two hundred per cent. additional in order to get it. The Syracusans go to Saginaw and say, "Gentlemen, you are trying to get salt out of your springs; we will undertake to supply you with what you want cheaper." Thus they monopolize the salt business of the country under a duty of two hundred per cent. The result is that they have come here to Boston, and stolen one of our clergymen and made him a bishop in their country. They are showing an unbounded prosperity, as I understand, on this basis of two hundred per cent. duty on salt. We ought to have a million tons of salt imported over what we do import to-day. The sun makes it gratuitously, and you can put it on board ship in the West Indies for eight cents a bushel or two dollars a ton. All the salt that you want you can get at the West Indies, or Cadiz, or up the Mediterranean to Sicily at about two dollars per ton, made by solar evaporation; while we put the duty at two hundred per cent., and burn up our forests for the purpose of benefiting Syracuse, and deprive our shipping of its legitimate business.

What I would suggest in regard to shipping is this: Take off the duties on ship-building materials. The question is, can you afford it? Mr. Wells told us a year or two ago that the surplus revenue was one hun-



dred and twenty million dollars. Mr. Wells is a very careful man. He always underrates. He does it habitually. He holds a responsible office and does not want to be deceived. I feel confident, from looking over the same figures, that our customs are paying to-day two hundred million dollars a year, and our internal revenue two hundred million dollars. We are also running from twenty to thirty per cent. ahead of last year on our incidental revenue. We are selling every week one or two millions of gold at about thirty, and putting into the treasury from this source about thirty millions a year. There is a revenue of four hundred and thirty millions. Our estimated expenditures are two hundred and ninety millions, leaving a surplus of one hundred and forty millions. By reducing the duty on a few articles, such as Spanish cigars, spirits, spices, and wines, you can actually increase that surplus up to one hundred and eighty millions. Just as by reducing the tax on whisky from two dollars to fifty cents a gallon you increased the revenue from it from eight millions to eighty. So that, with our revenue capable of being made, by reduction of duties, equal to one hundred and eighty millions surplus, you can make very large reductions in these foreign duties, and so aid shipping. You will aid shipping more by reducing the duties than in any other way. I speak as one in favor of protection incidental to revenue. I do not speak as a free-trader. I do not go to those extremes. Perhaps I am not wise in not going further than I do. But I stand on moderate protection. Your protection to-day is forty-eight per cent. on the average on everything that you import. How was it before the war? Fourteen and a half per cent. was the average. Is Congress aware of that great disparity? Is Congress aware that we have crept up from fourteen and a half per cent. to forty-eight per cent. duty on everything that we import? Does Congress believe that forty-eight per cent. is a proper stage of duties, or that we are to maintain them at that rate? Is it just for this nation to do it? I respectfully submit that it is not wise nor just for this nation to do it.

In reference to the facilities for smuggling from the provinces into the United States, Mr. Derby related an incident which came within his own knowledge, of a merchant tailor in Halifax who showed him his order-book containing orders for suits of clothes from a large number of Americans, some of them wealthy residents of Boston, and which were delivered in Boston free of duty and at the same price as if they had been delivered in Halifax. He said that the only way was to do what the English and French and Belgians had done, that is, to go back to free trade in wools. The man who had his land gratuitously, or who could get it with scrip at seventy cents an acre, certainly did not need protection as against the Frenchman whose land cost him four hundred dollars an acre, or against the Englishman whose land cost him three hundred dollars an acre. Some employment must be given to American shipping, and if Congress was going to favor the shipping interest, the duties on imports should be at such a rate as that goods could be imported into this country.

The CHAIRMAN. Speaking of the vessels which sought protection under the English flag during the rebellion, you say that it has been the policy of all nations in times of war to allow their subjects to put their ships under a neutral flag. Do you think that during our late war Great Britain occupied the position of a neutral toward us?

Mr. DERBY. Only nominally. I do not think she was really a neutral, but she was nominally so, and the merchants had a right to consider her so.

Mr. CALKIN. In regard to subsidies, can you inform the committee how much money the English government is now paying for subsidies?

Mr. DERBY. The London Times of April 1, 1869, states that the Cunard Company was paid prior to 1868 £178,000 a year for one weekly service, and then £80,000 a year, and all the postages on letters from America. Seventeen lines of steamers have made during the last year 1,322 voyages between England and America. The Inman line is now paid for one weekly service. Three lines of British steamships subsidized for the carriage of the mails, viz., the Cunard, the Royal, and the Peninsular and Oriental Steamship Companies, employ more than 200,000 tons of shipping propelled by steam. The amount paid them has ranged from \$1 to \$3 per mile. In addition to these many other lines were subsidized from England, viz., a line to Montreal, a line to the coast of Africa, the Inman line, a line to Brazil, a line to Australia, and a line to the coast of Chili and Peru. The last named has fourteen steamships. The trade between Liverpool and the Mediterranean, chiefly conducted by them, amounts to 600,000 tons a year. In 1843 the Cunard line had four steamers, of 5,000 tons. In 1865 it had thirty-seven steamers, of 67,000 tons.

Mr. MORRELL. I infer from your remarks that a large proportion of the seeming decline in American commerce is only nominally so, and that the difference consists in vessels sailing under a foreign flag but still belonging to American citizens?

Mr. DERBY. That element, however, is diminishing. As these ships perish they are not supplied, and when the owners can sell them they do so. They are reluctant to have foreigners hold a trusteeship of their property.

Mr. MORRELL. At the present time the apparent falling off has not been entirely real?

Mr. DERBY. Not entirely. I think that we own still four or five hundred thousand tons sailing under the British flag; but I think that that tonnage is diminishing at the rate of 100,000 tons a year.

The CHAIRMAN. What is the average life of a wooden ship?

Mr. DERBY. There is a difference of opinion upon that. It depends very much upon the class of ship. A good white-oak built ship will last sometimes twenty or thirty years; but taking the chances of life, I suppose that twelve or thirteen years would be the average duration of a wooden ship. The average duration of the wooden ships built in the Provinces is not more than six or eight years. I have seen a ship that was built by my grandfather, and which, I think, was run after being forty or fifty years old. Ships are like individuals; some of them have greater longevity than others.

Mr. HOLMAN. Is there any commercial power that entirely excludes from its registration foreign-built vessels?

Mr. DERBY. I am not aware of it.

Mr. HOLMAN. What is the most general policy? Do any of the continental powers admit foreign-built vessels to register except on the payment of some duty? And what is the average of that duty?

Mr. DERBY. My knowledge does not extend that far. I know that there is a disposition among continental nations to increase their marine. Their duties are very low.

Mr. HOLMAN. What would be the effect on our commerce (disconnected with ship-building) of allowing foreign-built vessels an American registration on payment of a duty of ten or fifteen per cent., and at the same time excluding them from the coastwise trade?

Mr. DERBY. I am inclined to think that that would be the best policy.

Mr. HOLMAN. If Congress should allow foreign-built vessels to obtain an American registration on payment of, say, ten per cent., relieve the ship-building interest of the United States from the taxes on the materials entering into the construction of ships, and secure to American ship-builders the coastwise trade, what effect would these three measures, taken together, have both upon commerce and ship-building?

Mr. DERBY. If you allow me to make one modification, and instead of ten per cent. duty on foreign vessels, say \$10 per ton, I would go for the measure heartily and think it a most beneficial one.

Mr. HOLMAN. Would it, in your judgment, promote our commercial interest, and at the same time afford a reasonable protection to the ship-building interest?

Mr. DERBY. With the modification I have suggested, I think it would. I would allow ten dollars per ton on wooden ships, and from fifteen to eighteen dollars a ton on iron ships. I am fearful of taking off the duties on the materials. In the Provinces there is a very strong disposition to join the United States, particularly in the maritime provinces; but if you let in their vessels free, or at a duty of ten per cent., they would not join us. They would stay where they are. I would have the duty high enough to induce them to come.

The CHAIRMAN. Do you know of any nation which puts a duty on the raw materials that enter into the construction of ships?

Mr. DERBY. I do not recollect any. I think that these materials ought to come in free, either by a remission of duty or in some other way. I think the remission of duty would be the fairest way. I am very much impressed with the importance of subsidies to steamers; so much so that I volunteered to speak before the Post Office Committee at Washington on that subject.

Mr. CALKIN. Is it your opinion that we cannot support steamship lines without subsidies?

Mr. DERBY. I do not see how we can.

The CHAIRMAN. I understood you to say that steamers were superseding sailing-vessels, and that that was one of the causes of the decline of our tonnage. How do you account for the fact that in the whole foreign commerce of New England, neither a foreign nor an American line of steamships has been able to sustain itself in competition with sailing-vessels? Does not this prove that steamers, standing on the same footing, cannot compete with sailing-vessels in long voyages, and in foreign commerce, unaided by any subsidy?

Mr. DERBY. I am inclined to that opinion, that steamers require the aid of subsidies to compete.

Mr. MORRELL. Are not subsidies confined to vessels that are required to make quick time?

Mr. DERBY. I understand that of late they have been building a class of vessels at Glasgow—cheap vessels—that will run for twenty-four hours with one ton of coal to the hundred tons, or ten tons of coal to the thousand-ton ships. I presume that that class of vessels running slowly would be able to compete with sailing-vessels; but I believe that the great increase in the steam navy of England has been due to the subsidies which have given it a stimulus. Congress did give a subsidy to one European line, the Collins line; but the vessels of that line were so expensive that even with the subsidy they could not get along. If they had followed the policy of the Cunard line, with a liberal subsidy of Congress, they would have been successful. One of the mistakes of

our countrymen is, in undertaking to strike out new paths instead of following others which have already been discovered. Since the introduction of screw steamers, the English government has reduced the subsidy.

Mr. WELLS. But only a portion of the English lines are subsidized.

Mr. DERBY. I believe that that is so; but the steamship lines have been built up by the aid of previous subsidies. I think that that class of screw steamers which I have just alluded to might possibly be built to run slowly, carrying merchandise which would make money without a subsidy.

Mr. WELLS. It has been stated that not only in England but also in Germany and France ships' stores are taken out of bond without payment of duty.

Mr. DERBY. That is the case in England. I know that their wines and supplies of that kind are taken out of bond duty free; and with respect to coal, I believe that the foreign coal was taken out of bond here duty free by the Cunard line, under a certificate that it is consumed at sea.

The CHAIRMAN. Is that the case now?

Mr. DERBY. It was the case some years ago.

The CHAIRMAN. It is the same, I suppose, with American vessels; they would have the same advantage as the foreign vessels?

Mr. DERBY. Yes, sir; I am told that in the matter of coal the Cunard line had ultimately to refund the duty. They gave bond to have the question passed upon afterward. I am told that they made a test case of it, and that the decision was against them.

The CHAIRMAN. In either case, whether they paid the duty or obtained it free, the American and foreign vessels would be on the same footing?

Mr. DERBY. Certainly. The question has been asked to-day, whether ship-owners should not be favored in getting their supplies free of duty, so as to compensate for the duties on the ship-building materials. I should apprehend that the compensation would not be sufficient. The great expense of ship-owners is in fuel.

Mr. WELLS. Which would be the better policy; to remit the duties on the materials entering into the construction of ships, or to make an average allowance per ton?

Mr. DERBY. The difficulty that I see in allowing a drawback upon the materials actually used would be that American ship-builders would use no American iron; they would use nothing but foreign materials.

Mr. WELLS. So that in reality your suggestion is in favor of a bounty to ship-builders, rather than a remission of duties?

Mr. DERBY. Yes, sir; an inducement to build.

Mr. WELLS. Would not the opening of ship-yards for building iron vessels in Massachusetts, Maine, and New York, actually stimulate the manufacture of iron materials that enter into the construction of iron ships? There is none of that material of any consequence made in the United States.

Mr. DERBY. There is a certain amount of it made, because we are building ships for the coasting trade.

Mr. WELLS. Would not the industry in the manufacture of iron for the construction of ships be actually increased by adopting a more liberal policy in reference to the use of foreign materials for ship-building?

Mr. DERBY. I think it would give a great stimulus to the industry of the country. We can build vessels for the coastwise trade ten dollars a ton cheaper, and we can carry the iron and coal cheaper, and thus

stimulate the iron industry. There is one suggestion which I have omitted. It is this: If you can enlarge American shipping and build a half million tons every year, as we did a few years ago, you make an immense market for American products. If a Hamburg ship does the business, or if an Italian ship does the business, they get most of their supplies from Germany and from Italy. But if an American ship does the business its supplies are got here almost entirely, and you thus make a great market for the produce of the farm by reviving the navigation interest. All that market is now lost, and the men who have been sailors, and who have been using the products of the West, are now liable to become farmers in the West.

Mr. WELLS. In making this remission of duty or this bounty, should vessels for the inland commerce have the same benefits as ships for foreign commerce?

Mr. DERBY. That question is in my mind. It is not so essential for vessels in the coastwise trade as it is for vessels in the foreign trade; because in the foreign trade we meet foreign competitors; but in the domestic trade we meet only domestic competitors.

Mr. WELLS. Do we not meet the foreign competitor in our coastwise trade as competing with the railroad interest owned by foreigners?

Mr. DERBY. There is a competition there with the railway, unquestionably.

Mr. WELLS. And the more steamboats we can build, and the greater facilities, and the more drawbacks we can give them, the cheaper we get our wheat to market.

Mr. DERBY. Certainly, sir. But I am so much of a railroad man myself, that if we do anything for steamers I should like the same thing to be done for railroads, which are a benefit to them. But I was looking at the foreign competition which is driving us from the ocean.

Mr. CALKIN. I take it that this question resolves itself down to a question of developing the labor of the country generally on all points?

Mr. DERBY. Yes, sir; to a great extent the promotion of navigation benefits the whole country.

Mr. CALKIN. Exactly. Your whole argument has been that if we build ships we encourage all the other interests of the country?

Mr. DERBY. We do; and I think that by discouraging ship-building we are building up a competition with our farmers and depressing the labor of the West.

Mr. HARRISON LORING, iron ship builder, argued against the policy of a rapid contraction of the currency and return to specie payments, and submitted citations and figures from an English atlas (Tulloch's) to show the effect in Great Britain of expansions and contractions of the currency—expansions being followed by general prosperity and contractions by stagnation in business.

He also called attention to the high rate of interest paid by the United States government as being injurious to business interests. Six per cent. was a rate that was above the labor of the country; and he thought he was safe in saying that, somewhat in proportion as the rate of interest is above the labor of the country, so will money go with increased rapidity from the hands of the masses of the people to those of the rich and to the great cities. At compound interest money at six per cent. would double in eleven years; and it was not possible for labor to produce the same result. He was inclined to think that one of the first steps toward relieving commerce would be the reduction of duties as far as possible.

Mr. CALKIN. You are an iron-ship builder?

Mr. LORING. Yes, sir.

Mr. CALKIN. Have you any information to give the committee as to the cost of building iron ships, and as to your ability to compete with foreign builders?

Mr. LORING. In 1857, '58, '59, '60, and '61 I could deliver a ship in India or China at the same price as English ship-builders could, but without profit, while the English ship-builder would have from five to ten per cent. profit. In 1857 I built one steamer for parties in Calcutta, and in 1858-59, one for parties in China. The chairman asked Mr. Derby if steam could compete successfully with sailing-vessels. I believe Mr. Derby did not answer that question. I will say that steamers are competing successfully with sailing-vessels without a subsidy. In fact, most of the business with the principal cities on the coast is done by steamers.

Mr. CALKIN. They are really running off sailing-vessels?

Mr. LORING. Yes; from the trade between Boston, New York, Baltimore, Norfolk, Charleston, New Orleans, and Savannah. That is a question which will take care of itself. American steamers can compete successfully with American sailing-vessels in our waters.

Mr. HOLMAN. What, in your judgment, can the government do to revive the ship-building interests of the country?

Mr. LORING. I did not come here prepared to take up the different points and discuss them, and whatever I say will be said in a desultory manner. We all know that no nation can become wealthy on manufactures or on agriculture or on commerce alone, and that nations, to increase in wealth, must encourage two or more of those interests. My idea is, in relation to the whole business of the country, that we must aim to furnish the labor of the country with everything that it consumes, outside and inside, at the lowest possible cost, with a view of reducing the cost to commerce. An additional cost of one per cent. will prevent millions of exports.

Mr. HOLMAN. A nation may promote its commerce at the expense of the manufacturing industry engaged in the construction of ships. That can be done, of course, by allowing the purchase and registry of foreign-built vessels. But, looking at the question in connection with ship-building alone, and as only a mere agent of commerce, can the government do anything to promote the interests of the ship-builders except by relieving ship-building materials from the payment of internal and external duties?

Mr. LORING. Of course the best way would be a reduction of duties on imports; but no one expects that we are coming to free trade.

Mr. HOLMAN. Take only those materials that enter into the construction of ships in which foreign labor comes in competition with our own.

Mr. LORING. That, as Mr. Derby remarked, would interfere with American manufactures. It seems that the only way would be the allowance of a drawback.

Mr. WELLS. What drawback would you suggest for the purpose of encouraging the building of iron ships here?

Mr. LORING. No more than the amount paid in duties.

Mr. WELLS. How much is that per ton?

Mr. LORING. I have not gone into a computation. I presume that ten dollars per ton on wooden vessels is about correct. Wooden ships cost about eighty dollars a ton, and iron ships one hundred and twenty or one hundred and thirty dollars. To encourage iron-ship building of course a drawback should be allowed in-proportion to the extra cost.

Mr. WELLS. Would a drawback of twenty dollars per ton be sufficient?

Mr. LORING. It is easily computed. I do not know what the cost of iron ships in England is. It is some three years since we have given up all idea of building. I have all the facilities for building. I am keeping up an establishment and organization in hopes of having some relief.

Mr. WELLS. It was stated before the committee in New York that twelve dollars per ton would be sufficient to justify the building of iron vessels in this country.

Mr. LORING. I think it was set too low. That would be discriminating in favor of wooden vessels. If ten dollars per ton be allowed for a wooden ship, the amount for an iron ship should be in the proportion to the cost, which is one hundred and twenty-five dollars per ton to eighty dollars for a wooden vessel.

Mr. WELLS. It was remarked there that a wooden ship could be built in England at from fifty-five to sixty dollars, and here at about seventy dollars, and that an iron ship cost in England about one hundred and twelve dollars a ton, and here from one hundred and twenty to one hundred and twenty-five dollars—the difference being from ten to fifteen dollars.

Mr. LORING. If these are the facts, of course an allowance of twelve dollars per ton would be sufficient.

The CHAIRMAN. In your opinion, as an experienced iron-ship builder, if the duties on iron were remitted, could American ship-builders then compete with foreign ship-builders?

Mr. LORING. There is no question as to that; we have one great advantage in this—that an American ship of the same weight of metal would be very much stronger than an English vessel, and would have a better reputation all over the world.

The committee here took a recess for dinner.

#### AFTERNOON SESSION.

Mr. ANDREW T. HALL, of Boston, ship-owner, said that there could be no question as to the very positive decline in the shipping interests of New England. This had always been a great point for building ships. There was no time within the past fifteen years that ships on the stocks could not be counted by dozens in and around Boston. Now there were none on the stocks. Iron was so very heavily taxed that, without something in the nature of a drawback, American ship-builders could not compete with English ship-builders. Iron ships had been recently introduced in England for commercial purposes, and would enter largely into the carrying trade of the world. Americans could not begin to compete with the English in iron ship building. As to wooden ships, they were still trying to keep the business alive. He had, himself, built a large wooden ship within the last few weeks, but there was very little opportunity for profit in the business. What ship-builders wanted, he thought, was a drawback of duty on the iron used in the manufacture of ships. There was a good deal of iron rigging used now in ships, which had not been the case heretofore, and a drawback of duty upon it would be a material help.

Mr. CALKIN. Do you make a specialty of the iron, or do you require a drawback on all the articles entering into the construction of a ship?

Mr. HALL. Iron is the principal object, because the wood we have ourselves, and the copper also.

Mr. CALKIN. Do you speak of iron ships particularly?

Mr. HALL. I am speaking of iron ships. There is not so much difference in the foreign and American value of copper as there is in that of iron. We are producing such a large quantity of copper that the price has been reduced somewhat.

Mr. HOLMAN. To what extent, if it should be done at all, do you think this government should adopt a more liberal policy than its present one with reference to the admission of foreign-built vessels to American registry?

Mr. HALL. I should think that that would be the means of driving every ship mechanic out of the country.

Mr. HOLMAN. What effect would it have on the commerce of the country alone, apart from the ship-building interest?

Mr. HALL. We should have no commerce but in foreign-built ships.

Mr. HOLMAN. Suppose that all articles entering into the construction of ships were relieved from taxation, that the coastwise trade was reserved exclusively to American-built vessels, and that foreign-built vessels were admitted to American registry on the payment of a small duty, say ten or fifteen per cent. on the value, what effect would these three measures, taken together, have on our commerce as well as on our ship-building?

Mr. HALL. I have not thought of it in the view that you present it. I should suppose, however, that any mode which would introduce foreign-built ships into our mercantile marine would be adverse to American interests.

Mr. HOLMAN. Our policy, however, up to the present time, has been more restrictive than that of any other commercial nation?

Mr. HALL. Yes, sir. We have a reputation in New England of building good ships—ships that last. The reputation of the Provinces in that respect is far inferior. Their ships will rarely last over four or five years, whereas New England ships frequently last from fifteen to twenty-five years.

Mr. HOLMAN. If the materials used in the construction of wooden vessels were relieved from taxation, how far do you think that would enable the American ship-builder to compete with the foreign ship-builder?

Mr. HALL. I think it would enable him to compete entirely.

Mr. HOLMAN. And as to iron vessels?

Mr. HALL. As to iron vessels also.

Mr. HOLMAN. As successfully?

Mr. HALL. It would take us some time to compete with England in iron vessels. We would have to get up large establishments like theirs. There are establishments in England where they are building fourteen or fifteen iron ships at a time. We could hardly expect to go into the business so extensively at present, but we would arrive at it in course of time.

Mr. HOLMAN. What probability is there, in the immediate future, of iron vessels superseding wooden ones?

Mr. HALL. Judging from what they have done in England, I should think that half our ships for the foreign trade would be iron ships. There are objections to iron ships which do not apply to wooden ships—as, for instance, if an iron ship gets on a rock she is gone, whereas a wooden one, although injured, may be got off. But, keeping them off the rocks, the iron ship lasts much longer than the wooden one. In England they class iron ships for insurance at twenty years. At the end of that time she is examined and is classed for twenty years more, so



that they run on a low rate of insurance for forty years. Then they require no calking. They require, once a year, to go into dock to be cleaned. And they run at much less expense than wooden vessels. I cannot say what the difference in the rates of insurance between an iron and a wooden vessel is. The difference is in favor of the iron vessel.

Mr. CALKIN. Is there any difference in the insurance here?

Mr. HALL. I do not know.

Mr. CALKIN. You spoke of their having advantages in England over us in building iron ships. Is their machinery for constructing iron ships superior to ours?

Mr. HALL. They have a greater magnitude of machinery. They have larger establishments. We could come to it here if we had a demand for the ships. There is an immense capital employed in the business there, which in this country we are hardly able to furnish. Mr. Laird's concern, opposite Liverpool, is almost a town. All along the Clyde, in Glasgow, there are immense establishments. Where we commence with dollars they do with pounds.

The CHAIRMAN. What preference do iron ships have over wooden ones in freight?

Mr. HALL. They have no advantage in carrying except that they can be sailed cheaper.

The CHAIRMAN. Do iron vessels command higher rates of freight than wooden vessels?

Mr. HALL. I should think not. I should think that, if anything, the reverse would be the case. I think that wooden ships would have the preference for our East India voyages. There are some cargoes, salt for instance, that cannot be brought as well in iron as in wooden ships.

The CHAIRMAN. Do you think that the cargo is generally carried as well in wooden as in iron ships?

Mr. HALL. I should think so. I should give the wooden ships the preference.

Mr. HOLMAN. Can you suggest any other means by which the American shipping interest can be improved than what you have mentioned—the abatement of the duty or internal and external tax on the materials used?

Mr. HALL. I know of no other advantage that we should have the right to claim. I do not think that the ship-builders of New England would call on the government for any other aid.

Mr. HOLMAN. That would be more practicable, you think, than bounties?

Mr. HALL. Yes, sir. I am not in favor of any bounties for American ships. We want to be allowed a chance of competing with foreign ship-builders by having the materials that enter into the construction of ships free of duty. It would be very beneficial to the ship-owner, and would increase the production of our own iron founderies.

Mr. HOLMAN. Would you regard it as consistent with the interests of other branches of industry to encourage the production of iron to a greater extent than at present, and at the same time to relieve ship-builders from the duty imposed on that article?

Mr. HALL. I am not prepared to advocate that. I only regret, as an American, that we are so dependent on abroad for the immense supply of iron that we should furnish ourselves. It is for Congress to suggest a remedy.

Mr. CALKIN. Do you think that the iron interest is protected sufficiently to warrant the construction of other founderies?

Mr. HALL. I do not know enough of the trade to answer the question.

Practically speaking, it does not appear to be, judging by the enormous quantities landed on the Constitution dock here from Liverpool. That is all that I judge by.

The CHAIRMAN. To what extent would allowing vessels to take ships' stores in bond, as is done in England, relieve the shipping interest?

Mr. HALL. I think it would be proper to allow ships going on foreign voyages to take goods in original packages free of duty.

The CHAIRMAN. How much of an item would that be? Would it be any measure of relief to the ship-owner?

Mr. HALL. Not to a very great extent, except in packet-ships, where they carry a large number of passengers. There it would be quite a relief. It would be a very great advantage to the steamship lines. You can get a bottle of champagne on the English steamers cheaper than you can get it in Liverpool, although they put on large profits on board ship. It might lead to abuse; but I think that where goods can be taken out of bond in original packages—bags of coffee, barrels of sugar, &c.—it would be a very important relief to the shipping interest to allow it to be done. I regret very much to see mooted the subject of admitting foreign ships to registry in this country. I think that it would be, if anything, more destructive than the high duty on ship-building materials.

The CHAIRMAN. Do you think that the admitting foreign ships to American registry would have a tendency gradually to transfer the shipping interests to the other side of the water, and make our ships largely foreign and only nominally American?

Mr. HALL. I think it would. I think it would be a death-blow to ship-building in this country.

The CHAIRMAN. And that the ownership, as well as the building, would go to the other side?

Mr. HALL. In a great measure.

Mr. HOLMAN. No nation, I suppose, allows a foreigner to hold the title to a ship registered there?

Mr. HALL. I think not.

Mr. HOLMAN. So that, if the American government adopt a more liberal policy, the title would have to be in an American citizen?

Mr. HALL. Yes. During the war many of our citizens put their ships under the English flag, put in captains, and took mortgages on the ships. I was told in England that those mortgages were of no legal effect, as being in violation of the law.

The CHAIRMAN. Do you not understand that there are a great many Americans owning ships that do sail under a foreign flag?

Mr. HALL. I do not think it is so to a great extent. I have no means, however, of knowing.

Mr. HOLMAN. And, on the other hand, I suppose there are foreign capitalists interested in our vessels sailing under an American register?

Mr. HALL. Unquestionably, to some extent. All the lines of steamships to this country are owned by foreigners. I take it that the amount owned by Americans in those ships is a mere bagatelle, if any at all.

Mr. HOLMAN. Is it your opinion that the commercial interests of the country are promoted by adhering to our present policy in regard to the nationalizing of foreign bottoms?

Mr. HALL. Decidedly so.

Mr. HOLMAN. You think that it would promote the permanent commercial interest of the country to adhere to that policy?

Mr. HALL. I do.

Mr. HOLMAN. Yet it is not the policy of any other commercial power ?

Mr. HALL. No, sir.

The CHAIRMAN. Do you know how long Great Britain adhered to the policy of excluding foreign ships from English registry ?

Mr. HALL. No, sir, I do not.

Mr. HOLMAN. Has not the policy of Great Britain rather been to increase and enlarge her carrying trade than to promote specially ship-building ; and has not the ship-building interest been promoted by her more liberal commercial policy ?

Mr. HALL. I have not seen any evidence of it. I judge that the commercial activity of the English has arisen solely from their having advantages over us in building iron ships. They certainly have not increased their wooden ships. It is the iron marine that has been affected most. That has been increased many hundred thousand tons.

Mr. HOLMAN. Up to 1860 we had considerable advantage over Great Britain in the construction of wooden vessels ?

Mr. HALL. I think we had. American ships had always the preference all over the world for freight. There was no port where English and American vessels were together that the American vessels had not the preference. There was some difference in the China trade, for which their ships were built with a great deal of care and elegance.

Mr. CALKIN. It has been advocated here this morning that those ships which were once under the American flag, and that went under the British flag, should be allowed to come back. What do you think ?

Mr. HALL. I should hope that it will never be done. An American who put his vessel under the English flag should be let keep her there. I have some national feeling about it.

The CHAIRMAN. How many ships did you own during the war ?

Mr. HALL. About six.

The CHAIRMAN. Did you sail them under the American flag under all the disadvantages ?

Mr. HALL. Entirely. I had one ship which was unfortunately put under the English flag without my knowledge. I owned half of her. She lay at Hong-Kong four months and could get no freight. We sent out a power of attorney to sell her. The captain put her under the English flag, brought her to Australia, and there sold her. I am too much of an American to want to have a ship of mine sailed under the English flag.

The CHAIRMAN. You sailed your ships under great disadvantages in keeping them under the American flag ? Those who put their ships under the English flag had a great advantage over you in insurance and rates of freight ?

Mr. HALL. Decidedly. I had to pay double insurance all through the war, which I could have avoided by putting my vessels under the English flag as others did theirs.

Mr. MORRELL. Do you not consider the present depressed condition of American commerce largely due to the unfriendly action of England during the war, in permitting the departure from her ports of such ships as the Alabama ?

Mr. HALL. It had an influence, but to what extent I am not prepared to say.

The CHAIRMAN. I understand you to say that if the materials entering into the construction of ships were relieved from duty you could compete successfully with the English ship-owner in the foreign carrying trade.

Mr. HALL. I believe entirely so. I believe that we build better ships,

more convenient and sightly ships, than the English do, and I believe that we could have a large share in the carrying trade of the world.

The CHAIRMAN. You have to pay higher rates of wages, I presume, to officers and crew than the English do?

Mr. HALL. I should think that our officers are better paid; but I think we sail our ships quite as well as the English do, and with as little expense.

The CHAIRMAN. You think that, on the whole, you sail them as economically as they do?

Mr. HALL. I do.

The CHAIRMAN. In sailing them with a less number of men?

Mr. HALL. No, I think there is better care taken of the ships. I think that American ship-captains are men of a higher grade than English ship-captains—that they are men of more understanding and more mind.

The CHAIRMAN. You think that the greater efficiency of American officers and crews overcomes the difference in the rates of wages that you have to pay?

Mr. HALL. I do.

The CHAIRMAN. So that, on the whole, you can compete with the English in sailing your ships?

Mr. HALL. I think that our intelligence is such that we can manage our ships to better advantage than the English do. Of course there are exceptions; but it is a well-known fact that the captains of American ships are altogether a grade higher than the captains even of English ships. Many of our American captains are part owners of the vessels. The crews are supplied with better provisions than in foreign ships.

Mr. CALKIN. The ship-owners of New York complain on account of the assessment or tax put upon them by the State authorities of New York, as being quite a detriment to the shipping interest. How does that affect it here in Massachusetts? Is there a tax here on the shipping interest?

Mr. HALL. Individual taxation. If a man owns a ship he pays a tax on it as on other property; but there is no special tax on ships. Every man is assessed according to his property, whether it be in ships or anything else.

Mr. MORRELL. Is not that species of property taxed abroad as other property is taxed? Would a ship-owner in England be exempt from paying the same rate on ships as he pays on real estate?

Mr. HALL. I do not know how that is.

Mr. HOLMAN. Is not the decline in our ship-building interest partly attributable to the fact that there are so many other more profitable modes of investing money in this country?

Mr. HALL. I do not think that that enters into the question at all.

Mr. CALKIN. In case the government relieves the ship-building interest and enables American ship-builders to compete with foreigners, do you think that the merchants and capitalists of Boston will put their money in ships again, and go on and build as usual?

Mr. HALL. They will, the moment they see that they can get a return for their money. Show them a probability of success, and there will be capital enough invested in the business.

Mr. HOLMAN. Can a capitalist in this country afford to invest money in ship-building unless he has a profit of eight or nine per cent.?

Mr. HALL. If he is sure of his eight or nine per cent. he will go in; but as a general thing shipping pays better than that.

Mr. CALKIN. Ought it not certainly to pay ten per cent., to make allowance for the deterioration of shipping?

Mr. HALL. Yes, sir; it must be a very badly managed ship that does not pay it.

Mr. HOLMAN. Yet there is a material difference between ship-owning and ship-building—the one is merely an agency of commerce, while the other is but an article of manufacture.

Mr. HALL. There is a difference—to what extent I do not know. I am not able to say what the profits of ship-building are, but I know that ship-builders are men who acquire a handsome competency in course of time. You will find that the ship-builders in Maine are all more or less interested in the ships that they build. It is so in London also.

Mr. HOLMAN. Do you think that it is the policy of the government rather to protect the interests of ship-building than to look to the promotion of commerce at the expense of the ship-building interest?

Mr. HALL. I do not see how you can separate them.

Mr. HOLMAN. The United States might be a very powerful commercial nation and yet its vessels might be built elsewhere, as is the case with some continental nations.

Mr. HALL. I have not thought of that subject, but my impression is that the two interests are so connected that you can hardly separate them.

The CHAIRMAN. Speaking of the profits of ship-building, so far as your knowledge and observation extend, have not ship-builders, prior to the war, been as successful in proportion to the amount of capital employed as any other class of manufacturers?

Mr. HALL. They appear to me to have done as well. Now that their yards are idle they are living, of course, on what they made before.

The CHAIRMAN. I understand you to give it as your opinion that it is necessary to revive the ship-building interest in order to revive the ship-owning interest, and that the building of our ships abroad would carry the ownership and business abroad?

Mr. HALL. It would have that tendency. You revive our commercial interest by creating slips. We do a large carrying trade all over the world. We have three or four ships in the guano trade. That trade employs two or three hundred American ships. I would venture to say that more than half of that guano trade has been done by American ships.

The CHAIRMAN. Do the ships that are in that trade go back in ballast?

Mr. HALL. No, sir; after landing their cargo of guano at a port in Ireland, England, or Scotland, or at Antwerp or Rotterdam, they generally go to Cardiff, where they take a load of coal, which they carry to Rio Janeiro or some other South American port, and then go to Peru for the guano. They generally get enough from the cargo of coal to pay their expenses round to where they get the guano.

The CHAIRMAN. Is there much of that guano trade done with the United States now?

Mr. HALL. Not so much as formerly. I have not noticed any of it coming this way of late years.

Mr. CHAIRMAN. Before the war it was carried principally to the southern ports?

Mr. HALL. Yes; and a good deal of it went to New York at one time.

Mr. HOLMAN. There is, then, an actual profit resulting to American citizens in a commerce that has no direct relation to the United States. Now, would you not consider it a wise measure of national policy, if

both the ship-building and the commercial interests cannot be revived together, to promote the commercial interests of the country without reference to the kindred question of ship-building; and can that be done by adopting a more liberal policy with reference to the registry of foreign-built vessels in the United States?

Mr. HALL. I think the two are so combined that you can hardly separate them. If you want to revive the commercial interests of the country you must do it by creating ships.

Mr. HOLMAN. We have a separate and peculiar industry connected with commerce and disconnected from ship-building?

Mr. HALL. Yes, sir.

Mr. HOLMAN. And we have a peculiar industry connected with ship-building and not connected with commerce?

Mr. HALL. Exactly.

Mr. HOLMAN. Now if ship-building cannot be revived—if, from the nature of the impediments thrown in its way by the national debt, by the opportunities for making more profitable investments and other causes, it cannot be revived—would it not be the policy of the United States (supposed to have peculiar advantages as a commercial power) to adopt a more liberal policy with reference to nationalizing foreign-built vessels?

Mr. HALL. No, sir. I should think that we were throwing all the advantages to the foreigners which should be retained to our own citizens. The commerce of the country and the ships of the country are so identified that you can hardly separate them. It is only a small proportion of our ships that are always abroad.

Mr. WELLS. If there is nothing done to relieve the ship-building industry here, and if foreign-built ships be allowed to come under the American flag, how long will it be before there will be no American vessel in the foreign carrying trade?

Mr. HALL. It would not be many years before the foreigners would monopolize the whole of it.

Mr. CALKIN. Outside of the point of view of national pride, would it have any particular effect on the commerce of the country if those vessels that struck their own colors and hoisted the English colors were admitted back?

Mr. HALL. It would deprive us of the building of just so many ships.

The CHAIRMAN. Are there many of those ships in existence at the present time?

Mr. HALL. There are probably a good many of them.

Mr. CALKIN. I speak of commerce, not of the ship-building interest. Would it have any particular effect on the commerce of the country if those ships were allowed to be brought back?

Mr. HALL. It would prevent the commercial interests of America from receiving the profits they now get from their own ships.

Mr. CALKIN. Would it be beneficial or not?

Mr. HALL. It would not be beneficial to the commerce of the country. I am unquestionably opposed to their being brought back.

Mr. WELLS. During the late war more than half of the vessels engaged in commerce on the Mississippi River went down into rebellion and hoisted the confederate flag. When the blockade was removed from time to time those vessels came back under the American flag. There was no objection to that. But, according to your doctrine, that property should have been sacrificed?

Mr. BUFFINTON. If I understand it, those vessels are now under the American flag?

Mr. WELLS. Certainly.

Mr. HOLMAN. What flag would they get under?

Mr. WELLS. (To Mr. Hall.) Are you aware of the fact that blockade-runners which were captured by the government were sold and are now under the American flag?

Mr. HALL. I was not aware of it.

Mr. E. S. TOBEY. Those vessels were sold under a decree of the United States district court, which entitled them to registry.

Mr. THEODORE NICKERSON next addressed the committee. He said he was associated with one of the largest ship-owning firms in the city. They were ship-owners and ship-builders. They could not afford to buy ships, and therefore they built them. They could not afford to pay another man to build ships for them, and therefore they built them for themselves, saving thus so much. They had been long of opinion that the remission of the duties on materials entering into the construction of ships would be a decided advantage, and would enable them to compete successfully with foreign tonnage. The prosperity of English ship-building was coincident with their iron ship building. For himself and his firm, they would prefer wooden ships; but the question seemed to turn really on the point whether they would be allowed to build iron ships and to compete with England in that respect. Iron ships were sought for, and higher rates of freight were paid to them, and lower rates of insurance charged. A prominent Calcutta merchant had given him as a reason why he preferred to ship goods by an iron vessel that, if an accident happened, that was the last of her, and he was paid his insurance, whereas a wooden ship would go into port and be repaired, and after a lapse of time he would get his goods to market. He (Mr. Nickerson) believed that the matter of iron shipping would decide whether Americans could successfully maintain their commercial marine. Although wages were higher in the United States than in England, he thought that the superiority of American labor counterbalanced the nominal difference in wages. He thought that, in coppering vessels, the relative cheapness of the copper in England was offset by the greater difficulty of having the copper put on in a workmanlike manner.

As to admitting foreign-built vessels to American registration, it occurred to him that, aside from the question of embarrassing American ship-builders, the demand for ships from this side, added to the demand at home, would necessarily increase the price, and eventually make the cost of ships greater than they could be built for at present in the United States.

As to the coasting trade, he thought that if English ships were admitted to it, under ever so great a tax, (unless it amounted to prohibition,) the only avenue open to the employment of the American merchant marine would be closed. Fully half the tonnage of the United States ships was employed in the trade between Boston, New York, and San Francisco; and if that avenue were closed, American tonnage would not be worth fifty per cent. of its present value.

As to admitting back the ships that were put under the English flag during the war, he was opposed to it. Although his firm held a great many ships during the war, it had not put one of them under a foreign flag. He could not agree with the argument of Mr. Derby in that respect, and he failed to see any advantage that would result from restoring them to the American flag.

Mr. EBEN HOUSE, an underwriter and representative of the French Lloyds, next came before the committee. He said that his business was more particularly to examine the quality and merits of ships, and to

classify them for the benefit of underwriters. He inspected ships during their construction to see that they had all the requirements which the rules and regulations prescribed to make them sea-worthy. His impression was that there was no difference in this country in the rates of insurance charged on iron and on wooden vessels of the same class. He presumed that in England they did make such a difference. His experience in England, which country he frequently visited, was that there had been an effort made there to create a prejudice against wooden ships and in favor of iron ships for many years past, the reason being that the English had iron to build ships and had not wood. That was one reason, and, he presumed, a very proper one.

The CHAIRMAN. Your business has led you to observe the revolution that has been spoken of in the construction of ships. What is your opinion in reference to iron ships superseding wooden ships?

Mr. E. HOUSE. I have no doubt that that will be the case when we get out of wood to build ships, and when they can be built cheaper and to better advantage of iron. Previous to 1862-'3 we could compete with any nation in the world in the building of sailing-vessels. We asked no favor from the government then; we wanted none. We were having a fair chance and could compete with all the world. Since that time, and since the high duties have been put on, we have not been able to do so. There is the simple fact. Everything is so high in building a ship, and in sailing her, (that is, in regard to provisions,) that we cannot compete with England. In England they get all their supplies out of bond free of duty, and this advantage amounts to a good deal.

The CHAIRMAN. What relief, in your judgment, would be sufficient to enable us to restore our commerce?

Mr. E. HOUSE. Simply put us back where we were previous to 1861 in reference to duties on the materials in ship-building.

The CHAIRMAN. You think that the exemption of ship-building materials from duty would be sufficient?

Mr. E. HOUSE. I have no doubt that it would help a great deal. We try to struggle along to build a ship now and then; but it is a very poor business.

Mr. MORRELL. In the examination of wooden ships for registration you take into account the materials of which they are built as well as the manner in which they are built?

Mr. E. HOUSE. Certainly.

Mr. MORRELL. Do you take into consideration, in the examination of an iron ship, the quality of the iron of which the ship is built?

Mr. E. HOUSE. That is always taken into consideration. The iron has to bear certain tests.

Mr. MORRELL. What are those tests?

Mr. E. HOUSE. I really do not know. I have had very little to do with iron-built vessels, and I would have to refer to the rules and regulations respecting iron-built vessels.

Mr. MORRELL. It was tested in New York that the English Lloyds require iron vessels to be built at a certain weight per ton, and that they make no requirements as to the quality of the iron except that it should bear a test of twenty thousand pounds to the square inch; and it was stated that the iron which would stand two or two and a half times that tensile test would not require to be of so much weight.

Mr. E. HOUSE. It depends upon the length and depth and breadth of the ship. The weight of iron must be according to that.

Mr. MORRELL. It was stated there that if the American ship-builders were permitted to use an iron of the same strength, yet lighter in



weight, they could build American iron ships, of the same tensile strength, as cheap as English iron ships.

Mr. E. HOUSE. I presume that it is according to the goodness of the iron.

Mr. MORRELL. It was stated there that the fact of the greater strength of the iron was not considered in the insuring of a vessel in England. Is that considered here?

Mr. E. HOUSE. I really do not know what rules they have here in regard to iron ship-building.

Mr. MORRELL. I believe it was stated there that they would not rate a vessel A No. 1 that did not weigh so many pounds to the ton measurement, regardless of the strength of the iron.

Mr. E. HOUSE. I have not attended to the statistics about iron-built vessels. I have asked the question several times at headquarters in Paris, where I get my instructions from. They had a meeting in Liverpool this last year to revise the rules and requirements of ship-building, and to try to get a uniform regulation, and I have not got the result yet.

The CHAIRMAN. Are you aware that, so far as English iron vessels are concerned, the question of their insurance rests on the rules and specifications prepared by the English Lloyds as an English requisite to pass those ships?

Mr. E. HOUSE. Yes, sir; that is the fact. I believe that the French and English engineers have now entered upon one uniform mode of building iron ships.

Dr. OSBORN HOUSE next addressed the committee. He said that he was a ship-owner in the foreign trade. His vessels were entirely wooden ships, trading to California, the East Indies, and Europe. He had some interest in iron steamers running between Boston and New Orleans. There were two English-built iron steamers on the line.

The CHAIRMAN. What measures would you suggest to be adopted in order to revive our navigation interests?

Mr. O. HOUSE. I think, if we were placed as we were formerly, with but little if any duties on our ship-building materials, we could compete with foreigners. Formerly we felt that we could take care of ourselves. I think that until quite recently ship-owners have never asked any aid or assistance from the government. They have always said, "Let us alone and we can take care of ourselves." But for seven or eight years past we found it pretty hard work to get along, on account of the high duty on many articles used in the construction of ships. The cost of ship-building materials in this country is double the cost that they have to pay in England.

The CHAIRMAN. How would it be if the iron of which you manufacture were duty free?

Mr. O. HOUSE. It would be a great saving to us, of course. Then there is Manila hemp, for which there is no substitute, and that article pays a duty of twenty-five dollars per ton in gold. It does not come in competition with any hemp raised in this country.

The CHAIRMAN. Does it not come in competition with Kentucky hemp?

Mr. O. HOUSE. Not at all; for it is used for running rigging, and Kentucky hemp is never used for that purpose.

The CHAIRMAN. Do you think that the exemption from duty of all the raw materials that enter into the construction of a ship—hemp, iron in a crude state, bars, bolts, sail-cloth, and duck—would enable American ship-builders to compete with foreign ship-builders?

Mr. O. HOUSE. I think so.

The CHAIRMAN. Would you ask any exemption on manufactured duck?

Mr. O. HOUSE. The price is much higher here than cotton duck. During the war we were obliged to use foreign duck altogether, as cotton was so high, and we got a very poor article at that.

The CHAIRMAN. You think that the exemption of duty on the raw materials would be sufficient to revive American ship-building?

Mr. O. HOUSE. I think that with that we would be able to compete with foreigners.

The CHAIRMAN. Have you any interest at all in ship-building?

Mr. O. HOUSE. None at all.

The CHAIRMAN. As a ship-owner, would you be in favor of granting American registration to foreign-built vessels?

Mr. O. HOUSE. I think not. I think that would be a great injury to our mechanical industry.

The CHAIRMAN. What effect would it have upon our navigation interests, aside from the ship-building interest?

Mr. O. HOUSE. It is impossible to say. It would have a very serious effect upon the ship-building interest; there is no doubt about that.

The CHAIRMAN. Suppose that the two measures were put together, the exemption from duty of all the materials entering into the construction of a ship, and the free registry of foreign-built ships, what effect would they have upon the ship-building interest?

Mr. O. HOUSE. Since the English have commenced building iron ships I think they have rather an advantage over us. It is possible that if the duties were taken off, or a drawback of the duty allowed on iron, we might successfully compete with them; but we probably could not at first. It would take some time to get things properly arranged so that we could build iron ships as cheaply as they can. They can build an iron ship almost as cheaply as we can build a wooden one.

Mr. CALKIN. How is the coasting trade now?

Mr. O. HOUSE. It has not been very profitable these few years past.

Mr. CALKIN. A law relieving the ship-building interest would help very much the present ships in the matter of their repairs.

Mr. O. HOUSE. It would in their repairs. I think that most of the repairs that are now done on the other side would then be done here.

Mr. HOLMAN. If the policy were adopted of giving to the American ship-builder the benefits that may arise from the exemption of his materials from internal and external taxes, and if American-built ships were given the exclusive benefit of the domestic trade, as they have now, and if at the same time Congress were to allow the registration of foreign-built vessels purchased by American citizens on the imposition of a duty of ten or fifteen per cent., what effect would these three measures combined have on ship-building and on commerce? How would they affect the ship-building interest on the one hand and the commercial interest on the other?

Mr. O. HOUSE. I should think they would have a favorable effect; it strikes me so. I never thought of that mode of dealing with the question.

Mr. HOLMAN. Two of those measures would be friendly to the ship-building interest, and the other one to the promotion of commerce?

Mr. O. HOUSE. Yes, sir.

Mr. HOLMAN. Would not these three measures taken together have the effect of increasing the ship-owning of the country, at least?

Mr. O. HOUSE. I should think they would.

Mr. HOLMAN. And might they not have that effect without necessarily impairing the interests of the ship-builder?

Mr. O. HOUSE. I do not see how they would injure him.

Mr. HOLMAN. Looking at the subject as a ship-owner, you think that these three measures connected together, if they should become the policy of the government, could not be justly objected to by either the ship-building interest on the one hand or the commercial interest on the other?

Mr. O. HOUSE. My impression is that they would be well received; I should think so.

Mr. FREDERICK NICKERSON, ship-owner, said that he concurred generally in the expression of opinion by the ship-owners and ship-builders as to the necessity of relief in the shape of drawbacks. The only point that he would like to draw the attention of the committee to was to the relief to steam navigation in the matter of coal. He suggested whether, if the duty on coal were not to be repealed, an arrangement might not be made by which coal should be allowed to be brought from abroad, entered in bond, and exported for consumption on the high seas. He said that coal could be bought in Pictou at \$2 05 a ton in gold. The duty here was \$1 25 in gold. If that coal could be brought here and landed in bond, and could be shipped for consumption on steamers and consumed at sea, with a proper guard against its being reloaded, it would be a very great relief to the steam commerce of the country.

Mr. MORRELL. I think that that would be entirely satisfactory to the coal-producing interest of the country.

Mr. F. NICKERSON remarked that it seemed to him that that relief to the steam commerce of the country was as much needed as any other matter. It was a matter of very great importance. The high price of coal was very much against the encouragement of steam commerce. That system would naturally follow, on the same principle as allowing ships to take their stores for consumption at sea, as is done in England. In fact, there had been some little correspondence with the Secretary of the Treasury on that very point. It had been thought first that it was a point that might be decided by himself; but there had been afterward nothing done about it, as it had been considered that it might lead to opening the door to some other matters, such as taking ships' stores out of bond. This privilege seemed to him a very reasonable thing to be asked for and granted.

Mr. NATHANIEL MCKAY submitted a written statement of the cost of building iron steamships both in this country and abroad.

The letter is as follows:

BOSTON, *October 18, 1869.*

GENTLEMEN: \* \* \* The cost to build an iron ship in England ready for sea is (£14) fourteen pounds per ton; in this country it would be (£22) twenty-two pounds per ton. He says that there are now building on the Clyde one hundred vessels, all of iron, upward of one hundred thousand tons, twelve thousand horse-power; last year (1868) they built 171,126 tons of steam and sailing vessels, 15,940 horse-power, and still the business is on the increase, and several new ship-yards are starting up. A steamship arrived in London in the month of September with three thousand tons of tea, sixty-five days from China, and still another with a freight valued at thirty thousand pounds, or one hundred and fifty thousand dollars. He says the steamships will use up the tea sailing clippers in the China trade, and owners of iron sailing ships are much alarmed at the progress of steam over sailing vessels in the China as well as other trades. A new ship in Scotland, built of iron, 387 feet long, 43 feet beam, 30 feet deep, speed ten knots, cost seventy-eight thousand pounds. This ship has made sixteen and one-quarter voyages to New York in twenty-four months, an average of forty-four and one-fourth days to the round voyage. Carries of crew, all told, one hundred and ten persons. This same company are now building another vessel to run to New York from Liverpool. She is to be 415 feet long on deck, 43 feet beam, 30 feet deep, speed twelve knots, costing complete, ready for sea, without provisions, eighty-five thousand pounds. The engine for this ship cost eighteen thousand pounds. We could

not build the same ship here for twice that amount of money. A steamer, with a compound engine, has just arrived from China, with two thousand four hundred tons of tea, in sixty-two days. She is a ship 309 feet long, 28 feet deep, 39 feet wide, register 2,280 tons gross, net 1,550 tons—2,400 tons of fifty feet to the ton; sails nine knots; bark-rigged; main yard sixty-two feet; burns twenty-four tons of coal per day; cost fifty-two thousand pounds. The same company are building four others for the China trade. The Chinese tea clippers are used up on account of the steamers doing such wonders. The cost of the angle iron for the frames of ships, in England, cut to lengths, seven pounds ten shillings; the cost of plates, cut to shape for an entire ship, is eight pounds five shillings; wire rigging twenty-one pounds per ton; chain cables ten pounds per ton. Cost of American angle iron for a ship \$134 40 per ton, a difference in favor of England of \$89 40, or four cents per pound. Cost of plates in America \$112 per ton; in England \$49 50; difference in favor of England, \$62 50, or three cents per pound. Cost of chain cables in this country is \$134 40 per ton; difference in favor of England \$57 20. Cost of wire rigging in America, \$291 20 per ton; difference in favor of England, \$89 60.

I have many more figures that I could give you, but will not tax your patience.

I remain, cordially yours,

NATH'L MCKAY.

To JOHN LYNCH.

*Chairman Committee on Commerce.*

The CHAIRMAN asked Mr. McKay whether his firm had built any iron sailing or steam vessels.

Mr. MCKAY replied that his firm could not afford to build them.

Mr. CALKIN inquired who had built the Merrimac.

Mr. MCKAY replied that it had been built by Mr. Loring, who had been before the committee to-day.

The CHAIRMAN. In your opinion, if the duties were taken off from the materials entering into the construction of iron and wooden vessels, could the American ship-builder compete successfully with foreign builders in the construction of both those classes of vessels?

Mr. MCKAY. I think he could; but if we go to work to have a bill passed repealing the duty on iron alone it will kill the whole thing, for we will have all Pennsylvania in Washington. And if we try to have the tax withdrawn on cotton duck, we will have the mills of Lawrence and Baltimore represented at Washington.

Mr. BUFFINTON. And if you say hemp, you will have my constituents acting against you?

Mr. MCKAY. Yes, sir. We cannot specify any one thing. But we must have the duty remitted on everything that goes into the construction of a ship and into its repairs, whether it be a sailing ship or a steamship.

The CHAIRMAN. Do you know any ship-owner who has gone entirely out of the business?

Mr. MCKAY. Yes, sir; I know one gentleman who was appointed on the committee of the Board of Trade, but who would not attend, he was so much disgusted with the business. He was a very large ship-owner; but his money is invested to-day in railroads.

Mr. BUFFINTON. Do you think that railroads pay him a better percentage than ships would?

Mr. MCKAY. I think they do. The government has aided them more than it has aided the ship-yards. I asked one member of Congress from Boston, the other day, who used to be one of the largest ship-owners in the country, in reference to this drawback on ship-building materials. Well, he did not know. He thought it might be done. The committee was very much in favor of it, but for himself he had very much doubt about it. If we do not have this relief we are going to be wiped from the ocean. We do not want American ships that went under the English flag taken back to this country; nor do we want foreign ships en-

rolled in this country. If we adopt that policy, the honest men who learned the ship-building trade will have to pack up, go west, and buy farms, or get the government or some of the railways to give them farms. To-day you cannot hire a joiner in Boston to work on a ship at less than four dollars. The mechanics who have worked side by side with me are to-day driving potato carts through the city.

Mr. CALKIN. If the government does not protect the shipping interest all the mechanics will be driven out of it, and in five or ten years there will be none left?

Mr. MCKAY. There will be still some left to keep up the coastwise trade.

Mr. CALKIN. Various opinions have been expressed in regard to the capability of American mechanics competing with foreigners in the construction of iron ships. Do you not think that they are ready to go to work and to build iron ships without waiting one or two years to learn how?

Mr. MCKAY. I do not think that any man on the other side of the water can beat a Yankee any way. That is my idea. I am a good deal of the opinion of John Bright, who said in a speech that every other Yankee you find has got a patent of some kind. I do not think that any class of mechanics can beat the American mechanics. Of course, we have got to have some experience in building iron steamers. We have built but few iron ships, and most of them have been failures. The government spent one hundred millions during the war and got no navy. All that New York is doing in the way of merchant marine is in the coastwise trade. The New Yorkers pride themselves on the number of steamers in their port; but John Bull owns them. As to the Pacific Mail Steamship Company, the English have got ships on the same line that are burning only thirty tons of coal a day, when these New York side-wheelers are burning sixty-five tons, and the English will eat them all up.

Mr. CALKIN. Allow me to say that the Pacific Mail Steamship Company is running large steamers on a consumption of forty tons a day.

Mr. MCKAY. Well, they run very slowly. But you will find that when they come to run fast they burn from fifty to sixty tons a day. If the government will only go to work and relieve the ship-builders and give us some subsidy for mail lines of steamers, you will see the hammers and axes at work in every ship-yard. The government gives millions of subsidies to railroads, and for want of a subsidy to steamships it allows all our trade across the ocean to be carried on in foreign bottoms.

Mr. WELLS. In your communication to the committee have you stated the comparative cost of an iron ship here and in England?

Mr. MCKAY. Yes, sir; I say that it costs nearly as much again here.

Mr. WELLS. Are you now engaged in the building of ships?

Mr. MCKAY. No, sir; there are no ships to be built now; and I think I shall spend the rest of my days in the city of New York, where all business goes.

Mr. E. S. TOBEY, of the Boston Board of Trade, said that it had been remarked by a distinguished member of Congress, and not without apparent truth, that every interest in the United States had its friends, but that the American shipping had none. He did not wonder at that remark, judging from the standpoint at Washington, where the representatives of the American shipping interest had seldom or never appeared. It had been stated before the committee that that interest had never needed relief. Up to 1861, when the war commenced, that was true, so far as related to sailing vessels, but not so far as related to steamers—

because the Collins line of steamers did ask and did receive aid from the government. He submitted that it was specially the interest of the United States government, for its own sake, to restore the American flag to the ocean. It was pre-eminently a national question. Capital could very well take care of itself. The only thing on the part of Congress was to see that it did not take too good care of itself. It was a rare and exceptional thing to find a large capitalist who could be called a ship-owner; ships were generally owned by several persons. Capitalists who had money in ships could sell their ships to England and put their capital in western railroads and mortgages. Thus capital would take care of itself. But that was not for the interest of the government, which should encourage, maintain, and develop the mechanical industry of the country, as the cheapest way in which to maintain its navy power. If the ship-building interest were not encouraged, the mechanics engaged in it would be dispersed; and once dispersed, how could they ever be got back again? The trade of a ship-builder was not learned in a day. Naval architecture was perhaps one of the finest sciences that could be named; and the time might come when the country would need another Ericsson. If the business were to be transferred to the rival of the United States on the other side of the Atlantic, by admitting foreign-built vessels to American registry, it was not to be expected that the few ship-builders now attempting to carry on their business would continue that fruitless attempt. It was, therefore, a matter of the highest importance for the government itself, that the ship-building mechanics should be sustained, not for the sake of capital, but for the sake of the nation. Every American ship-owner could better afford to transfer his ship to Great Britain and invest his capital how he chose, than the United States government could afford to allow that to be done.

As to the decline of the shipping interest of the United States, he would merely refer to Mr. Wells's report, in which it is stated that whereas, in 1853, American commerce on the high seas was fifteen per cent. greater than that of Great Britain, and maintained a close competition until 1861, it had fallen in 1864 to less than one-half as much, and was now probably not more than one-third. The causes of this decline he attributed, first, to the operation of confederate cruisers, by which many vessels were destroyed and many more transferred to the English flag, to the natural termination of ship's lives, and to the fact that American currency had become inflated to such an extent that it was impossible, during the war, to replace those ships. American commerce had thus declined, not through any want of enterprise on the part of American citizens, but from natural causes which the government itself could not control, and for which it was in no degree responsible up to this time. He regarded the appointment of this committee as one of the most encouraging features that he had seen for a long time, because it showed that Congress meant to obtain information on the subject, and to address itself to the remedies by which the shipping interests of the country could be brought up to a point in competition with other maritime nations.

The simple question was, how it could be done. He submitted, as a logical proposition, that if the United States would do just as England and other nations had done to promote their commerce, the same results would follow, and American shipping would again come to the front and claim its share in the carrying trade of the world both by steam and sailing vessels. This country was to-day paying from twenty to thirty million dollars a year to foreign nations for the mere transportation of merchandise in foreign bottoms.

If the government adopted the policy of permitting foreign-built ves-

sels to be purchased and registered in the United States, what, he asked, would be the effect on the finances of the country—to say nothing of its effect on mechanical industry? It would take from the country another vast sum of gold, and hand it over to the commercial rival of the United States to build up its mammoth steamboat interest and utterly to crush out that of the United States. It seemed to him entirely suicidal to the interests of the United States to think for a moment of transferring to the American flag vessels of foreign construction. A ship was a sort of national institution; and the men to build ships must be kept at home. Steamers and ships amounting to three hundred sail had been put in requisition to blockade the southern coast during the rebellion; and if there had not been American artisans to draw upon, where would these ships have been built and repaired?

Secretary Stanton had said to him, in the early part of the war, "I want you to go home and, by private enterprise, push our iron-clads forward. Bring everything into requisition, and give us something to contend with this *Merrimac*, or we are gone. Even the southern women are selling their trinkets to build up a navy, and here we are relying on the navy yards, and no results." Fortunately the ship-yards and the skill were to be obtained. This country was liable to be at war again. If that war were to be with Great Britain, and if Americans had gone to work and built up her navy at the expense of the iron ship-building interest, what would be the result?

He found that there was a very prevalent notion abroad that Americans did not know how to build iron steamships. There was no greater fallacy than that. The *Collins* line had proved the ability of American steamers to compete with English steamers in point of speed. Mr. Collins had made a mistake, however, in undertaking to surpass the English in that respect. It cost too much, and that cost was not counterbalanced by the subsidy. He (Mr. Tobey) was chairman of the committee which had the *Mississippi* and *Merrimac* steamships built recently at South Boston, and he had been informed by the man who made the model that he was paid six hundred dollars to duplicate the model and send it to Liverpool. These ships proved the ability of American mechanics to model a ship equal to anything that floated. Why should that ability not be cherished and encouraged?

American seamen should also be kept up and encouraged. During the late war the government had drawn from the merchant marine thirty or forty thousand men to blockade the southern ports. Without that blockade the war would have terminated speedily in the success of the rebellion; and, without the merchant marine, the blockade could not have been maintained. The government could not afford to see the American merchant marine crushed out. That merchant marine was indispensable for the maintenance of the national maritime power, and it must be constructed by American mechanics, conducted by American citizens, and owned by American capitalists.

The English government had increased its subsidies to steamship lines. It had increased that of the *Peninsular and Oriental* line from about two hundred thousand pounds sterling originally to five hundred thousand pounds. England claimed to be a free-trade country; but what did she do with her foreign commerce—her steamship interest? She protected it to a degree that no other interest there ever was protected. And why? Because it was the most potent means of developing every other commercial interest, and because it was the cheapest way of sustaining her navy. Earl Gray had said that one of the reasons why he was in favor of subsidizing steamships to all parts of the world

was, that swift ships bring back swift orders for manufactured goods. And, as illustrating the force of that remark, in less than five years after subsidizing the line to Brazil, the exports from England to Brazil increased three hundred per cent.

While England possessed the natural advantage of cheap coal, cheap iron, cheap labor, cheap capital, she was not content with them as a means of competing with other nations; but she very wisely took a still further step, and, for the purpose of drawing capital to the development of her steam commerce, she had commenced in 1838 to pay four steamers, running from Liverpool to Boston, eight hundred thousand dollars a year for carrying the mails. She had commenced, the same year, the subsidies to the Peninsular and Oriental line, and increased them till they now reached five hundred thousand pounds sterling per annum. The course which England pursued in subsidizing her foreign commerce he regarded as wise.

Just as soon as the policy of the United States government would allow American ship-builders to construct vessels as cheaply as they are constructed in England, by remitting the duties on materials, and would then compensate steamship lines for carrying the mails to the same extent and for as long a period as England did, and would then remit the duties on all ships' stores as England did, and would then omit to tax American ships internally as England omitted to do—when the United States government accepted those ideas and acted on them, it would be found that the enterprise and skill of the people of the United States would enable them to compete with any other people.

The policy of subsidizing had not been pursued by England alone. The Emperor of the French had seen the results achieved, and had said that he was not going to have such a powerful neighbor without competing with her, and he had commenced to subsidize a line to New York, which to-day received twenty-six thousand dollars in gold for every round trip. And the result was that the last New York enterprise, the line of the Arago and Fulton, had had to surrender. Although the United States government had given them the postal service, they were compelled to withdraw and to give up the whole route to the French. The Pereire and Ville de Paris had been built in Scotland, but it was because the Emperor knew very well that France had not the experience in naval construction to compete with England or with the United States in the merchant marine. It was just the same with Germany and with Holland. They were subordinate naval powers, and therefore had no objection to allowing foreign-built vessels to their registration. They saw their advantage in transportation interests. They had acted wisely and well in the matter. But the United States, occupying a great central position, holding to the continents of Asia and Europe, claiming even to be the rival of England and France as a naval power, could not afford to do so. The navy and the mercantile marine of the country had done, prior to the late war, more than anything else to raise the reputation of the nation before the maritime nations of the earth, and to make the American flag respected; and every American citizen wanted to see that flag flying again in every foreign port. In the war of 1812, New England owned seven-eighths if not a larger proportion of the tonnage of the United States. The merchants of Salem had contributed out of their own pockets to build the Essex frigate, which chased hundreds of British ships from the seas, which went into the mouth of the English Channel, and which so pestered and restrained the commerce of England that the rates of insurance went so high as practically to exclude their ships from the sea; and this had been one of the most potent means of



bringing England to terms. He had adverted to these facts to show the intimate relations that existed between the naval power and the mercantile marine, and to show that the one cannot be maintained without the other. The men who constructed ships were needed as well as the men who navigated them; and he believed that everything possible should be done to cherish the ship-building interest. He felt encouraged and hopeful that when the facts were fully investigated and understood it would be found that the interests of the country, irrespective of section, demanded the restoration of the American flag not only on sailing-vessels but on steamships on the ocean.

It had been assumed, erroneously, that the people of the West had no particular interest in the matter of shipping. But he proposed to show that they had absolutely more interest in it than the people of the East had. The latter could better afford to dispose of all their ships and to invest the proceeds in western railroads, where they could get a better return to their capital, than the people of the West could afford to dispense with the facilities for getting their produce to foreign markets at a low rate of transportation. If the United States government should pay a subsidy for carrying the mails across the Atlantic as large as England pays—so large as to compensate entirely the ship-owner for the whole voyage, and so large that he could say to the producer or shipper, "We can afford to carry your goods for nothing, we are so liberally compensated by the government"—who would be deriving the most advantage from it? The producer in the West. He could have his goods transported at a very low rate, because the ship-owner could afford to do it, and competition would induce him to do it. Therefore the subsidy paid out of the treasury of the United States and assessed on the general interests of the country would be one of the best means of developing the agricultural interests of the country, by aiding to cheapen transportation from the place of production to the place of consumption on the other side of the Atlantic. Hence, as a mere practical question, the people of the West had as much interest in promoting lines of steamships and sailing vessels as the people of the East. He had never met the first man in his intercourse in Washington, or in a convention of two hundred and forty members held in Boston two years ago, who dissented from the general proposition that it was of the greatest national importance to restore American commerce under the American flag. That convention had unanimously voted a resolution to that effect, which had been transmitted to Congress.

In conclusion, Mr. Tobey stated, in reply to a remark by Mr. Calkin, that American ship-owners must be put on the same footing as foreigners. They must have all the encouragement that foreign governments give to their commerce; and even then the American ship-owners would be placed under the disadvantage arising from the condition of the currency.

Mr. FRANKLIN W. SMITH, treasurer of the Atlantic Iron Works, made some additional remarks. He said that the revenue was now receiving nothing from the taxation of ship-iron, because none was imported. Therefore the government would be no loser by allowing a drawback on iron used in ship-building. The iron men of Pennsylvania were making no sales of ship-iron to-day, and therefore they would not be the losers. It would be remembered that the subsidies to the British lines were at first looked upon with great jealousy in the United States because that navigation would be making the entire coasts of the United States familiar to British pilots. He remembered that when the Cunard steamer Unicorn came into the port of Boston there was great alarm, because

the pilotage of the port was being made known to British pilots. But to-day there was scarcely a port of the American coast that was not as familiar to British ship-masters and British pilots as to any American pilots. The object of the British subsidies had not been simply to keep up a mercantile marine, but had been also to keep afloat in the cheapest possible way a naval force; and England had done it. She could throw fifty thousand men upon any point of the globe to-day earlier than any other nation. It seemed to him that there was no interest to be injured by a change in the present condition of affairs. The iron men of Pennsylvania should join instantly with the shipping and commercial interests, and let the ports be open to English iron, but let the ship-builders have the choice to use American iron. And if they used American iron, let them have a drawback equal to the duty on English iron.

Mr. MORRELL. That is all that the iron men have asked.

Mr. SMITH. That is all we want. We certainly would use American iron, and the incidental demand for American iron would be very great. The government would certainly lose nothing by it; for it is getting no revenue to-day from ship-building iron. The western interest would be benefited by it, because the ship is the continuation of the western lines of railroad around the globe.

The committee adjourned to meet in Portland on the 21st of October.

PORTLAND, *October 21, 1869.*

The committee met in the collector's room in the custom-house.

Present: The chairman and Messrs. Morrell, Buffinton, Wells, and Calkin.

Captain WASHINGTON RYAN submitted his views to the committee. He said that he had noticed newspaper reports of the statements made before the committee, and he agreed with most of them. There was another thing, however, which he thought tended to the depression of our commerce, and which he had not seen touched upon. That was the deterioration of the men who sail American ships. He thought that they had been in the down-hill road for some years from one end of the ship to the other—masters, officers, and crew. He thought that that was owing in a great measure to the apathy of the ship-owning interests, or perhaps to the want of public spirit. He had never known any ship-owner who seemed to him to take any interest in improving the condition of the men who sailed his ships. He thought that the American merchant marine law, if there was such a law, needed a thorough and complete revision. In fact, he might say that there was no mercantile marine law in this country. Masters and officers of ships came up like Topsyies. There was no board of examination, and nobody knew whether an officer, when he came on board a ship, could determine the latitude and longitude of a ship by meridian observation. There was what is called a Ship-masters' Association in New York, which gave certificates to officers, but did so without making any examination. He considered an association like that an absolute and positive injury to the shipping interest, because it encouraged a bad state of things. And it was astonishing to him that the underwriters of New York would take a risk at one-half per cent. less on the strength of a certificate from such an association. He favored such a revision of the mercantile marine law as had been proposed in the Senate of the United States by Mr. Fish, of New York, in 1853. He thought that, had that bill become a law, it would have produced a very different state of things. As it was, respectably brought up young men, who might have imbibed a passion for the sea, went now for a voyage or two, and became so disgusted with the business that

they invariably quitted it. He thought that the navigation laws of England and of the southern European nations was such as to keep their best men in their own navies, leaving only the refuse to American ships. The consequence was that the sailors on board American ships were, in a great measure, the refuse of the maritime nations of Europe. He approved of the government shipping offices that were to be found in every seaport in England. Sailors were shipped and paid off in those offices. The names of the sailors shipped there were kept upon the registry with memoranda of their characters; so that unless a sailor had a good character he could not get employment at one of those offices.

The CHAIRMAN. Do I understand you to say that the character of American seamen is below that of the seamen of Great Britain?

Mr. RYAN. No, sir; I do not mean to say that; but we were so far above them years ago, that we had some room to fall and still to be fully equal to them.

The CHAIRMAN. Do you mean to say that American seamen have deteriorated, and are not as good as they were formerly?

Mr. RYAN. Yes; and the causes of the deterioration are going on every year.

The CHAIRMAN. How is it with the English sailors? Are they improving?

Mr. RYAN. I should judge so. I should judge that the inevitable consequences of the shipping act, which has not been long in operation, must be to keep their best men for their own ships, and to send off the refuse.

The CHAIRMAN. How is it with the officers? How do they compare with our officers?

Mr. RYAN. Our officers compare favorably with them, and perhaps they always will; but I do not think they are what they were some years ago.

Mr. CALKIN. I understood you to say that it is no great credit to a captain to procure a certificate from the Ship-masters' Association of New York.

Mr. RYAN. No, sir. The last application that we had from a captain, he was told by the chartering party that he was required to have a certificate from the Ship-masters' Association of New York, and his exclamation was, "Humbug! I have been a master for ten or a dozen years, and I have gone along safely. What is the use of one of those things?"

Mr. WELLS. Are not these certificates given under oath?

Mr. RYAN. No, sir.

Mr. WELLS. Well, what harm can it be to have a certificate?

Mr. RYAN. The harm lies in this: that that board is presumed to be a duly constituted and properly qualified board of examiners, and so long as it is in existence it tends to prevent the formation of a proper board, which should be under the authority of the government.

Mr. WELLS. How long have you been a ship-owner?

Mr. RYAN. I was a sailor for twenty-eight years, and twenty years of that time I was a master. I have been on shore for the last fifteen years; but I have been interested more or less in vessels since 1853.

Mr. WELLS. Are you familiar with commerce?

Mr. RYAN. Yes, sir.

Mr. WELLS. I understood you to say that, in your opinion, the grade of officers and men employed at present is not up to the same standard as it was some years ago.

Mr. RYAN. I do not think it is.

Mr. WELLS. Is it your opinion that that is one of the causes of the depression in our commerce?

Mr. RYAN. Yes, sir; my opinion is that that is one of the causes of the depression in our commerce. Take the matter of insurance. The premium of insurance has increased thirty per cent. within twenty years back, and I think it is mainly due to that cause.

Mr. MORRELL. Are not vessels that are running with American crews insured as cheaply as other vessels?

Mr. RYAN. I think so.

Mr. MORRELL. Were American vessels formerly insured at less rates at corresponding times?

Mr. RYAN. Yes.

Mr. MORRELL. What legislation would you recommend to encourage the building up of a better class of seamen?

Mr. RYAN. I would recommend a thorough revision of the mercantile marine law by practical men. I would have sailors shipped in every considerable port in the country by a government shipping officer. I would have the men mustered under the eye of that government officer on board the ship, before she proceeds to sea. These details are carried out fully in the bill introduced by Mr. Fish, to which I have already referred. On every vessel bound on a foreign voyage I would require that there should be an examining surgeon, and that every one of those men should be examined, as men are examined in the navy before they go to sea. Our ships go to sea with the least possible number of men, and if one of the men becomes sick or disabled it affects all the rest. I would have the men paid off at the government office when the ship returns, as is the custom in England. I think that that is the only way to break up the sailor landlord system, which is the curse of our mercantile marine. I would have this board of examiners appointed by the government, and every application for the position of master or first or second officer examined by that board, and then, when the vessel returned from sea, I would have the ship paid off at that government shipping office, and every man's character recorded—whether there was any trouble on board the vessel, any fighting, quarreling, &c.

Mr. CALKIN. In other words, you would have a government espionage on the mercantile marine of the country?

Mr. RYAN. Call it espionage or what not, I would have the same kind of a court as they have in England, before which cases of collisions, &c., are tried—such a court as that of Dr. Lushington in London, assisted by two experienced naval officers.

Mr. CALKIN. Would you have that only for the foreign trade, or to cover our coastwise trade also?

Mr. RYAN. I would have it for every case occurring on board a vessel, and for this reason, that discipline is necessary, and that it cannot be maintained by bringing those cases before the civil courts.

Mr. MORRELL. Do you not think that our whaling business of former times contributed to build up a better class of seamen by the co-operative system of paying the seamen and officers a percentage on the profits of the voyage?

Mr. RYAN. Yes, sir.

Mr. BUFFINTON. That system is carried on to-day in the whale-oil trade?

Mr. RYAN. Yes; but there are not so many whalers as there used to be, and consequently there are not so many seamen drawn to the ocean by that business. I think the principle is a correct one, and the tendency would be certainly to improve the class of seamen.

Mr. CALKIN. Are not many of the captains now in our foreign trade and in our immense coasting trade interested in their vessels?

Mr. RYAN. A great many of them are—probably more than half of them.

Mr. CALKIN. Does not that have a tendency to make them more diligent and vigilant in their business?

Mr. RYAN. Certainly. That is the only reason why the owners of vessels require masters to have an interest. But at the same time there is a disposition, especially in certain ports of Massachusetts, not to permit masters to have an interest in their vessels, but to manage the vessels by merchants and agents at each end of the route, the master being merely the navigator. I am told that that is becoming more and more common, except down on the Cape.

Mr. CALKIN. When you spoke of the depression of our commerce being the fault of the sailor, did you intend to apply that to the coasting trade?

Mr. RYAN. It has its effect upon all branches of trade.

Mr. CALKIN. But our coasting trade has increased?

Mr. RYAN. Yes; but the same men who may be on an East Indiaman one voyage may be in the coasting trade the next voyage.

Mr. MORRELL. Do you not think that the building up of these extensive lines of foreign steamers, principally owned by foreigners, having their agencies at both ends of the route, was calculated to interfere very much with the ordinary American commerce, and that the tendency is to force the business into these channels, and to deprive the individual ship-owner of getting his ordinary share of business?

Mr. RYAN. Freight will go where it can be carried cheapest. If these great lines can carry freight more expeditiously and more cheaply than single ships, whether propelled by steam or sail, I suppose that freight will go there, and thus co-operation thoroughly organized and well managed may, I suppose, monopolize the greater part of the trade.

Mr. CALKIN. What is the sentiment in Portland in reference to the navigation laws? Are you in favor of repealing the navigation laws?

Mr. RYAN. No, sir.

Mr. CALKIN. Are you in favor of Congress passing a law allowing a drawback or bounty to the ship-building interest?

Mr. RYAN. I am.

Mr. WELLS. Are you in favor of repealing the navigation law, of allowing a drawback on the materials used in ship-building, and at the same time of retaining the coastwise trade exclusively for American-built vessels? What effect would those three measures, taken together, have upon the commercial and ship-building interests of the country?

Mr. RYAN. I do not know whether one of those measures would offset the other. The benefit that would be derived from the remission of duties on the materials entering into the construction of ships would be offset by the privilege given to our merchants to buy foreign-built ships.

Mr. BUFFINTON. Suppose that there were nothing done excepting to allow a drawback upon the materials going into the manufacture of a ship, do you believe then that there would be an increase of ship-building, or that the American ship-builders would be able to compete with foreign ship-builders, taking into view the whole state of the country at present, the capital invested in other business, and the interest that is received from that capital?

Mr. RYAN. I am satisfied that the ship-building and commerce of the country would be increased.

Mr. BUFFINTON. But if the navigation laws were repealed you think that that would offset the drawback?

Mr. RYAN. So it seems to me, so far as I have given the subject thought.

The CHAIRMAN. You gave it as your opinion that our sailors and officers have deteriorated, and that the character of foreign officers and seamen has improved. Do you believe that that is the cause or the effect of the decline in our ship-building interest?

Mr. RYAN. I think it is probably the cause. I think that the advance in the rates of insurance may be traced more directly to that than to any other cause. James Brown, a well-known Liverpool merchant, a man to whom I used to apply for advice when I was in the Liverpool trade, remarked to Captain Schofield of Brunswick six years ago, "You American masters are not what you were in years past. You are going down every year; I can see that plainly." I think that one reason of it is owing to ship-owners crowding down the rates of wages to masters.

Mr. CALKIN. You are not an old resident of Portland?

Mr. RYAN. I have been here fifteen years.

Mr. CALKIN. In case Congress passed a law allowing a drawback on the materials used in the construction of ships, so that iron steamships might be built in this country for the European trade, and also allowing them a fair subsidy, somewhat in keeping with the subsidies allowed by the English government, do you think that you could support an American line of steamers from this port, running, say, monthly at first, and getting down to weekly?

Mr. RYAN. I do not think we could; but when we come to get our railroad completed, connecting us with the West by way of Ogdenburg, I think we can do it.

Mr. MORRELL. Do you think that a line of steamers across the ocean could be supported depending chiefly upon passengers and mail service for its business?

Mr. RYAN. I have no knowledge of the management of steam lines, and I have not sufficient information to answer your question.

Mr. JOSEPH W. DYER, ship-builder, submitted his views to the committee. He said he had no doubt but that the ship-building interest would be revived by the exemption from duty of the articles entering into the construction of ships. He thought that then ships could be built in this country as cheaply as they are built in Europe.

The CHAIRMAN. What rates of wages do you pay now to ship-carpenters?

Mr. DYER. From two dollars and fifty cents to three dollars a day.

The CHAIRMAN. What were the average rates of wages from 1852 to 1860?

Mr. DYER. From one dollar and fifty cents to one dollar and seventy-five cents and two dollars a day.

The CHAIRMAN. Were your wages as low as that in 1854, 1855?

Mr. DYER. Yes, sir; they were two dollars a day. We now pay three dollars for first-class carpenters.

The CHAIRMAN. The advance is about fifty per cent.

Mr. DYER. Yes, sir.

The CHAIRMAN. Do you think that the difference in the cost of labor between here and Europe would not prevent your building ships here as cheaply as they are built in Europe?

Mr. DYER. No, sir; we should not ask any odds there. I think that our mechanics are sufficiently better than theirs to make up that difference.

The CHAIRMAN. You think that you get as much work for the money you pay as they get?

Mr. DYER. That is my opinion. That has been my experience all through life.

The CHAIRMAN. Have you built ships recently?

Mr. DYER. Not very recently. I have built some small vessels within the year. In the course of the war I built two. Previous to that I built one or two ships a year.

The CHAIRMAN. Do you know what the difference would be in the cost of a thousand-ton ship between the present time and what it was from 1852 to 1860?

Mr. DYER. Previous to the war we could build a thousand-ton ship, first-class, at from fifty-five to sixty dollars a ton, and since then from seventy-five to eighty dollars.

Mr. MORRELL. Does that increase consist chiefly in the enhanced cost of labor or of materials?

Mr. DYER. There is something of it in the labor, of course. The cost of labor on a ship will probably reach from seven thousand to eight thousand dollars.

The CHAIRMAN. I understood you to say that vessels which cost sixty dollars a ton before the war cost seventy-five dollars now?

Mr. DYER. Yes, sir; from seventy-five to eighty dollars.

The CHAIRMAN. So that, making an allowance for the difference between gold and currency, vessels can be built as cheaply now as before the war?

Mr. DYER. About the same.

The CHAIRMAN. A vessel all fitted out for sea costs no more at present than seventy-five dollars a ton?

Mr. DYER. From seventy-five to eighty dollars.

The CHAIRMAN. What effect do you think it would have upon the ship-building interest of the country to exempt from duty the materials entering into the construction of ships and at the same time to admit foreign-built ships to American registration?

Mr. DYER. I do not think the effect would be very good.

The CHAIRMAN. Do you think that the ship-building interest could be revived under that system?

Mr. DYER. I think that if you allow foreign ships to come in here and obtain American registration you cannot revive our ship-building interest.

The CHAIRMAN. Do you think that the ship-building interest could be revived if these two measures were passed at the same time?

Mr. DYER. I do not.

Mr. WELLS. I understood you to say that by a remission of the duty on the materials you can build a ship now as cheaply as you could before the war?

Mr. DYER. No, sir; there is an increase in the price of labor.

Mr. MORRELL. You are speaking of wooden ships now?

Mr. DYER. Yes, sir.

Mr. WELLS. What would be the amount of saving per ton in the building of a ship by the remission of duty on the materials?

Mr. DYER. I never went into any calculation of that kind. I know what it costs us to build a vessel and what it cost us before the war.

Mr. WELLS. What would be the advantage of the remission of the duty?

Mr. DYER. We could build so much the cheaper.

Mr. WELLS. But you could not build as cheaply as they do in England?

Mr. DYER. Probably not. We never could. Still we competed with them successfully. We considered our vessels much better than theirs.

Mr. WELLS. If you cannot build as cheaply as they, do you not think that American merchants will buy their ships abroad?

Mr. DYER. Perhaps some will if they can buy them at five dollars a ton less.

Mr. WELLS. Then what would be the advantage to the ship-building interest to have a remission of the duty if they cannot then compete with ships built in other countries?

Mr. DYER. We can compete with them if the navigation laws are not repealed. So far as my knowledge goes our laboring men are many times better than theirs. We make better ships here and have better materials. The quality of materials that enter into ships here and in the provinces is very different.

The CHAIRMAN. I understood you to say that you thought you did not pay any higher for the amount of service you obtained than is paid abroad?

Mr. DYER. Yes, sir.

The CHAIRMAN. So that there really is no difference in the cost of labor?

Mr. DYER. I do not think there is.

Mr. CALKIN. In case there is nothing done to relieve the shipping interest what effect is it going to have within the next five or ten years upon the mechanical labor connected with ship-building?

Mr. DYER. There is no other course for the mechanics except to go out of the country or leave the business.

Mr. CALKIN. Are there as many ship-carpenters to-day in Maine as there were previous to the war?

Mr. DYER. No, sir; there are not.

Mr. CALKIN. How many hours a day do your mechanics work here?

Mr. DYER. Ten hours a day.

Mr. CALKIN. Is there any difficulty in getting them to work ten hours?

Mr. DYER. None at all.

Mr. CALKIN. Can you easily make a ship carpenter out of a house-carpenter, or out of a wood-worker of any kind?

Mr. DYER. I should prefer to get a green hand and make a ship-carpenter out of him.

Mr. BUFFINTON. I think you did not fully understand a question put to you by the chairman. I understood the chairman to ask you whether, if our currency was equal to gold, you could build a ship as cheaply now as you could before the war, and I think you answered, yes.

Mr. DYER. I did not mean to.

The CHAIRMAN. The difference that you give between the present cost of a ship in currency and the cost of a ship before the war, which was in gold, is only about the percentage of the difference between gold and currency?

Mr. DYER. From fifty-five to sixty dollars before the war, and from seventy-five to eighty dollars now.

The CHAIRMAN. That would be in the neighborhood of thirty per cent. advance.

Mr. DYER. Yes, sir.

The CHAIRMAN. Well, as there is now a difference of thirty per cent. between gold and currency, that would be the only difference in the cost of a ship between now and before the war. In point of fact, the



answer you gave would have that result; so that you build a ship to-day, according to that statement, as cheaply in gold as you did then?

Mr. DYER. Yes, provided we have the drawback. What I mean to say is that if this drawback were allowed us we could build a vessel as cheap as we ever did.

Mr. WELLS. If you have the drawback and the gold currency as you had previous to the war, do you think you would have any market for your ships, after you had them built?

Mr. DYER. I think we would have the same market that we always had.

Mr. WELLS. Previous to the war you had no steamers to compete with you in the domestic trade, and our foreign commerce was more extensive; the products of this country were carried to foreign countries, which is not the case now.

Mr. DYER. Not now; but I trust they will be.

The CHAIRMAN. What has been the practice usually in reference to the coppering of vessels built in the United States? Has it been done in this country or in Europe?

Mr. DYER. Of late years vessels go to the other side to copper.

The CHAIRMAN. What is the common practice in building a vessel here? Is the coppering done here?

Mr. DYER. No, sir. With a new vessel it is generally preferred that she should make a voyage first, except she is going a long voyage, such as to the Pacific. In that case they copper her here; but if a vessel is going into the southern trade and then to Liverpool or France, they do not copper her until they get on the other side, where it is cheaper.

The CHAIRMAN. When you speak of the cost of a vessel you mean her cost fitted out for sea without coppering?

Mr. DYER. Yes, sir.

Captain CHARLES M. DAVIS submitted his views to the committee. He said that he disagreed somewhat with his friend Captain Ryan about the trouble in the depression of American commerce. He thought that it was necessary to go further back than Captain Ryan did to get at the bottom of the trouble. They had got no ships now, comparatively speaking, with which to make sailors. American ships had almost disappeared from the ocean, and for very obvious reasons. During the late war the pirates destroyed many American ships, and many were transferred to foreign flags. Shipping would have to be brought back and then discipline would follow. If the United States had shipping equal to that of England or France, he would guarantee that American ship-masters could compete with the French or the English in discipline and in the sailing of their ships. He had yet to learn that American ship-masters did not take as good care of their ships and did not make as good passages as any foreign ship-masters. American ships used to be preferred to foreign ships in the carrying trade. American shipping must be built up, and in order to do that the ship-builders must have something to help them or else they could not compete with foreign ship-builders. He had letters in his pocket, which he had received lately from Quebec and from St. John, showing that he could buy ships there—first-class ships of a thousand tons—at from thirty-seven thousand to thirty-eight thousand dollars in gold, all fitted out for sea. Adding thirty per cent. to that price for the difference between gold and currency, would make their cost in the neighborhood of fifty dollars per ton in currency. They built pretty good ships in Quebec—rather better than in St. John. They had oak and hackmatack there and they built good ships. Ship-builders on this side could not compete with them in

price. Mr. Dyer had said that a thousand-ton ship at present would cost seventy-five dollars a ton. He could buy such a ship to-day in Quebec for fifty dollars a ton. That was a great difference; but he thought that if American ship-builders could have the advantage of a remission of duty on the materials used in the construction of ships, and if ship-owners could get their outfits out of bond free of duty, as they did in England and France, American ship-builders and ship-owners could compete with the world, provided that there was business for them. There was a change in the freighting business. Steamers were taking the place of sailing-vessels. These latter only got heavy cargoes to carry, such as tobacco, coal, salt, &c. Only let American ships be built as cheaply as the ships of other nations, and American ship-owners would ask no odds.

The CHAIRMAN. Would we labor under any greater disadvantages now than we did prior to the war, provided the materials entering into the construction of ships were admitted free of duty? Could we then as successfully compete with foreigners on a gold basis as we did before the war?

Mr. DAVIS. I do not know why we should not, if business was the same.

The CHAIRMAN. Were there not always these periods of depression in the shipping business prior to the war, some years prosperous and some unprosperous?

Mr. DAVIS. Yes, sir; some years we could not run our ships except at a loss, and then again the business would revive, and we would make money.

The CHAIRMAN. That business is not so regular and steady as other branches of business?

Mr. DAVIS. No, sir; it is dependent upon the crops and upon a great many other things, on which other branches of business are not dependent. I take it that if you will give us a fair chance, we will build our commerce up again, and I think that when it is built up discipline will follow. I do not think that we can undertake to have discipline when we have no ships. As for our ship-masters, there is a change in them as there is in every profession, and in all classes, ministers, lawyers, doctors, &c.

Mr. BUFFINTON. Are you acquainted with Cape Cod?

Mr. DAVIS. Not on shore.

Mr. BUFFINTON. The tonnage of Cape Cod is far greater than it was formerly, and I want to ask you if you think that the seamen of Cape Cod have deteriorated at all, and if ship-owners have not seen that while the interest has kept up, the seamen have kept up?

Mr. DAVIS. I think so.

Mr. BUFFINTON. I think that if you go to Cape Cod you will find as good captains and seamen there as ever were there.

Mr. DAVIS. Yes, sir; that is true. When the interest is kept up you will find no deterioration in the officers and men.

The CHAIRMAN. You are considerably acquainted with the business on the other side of the water?

Mr. DAVIS. I am conversant with it.

The CHAIRMAN. What do you know about the business of building ships upon the Clyde and Tyne? what is the condition of the ship-building business there?

Mr. DAVIS. I can give you the price of first-class iron ships at Glasgow. First-class iron ships of a thousand tons fitted for sea, and rated for twenty years, can be had at fourteen pounds ten shillings per ton. I

present to the committee the specifications and some letters on the subject. [The letters are attached to Mr. Davis's statement.] There is no use in talking of a demand for ships this year; there is no demand for ships. It is pretty hard to charter a ship for a long voyage; but that does not stop the building of ships on the other side, because there will be a demand for ships. Give us a fair chance to build ships and to run them by allowing a drawback of duty, and by allowing outfits free of duty, and we cannot be driven off the water.

The CHAIRMAN. What do you think would be the effect of such modification of the navigation laws as to admit foreign-built ships to American registry?

Mr. DAVIS. My own opinion is that it would be better for our commerce. Some interests would not be benefited by it; but I think that, on the whole, it would be generally benefited. I do not see why, if I can buy a ship at St. John for fifteen thousand dollars less than I can buy her here, I should not be allowed to do so. What difference does it make to the government when I am going to sail her under the American flag?

The CHAIRMAN. What effect would that have on the ship-building interest of the country?

Mr. DAVIS. I think it would rather head them off a little.

Mr. WELLS. I infer that you would be in favor of repealing the navigation laws and letting our merchants buy ships wherever they can buy them cheapest?

Mr. DAVIS. Yes, sir; that is my opinion.

Mr. WELLS. You are a ship-owner?

Mr. DAVIS. I have been a ship-owner. I have been retired from the business for some time. I built some ships and owned some. I have not owned any ships since the war.

Mr. WELLS. What did you have to pay for ships of a thousand tons previous to the war?

Mr. DAVIS. They cost us about fifty to fifty-five dollars a ton. Before the war I could get a good ship fitted out with a single suit of sails for a European voyage (not for the East Indian voyage) at fifty-five dollars a ton.

Mr. WELLS. The same class of ship as you can get at Quebec now for thirty-eight dollars a ton?

Mr. DAVIS. I think rather a little better.

The CHAIRMAN. Do you believe that if the duties were taken off the materials entering into the construction of ships, our ship-builders could compete with those in Europe?

Mr. DAVIS. I think so.

The CHAIRMAN. Do you believe that ships could be built here as fast as the demands of business required them?

Mr. DAVIS. Yes, sir; no doubt of it.

The CHAIRMAN. Then why are you in favor of the admission of foreign-built ships to American registry if we can build them here as fast and as cheaply?

Mr. DAVIS. You would be opening a larger market to competition. If you do not the ship-builders will put their prices up.

The CHAIRMAN. Will not competition on this side settle that as well as it settles other business?

Mr. DAVIS. Perhaps it may. We have always lived under our home competition and done very well by it; but I would rather have a larger field if I could have it.

The CHAIRMAN. I understood you to say that if we should do that, it

would be rather hard upon ship-builders here. That means, I suppose, that they could not build ships if the navigation laws were repealed.

Mr. DAVIS. I do not think it would go to that extent. I think the case would rather level itself. I do not see why, if we had the same chances to build a ship here with the duties off all the materials, we would not do so as well and as cheaply as they do on the other side. If we can, so be it; then we will buy our ships at home; but if we can buy them cheaper abroad, I would prefer to be at liberty to do so.

The CHAIRMAN. What would be the effect upon the general interest of the country of allowing that?

Mr. DAVIS. I think it would be better for the whole of the country.

Mr. CALKIN. If Congress should repeal the navigation law and allow American merchants to go abroad and buy their ships, and at the same time allow a drawback to the builders here, do you think that the builders here could live and compete with the foreign market at once, and that our ship-building interest would grow up side by side with the ship-building interest of England?

Mr. DAVIS. In regard to wooden ships I think so; I do not know why it should not be so. As to iron ships we cannot compete with the English in ten or twenty years. We cannot learn to build ships here as they do on the Clyde. I do not think that we can compete with the iron ship-building interest of England for the present; I think we can compete with them in wooden ships.

Mr. CALKIN. What effect would it have to repeal the navigation law and to allow a drawback—what effect on the whole general interest of the country, on the wealth and labor of the country? Would it advance or deteriorate it?

Mr. DAVIS. I think it would advance it. It would give us a stimulus and a life which we have not seen for some time.

The CHAIRMAN. I believe you have stated that it was a very common practice for masters of vessels to be interested in their vessels. Is it also a very common practice for the builders of vessels to be interested as owners?

Mr. DAVIS. Yes, sir; here in our State it has been always so.

The CHAIRMAN. What would be the tendency of building ships abroad and bringing them here? Would it be to create a foreign interest in the vessels and to build up a really foreign interest in our navigation? While our ships were nominally American, would they not be really foreign?

Mr. DAVIS. I do not know why it should be so. If I want to buy a ship I buy her and run her for my own purpose and under my own flag; I do not know why there should be any foreign interest in her.

The CHAIRMAN. If you build a vessel here the builder has generally an interest in her. Now suppose you bought your ship abroad, would not that be the operation of the thing—that the foreign ship-builder would retain an interest in her?

Mr. DAVIS. I should not think so. I should not want to have foreigners owning with me. My experience and observation here are that our folks do not like very much to own ships with foreigners.

The CHAIRMAN. That is because we cannot own them with foreigners. But suppose that condition of things should cease?

Mr. DAVIS. I do not know why it should be more so here than in France or Germany or other places. They have always had the privilege of buying their ships abroad, and they never have filled up their commerce with American ship-owners or British ship-owners.

The CHAIRMAN. Have they ever really been in the condition that we are in?

Mr. DAVIS. They have been in a condition that they can buy our ships and put them under their own flag.

The CHAIRMAN. Have we ever had that advantage over them that they have over us now?

Mr. DAVIS. No, sir; I do not think so. They have got us where they can handle us just as they have a mind to.

Mr. CALKIN. Do you believe that it is the policy of the government to encourage iron ship-building?

Mr. DAVIS. No, sir; I do not think so. I should think it would be costing the country too much to undertake now to build iron ships so as to compete with other nations. I should rather husband our own resources and wait until we get stronger.

Mr. MORRELL. You believe that a large proportion of American commerce across the ocean is done in iron ships?

Mr. DAVIS. Yes, sir.

Mr. MORRELL. Then are you prepared to surrender that ocean commerce entirely to foreign-built vessels?

Mr. DAVIS. No, sir; I would buy them and put them under our flag. The ships are yours when you buy them.

Mr. MORRELL. Do you not think that it is the policy of the government to encourage that interest, and to have mechanics to build iron ships as well as wooden ones?

Mr. DAVIS. No, sir; I do not think it public policy to build iron ships here and to protect them by a protective tariff. If we can build iron ships here as cheaply as they do in England, let us build them. I go a good deal for free trade, and to let the smartest take the lead. I believe that this young country will do better in that way than in the other way. I do not like so much red tape, so much tied-up business. I think we should do better if we had more liberty.

Mr. MORRELL. Then you believe it better to sacrifice that interest, at present, as you know we cannot immediately compete with iron ship-builders abroad?

Mr. DAVIS. There is no sacrifice if we cannot do it.

Mr. MORRELL. Iron ships have been built in this country, and can be built now to some extent.

Mr. DAVIS. Time will bring it along, no doubt. We cannot build iron ships here now at anything like the price that we can buy them for across the water. If we undertake to build iron ships who is going to pay the bills?

Mr. CALKIN. Are you in favor of admitting back vessels that were once under the American flag, and that were put under a foreign flag during the war?

Mr. DAVIS. No, sir. Let them die off; they will soon die off, the general age of a ship is from six to eight years.

Mr. Davis submitted to the committee the following business letters:

ST. JOHN, N. B., *September 27, 1869.*

DEAR SIRS: I have your note of 23d instant. In reply, beg to say that the last sale of a seven year veritas classed ship was, hull and spars, twenty-five dollars, gold, per ton, and outfits, with wire rigging, would cost not over ten dollars per ton, gold. This sale was made under peculiar circumstances, and was rather *under* the market; but no doubt a ship of similar class could be contracted for at twenty-six dollars per ton, anything from one thousand tons and upwards. Six years' class at veritas can be produced at twenty-four dollars per ton, outfits at the same rate as dearer vessels.

I am yours, truly,

WM. THOMSON.

Messrs. C. M. DAVIS, *Portland.*

English measurement about the same as American new measurement.

C. M. D. & CO.

QUEBEC, *September 30, 1869.*

DEAR SIR: In reply to your favor of September 23, we have ascertained that the cost of building ships in this place is as follows: A 1, seven years, 1,000 tons, not coppered, but copper fastened up to the lower deck stringers, and the usual Quebec outfit, \$38 gold per registered ton; for a 1,500-ton ship as above, the cost would not exceed \$47 per ton.

The highest price any of our first-class builders have named is \$39 per ton, and we are satisfied that, at these figures, you could contract to build a really first-class ship.

Yours, truly,

For R. R. DOBELL & CO.,  
T. BECKETT.

Messrs. C. M. DAVIS & Co.,  
*Portland, Maine.*

English measurement about the same as American new measurement.

C. M. D. & CO.

Mr. CYRUS F. SARGENT said that he had been building ships for some fifteen years, but had never sailed any himself. He had been no ship-owner.

The CHAIRMAN. Do you believe that if the duties were taken off ship-building materials the ship-building interest of this country would revive?

Mr. SARGENT. Undoubtedly it would.

The CHAIRMAN. Do you think that we can compete with Great Britain in building wooden ships?

Mr. SARGENT. I think we could if we had a drawback upon all the materials that enter into the construction of ships. As it is, after a ship is built here we cannot copper her here, on account of the expense. We take a lower rate of freight than we would otherwise take, for the purpose of sending her to Europe to have her coppered.

The CHAIRMAN. Do they copper a ship on the other side as well as they do here?

Mr. SARGENT. Yes, sir, I think they do.

Mr. WELLS. What is the cost per ton of coppering a first-class ship?

Mr. SARGENT. To copper a thousand-ton ship would cost, I think, about six thousand dollars. That includes the docking of the ship, the cost of the copper, and putting it on.

The CHAIRMAN. Do you believe, if the materials entering into the construction of vessels were exempt from duty, that ships could be built as fast as the demands of business required them?

Mr. SARGENT. Yes, sir, wooden ships could be. I have talked with ship-builders from Quebec and St. John, and the information I received from them is somewhat different from that which Captain Davis has stated. My understanding is that ships there cost more than Captain Davis has stated, and I think we can build better ships than they can; we have better materials. Our southern pine is one of the best articles that goes into the construction of a ship, and we can get it cheaper than any people in the world.

Mr. WELLS. Can you get it any cheaper than they can get it in the provinces? Have they not the right to go to North Carolina for it, and take it into the provinces free of duty?

Mr. SARGENT. I do not know whether there is any duty on it or not.

The CHAIRMAN. Do you think that we sail our ships as cheaply as the English sail their ships? Do you think that an American ship-owner could afford to run a ship in competition with foreign ship-owners, provided he can obtain her as cheaply?

Mr. SARGENT. It is my opinion that the English sail their ships for less than we do. They have a larger number of men, and they pay them

higher wages than we do. But we ship our men in Liverpool or London, and they get the best men. The American ship only gets the rejected men that the English ships will not take.

Mr. WELLS. What is the policy of shipping the poorest men they can find?

Mr. SARGENT. Before a sailor in Liverpool can go on board an English ship, he must have a certificate from the last master that he was under; he must have a certificate of good moral character and efficiency. The consequence is that the English ships take all the good men, and leave the American ships only the "runaways" and desperate men, whom it is hard to manage. They come right on board, and no questions are asked, and the American ships take them.

Mr. MORRELL. What is your opinion in reference to the repeal of the navigation laws? Do you believe it best for American commerce?

Mr. SARGENT. I should not think it would be, except all the tariff laws are repealed together, and let us have free trade in everything.

Mr. CALKIN. What do you mean by that?

Mr. SARGENT. I mean, to have general free trade all over the country in everything.

Mr. CALKIN. What effect would the repeal of the navigation laws have upon the general interest of the country?

Mr. SARGENT. That alone, I should think, would operate against the ship-building business of the country.

Mr. CALKIN. Would it not eventually transfer our ship-yards to foreign countries?

Mr. SARGENT. As Mr. Dyer remarked, it would shut up the ship-yards here; but if you make it free trade in all things, I think we can compete with foreigners.

Mr. CALKIN. I suppose it is simply a question whether our laboring men shall be reduced to the level of the laboring men of other nations. Would not that be the effect?

Mr. SARGENT. I should not think it would.

Mr. CALKIN. Are you well acquainted with most of the ship-owners of Portland?

Mr. SARGENT. I know quite a number of them—perhaps the majority.

Mr. CALKIN. Can you tell what their sentiment is in regard to the repeal of the navigation laws?

Mr. SARGENT. I have never exchanged views on the subject with the ship-owners of Portland. I built, during the war, a ship of about eleven hundred and fifty tons, ready for sea, and I believe she only cost me \$41,000 in gold. That was in 1864 or 1865, I believe.

The CHAIRMAN. The premium on gold was very high at that time?

Mr. SARGENT. Yes. I am of opinion that a ship can be built for gold now cheaper than she could be before the war. It seems to me that the great difficulty is the depreciation in the currency.

The CHAIRMAN. Do you mean to say that you can build a ship cheaper now than you could then, paying the duty on the materials?

Mr. SARGENT. Yes, sir; other gentlemen may differ with me, but that is my opinion. The last ship I built was fifteen hundred odd tons. She was ready for sea, (not coppered,) had eighteen months' provisions on board, and she only cost about sixty dollars a ton. She went to sea two years ago.

The CHAIRMAN. Then, according to your present statement, we really do build our ships as cheap as we ever did?

Mr. SARGENT. I think so; there is the trouble about this depreciated currency. It is a speculating matter. When one wins another loses.

That was the reason why the ship we built during the war cost such a small amount in gold; for exchange was then at two hundred and fifty.

Mr. WELLS. Did you build her on English account?

Mr. SARGENT. No, sir; but I made a contract with some of the owners that the account should be made up in gold.

The CHAIRMAN. What, then, do you consider to be the difficulty under which we labor at present in reviving our commerce? Why do we not build ships?

Mr. SARGENT. The great trouble is in the depreciated currency. People say, "I can get a better interest for my money than I can by putting it in a ship." They do not wait to consider that they are really paying only seventy cents on the dollar. They deceive themselves in the matter of the currency, and you cannot get them to build a ship that would cost eighty or ninety dollars a ton in currency.

The CHAIRMAN. Then there is only an imaginary difference in the price; it is not a real difference?

Mr. SARGENT. Only an imaginary difference.

Mr. CALKIN. Do you live in Portland?

Mr. SARGENT. No, sir.

Mr. CALKIN. Where do you reside?

Mr. SARGENT. In Yarmouth.

Mr. CALKIN. That is a ship-building place?

Mr. SARGENT. Yes, sir.

Mr. CALKIN. What is the sentiment of the ship-owners of Yarmouth in reference to the repeal of the navigation laws?

Mr. SARGENT. I do not know that I have ever talked with them about that; but we have talked a good deal in reference to free trade for everything and for everybody. And as to our ship-building interest, we feel satisfied that we could compete with any other people, so far as we are concerned, if we had free trade.

The CHAIRMAN. Then you do not want the principle of free trade applied to ships alone?

Mr. SARGENT. No, sir.

Mr. WELLS. Do you not find from experience that gentlemen who have heretofore had their money invested in ship property make more interest now by putting their money in the national banks and railroads, and other speculations, and that that is a reason for the depression of the ship-building interest?

Mr. SARGENT. Yes, sir. The English ship-owner will be satisfied with four or five per cent. interest on his money; but here in America nothing will satisfy people less than eight per cent., and many of them put their money in bonds and securities. The English are easier satisfied.

Mr. WELLS. Prior to the war were not ship-owners making more than eight or ten per cent.?

Mr. SARGENT. Yes, sir.

Mr. CALKIN. What is the average life of American ships?

Mr. SARGENT. I believe underwriters state it at about eight years.

The CHAIRMAN. What is the life of ships built in the Provinces?

Mr. SARGENT. I do not know.

Mr. CALKIN. Have we not had the reputation always of building better ships here than they do in the Provinces?

Mr. SARGENT. We always had.

Mr. CALKIN. Does not the English capitalist calculate more closely on his percentage on the loss being a total loss than an American does on his investment in an American-built ship?

Mr. SARGENT. In the north of Europe and in England, and many



European countries, they only insure against a total loss. If a ship touches bottom they pay a partial loss; but if any other damage results, that is unless she touches bottom, the underwriter does not pay any loss.

Mr. BUFFINTON. How much more do you pay for the materials that go into a ship now than you had to pay for them before the war?

Mr. SARGENT. I have never made a calculation about that.

Mr. CALKIN. Do you not pay more for iron and more for duck than you did before the war?

Mr. SARGENT. Yes, sir.

Mr. BUFFINTON. Do you not really pay from ten to thirty per cent. more for every article that goes into the construction of a ship than you paid before the war?

Mr. SARGENT. Taking all the materials, I should say that they would not cost thirty per cent. more than they did before the war.

Mr. BUFFINTON. I say from ten to thirty per cent.

Mr. SARGENT. Yes, they would.

Mr. BUFFINTON. I ask you, then, this question, because it is thought that there must have been an error in a remark you made, and that you could not have intended to say what you did. You said that you could build a ship to-day just as cheap with gold as you could before the war. How could you do it with labor higher, and materials higher?

Mr. SARGENT. The difference in labor and the difference in the cost of materials do not amount to the difference in value between gold and paper.

Mr. BUFFINTON. But before the war, iron and all the materials that went into the construction of ships were from ten to thirty per cent. less than they are now. Do you mean to say that after paying the increased cost of these articles you can still build a ship as cheaply as you could before the war?

Mr. SARGENT. Either you or I do not understand it. The increased price of the materials that go into the construction of a ship does not amount to the premium that there is on gold, say thirty-five per cent.

Mr. BUFFINTON. Iron costs a great deal more; sail-cloth costs a great deal more; and in fact every article costs more.

Mr. SARGENT. Yes, more in paper money.

Mr. BUFFINTON. Do they not cost more in gold?

Mr. SARGENT. No, sir; southern pine costs less in gold.

Mr. BUFFINTON. How about iron?

Mr. SARGENT. All the difference is just the duty.

Mr. BUFFINTON. If you are correct I do not see that the country needs any legislation on the subject.

The CHAIRMAN. How much do the duties on the materials in a thousand-ton wooden ship amount to?

Mr. SARGENT. I have never seen the figures made. I have talked with a number of ship-owners on the subject, and they have put the amount from \$10,000 to \$15,000; perhaps \$12,000 might come nearer to it.

The CHAIRMAN. The cost of labor is somewhat higher here than in England.

Mr. SARGENT. I suppose so.

The CHAIRMAN. I understood you to say that we can really build a ship now as cheap in gold as a ship can be built for in Great Britain in gold.

Mr. SARGENT. That I do not know. I did not make that statement.

The CHAIRMAN. I understood you to say that the difference was only about the difference in currency.

Mr. SARGENT. I made the statement that we could build a ship here in gold as cheaply as we did before the war.

The CHAIRMAN. The tariff has been increased very largely. Do I understand you to say that ships can be built, paying the duty on the materials, as cheaply now as when there were no duties paid?

Mr. SARGENT. That is the question you all want to know. I answer as I did at first, that if you let the duties go just as they are, we can build a ship now as cheaply in gold as we could before the war.

The CHAIRMAN. Then how do you overcome the disadvantage resulting from the increase in the tariff?

Mr. SARGENT. A good deal of it comes out of the labor. We paid for good men before the war from one dollar and seventy-five cents to two dollars a day. Two dollars would be the average price. Now we pay only two dollars and fifty cents.

The CHAIRMAN. Then you pay quite as high in gold now as you did before the war?

Mr. SARGENT. No, sir; we do not. If you add thirty-five per cent. to what we paid before the war, you will find we do not pay so much now.

Mr. WELLS. I understood you to say that in 1864-'65 you built a ten-hundred-and-fifty-ton ship at a cost of forty-one thousand dollars?

Mr. SARGENT. Yes, sir. That was in the time of the war, when gold was very high. Exchange was selling for about two hundred and fifty.

Mr. WELLS. Can you tell me what the duty on iron and the duties on the materials that go into ship-building are now, compared with what they were in 1860?

Mr. SARGENT. I do not think I can.

Mr. WELLS. The difference is not over ten per cent., is it?

Mr. SARGENT. I do not recollect. Before the war I recollect buying iron for about forty-two dollars per ton.

The CHAIRMAN. What effect would it have on our navigation interest if Congress were to admit foreign-built ships free? Would it have a tendency to carry the ownership partly abroad?

Mr. SARGENT. I do not know. I should hardly think it would; for all owners like to have the other owners as near home as they can get them. If you are connected in business with men, you want them where you can see them occasionally; and that would be the case with ship-owners.

The CHAIRMAN. Do you mean to say that, as a general rule, we pay less to our sailors than the English do?

Mr. SARGENT. Yes, sir; the wages of sailors are lower in an American ship than in an English ship.

The CHAIRMAN. I understood you to say that the duty is from ten to fifteen dollars a ton in gold on all the materials that enter into the construction of a ship, and yet you say that notwithstanding that, you can build ships as cheaply as they can build them on the other side?

Mr. SARGENT. Not on the other side; you confound that thing; but I say that we can build them as cheaply as we built them before the war.

The CHAIRMAN. Did we build our ships as cheaply before the war as they built them on the other side?

Mr. SARGENT. We built them cheaper.

The CHAIRMAN. Then, of course, we still build them cheaper than they do on the other side. That is a very remarkable statement; and what I want to get at is, how you account for that condition of things, that we can pay an increased duty of ten to fifteen dollars a ton in gold,

and still build not only cheaper here, but cheaper than where all the materials are free of duty.

Mr. SARGENT. It is because our greenbacks are worth only seventy cents on the dollar.

The CHAIRMAN. Put the two in gold. Suppose that you build for gold, and that your foreign competitor builds for gold?

Mr. SARGENT. Yes, but we do not build for gold; we build for paper, and then we reduce the cost to gold.

The CHAIRMAN. And you build for less on this paper basis?

Mr. SARGENT. When it is reduced to gold, the ship does not cost any more than it did before the war.

The CHAIRMAN. Then there is great advantage to ship-builders to build for paper?

Mr. SARGENT. Yes, sir.

The CHAIRMAN. Then, instead of the currency being a disadvantage, it is an advantage?

Mr. SARGENT. It operates against the laborer; it comes out of him.

The CHAIRMAN. I understood you to say that you paid about two dollars a day on the average in 1860, and that you now pay two dollars and a half. Is not that an increase of twenty-five per cent.?

Mr. SARGENT. Yes, reckoning gold and paper equal.

The CHAIRMAN. He can take his paper and sell it, and still get two dollars in gold?

Mr. SARGENT. O no; you must take off thirty-five per cent., which will leave him less than two dollars in gold. If he got two dollars in gold before the war, that gold would cost now two dollars and sixty cents, and we only give him two dollars and a half.

The CHAIRMAN. That makes ten cents a day difference, and that certainly cannot account for all the other differences.

Mr. SARGENT. There is other labor connected with ship-building besides the carpenter labor. I do not think that ship-carpenters are in as good a condition now as they were before the war.

The CHAIRMAN. Does not that result from the fact that they are not employed fully?

Mr. SARGENT. I don't know about that. They are employed about the same. In Yarmouth they are.

The CHAIRMAN. Do you mean to say that ship-building is as prosperous now in Yarmouth as it was before the war, and that there is as much doing there now as there was before the war?

Mr. SARGENT. More. There has been more doing for the last year than there had been before the war.

Mr. WELLS. What class of ships do they build there?

Mr. SARGENT. Ships for the coastwise trade, and for the European trade, both.

Mr. WELLS. What did ships cost before the war?

Mr. SARGENT. A thousand-ton ship would be built for from fifty-five thousand to sixty thousand dollars.

Mr. WELLS. What would you build the same class of ship for to-day, in paper money?

Mr. SARGENT. I should think it could be built for eighty thousand dollars. I was told the other day that one was built in Kennebunk of a thousand tons, and was sold to a party in Boston for seventy-six thousand dollars. There are some materials which would be worth more in gold than they were before the war.

Mr. GILES LORING, of Yarmouth, stated that he was a practical ship-builder. That had been his business for quite a number of years. He

had acted as a boss carpenter and contractor. He had built ships before the war, and had built some during the war, and some since the war. He could hardly agree with his friend, Mr. Sargent, and he could not exactly agree with his friend Mr. Davis, in his answer to one question about foreign capitalists. He (Mr. Loring) thought that if Americans bought their ships abroad, foreign capitalists would certainly have an interest in them. The lumber which he used to get before the war from Canada, for the floor and frame of the ship, at from ten to thirteen dollars a ton, delivered in the cars at Portland, he had now to pay eighteen and twenty dollars a ton for. He had got one floor and top from there at ten dollars, and this year he had to pay nineteen dollars for the same. Therefore, Mr. Sargent's idea that ships could be built just as cheap now as before the war, on a gold basis, he certainly could not agree with.

The CHAIRMAN. What is the difference in the cost of a thousand-ton ship now and before the war?

Mr. LORING. I should give it as my idea, that the difference amounts to about twenty per cent. more now than before the war.

The CHAIRMAN. Do you mean in gold?

Mr. LORING. Yes, sir, in gold. But still I may be mistaken. Gold and paper were one and the same thing before the war. He disagreed with his friend Mr. Sargent in stating that as many ships were built now as before the war. The money which used to be invested in ships was now invested in government bonds, because the owners could do better in that way. All that worked against the ship-building business. It seemed to him that if there were not drawbacks allowed, (although he was not able to say what they should be,) it would be but a few years before all the ship-builders would have to leave Maine and go out West.

The CHAIRMAN. State your opinion as to what ought to be done.

Mr. LORING. I should rather leave that to my friend, the chairman of the committee, because he is a more practical man in that business than I am.

The CHAIRMAN. What relief would enable you to build ships in competition with foreign ship-builders?

Mr. LORING. If you take the duties off everything that we have to use in ships, we can compete with any other nation.

The CHAIRMAN. Do you think that that would revive the ship-building interest?

Mr. LORING. I think it would. The great trouble now is that ships cost so much, and that people are not willing to put their money into them.

The CHAIRMAN. You then give it as your opinion, that if the duties were taken off all the materials that enter into the construction of ships, the ship-builders of this country would be able to build ships as cheaply as they are built abroad. And you think that if ships could be built as cheaply here as abroad men would invest their money in them, and that that would tend to revive the business?

Mr. LORING. That is my idea; and if something is not done, it will be the ruin of Maine; for when our ship-building interest is gone, Maine is gone.

The CHAIRMAN. What would be the effect upon the ship-building interest if foreign ships were allowed to come in and be nationalized, provided at the same time that you were allowed drawbacks on the materials entering into the construction of ships? Could you then compete with foreign ship-builders?

Mr. LORING. I should hardly think we could.

The CHAIRMAN. If you were protected from that competition for a number of years, do you think that then you could do it?

Mr. LORING. I think we could, if we had protection until we got a start.

The CHAIRMAN. Could you have stood such competition prior to the war?

Mr. LORING. I should hardly know how to answer that question. My opinion is that we could at that time, but that we cannot now.

The CHAIRMAN. But you think that after a few years you could?

Mr. LORING. I think that, after getting once started again, we could.

The CHAIRMAN. What rate of wages do you pay now?

Mr. LORING. I paid this year all the way from two dollars and a half to three dollars.

The CHAIRMAN. What did you pay to the same class of mechanics before the war?

Mr. LORING. All the way from one dollar and seventy-five cents up to two dollars. I built one vessel on which I paid only one dollar and seventy-five cents. That was eight years ago. At that time I paid a cent and a half a pound for iron.

The CHAIRMAN. How was it from 1852 to 1854?

Mr. LORING. I worked as a carpenter then, and at that time wages were all the way from one dollar and a half to two dollars. Wages at that time were pretty high.

The CHAIRMAN. What wages were you paid as a carpenter at that time?

Mr. LORING. Two dollars and a half.

The CHAIRMAN. Were you a master carpenter?

Mr. LORING. No, sir; I was a common carpenter at that time.

Mr. CALKIN. When did you commence as a master builder?

Mr. LORING. In 1855.

Mr. CALKIN. How many vessels have you built since that time?

Mr. LORING. Speaking of the cost of coppering vessels, a few years ago I had a ship of seven hundred tons coppered abroad. The cost of the coppering of that vessel was just about equal to the cost of coppering one of four hundred tons here. I know that, because I had at that time one coppered abroad and one coppered in New York. A great many of our New York ship-owners prefer to have their ships coppered at home.

Mr. CALKIN. Do they think that the work is done better here?

Mr. LORING. I do not know that it is done better; but I believe they would get it done just as cheap, notwithstanding that they pay higher wages here than are paid abroad.

The CHAIRMAN. Are you a ship-owner now?

Mr. LORING. Yes, sir.

The CHAIRMAN. As a general thing, do those who build ships in your section retain an interest in the vessel?

Mr. LORING. As a general thing they do. That is the way I have worked. A captain comes to me sometimes with one-fourth and sometimes with one-half the cost of a vessel, and I have to look out to make up the difference. Sometimes I have one-fourth of it entered in my name; sometimes more, and sometimes not so much.

The CHAIRMAN. How many vessels are you interested in?

Mr. LORING. Only four.

The CHAIRMAN. How large a class of vessels are you owning in?

Mr. LORING. The vessels I have built have been from four hundred to nine hundred tons.

The CHAIRMAN. Is it the practice of ship-masters also to own parts of the vessel?

Mr. LORING. Yes, sir.

The CHAIRMAN. Then the ownership is divided between the ship-builder, the ship-master, and the merchant who does the business?

Mr. LORING. Yes, sir; and as they say with us, "all the parish." Sometimes the joiner has an interest; sometimes the calker, the blacksmith, the farmer, and the trader. In fact, everything of that kind with us is brought into the shipping interest.

The CHAIRMAN. So far as you know throughout the State, is that the manner in which ships are built and owned?

Mr. LORING. I should suppose it was, but I do not pretend to say that it is. There is one thing which works a little against the ship-builder; in the first place, the government established eight hours for a day's labor. Now, for a ship-builder to employ men in that way is rather out of the question. Perhaps it is right for the government to do so; but the consequence is that Mr. A, Mr. B, Mr. C, and Mr. D, ship-carpenters, will say, "I must get into the government employment, because I have only to work eight hours, and I can get a little more pay than by working ten hours in private employment." I should say that this year from four to six of our best carpenters have gone to the Kittery navy yard. We thus lose from this class some of our best men.

The CHAIRMAN. I supposed that the navy yard being so far off would not have had much effect on you?

Mr. LORING. I think the effect is considerable. The distance does not make any difference; they will go sometimes to Boston and sometimes to New York to get into the navy yards. People do not like to work ten hours a day if they can get the same wages by working only eight hours.

Mr. MORRELL. As a ship-builder, ship-carpenter, and master-builder, what is your opinion as to the eight-hour law? Do you think it calculated to benefit ship-carpenters or not?

Mr. LORING. I should give it as my opinion that it was of no benefit at all to them, unless it was so arranged that the ship-carpenter could work after hours and get pay for extra time. Then it would be a benefit.

Mr. MORRELL. Do you believe that any United States law regulating the price of labor, or the hours of labor, is of any benefit to the laboring man?

Mr. LORING. I do not think it is.

Mr. CALKIN. Do you mean to say that it is no benefit to him physically, mentally, or financially?

Mr. LORING. I do not think it is in any way. When I began to work, we used to work, I may say, from sun to sun. I was opposed to that, after a while, and then we got the ten-hour system. I was in favor of that and am now. I believe ten hours long enough for a man to work; but when you reduce the hours of labor below that, I think you are cutting them down too much.

Mr. CALKIN. Do you not believe that the government gets the pick of the mechanics in the ship-yards—ship-builders, calkers, iron workers, &c.—by adopting the eight-hours system?

Mr. LORING. Without doubt the government gets many of the best men by adopting that system, but still, if you take these best men, put them into the government service, and let them work awhile there,

they will soon get so that they do not do much work. I am not saying that for the purpose of coming down on my friends the carpenters, but it is perfectly natural for men, when they get into the government service, to do so. The tonnage dues have been rather severe upon ship-owners. If there could be something done to help the ship-owners and ship-builders in Maine, I think that Maine would actually come up again. But if things go on as they have been going for some years back, Maine will certainly be depreciated, and it must necessarily be so.

Mr. JAMES E. SIMPSON said that he was a ship-builder, and had been engaged in the repairing of ships up to 1863. He then went to Boston to construct a dock for the South Point Dry Dock Company of Boston. He had gone into the business of building and repairing in 1848, and from that time he had more or less to do with ships, both in repairing and constructing, and in the construction of docks and the docking of ships.

The CHAIRMAN. What disadvantages do we labor under in the repairing of ships in comparison with other countries?

Mr. SIMPSON. In 1853-'54-'55-'56 we could get yellow material for about eighteen to twenty cents a pound. Now it is from twenty-seven to thirty cents a pound. It is so with all the materials that enter into the construction of ships. We could then have bolts, spikes, &c., at from three and a quarter to three and a half cents a pound. Now we cannot buy the raw material short of five or six cents a pound. Ships will not be coppered on this side when they can be coppered much cheaper on the other side. In 1859-'60 and 1861 the docks of New York were employed all the time, and ships were entered three, four, five, and six weeks ahead for their turns to get on the dock. Now, the reverse is the case, the docks lie five and six weeks without a ship. What is the cause of it? The natural depression in the shipping business which is caused by the tariff. The commerce of the country is conveyed in foreign bottoms. There are to-day some eighty or ninety steamers running to New York, all foreign vessels. Do they ever dock in New York? No, unless it is for mere temporary repairs. A statement had been made by an Englishman that there were no mechanics in this country who understood their business. He (Mr. Simpson) considered that that was a slur. An English vessel had been recently taken into the Erie basin and repaired in just half the time it would have occupied to repair her in England. Where six men were employed in this country the English required to use sixteen. As to the difference in labor, he (Mr. Simpson) thought that, although the nominal price of labor was cheaper here than abroad, there was more work got out of mechanics in this country in proportion to the wages paid.

The CHAIRMAN. What rates of wages are paid in New York?

Mr. SIMPSON. Wages there now are four dollars a day.

The CHAIRMAN. What are the rates here in Portland?

Mr. SIMPSON. I think the prices are from \$3 50 to \$4. I have, while constructing a dock here, paid from \$2 25 to \$3 25. The average is about \$2 50 per day, and four dollars in New York. That is on old work. On new work I should judge that it is somewhat in the neighborhood of \$3 50 a day in New York. They work one hour more on new work than they do on old. In Boston they work ten hours on new work, and eight hours on old. In New York they work nine hours on old and ten hours on new work. I helped to dock the first ship that was ever docked in the Charlestown navy yard—the Constitution.

The CHAIRMAN. You have become a contractor and a patentee of docks?

Mr. SIMPSON. I started and constructed a dock on my own idea, and on my own patent; and I have now superintended the construction of six of them.

The CHAIRMAN. You are one of the owners of the new dock here?

Mr. SIMPSON. Yes.

Mr. CALKIN. How do you account for the difference in labor between New York and Maine? Is there the same supply of mechanics in New York as there is in other places?

Mr. SIMPSON. It is a point of strike. At the time they struck in Boston the merchants undertook to hold out the same as they did in New York. They held out for some time; but finally they made a compromise to give the men four dollars a day if they would go to work, and they allowed them to work only eight hours. There had been a half hour allowed for lunch time, which they did away with. The ship Archer went to Boston to be repaired from New York, and when she got there the men in Boston struck because they were helping to support the New York society. I think that ship-builders, repairers, &c., are suffering a great deal to-day by the eight-hour system in the navy yards. I have had men leave me in New York, and men have also left Mr. Poillon and other master-builders to go to the navy yards, because they have to work less time, and thus the best class of men are taken away from the outside business.

The CHAIRMAN. Have you any knowledge of the building of iron ships?

Mr. SIMPSON. I was connected with the building of the first iron ship in this country. She was built by Holden & Gallagher, at East Boston, for the Egyptian government. She was contracted for by George H. Stone. I have seen the construction of her. She was about as thoroughly well constructed a ship as I have ever seen. Since that I have watched more or less the construction of iron vessels. I built in 1867 two iron gates for the last dock I constructed, which were equal to about a two hundred and fifty or a three hundred ton iron vessel, and I am satisfied in my own mind that iron vessels can be constructed in this country, with proper facilities, and we having the materials at the same price that they have them abroad. I think we can compete with any nation upon any kind of ship, either wooden or iron. Let the government protect us as the English government protects its ship-builders, and in less than five years this country can compete with the world in building ships.

The CHAIRMAN. Iron ships?

Mr. SIMPSON. Any ships. Iron ships have been built at Delaware and at Chester, and at the Atlantic Works, in East Boston. They are built to-day as cheaply for gold as they can be got for gold in Europe, taking the duty off.

The CHAIRMAN. You overcome the difference in the rates of wages paid by the greater efficiency of the workmen on this side?

Mr. SIMPSON. Yes; we pay more wages, but I think we get more work for it. I think that, with the tariff off, we can build ships as cheaply as they are built on the Clyde; but as the tariff is, we cannot do so. We used to get yellow pine down South for \$25 to \$27 a thousand, and our white oak for three and a half to four cents a foot, or \$30 to \$40 a thousand. We have now to pay from \$65 to \$75 and \$80 for white oak, and from \$35 to \$50 for yellow pine.

The CHAIRMAN. Is there much American iron used either in building or repairing a vessel?

Mr. SIMPSON. Not a great deal, unless we want it for strength; be-



cause the English iron is of a poorer quality. The Ulster iron commands the best price.

Mr. CALKIN. Are you in favor of repealing the navigation laws so as to allow foreign-built vessels to be brought here?

Mr. SIMPSON. No, sir.

Mr. CALKIN. If the navigation laws should be repealed, and at the same time a drawback should be allowed, could the ship-builders in this country compete successfully with the ship-builders of foreign countries?

Mr. SIMPSON. Yes, sir.

Mr. CALKIN. I mean, if we repeal the navigation laws, and at the same time take off all the duties on materials entering into the construction of ships, can we commence right there and then to compete with foreign builders?

Mr. SIMPSON. Not just to-day.

Mr. CALKIN. How long a time should the builders of this country be protected if a law of that kind should be passed?

Mr. SIMPSON. I think that if they were protected for five years they then could compete with any nation.

Mr. WELLS. I understood you to say that previous to the war the docks in New York were overtaxed, and that ships had to wait for weeks for their turns to come on the dock; but that now that is reversed. Is not that because iron vessels are used instead of wooden ones?

Mr. SIMPSON. That is somewhat the cause, but not entirely. It is not that we cannot put an iron ship on. Our government has never protected our iron ship-building, and the foreigners have taken that business from us; and for that reason our docks are lying idle.

Mr. WELLS. Is it not a fact that one steamer will do the business of four or five vessels in the European trade, and will at the same time last two or three times as long without repairs?

Mr. SIMPSON. I do not think that one steamer will do the business of four sailing vessels. A Liverpool packet ship generally makes the round voyage in from seventy-five to ninety days, and the steamer takes on an average about five weeks to make the round voyage. The steamers take the place of a little over double the number of sailing ships.

Mr. WELLS. Do you know, of your own knowledge, the cost of building steam vessels in this country?

Mr. SIMPSON. No, sir. Of course the cost varies somewhat. I think that we spend more money on our merchant ships in finish and style than is generally spent on merchant ships of other countries, and of course they cost more on that account. But if foreigners were to build ships of the same materials and finish that we do, we having a drawback on the materials, I think we could build the vessel for less than they can.

Captain J. B. COYLE, president of the Portland Steam Packet Company, said that he was interested in coasting steamers, and that they now cost nearly double what they did before the war, on account of the high duties levied on everything. Then, again, if they got the steamers, they were taxed to death to run them. Every little thing that could be stuck on in the way of taxes was stuck on. The tonnage dues were increased. They had to pay for every passenger they carried, so that after they paid all the government dues the owners had very little left, and the consequence was that people were going out of that kind of business.

Mr. CALKIN. You think that the coasting trade should be relieved by the remission of duties and taxation ?

Mr. COYLE. Yes, sir.

Mr. CALKIN. The public generally would be relieved by it ?

Mr. COYLE. Certainly. If we were relieved we could do better by the traveling public; we could take freights less and passengers less.

Mr. WELLS. Are you taxed more onerously than railroads are ?

Mr. COYLE. I think so. I think that the government discriminates against floating property. On all our coasting steamers, if we take an alien and carry him to Boston, we must pay two dollars a head upon him; but if he goes by railroad, he goes free. The English vessels carry their paupers and emigrants into Canada, and they come down here on the railroads free. But if one of our coasting steamers brings them here, she has to be taxed so much a head for them. That is one thing against us which presses pretty hard upon steamboats. The moment we get into port a revenue officer comes on board of us, and every man and woman who is an alien is marked and has to be paid for. Queen Victoria, if she came in that way, would have to pay head money. But if you take all the paupers that were ever raised in the old country and send them here by railroad, there is no such tax levied.

Mr. WELLS. Would you be in favor of repealing the navigation laws ?

Mr. COYLE. If you took the duties off, I certainly would not be in favor of having the navigation laws repealed.

Mr. WELLS. You are in favor of encouraging home industry ?

Mr. COYLE. By all means. I think that is our strength as a nation, particularly in our seaports. Our best men are drifting to the West. A great many of them are leaving our seaports, particularly our mechanics, who are the bone and muscle of the country.

Mr. WELLS. Do you not think that if that law were repealed, and if American merchants were allowed to go abroad and buy their vessels, it would have a tendency to drive all the mechanics of the country out the business ?

Mr. COYLE. Certainly.

Captain CYRUS STURDIVANT made some remarks in favor of removing the duties from the materials entering into the construction of ships, and thus encouraging ship-building. He trusted that Congress would give the ship-building and ship-owning interest some relief, and thus prevent the best men of Maine from going elsewhere for a living. As to steamboats they were taxed to death. They had to get their license renewed every year and to pay thirty cents on the ton for new measurement. Then the internal revenue collector exacted two and a half per cent. on all the income they receive from passengers; and when the season came round they had to pay exorbitant prices for coal. He hoped that coal would be permitted to come in free, and said that unless the ship-owning and ship-building interests had some relief in this direction all engaged in them would have to emigrate elsewhere.

Mr. PUTNAM, mayor of the city, remarked that although Portland was a leading ship-building port in the State, it was deeply interested in navigation, and he thanked the committee for the patient labor with which it was investigating this matter. He trusted that the report of the committee would convince Congress of the necessity of granting the relief so earnestly needed by the great interest of the country, ship-building.

The committee adjourned to meet in Philadelphia on the 1st of December next.

PHILADELPHIA, PA., *December 2, 1869.*

The committee met at 10 a. m.

Present, Messrs. Buffinton, Washburn, Morrell, and Mr. Lynch, chairman. Committees appointed by the Commercial Exchange, Board of Trade, and Ship-builders' Associations, of Philadelphia, Wilmington, and Baltimore, to represent those associations, were present.

FRANCIS R. COPE, of the Commercial Exchange, Philadelphia, stated that there was no business coming so directly in competition with foreign industry as the shipping interest. A foreign vessel will encounter the same difficulties, and earn the same freight as an American vessel in the same trade, and the reason why we cannot compete with foreign vessels must be either from the increased cost of building American vessels or the expense of sailing them.

With regard to the cost of building, timber is cheaper and labor cheaper in the provinces, and wooden vessels can be built cheaper there than in the United States. It is also true that iron vessels can be built at Liverpool and on the Clyde cheaper than Americans can build them.

After the first outfit of a vessel her expenses are very nearly the same, whether American or foreign. If she has to undergo any repairs, it must be at the next port, after the accident or disability occurs, whether it be in a foreign country or our own; and with regard to wages we find that the rate is regulated to a great extent by the wages of other persons employed in other branches of business; and in that respect a great increase has taken place in this country within the last few years. Some twelve or fifteen years ago the rate of wages of seamen in this country was about fifteen dollars a month, while that in England was about two pounds ten shillings. At the present time we are paying sailors thirty dollars per month, while they are paid in England about two pounds fifteen shillings. We are now sailing about four vessels between this port and Liverpool, and the difference between the cost of wages we have to pay and the cost at the rate paid in England amounts to about twenty thousand dollars a year for the four vessels.

Now, as to the cure for these evils, my opinion is that it must lie in a reduction of the tariff, which will reduce the price of everything.

The CHAIRMAN inquired whether American vessels are manned with as large crews as foreign vessels.

Mr. COPE replied there was not necessarily any difference. American vessels are frequently better manned than British, but that is a mere question of economy. Most American owners consider that it is better economy to man vessels more fully and make quicker passages than the British vessels make. As a rule, English vessels carry more apprentices than American, but not larger regular crews. As a general rule now, the crews of American sailing-vessels are perhaps more efficient than those of English vessels, but the crews of British steam-vessels are generally much more efficient than in former years.

In regard to the wages of sailors, the rate is determined by the port from which the sailor ships. A man who goes out in an American vessel at thirty dollars per month, and leaves his vessel at Liverpool or London, and again ships on another American vessel, must do so at a much lower rate. While professedly from one-half to two-thirds of our American crews are American in point of fact, there is no more than one American to five or six foreigners. If you could discharge your crew as soon as you reached a foreign port and reship a crew from an English port, the difference in the cost of wages would amount practically to very little; but the law requires you to carry your crew for the round trip, unless they leave voluntarily.

The CHAIRMAN inquired whether, if we could build our ships as cheaply as foreign ships are built, we could compete for the carrying trade of the world.

Mr. COPE replied that that was his opinion; certainly if the tariff were reduced so as to reduce the rate of wages.

Mr. MORRELL asked whether that remedy would not be worse than the evil.

Mr. COPE responded that that was for the committee to judge. We have lost our commerce to a great extent, and are losing more every year. No doubt a part of it would be regained by a return to specie payment, and he did not know of any remedy short of that and a reduction of the tariff. He wished, however, in this matter to be understood as speaking for himself alone, and not for the committee which he represented. It seemed to him that if you are to protect one interest and then to protect another to counteract that, there would be no end to it, it was the high price of wages, the high price of food, and the high price of everything else which was in the way of our regaining our old prosperity in respect to the shipping interest.

Mr. WASHBURN inquired whether woolen goods and breadstuffs were not now as cheap as before our departure from a specie basis.

Mr. COPE replied that food was as cheap, but that woolen goods were not as cheap in this country as in England and France.

The CHAIRMAN asked whether the labor employed in the old country was as efficient as that employed in this, and whether the greater skill of our mechanics did not, to a certain extent, overcome the difference of price.

Mr. COPE replied that it furnished a certain amount of compensation without doubt, but there was not the same difference there used to be, nor was there the same difference in the vessels produced in the two countries, British steam vessels being now much superior to what they used to be, and our officers of steam vessels probably not quite as good as in former years. Business having declined in this regard, the best class of men had, to a great extent, sought other occupations.

The CHAIRMAN inquired whether the masters of American vessels were not, as a general rule, in part owners of the vessels.

Mr. COPE said that those employed in the coasting trade probably were.

Mr. WASHBURN asked whether it would be possible so to construct lines of steamers for mercantile purposes as to be readily converted into vessels of war when needed for that purpose.

Mr. COPE said he could not give any opinion upon that subject, as he had paid no attention to the building of iron vessels.

Mr. HENRY WINDSOR, of the Philadelphia Board of Trade, remarked that he had no doubt steamers could be built suitably for both purposes; it being true of modern war steamers that only a few guns were required, and those of long range, and that it might be practicable to devote a portion of the very large amount now expended on ships of war for the purpose of building mercantile vessels capable of being converted into naval vessels in time of war.

HENRY R. EDMUNDS, chairman of committee of ship-owners for Pennsylvania, New Jersey, and Delaware, said he intended to have prepared statistics and statements affecting the shipping interest of the country, but having failed to receive the notice sent him, he had been unable to do so. The association with which he was connected was more directly interested in the coasting trade than in the foreign ocean mercantile service, and he knew comparatively little in regard to building ships for

foreign commerce. It was found in building vessels for the coasting trade that an onerous tax was encountered on all materials from the commencement of construction until the vessel was ready to go to sea. Everything entering into the construction of a vessel was taxed. If the tax was taken off vessels could be built profitably in this country, although they might not be built quite as cheaply as in Europe; yet American shippers would prefer to employ vessels sailing under an American register. Another difficulty to be met with was, however, in the fact that all important British foreign lines of steamers were subsidized by that government; in fact, Great Britain had subsidized almost every line of ocean steamers which had asked for it, and this country had allowed her mails to be carried in foreign bottoms simply because the government is not willing to lend a helping hand.

It seemed to him very feasible to construct mercantile vessels which should be capable of being converted into war vessels in time of war, although until the suggestion was made by Mr. Washburn to-day it never had occurred to him. Labor in Europe was much cheaper than in this country, but the men employed do not work nearly so intelligently; they are merely men driven around by masters like machines, while in our country a majority of our workmen employed on every grade of work were men of more or less intelligence.

The association with which Mr. Edmunds was connected has applied itself more particularly to get rid of such taxation as in their judgment was not only onerous but unlawful, such as half pilotage and harbor-masters' fees, and charges of that kind, where no service is rendered. They had already succeeded in procuring a decision of the courts that harbor-masters' fees were illegal, and they were now testing the question in regard to half pilotage, which was required to be paid by every vessel hailed by a pilot, although the services of a pilot were not required. This tax was considered especially onerous to parties engaged in the coasting trade.

The CHAIRMAN inquired whether the matter of the cost of repairing vessels had been brought to the attention of this association.

Mr. EDMUNDS said there was great difference in the cost of repairs. A vessel in the neighborhood of Galveston or New Orleans might almost as well be given away as to undertake to pay the cost of repairs in those ports. It was generally found cheaper to float her back to Philadelphia.

PHILIP FITZPATRICK, also a member of the committee of ship-owners, stated that since 1853 he had been connected with a house for which a great many vessels had been built. In his opinion if the cost of building could be reduced twenty or twenty-five per cent., this branch of industry would again revive. He had been connected with foreign trade, but had been compelled to discontinue it and engage altogether in the coasting trade. He had conversed with builders of foreign vessels, and was of the opinion that the difference in the cost of construction in this country and Great Britain was about thirty per cent. But if twenty or twenty-five per cent. could be taken off, the superiority of American vessels would enable our ship-builders again to commence the construction of ships.

The CHAIRMAN inquired what effect the employment of a large number of men in the navy yard in Philadelphia had upon the mechanics of the city not so employd.

Mr. FITZPATRICK replied that when there was plenty of work in the navy yard the best mechanics went there, and only scrubs, or the poorest class of workmen, could be obtained by private parties.

The CHAIRMAN asked what effect the adoption of the eight-hour law had upon the men employed outside of the navy yard.

Mr. FITZPATRICK replied that the effect was very injurious; that men outside were exceedingly anxious to get employment in the navy yard for the purpose of obtaining the benefit of two hours a day less labor, and they would go hunting around for the influence of every person who was supposed to be able to give any assistance in getting employment in the navy yard.

Mr. LYNCH asked whether the rates paid in the navy yard were not regulated by rates outside.

Mr. FITZPATRICK said that was the law, but the practice was exactly the reverse, and that it operated very much to the prejudice of private parties employing this class of labor outside.

The CHAIRMAN inquired what the effect would be of allowing ship-stores being taken in bond, as they are in Great Britain and some others of the European nations.

Mr. FITZPATRICK replied that it would be an assistance, and in his opinion commerce ought to be assisted in some way by the government. We might not, if our vessels were built as cheaply, be able to compete with foreigners in sailing them; but as a general thing our vessels made quicker voyages and were preferred over foreign vessels. In time of war preference was given to English vessels in consequence of less rates of insurance. Whenever the cost of living was cheaper the price of wages would come down. Men could not work cheap while the cost of living was so high.

Mr. WASHBURN asked how much it would reduce the cost of ship-building if the duties were remitted upon all articles entering into their construction.

Mr. EDMUNDS thought it would probably work a reduction of twenty per cent. Wood was much cheaper in the Provinces, although the timber here is better; and we could afford to pay a little more than the cost of building there in consequence of the preference given to American vessels.

Mr. COPE remarked that, to give some idea of the difference in the cost of repairs in this country and Europe, he would state that a short time ago his house had a vessel repaired in Liverpool. On the return of the vessel his carpenter made an estimate of the amount the same repairs would have cost in Philadelphia, and reported that the work had been done for one-third less than it ought to have cost in this country, although the timber used had to be carried from this country to England.

The CHAIRMAN asked whether on account of this increased expense of repairs it was customary to repair vessels engaged in a foreign trade in a European country as far as possible.

Mr. COPE replied that such was the custom; that in the instance just referred to his house had saved five thousand dollars by having the repairs made in Liverpool.

HENRY WINDSOR, of the Philadelphia Board of Trade, said he would only refer to one of the causes for the decline of the American shipping interest, which was the great change that had taken place within the last few years in the increased number of steam ocean-going vessels. Formerly the preference was given to American sailing vessels, in consequence of their greater speed and the superior energy of their masters and crews. Now, for the same reasons, preference was given to steamers, which secured nearly all the better class of freights, while our American sailing vessels were compelled to take freights formerly rejected by them and carried in English vessels. In fact, nothing is left

to us except the lowest class of freights formerly carried by foreign ships; and that is a difficulty that cannot be removed by any legislation in regard to sailing vessels; it must be done by lines of ocean steamships.

It is also true that the English have of late years constructed their steamships from much better models than formerly, and that they have evinced greater energy and brought themselves more upon an equality with our masters and crews than formerly, and the result has been that almost all the foreign trade worth having has gone into the hands of foreigners; and it is not only a matter of importance with us in regard to the carrying trade, but it is also true that the commerce of the world follows to a great extent the carrying trade, and foreigners will soon have control of the commerce of the world on land as well as on the ocean, unless something is done to revive our shipping interest.

A remission of the duties on imported articles entering into the construction of ships, and a subsidy upon those of American production used, would to a certain extent remedy the difficulty. Unfortunately, the manufacturers of the country think their interest is directly opposed to that of the ship-owners of the country. Such is not, in fact, the case. The difficulty is that the nature of the shipping interest is exceptional. We can protect our domestic industry on our own soil by a tariff; by the prohibition of imports if they think proper; but we can give no such protection to the American shipping interest, because the ocean is the great common field for all nations; and if we assist our ship-owners to compete with foreign nations it must be by reducing the cost of building ships and the cost of running them. If we cannot do it in that way it cannot be done at all. Give us the same privileges given by the British government to their ship-owners, and if we cannot get our share of the carrying trade we do not deserve to have it; but the same principle applied for the protection of American industry can be applied to the shipping interest, which is a branch of American industry as much as any other. It is very plain that it must be applied in a different way, but there is no reason why the advocates of protection to American industry should not be in favor of giving protection to this branch of industry because it must be reached through a different process. There is no departure from the principle; it is merely a difference of application.

Mr. LYNCH remarked that at the commencement of the war we were increasing our foreign tonnage more rapidly than Great Britain was hers, and asked whether the increase of steam vessels from 1850 to 1860 was not about as great as since that time.

Mr. WINDSOR said, perhaps so, but during the war the British and other foreign nations got possession of our foreign trade, and it is now very difficult to oust parties who have possession.

It is also true in regard to the increased efficiency, relatively, of the crews of British vessels that, during the war, our foreign commerce having been almost destroyed and our sailors diverted to other branches of industry, our capitalists now find more profitable avenues of investment.

It may also be worth stating that the capitalists of this country are not willing to engage in the carrying trade for the same profits as will satisfy those of other nations. The rate of interest is higher here and our people demand larger profits. English ship-owners are satisfied, after making due allowance for the deterioration and wear and tear of their vessels, with a net profit of six per cent. upon their profit, while

American ship-owners are not satisfied with that rate, because they can do better in their investments.

Mr. WASHBURN inquired if the attention of the witness had been drawn to the effect of opening the Suez Canal upon the shipping interest of this country or of the world.

Mr. WINDSOR said that his attention had not been drawn much to that subject, the success of that enterprise being problematical. If in the event it proves successful, it will have an important influence upon the carrying trade of the world; much fewer vessels, certainly for the European trade, will be required. Whether it will also affect our trade with the East Indies is uncertain. The navigation of the seas beyond the termination of the canal is very difficult.

HENRY TATUM, also of the committee of the Philadelphia Board of Trade, remarked that in 1860 William S. Lindsey, of London, was in this country and appeared before the different boards of trade on our seaboard, bringing to their attention a good many things, and among others he placed in the hands of the Philadelphia board a volume containing a large mass of information bearing upon this subject. This volume, Mr. Tatum said, he would place in the hands of the committee, it being a report made by Mr. Lindsey to Parliament upon the subject of shipping in 1860. Mr. Tatum had been, during the war, very active in urging upon the government the acceptance of League Island, for the purpose of having one large ship-yard in this country. He was satisfied that the idea of constructing merchant ships of such models as to be available as ships of war was a pure fallacy. Vessels so constructed as to be serviceable in the merchant marine could only be made available in war as privateers.

Mr. TATUM also stated that there was no port on our coast which is not to-day at the mercy of the British navy. Neither New York, Boston, nor any other port has any adequate means of defense against such war vessels as the British government may send. The whole policy of the British government during the war was to destroy our commerce, and in that enterprise they were very successful, and Mr. Lindsey, probably, as much as any other man, was instrumental in bringing about that result. For instance, what motive could the rebels have in sending out one of their best vessels at a very large expense when they had no money to spare, for the purpose of destroying our northwestern whale trade? Mr. Tatum believed it was done with the secret-service money of Great Britain. The number of vessels and the number of the crews which on the average were at Honolulu was well known in Great Britain, and it was known that sailors belonging to these ships were the best seamen in the world, and if hostilities had occurred, as there was at one time imminent danger, between the United States and Great Britain, one of the first acts done by Great Britain would have been to have destroyed that fleet of vessels.

Mr. TATUM believed that if the American ship-builders were placed upon the same basis as those of Great Britain, ships could be profitably constructed in this country. With a drawback on all material entering into the construction of ships our ship-builders could profitably construct ocean-going vessels, as may be seen from the fact that the builders at Wilmington, Delaware, and at Chester, Pennsylvania, now compete very closely with foreign ship-builders.

CHARLES H. CRAMP, engaged in ship-building, said that Great Britain now had the advantage of this country in the carrying trade of the world, not because the vessels constructed were superior to ours in model, but because of the great superiority of their marine engines.



The English have built the finest and best marine engines in the world. We have always been inferior to her in that respect. Our models are the best, but our marine engines are poor copies of British engines. The British government have developed their iron ship-building interest by encouraging the skill of private ship-builders, notwithstanding her enormous ship-yards. Ninety per cent. of her iron-clads have been constructed at private establishments. It requires very little capital to embark in the building of wooden ships. Since the commencement of the war, the house with which Mr. Cramp was connected has been engaged in building both iron and wooden vessels, but has built no foreign iron steam-vessels since 1857, and none have been built in Philadelphia since that time. The same class of mechanics who in 1857 worked for a dollar and seventy-five cents a day, now receive three dollars a day. With the materials entering into ship-building, our ship-builders can compete with those in foreign countries in building iron ships; and very few wooden vessels will hereafter be built, iron ships being superior in every respect. Mr. Cramp's firm had built the largest ships ever built in Philadelphia. The ship Chamberlain, which in 1855 was built for sixty dollars per ton, can now be built for eighty dollars, and an iron ship of the same model for about one hundred and ten dollars. Timber is becoming higher and scarcer every day, and that is one reason for stating that the time for building wooden ships has gone by. It is impossible to state the length of time iron vessels will last. Some of the first built in England are still in good condition. The character of American wooden ships has been reduced every year in order to compete with the province-built vessels. There is a difference of about thirty dollars a ton between the cost of iron and wooden vessels, but the iron is really cheaper in the end. To enable the business of building iron ships to become firmly established in this country, a very large amount of very large machinery must be supplied, and some aid from the government must be rendered. Great demoralization among the mechanics in the government yards has been produced by the frequent changes made for political reasons. At the beginning of the war nobody but republicans could be employed. During the war they were turned out and all democrats put in; and since then still another change has taken place, and the character of the workmen employed has been constantly running down. Large numbers of men at times are forced upon the yards by politicians when there is no work for them to do. This has become a great evil, and Mr. Cramp hoped the committee would give it their attention. The eight-hour system has also done very much to render the mechanics not in government employ dissatisfied, and it has not improved the condition of anybody. Most of the best men were opposed to it in the first place, and it was only supported by some blatherskytes who were good talkers but bad mechanics. The repeal of that law is required. Men do not work as hard now as they used to—so much more machinery is employed.

MR. MORRELL inquired what was the average rate of duty now paid upon materials entering into the construction of ships.

MR. CRAMP supposed the average rate would be about forty per cent., and if our ship-builders could be relieved from that they could compete successfully with foreign builders. The difference in the cost of labor would be overcome by the superiority of American mechanics. The British workmen are a degraded set of beings, and the course pursued by their employers toward them tends still further to degrade them. Mr. Cramp had been informed that their men were frequently paid off at taverns, and that it was distressing to see women and children wait-

ing to get what remained after a portion of the wages had been spent at the tavern. It would not be desirable to bring the wages of our men to as low a rate as those paid in England, if it could be done. American iron in the construction of iron vessels would always be preferred at the same price as foreign. It would be very inconvenient to send abroad for the iron plates. It is necessary to get the form of every plate before it is ordered, and if, after doing that, we must send abroad to have them made, very great inconvenience and delay would result. It was admitted, too, that American iron is of much better quality for this purpose than English. If the plates are of the same thickness and the same price, you get a great deal more valuable article for the money in using American iron. The same thickness of plates which the English adopt is not necessary if American iron is used, although the Lloyds will not insure unless the vessel is built according to their standard. It is an advantage in every way to use American materials in the construction of our ships. The reason English marine engines are superior to ours is not because our workmen are inefficient, but because they are more cloister engineers, as we call them, or fancy men. The engines in which we excel are the weak-beam engines, and if we are encouraged a little by the government we will excel them in the construction of every description of marine engines. The establishment of a large government ship-yard in any city is a calamity to that city, as these yards are now managed.

LEWIS C. MEDARA stated that his interest had been mostly in chartering vessels. He had always given the preference to American vessels, because more care was taken of the cargoes and less time consumed on the voyage. During the war he was obliged to charter foreign-built vessels, but found that great delay and long voyages was the result. He knew nothing about the cost of constructing vessels except what he could infer from the repairs made upon the vessels chartered. The eight-hour law was a most unfortunate measure for the government to adopt, and has affected the cost of repairing vessels very much. He was not able to say whether American-built vessels, if they could be profitably constructed now, could be sailed as cheaply as foreign vessels. That was a question belonging to the owner of the vessel, he chartering the vessel, knowing nothing of the expenditures or disbursements. He knew that American vessels made their return voyage in much shorter time than English vessels. The vessels chartered by him were employed principally in the Cuban and South American trade.

Captain J. S. CLARK, for many years the master of a vessel, remarked that he could generally get work done cheaper in America than abroad. The price of labor was less in England, but it took a great deal longer time. The men would leave their work first to get their beer, then their tobacco, and then their dinner, and accomplish very little in the course of the day. One great difficulty was, in having to advance moneys to the crews, which money was all absorbed by persons who harbored the sailors on shore.

Another difficulty was in the cost of provisions. In Europe they are allowed to take goods out of bond for use on ship-board. When in Antwerp, two years ago, the rope-rigging of his vessel was taken out, and an iron rigging put in, at a cost of nine hundred dollars in gold, while it would have cost not less than two thousand dollars to have done the same work in this country.

Mr. LYNCH inquired what proportion of foreigners were ordinarily in the crews of vessels.

Mr. CLARK replied that very often there would not be one native-born American in the whole crew, although a large portion of the men would

ship as Americans. The officers are generally native-born men. We are laboring in this country under a great disadvantage by being obliged to ship the rubbish of Europe under the name of American seamen. In Europe there is a black-list of seamen kept at every port, on which any seaman misbehaving during the voyage is entered, and the result is they get good men there, while the bad men come to this part of the world and ship on our vessels as Americans. At one time, before the war, in a crew of sixty, Captain Clark said, he had but two men who could steer. Since the war he had been able to get a little better class of men. Another great advantage possessed by English steamers was that they employed their men at so much a week—the men finding themselves. He hoped something would be done to restore the prestige of American shipping on the ocean to where it was previous to the war.

JOHN W. EVERMAN, engaged in shipping, remarked that among the difficulties in the way of competing with other nations in our carrying trade, was the great amount of expense imposed upon shippers, for which no services were rendered. The port warden fees were not now collected, but under the laws of Pennsylvania, vessels now are compelled to pay half-pilotage if they do not take a pilot, and whole pilotage if they have an assorted cargo. At this rate, a vessel of three hundred tons has to pay thirty dollars for going past the breakwater, although she employs no pilot. At Norfolk her expenses for pilotage would be about one hundred and twenty dollars, whether a pilot is employed or not, and in Mobile, one hundred and forty dollars, or one hundred and fifty dollars. These charges are unjust.

He was not in favor of allowing vessels from the Provinces or foreign ports to come in here and have their stores placed in bond in the custom-house with the privilege of withdrawing them. For instance, a vessel coming from Italy will deposit at the rate of a quart of wine a day for each man on board, and they will in this way bring in fifteen or twenty thousand gallons of wine as a three-years' supply, and then go down the river and trade it off for anything they want.

Pilotage is one of the greatest evils our coasting trade has to contend with, although it is less in Philadelphia than almost any other city, and the owner of the vessel has no protection, as they have in going into a port in Cuba, and any other foreign ports where, if the pilot sinks the vessel, the government pays for it. Here, there is no such provision, and a captain coming in from a long voyage, understanding the river perfectly, will be much more likely to take a vessel safely, because he is sober, than the pilot, who is lying by among the islands, very likely intoxicated, and yet, if the captain does not hear the orders of the pilot and the vessel is sunk, the insurance will not be paid. The general practice for coasting vessels is to sail them on shares, the officers having a proportion of the earnings of the vessel. No vessel owner wants to reduce the wages of the men, unless the cost of living is also reduced. A couple of years ago, Mr. Everman wrote to Montreal to ascertain the cost of building a vessel of the dimensions given by him, and ascertained that it could be built for twelve thousand dollars. He found that it cost about twenty to twenty-five per cent. more, taking gold at forty, than to build it here; but an American-built vessel would sell at public auction for forty or fifty per cent. more, so that after all it is really more economical to build our own vessels.

Mr. MORRELL asked what would be the cost of building a schooner of six hundred and fifty tons.

Mr. EVERMAN thought that without being copper-fastened she would cost twenty-eight or twenty-nine thousand dollars. A large proportion

of the vessels now being built in this country are schooner-rigged, and they are so built because they can be sailed with less men than a ship can. A very large number of three-masted schooners are now being built. Almost all schooners are iron-fastened, the duty on copper being so heavy that the cost of copper-fastening is too great.

JOHN F. STUMP, formerly harbor-master at Philadelphia, and afterward engaged in the custom-house, was under the impression that one of the great difficulties in the way of competing with foreign ships was the difference in the currency. He thought the difference in cost between sailing an American vessel, or an English or German vessel, was about fifty per cent.

#### AFTERNOON SESSION.

The committee again met at 3 o'clock.

WILLIAM G. GIBBONS, ship-builder, in Wilmington, Delaware, stated that for the past four years the business of the firm with which he was connected had been largely engaged in building iron river steamers to be used on the rivers in South America and Mexico; having constructed boats for nearly all the rivers in South America emptying into the Caribbean Sea or Atlantic, and also several for those emptying into the Pacific. The reason why they were able to build these boats in competition with the English, was that their character was such as to make them unfit to cross the Atlantic, the English builders being required to take them to pieces, ship them over, and then put them together again. The boats were shipped by St. Thomas, touching at Demarara and various points on the coast, and had all passed safely to their destination. His firm had never succeeded in getting an order to build a ship for ocean navigation purposes. They had recently built, for a line of steamers to run from St. Thomas, two screw steamers adapted to passengers and freight, of about seven hundred tons. The parties very much preferred to put their steamers under the American flag, the company being composed largely of citizens of New York; but the English bids were about twenty thousand dollars lower on an estimate of one hundred and twelve thousand dollars for each vessel, gold being the basis in each case, and of course the English obtained the order. In the construction of iron vessels about six-tenths of the entire cost is labor, and four-tenths material, and the tax now required to be paid upon every material entering into the construction of a ship, from the laying of her keel until she is finished, is a matter of vital consequence to American ship-builders. Our rates of labor are higher than those in any other country in the world, and this has compelled our people to exert their ingenuity for machinery and mechanic appliances to save labor whenever it is practicable. We have always excelled both the English and Scotch in this respect, and we have only been able to compete with them by economizing labor as we have done in the larger use of machinery, but they buy their machinery for about one-half in gold what it costs us in currency. For instance, forty-five dollars in gold will buy a ton of plate or bar iron in England, which here costs eighty-eight or ninety dollars for plates and eighty-five dollars for bars. When this is worked up we find that they have the advantage of us of about two-tenths in material. If the firm with which Mr. Gibbons was connected could get iron put down in their yard at the prices paid by the English ship-builders, they could furnish ships for anybody, and would give them their order at as low rate as the English or Scotch could build them. They have never received any drawback on materials used in building vessels to be sent out of the country. In one or two instances

the excise tax had been remitted, but it caused more trouble to obtain the remission than the saving amounted to.

JOHN TUCKER, vice-president of the Reading railroad, said that last winter the Reading Railroad Company contracted for two iron colliers, at a cost of fifty-nine thousand dollars and sixty thousand dollars, respectively. He sent the specifications to a friend in London to ascertain at what price they could be duplicated there. The first reply was that they would not build a collier according to the specifications given, and returned their criticisms upon the specifications. After my reply explaining the specifications they acknowledged that the colliers would be quite as efficient as if built in accordance with their usual specifications. They then sent a communication, which Mr. Tucker said he would furnish to the committee. Since that time the Reading works had contracted for eight more steam colliers, of larger dimensions, to be built at Chester, Pennsylvania, where the first two were constructed. Taking gold at thirty-three and one-third per cent., the difference between the cost of building these colliers at Chester and in England would be about four thousand dollars each. The same specifications were furnished to the American and English builders. American iron is much stronger than English, and a less quantity may be safely used in the construction of an iron vessel. One of the colliers built last summer in passing Hell Gate, New York Harbor, struck a rock, cutting about ten feet in her bottom. The vessel was raised and the injured piece of iron was exhibited here, attracting some attention. In accordance with their request, that strip of iron was sent to the Lloyds' underwriters, in France, as a specimen of the superiority of American iron, and since that time we have been able to effect our insurance there at ten per cent. per annum lower than we were doing it before. Previous to that time the cost of insurance was about eighteen per cent. per annum. The insurance is now effected there at seven and one-half per cent. The first two vessels were built as an experiment and for the purpose of taking coal all along the coast. For this class of vessels the cost of building is not very much more than on the other side. He was surprised to find so little difference. In fact, taking into consideration the superiority of American iron, they are really built cheaper in this country than they could be in England. The cost of building those now ordered is one hundred and five thousand dollars each for a thousand-ton collier. Mr. Gibbons remarked with regard to the question of screw colliers just referred to, that it was the opinion of his firm the prices at which they were being built were not remunerative. His firm had bid for the same vessels; but their bid was very much higher. In regard to the legislation ship-builders would like to have, there is a difference of opinion among different parties; but one thing is pretty clear, that if American builders can obtain their material at the same rates paid by the English and Scotch builders they will be able to compete with them in building ships. The cost of labor is of course greater in this country, but the additional skill obtained more than compensates for it. The English have old-fashioned ideas. The law referred to by Mr. Tucker just now speaks of two engines, and they frequently put four into one of their ships. Our ship-owners mostly prefer only one engine. The parties of whom Mr. Gibbons had already spoken, who desired to contract for building ships to run to St. Thomas, said they were willing to give considerable more money to an American than to an English builder, for the reason that the American builders provided greater comfort for passengers than the English, and passengers would follow the route which was provided with the most comfort. The boats built for the South American rivers are a sort of cross between the

Hudson River boat and the Mississippi River boat. They are side-wheel and built to run in shoal water. The peculiarity of the climate in South America is such as to require very different accommodations for passengers from anything required in this country. The boats built by the English for those rivers are of a different model, and more analogous to those used during the war for running the blockade. They do not carry very much freight and are exceedingly expensive. The boats built in Wilmington are equally as fast, draw a great deal less water, and have made a great deal of money for their owners, which is, after all, the test of success.

In regard to ocean steamers it is now universally considered that there is a great advantage in screw steamers over side-wheel steamers, for the reason that in rough weather it very often happens that one wheel is so much submerged as to waste almost all the power used, while the other will be almost out of water. This difficulty is obviated to a certain extent while the side-wheel steamers are immensely large, as in case of the Pacific mail steamers running between San Francisco and Hong Kong, but these ships are always very slow. The English seem to understand the principle of building screw ships, building them very narrow and very deep, so that unless the sea is very heavy they push their way across the ocean, rolling very little and being disturbed very little by an ordinary sea.

Another difficulty with side-wheel ships is that in a voyage from New York to Southampton you must load the vessel with coal almost beyond her proper capacity, sinking the wheels too deep in the water on this side, and leaving them about four feet out on the other side as the coal becomes expended. The only remedy that can be asked by American ship-builders is that such a scheme may be devised by which they may receive their materials at a lower rate than they do now. It is impossible to state any ordinary rate per ton for building an iron ship. The vessels are so different in their construction, and so many different considerations come into the cost of constructing different models of, vessels are built upon specifications, and taking given specifications, we are able to calculate the cost by the number of pounds of iron required. The tonnage is of course determined by the model of the ship itself as much as by the size. A thousand-ton iron ship built according to the requirements of the Lloyds, with reasonable passenger accommodation, would probably cost one hundred and fifty or one hundred and sixty thousand dollars. The colliers spoken of have very limited power, and would be nowhere if employed in the merchant service. For instance, between New York and New Orleans they have a cylinder of forty-four inches of diameter, while a merchant ship of the same capacity would have a cylinder of sixty inches. Their steam power is accessory only, but they are strong, first-rate vessels in all that relates to their carrying capacity. The English make their passenger ships cost just about as much as our American ships. It is only on their coarse, common work that they beat us. Where a great amount of labor is to be expended on fine work we can beat them; because they have to import their lumber, and because they use hand labor for a very large portion of their fine work, for which we employ machinery. Take the Adriatic, for instance, one of the Collins line of steamers now owned in Russia. Her inside work was a complete mass of elegant carving, which could not be done in England for anything like the amount it cost in New York. The same may be said of the St. John's and Dean Richmond, on the Hudson River, or of the Providence steamers. All this work is now woven out by machinery and costs very little. Ship-builders would like to have

the tariff on iron taken completely off, although they know that, as a general proposition, is impracticable at present, and they would like to see it done by adopting a sliding-scale which at some distant period should reach zero, and be an end to the duty on iron. A good deal has been said of pauper labor on the other side of the ocean; that it is not applied to the mechanical pursuits; it is applied to the agricultural pursuits, where the labor is in excess of the amount of available land to cultivate; while in this country the supply of labor for that purpose is not equal to the demand; but for skilled labor the relative rates paid in England and France is not very largely below that paid in this country, taking everything into consideration. In this country, in many instances, our laborers are paid too much. In the stock and mining districts many of them get ten dollars a day, and coal enters largely into the cost of building ships. So in our foundries, puddlers, when they will work a whole week, get about sixty dollars; but the prices have so demoralized labor that they can scarcely ever be induced to work a whole week. The last advance upon the tariff rates on iron did not go into the hands of the manufacturers, but, to a great extent, into the hands of the laborers, who were already paid too much.

Mr. MORRELL asked, where in this country puddlers were paid the sixty dollars per week.

Mr. GIBBONS replied, in Wilmington.

Mr. MORRELL stated that in Pennsylvania puddlers were not earning more than four dollars per day.

Mr. LYNCH inquired whether, if ship-builders were allowed drawback upon the iron used by them, and also a subsidy to the same amount upon American iron used, the effect would not be that American iron would generally be used.

Mr. GIBBONS replied that it would be used for the reason that our ship-builders preferred to obtain their iron at home, both because of its superiority and because the work can be done promptly. It would be considered a great nuisance if they were compelled to wait, before furnishing their patrons, to send them abroad for the plates to be made. As a general rule, the party who wants a ship wants it now, and would not be willing to wait for the two months that would be required to send abroad to get the material. They could turn out a thousand-ton iron ship in about nine months, or, commencing in the spring, so as to have the benefit of the summer months, probably in less time than that.

Mr. MORRELL inquired the number of builders of iron ships in Wilmington.

Mr. GIBBONS replied that there was one other firm. His firm had formerly built large ships, and within the last two years, finding it more profitable, had confined themselves to river steamers.

The CHAIRMAN inquired the cost of building a thousand-ton sailing ship.

Mr. GIBBONS said it would cost about ninety thousand dollars in currency, built according to our American specifications. The cost would be more than that if built on the Lloyd specifications, they crowding much more iron into a vessel than we do. The cost of building under their specifications would probably be fifteen thousand dollars more—a vessel that under our specifications would be just as good for every practical purpose—but the Lloyds would not insure at the same rate.

The CHAIRMAN inquired whether, if our ship-builders were enabled to build American ships as cheaply as foreign builders, there would be a foreign demand for these vessels.

Mr. GIBBONS replied that it would not come immediately, because the

channel of business in this respect is nearly all foreign, in the direction of Scotland, and it would take two or three years, and possibly more, to change it. Currents of trade, like currents of water, when they are or have once set in a given direction are difficult to change. We could control in a great degree the South American trade much sooner than we could that of the Mediterranean or the China trade.

The CHAIRMAN asked what description of vessels the Spanish gunboats were, of which we have heard so much recently in New York.

Mr. GIBBONS replied that they were constructed very much like our tug-boats, only larger, and built to cross the ocean. He said that Mr. Ericsson, who was intimate with the authorities at Madrid, obtained the order and gave it to his next friend, Mr. Delamater. It was through Mr. Ericsson that the order came to the United States.

The CHAIRMAN asked the witness if his firm did anything toward building vessels for the government during the war.

Mr. GIBBONS answered that they did.

The CHAIRMAN asked whether a class of iron vessels suitable for the merchant marine could be constructed so as to be converted into vessels useful to the government in time of war.

Mr. GIBBONS said they would require a great change, for the reason that the requirements of the two branches of service are so different. A merchant vessel would have to be turned inside out before she could be converted into a man-of-war. For privateersmen they would be just the thing.

Mr. WASHBURN asked whether, in case of a war with England, these would not be just such vessels as we would need.

Mr. GIBBONS said they would, because they are fast. Heavy ships, as a rule, are slow. The ships built in England during the war for blockade-runners, and captured by us, which have been sold into the merchant service, have one and all greatly disgusted their purchasers. They burn a great deal of coal and carry but little freight. They were constructed to run fast, but only the high freights they carried made them profitable, and when freights came down they would not do at all.

Mr. WASHBURN inquired whether, if we build vessels as cheaply as they can on the Clyde, there would be any difference afterward in the cost of keeping them in repairs.

Mr. GIBBONS said there would not, because the ship would be repaired wherever it was most convenient and it could be done the most cheaply; that even now vessels in this country destined for the East Indies often get freight from the United States to some European port, where they are repaired at a very much less expense than in this country, and the officers then get freight from that port to the East Indies and come home. Our vessels managed mostly to get their repairs done out of the United States, so as to economize, and that is the reason why we have but little to do in the way of repairing. If our ship-builders could have a subsidy from the government they could build ships, but it would be a dangerous precedent, because every other interest would want the same kind of protection.

The CHAIRMAN inquired how many hands were employed in the ship-yards in Wilmington.

Mr. GIBBONS said his firm employed about two hundred and fifty. The other firm built railroad cars as well as ships, and employed from four hundred to seven hundred hands. The other firm used to build boats for the American trade, but they are now building larger vessels. They were the builders of the steamship *Champion*, running between New York and Charleston; of the two iron ships running to Savannah;



of the American line of steamers running from New Orleans to Galveston, Texas. They built two very splendid vessels for the Panama company, one of them on the larger specifications, taking them at very near the quotations in Scotland. This was a vessel of two hundred and sixty feet in length, about thirty-three feet beam, and measuring two hundred tons. She was finished about a year and a half ago.

The CHAIRMAN inquired at what other ship-yards in the country iron steamships were built.

Mr. GIBBONS said there was one at Chester, and they were built at the Atlantic Works, Boston. During the war there were establishments in New York that built iron vessels, but they have since abandoned the enterprise. The rates are greatly higher than at Wilmington. At Wilmington mechanics are employed to work upon the hulls of vessels, and a few of them are paid fifteen dollars a week, but the average of them not more than nine and a half or ten dollars. The same class of workmen were paid about ten dollars a week before the war. A large grade of mechanics are employed to work upon iron vessels for the reason that a few skilled workmen can get along very well with a good many other of the lower grade. There is more difference in the cost of building marine engines between this country and Scotland than there is in the cost of building ships. They had not gone into competition with them in Wilmington in building engines. The only instance, Mr. Gibbons said, in which his firm had bid in competition was for the steel works in Pennsylvania, and then they were beaten fifty per cent. It might be, however, that their bids were too high and the bids in Scotland too low.

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*Letter from Samuel Harlan, of the firm of Harlan & Hollingsworth, iron ship-builders.*

WILMINGTON, DEL., December 1, 1869.

Hon. D. J. MORRELL, of Congressional Committee, &c.

DEAR SIR: We are very much obliged for your invitation to be present at the meeting of your committee, in Philadelphia, but regret that absence from home will prevent our attendance.

If agreeable to your committee, we would be glad to present our views in writing in subjoined paper. We trust this will be acceptable to you, as the subject is one in which we are most vitally interested, and feel that the only hope for relief lies in the action of Congress.

Very respectfully, your obedient servant,

SAML HARLAN, JR., *President.*

We would present our views under the following heads, viz:

1. As to the present condition of the iron ship-building interest.
2. The causes which have led to its depression.
3. Our views as to the remedy or relief desired.

On the first point we would state that at no time since 1857 has the iron ship-building interest been so depressed as it has within the last twelve to eighteen months. During the time named we have scarcely been without contracts for iron boats and steamers until within the past twelve months, when the business has fallen off greatly, in fact, almost coming to a stand-still a good part of the time; yet, during this time, we have had more inquiries for iron ships from parties wishing to build than ever before, but owing to the cost of building being beyond what they could afford to pay, and greater than the same ships would cost in England, the negotiations have ended with mutual regrets, and the parties resolving to wait for a more favorable condition of affairs. What work we have taken to keep our men employed, has been at rates not remunerative, and in some instances, at positive loss.

Second. The causes which have led to its depression, &c.:

The principal one is the great advance which has taken place since 1860 in the price of labor and materials, ranging from forty to seventy-five per cent. In many instances where parties were convinced of the superiority of iron ships, as compared with wood, they were compelled to build of wood because the cost of the iron ship was so much

greater. This difference in cost is due, in a great measure, to the fact that iron, more than wood, is the production of skilled labor, and is affected more by the various causes producing the advance referred to, as well as suffering more from taxation.

Third. As to the relief desired, &c.:

We cannot hope for a reduction in the price of labor, as we find it is more difficult for our workmen to support themselves and their families on the present rate of wages, with the greatly enhanced cost of everything consumed by them, than it was when their wages ruled the lowest, and, until the cost of living is greatly reduced, we cannot hope that the wages of the mechanic and laboring man will rule much below what it is at present; in fact, it cannot be, without being oppressive upon them. It remains, therefore, to reduce the cost of the materials entering into the construction and equipment of iron ships, as the only remedy left. Can this be done to an extent equal to the reduction in cost desired? We think not, without throwing off all the protection now given to the manufacturers of the various materials referred to. While this might relieve the ship-building interest it would be ruinous to other interests, and would meet with great opposition.

We cannot recommend a more simple and effectual remedy than the one already cured in by a majority of ship-builders and ship-owners who have been before your board, viz: to remit the duties on all imported articles entering into the construction and equipment of both wood and iron, steam and sailing ships, or a drawback be allowed on all articles of domestic manufacture equivalent to the duties named above on the imported article.

This latter clause is especially desirable, that ship-builders may not be obliged to use the foreign article exclusively, and thus break down the American manufacturers.

The English and Scotch iron ship-builders have the advantage over the American ship-builders only in their enlarged experience from the greater number of large seagoing steamships which they have built; but in the quality of iron, and energy and skill of our workmen, we feel that we have decidedly the advantage, while our facilities in tools and machinery adapted to the purpose are quite equal to theirs. The foreign builders have no advantages over us except in the cheapness of their iron and other materials, and the greatly reduced rates of wages paid their workmen, but not in the superiority of their workmen, nor quality of their iron, nor their ability to build better ships.

What was done by American ship-builders at the commencement, and during the war, in building up our American marine, is a sure guarantee of what they can do in building up a mercantile marine, if they can be relieved from the causes producing the present great depression.

Timely relief will not only allow the ship-owners to procure vessels as cheaply as they can be built in foreign countries, but the stimulus thus given to the ship-building interest will produce ships equal to any in the world in our judgment.

The repeal of the navigation laws would enable the ship-owner to procure cheap ships, the refuse of every foreign country, and even good ships at a low figure, as the ship-building interest in England and Scotland is in a depressed state since the opening of the Suez canal has become an established fact. Yet it would effectually close up our ship-yards except to the building of small vessels which could not safely cross the Atlantic, and give to England the building of our mercantile marine as she now has our carrying trade.

The statement has been freely circulated in the papers that we could build iron ships as cheaply at our works, with the payments made in gold, as they could be built on the Clyde; but such is not the case with the difference in cost of labor and materials so greatly against us.

The advantages we have from long experience in building iron steamers, favorable location, experienced workmen, every facility in the way of machinery, &c., will not enable us to compete with foreign builders, at the present cost of labor and materials, but let Congress give relief in the shape asked for above, and the ship-owner will not have cause to complain that he cannot have ships built equal to those of any nation, and at as reasonable prices.

WASHINGTON, D. C., December 15, 1869.

Committee met. Present, all the members.

T. F. Rowland, ship-builder, of New York, appeared, and stated that he was present, with others, representing the ship-yard workmen—carpenters, sail-makers, spar-makers, iron-workers, and other representatives of the labor required to produce a finished ship; that they came to Washington to see if something could not be done to relieve their interests; that they had reduced their views to writing, and the statement would now be made by Mr. Westervelt, the chairman of the committee.

Mr. D. D. Westervelt, ship-builder, of New York, thereupon read and presented to the committee the following written statement:

NEW YORK, December 14, 1869.

To the Hon. JOHN LYNGE,

*Chairman of the Special Congressional Committee on Navigation Interests.*

Sir: The undersigned, a committee appointed by the "New York Association for the restoration of American shipping interests," respectfully beg leave to call your attention to the following facts, with the view of setting forth the past and present condition of American commerce, and for the purpose of impressing upon Congress, through the action of your committee, the absolute necessity of some action being immediately taken to prevent the total destruction of American international commerce; and also to set forth the principle that the true policy of our government is to foster and encourage American ship-builders, as we believe that a nation's prosperity is reflected in the prosperity of its commercial marine.

As evidence of the condition of our commerce during the last thirty-two years, we respectfully call your attention to the accompanying exhibit A, which is a true copy of the record at the New York custom-house. It will be observed that during the year 1836 there entered the port of New York 407,096 tons of shipping, the handiwork of American craftsmen, and only one-third of that amount of tonnage entered under the head of foreign. The American builders sustained their prestige for twenty years thereafter, and specimens of their workmanship were seen and respected in every port, and carried our emblem on every sea.

In 1858 the English commenced the substitution of iron for wood in the art of ship-building, and since, by a chain of circumstances fortunate to them but disastrous to us, the record shows for 1868 that nearly two tons of foreign tonnage to one of American was recorded at the port of New York. Many of these vessels, notwithstanding they appear under a foreign flag, are productions of our American ship-yards, having changed their record for protection during our late internal struggle.

Previous to the year 1868, the port of New York sustained not less than twenty prominent ship-yards, employing with the collateral trades, such as joiners, spar-makers, sail-makers, &c., not less than twenty thousand skilled mechanics, in addition to one thousand young men as apprentices learning the various trades. To-day these yards have either ceased to exist, or are lying dormant, not one thousand skilled mechanics finding employment, and so small are the inducements for young men to learn the profession that apprentices are no longer to be found.

It is in the interest of the country at large, who in time of war must have ships to sustain its dignity, and mechanics to build them, that we appeal to your honorable committee to recommend to Congress some potent measure for the relief of our profession.

We would respectfully and most earnestly recommend that some action be immediately taken by our government to foster and encourage the art of ship-building; and, in consideration of the fact that all governments gain power and respect by the proficiency of their seamen and mechanics, we believe it would be eminently fit and proper that Congress should legislate to allow to the American ship-builder an equivalent on all American materials used by him in the construction of the finished ship, equal to the amount of duty which the government would receive should such raw material be of foreign production.

Regarding the proposition to modify or abrogate the United States registry laws, and allow foreign-built ships to register on equal footing with American productions, we most respectfully desire to protest. Nearly every native American, and, we believe, the great majority of our adopted citizens, are possessed of a certain amount of pride, and rejoice in the growth and success of our naval and mercantile marine; and, though at the present time the people at large may appear to be indifferent and lukewarm upon the subject, it is our united opinion that could a full expression be obtained, it would be found to be their unanimous desire that the principles inaugurated by the founders of our institutions in regard to our registry laws should be undisturbed, and that all vessels partaking of its benefits should be constructed on American territory.

D. D. WESTERVELT,  
T. F. ROWLAND,  
L. H. BOOLE,  
WILLIAM FOULKE,  
JOSHUA YOUNGS,  
THOMAS STARK,  
JOHN E. HOFFMIRE,  
WILLIAM ROWLAND,  
DAVID J. TAFF,  
ROBERT A. RUSSELL,

*Committee of the New York Association for the restoration of American shipping interests.*

## A.—Tonnage entered at New York from foreign ports during the year 1868.

	No. of vessels.	Tonnage.	Seamen.
American vessels.....	2, 084	1, 033, 396	31, 551
Foreign vessels.....	2, 734	1, 867, 591	68, 201
Total entered in 1868.....	4, 818	2, 900, 987	99, 752
Total entered in 1862.....	5, 406	2, 552, 481	81, 817
Total entered in 1852.....	3, 847	1, 709, 988	58, 867

*Number of arrivals, amount of American and foreign tonnage, and the total tonnage entered at the port of New York, during the years below specified.*

Year.	No. of arrivals.	American tonnage.	Foreign tonnage.	Total tonnage.
1836.....	2, 285	407, 996	149, 634	556, 730
1846.....	2, 292	496, 761	185, 404	682, 165
1856.....	3, 861	1, 684, 596	386, 263	2, 070, 859
1866.....	4, 827	990, 116	1, 776, 318	2, 766, 434
1868.....	4, 818	1, 033, 396	1, 867, 591	2, 900, 987

## DOMESTIC TONNAGE.

The returns for the past nine months show that the arrivals and clearances in the domestic trade amounted to upwards of fifty million tons, or about three times that of the foreign trade. It has been only moderately prosperous during the present years, barely paying insurance and depreciation.

*Statement of the foreign trade of the city of New York, including the value of imports and exports, and showing the proportion under the United States and foreign flags, for the periods named.*

Year.	In American vessels.	In foreign vessels.
1857.....	\$239, 565, 610	\$104, 354, 631
1867.....	123, 687, 012	367, 508, 647
1868.....	113, 313, 303	371, 849, 274

From the foregoing statement, it will be seen that the rapid increase of foreign tonnage is most startling, as we discover that in the year 1868 nearly two-thirds of the whole tonnage entered in the port of New York was foreign, whereas during the year 1856 it was scarce twenty per cent. of the total.

If we look at the cargo values respectively carried in American and foreign vessels, we find that during the year 1868 seventy-five per cent. were carried in foreign vessels; and it may be safely asserted that more than eighty per cent. of all the value of goods imported and exported from the port of New York during the present year has been carried in foreign vessels.

In the year 1857, out of a value of \$536,000,000, carried to and from all our domestic ports, only \$131,000,000 went under a foreign flag. In 1867, out of \$864,000,000 at all the ports, \$577,600,000 were carried in foreign vessels.

Mr. WM. FOULKE, of the same committee, made the following statement:

As will be seen by this document, we feel as if our business had gone from us, and that we were left desolate. In our ship-yards we have nothing to do; and we shall have nothing to do unless the government does something to protect us. I would like to see a return of the same prosperity in our ship-yards which we enjoyed years ago. I think we are capable of regaining our former prestige if we have a chance. We do not think we have lost our ability or our skill; and we will show that we have not, if an opportunity is given us to compete with foreign builders.

By Mr. WASHBURN:

Q. Do you think that if you can obtain the materials that enter into the construction of a ship as cheaply as they do abroad, you can compete successfully with foreign builders, notwithstanding the high cost of labor?

Mr. D. D. WESTERVELT, (ship-builder.) That is the opinion of the gentlemen composing this committee. Labor is higher here, but we think American labor is sufficiently superior to foreign labor to compensate for the additional price it costs. We believe our workmen are superior to those of any country in the world. In former years we came into competition in this industry with Great Britain, and we almost swept her ships from the China Seas, by our superiority of model; our clipper ships were the best in the world, and to this day Great Britain has never known how to build the model of a ship except as she has been taught it by us. With all her superior and powerful engines, her ships were almost always slow, because the models were bad. At present we recognize the fact that the days of wooden ship-building are over. We may in this country, as they have in Great Britain, enter upon the construction of composite vessels, i. e., iron vessels, the bottoms of which are covered with plank, and again covered with copper. But we know that the great bulk of ships being built for the ocean are iron ships; and we believe that if the opportunity is afforded us, we can begin almost immediately to compete with Great Britain in building iron ships. All that we ask is, that we may have the materials as low as they are furnished to her ship-builders.

Q. What I understand you want, then, is this: That the government shall give you a bounty upon American materials used, equal to a drawback of duties on foreign materials, if they were used?

Mr. WESTERVELT. Yes, sir; that is about it. We prefer to use our own iron, and that the government will pay to us, on the American iron we use, an amount equal to the duty we should receive if a drawback were allowed on an equal quantity of foreign iron.

Q. Is there not this difference between giving a bounty and giving a drawback: That the drawback applies to money which has never gone into the treasury, never been in the possession of the government, and, therefore, is not an actual loss of revenue, while the bounties you ask require money to be paid directly from the treasury?

Mr. WESTERVELT. That is true; but our idea is to promote the interests of our own people, by building American ships of American materials.

WM. ROWLAND, (ship-builder,) of the same committee, made the following statement:

I would like to take exception to the expression used by Mr. Westervelt, that we were asking a bounty. It is a well understood principle

that when money paid out brings back an equivalent consideration, the money so paid is not a bounty. Now, we propose to give a consideration in return for the money we ask the government to pay us. A great many people think that the best thing to be done to revive the ship-building interest is to take the duty off from iron. But that would not give us present relief at all in this country; it might ten years hence, but that would not answer our purpose. Our relief must come within the next twelve months, or the ship-building interests are gone. The consideration which we shall give the government in return for the money we ask is, the education of her seamen and mechanics for the ships required in time of war. Certainly if the government ever gets into trouble with a foreign nation, she will need us. To-day the government has not a ship of war that would not be a laughing-stock if sent abroad as a first-class naval vessel. During the last war, I had the honor of building the first monitor and the first iron-clad for the government; and I should very much dislike to think that those vessels were to be taken to England as an exhibition of what American skill can produce. And we cannot build vessels unless we have workmen; and I think government can well afford to educate the workmen of this country, as well as States can afford to build public school-houses and support schools for the education of the children. If the school-house is locked up, and the schoolmaster abroad, education will deteriorate. And so will ship-building, if ship-yards are closed and the workmen dismissed.

Mr. MORRELL inquired whether the government would not receive a greater benefit than the money now asked to be paid, by the additional employment this protection would give to our people.

Mr. ROWLAND. The compensation which we furnish is direct. It is just as directly for the benefit of the government as to cast cannon at your arsenals in time of peace, and wait for war to break out before using them. These ships, and men who know how to build the ships, are absolutely necessary for the safety of the government. They are of as much consequence to the navy of the country in time of war as the men you employ in the army. I do not like the word "bounty" to be used in this connection.

Mr. HOLMAN. Would not the simple allowance of a drawback upon the foreign material used furnish sufficient encouragement to revive the ship-building interests of the country?

Mr. ROWLAND. I cannot see how a drawback upon iron would be of any value to us at present. The iron that goes into the construction of an American ship must be rolled in this country. The raw material might come from England, but it must be rolled within five hundred miles of where the ship is to be built, or else the material will never go into the ship. Every vessel is built on its own model; and plates could not be rolled in England for one vessel which could be made available for other vessels here. Notwithstanding our great facilities of communication with England, I do not believe it would be possible to obtain the plates for a thousand-ton iron ship from England within three months after they were ordered.

Mr. LYNCH inquired whether the business of ship-building was not so perfected that a vessel could be built here of the same class of those to be built in England, and the iron received for them within a reasonably short time.

Mr. ROWLAND. No, sir; I think not. Plates are rolled to fit, without being cut at all, though I always allow for an inch. The iron scrap, or waste, of a three-thousand-ton ship amounts to about two per cent.

of the whole weight. This consists of the trimmings of the plates and what is punched out of the rivet holes. This should be reduced to one per cent., and undoubtedly will be, when we have had sufficient experience. The frames are also all rolled, and cut to a particular length.

Mr. WASHBURNE inquired what would be the cost of the raw material upon which a duty is paid for building a three-thousand-ton ship.

Mr. ROWLAND. I am not prepared to state to you what the cost would be. There would be about twelve hundred tons of materials of all descriptions in the ship, mostly of iron; very little copper is used. Even in the construction of engines much less copper is used than formerly. We find that iron is better. The loss of material caused by galvanic currents formed by the combination of iron and copper is prevented when only iron is used.

Mr. HOLMAN inquired whether the duty on copper affected the cost of ship-building very much.

Mr. ROWLAND. It affects the cost of building wooden ships materially, and let me say that I think Mr. Westervelt is very much mistaken when he thinks the days of building wooden ships are over. I doubt very much whether that day has arrived.

Mr. WESTERVELT. I make that statement from data which I think will convince any one. For instance, the average lifetime of a wooden ship is not more than twelve years, and there is always an uncertainty as to the time the vessel will live. During the war, gunboats were built which are already unfit for service; whereas a first-class iron ship will last for twenty-one years, without any difficulty. And although I am a wooden ship-builder, and never built an iron ship in my life, I am still of the opinion that the days of wooden ships are at an end. I never expect to build another. I believe that composite ships will be introduced into this country, as they have been into Great Britain. During the war we built for the government the Brooklyn, and some of the first batch of double-enders.

Mr. LYNCH inquired what were the advantages of composite ships.

Mr. WESTERVELT. The trouble with iron ships is, the bottoms soon become foul, covered with barnacles and sea-grass, so as greatly to impede their progress through the water; while ships the bottoms of which are covered with wood and coated with copper will remain in the water a long time without becoming foul. These composite ships will last as long as iron. The frames *are* iron; the planks being attached to the iron frames. The ventilation is so complete that there is no danger of the planks rotting. Wooden ships rot where the planks come in contact with the wooden frames. Inside the planking, five or six inches distant, slats are fastened, to prevent the cargo from coming in contact with the planking. The cost of composite ships, too, is considerably less than that of iron ships; and our ship-builders in this country would have this advantage in their construction, that wood is cheaper here. They are exceedingly useful in long voyages, particularly the tea trade. I have seen one of these vessels, after returning to Liverpool from China, with her bottom so clean that you would scarcely suppose she had been out more than ten or fifteen days.

Mr. LYNCH inquired as to the cost of insurance upon this class of ships.

Mr. WESTERVELT. I cannot answer that question accurately. I should suppose they would not rate quite as low as an iron vessel, although they are really as safe in every respect. They are no more liable to burn up, and the chance of the crew escaping in case of fire would really be greater. There is not very much difference in the

strength; for the frame is iron, and the thickness of the planking is sufficient to give it the proper amount of strength.

Mr. WASHBURNE inquired what percentage of the whole cost of vessels it would be necessary for the government to pay to enable builders in this country to compete with those abroad?

Mr. WESTERVELT. I am not able to answer accurately. I should say, in sailing ships, thirty-three and a third per cent. would probably be sufficient. Sailing ships are now constructed in Great Britain for about fourteen pounds sterling per ton, and steamships for about twenty-three or twenty-four pounds sterling per ton. Ship-builders in this country, I think, would be able to construct better ships, because the materials here are better, in respect to both wood and iron. Iron steamships, in Great Britain, are constructed according to what is called Lloyd's specifications, and are required to conform to those specifications in order to enable the owners to effect their insurance. A certain thickness of the plates is required for a vessel of a certain tonnage; and, indeed, the specifications enter into so great a variety of details that anybody who can read can build a ship according to Lloyd's specifications. They are based upon the supposition that all iron is of the same strength; although the iron in this country is very much stronger than theirs, so that a considerably less thickness of plate would give the same strength as required by their specifications, when made of English iron. In fact, a less thickness of iron of our superior quality makes a better ship. Many parts of a ship are subject to a tension strain rather than a pressing strain. If only the latter were to be guarded against, cast iron would be very much better than wrought iron; for you can subject it to a great pressing strain without injury. Nor is it necessary that the iron should be of such thickness as not to yield, to a certain extent, under pressure. In fact, a ship which will yield a little, under a heavy sea, may be stronger and safer than one perfectly unyielding, as all of us know is true in the case of a bridge.

Mr. LYNCH inquired whether these composite ships usually have iron masts and rigging?

Mr. WESTERVELT. Most of them have iron masts, and some have iron yards also. Iron masts are made hollow, like a stove-pipe, with a hole at the top extending through to the bottom.

Mr. HOLMAN asked whether American ship-builders had not protection and encouragement in the fact that a very large percentage of the tonnage of the whole country was in the coasting trade, which, by law, is exclusively in the hands of American builders?

Mr. WESTERVELT. Yes, sir; and that is the only encouragement and safety we have. But for that the entire ship-building interests in the United States would inevitably be lost; but even that is changing very rapidly. Steam is monopolizing the coastwise trade, just as it has the foreign trade; and if we allow foreigners to compete with us in the coastwise trade, it will not be five years before we shall not have an American ship upon our waters. We are already losing rapidly in this respect, under our present laws; and if foreign-built ocean ships are permitted to have an American register, it will not be long before, having American crews, and being in fact then American ships, we shall find them transferred to our coastwise trade. I do not think there is any safety whatever to the commercial interests of this country in allowing foreigners to compete with us in building ships which are to have an American register, either for the foreign or the coastwise trade. We must keep them off. The most of our ship-builders are already quitting the business, and it will not be long before none will



be left, unless something is done to encourage ship-building in this country. We are doing nothing in our own yard; we have employed hardly five men a week during the last six months.

Mr. LYNCH inquired whether the tendency now was not to crowd our vessels out of the foreign trade altogether, and force them into the coastwise trade, in which there was no competition?

Mr. WESTERVELT. Yes, sir; very greatly so. The only ocean trade left us, which is at all profitable, is the California business; and that only pays a few favorite ships, which have the reputation of great speed; and the competition has been so great among them for the past year that freights have been taken out at ruinously low rates, at which, of course, the vessels made ruinous voyages. I do not think a single dollar has been made by any American ship-owner, in any voyage to Liverpool, within the last five years. Still, we have ships that are continually running in the hope of occasionally making a paying voyage, and in the hope that something will occur to encourage them in this trade. Our ships are being worn out, and very few are being built. Some few are built to the eastward, but there is very little sale for them. They are often brought to New York and sold greatly below cost.

Mr. WASHBURN inquired whether the ship-builders of this country could construct steamers able to compete with the Cunard and Inman lines, and which at the same time would be useful as war vessels in time of war?

Mr. WESTERVELT. I think not. I think that great speed is rather antagonistic to the elements required for an efficient fighting vessel.

Mr. WASHBURN. Would not a great many ships, in case of a war—with Great Britain, for instance—be employed to prey upon the enemy's commerce, and would not great speed be required for this?

Mr. WESTERVELT. Yes, sir; and also for transportation, as was the case in the Crimean war. We built ships years ago capable of greater speed than any other nation could build; and we can do it now, if we have the proper encouragement. There are plans and drawings now in existence of a ship that will cross the Atlantic within seven days, I think, without doubt. We are ahead of all other nations with respect to models, and have always been. Wherever we have come into competition with the English in this respect we have always beaten.

Mr. WASHBURN asked whether war vessels could be built as well in private ship yards as at the government yards?

Mr. WESTERVELT. I think the private yards can build better ships. If the United States government desired to get war vessels that should exceed in excellence those of any other country, it should call upon the ship-builders of the country for models, plans, and drawings. When we made our contract for the ship of war Brooklyn, almost all the naval men said she would be a failure. But Admiral Farragut told me, in the presence of a number of gentlemen, that he considered her the most efficient vessel in the United States Navy. There are very few vessels now in the navy which can properly be called good vessels. I do not know of a single one built during the war that it would be desirable to duplicate for our navy. There are still good vessels in the navy, however, built before the war.

Mr. LYNCH inquired whether the plans and drawings to which the witness referred as being those of fast steamers were for screw propellers or side-wheel boats.

Mr. WESTERVELT. Side-wheelers. The great hindrance in crossing the Atlantic has been the great draught of water. Here our English friends

have made their great mistake—in increasing their draught in proportion to the size of their vessels. A ship, to sail rapidly, must draw as little water as possible. We now recognize the fact that the Atlantic Ocean is simply a ferry, and that ships of one class are to be built simply to take passengers and their baggage, while ships of an entirely different class are to take the freight.

Mr. L. H. BOOLE, of the same committee, made the following statement:

There are one or two things I would like to say. In the first place, a great deal has been said, and written, and sent to this committee in the shape of letters and reports, by men who ought to have known and done better; letters of condemnation of our ship-builders, holding them up to ridicule. Now, it is true we cannot compete with the Clyde builders. Our materials are high, our labor very high. But these very men to whom I have referred—the ship-owners, who say in their report that there has been no improvement in ship-building in this country for the last ten years—are thus condemning the very men who in years past have furnished them the finest models of ships that ever floated on the ocean. One of the difficulties we have had to contend with is that the most of the ships we build are built by contract. The parties for whom we build furnish a superintendent, who is constantly present to see that the ship is built to suit their notions. This necessarily involves an increased cost of building. If the builders were allowed to exercise their own judgment, and their own ingenuity, they could build as good or better ships for fifteen or twenty per cent. less money.

The ships built upon the Clyde are not to be compared with our ships in either joinery or finish, in any respect. And yet these ship-owners, who require us to finish our ships in the best style of joinery, and to expend a great amount of labor upon the finish, are ready to go abroad and buy those cheap Clyde-built ships. I call your attention to a letter, which is already in your possession, stating that the working men of the Clyde have their minds so thoroughly made up upon running this business out of this country that they are willing to submit to any reduction of wages, and to any amount of sacrifice necessary to prevent our competing with them. Not more than four or five shillings a day is now paid there for skilled workmen; and yet these men are working day after day, and are willing to submit to greater sacrifices in order to compete with us in this country. It has often been remarked that, when you go on board these English steamers, you do not find any such finish, nor any such joinery, as you will find on our ships.

I would like to say just one word in regard to the coasting business. Our American builders not only want to compete for the coastwise trade, but they want to compete with the world in the building of ships. The people abroad could not build wooden ships equal to our models, and were, therefore, driven, from necessity, to build ships of iron. They have not the wood; they have the iron, and they can now turn out very good iron ships from our models. The commerce upon our lakes is just about the same as the coasting trade, and the extent of that commerce may not be known. In the years of 1856, 1857, and 1858, it is stated that the lake commerce amounted to about six hundred millions of dollars per annum. In the year 1856, the commerce which passed the St. Clair flats, exclusive of the coasting trade of the lake, amounted to upwards of four hundred millions of dollars. It was then something of a novelty for a Canadian vessel to come into one of our ports. Now, you see, a majority of the vessels in our lake ports are from Canada; and many of our ship-builders, formerly in Boston, have gone to Montreal and Quebec. It has been said very often of late by the British, that

our weak spot was in the dwindling of our shipping. Only a little while ago a committee was endeavoring to make arrangements for carrying the freight from the Pacific railroad over the Grand Trunk railroad to Portland; and, in their way, they seemed to be working with success to draw our trade away from us.

I do not think the day for wooden ships is past, by any means. Our forests in Florida, Texas, Wisconsin, Michigan, and Maine, contain too large an amount of excellent ship-timber for that. The wooden clipper ships of this country can still go abroad with good profit. The idea was some years ago conceived by western men of building ships in the woods, loading them with grain, and sending them abroad to be sold. We found that the plan was feasible; and the only thing that prevented its being carried out was, that the Welland Canal was not sufficient to enable sea-going vessels to go through. Then parties from Boston and Chicago undertook to see if something could not be done for the enlargement of that canal. But they met with no encouragement from the Canadian authorities. Now, when the success of the enterprise would be for their benefit, they propose to enlarge the Welland Canal so as to enable *them* to build wooden ships, and send them abroad, as *we* formerly proposed to do.

Mr. HOLMAN inquired whether the ship-building interests of Canada were more prosperous than on this side of the line.

Mr. BOOLE. Yes, sir. Within the last three years that business has been very prosperous in Canada. I was not long since in a Canadian ship yard, in which six or seven vessels for the upper lakes were being built; and the price paid to the workmen was from sixty to seventy cents a day, in silver. This industry has been rapidly progressing, within the last two or three years, at Quebec, Montreal, and Three Rivers; and many of the men now employed there were formerly employed in Boston and other points in the United States. A few years ago you could tell a "Kamuck" vessel as far as you could see it; now, they have so improved in their construction that you cannot tell one until you get on board—though our vessels are still superior to theirs, when you examine them closely.

Mr. HOLMAN inquired whether an allowance equal to a drawback on the materials used, in spite of our higher rates of wages, would enable American ship-builders to compete with foreigners.

Mr. BOOLE. I think it would, if the law was so positive that ship-builders could be assured it would not soon be repealed. My judgment, after a very close calculation, is, that there is about thirty per cent. difference in the cost of building here and abroad. I think that if the government would pay to the ship-builders one-third the costs, in the shape of bounty, or whatever you choose to call it, it would enable them to compete with foreign ship-builders.

Another difficulty is, the higher rate of interest upon capital in this country than abroad. But if the business were rendered permanent, I think our ship-builders would be ready to enter vigorously into the competition. Formerly, ship carpenters commanded a higher rate of wages than those employed in building houses, &c. We then paid them five dollars a day, while they now command but three, or three and a half. House carpenters have the advantage, that houses cannot be built abroad and brought here, as railroads cannot be built abroad and brought here; while ships *can* be built abroad and brought here. Formerly, apprentices were glad to work for nothing, or at very low wages, in order to learn the art of ship-building, knowing that as a journeyman he could make good wages at that business; now there are no apprentices em-

ployed in our yards. I have four boys, and I would rather they would go into almost anything else than into a ship-yard—although I would be proud to bring them up in that business, if it could be established upon a basis such that ship-builders could live.

An English gentleman, who came to this country some years ago, could not understand how it was that we could send our lake and river steamers through the water at the rate of twenty miles an hour. He traveled up the Hudson, and from Buffalo to Cleveland, at that rate; but such boats are not now in existence. The tonnage of American vessels on the lakes is decreasing rapidly, while that of Canadian vessels is increasing as rapidly.

Iron vessels, so far, have not succeeded on the lakes as grain carriers.

Mr. HOLMAN inquired whether wooden vessels could not be built in this country as cheaply as in Canada.

Mr. BOOLE. No, sir; at the breaking out of the war we were getting the finest quality of timber at twelve or fifteen dollars a thousand, in the West. So large a quantity was then called for to be taken down the river to repair forts, and for other purposes connected with the war, that the price went up to twenty-eight or thirty dollars a thousand; and now it is about twenty or twenty-two dollars a thousand. We of course can get all the lumber we want in this country; but in Canada labor is so low that they make it into ships cheaper. There is a difference in the amount of labor a Canadian and an American will do; still, two Canadians will do more work than one American, although they together receive about the same pay as the American. In Canada no duty is paid on any article entering into the construction of a vessel, if the builder imports it himself. Very little copper is used in Canadian-built vessels, and in other respects they are built different from ours; they are built almost altogether of straight timber. Again, there are underwriters, who have gotten up specifications for ship-building, as the Lloyds have in England; and the builders are required to conform to these specifications in order to effect insurance.

I think it has been estimated in this country that the duties paid on a thousand-ton iron ship amount to about eleven or twelve thousand dollars; that is, about eleven or twelve dollars a ton. Vessels can now be built in Canada at a cost about forty per cent. less than in this country. We used to estimate an A No. 1 vessel at about a dollar a bushel; that is, a vessel carrying sixteen thousand bushels of grain would cost about sixteen thousand dollars; but now, I think the cost in this country is about one dollar and seventy-five cents per bushel; while Canadian builders are able to construct their vessels lower than ever before.

Mr. WELLS inquired what proportion of the war vessels were built at private yards during the war.

Mr. WESTERVELT. I cannot answer that question with accuracy. The double-enders were built at private yards; and the first batch of gunboats, and several monitors; also a number of cutters; but what proportion of the whole I am unable to say.

WASHINGTON, *December 16, 1869.*

Committee met. Present: The chairman, and Messrs. Calkin and Holman.

Mr. JOHN ROACH proprietor of the Morgan Iron Works, New York, appeared, and made a statement to the committee. He said that he had been connected with the iron business for thirty-five years; and had also been engaged in building all parts of ships of every kind, from the smallest to the largest.

Immediately after the late civil war, he gave the matter a great deal of consideration.

He had made up his mind, from the prospects which he saw ahead, and from the cost of building ships in America, that something must be done; and had therefore sent some of the most competent persons connected with ship-building in New York, and some competent engineers, to Europe, procuring for them letters of introduction from the Secretary of State, which gained for them admission into all the dock-yards of England and France, and other countries where ship-building was carried on to any extent. He sent them at his own expense, in order that they might furnish him with information in regard to ship-building, and as to the superiority of iron ships over wooden ones. By this means he had probably acquired more information in detail upon this subject than was possessed by any one man in England or this country.

The instructions which he had given those persons were to obtain, not *newspaper* information, but *practical* information.

He had made up his mind that, sooner or later, Congress would discover, and would act upon the discovery, that no nation could be truly and permanently great which had to depend upon another nation for its ships, particularly when itself possessed abundant resources for building ships.

But aware that no man would have any right to come to Congress and ask for protective legislation unless he had first adopted every means in his power to protect himself, he had determined to spend a quarter of a million of dollars in perfecting machinery.

The consequence was that his alone, out of ten large marine-engine shops which had been in operation in the city of New York before the war, had been able to survive the present state of affairs. He had thus far been able to keep his shops open without sinking capital.

By a personal investigation of the matter, going around to different establishments, he had ascertained that the number of men engaged in the construction of ships, and in the various trades connected therewith, before the war, was about twenty thousand, besides about two thousand young men then engaged in learning the business.

To-day, out of the ten marine-engine shops that were in existence in New York at the commencement of the war, his was the only one remaining in existence. Some of them had been turned into small mills, some of them into stables. The ship-yards had all been closed except one, which was engaged in building a coasting vessel. He had no doubt that a similar state of things existed in other parts of the country.

The question was asked, whether all this had been brought about because the carrying trade was diminished?

He thought not; on the contrary, he believed that the carrying trade had increased. He had found out, by personal examination within the last year, that there were one hundred and nineteen iron steamships plying between the ports of America and of Great Britain. Of that number, one hundred and ten were running to the port of New York, with an aggregate tonnage of 311,600 tons. But of all these, with the exception of the Pacific Mail Steamship Company's steamers, of which two a month ran from New York, there was not a single steamship in the great commercial city of America, engaged in the foreign trade, carrying the American flag.

The last one that had crossed the ocean was the steamship *Fulton*, and he had taken her, last week, for a debt, for the purpose of breaking her up.

And this was the present condition of American commerce.

He had no doubt that a great pressure would be brought to bear upon Congress in regard to the introduction of foreign ships. But he was prepared to meet that question, and to show that such a policy was not consistent with the welfare of the United States.

In the one hundred and nineteen ships to which he had alluded, there was a capital of eighty millions of dollars invested. The greater portion of the earnings of these ships came from the carrying of American mails, American passengers, and American commerce.

Upon a close calculation, the repairs of all these ships, embracing their hulls, furniture and machinery, would amount to about nine millions of dollars per annum. Of that sum there was not one hundred thousand dollars per annum spent in this country, although the greater portion of the earnings of these ships was collected from citizens of the United States. They bring with them their own boats, their own putty, their own red lead, and everything connected with the repairing of a ship, and have those repairs done by their own crews; and it is only in case that general repairs are needed that they call upon the New York engine shops for a little aid. Here is an item of eight millions of dollars, for repairs alone, turned away from this country and sent abroad.

America had lost her commerce; and what had she obtained in exchange for it?

Simply the right for a few men to charge nine dollars per ton, in gold, on the exportation of pig iron!

Pig iron was the basis of all other metals connected with the making and repairing of ships. There had been a revolution in ship-building, and iron was the material from which they were now built. The high cost of iron, produced by the tariff upon it, was one of the principal difficulties that our commerce had to contend with.

It might be said that Americans had protection in the coasting trade; but he could show the committee that that amounted to nothing.

There was probably no man in America who had more at stake in this matter than himself. He had a million of dollars in property dependent upon the building of ships, and, so far as he was concerned, he did not care how soon the coasting trade was thrown open to foreigners.

The men engaged in the coasting trade can now scarcely live and pay their bills. On account of the high duty on the materials used, it now costs fifty per cent. more to repair ships in America than in other countries, and on this account, and from the fact that this country is now so intersected and cut up by railroads, the coasting trade by sea is, to a large extent, done away with. Even the New Orleans trade is disappearing, because vessels are sent down there from England to carry the cotton to Europe. The Mobile trade is also passing away; so is the Baltimore trade. Foreign steamers frequent these ports, and thus this coasting trade of which so much has been said, after all, does not amount to anything.

There had been three propositions before the committee in regard to the mode of relief of American commerce. The first of these, as he understood it, was to permit Americans to go abroad and buy ships. The men who had suggested this idea were mostly men who had come to this country since American commerce had been transferred to England; who had opened shops in New York and were doing a foreign trade. He thought there were enough ships now to carry the trade. The trouble was, they belong in the wrong direction—they are owned by men over the water. If this privilege were granted, he regarded it as being nothing more nor less than permitting the one hundred and nineteen steamers now plying in the port of New York to do so under the American flag.

They would be owned abroad, in order to avoid American taxation, but their business would be transacted on this side.

A gentleman from the New York Chamber of Commerce called upon him a few weeks since and inquired what objection there could be to having ships built on the other side of the water. In reply, he asked the gentleman the simple question what he wanted to accomplish by buying ships abroad? The gentleman answered, "Nothing more than to bring commerce back to where it was before the war." He, Mr. Roach, then asked the gentleman, "Do you know where it was before the war? With what portion of commerce would you be satisfied?" The gentleman replied, "Nothing less than we then had, which was nearly one-third the entire commerce of the world." If this were to be undertaken, and if it were attempted to be brought about by buying ships to replace those which carried the American commerce before the war, it would require an expenditure of one hundred and fifty millions of dollars; and this money would be paid to England, the only great ship-building country in the world; and the effect would be to increase the price of ships at least twenty per cent. Besides, by so doing, all the American ship-yards and foundries would be closed, and the materials of American mines would remain unused. Again, everybody will recollect the difficulties experienced during the war from the want of ships; and American ship-yards and engine-shops were in a much better condition at the breaking out of the war than they are now. Yet it was found that when the government called upon private establishments, and gave them contracts for building ships and engines, the work that should have been done in one year was not done in four years. The ship-yards and foundries were not prepared to do the work. Had the American foundries and ship-yards and machine-shops been in the efficient condition in which such establishments then were and now are in Great Britain, he actually believed that the rebellion could have been put down at half the expense, if not in half the time, it really was.

Congress was much excited regarding the depredations committed by the Alabama. The Alabama was only one ship let loose upon American commerce; but here were to-day, coming into the harbor of New York, a hundred and twenty ships, each one of them more formidable and of greater speed than the Alabama, built by English builders, owned by English merchants, and to some extent under the supervision of English naval officers; so that, while now engaged in the peaceful pursuits of commerce, in forty-eight hours they could be converted into most effective ships of war.

If any one should inquire what American ship-builders were to give in return for the favors they asked, he would reply that one of these days the Navy Department would be asking Congress for an appropriation of fifty or sixty millions of dollars for the purpose of making a more efficient navy; and a very large proportion of that amount might be saved by encouraging American merchants in time of peace to build say a hundred steamers. The hundred and twenty English steamers now carrying our commerce were double the tonnage of the whole American navy. This fact he stated from authentic information; it was no loose and careless statement. And they were ready to be set at work at any time and for any purpose for which Great Britain might want to use them.

Again, if America were to close up her ship-yards and marine engine shops, and depend upon Great Britain to build her ships, she would be in the most helpless condition conceivable. The day is not far distant when it will concern the men who have capital invested in the prairies of

the West, and the cotton plantations of the South, as much as the merchants of New York, to take an interest in and to protect the commerce of America. The people of the United States should be in a position to take that advantage of English commerce, in case of a war between England and France, that England took of American commerce when the United States were at war. The island of Great Britain is of no greater extent than the State of New York or Pennsylvania; and if her commerce were taken from her, what would be left of her? She would become one of the most helpless nations on the face of the earth. He, Mr. Roach, could not understand why nine dollars a ton duty should be paid on pig-iron, or why there should be any duty at all upon it. American iron and American engine-shops are as much American manufactures and were as essential to the prosperity of the nation as American rolling mills or other property; and yet American ship-yards and American engine-shops have no protection at all. The iron ore can be taken from the mines, and with ordinary, uneducated labor can be converted into pig-iron in forty-eight hours; but no nation would ever know the value of her ship-builders and mechanics of that class until she needed skilled workmen. The material is easily obtained; but it is of very little use without skilled workmen to work it. With the ship-yards and marine engine shops closed, and with these men, who had spent their lifetime in learning and becoming skillful in these trades, gone into other pursuits, it would be impossible to educate workmen in their stead. There would be as much possibility of educating children in the sciences with the school-houses locked up and the school-teachers gone away.

The CHAIRMAN. What remedies do you propose?

Mr. ROACH. In view of these one hundred and twenty steamers now engaged in carrying our commerce, I have looked at the matter in this light: What would be considered a healthy growth of American commerce? I think that the annual production of twenty such ships would be a healthy growth. They would cost from twelve to fifteen millions of dollars. In five years that would cause an outlay of, say one hundred million of dollars, which would seem to me to be a very simple and easy burden for this country to carry. My idea is that Congress should settle upon a percentage to be given the ship-builders, by way of bounty; not letting it go into the hands of speculators or mail contractors, but providing that, on every vessel built for the foreign trade, a certain amount should be allowed to the party building the ship. I think that at present twenty per cent. would be about a fair allowance. That percentage of twenty million dollars, which is my estimate of what would be a healthy growth of American commerce, annually, would be four million dollars. Can no way be found to distribute that four million dollars per annum over other interests that will not feel it, and thus help revive a most important interest that is utterly crushed? By helping to build ships, instead of sending one hundred and fifty millions of dollars abroad to buy ships, you develop your own iron mines, you give employment to your own workmen, you stimulate your own manufacturing interests.

The question may be asked, what is the country going to get back for this outlay? I answer, we would save you almost that much in the service which these vessels would be to your navy.

The CHAIRMAN. How would you apply your idea more in detail? In what shape should the money be given?

Mr. ROACH. In the shape of a percentage to every merchant, or other person, who should build a ship for the foreign trade; so much per ton upon the tonnage of the vessel as registered in the custom-house.

The CHAIRMAN. If a certain amount, equal to the duties paid on the



materials entering into the construction of the vessel, were remitted, would there then be a demand for vessels to be built here?

Mr. ROACH. I think so. I make this statement upon accurate information as to the comparative cost of ship-building here and abroad. Whenever you resume specie payments, and as the tariff is gradually reduced, the amount necessary to be paid by government to put American ship-builders on an equal footing with foreign ones will gradually decrease, until the building of ships will cost the government nothing.

I saw a statement recently that our government was scarcely able to procure sailors; and that reminded me of what a gentleman remarked to me the other day. Said he, "Mr. Roach, if I wanted to destroy New York by a fleet of ships, I do not know but that I would have to get Englishmen to do it; they know our channel now much better than we do ourselves."

Mr. HOLMAN. During the last twenty years has not the tonnage employed in domestic commerce been equal to at least fifty per cent. of the entire tonnage of the country, and is not at this time the tonnage engaged in the domestic trade equal to seventy per cent. of the whole?

Mr. ROACH. Our domestic tonnage has increased, but you will find that it will largely decrease. Previous to the completion of the Pacific railroad, the Pacific Mail Steamship Company sent out four ships per month from New York, and the North American Steamship Company three ships; in all seven ships a month. Now there are but two ships engaged in that trade, instead of seven; and it would hardly be fair to expect that our coasting tonnage would keep on increasing in the future as it has increased in the past, because our railroads, intersecting the country everywhere, have cut into that trade to a very great extent. The New Orleans trade is not more than half what it formerly was. There used to be three or four large lines of steamers plying between New York and New Orleans. Now there are five English lines between New Orleans and England, and four English lines to Baltimore.

Mr. HOLMAN. Do you think that allowing the American ship-builder a drawback, or rebate of the duties and taxes, external and internal, on the materials entering into the construction of ships, would be sufficient to revive ship-building?

Mr. ROACH. I think there is no possible doubt of it. I am speaking from accurate information, when I tell you that things are not represented to you by the other side in their true light, because in every move that we make in Congress, we are striking at the seventy or eighty millions of capital invested in those one hundred and twenty steamships plying to New York; and it is a death-struggle whether the one hundred and fifty millions of dollars that are to be invested in American steamships, shall be expended in this country, or on the Clyde. I have been trying to get this very information, which I have placed before you, published in the New York press, but I could not do it. There is now on the one side, the interests of the broken down ship-builders, and broken down merchants of America, applying to Congress for relief; and there is on the other side, this capital of seventy or eighty millions of dollars concentrated in opposition. We have the facilities for ship-building in America. Our ship-builders and our engine-builders, amid all their discouragements, have not been idle. They have been closely watching the movement and the progress of the trade on the other side. And we can go to work to-day and build a faster ship than England can, and that will carry one-third more cargo, while it consumes no more fuel.

Mr. HOLMAN. I see that your mind favors the idea of the government paying to the ship-builder a bounty equivalent to the taxes imposed up-

on the materials; that is, equivalent to the taxes which *would* be imposed upon the materials, providing they were imported. Now, if instead of paying to the ship-builder a bounty, which would be equal to perhaps thirty per cent, the policy were to be resorted to of returning to him all the duties on the articles entering into the construction of the ship, what would the effect be?

Mr. ROACH. I did not come here to ask a bounty. I came here to tell you that, while all other articles of American produce are protected to a great extent, there is no protection for American ships. If Congress will take off all the duties from American iron, reducing it to the price of foreign iron, then we are prepared to compete with foreign ship-builders. The labor question is misstated. We are prepared to meet that difficulty, and to ask no further legislation on the subject.

Mr. HOLMAN. You think, then, that a rebate of the taxes would be a sufficient encouragement to ship-building?

Mr. ROACH. Yes, sir; if we could avail ourselves of the benefits of it. But there is a practical difficulty in the way, right here. Iron has come to supersede wood in ship-building. The ships of the future will be built of iron. There is a class of iron manufactured, and imported, and converted into general use all over the civilized world; it is from the thickness of four inches to the thickness of a wire; but only about one-tenth of the iron we use in the building of a ship, is this imported iron; so that by the rebate of duties we would get no relief except to the extent of about one-tenth of the materials used. The question may arise, why not import the whole of the iron used in the ship? Simply because that would involve almost or quite three times the capital required to carry on the business, and when a man conducts his business upon such a plan that it requires three times the capital that ought to be required, he cannot conduct that business successfully. For instance, if a man makes a contract with me to build a ship, in agreeing upon the terms of payment, I say to him, the first payment is to be made when the keel and the first tier of plates connected with it are laid; and the second payment when the next tier of plates is laid; and so on dividing the payment into ten distinct parts. Now, if I am obliged to import my materials, I must make my drawings, and send them to Scotland, and import all those tons of iron *at once*, and pay for them; which will require a much larger capital than it would otherwise have been necessary for me to use. Besides, it is impossible for one ship-builder to compete with another, when the one is obliged to bring so heavy a material as iron from a distance of three thousand miles, and across the ocean. The freight on iron is a good deal more than it was some years ago, when it was transported in sailing-vessels; it is now transported in steamers. Some is yet transported in sailing-vessels; but the pig-iron, transported in steamers, is to-day worth in New York two dollars per ton more than that transported in sailing-vessels. A great proportion of all the pig-iron sold in New York is sold to consumers "to arrive." The purchaser can tell to a day when a steamer will arrive with his iron on board, and make his arrangements accordingly; but he cannot tell within weeks or even months the time when a sailing-vessel will arrive.

Mr. HOLMAN. Is there much pig-iron imported into this country?

Mr. ROACH. Very little, in comparison with what has been imported.

Mr. HOLMAN. And this duty of nine dollars per ton in gold, is an obstacle right in the way of that importation?

Mr. ROACH. Yes, sir.

Mr. HOLMAN. Would not the policy of allowing a rebate to the ship-

builders of the duties on the materials entering into the construction of a ship, have the effect to bring down the cost of iron in this country? In other words, would not the American dealers be compelled to reduce the price of their iron, in order to prevent ship-builders from going abroad for it?

Mr. ROACH. I think it would have that effect. I think the ship-builders themselves would become the manufacturers of iron for their own ships. If such relief is given as will enable us to build ships, I will guarantee to put a rolling-mill in my ship-yard, and then I will be prepared to say to a man without regard to Pennsylvanian or other monopolies, "I will build you a ship for so much."

When gold was at 140, I could buy foreign pig-iron at a small price over what I could buy American iron for. To-day I can buy Scotch iron for seven dollars a ton less than I can buy American iron; the difference being in the premium on gold. I am really of the opinion that this difference in currency is used as a cloak for the advance of all commodities; for I find that nothing has sympathized with gold in proportion to the reduction of the premium.

WASHINGTON, D. C., *December 21, 1869.*

The committee met, all the members present.

Admiral PORTER appeared before the committee and made the following statement in reply to interrogatories: He said that the European governments had taken away entirely the American commerce on the Atlantic, and that we had now no steamships in the foreign trade, except one or two running to Brazil. If the United States possessed the steamships plying between New York and Europe, the government would have a better navy than it ever had. There was not a ship in the American Navy that could compare with the best ships on the English and French lines in point of speed, stability, or for carrying guns. The ship that would carry merchandise would carry guns. All those vessels could be fitted with masts in a very short time and rigged completely. They could keep the ocean three years without burning a pound of coal. This remark applied to the European screw-ships, of which he thought there were now sixty-five engaged in the New York trade, while the United States had not one. All the American mails were now carried in foreign steamships, which realized a very heavy profit from carrying the mails, particularly the French steamers. Each of those vessels carried from thirty to forty thousand letters a trip, and, as the French postage was double the English rate, it could be seen what a heavy profit they realized.

The CHAIRMAN. I understand you to say that a class of vessels can be built for commercial purpose that can be readily converted into vessels of war?

Admiral PORTER. Yes, sir; nearly every ship that was used during the war was a merchant ship. He went on to say that this diversion of the trade was driving from the American service all its naval engineers. The foreign vessels were all run by foreign engineers; there were not many American engineers on board of them.

When the rebellion broke out, all the American ships that were engaged in the European trade got such heavy profits from the government that they were at once absorbed in the navy. If the United States had possessed half the number of steamships now engaged in the European trade with New York, he did not think that the rebels would ever have got a bale of cotton from a southern port, and that the rebels would have had to submit long before they did. The American Navy at

present was made up of tugs and old converted ships. It possessed ten or twelve or fourteen vessels that were planned to suit Isherwood's machinery, and at a cost which nobody knew. There had been \$480,000,000 expended by the navy during the war, and he thought that \$280,000,000 of that sum had been expended in the steam department, yet the navy had not much to show for it. Those ships, designed and built for Isherwood, were lying in navy-yards entirely useless. The department was trying to convert one of them into something, but it did not know whether it would succeed or not. It had been found necessary to take out half of her engines to make room for the people to live on board of her, and for the coal necessary to be carried. She was so filled with machinery and boilers that there was no place in her to carry coal or men. He referred to the Wampanoag. When that vessel went on the trial trip and came back into port, she had to send her crew on board the New Hampshire receiving ship, because she had no place to put them. There were twelve or fourteen of those vessels in the navy, and they were practically of no use. The navy also possessed about thirty tugs, the largest of them about three hundred and fifty tons. Two of them had been sent to sea the other day to take care of the iron-clad Dictator, going to Key West, and they had got into a gale of wind, and she had to take care of them; and these were two of the best of them. Then the navy had also a lot of little vessels, not inaptly described as canal-boats; vessels of five hundred tons. He believed that thirty ships such as the Pereire, on the French line, would make a better navy than the United States possessed to-day. There were a great many iron-clads on the navy list, but twenty-six of them had been condemned as being unfit for anything, except for old iron, and no one would buy them for that. There were about thirty good vessels in the navy altogether, fit for war purposes, and these were wooden vessels, and about ten monitors.

The CHAIRMAN. I understand you to say that if we had, at the commencement of our late war, thirty such vessels as you speak of—the best European steamers—they would have been as efficient as was our entire navy.

Admiral PORTER. Twice as efficient; I say that without any hesitation. The ships that we had could catch nothing. We never had a vessel that could run down a blockade-runner during the whole war, except the Vanderbilt and two others. Whenever we caught blockaders it was either with one of those fast tugs—vessels of fifty or sixty tons—or by the machinery of the blockade-runner breaking down, or by her getting into a fog and being surrounded by four or five of our vessels, when she would surrender rather than be fired at. I do not think that during the war we caught 30 vessels by fair running; that I am quite satisfied of. Any one of those vessels on the European lines can run away from anything we have got in our navy, and can run them out of sight in seven hours, and that is not saying a great deal. The iron-clads that we have are for home defense. They cannot go to sea. We send them to sea now and again, because we have nothing else to send, but they all require two or three vessels to go with them, in case they should break down or get out of coal. They are therefore of no use, except for harbor defense. In case of war with a foreign nation, such as Great Britain or France, our great power would be in cutting up their commerce. Great Britain could not stand a war six months with a fleet of vessels that we would send out after her commerce. They would break her up root and branch, and that kind of warfare would be more apt to bring about peace than fighting with iron-clads or heavy war vessels. The Alabama and another confederate vessel destroyed one hundred and eighty-six American ves-

sels, amounting, I think, with cargoes, to about seventy millions of dollars. Now, if two vessels could do that, imagine what 200 could do. I think that one screw-propeller, which would use sail power, and when necessary put on steam, to chase or to be chased, would do more harm to a foreign enemy than all our iron-clads put together. We have other means of defending our coast, by torpedo-boats, obstructions, &c. But we want a good many fleet cruisers. Great Britain subsidizes all her foreign steamships. The profits of the Cunard line amount to twenty-two per cent. a year. I think that Great Britain has about three thousand steamships altogether, and, I suppose, that there must be at least three hundred of them subsidized.

Mr. CALKIN. You spoke about the decrease of American engineers, how is it in regard to captains and officers in the mercantile marine?

Admiral PORTER. They would constitute a force which we would be very glad to draw upon in case of emergency, as we did in the last war. Our naval force is very small, a mere nucleus. Every naval officer in time of war becomes an instructor. That was part of his occupation in the last war. Most of our officers were volunteers from the merchant service; hardy, brave fellows, but without education as to the duties of vessels of war, which it requires a pretty long time to learn. But in a war with a foreign nation we could not have a better class of men for the purpose of sending home prizes, or doing other subordinate duty. I am sorry to say, however, that the best class of men in our mercantile marine are fast disappearing. When we had sailing-vessels across the Atlantic, our packets were the most superior vessels in the world, and I do not think that even the best naval officers were better men than the captains of those ships. They were the best class of merchant seamen in the world. They are all disappearing. There is no field for them. They do not command steamships, and have no opportunity of displaying what they are, or of learning anything. I think that on that account it would be very advantageous for us to have a better system. All our good seamen have left our service and have gone into the service of foreign companies, almost losing their identity, and hardly knowing that they have got a flag. They have sailed so long with the English, the French, the Germans, and the Dutch, that they hardly fraternize with their own countrymen.

The CHAIRMAN. What would be the effect of going abroad to buy ships, instead of building them here?

Admiral PORTER. The first effect would be a very big political controversy.

The CHAIRMAN. I mean, what would be its effect upon the character of our mercantile marine and of our navy in time of war?

Admiral PORTER. If we were to go into that business altogether, it would break up the ship-building in this country, and that would be very impolitic. Our policy is to keep up our ship-building interests. There are only one or two ships on the stocks in New York now, and I have seen one hundred and fifty of them at a time.

Mr. CALKIN. There is only one ship on the stocks in New York.

Admiral PORTER. I do not think there is one at all in Boston. I was down the coast last summer, from Portland through the different cities, examining navy-yards and dry-docks and ship-yards, and I do not recollect seeing any more than that one ship building anywhere. That is a very sad picture.

Mr. CALKIN. There are one or two iron ships building at Wilmington, Delaware.

Admiral PORTER. Yes, and at this time they ought to be building a

hundred ships for the home-trade. The only vessels that pay now are the old rat-traps that we sell out of the navy at a very low price, and on which profit may be made. As to making the profit that the European steamships make, they do not begin to do that anywhere in this country. To put our people in a fair position for the foreign trade, I think we ought to allow them to buy ships abroad to the extent of about twelve ships for the European trade, and twelve for the China trade, and then shut up on that business, and allow our own ship-builders drawbacks on all the articles used in the ship-building, iron, copper, cordage, hemp, and labor. The high duties not only affect the merchant service, but affect the navy. Every piece of iron that we use in the navy we have to pay duty on, because the American iron is charged for exactly the same as the English would cost with the duty on, and this takes away one-third of the appropriations of the navy. The department has, therefore, to ask for larger appropriations, as one-third of the money that Congress appropriates for the navy, goes off in duties.

The CHAIRMAN. I understood you to say that you think it will be very injurious to all the interests of our merchant marine, and to our means of defense in time of war, to depend upon foreigners for our ships?

Admiral PORTER. I think so. That would not do. But I say I would like to see enough of ships allowed to be bought on the Clyde, under proper naval inspection, to enable us at once to compete with Europe. I am quite satisfied that, if we had that privilege, we would drive just so many foreign ships from the ocean. We can beat them all in running ships and taking care of passengers. Every American crossing the ocean likes to travel under his own flag, instead of with foreigners. Then again, all Americans like to glorify on the 4th of July, and they find it very difficult to do that on board of a foreign ship. We have, I suppose, 30,000 Americans travelling back and forward every year for pleasure, and these 30,000 people are worth considering. I do not think, however, that it would be a good thing to have indiscriminate purchasing of vessels abroad. I think it should be under the control of Congress. If we had, it would destroy American ship-building forever. I think the other plan is preferable, to let the ship-builders have a very liberal drawback, and I think that with that they could build ships for pretty much what they did before the war.

Mr. MORRELL. Could it not be done by calculating the cost of duties and making an allowance to cover it of so much per ton?

Admiral PORTER. Yes; there would be no trouble about that. It is very easy to arrive at the cost of a ship. You can arrive at it within twenty dollars. When we build a ship of war, we can tell within twenty dollars what it costs, for every pound is weighed, and every foot of timber is measured.

Mr. MORRELL. In case it should be deemed wise to make an appropriation for building such vessels, would you have them built in the navy-yards or in private yards?

Admiral PORTER. I would have them built in private yards. I would not have them mixed up at all with navy-yards. They would cost more in the navy yards, because there would be a great deal better work put in them. They cannot build a bad ship in the navy-yards, they do not know how.

Mr. WASHBURN. If drawbacks were allowed on all materials entered into the construction of ships, could we build vessels as cheap as they build them on the Clyde?

Admiral PORTER. No, sir; labor here costs double what it costs on the Clyde.

Mr. WASHBURN. Then, if we cannot build as cheap, we cannot run steamships without subsidies.

Admiral PORTER. Not at all; I do not think that possible.

Mr. WASHBURN. How much subsidy do you suppose should be given to steamships?

Admiral PORTER. I would give them all the letter postage.

Mr. WASHBURN. Would any one undertake to build and run a line of steamships for that?

Admiral PORTER. Yes, I think so. I think they ought not to have a dime beyond that. I have spent four years myself in running merchant steamships. I ran for three years to Chagres, and I carried a ship round the world, without any subsidy at all. Before the rebellion, I took the *Golden Age* to Australia, and there were in that time twelve vessels running between Sidney and Melbourne. In six months I ran every ship of them off. The last trip I made I carried seven hundred passengers, while the *London*, the best ship they had, carried only nineteen; the *Golden Age* was run by American officers who took trouble to please the passengers. In that way I know exactly how it pays to carry letters. We carried from London, at the time I left, forty-two thousand letters, the cheapest of them twenty cents, and many of them a dollar. The postage all went into the hands of the British government, and we received, I think, only about two thousand dollars for carrying the whole concern.

The CHAIRMAN. Has England any system of naval reserves in her merchant marine?

Admiral PORTER. Yes; a very large system. Every man of the British navy is amenable to a certain law, by which he is obliged to serve in case of war. England has in her merchant service a large reserve of men, who are always obliged to be ready to present themselves at a moment's notice. She can raise eighty thousand seamen at a very short time. They are in the merchant marine in the time of peace, and the moment they are called upon in the time of war, they are obliged to go. They are conscripted without any bounty at all.

The CHAIRMAN. So that she has a very much larger contingent naval force than her naval force proper?

Admiral PORTER. Yes. Her naval reserve, which she can get within two weeks, amounts to twenty thousand men. Her merchant marine is far superior to ours. In the first place, no man will be shipped in the English merchant marine unless he can show an honorable discharge from the last vessel he left. They get good pay, and are better taken care of than our sailors. They are getting the same class of men in their service that we used to have. Their steamships are kept up exactly on the same principle as a vessel of war; their officers are uniformed the same as the officers of the navy, and they are all under naval regulations. Within the last ten years Great Britain has made the most wonderful strides in that direction.

Mr. HOLMAN. What is your opinion as to the extent to which iron will enter into the construction of ships hereafter?

Admiral PORTER. I think that the steamers that cross the ocean should not be built of anything else but iron. I think that if we can get these drawbacks you will find iron ships going up everywhere, and that no wooden ones will be built. The life of a wooden ship is only ten or twelve years, at the most. We have an old iron ship at Norfolk that was introduced in the navy in 1846. She was a failure. She was got up by some officer who did not understand exactly what he was about.

Her hull is as good to-day as the day she was built, but she is of no use at all as a sea-going vessel.

Mr. HOLMAN. What will probably be the policy of the government in regard to building ships for war purposes hereafter?

Admiral PORTER. We will probably build clippers of wood, but not steamers. Steam takes away all life from a wooden vessel. At present we do not allow our ships of war to use steam at all. They are ordered to take tugs when they are going to sea, and they make their voyages under sail. The engine is put away, and, except in great emergencies, they are not allowed to burn coal. The result is that they come back with the engines in perfect order, and the hull not injured by heat. Under that arrangement, wooden ships will last for years. We have now at the Naval Academy a wooden ship, the Constitution, that was built in 1796, and she is as good as the day she was built; and we have also the Macedonian, lying alongside of her, built by the British, in 1810 or '12. She is a teak-built ship, and she is as good as the day she was built.

The CHAIRMAN. Do you know anything about the composite ships, built of iron frames and wooden planking?

Admiral PORTER. They do not last at all. Wood and iron do not go together at sea. There is always an acid in the wood, and in a short time that acid eats a big hole in the iron. If you are going to build an iron ship, the best way is to build it of all iron, except the decks.

Mr. HOLMAN. You spoke of there being thirty good ships in our navy; are they all wooden ones?

Admiral PORTER. Yes, sir; they are all wooden. We have no iron sailing-vessels.

Mr. HOLMAN. What will be the policy of the government hereafter in building vessels intended for general war purposes?

Admiral PORTER. The policy will be to build two classes of vessels; one of iron vessels for harbor defense, and one class for going to sea. That policy we have never tried yet. The European governments have made mistakes in regard to building iron war-vessels. They tried everything, and have failed so far as making a perfect vessel of war, and the prospects are now that we will go to work and take advantage of all their mistakes. When the English do use wood, they use the teak wood. They get it from China at a very heavy expense, and an English ship will cost three times as much as any ship we ever build. Their last ships, built all of iron, cost some five or six hundred thousand pounds sterling.

Mr. HOLMAN. All the commercial powers, including England, France, and Russia, not only experiment with iron sea-vessels, but have them in the service?

Admiral PORTER. Yes; they use them altogether; they very seldom use anything else. There is only one objection to an iron vessel; that is, that she fouls her bottom so much. The English have overcome that in a great measure, I think, by making a planking under her and coping that.

Mr. HOLMAN. What would be the effect of a policy of this kind. First, to permit only American built ships to be used in the domestic trade; secondly, to allow American ship-builders a drawback on materials used; and, thirdly, to allow Americans to purchase ships abroad, with a tax on such foreign ships of, say fifteen per cent.

Admiral PORTER. The difficulty would be first in the labor. The labor is much more expensive here than it is abroad, and there would be that much in favor of a foreign ship-builder. Labor in England



averages one dollar and a half a day, and here it averages three dollars. If the American ship-builder gets a drawback on all the materials, you put him at once on an equality with the English ship-builder, except in regard to labor.

The CHAIRMAN. Is not our labor more efficient?

Admiral PORTER. No, sir; we do not build as good engines here as they do in England.

Mr. HOLMAN. Looking at this question as one of national concern in respect of employing merchant vessels for war purposes; how far would the allowing this policy of purchasing vessels abroad by American citizens contribute to that object, in case of war?

Admiral PORTER. It would contribute very greatly. As I said before, if we had had thirty or forty such vessels as are now trading to New York, during the war, every port in rebeldom would have been closed, not a bale of cotton would have got out, nor would anything have got in.

Mr. HOLMAN. Is there any other nation that adopts such an exclusive policy as we have adopted heretofore with reference to giving registry to foreign vessels?

Admiral PORTER. I do not think that any nation does. All other nations are more liberal. Our policy has been always to encourage ship-building. The result has been that we have built the finest ships in the world. Until latterly, I have not seen any ships to compare with them.

Mr. HOLMAN. Has not the policy of using iron instead of wood produced a revolution in ship-building?

Admiral PORTER. It has in England, because iron there is so much cheaper than wood. If they could get wood as cheap as we can, they would use it.

Mr. HOLMAN. Do you think that the building of wooden vessels in this country will be continued?

Admiral PORTER. Yes; except steamers. We get white oak, and red oak, and hackmatack, and locust cheaply. It is only when we come to live oak timber that it is found expensive; but this other timber is very much cheaper than iron.

Mr. HOLMAN. Can we successfully compete with other nations in the commerce of the world except with steamships?

Admiral PORTER. Yes; under the fostering care of the government. We could, if the government would look out for the mercantile interests of the country, as the governments of Great Britain and France do. Ten years ago France had comparatively no commerce, and she has now got a commerce of two and a half millions of tons. I remember well that it was very seldom you could see a large French ship. Now you find French commerce all over the world. Ten years ago a Frenchman could not run a steamship; he did not know anything about it. We always associated a Frenchman aboard a ship as a "sea-sick Frenchman," and as not fit to be trusted with a passenger ship. But now the French Messagerie line has run all the British lines off where it is in competition with it. The French have started a line to Australia, and are now prepared to start a line from California to China, which will run our Pacific mail steamship line right off.

Mr. HOLMAN. Are the French ships most built in France, or are they purchased abroad?

Admiral PORTER. All the French steamships that are running here are purchased in England. The French government allows every latitude in that way, and is encouraging its commerce without reference to ship-building.

Mr. HOLMAN. And the French government is paying heavier subsidies than the English?

Admiral PORTER. Yes; the French exact higher rates of postage. The Postmaster General here has not been able to make a satisfactory arrangement with the French government for the reduction of postage. The French claim not only half of the postage on this side, but half on the other side; and they charge double the amount of postage that is charged by any other nation, and thus they make foreigners pay their subsidies.

Mr. HOLMAN. Is not the largest portion of our tonnage employed in the domestic trade?

Admiral PORTER. Yes, sir. Our tonnage is now very much less than it used to be. We were nearly up to Great Britain in amount of tonnage, but we have lost nearly a million of tons.

Mr. HOLMAN. If we cannot adopt some mode by which the building of ships in this country may be encouraged, is it not then a simple question of whether the foreign commerce of the country shall be carried on altogether in foreign bottoms, or whether American citizens shall be permitted to purchase vessels abroad and put them under the American flag?

Admiral PORTER. As the general thing, perhaps, the latter would be a good plan; but I myself should not favor a rule that would allow that thing to be universal. While getting possession of the ocean again we must still protect ship building.

Mr. HOLMAN. Is not that an alternative? Unless we can adopt a policy that will revive the ship-building interest, is it not a question of whether the foreign commerce of the country shall be carried on in foreign vessels, or carried on in vessels built abroad and owned by American citizens, run under the American flag?

Admiral PORTER. As a matter of course. The first object is to increase the commerce of the country, because upon commerce depends the paying off the national debt, and every additional steamer that is put on adds so much more to our commerce.

Mr. HOLMAN. So that we have an object in increasing our commerce, apart from, and without reference to, ship-building?

Admiral PORTER. Yes; of course.

The CHAIRMAN. Do you believe that there is any difficulty in renewing our commerce as fast as is required by building our ships at home?

Admiral PORTER. No; provided you hold out an inducement for people to build, have drawbacks, and allow for labor.

The CHAIRMAN. Can our commerce be renewed within a reasonable time, and as fast as is required, if inducements are held out to ship-builders?

Admiral PORTER. Yes; with the exception that I have mentioned. We are now at that point that I think we should allow a certain number of vessels to be purchased abroad for the purpose of supplying our immediate wants. They would amount to about twelve.

Mr. MORRELL. Cannot these vessels be built in this country and put upon the lines almost as quickly as they can be procured abroad?

Admiral PORTER. No; they cannot begin to do it here, unless you allow them drawbacks, and drawbacks on labor.

Mr. MORRELL. By allowing drawbacks, would it not be better, instead of buying so many vessels abroad, to encourage the building of them in this country, and could you not get vessels built here to answer every purpose?

Admiral PORTER. They have greater facilities abroad. The great

machine shop of this country is bound to be on the banks of the Delaware, at Chester, Pennsylvania, and at Wilmington, Delaware. I am personally interested, for I own a large piece of water front in Chester, where they are getting up these machine shops; but I must say, notwithstanding, that I do not think they can build steamships here as they can in England. They would make a failure at first, if they attempted to rush the thing through. But, if you go to work and give these people the right of purchasing 12 or 14 ships to start upon, and then give the builders of this country drawbacks, and let them go to work, I think that, in the course of three or four years, we would be able to compete with Great Britain.

Mr. WASHBURN. Suppose we should agree to grant a drawback to everybody who would build ships in this country; suppose we should say to the people of Baltimore, Philadelphia, Boston, and New York, "Go to work and establish lines of steamers, to leave twice or three times a week—for instance, to leave Boston on Monday, New York on Wednesday, and Philadelphia on Saturday—and you shall have the mails," would capitalists organize and establish steamship lines?

Admiral PORTER. I think so.

Mr. WASHBURN. Then how long would it take to get steamships for the purpose in this country?

Admiral PORTER. Two or three years. You cannot do it in any less. You cannot begin to show in less than three years. It takes a long time to build the engines, and these ships have to be large vessels.

Mr. WASHBURN. Could you not lend them some of your engines out of the navy?

Admiral PORTER. They would not have them. The most that we have been offered for four ships that cost the government nearly a million, is one hundred thousand dollars each; and I do not think the people who offered it were in earnest then.

Mr. CALKIN. Supposing that we should subsidize lines from Baltimore, Philadelphia, New York, and Boston, and that an American steamer left New York on Monday, with a foreign steamer leaving on Tuesday, and a Philadelphia steamer leaving on Wednesday, would you say that the New York merchant should not be allowed to send his letters by the steamer leaving on Tuesday?

Admiral PORTER. No, he could send them as he liked.

Mr. CALKIN. That is where the rub comes in about allowing mail money. We cannot secure the full mails for American ships.

Admiral PORTER. The merchant has to be governed by circumstances. The thing will work some day in the same way in favor of the American ships when we drive off foreign vessels, there must be a beginning and a tussle for the prize.

Mr. WASHBURN. The swiftest ships will take the mails?

Admiral PORTER. Yes; they are the ones that will take the mails.

Mr. CALKIN. You cannot build ships to beat these foreign propellers?

Admiral PORTER. You cannot build ships to do as well as they do now; but offer bounty and you will see a difference.

Mr. CALKIN. I know that gentlemen say they can make better time with side-wheel steamers.

Admiral PORTER. I do not believe that. Sometimes it is not so much in the ship as in the captain. It is the bold running that does the work. Put an American captain upon one of those steamships, and in from nine to twelve months he will beat the foreign vessels every trip.

Mr. CALKIN. You made a statement that the mail money would be a sufficient subsidy for steamship lines?

Admiral PORTER. I did not say that it would be a sufficient subsidy, but I said that they would be satisfied with it, and would commence with it.

Mr. CALKIN. Why could not the American steamship lines compete with the foreigners before the war?

Admiral PORTER. Because I think the American lines ran the wrong class of vessels. I knew the Collins line very well, and I know that they could not run a day in competition with the present line of steamships. They burned an immense quantity of coal; they were fitted out and fitted up in the most sumptuous manner; they had large crews, a large number of officers and a large number of engineers, for they had most powerful engines. They were run at the full speed, and the company had not enough ships on the line to enable them to have proper relays, so that they began to deteriorate very rapidly, and they ran them out in a very short time. They had very large buildings in New York, a great many officers, and a great many people connected with them. All these had to be paid. Then there were a great many dead-heads; so that I used to be astonished how they kept running at all. I think that I could have carried on the business at one-third the amount that it cost to carry it on. Everybody had a chance at these steamships.

Mr. CALKIN. You mean to say distinctly that the American steamship lines before the war were badly managed?

Admiral PORTER. I think they were.

Mr. CALKIN. And then also the subsidy to the Collins's line was withdrawn?

Admiral PORTER. Yes.

Mr. CALKIN. You also remember the man who was most prominent in the withdrawing of that subsidy?

Admiral PORTER. I do not.

Mr. CALKIN. Mr. Vanderbilt did more to break up the American line to Europe than any other man.

Mr. MORRILL. Can you tell us the comparative cost of running side-wheel steamers and screw steamers.

Admiral PORTER. The cost is very much less with propellers. If you have a fair wind, or a wind abeam, and have enough of it, you need not use your steam scarcely.

Mr. MORRELL. They are run with much greater economy?

Admiral PORTER. Very much greater; and then they have very much more storage room. I know they say there are some places where they can run a side-wheel steamer cheaper than a propeller; but I doubt it. That is from San Francisco to China. A gentleman was trying to convince me of that the other day.

Mr. JUDD. If the government should enter upon this system of subsidies, how would it affect naval estimates?

Admiral PORTER. It would save the government millions of dollars in case of war, because I do not want better ships than those steamships are; and then they are kept in order all the time. It is to the interest of the owners to keep them in perfect order. There is not a ship running on those lines that is not put into thorough order whenever she comes into port. We can take such ships, run bulkheads across them, and fit them for sea as privateers, in a week.

Mr. JUDD. And the Navy Department, if the system were entered upon, would not, as a rule, need to be constructing additional vessels?

Admiral PORTER. We would have to construct a certain number. My purpose is to keep the navy down to one hundred and eighty vessels. It is now two hundred. During the war we had a thousand ves-

sols. Eight hundred of that thousand were merchant ships that had been bought by the department. We built very few good ones. The British government has a contract with these subsidized lines under which it can take the ships for government purposes when it needs them. I never had an idea what the British steam commerce was until I went up the Balaklava, during the Crimean war, just before the fall of Sebastopol; and I suppose that there were at that time in the different ports about there, three or four hundred of the most magnificent steamships, taken at a moment's notice by the government, and on which the government had not to pay a dollar of repairs. I went over in one of them, an ordinary ship, and she went at the rate of 14 miles an hour.

The CHAIRMAN. You spoke of the failures that were made in constructing vessels for the navy when the war broke out. Is not that inevitable after a long period of peace, from depending entirely upon the Naval Department for constructing war vessels, and would not that be obviated by providing for the supervision of the building of mercantile vessels by a naval officer?

Admiral PORTER. The government would have no right to do that, except in cases where it gave contracts on subsidies. Not only that, but there are just as clever constructors in the merchant marine as in the navy. Some of the best constructors in the world are those who had charge of our merchant marine.

The CHAIRMAN. The navy, of course, is only brought into use in time of war, which occurs at long intervals, while the merchant marine is in constant use, and is consequently brought to greater perfection. The point I want to get at is this—whether by the government pursuing the same policy which the English government pursues in respect to its merchant marine, having it under its supervision, and having the vessels constructed under the supervision of naval officers, that would not contribute greater efficiency to the navy.

Admiral PORTER. No doubt of that. But we could not carry that out with the whole merchant marine, because it would be very distasteful to merchants. Many ships must be built for carrying merchandise.

The CHAIRMAN. I mean only as applied to such number of vessels as would be wanted to make an efficient navy.

Admiral PORTER. It ought to be done in regard to subsidized vessels, but not to the whole merchant marine. Merchants would not be at all pleased to have such interference. Sailing-vessels, for instance, have to be built for carrying purposes, and are entirely unfit for war purposes; and some classes of steamers have also to be built for carrying purposes that would be entirely useless as vessels of war. Therefore, as to those classes of vessels, merchants would not consider it a favor for the government to interfere with their building. A naval officer would have his ideas which would be entirely different from those of the constructor. The naval officer would have an eye to the carrying of guns and to speed, while the merchant would have an eye simply to the quantity of cargo the vessel could carry.

The CHAIRMAN. I am only speaking of this policy so far as it would give us an efficient navy at the least cost to the government; so that the government could always have a navy at hand.

Admiral PORTER. The ships that would be employed by the government under contract for carrying the mails are the only ones as to which you could put such a law into operation with effect.

The CHAIRMAN. Has France good facilities for ship-building?

Admiral PORTER. Yes, sir; their commerce is increasing very rapidly.

They build very handsome, beautiful wooden ships. They build iron ships, too. They have very fine machine shops in France. All their naval vessels (and their navy amounts to 490,000 tons) are built at home.

Mr. CALKIN. Have they really improved upon our models?

Admiral PORTER. Very much. There are no models for men-of-war equal to the French models. The French ships have been always famous as fleet sailers. The first great model of a ship ever made was made by a Frenchman. In the old time, whenever an Englishman captured a French frigate and put an English crew on board of her, she could run away from the whole British fleet. They build some of the best vessels in the world.

Mr. WASHBURN. I understand you to say that the iron-clad ships of England and France are failures.

Admiral PORTER. We think so. Here is the *Monarch*, coming to this country with the body of George Peabody. She cannot get into any of our ports, except Portland, Maine; and that fact is a failure to commence with. We are very glad to have English ships built in that way. None of those large vessels can come into our ports, and therefore they cannot do us any harm. They have great speed, but they cannot fight with their guns in a sea-way. They roll thirty degrees, whereas our monitors only roll seven degrees. Our monitors, as harbor defenses, are a success, and other governments are coming round to the monitor system. It is the only true principle. The *Dunderberg* was the finest ram that we had, and is now the best ram the French have in their navy.

The CHAIRMAN. I understand you to say that you think the most economical and best policy would be for the government to maintain a comparatively small navy in time of peace, and to depend upon the merchant marine as an auxiliary force?

Admiral PORTER. No; that would not be my policy. If I had the money I would have a good deal larger navy, one superior to any nation. But we have proposed the navy to be kept at one hundred and eighty vessels, which is a very small navy for this country; but it is about as much as the people would stand. We could not get along with a much smaller naval force, and could add to its effectiveness by having mail steamers properly built, which we can use in time of emergency. That is what this country has got to do. We have not only to depend upon merchant vessels, but upon officers in the merchant marine, in case of a long war, because a large portion of our people cannot be made to understand the necessity of a great nation like ours keeping up a respectable navy.

The CHAIRMAN. How much would the government have saved directly, in cost, if it had had thirty or forty of the class of vessels that you speak of, and could have brought them into use at once?

Admiral PORTER. The government would have saved thirty or forty millions right off, because we run into a good many wild schemes in building vessels. We cannot tell all that it would have saved. It would have stopped the rebels from getting their supplies as they did. The blockade runners laughed at everything we had in the shape of vessels.

The CHAIRMAN. I understood you to say that the navy cost \$480,000,000 during the war, and that we did not then get an efficient navy?

Admiral PORTER. Yes; it cost us \$480,000,000.

The CHAIRMAN. Could not the half of that have been saved, if we had had thirty or forty fast mercantile steamships?

Admiral PORTER. They would have saved a great deal. I cannot say how much.

## LETTERS FROM AMERICAN SHIP-BUILDERS AND OWNERS.

A circular letter embracing the following interrogatories, and also requesting their views on the general subjects under investigation, was addressed to a large number of merchants, ship-owners, and builders, representing the navigation interests of the country:

What is the present condition of ship-building at your town as compared with the period from 1854 to 1860?

What are the present average rates of wages paid to first-class mechanics on ship-work?

What were the average rates of same from 1854 to 1860?

What is the present cost per ton for building sail-vessels and of steamers?

Cost of same from 1854 to 1860?

What was the cost of materials for each ton from 1854 to 1860?

What is the cost per ton of same at the present time?

Amount of duty on materials in a thousand-ton ship from 1854 to 1860; also amount of same at the present time?

How are vessels built and owned in your town; are builders and masters generally owners in the vessels which they build and sail?

Could you build vessels at the present time in competition with the foreign builder, providing you could obtain the materials free of duty?

To \_\_\_\_\_.

From the numerous replies received the committee have selected the following, as giving a fair representation of the views entertained by the representatives of the important interests under review:

KITTERY, MAINE, *December 4, 1869.*

DEAR SIR: Yours of the 25th ultimo was duly received, and the following are the answers we give to the questions you propose:

Question. What is the present condition of ship-building at your town as compared with the period from 1854 to 1860?

Answer. From 1854 to 1860, as for many years previous, ship-building was a steady and lucrative business, giving employment to about all the mechanics on the river. At present, it is in a state of complete stagnation.

Question. What are the present average rates of wages paid to first-class mechanics on ship-work?

Answer. Two dollars and fifty cents per day.

Question. What are the average rates for same from 1854 to 1860?

Answer. One dollar seventy-five cents per day.

Question. What is the present cost per ton for building sail-vessels and steamers? Cost of same from 1854 to 1860?

Answer. The present cost of building sail-vessels ready for sea is about seventy-five dollars per ton. Steamers, exclusive of machinery, sixty-five dollars per ton. The cost of sail-vessels from 1854 to 1860 was about fifty-eight dollars per ton.

Question. What was the cost of materials for each ton from 1854 to 1860?

Answer. About forty-one dollars per ton.

Question. What is the cost per ton for the same at the present time?

Answer. About fifty-three dollars per ton.

Question. Amount of duties on materials in a thousand-ton ship from 1854 to 1860; also amount of same at the present time?

Answer. The amount of duties on a thousand-ton ship from 1854 to 1860 was about one thousand dollars; at the present time we think it would amount to from seven to eight thousand dollars.

Question. How are vessels built and owned in your town; are the builders and masters generally owners in vessels they build and sail?

Answer. All the vessels we have built the past dozen years, have been owned by the builder, master, merchants, and mechanics, in pieces varying from one sixty-fourth to one-eighth. It is seldom any one owns over one-eighth.

Question. Could you build vessels at the present time in competition with the foreign builder, providing you could obtain the materials free of duty?

Answer. As we have to pay one-third of the amount we receive for the hull and

spars of vessels for labor, we could not compete with the foreign builder, even with that materials free of the duty.

Yours truly,

Hon. JOHN LYNCH,  
*Washington, D. C.*

NEAL, MATHEWS & BROOKS.

EASTPORT, *December 1, 1869.*

DEAR SIR: Your favor of 25th ultimo received, and contents noted. In reply to your several interrogatories, I will reply to your first, viz, What is the present condition of ship-building at your town, as compared with the period from 1854 to 1860?

Answer. Full sixty-five per cent. less tonnage built by me.

2. What are the present average rates of wages paid to first-class mechanics on ship work?

Answer. Two dollars and seventy-five cents per day.

3. What are the average rates of same from 1854 to 1860?

Answer. One dollar and seventy-five cents per day.

4. What is the present cost per ton for building sail-vessels?

Answer. Sixty-two dollars per ton for sail-vessels at present time. (Steamers do not build.)

5. Answer. Cost of construction of vessels from 1854 to 1860, fifty dollars per ton.

6. In reply to your inquiry about how the vessels are built and owned, I will state that associated owners, and generally masters, are interested.

7. In reply to your inquiry whether I could build vessels in competition with foreign builders, providing I could obtain the material free of duty, I will state that I could, providing of same class of vessels.

Very truly yours,

CALEB S. HUSTON.

Hon. JOHN LYNCH, *Chairman.*

CAPE NEDDICK, *Maine.*

SIR: Yours of the 25th instant is received. I built a vessel in this town in 1854 for thirty-four dollars per ton; paid first-class carpenters two dollars per day; ship-timber, paid nine dollars per ton; copper, paid twenty-one cents per pound; iron, (English,) paid sixty dollars per ton.

In 1860 timber was bought for fourteen dollars per ton; iron, one hundred and forty dollars per ton; copper, forty-five cents per pound; employed first-class carpenters at three dollars and a half and four dollars per day.

There have been but two vessels built here in this town since 1860, owing to the high duty on material. The same class vessels could not have been built in 1860 for sixty-five dollars per ton.

From the Piscataqua to Monsum Rivers there are five ship-building towns in the county of York. In Kennebunk, in 1854, there were seven large ships built; there were two built in Wells the same year, and one in Cape Neddick; two large ships in the town of Kittery, in 1854. All the above-named towns are now idle, except Kennebunk, where there is one ship on the stocks. Ship merchants build and repair in British dominions, on account of high duty on material.

Very respectfully,

JOHN BREWSTER.

Hon. JOHN LYNCH,  
*Washington, D. C.*

P. S.—If it had not been for what work there was done in the navy yard at Portsmouth, I do not know what the ship carpenters would have done this fall.

WISCASSET, MAINE, *December 6, 1869.*

DEAR SIR: As chairman of Special Committee on Navigation Interests, it is perhaps pertinent for you to have all and any facts that bear unfavorably on the interest of navigation, and, without further preface, would bring to your notice one of the special restraints.

Our ship Richard III cleared at Wiscasset 22th October for Charleston, S. C., having in as cargo a small amount of hay and potatoes, on ship's account, consigned to order. It had been our intention to send the ship off Charleston Bar, there to be met with letter from a Charleston merchant by pilot-boat off the port, either to proceed south or go into Charleston. On the 30th October, the morning on which she sailed, our inform-



ation was such that we dispatched the ship direct to New Orleans, where she arrived on 25th November, and on entering at customs on 26th November, was fined twenty dollars for not clearing for New Orleans. I have been a manager of ship property for twenty-five years; my father, for twenty-five years before me. Free from illicit trade or evasion of proper dues, it has been our only business, and we ought to know whether we are pursuing right or not. We have often had our ships, both coastwise and foreign, when they had no cargo to bind them to enter a particular port, seek such ports as circumstances or convenience might bring them to, and heretofore no intimation of fine or restriction. It is quite new to us, if such really is a rule or law, and, if of late enactment, it calls for a change.

In your investigations of the decay of the once great American navigation interest, it will not seem strange to you when I tell you that our own interest in ten ships, in the general freighting business, has got reduced to two ships, or that we lack the energy of former days. We are as ready now as ever to bring home to our country the pay for freighting our own exports and imports, as well as do the freighting business for any other nation that wants skillful, enterprising, courageous men, and when we can figure a remuneration will be on hand.

Apologizing for taking up so much of your time, I remain, very respectfully, yours,  
JOSEPH TUCKER.

HON. JOHN LYNCH,  
*Chairman Committee on Navigation, Washington.*

DAMARISCOTTA, MAINE, December 1, 1869.

DEAR SIR: Your valued favor of the 25th ultimo came to hand by due course of mail, and contents noted.

In reply, will make answer to the inquiries as best I can from a hasty examination of records and my own personal knowledge.

1. Ship building has fallen off at this place since 1854 about nine-tenths, as you will notice by list inclosed of vessels recorded at our custom-house in that year, showing over ten thousand tons, and this present year only about seven hundred tons, being nearly a total suspension of the business.

2. Average wages, first-class workmen, this year, about \$2 50 per day.

3. From 1854 to 1860 a wide range in wages was given; say average for 1854 was \$3 per day; 1857, \$1 50 and \$1 75, advancing since 1857 to the present rates.

4. The cost per ton varies on larger and smaller sized vessels; say, a bark of six hundred tons, two decks, will cost more per ton than a ship of one thousand tons, same materials, as the larger the vessel the less cost per ton; think average first-class this year about \$75 per ton, fitted for sea. Soon after the close of the war, some cost as high as \$90 and \$100 per ton. Steamers we have never built here.

5. A ship of seven hundred and fifty tons cost here in 1854 about \$65 per ton, and in 1857 one of twelve hundred tons cost about \$52 per ton; since 1857 to date prices increased.

6. Cost of material per ton, cannot state from 1854 to 1860.

7. Present cost of material twenty-five per cent. more than from 1854 to 1860.

8. Cannot state amount of duties on material.

9. Builders and masters are the owners; more so at present than formerly, when a profit in manufacturing was realized. The outright sale of a vessel now from the builder is a very rare occurrence, and no man can with any certainty build to sell and realize his money back again, at the high cost. Running the chances in sailing them is the only inducement to try and get a small return; take the risk, and get about the insurance.

10. Have no doubt, could material entering into the building of vessels be free of duty, we could compete with any nation in the world, and no one thing can ever help us more as a ship-building community.

Hoping the above may meet the most of your inquiries, I am, very truly yours,

JOSEPH DAY.

HON. JOHN LYNCH,  
*Washington, D. C.*

Under date of December 28, Mr. Day writes additional facts, of which the chief portions are here given:

In the year 1854 I bought into a ship by previous agreement of about seven hundred and fifty tons, at the bills, costing, ready for sea, some \$65 per ton, being the most expensive year up to that time known here in building, causing many failures in our State among builders. Freighting declined, and hardly fifty per cent. of cost could be realized to sell a vessel that fall; it seemed the beginning of what has since proved a total failure in that branch of business.

In the year 1857 built the ship *Success*, of about one thousand two hundred tons, a thorough white oak vessel, costing, when ready for sea, about \$52 per ton, being a very cheap year to build, as you will notice in previous letters, as to workmen's wages; other things entering into construction being in about the same proportion. Still, business was very dull when ready for sea.

In the year 1866 built a bark of about seven hundred tons, a first-class white oak vessel in every respect, costing, when fitted for service, about \$85 per ton. This also was a very expensive year, and in the three vessels named, together, since they began to run, (and they have been managed by thorough merchants, and good masters as will average,) after deducting expenses, insurances, wear and tear, &c., the owners all would have been thousands of dollars better off to-day had these investments never existed.

The first cause of decline, in a measure, can be traced to the uncertainty hanging over our national affairs between the North and the South, and the lack of confidence in the country as to results of the impending crisis. Our senators and representatives in Congress were at a loss how to advise, throwing doubt and uncertainty upon all operations. After the conflict began in earnest, privateers, English influences, and other complications, finished what was left of hope in the interest of our commerce, and I truly believe no class of industry has had so much to contend with throughout this long dearth of some sixteen years, with so little encouragement from any source, as the ship-owning and building class. Sailing expenses, including insurances of the various kinds of risks, &c., have been so much above what the rates of freights would warrant, these items, in connection with the high costs of construction, with other causes before cited, have caused the whole life of navigation in this country to be crushed out, and it now remains to be seen what can be done to repair the great waste and depreciation of our commerce. Other nations have the start of us in every way in amount of tonnage and in doing the carrying trade of the world.

Our government should consider well the importance of its situation as regards an efficient merchant marine when it has realized the effects of such an arm as has heretofore existed in our country.

It will demand the greatest encouragement even to get the breath of life in it; but when once more firmly established, (having the original first cause of decline now firmly settled,) it will, as ever previous to the years above mentioned, take care of itself as the one most important branch of our national wealth and glory.

Think no trade has called so little for aid or protection at any time from the government as the ship-building and ship-owning interest previous to the present emergency.

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BOSTON, November 29, 1869.

DEAR SIR: We beg leave to acknowledge receipt of your esteemed favor, 25th instant, and are glad to have the opportunity of presenting our views, and we earnestly solicit your considerate attention. There are but two causes of the decline and depressed condition of our commerce, viz:

First. The destruction of our vessels by the rebel cruisers during the war, and the sale of a large number to foreign merchants, when the premium on the gold enabled our ship-owners to realize a handsome profit.

Second. The increased cost of building, and of manning, victualing and furnishing the vessels. There is such a difference that we cannot successfully compete with other nations either in building or sailing our vessels. Our own ports are full of foreign ships. We venture the assertion that the total commerce of the country (inland navigation excluded) has not paid five per cent. per annum since the war.

These, in our opinion, are the causes of the decline; and the measures that should be adopted by Congress to revive these interests are quite obvious to us, and we do not see as any difference of opinion can exist among ship-owners.

1. A remission of the duties upon all foreign materials used in the construction of ships, whether for new vessels or repair, and when used for that purpose.

This would enable us to build or repair ships as low as any other nation. Iron ships and steamers are built in large numbers in England, and are rapidly taking the place of wooden vessels. They now command higher rates of freight in nearly all the ports of the world, and especially for carrying grain and the products of the Indies. This discrimination in the duty upon iron would enable us to build iron vessels at a cost not greatly in excess of what can be done in Europe, whereas now the duty is equal to prohibition.

2. In this connection, we would suggest a law granting American registers to iron steamers and sailing vessels when built in foreign ports, and by the payment of a tax, say five to ten per cent. on the cost; and for this reason, that even with a remission of the duty, we have not the facilities for building a large number, and our experience is limited. Such a law would benefit our commerce for the present, and until we have had more practical experience in constructing iron vessels.

3. A drawback on duties levied upon stores and goods when purchased for con-

sumption on board said vessel, and when said vessel is bound to any foreign port. And we think it would be well to include such distant ports in our own country as San Francisco. This is a law in England. The goods have to be purchased in bond, and do not include merchandise on which duty has already been paid.

4. Repeal of the tax of thirty dollars per ton, payable every year.

5. The repeal of some of the laws relating to American seamen. These laws, as you are aware, were enacted during the infancy of the republic, and when our commerce was but limited. They are entirely impracticable in the existing state of things. A very large proportion of the seamen now shipped on board of American vessels are foreigners, and the law requiring or authorizing our consuls to compel the payment of three months' extra pay to crews in certain cases, is greatly to the disadvantage of the ship-owner, and does not meet the expectation of the law. This law was passed, as we understand, to provide for the support and payment of the passage home of any American seaman who had been improperly treated on the voyage, or who should be unable to discharge his duties by reason of disability or sickness. The class of seamen now employed are very different in these times, and are quite unscrupulous, often incompetent, and nearly all foreigners. The consuls are sometimes only too ready to accede to their demands, and we have suffered to the extent of several thousand dollars the past few years by the payment of three months' extra wages, often advanced to a whole crew of twenty men, and that in gold, when the articles provided especially for their wages in United States currency. We protest against such conduct on the part of our consuls abroad.

It is true, and we know of cases where the seamen have actually feigned sickness for the purpose of robbing the owners of three months' extra pay, and they have obtained it. We have had proof in several instances the crews of our own vessels have formed a conspiracy to complain to the consul on arrival of bad treatment, and thus obtain the extra pay, and they have only been too successful.

We have lately had a case where the master shipped four seamen in a foreign port, and the consul, by accident, neglected to give him the articles for the four men. On the arrival of the ship at Havre, the consul compelled the payment of three months' extra pay, though the master produced the account of the consul at the port of departure, showing that the men in question were duly shipped, and in conformity with law. But as he did not have the articles the law was sufficient to compel the payment.

These laws should certainly be changed, so as to meet the necessity of the times, and you will be entitled to the hearty thanks of every ship-owner in the United States, if you will but give this matter your attention and consideration.

We have thus at some length given our views upon the questions you name. We are happy to be able to present them to you, assured, as we are, that you will give them that consideration which their importance demands. We hope Congress will realize the necessity of doing something early in the session for the relief of our ship-owners. The building of ships is now nearly suspended, awaiting the action of Congress. The argument that if we are enabled to build vessels more cheaply, that it will depreciate the value of what vessels we now have, is too shallow to require any comment. As large ship-owners, we prefer depreciation, if such would be the result, to utter annihilation, which will be the case if some relief is not granted.

These views we believe to be entirely sound.

We have the honor to remain, very respectfully, your obedient servants,

THAYER & LINCOLN.

Hon. JOHN LYNCH,  
Chairman Committee on Navigation Interests.

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#### Memorial.

*To the honorable the Senate and House of Representatives in Congress assembled :*

The memorial of the undersigned, builders, owners, and shippers, engaged in commerce, respectfully represents :

That the commerce of the country is prostrated ; that the foreign carrying trade is seeking other than American bottoms, and that the skilled labor in this branch of industry has to look for employment from other sources.

The reasons for this state of things will be found in the fact that *labor* and *materials* in this country are higher than in most commercial countries. The *labor*, because the necessities of the government have made large taxation necessary, and the *materials* on account of a high tariff. The commerce of any one nation having to compete with that of the world in all the great markets of production, it follows that our government must afford some relief, or else ours will continue to languish and diminish.

They therefore respectfully petition that your honorable bodies would pass a law remitting the duties upon articles used in the construction of vessels ; and, as in duty bound, will ever pray.

BOSTON, *November 29, 1869.*

MY DEAR SIR: In answer to your favor of 20th I respectfully submit a short memorial which I drew up for circulation some months ago, and which I believe covers the gist of the whole matter.

After the breaking out of the rebellion, and when several confederate pirates were afloat, the government gave ship-owners to understand that they could not protect their interests upon the ocean or in distant seas because they required all the available vessels for blockade service.

This led to a transfer, or partial transfer, of many vessels to a foreign flag.

When peace was conquered an attempt was made through Congress to restore the vessels thus transferred to their own flag, and which was refused.

The effect of that refusal was to keep quite a large tonnage of American-built and American-owned vessels under a foreign flag, and in fact making it a necessity in the prosecution of their business by American merchants and growing out of their ownership to sustain a foreign flag.

I was never satisfied myself with the debate or the decision of Congress upon this question. I know, from personal observation, that some of the very best ship-masters felt unwilling to continue during the rebellion in ships under the American flag, because the government did not propose in the first instance to give them proper protection, for the reasons herein recited; and secondly, they were liable to have their vessels burned under them, and they landed penniless on some distant shore, to find their way home as opportunity might offer.

These several reasons have reduced American tonnage, and have prevented American ship-builders from competing with those of other nations.

There has been a strong effort upon the part of British builders to magnify vessels built of iron over those built of wood. True to their instincts, English insurers have done all in their power to keep up the delusion.

England is a country of cheap iron. We are a country of cheap and good wood.

My own opinion, distinct from one of prejudice, is in favor of wood. If our people would study these questions in the light of patriotism they could effectually, with the proper aid of government, restore the commerce of the country to our own flag, and thus aid the construction of magnificent wooden ships.

I am, with great respect, your very obedient servant,

GEO. B. UPTON.

Hon. JOHN LYNCH, *Chairman, &c.*

BOSTON, *December 22, 1869.*

MY DEAR SIR: I am this morning in receipt of your kind favor of the 18th. I am in favor of wooden ships for foreign commerce, for these simple reasons:

*First.* In case of stranding or severe wrecking at sea, they are much more easily repaired. Of all the ports of the world, in South America, the East Indies, and China, few or none have the necessary tools or workmen for an extensive repair of iron vessels while there is hardly one that cannot repair a wooden ship.

*Second.* A wooden ship, under the same circumstances, will bring or carry her cargo better than an iron one. Wood is a good non-conductor; iron condenses. The damage by sweat is very great, and is one, moreover, that insurers do not cover. Iron ships, for the reason named, are more apt to sweat the cargo than those built of wood.

*Third.* Wooden ships can be more safely navigated than those built of iron. I am aware of the improvements in correcting the compass, still the fact exists and cannot be gainsaid, that in this respect wood has an advantage over iron.

*Fourth.* The United States have the best and cheapest wood in the world for ship-building. At a gold basis, and with a reasonable concession of duties upon articles which enter into the fitting and sailing, we can build wooden ships of the best class at about thirty per cent. less rates than the Clyde can build those of iron.

For these simple reasons, I have always maintained that it was for our interest to build and carry on our business in wooden ships. They are tools of trade. As a question of political economy, the cheapest tool which does the work well is the true one to procure, and although I am in favor of having and of giving encouragement to skilled workmen in all branches of industry, iron as well as wood, I do not think the time has arrived when we can economically use iron either alone or as a composite in ship-building.

I am, with great respect, your most obedient servant,

GEO. B. UPTON.

Hon. JOHN LYNCH, *Chairman, &c.*

BOSTON, *December 3, 1869.*

DEAR SIR: In reply to your request in letter of the 25th ultimo we think the government wrong in not taking some fair and liberal measures immediately after the war for

the increase of our mercantile marine. At this late date we can see no other strictly safe and sure course to re-establish our commerce, viz:

1. Than by granting the privilege of purchasing tonnage in any part of the world; that of foreign construction bearing an equitable duty on cost when taking the flag.
2. A drawback on all materials used in construction of vessels.
3. Outfits for vessels taken from bonded stores exempted from duty.

Yours, very respectfully,

THOMAS B. WALES & CO.

HON. JOHN LYNCH,  
*Chairman Committee on Navigation Interests.*

BOSTON, December 6, 1869.

SIR: When I received your favor of the 25th ultimo I was not in condition to attempt an answer. Since then I have seen a copy of a long article by the Hon. E. H. Derby, of this city, which is to appear in the coming Atlantic Magazine; also, a pamphlet by Captain John Codman, addressed to you; and also the report of the commissioner of the New York Chamber of Commerce, the writer of which, Mr. A. A. Low, is well qualified to speak on the subject. I concur almost without reserve in these several papers, and I think they embody the views of merchants. Only one point of peculiar interest to me has not been touched upon, and to this I propose to confine my remarks. It had much to do with the decadence of American commerce.

It is this: the government by force of circumstances failed to give protection to our commerce. In a great emergency like that which came so suddenly upon us in 1861 it was quite natural, not to say necessary, for the government to turn its attention exclusively to blockading the ports of the enemy, and leave the shipping to take care of itself. If it could have turned its attention to protecting our foreign commerce it would have been obliged to send out vessels wholly unfit for the purpose. The government had not then and has not now any efficient cruising ships. The class of vessels built during the latter part of the war (of the type of the Madawaska, Wampanoag, &c., known as the "canoe ships," intended for great speed) are perfectly useless as cruisers to go in search of Alabamas; millions of dollars were wasted in their construction, and millions may be wasted in keeping them in order to do nothing useful. I do not hesitate to say that it would be good economy to burn every one of them rather than to finish, repair, and employ them. I think this sweeping statement will be found confirmed by a report of distinguished naval officers and an engineer, made by order of the Secretary of the Navy, and probably accessible to your committee. There are a few, very few, fair-sailing, fair-steaming, and fairly economical ships in the navy, as the Hartford and Brooklyn, and some that I cannot identify under their new names. There is an intermediate class, like the Ticonderoga, Monongahela, Lackawanna, and Detroit, mounting five heavy guns, and of thirteen hundred to fifteen hundred tons, old measurement, which came much nearer to being useful cruising ships than the "canoe ships;" but by reason of an incompetent jury-rig, they are, or were, wholly unfit to make long cruises without frequent coaling.

The large class of vessels, like Colorado, Minnesota, Franklin, and Wabash, mounting forty guns, and averaging about thirty-six hundred tons, old measurement, are very fine vessels for flag-ships on foreign stations in time of peace, but they are too large and too expensive for cruising ships, and they are wholly unfit to contend with iron-clads. As an illustration of the want of economy sometimes practiced, I would remark that I have recently seen under repairs at this station a ship built at Philadelphia in 1864-'5—I believe either the Shenandoah or Ticonderoga. She has been almost entirely rebuilt, and it would be interesting and instructive to know how much has been expended on her. I think the most cursory observer who saw her plunk off would say that it would have been good economy to take her to sea and sink her in preference to repairing her.

With this sketch of the inefficiency of our navy in ships adapted to keeping the sea for any considerable time, mostly under canvas, for the protection of our commerce and for hitting the first hard blows at the commerce of the enemy, it is quite apparent that at the beginning of the war our government could not have effectually protected our foreign commerce, and could not to-day should a war occur. One great cause, therefore, for the decadence of American commerce on the ocean was the want of due protection. Another prominent cause was the want of due encouragement to private enterprise to fit out vessels to capture the enemy's cruisers. Had any sufficient inducement been held out, regularly commissioned vessels would have been fitted out by private enterprise.

The remedy for this short list of evils is very simple. It is to construct a fleet of fast-sailing, efficient screw steamers, with full supply of canvas, such as we see under all but our own flag, crossing the ocean in nine and ten days—ships with light armaments, not fit to encounter iron-clads or old-style fighting ships, or to batter forts, but

ships well adapted to catch the commercial ships of an enemy, and to escape from a superior force; and for government to grant subsidies to those who should build mail packets fit for conversion for these purposes.

Such ships would afford valuable training schools for seamen, and to this end every encouragement should be given to young men to enlist on board of them. They would afford excellent training schools for young officers, and in time of peace as well as in time of war, would prove very valuable auxiliaries to promote and protect commerce.

I am, very respectfully, your obedient servant,

R. B. FORBES.

Hon. JOHN LYNCH,  
*Chairman, &c., Washington, D. C.*

BOSTON, *December 20, 1869.*

MY DEAR SIR: I am in receipt of your note of the 25th ultimo asking my opinion on the "causes of the decline and present depressed condition of the ship-building and general navigation interests of the country, and the means of legislation necessary to revive those interests."

My business engagements have been such as to prevent me from making an earlier reply, and I must now give you my views briefly. But little, however, need be said, as I think it will be sufficient to review the history of our affairs for the last ten years, with this subject in mind, to see clearly what have been the causes of our present difficulties. As to the remedies, it may not be easy to speak confidently. The chief of them, however, will appear quite plain.

Before the war of the rebellion, in the course of years, our commercial enterprise had placed our country in the front rank among nations. The amount of tonnage of our sea-going vessels was more than one-seventh part greater than that of England at the beginning of the year 1861, and rapidly increasing. The demands of foreign commerce had directed attention to the business of ship-building, and this branch of industry had grown up to great importance, engaging the capital, skill, and energies of a large number of our citizens, and resulting in securing to our ships a reputation before all others in the world for beauty and speed. When the war of the rebellion broke out our government was not only unprepared to protect her commerce abroad, but was, for the time at least, mainly dependent upon the building establishments which had grown up under private hands for those ships which were needed to enforce the blockade of the rebel ports and meet the attacks of their armed vessels; while the rebels, with the substantial aid and comfort given by our foreign rivals, were enabled to sweep the ocean nearly without hindrance. No vessel was safe but under a foreign flag. Under this state of things, what with the capture and destruction of many of our vessels by the "confederate allies," and the natural decay and loss, (amounting to about ten per cent. annually,) the decline of our navigation interests such as we have experienced was inevitable; and it would take years of prosperity, under the most favorable circumstances, for us to regain the position which we thus lost. But our circumstances are not favorable.

The wants of the government during the recent war had to be met by a system of taxation depressing to every branch of business, more or less, but especially heavy upon that which we are now considering. It is not necessary to specify the particulars. The builder of a ship must now pay very heavy duties and taxes upon every article used in and upon it. The purchaser and owner will pay about seventy per cent. upon her outfit, and thirty cents per ton annually for a license. No hopes can be entertained of a revival of these interests under such influences. The disabilities of our present position must be removed by action of the national government.

England in 1853, and France in 1856, saw the necessity for doing something for the encouragement of navigation among their citizens. They saw the United States taking the lead in commercial affairs, and about to do the greater part of the carrying trade of the world. England at once took off all duties upon everything belonging to the building of a ship, and on all outfits taken out of bond at the time. Ship-building was then in as depressed a condition there as it now is with us. At the time when her mechanics struck for higher wages, she passed the neutral law, by which any one of her citizens could build a ship wherever he might choose, and by paying one shilling per ton, could procure her registry precisely as if she had been built at home. France passed a similar law. In fact, we are the only maritime nation that has not done the same. England, moreover, went further than this, and enacted a law whereby a foreigner (an American for instance) might take charge of an English ship without denying allegiance to his own country, and, if necessity required, he might call on either country for protection of his rights with reference to it. The mercantile marine of a country is one of the greatest elements of its strength. No nation can be really great or strong without it. It seems to me that on national grounds, as well as on the plain-

est principles of economy, that our government should take especial care of these interests, on which her standing among the nations so materially depends.

The course necessary to be pursued seems to me plainly indicated in the policy which our great rival has pursued so successfully.

I would recommend in the interests of the ship-builder, the merchant, and the whole country, the passage of a law remitting all duties and taxes on whatever enters into the construction or outfit of vessels; the enactment of such measures as will allow one of our citizens to build, buy, or equip, in any part of the world, any vessel whatever to be used in legitimate commerce, and to take out an American register for the same by payment of some specific tax upon her cost or tonnage, say twenty-five cents per ton. This would create a competition, not however *specially* injurious to any of our interests, but resulting in the *general* good. The skill, energy, and greater efficiency of our mechanics would be more than an offset to the cheap labor, cheap iron, and cheap coal of England. We should soon be building ships for the world, as we did from 1846 to 1859. I have myself built for England, France, Germany, Peru, and Chili. England has taken our place now. Shall she keep it?

Next in the interests of our commerce, (as I have before had occasion to state to another department of the government,) I should recommend to Congress such enactments as shall give liberty of a free exchange of all productions and commodities in the shape of *raw materials*. The restrictions placed upon a free trade should be, as far as possible and as soon as possible, removed. In a moderately fair field we have no cause to fear any rivals. American ship-masters and officers are, as a class, superior to all others, and so generally acknowledged to be such that, if there is a freight to be had, the American will command it in preference to others.

Another recommendation I would make with regard to our steam navigation: This is a branch of our marine of great and increasing importance, and should receive some special encouragement. A subsidy law for United States mail steamers, so liberal in its provisions as to secure the services of our own citizens in the carrying of foreign mails, is very desirable.

I have thus hastily given my views upon the subject presented. So confident am I of their correctness that, if I myself were the United States government, and my pocket the treasury, I should not hesitate immediately to adopt all the provisions which I have recommended.

I am, sir, most truly yours,

ISAAC TAYLOR.

Hon. JOHN LYNCH,  
Chairman of Committee, Washington, D. C.

The following is from a letter of Donald McKay, ship-builder, of East Boston:

I annex a list of duties (in gold) upon various articles entering into the construction of a new ship of one thousand tons:

Iron, 120,906 pounds.....	\$1,209 06
Iron spikes, 9,966 pounds.....	249 15
Galvanized spikes, 2,409 pounds.....	60 23
Castings, 14,408 pounds.....	216 12
Chain cables and rigging chains, 58,300 pounds.....	1,457 50
Auchors, 10,700 pounds.....	240 75
Metal and nails for do., 20,338 pounds.....	711 83
Salt, 1,200 bushels.....	216 00
Manilla, 12,423 pounds.....	310 57
Hemp, 28,774 pounds.....	863 22
Duck for sails and house-tops, including spare sails, 7,150 yards.....	714 90
Clinch rings, 1,800 pounds.....	36 00
Foreign white pine lumber and decking.....	825 00
Foreign hackmatack knees.....	330 00
Copper bolts, composition, castings, paints, oils, crockery, cabin trimmings, nails, and sundry outfits.....	1,225 00
Total dutiable articles for 1,000-ton ship (gold).....	<u>8,665 33</u>

As a partial relief to the ship-building interest, I would suggest that Congress permit a drawback of duties paid on materials entering into the construction of new vessels, (which at the present date on a thousand-ton ship proves to be between eight and nine thousand dollars, as shown above,) and this privilege is accorded to the ship-owners and

ship-builders of Great Britain, enabling them to compete with all other commercial nations, and their drawback extends to all articles of construction, equipment, and stores used in building and fitting out of new vessels.

Interested persons can obtain from the honorable Secretary of the Treasury, for purposes of comparison, the registered amount of tonnage built each of the past twenty years. There have been so few vessels built for our merchants in recent years that the average age of American sea-going ships is over ten years, and on this account our insurance companies meet with many losses, and yet the ship-owner now pays double the old rate of marine insurance.

DONALD MCKAY.

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OFFICE OF W. H. WEBB, SHIP-BUILDER,  
No. 200 Lewis Street, New York, December 29, 1869.

DEAR SIR: In the absence of Mr. W. H. Webb, who is at present in California, we have to acknowledge your letter of the 20th instant, since receipt of which we have consulted some of our largest insurance companies in this city on the points you raise, that in the absence of Mr. Webb we might forward you the opinions of men in whom he would repose confidence, leaving Mr. Webb to write you his own ideas at a little later day, as we shall send your letter on to him.

These gentlemen, such as Mr. Dennis, of the Atlantic Mutual Company, Mr. Phulixion, of the Sun Mutual Company, neither knowing the other was consulted, expresses identically the same opinion, that they would rate the composite and the iron ship of similar quality at same rate, insure them at same cost, take as much on the one as on the other, and they would expect the one ship to class as long and last as long as the other. As iron ships "sweat" a good deal, their conversation left us to believe that, until that fault is got over, the composite ships would be on the whole more favorably regarded by them.

In reply to a question put by the Treasury, asking if, in his opinion, the composite class of vessels would succeed here, Mr. Webb replied so recently as November 3, of the present year. "Yes, without doubt; our great command of wooden materials in this country enabling us to compete more successfully in building this class of vessels, as against foreign ship-building, than with those wholly built of iron."

Hoping that, until Mr. Webb is able to address you, this may be of some service, we remain, very respectfully,

C. METZGAR,  
N. M. GILLAN,  
*Joint Attorneys for Wm. H. Webb.*

Hon. JOHN LYNCH, *Washington, D. C.*

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SAN FRANCISCO, *January 10, 1870.*

DEAR SIR: Your valued favor of the 20th ultimo has been forwarded to me here by my attorneys at New York.

I can do but little more at this distance from home than indorse, which I do fully, their reply under date of 29th ultimo, a copy of which I have before me.

At this port I learn that the English-built iron ship is quite as favorably considered as the American-built wooden ship for shipments to Europe, but I attribute much of this to the unfortunate fact that most of those shipments from this port, as well as from the Atlantic ports, now are controlled by agencies of foreign houses, or foreigners themselves established in our country.

I may add, in regard to the building of composite ships in our own country, that if the tariff on materials used, other than wood, was removed, or an equivalent granted in some other manner, we could succeed eventually, as against all Europe, in producing not only a better but cheaper composite vessel; but we need aid from the government to enable the ship-building interest of the country to engage in this, to us, new branch of our business, and one which requires a larger investment of capital than heretofore employed in the building of wooden vessels.

I am confident that composite ships can be built in this country to advantage, and such as would have advantages in several respects over those wholly built of iron, certainly as regards comfort of passengers in hot climates, the preservation of cargoes, as well as economy in the running, and the safety of passengers and freight when stranded.

Trusting the above will satisfy your inquiry, I am yours, very respectfully and truly,  
W. H. WEBB.

Hon. JOHN LYNCH,  
*Washington, D. C.*



NEW YORK, 38 *John st.*, December 4, 1869.

SIR: I take the liberty of placing before you my views of the disadvantages the American ship-builders, shipwrights, and other mechanics are at this time laboring under, caused by the heavy duties and taxes paid on all material used in building and repairing vessels, and as your committee have obtained so much valuable information on the subject of *building* both wooden and iron vessels, I will not dwell on this point, but will endeavor to more fully demonstrate the fact, that the *building* of vessels is but a part of the disadvantages which the mechanics of this country have to contend with.

It is a well known fact that the lifetime of a vessel is from ten to fifteen years, and that she has to be repaired a number of times during this period, and in many cases the outlay for repairs is nearly equal to the first cost. For instance, a wooden vessel has to be recaulked and remetaled every two years, and rebuilt at least on an average every seven years. An iron vessel requires to be docked at least every six months for the purpose of cleaning and painting. You will at once perceive that repairs on *iron* vessels are not so expensive as on the wooden vessels, but at the same time you will observe that the iron vessel requires more careful attention and is much oftener docked.

Another great detriment to the shipwrights, and other mechanics of this country, is that the greater portion of the foreign freighting business is carried on by foreigners, and these foreign vessels will not make their repairs in this country, as a matter of economy, on account of the high prices of material, such as iron, and other metals, cordage, &c., caused by the high tariff. This takes away from our dry-docks and mechanics that employment and revenue which we did have when our American vessels controlled foreign freighting business or the greater portion of it. It is also a well known fact, that there are no repairs made on these foreigners in this country, unless they are so disabled that it is impossible for them to get home, and even then the repairs made are only temporary. As an illustration, I will here mention the case of the steamship *City of Cork*, of the Inman Line, which vessel struck on a rock when entering the harbor of Halifax, Nova Scotia, in July, 1862, and came to New York and was docked in one of the docks which I built for the "Erie Basin Dry-dock and Warehouse Company." Her stern was badly damaged, but it was only temporarily repaired with wood and iron to make her safe to reach Liverpool, where the repairs could be made thoroughly, and employment given to their own mechanics, and also allow them to make a handsome saving over our prices. This is but one instance of many I could name, whereby our docks and mechanics are deprived of employment on account of great cost of material, when it is an acknowledged fact that our mechanics can execute fifty per cent. more work in a given time than European mechanics; still our government gives no aid to our commercial interest, either in the way of subsidies or special protection, to enable us to run a line of steamers, or to compete with the foreign ship-builders, or our merchants and others interested in dry docks and mechanical pursuits, for the heavy duty on sheathing metal and copper drives by necessity many of our American vessels to Europe to be remetaled, and as a natural result our dry docks and mechanics remain idle. To give you a more clear idea of the determination of foreigners not to give employment or spend any money in this country, I will state the following fact: The ship *Mayflower*, hailing from Liverpool, arrived at Portland, Maine, in August last, with a cargo of coal, and leaking so badly that it was necessary to keep a steam-pump going most of the time. He refused to make repairs there, but sailed for Halifax, Nova Scotia, so that he could employ his own countrymen. I think you will at once see that there is as much lost to the shipwright, dry docks companies, and other mechanics, in repairing vessels, as there is in building. My opinion is, if the duty is removed from all material used in the construction, repairs, and sailing ships, within a short time, we shall as heretofore be able to compete with, if not rival the world in building as well as sailing both wooden and iron vessels, for we have the material and ability to do so, and trust our representatives in Congress will give us that aid and protection which will enable us to realize our highest expectations.

I have the honor to remain your most obedient servant,

JAS. E. SIMPSON,

*President Portland Dry Dock and Warehouse Company.*

Hon. JOHN LYNCH,

*Chairman Congressional Committee on Ship-building.*

NEW YORK, January 13, 1870.

SIR: In reply to your communication of the 11th instant, we would give as our estimate of the cost of victualing and manning an American ship of 1,000 tons register, say \$1,100 per month. It would be difficult, however, to estimate the cost per 100

tons register, to apply to vessels of all sizes, as a vessel of 500 tons requires as many officers as one of 1,500 tons, (with the exception of the third mate,) and pays nearly as high wages. Frequently, too, vessels of the same tonnage have a difference of two or three sailors in the number of their crews, as some are more heavily sparred than others, and require more men to handle them.

An average crew for an eastern ship of 1,000 tons register, would cost, at the present rates of wages, about as follows, viz :

Master, (\$125 to \$200, according to qualifications,) say.....	\$150
Mate, \$50; second mate, \$40.....	90
Cook, steward, and carpenter, each \$35.....	105
15 sailors, each \$30.....	450
	<hr/>
	795
Making twenty-one persons, "all told." Victuals average fifty cents per day...	315
	<hr/>
	1,110
	<hr/>

Some ships carry three or four boys or "ordinary seamen," at one-half or two-thirds the wages of "able-bodied seamen," and ships bound on long voyages can obtain sailors now at twenty-five dollars per month, but in the Atlantic trade the current rate is thirty dollars per month, as above stated.

We annex memorandum of the actual cost of manning three vessels of different sizes, now in this port, and all hailing from Maine; and should you require any additional information, we are always at your service.

Your obedient servants,

RICH. P. BUCK & CO.

Hon. JOHN LYNCH,  
Chairman Com. on Nav. Interests.

Dark of 563 tons :

Master.....	\$150
Mate.....	50
Second mate.....	35
Cook and steward, (one man for both).....	40
Eight seamen, at \$30.....	240
	<hr/>
	515
Victualing twelve persons at fifty cents per day, average.....	180
	<hr/>
	695
	<hr/>

Ship of 1,308 tons :

Master.....	\$150
Mate.....	60
Second mate.....	40
Cook.....	35
Steward.....	40
Carpenter.....	35
Fifteen sailors, at \$30.....	450
	<hr/>
	810
Victuals for twenty-one.....	315
	<hr/>
	1,125
	<hr/>

Ships of 1,506 tons :

Master.....	\$200
Mate.....	60
Second mate.....	45
Third mate.....	35
Carpenter.....	40
Cook.....	35
Steward.....	35
Eighteen sailors, at \$30.....	540
	<hr/>
	990
Victualing twenty-five persons.....	375
	<hr/>
	1,365
	<hr/>

The master of the latter ship was formerly in one of 1,116 tons, new measurement, and although nearly 400 tons smaller, she required and carried the same crew as this new one.

NEW YORK, *January 20, 1870.*

DEAR SIR: We have delayed answering your favor of the 15th instant, in order to obtain reliable information respecting the sailing of French vessels. The only French captain we can find has a vessel of about 400 tons. Her crew list is as follows:

	Francs.
Captain.....	400
First mate.....	150
Second mate.....	75
Cook and steward, (one person).....	70
Carpenter.....	70
Six seamen, at 50 francs.....	300
Two apprentices.....	70
One boy.....	25
	1,160
At 5¼ francs per dollar in gold.....	\$221
Victualing per month 1,200 francs, equal.....	229
	450
Gold.....	450
Add 25 per cent. premium on gold.....	112
	562
Equal in United States paper.....	562

Estimate for a French ship of 1,000 tons:

	Francs.
Captain.....	606
Mate.....	200
Second mate.....	100
Third mate.....	70
Carpenter.....	70
Cook.....	70
Steward.....	70
Twelve seamen.....	600
Three boys.....	100
	1,880
At 5¼ francs per gold dollar.....	\$358
Victuals per month, 2,000 francs.....	381
	739
Gold.....	739
Add 25 per cent. premium on gold.....	185
	924
United States currency.....	924

Estimate for a British ship of 1,000 tons:

	£	s.
Captain.....	16	0
Mate.....	7	0
Second mate.....	5	0
Third mate.....	3	5
Carpenter.....	5	10
Cook.....	3	5
Steward.....	3	15
Twelve men, at £2 15s.....	33	0
Three boys, at 15s.....	2	5
	79	00
At \$6 currency per pound sterling, (being \$4 80 gold, and 25 per cent. premium).....	\$474	
Victualing, twenty-two persons at 15 cents per day, £41 5s., equal.....	247	
	721	
United States paper currency.....	721	

A bark now here, hailing from Sunderland, pays the following, (she is 546 tons register:)

	£	s.
Captain, £14; mate, £6 10s.....	20	10
Second mate, £4 10s.; carpenter, £5 10s.....	10	0
Cook, £3 5s.; steward, £3 15s.....	7	0
Eight able seamen, at £2 15s.; and three boys, at 15s.....	24	5
	<u>61</u>	<u>15</u>
At \$6 United States currency per pound.....	\$370	50
Victuals, seventeen persons, at 15 <i>d.</i> per day.....	191	25
United States currency.....	<u>561</u>	<u>75</u>

Hoping this information will reach you in season to be of service, we remain, your obedient servants,

RICHARD P. BUCK & CO.

Hon. JOHN LYNCH,  
*Chairman, &c., Washington, D. C.*

P. S.—Light dues are still collected by England, and we find from our vessels accounts that they amount to five or six pence sterling per ton in the Bristol channel. There are other local charges of this kind on the English coast and the British possessions.

NEW YORK, *January 13, 1870.*

DEAR SIR: In reply to your note to our senior, Mr. A. A. Low, we beg to say that our experience gives about \$125 per ton per month, or \$1,250 per month for vessels of 1,000 tons each for victualing and manning. For such vessels we have—

Master, say.....	\$150
First mate.....	60 to 70
Second mate.....	35 to 40
Steward.....	40
Cook.....	40
Sailmaker.....	40
Carpenter.....	35
Sixteen able seamen.....	25
Four ordinary seamen.....	15
Four boys.....	5

Average wages, about \$900 per month.

Average victualing, about \$350 per month.

Very truly yours, &c.,

JOHN LYNCH, *Chairman.*

A. A. LOW & BRO.

#### AMERICAN SHIP-BUILDING.

The following letter is from a gentleman who was formerly an English iron-master, and now in business in Philadelphia. He has a practical knowledge of the subject upon which he writes:

From the morning papers of the 25th of October it appears that the congressional committee appointed to investigate the cause of the decline of the mercantile navy of the United States, and the best method of restoring prosperity to the ship-building interest, have adjourned to meet in Philadelphia on the first Thursday in December next; that the questions before the committee were narrowed down to distinct propositions, which will probably be recommended to Congress. These are the remission of all duties on materials entering into the construction of ships; the permitting foreign ships to be purchased and admitted to American register; and the granting of subsidies to steamship lines; and lastly, offering a premium for building ships in this country, by allowing a drawback on the imported materials used.

On a subject of such national importance, and one involving such immense interests, there must naturally be a great diversity of opinion, and any information that may show the subject in a new light may, perhaps, be deemed acceptable. With this view the following observations are thrown together to endeavor to show that it is not the comparatively low standard of wages in Europe alone that prevents iron for ship-

building purposes being produced in this country on equal terms with that brought from Europe.

It is chiefly the lack of organization, and the situations of the different establishments, that prevent ship plate-iron being cheaply produced. It is a fact beyond dispute, that pig-iron can be made as cheap, and coal can be obtained cheaper on the Ohio than on the Tees, in England. Why, then, cannot iron for ship-building be made, and ships be built on the Ohio at the same price by ton with American iron, as at the Atlantic ports with European iron, even if no duty is paid on it? Simply for want of the organization used in England, and the policy used in France.

The pig-iron is dear on account of the relative position of the ore, coal, and transport to the mills; here again profit must be made on the pig-iron, after the miner has made his on the ore and coal, and the railway company made theirs on the transport; thus everything used is to the disadvantage of the ship-builder, and vessels cannot be built at a low price. The question is, how and when can this be altered? To this no satisfactory answer can be given as long as ships are built on the eastern coast of the States; and to solve the difficulty a new location must be chosen, where iron-ore and coal are found in a near proximity to a navigable river, that pig-iron can be made as cheap as in England, and where coal can be obtained for manufacturing the same at as low a price as it costs at works there, and where ships can be built and launched as cheap, except the difference in the price of labor; but this difference can be compensated by the fact of the superiority of American iron over English, which will enable vessels to be built of lighter iron, and consequently a greater tonnage for their weight than British built ships.

The proposition about to be made may at first appear to be impractical to those accustomed to launch their vessels in salt water, but on considering the improvements of the age, and the facility with which ships are now by machinery lifted out of the water, the proposition will show no difficulties which may not be overcome.

The best locality for building iron ships in the United States will be found to be on the Mississippi or Ohio Rivers, above Cairo, and the situation where iron for building the same can be made as cheap as in England is on the Ohio.

Here, then, in the center of the States, iron ships can be built to any extent or burden, and be towed down to New Orleans, either alone or partially supported on lighters, according to their size, and thence to New York or elsewhere to receive their engines and full rigging, or their engines can be sent to and fixed in New Orleans.

To carry out the foregoing suggestions it would be necessary to form a company of the most practical men for each department, with ample capital to carry out the whole plan.

It is the magnitude and extent of the grand rivers of this continent which enables one to see the foregoing plans as quite practicable, although at first sight they deviate from the old beaten track, yet on the slightest reflection by practical men, the whole project will be accepted, as the only means that can be devised of enabling America successfully to compete with Europe in establishing an *independent* mercantile navy. Let us for an instant refer to what has lately been proposed to assist the shipping interest. First, the remission of duties on materials entering into the construction of ships.

By building ships with iron from Europe the States will be *dependent*, and continue so, for its ship-building material, as no attempt would be made to produce native material on the east coast, while foreign iron could be purchased cheaper than it could be made there. Then, again, purchasing foreign ships; this might be done at a cheaper rate than they are now built here, but is it the policy of this country virtually to employ European ship-builders in Europe to build vessels which can, by a proper systematic arrangement, be built as cheaply by Americans in this country? The answers to these questions are evident.

But other questions may be asked. Can pig-iron be made on the Ohio, and coal worked for converting it into ship-plates at the same price as iron and coal costs in England? The answer is decidedly yes, and scores of places could be pointed out on the Ohio where pig-iron can be made and coal delivered quite as cheap as in England, and why this is not generally known could easily be explained, if necessary. This subject is one of the greatest national importance, and should be investigated by those who are interested in the prosperity of the country, before measures are taken which will only *partially* assist in improving the condition of ship-owners, and which can never satisfy the nation. With such enormous deposits of iron-ore and coal throughout the country in situations most favorable for working them, is it policy to let them remain undisturbed, and purchase ships, with gold, from other nations, or employ capital at home in developing the resources of the country, and give employment to thousands of its inhabitants?

JOHN PLAYER,  
3904 Walnut street, Philadelphia.

HON. JOHN LYNCH,  
Chairman Committee on Ship-building, &c.

WILMINGTON IRON WORKS,  
*Wilmington, Del., January 18, 1870.*

DEAR SIR: Your favor of 13th was received, and I take pleasure in replying to your interrogatories to the best of my ability.

In the United States, where no positive practice regulates the standard of dimensions of the parts and pieces of an iron vessel, but the whole question of strength of detail is left to the experience and knowledge of the builder, or, more frequently, to the crude ideas of the party for whom the ship is to be built, it has always been the custom of the builder to determine his price by the amount of iron and other material to be used. Hence you will readily understand how two ships of the same tonnage may cost different figures.

In England and France, where insurance depends upon the kind of construction, the builders have all fallen into one class of specifications, in which the size of the vessel determines the proportions of each piece or part, and consequently a price per ton can easily be given which will fit all cases.

Supposing that your inquiry relates to strictly first-class ships, I have to say that the labor upon a sailing-ship of 1,000 tons, (hull and cabins only,) the material being iron, can be done for \$58,000, and that the material of all kinds can be purchased for \$42,000 to \$46,000.

For a steamship of like capacity the cost would not differ materially in the items of labor and material, of course, exclusive of machinery.

For a screw steamship of 1,000 tons there would be required an engine of sixty inches diameter and sixty inches stroke, which, with boilers of adequate capacity, with all the details complete, would cost \$48,500.

For a side-wheel ship of 1,000 tons, there would be required a lever-beam engine of fifty-six inches diameter, ten feet stroke, which, with boilers, &c., complete, would cost \$51,000.

The masts, sails, rigging, furniture, outfit, and stores of a sailing-ship of 1,000 tons would cost from \$15,000 to \$18,000.

For a steamship the figures would not materially differ; the diminished cost of masts, rigging and sails would be made up nearly by the stores and fixtures for the machinery department.

Will be pleased to further serve you if in my power.

Very truly yours,

WM. G. GIBBONS.

Hon. JOHN LYNCH, *Washington, D. C.*

CHICAGO, *December 20, 1869.*

DEAR SIR: I hereby acknowledge the receipt of your communication of the 11th instant, requesting answers to certain interrogatories, for the use of the committee named.

I have carefully considered the subject alluded to, and beg leave to make the following statement in answer thereto:

The present condition of ship-building in Chicago, as compared with the period from 1854 to 1860, may be described by the word "abandoned," with the exception of a few tugs, canal-boats, dredges, and scows, built for local uses. Ship-building has been almost entirely given up since the war. From 1854 to 1860 it was practicable to build vessels with profit in Chicago, and several propellers and schooners were built during this period.

The present average rate of wages for "new work" may be set at \$3. I think men could be got for less this winter, if any new vessels were to be built. As there are no vessels building this quotation may be more nominal than real. The wages on repairs, or "old work," are \$3 50 for ten-hour days, and \$3 for eight-hour days in winter; and wages on "old work" are always and everywhere about fifty cents a day greater than on "new work."

The average rates of wages, from 1854 to 1860, were from \$2 to \$2 25 per day.

The cost per ton for building the hulls of sail-vessels or steamers would be, probably, if any were building, from \$40 to \$45. The cost of same, from 1854 to 1860, was from \$30 to \$35. The cost per ton for the sails and rigging usually amounted to about one-half the price of the hulls: say, hull, two-thirds sails and outfit rigging one-third the whole price of vessel.

The cost of materials for each ton of hull, from 1854 to 1860, was from \$8 to \$10. The cost of same per ton, at the present time, would be \$12 to \$15. (The cost of rope and canvas is, I think, greater proportionately than formerly.)

It might be useful to state, in this connection, that about ten days' labor may be regarded as entering into the production of one ton of the hull of lake shipping, old measurement, upon which the foregoing approximations have been based. As the new

*measurement is about twenty-five per cent. less than in the old, in the case of lake sail-vessels, seven and a half days may be taken when the new measurement is used.*

The amount of duty on materials in a thousand-ton ship, or in each ton of a ship, built in this port, might at first sight be deemed to depend upon the extent to which articles of foreign growth or manufacture enter into her construction. And here, where the wood and iron of the hull is of home production, and the rope, canvas, ground tackle, or machinery, may be wholly or partially imported, it might appear that duties had but slight influence in adding to the cost of vessels; but, nevertheless, it is true that duties do add to the cost of vessels in every case where it would be cheaper to import the materials, could they be brought in free of duty. American ship-builders had become rivals with those of England for the construction of the fleets of the world. Vessels had become articles of export to all nations, as well as carriers of commerce between them all; and duties laid upon the materials entering into their construction was of the nature of a bounty paid to our rival from whom many of those materials must come. It is not material, therefore, to enter upon the determination of the precise degree of impolicy embodied in this most impolitic measure of levying duties upon so grand an article of export as the noble ship that careers over the course of ocean like a thing of life.

Vessels, when built in Chicago, are generally constructed on contract for the owners. The masters are frequently part owners.

I think vessels could be built in this port for Chicago vessel-owners, in competition with provincial builders, providing we could obtain the materials free of duty, and this for the following reasons: First, the cost of materials being the same to our builders in the provincial port, the expense of transportation only need be added to place them under the hands of our builders in their own yards. Against this disadvantage we should offset the cost and inconvenience of owners going to a foreign port to superintend a vessel's construction. Second, the greater skill of American mechanics may be fairly placed against the lesser wages of the Canadian workman, with the controlling advantage in our favor, that the style of model and workmanship of our builders better suits the taste of our owners than the style of provincial builders.

But were the vessels to be imported free of duty rather than the materials, then would our builders and workmen go to the provinces and build all our vessels; and, thereafter, a ship-yard on the American shore of the lakes would be a place non-existent, with its mysteries forgotten and unknown to our people, and the history of its achievements become as obscure and mythical as that of the "mound builders" anciently inhabiting this region of country.

I am, sir, yours respectfully,

WILEY M. EGAN.

Hon. JOHN LYNCH,

*Chairman Committee on Navigation Interests.*

BUFFALO, December 15, 1869.

DEAR SIR: Yours of 8th instant is at hand, and contents noted, and in reply would say:

1st. The ship-building is very much less now than it was from 1854 to 1860. 2d. The present average wages, \$3 50 to \$3 90 per day. In 1854 to 1860, they were \$2 to \$2 25 per day. The cost, what we call old measurement, was in 1854 to 1860, \$28 to \$30 per ton; at present it is \$48 to \$50 per ton. Fitch, which is for frames, six inches, in 1854 to 1860 cost \$12 to \$14; now costs \$22 to \$26 per thousand. Ship plank, 1854 to 1860, cost \$16 to \$20 per thousand; now costs \$30 to \$50 per thousand. Duty on material in 1854 to 1860 and at present time ——. There is now a government tax of about \$300 on small class vessels, when the keel is first laid on blocks, which there was not in 1854 or 1860.

At present, as in 1854 to 1860, ship-builders, in some cases, own interest in vessels; also, some masters. It costs so much at present to build, that the most of them are not able to own ships or vessels.

An 800-ton vessel all ready for sea, at present would cost about \$60,000 to \$65,000. In 1854 to 1860, same vessel would cost \$38,000 to \$40,000. We could build as cheap or cheaper than any other nation, with same price of material and duty off, as I think our mechanics do more work in a day than they do in Canada. Our people are more active. The several trade unions in United States are a drawback on all ship and other work, as we are troubled with strikes. Our vessels here on the lakes are far superior to the Canada vessels in model, strength, and speed. The reason is, I think, that we have better ship draughtsmen. In 1853, I built a steam propeller at a cost of \$36,000, and the same propeller would now cost about \$75,000 to \$80,000. I have sailed from a bay until 1855, and owned and do now own steam and sail vessels, and I find that for the last seven or eight years vessels have not made any money, and would be pleased to sell out if I could do so. Find that rope is twenty-five cents per pound, and

in 1854 to 1860 it cost ten cents per pound, and most everything else in same proportion. We now pay government tax of thirty cents per ton, which all goes to enhance cost of vessels. Thirty cents per ton is called tonnage dues, and income on profits when there is any.

Hoping the above will be what you inquired for, I am, yours respectfully,

FRANK PEREW.

JOHN LYNCH, Esq.

CUSTOM-HOUSE, COLLECTOR'S OFFICE,  
Portsmouth, N. H., January 4, 1870.

SIR: From information received from communication with prominent ship-builders of this place, I am enabled to reply to the questions submitted in your letter of the 15th ultimo, as follows, viz:

Question 1. What is the present condition of ship-building at your town, as compared with the period from 1854 to 1860?

Answer. During the period from 1854 to 1860, there were in our city five ship-yards in successful operation, producing ships equal if not superior to any afloat. At that time, ship-building was *the business of our city*. At the present time there are only two yards in operation, and these are doing a very small business, comparatively.

Question 2. What are the present average rates of wages paid to first-class mechanics on ship-work?

Answer. The present rate of wages to first-class mechanics on ship-work is \$2 50 per day—working hours from sunrise to sunset in the winter season, and in the summer ten hours for a day.

Question 3. What were the average rates of same from 1854 to 1860?

Answer. The average rate from 1854 to 1860 was \$2 per day.

Question 4. What is the present cost per ton for building sail-vessels, and of steamers?

Answer. The present cost per ton for building sailing-vessels, ready for sea, averages \$75; for steamers, exclusive of machinery, \$65.

Question 5. Cost of same, from 1854 to 1860?

Answer. The average cost of sailing-vessels, from 1854 to 1860, was about \$60 per ton; steamers, \$55 per ton.

Question 6. What was the cost of materials for each ton, from 1854 to 1860?

Answer. Average cost of materials for sailing-vessels, about \$12 per ton; steamers, \$40.

Question 7. What is the cost per ton of the same, at the present time?

Answer. Cost of materials for sailing-vessels, about \$52 per ton; steamers, \$45.

Question 8. Amount of duty on materials in a thousand-ton ship, from 1854 to 1860?

Answer. About twelve hundred dollars.

Question 9. Also, amount of the same at the present time?

Answer. Seven thousand five hundred dollars.

Question 10. How are vessels built and owned in your town? Are builders and masters generally owners in the vessels which they build and sail?

Answer. Vessels are owned mostly in small shares, by the builders, masters, and men of small means.

Question 11. Could you build vessels at the present time in competition with the foreign or provincial builder, providing you could obtain the materials free of duty?

Answer. If ship-building materials were free from duty, we could, in a very short period, compete with foreign builders.

Very respectfully, your obedient servant,

JOHN H. BAILEY, *Collector*.

Hon. JOHN LYNCH, M. C.,  
*Chairman Congressional Committee, &c.*

AUGUSTA, MAINE, February 5, 1870.

DEAR SIR: The ship-building business in our place has dwindled down next to nothing. In 1854, there were twelve ships built on one river, (Damaris cotta,) besides other smaller vessels; 1869, one barque; and this year, one schooner, is all that I know of.

No one thinks of building now, except he has money equal to the cost, and knows no other business. Wages for common carpenters are about \$2 per day of ten hours. In 1854, wages were about \$3 25, but the money panic in the fall of 1854, '55, and '56, carried wages down to about \$1 75.

The present cost of an A 1 ship, (sail,) 1,000 tons, fitted for sea, is about \$75 per ton. Cost of the same 1854, thence up to 1860, was about \$50 to \$55 per ton.



I have no experience in steamers. The cost for the materials in a ship of 1,000 tons, at present time, is about \$52 50 per ton; 1854 to 1860, about \$36 per ton.

The duties on a *thousand ton ship*, at present time, are about \$8 or \$9 per ton.

Duties on same in 1854 to 1860, about \$1 to \$1 50 per ton. The above estimates are on old measure. Vessels are generally owned and sailed by the builders and masters in this vicinity.

Maine is suffering in this respect more than any other State, as you will see by the Secretary of the Treasury's report. But, as things now are, our yards are deserted; carpenters migrating West, and the men otherwise becoming depleted, so that in case of a sudden war, we shall neither have skilled ship-carpenters nor American sailors. In the last rebellion we could not have existed as a nation without either class of those men.

We then had well-trained sailors ready to defend the flag. Our government cannot make so profitable an investment for its defense, as to foster its navigation by granting a drawback for duties, and remit the taxes on ships. It would be absurd to permit foreign-built ships to be imported free, and sailed under the American flag, while our ship-builders are being starved by high duties and taxation.

Respectfully,

B. D. METCALF.

Hon. JOHN LYNCH.

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### LETTERS FROM UNITED STATES CONSULS.

The following inquiries were addressed, through the State Department, to consuls of the United States at various ports of Europe and British America, in regard to—

Cost in Great Britain of wooden ships per ton, fitted for sea, in 1860.

Same of iron ships per ton, fitted for sea, in 1860.

Same of wooden steamers per ton, fitted for sea, in 1860.

Same of iron steamers per ton, fitted for sea, in 1860.

Also, cost of each of foregoing at present time.

Rates of wages of first-class mechanics on ship-work, in London, on the Clyde, and on the Tyne, in 1860; rates of same at present time.

Rates of insurance in wooden and iron steamships, sailing vessels, &c.; regulations adopted by English government to ascertain amount of material entering into the construction of ships, which are exempt from duty; advantages possessed by ship-owners and builders in Great Britain over the same class in the United States; character of officers and crews of English vessels, as compared with those of the United States.

What measures are adopted to secure efficiency in the merchant marine service, and in what regard is the merchant marine held as a means of national defense?

The amount of subsidies paid to various lines of English ocean steamers?

To what extent are iron superseding wooden vessels?

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*Mr. Morse to Mr. Fish.*

No. 47.]

UNITED STATES CONSULATE GENERAL,  
London, December 27, 1869.

SIR: In reply to a series of questions in reference to the interests of the American mercantile marine, addressed to me, through the Department of State, by Hon. John Lynch, "Chairman of the Committee on American Navigation Interests," and Nathan Sargent, esq., commissioner of customs, I have the honor to submit the following report. Without answering in their order each interrogatory, I have, for the economy of time and space, endeavored to respond to the inquiries of each gentleman as fully as my means of information will permit.

In answer to the request for an "English Report," showing the number, tonnage, &c., of the vessels belonging to the British navy, and which of them were built in private, and which in government dock-yards, I forward herewith the official quarterly "Navy List" for October. This "Navy List" is published by authority of the government, and gives many particulars as to the character and efficiency of all serviceable vessels in the British navy, and may be relied on for accuracy. But there is no official or unofficial report or document informing us how many, and which of these vessels were built in government and which in private yards, and I had to procure the information from other, though equally reliable, sources.

The following list is a full and complete record of all the serviceable vessels of every class, including transports, or troop ships, now comprising the British naval vessels. It gives their names, tells whether they are screw, paddle-wheel, or sailing; the tonnage, horse-power of each, and the number of guns carried by each one. It states of what materials each is constructed, whether of wood or iron, or of iron frame and teak wood planking, (called composite,) and which of them are armor-plated. It states which of them were built in government and which in *private* dock yards. I have separated those built in government from those built in private yards, first giving the names and particulars of those built in government, followed by those built in *private* yards. The following list was furnished me by high authority, and is entirely correct. (See Appendix, table.)

The whole number of serviceable fighting ships in the British navy is three hundred and ninety-four. Of this number thirty are gun-boats of small size; two hundred and fifty-six of the whole number were built in government dock-yards, and one hundred and thirty-eight in private yards. Only nine of those built in government yards are constructed of iron, eight are composite, and all the rest were built of wood. Twelve of these government-built wooden ships and eight of the nine iron ones are iron-clad or armor-plated. Of the one hundred and thirty-eight ships built in private yards fifty-five are iron ships of a large class, twenty-five of which are armor-plated; three of the wooden ships built in private yards are also armor-plated, making twenty-eight iron-clads built in private yards, and twenty in government yards. It will thus be seen that there are now in the British navy forty-eight large, sea-going iron-clads. The aggregate tonnage of these forty-eight ships is 170,000 tons. They average 3,541 tons each, and carry 653 guns. Several of these iron-clads are yet incomplete, but ready for sea. The forty-eight will cost £16,000,000, or nearly \$78,000,000.

Iron war ships and armor-plated ships are of recent date, and when the admiralty decided to introduce iron ships into the navy, iron steamers and sailing ships had for some years been in use in the mercantile marine, and these several private yards, well equipped for the construction of iron vessels of any class, whether sailing or steam, while yards had not then been fitted for such purposes, and could not readily respond to the call of the government for iron war ships, even if it were the policy of the government to rely on its own yards for its supply. Although some of the government yards are now equipped for building iron ships, and no doubt could now supply all the wants of the government, unless perhaps in cases of sudden emergency, yet we see that only nine of the sixty-four iron ships belonging to the British navy were built in government yards, and of the thirty-three iron armor-plated ships, only eight were built in the navy yards and twenty-five in private yards.

There are now building fourteen iron armor-plated ships for the government, all of large size. Seven of these iron-clads are building in government, and seven in private yards, and the engines for all these ships are being constructed at private works, and all but one are on the improved expansion plan with surface condensers. All marine engines of any importance, required for the British navy, are made at the works of private engine-builders. Up to the year 1868, Penn & Maudslay, two of the leading engine-builders, whose works are located in London, built nearly all the engines for government ships, whether the ships were built in private or government yards. Now, as a general rule, the war ships built for the government in the yards of Napier or Laird have their engines built also in the yards of these gentlemen. Though this is not always the case, for Penn & Maudslay are still the chief builders of government engines. Within the last few years, Rowenhill & Humphreys have built occasionally. I may add that iron armor-plated war steamers have frequently been and continue to be built in the private yards of this country for nearly all the maritime nations of Europe except France, and she has had troop ships built here, and some of her largest and best merchant steamers are Clyde-built.

#### SUBSIDIZED LINES OF MAIL STEAMERS.

I have procured and forwarded, as desired, the post office reports for the last ten years, but they do not give the full information asked for, but from other reliable sources of information, I find the existing contracts with steamboat companies for carrying the mails to be as follows:

#### CONTRACT WITH THE CUNARD LINE.

In December, 1868, a contract was made with the managers of the Cunard line to carry a mail twice a week to the United States, every Saturday to New York, and every Tuesday to Boston, for £70,000 per annum. Under this contract the company carries the mails on the outward voyage only. This contract runs to the year 1876, and can be terminated any time thereafter on giving twelve months' notice.

## CONTRACT WITH THE INMAN LINE.

On the 9th of March, 1869, a contract was made with William Inman, manager of the Inman line, to carry one mail each week to New York, for £35,000 per annum. Like the contract with the Cunard line, the Inman contract can be terminated after the year 1876, on giving twelve months' notice.

## NORTH GERMAN LLOYD'S LINE.

In December, 1868, a contract was made with the North German Lloyd's line to carry a weekly mail from Southampton to New York for the postage, 1s. per ounce for letters, 3d. per pound for newspapers, and 5d. per pound for books.

## TO BERMUDA AND ST. THOMAS.

In December, 1867, a contract was made with the Cunards to carry a mail every fourth week from Halifax to Bermuda and St. Thomas for £19,500 per annum.

## BRAZIL, ETC.

In June, 1868, a contract was made with the Royal Steam Packet Company to carry a mail once a month from Southampton to Brazil and the river Plate, touching at Lisbon, St. Vincent, (Cape de Verde,) Pernambuco, Bahia, Rio de Janeiro, Montevideo, and Buenos Ayres, for £33,500 per annum. This contract can be terminated at the close of the year 1874, on giving twenty-four months' previous notice.

## FROM LIVERPOOL TO BUENOS AYRES, ETC.

In July, 1868, a contract was entered into with the "Liverpool, Brazil, and River Plate Steam Navigation Company," to carry a mail once a month from Liverpool to Buenos Ayres, touching at Rio de Janeiro and Montevideo, on the outward voyage, and at Montevideo, Rio de Janeiro, and Bahia, on the home voyage, for the postage, at the rate of 2s. 6d. (60 cents) per ounce on letters, newspapers, 3d. (6 cents) per pound, and on books, 5d. (10 cents) per pound.

## LIVERPOOL TO MONTEVIDEO, ETC.

One other contract was made with the "Pacific Steam Navigation Company" to carry a mail once a month from Liverpool to Montevideo, touching at Bordeaux, Lisbon, Rio de Janeiro, and St. Vincent, for the postage at the same rates as those last named.

## LIVERPOOL TO PUERTO CABELLO.

In July, 1869, an agreement was made with the "West India and Pacific Steamship Company," to carry a mail from Liverpool, on the 5th of each month, to Puerto Cabello, touching at La Guayra.

## LIVERPOOL TO TAMPICO, ETC.

From Liverpool, on the 10th of each month, to Tampico, Port-au-Prince, and Vera Cruz.

## LIVERPOOL TO SANTA MARTHA.

From Liverpool, on the 20th of each month, to Santa Martha.

## FROM FALMOUTH TO BUENOS AYRES, RIO DE JANEIRO AND MONTEVIDEO.

During the present year a contract was made with the "London, Belgium, Brazil and River Plate Royal Mail Steamship Company" to carry a mail from Falmouth, on the 3d of each month, to Buenos Ayres, Rio de Janeiro, and Montevideo. These last four postal services are performed for the postage money received on letters, newspapers, and books, at 2s. 6d. (60 cents) per ounce for letters, 6 cents per pound on newspapers, 10 cents per pound on books.

## WEST INDIES.

In June, 1868, a contract was entered into with the "Royal Mail Steam Packet Company," to carry a mail from Southampton on the 2d and 17th of each month, to the Islands of Antigua, Barbadoes, Demerara, Dominica, Grenada, Guadaloupe, Havana,

Jaemel, (Hayti,) Jamaica, Martinique, Porto Rico, St. Kitts, St. Lucia, St. Thomas, St. Vincent, Tobago, and to Trinidad. Also, to Aspinwall, Carthagena, Grey Town, Santa Martha, Tampico, and Vera Cruz, on the continent. For performing this mail service the company receive £172,914 per annum, \$830,362. In addition to this sum the company receive £2,000 per annum for landing the West India mails at Plymouth, on the return voyage. This contract can be terminated in 1874, on giving twenty-four months' previous notice.

#### PANAMA AND THE PACIFIC COAST.

A contract with the "Pacific Steam Navigation Company" was made in July, 1864, to carry a mail twice a month, on the 10th and 25th of each month, from Panama to ports on the Pacific coast, for £18,250 per annum. This contract runs to 1872, when it may be terminated, on giving previous notice.

#### LOCAL LINES IN WEST INDIES.

Contracts with two local lines have been made, one to carry a mail four times a month between St. Kitts, Nevis, and Montserrat, for £490 per annum, and one twice a month between St. Thomas, Puerto Rico, and Havana, for £2,000 per annum.

#### WEST COAST OF AFRICA.

In July, 1866, a contract was made with the "African Steamship Company" to carry a mail once a month to Madeira, Teneriffe, Bathurst, Sierra Leone, Monrovia, Cape Palmas, Cape Coast Castle, Onega, Jellah Coffee, Lagos, Benin, Bouny, Old Calabar, Camavoons, and Fernando Po, for the sum of £20,000 per annum, contract terminable in 1872, provided twenty-four months' previous notice has been given.

#### CAPE OF GOOD HOPE.

In June, 1868, a contract was made with the "Union Steamship Company" to carry a mail twice a month to the Cape of Good Hope, touching at St. Helena and Ascension, for a sum equal in amount to the Sea and British inland postage on the mail matter conveyed.

#### TO ALEXANDRIA, SUEZ, AND INDIA.

On the 19th of November, 1863, the post office department entered into a contract with the "Peninsula and Oriental Steam Navigation Company" to convey a mail once a week to and from Southampton, Gibraltar, Malta, and Alexandria; and between Marseilles and Alexandria, and between Suez and Bombay.

Also, once a fortnight, between Suez and Calcutta, Bombay and Hong Kong, Hong Kong and Shanghai, Shanghai and Yokohama, for the sum of £400,000 (\$1,944,000) per annum. This contract expires in 1880, if twenty-four months' previous notice has been given.

With the same company to carry a mail every four weeks between Point de Galle and Sidney, for £130,000, (\$631,800.)

#### DOVER AND CALAIS.

With the Southeastern Railway Company for a daily mail, between Dover and Calais, for £6,000 per annum.

#### NUMBER OF SUBSIDIZED LINES AND AMOUNT OF SUBSIDY.

Here are *twelve* lines of steamers under contract for carrying the mails, for which they are paid an annual subsidy of £903,750, or \$4,392,244, and four other important lines running to the West Indies and South and Central America, subsidized by having granted to them the postage on all the mail matter they convey.

In addition to the contracts above specified, contracts have been made for a mail service between Halifax and Newfoundland, New Orleans and Balize, British Honduras, and between New York and Bahamas. The negotiations of these contracts have been left to the local governments, the home government pledging itself to pay *one-half* the cost of each service.

It is hardly necessary here to repeat the well-known fact, that the establishment and support of these transatlantic lines of steamers, and the local lines in the West Indies and along the Atlantic and Pacific coasts of Central and South America, has brought by far the largest part of the trade of those countries to this side of the Atlantic. If we wish to extend our trade with these countries, we must offer greater facilities for conducting it, and not oblige traders to go to the most distant markets, because the means of communicating with them are more frequent, regular, and rapid.

PRICE OF WOOD AND IRON SHIPS IN GREAT BRITAIN.

On the subject of the value of new wood and iron first-class English and Scotch built sea-going steamers and sailing-ships, much depends on the service for which they are intended, the materials out of which they are constructed, the standing of the builder, and the character of the outfits. The price depends on these several points and the classification or standing with underwriters on the nature of the materials and manner of construction. I have conversed with ship-owners and builders on the subject, and have the figures of some of them in writing. From one of the most reliable houses in London, as surveyors and valuers of shipping, I have received the following statement of the prices of wood and iron sailing-ships and of iron steamers for the years 1860 and 1869:

SHIPS BUILT OF WOOD, 1860.

Classed for fourteen years, £16 16s. to £18 18s.....	£15	
Classed for thirteen years, £16 16s. to £17 17s.....	14	to 15
Classed for ten years, £12 to £13 10s.....	11	to 12
Classed for nine years, £11 to £12.....	10	to 11
Classed for eight years, £10 to £10 10s.....	9 10s.	to 10

At the above prices the ships will have their bottoms covered with yellow metal and be furnished with a complete East India outfit, which includes a double suit of sails, spare spars, &c.

The best colonial-built ships can be bought here now for about £7 (\$34) per ton, and second-hand American and colonial-built at a much lower rate.

COMPOSITE SHIPS.

Composite sailing-ships and steamers, built of iron, except the planking, which is generally of teak-wood, on account of its great durability, were a commercial experiment in 1860. They have proved a success, and are much approved of for the India and China trade, especially for the tea trade. They are iron ships in all respects except their planking. Wood is used for the outside covering, because it can be easily coppered or yellow-metaled, and the ship or steamer thus prevented from becoming foul from barnacles, sea-weed, &c. I am not aware that a wood bottom is preferred for any other reason. But now that a cheap and durable remedy is said to have been discovered and coming into use, which prevents the bottoms of iron vessels from fouling, it is not probable that composite ships will form a much larger proportion of the mercantile tonnage than they do at the present time. The authority already quoted names from £13 to £16 per ton as the average price of fair and good composite sailing-ships, classed for fourteen, fifteen, and sixteen years, ready for sea with India outfit.

A ship-owner informed me that he had built two composite ships the present year for the China trade, which had cost him, coppered, with India outfit, about £17 per ton. But he called them "fancy ships, and unusually expensive." Into one of these ships he put auxiliary steam-power at an additional expense of about £8,000, which, with latest improved engines, moved the ship through the water, on her trial trip, at the rate of about eight knots per hour, on only *nine tons* of coal per day. Steam power on these auxiliary ships is used only on going into and out of port, and in calms and continuous head winds and bad weather, when found more economical or safe than to depend on sails. When sails only are used, the screw is hoisted out of water, and the space in which it played is filled up with a piece of wood fitted for the purpose. There are comparatively but few composite ships built, and these are generally built with a view to some special service.

The authority heretofore quoted, and several ship-owners and builders whom I have consulted on the subject, all agree that the price per ton of a first-class iron sailing-ship, with India outfit, ranged, in the year 1860, from £17 to £18 per ton. But such was the demand for iron steamers from the years 1860 to 1864, caused in part, and very largely, too, by the American war, that the price for sailing-ships was run up to £20 and £21 per ton. Since 1864, the price has gradually fallen to from £12 to £14 10s. per ton, according to their classification and style of finish. The classification depends on the character of the materials used, the workmanship, and, to some extent, on the reputation of the builder and the place where built.

A first-class iron ship, that will class A 1 at Lloyds for twenty years, can now be built and fitted for sea for less money than the best English-built wood ship, which, when built in the best manner, under Lloyds' survey, can never be classed A 1 for more than fourteen years. The iron ship, ordinarily, will cost but little for repairs, and at the end of twenty years may continue on in the same class for twenty years more, while the wood structure, during the period of her first classing, is liable to, and very often does, become rotten in various parts of her hull, making extensive and expensive

repairs a necessity. She will also require to be newly coppered about every third year. Wood ships generally depreciate in value about one-half in ten years, and then pass into the second, and on to the third class, with increased expenses for repairs and insurance, while her earnings are less, when she soon disappears from the records of shipping. The iron ship of the same age, in the mean time, continues on in her A 1 classification, with but little comparative depreciation in value. At the same time the iron ship has a preference over her wooden competitor of from three to seven shillings sterling per ton (the amount of preference depending on the nature of the cargo) in the leading freight markets, because both ship and cargo insure for less, and she delivers her cargo in better condition.

Iron ships now take the most valuable cargoes, when such ships can be obtained, and the less valuable is left for the wooden ship, such as coals, chalk, lumber, guano, jute, seeds, rice, and bulky raw material of inconsiderable comparative value. On cargoes of low value the insurance on the ship is higher, because in case of such disasters as are brought under general average, cargoes of low value contribute less to repairs than more valuable ones, and the loss falls more heavily on the ship than it would had she been loaded with a cargo of greater value.

The preference given in this country to iron sailing-ships for the foreign freighting business is clearly shown by the character of the tonnage annually constructed for such service. During the year 1868 five hundred and ninety-six wooden sailing vessels of every description were built in this country. The aggregate tonnage of these vessels was 87,151 tons, giving an average of 146 tons each. One hundred and one of these vessels were of 300 tons burden and upward, very few reaching 400 tons. They were principally small, for fishing and coasting, and the largest ones for some special trade, and were built in old yards in sections of the country where iron ships are not usually built. During the same time, the year 1868, one hundred and sixty-two iron sailing-ships were built in Great Britain, the entire tonnage of which was 131,731 tons, averaging 813 tons each. At the same time twenty-nine composite sailing-ships were built, the united tonnage of which was 18,805 tons, and averaging 700 tons each. There are one hundred and ninety-one large sea-going iron and composite sailing ships built in this country in one year, the aggregate tonnage of which was 150,536 tons; while during the same period very few, if any, "deep-sea" wooden ships were built which come up to the average size of one of these one hundred and ninety-one iron and composite ships. The result of the operations of the present year will no doubt show a still wider difference in favor of iron ships.

In addition to the sailing vessels above particularized, there were built in the British Possessions during the same year seven hundred and one wood sailing vessels, the tonnage of which was 141,313 tons, averaging 201 tons each; five hundred and five of these vessels were built in the British North American Possessions, the tonnage of which was 123,720 tons, averaging 250½ each.

If any stronger facts are necessary to show of what material deep-sea vessels must hereafter be constructed to command a participation in the carrying trade of the world on equal terms, they may be found in the character of the steam vessels built in the United Kingdom during the year 1868. In this year only thirty-nine wooden steamers were built, altogether only 1,134 tons, and averaging but 29 tons each. They were mere launches, river yachts, and perhaps three or four small rigs, *not a freight or passenger steamer among them*, showing that iron only is now used in this country for the construction of freight and passenger steamers.

Continuing our analysis of ship-building in this country for the past year, it is shown that there were built in private yards, and registered as British vessels, one hundred and ninety-three mercantile iron steamers, the aggregate tonnage of which was 77,376 tons, and averaging over 400 tons each. Many of them were large first-class ocean steamers, for passenger and freighting service. During the same year only five composite steamers were built. By this official record, we see the time has already come when not a solitary wooden sea-going steamer is built in this country, and probably no large first-class wooden sailing-ship. Many of these large steamers have but moderate passenger accommodations, and were built mainly for the purpose of carrying cargo.

Notwithstanding the great revelation which iron and steam have so rapidly introduced into the commercial marine of Great Britain, the success of the Suez canal, it is believed, will necessitate further changes. The completion of this great work lessens by one-half the distance to India, and by thousands of miles the passage to China, Australia, and all ports east of the Red Sea. The questions which have thus been forced on the consideration of commercial men here are: Will not the most of the trade which has heretofore gone round the capes pass through the canal, and be carried on mainly by steamers, instead of so largely by sailing-ships, as is now done? Looking forward to such results, some merchants are now hesitating about the wisdom of adding further to their sailing-ships for the eastern trade, while a few others, I learn, have already begun steamers on a new model, with greater length, greater breadth of beam, and less depth of hold than the old models, for the same trade via the Suez canal. It is very probable that this new route, to all the countries lying beyond the Red Sea as far

as Australia, is destined to bring about great and rapid changes in the currents of trade and commerce to those countries. Instead of the long, slow route over which their trade has heretofore been conducted, and until recently almost entirely by sailing-vessels, this canal will open a short route, and place the most valuable and probably the principal part of the trade at the command of steamers better adapted for carrying cargo than any heretofore constructed. Should these anticipations be realized, a large amount of sailing tonnage will be released, to seek employment in other channels of trade. Such an amount of sailing tonnage thrown upon freight markets already *overstocked* with ships seeking business will cause a greater reduction in the profits of capital invested in this kind of property. I think it is a conceded fact among commercial men in the United States that capital invested in sailing-ships, taken as a whole, has for the last six or eight years been less remunerative by at least twenty per cent. than for a series of years prior to the time when this new revolution in ocean commerce, caused by iron and steam, had shown its strength and power to ride. Such, also, is the opinion of the same class of men in this country. But in England it is not so much felt, because capitalists are content with a lower rate of interest on their investments. Yet in effecting this great change in the commerce of the seas from wood sailing-ships to iron and steam, the loss in the depreciation of ship property, as well as the commercial advantages, will be greater to this country than to any other, and probably as great as to all others, because she now has a larger number of large sea-going wooden ships seeking business than all other nations combined, which their owners would now be glad to dispose of at a price very far below the value which would have been set on tonnage of the same amount, character, and age, six or eight years ago. Since the year 1854, the tonnage of Great Britain has increased fifty per cent., while in nearly all other European countries tonnage has actually diminished or remained nearly stationary. The United Kingdom alone had last year 8,168 vessels, large and small, engaged in an exclusively foreign trade. The tonnage of these vessels amounted to 4,265,349 tons, and they averaged 522 tons each; 862 of these vessels were steamers, the united measurement of which was 619,199 tons, which would do the work of 2,000,000 tons of sailing-vessels, and the proportion of steam tonnage is rapidly increasing from year to year. In proportion as steamers enter into the carrying trade, the tonnage necessary to carry on that trade will diminish, because steamers on the best models and most improved engines will perform about three times the labor of sailing-vessels.

While there is no doubt but that for certain branches of the carrying trade wood ships will continue to be built for a time and used, the transformation from wood to iron and steam is sure to go on until the principal part of the commerce between nations will be carried on through their agencies, and the adoption of any measures, public or private, intended to promote the restoration of our commerce, which look to anything short of the change, of at least that portion of our mercantile marine required for international commerce, from wood to iron and steam, will surely fail of their object. It is not temporary relief to "tide over" temporary disaster that is required to meet the necessities which are upon us; but change, radical change in structure, to effect which government and people must act in harmony; the government to extend all proper encouragement and inducements for commercial men to meet promptly the emergency that is forced upon us, and the merchant and ship-builder to set about in good earnest the reconstruction of our mercantile fleets. Our remedy is not to be found in a restoration of the past; that era of ocean commerce is fast passing away, and a new and more progressive one has overtaken us. We must move on with it and deal with facts and events as they meet us to-day or give up all idea of recovering our old ocean supremacy, retire substantially within our coast lines, and yield this great and noble field of enterprise, once so gallantly contested and won, to be controlled and monopolized by other heads and hands.

I am asked to state "what regulations have been adopted by the British government to ascertain the amount of materials entering into the construction of ships which are exempt from duty?"

No regulations of such a character are required, because there is no duty assessed on any article that goes into the construction of vessels or steamers of any kind. Not only are all such materials free, but all vessels bound on foreign voyages are permitted to take a supply of such dutiable articles as may be needed for the ship's use from bonded warehouses free of duty.

"What advantages are possessed by ship-builders and ship-owners in Great Britain, over the same class in the United States?"

Here ocean commerce is held to be one of the great branches of national industry and sources of wealth, and ranks with manufactures and agriculture. It is the pride of a commercial people, and the whole nation is united in watching over it, and in trying to gain for it every advantage that sagacity, wealth, talent, mechanical skill, science, and ample protection on every sea can command.

The Board of Trade is a department of the government, and is always in charge of able and experienced men, who have been long in its employ, and has the commercial marine under its special care.

The merchant shipping act extends legal protection in a thousand ways, whenever needed, to ship, cargo, and sailor. This important law is often amended or revised with great care and labor, as a wider experience and a change of circumstances or new features appear to make revisions desirable. The latest revision was reported at the last session of Parliament, and will, no doubt, after some amendments, be passed into law at the next coming session. Again, the consular corps of this country are generally trained men. They are selected for their supposed fitness for the places they are wanted to fill, and the study of how best to extend and secure British trade and commerce is made one of their chief studies. No nation is so watchful over everything that affects its trade and commerce as the English nation, and the whole nation is reaping the benefit of this care and vigilance, constantly exercised in every available manner.

The preparation of a yard, buildings, machinery, &c., for the construction of iron vessels, requires a much greater outlay of capital than what is necessary for building vessels of wood. But capital has always been ready to open as many of these expensive yards as the demand for ships required. It is said the yard belonging to the Thames Iron Ship-building Company cost half a million sterling, nearly \$2,500,000 in gold. The *Minotaur*, one of the largest armor-plated ships in the British navy, was built there. It has within its limits two dry-docks, built of stone, of a capacity sufficient to receive ships of the largest class, the heaviest rolling machinery, forging, planing and slotting machines, iron spar-yard, and, in fact, every convenience necessary for constructing and completing five or six large ships, steam or sailing, at the same time. There are several yards similar in character on the Thames, several on the Mersey, several in the north of England, and a much larger number on the Clyde than in any other locality. With this constant national attention in every necessary form, these many large well organized and equipped yards in complete readiness for every department of iron ship-building, with an abundance of native iron and coal delivered in them at low rates, and everything free from taxation, it will be perceived that ship-builders and owners in Great Britain have already gained advantages over us which only time, close and careful attention, all proper encouragement, and a full determination to succeed will enable us to reach. Besides transforming the vast mercantile fleet of this country from wood to iron and steam, more or less mercantile steamers, sailing-ships, and ships of war are continually in progress of construction for the maritime nations of Europe, China, Japan, and the British possessions.

The geographical position of England and the position held by her in relation to the trade, capital, and commercial enterprises of Europe and the whole Eastern hemisphere, is of such a controlling character as naturally to conduct a large portion of the trade of those countries to her. Ten years ago much of this trade was done by American ships which were chartered by English merchants, but English iron and composite ships now take the most profitable part of this trade; and although American ships still get a portion of the second-class business, the number thus employed is fast diminishing.

The labor of all grades and classes of artisans employed in the construction of ships in England and Scotland is cheaper than in the United States, ranging in London from 4s. to 7s. 6d. per day; on the Clyde about 1s. less per day, and in the north of England still lower. But this does not afford the English builder much if any advantage, because in America mechanics perform more labor in a given time than the same class of workmen do in this country.

“Character of officers and crews of English vessels as compared with those of the United States.”

There is an acknowledged difference, in favor of the American officer, in the preparatory education of American and English ship-masters. While the American is as good a seaman, he is to a certain extent also a merchant. He is very frequently a part owner in the ship he commands, and when abroad seeking business is to a great extent intrusted by the other owners with the general management of the ship and business connected with her, such as looking up business, deciding on what offers to accept, and protecting her interests in all ways. The English ship-master is rarely a part owner, or intrusted with any such responsibilities. He is generally a good seaman and obeys the instructions laid down for his guidance. His duty is to sail the ship, keep her in good order, and deliver cargoes in good condition. The business is entirely in the hands of the owners and ship-brokers. As a general rule American ship-masters make greater despatch, sail their ships with a less number of men, feed them better, and their port charges are less. Before an English master can take charge of a ship, he has to pass a rather rigid examination before a board of examiners appointed by the Board of Trade, and receive a certificate from them of competency and good character. For any misconduct or incompetency as master, this certificate may be suspended or taken from him. It is said the rigid enforcement of this law has produced a decided reform in the service.

A majority of the seamen in our mercantile service are foreigners. We have no licensed shipping officers and no provisions of law for their protection until they sign the shipping articles and go on board ship. No certificates of competency as seamen



and of good conduct are given them on their discharge, and they are left while in port to the tender mercies of landlords and shipping-masters and their runners. They are frequently robbed of the proceeds of their last voyage, and their advance wages for the next, and delivered aboard ship by those who control them, destitute and helpless, like any marketable commodity. In all these respects the English sailor is carefully protected by law and the constant watchfulness of government officials. In the leading ports he has, when in them, a good, well-regulated boarding-house to go to, with books, papers, amusements, savings banks, medical attendance, &c., forming a part of the establishment, and, what is perhaps of more importance, shipping officers licensed and controlled by the government. At these government shipping offices all seamen for the British mercantile service *must* be shipped. They have, before they can be shipped, to produce their recommendations from the captains of the last ships on which they served, and to the shipping office pay the small fee of one shilling, (twenty-five cents,) and it is made unlawful to exact any larger sum. I went over this subject with some care in a dispatch to the Department of State, dated May 12, 1866, and numbered 375. This dispatch was called for and published, with another on the subject of commerce, by the fortieth Congress, second session, Executive Document No. 283, and may be found on page 22 of this document. As I have not time to go over the question in detail before this paper ought to be sent forward, now too long delayed by illness and pressing official duties, I must respectfully refer the honorable committee and the Commissioner of Customs to that paper for further information on the subject. The revised merchant shipping act, which will come before the next session of Parliament for adoption, contains a clause permitting foreign ships to enjoy the benefits of these government shipping offices in English ports. This will be an excellent thing for American ships and seamen in British ports, and all masters should be compelled to ship such men as they may want through these licensed shipping offices, instead of through irresponsible private shipping offices, on which foreign ships in British ports now depend, and where sailors are so often deceived, robbed, and ill-treated. It is to be hoped that some efficient measures will soon be established by law to give American and foreign seamen an equally good protection within the limits of the United States.

The establishment of the coast guard corps of mariners, and navy pensions, are the chief inducements to encourage seamen to enter the government service when called for. For more full information on this branch of their inquiry, I must again respectfully ask to refer the committee to the published dispatch (No. 375) heretofore mentioned. I will investigate this question further, and if I find any additional facts worth reporting I will communicate them hereafter.

French Lloyds is more favorable to American ships than the English, because the construction of American ships conforms more nearly to the surveys and specifications laid down by French Lloyds. No American-built ship, whether English-owned or otherwise, can be brought within the requirements of English Lloyds, yet American ships can be classed as A 1 there, by having the letter F placed against them, signifying *foreign* built.

There are no fixed and established "printed rates of wages paid English seamen, firemen, and engineers" in the mercantile service. Such wages fluctuate according to supply and demand. The rates of wages of all persons serving in the navy, from seamen upward, are established and may be found printed in the "Navy List," two copies of which I herewith forward. I think quite full answers to the inquiries put to me will be found embodied in this paper; but if any point has been overlooked, or any further information from me desired, I will endeavor to supply such omissions on further calls, with as little delay as practicable.

I have the honor to be your obedient servant,

F. H. MORSE, *Consul General*,

HON. HAMILTON FISH,  
*Secretary of State.*

P. S.—I will make the price of iron steamers the subject of another communication, I hope, by next post.

A 1.

UNITED STATES CONSULATE GENERAL,  
*London, January 15, 1870.*

DEAR SIR: In answer to your inquiry in regard to composite vessels, I would say they have only one advantage over iron, which is more than overcome by several disadvantages, and the one advantage I feel quite confident is only temporary. It is, they can be easily coppered and thus kept clean longer without docking than an iron ship with the ordinary coating on her bottom. But this is not found from experience of

sufficient advantage to give them a preference over iron. The first cost of the composite vessel is greater than if built of iron. The wood bottom wears out quicker, and must be replaced with new at heavy expense. Then there is the additional outlay for sheathing with copper, or yellow metal, which must be renewed every two or three years. The iron ship had to be docked and scraped, or washed down as her bottom becomes foul, but a cheap coating, put on with a brush, like paint, is coming into use here, which it is said after trial keeps the bottom more free from sea-weed and barnacles than copper. This coating has to be renewed about once in fifteen or eighteen months.

You will bear in mind that a composite vessel is built entirely of iron, except that the planking is of wood, secured to the iron frame by through bolts and nuts screwed on to their inside ends, and by washers and rivets. This planking, on the iron plating of an iron frame is the most simple part of the structure, and when the machinery is provided for the preparation of the other parts of the vessel, and the frame up, complete in all its parts, except planking or plating, the difficulty is over, and putting on the outside covering becomes a very simple and easy matter. Composite, though excellent vessels, are not gaining in this country anything like the rapidity that iron is. I have not yet obtained full statistics for the year just closed, but I think it will be found that the number of iron ships over composite, will be comparatively greater than the year before last, which shows that the experience of persons engaged in maritime commerce is setting their judgments in favor of iron ships.

It must be evident to all who have given any thought to the subject that we cannot expect a revival of our shipping interest without some measures of relief and encouragement from government; in regard to the mode of applying which, men differ according to the standpoint from which they view the subject. If the object be *merely to possess* iron ships and steamers, without any other object in view, no matter where built, the way is easy to gain such possessions. Open the door and admit a foreign supply. But if nothing else is done, the certain effect of such a policy will be, as long as it may be continued, to prevent the establishment of iron ship-building yards within our own country. The object should be, not merely to possess, but also and *chiefly* to create facilities and encouragement for opening yards and constructing iron steamers and sailing ships on our own soil. It is, I think, an admitted fact that there is now more tonnage at the command of merchants who have freights to offer than is, in the present condition of trade, necessary to do the carrying trade of the world; and therefore capital invested in sailing ships does not *now*, taken as a whole, pay well. It is true that some steam lines make large dividends, and some sailing ships kept in certain trades are doing a fair business, but, taken as a whole, the shipping interest has not been for the last few years a remunerating business.

If this view be correct, and the iron ship-builders could have *free materials* and could put a ship afloat at as low a price as it can be done in Great Britain, I should not look for an immediate and general revival of our shipping interests, especially for general freighting service. A few yards would probably be started, and ships and steamers be built for special service. Government could also greatly encourage iron ship-building by giving a liberal subsidy to a few leading lines of postal steamers, on the express condition that all the regular steamers on the lines should be either iron or composite steamers of the highest class, and at least one-half or more of the number on each line should be built in the United States. The great end to be kept in view and *gained* should be the development, to the highest state of perfection, the art of iron ship-building among ourselves, and free us from dependence on foreign countries for our mercantile marine and means of transport, and give us facilities for building the most efficient *sea-going ships-of-war* in time of need. Any measures which look *only* to the increase of our mercantile marine by the purchase of foreign-built ships will render no aid in placing us in such an independent position, but will tend rather to hold us back from it.

I forward with this note a letter from Sunderland, in the north of England, where the largest number of the wood-ships built in this country are constructed. This will give you the price of steamers, sailing-ships, and the rate of wages in that part of the kingdom. I also send a list of ships, over a certain size, built there during the year 1869. You will notice only *six* wooden sailing ships on the list, and not one of them comes up to the average of the whole number of iron sailing ships built in the United Kingdom during the year 1868. And what is more discouraging for wooden ships, the writer says in a letter to me, dated 30th December, 1869,

"A great many wooden vessels that were finished *last year* (1868) are still lying *unsold*, as they have gone off very slowly this year, while on the contrary a great many iron vessels have been contracted; for in fact, nearly all the iron vessels that have been built have been invariably sold before they were finished."

If I can do anything more here to aid the object for which you are laboring please inform me, and it shall be promptly and cheerfully done.

I have been relying on one of the principal London ship-building firms, for a state-

ment in reference to ship-building on the Thames, similar to the one from Sunderland, but it has not yet been sent to me. On its receipt, I will forward it immediately.

I am, sir, your obedient servant,

F. W. MORSE,  
Consul General.

Hon. JOHN LYNCH, M. C.

B 1.

SUNDERLAND, *January 3, 1870.*

DEAR SIR: We now have the great pleasure of handing you copy of a letter received by us this morning from one of our eminent ship-builders, in which you will find a more detailed account of wages, and also in prices of iron sailing vessels and cargo boats, as follows:

"Replying to yours of 9th instant, we have pleasure in furnishing you with the following particulars for your American friends, viz:

"The rate of wages paid to iron shipwrights and artizans in several years:

Years.	Platers.		Smiths.		Riveters.		Caulkers.		Drillers.		Carpenters.		Joiners.	
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
1860.....	4	8	4	2	4	0	4	0	3	0	5	0	4	0
1861-2.....	5	0	4	6	4	6	5	0	3	6	5	0	4	0
1863.....	5	0	5	0	4	6	5	0	3	6	5	0	5	0
1864.....	5	6	5	6	5	0	5	0	3	4	5	6	5	0
1869.....	4	6	4	6	4	2	4	6	3	4	5	0	4	6

The prices of A A iron sailing ships of highest class at Lloyd's, and with East India outfit: In 1861, £15 10s. per register ton; in 1862 and 1863, £17 17s. 6d. per register ton; in 1869, £14 per register ton.

The price for nine years on A B cargo steamers, fitted complete, with engines and boilers ready for sea: In 1861, £13 per register ton; in 1862 and 1863, £19 2s. 6d. per register ton; in 1869, £16 per register ton.

"I hope this information may be what your friends require; any further I can give I shall be happy to do.

"Please note that all the information we have given you about steamers has been for what we call cargo boats; that is, steamers of large carrying capacity but with only moderate horse-power; while for ocean-going steamers the price is about £25 per register ton, and the price of this description of steamer varies very little, as the cost of fitting these vessels up for passengers, the engines &c., are always much about the same; thus for a boat of 2,000 tons register, fitted up with full passenger accommodation, with engines on board of large horse-power to give the boat great speed, and all the other requisites required for this class of boats, the price would be about £50,000.

Trusting this information will be of service to you.

We are, dear sir, yours truly,

PEACOCK BROTHERS.

F. H. MORSE, Esq., *London.*

B 2.

*Vessels built at Sunderland, England, during the year 1869.*

	Number.
Iron ships.....	28
Iron steamships.....	9
Total iron ships.....	— 37
Composite ships.....	12
Composite steamships.....	1
Total.....	— 13
Wooden sailing ships.....	— 6
Total.....	— 56

		<i>Tonnage.</i>
Vessels from 480 to 1,000 tons burden.....	42	25,114
Vessels from 1,000 tons and upward.....	14	18,179
<b>Total tonnage .....</b>		<b>46,293</b>

## C.

2 COWPER'S COURT, CORNHILL,  
London, December 7, 1869.

SIR: In reply to your favor of yesterday's date we have much pleasure in giving you the following information, as to the value of wood and iron ships, as in the year 1860 and at the present time:

In the case of sailing-ships the price varies according to the standing and repute of the builder, and the character of the outfit.

The same remark applies to steamers, besides which the fittings and outfit of passenger boats must be considered, and also the higher prices of engines, by the first engineering firms, on the Thames and Mersey.

	1860.	1869.
Wood ships with East India outfit and yellow metaled:		
Fourteen years class.....	£18 15 to £16 16 0	£15 00 to £00 00 0
Thirteen years class.....	17 17 to 16 16 0	15 00 to 14 00 0
Ten years class.....	13 10 to 12 09 0	12 00 to 11 00 0
Nine years class.....	12 00 to 11 00 0	11 00 to 10 00 0
Eight years class.....	19 19 to 10 00 0	10 00 to 9 10 0
Composite vessels, East India outfit and yellow metaled:		
Sixteen years class.....	} Very few built.	16 00 to 13 00 0
Fifteen years class.....		
Fourteen years class.....		
Iron ships, East India outfit:		
Twelve years class.....	18 00 to 17 00 0	[A] 14 10 to 13 00 0
Nine years class.....	17 00 to 16 00 0	[A] 13 00 to 12 00 0
Screw steamers, including average power to tonnage, cargo boats, and small passenger accommodation.....	21 00 to 20 00 0	16 00 to 10 00 0
With larger passenger accommodation and greater power.....	35 00 to 25 00 0	30 00 to 20 00 0

Paddle steamers of greater power in proportion to tonnage, say difference in horse-power at £40 to £30 per horse-power.

Wood vessels that have been built on speculation and have remained some time on builders' hands may now be bought at a considerable reduction on prices quoted above, the demand for wood vessels being now very limited.

Wood steamers have been entirely superseded by iron, excepting a few tug-boats.

Tendering our services at any time,

We are, sir, yours respectfully,

GEO. BAYLEY & WM. RIDLEY.

Hon. F. H. MORSE,

*Consul General United States.*

No. 1025.]

UNITED STATES CONSULATE,  
*Liverpool, December 18, 1869.*

SIR: I have the honor to acknowledge the receipt of your dispatch inclosing a letter from the Hon. John Lynch, chairman of the Committee on American Navigation in the House of Representatives, requesting information about the cost of ships, wages to workmen, &c., in Great Britain in 1860 and 1869.

I have found quite a discrepancy in the costs of building vessels, owing partly, no doubt, to the competition among builders both now and in 1860. With regard to wooden vessels, there were very few built in Great Britain in 1860, and less at the present time. So far as I can learn, there are no wooden steamers built at the present time. Price of wooden sailing-ships in Great Britain, in 1860, from £18 to £21 per ton. Price of wooden sailing-ships in 1869 from £15 to £16.

The price for wooden steamers in 1860 is given to me at £30 per ton. All say there are none now building.

Price of iron sailing-ships in 1860 may be given at about £19 per ton.

Price of iron sailing-ships in 1869, £15 10s.

Price of iron steamers of average engine power, in 1860, £26 10s.; in 1869, £22 10s.

The above prices are, assuming the vessel to be in every case of about 1,000 tons, builders' measurement, supplied with an East India outfit, but without passenger accommodation, and the steamers to have engines of 150 nominal horse-power. Larger vessels would be dearer, and smaller ones cheaper, than the rates given.

The wages of mechanics on ship work in Liverpool, in 1860, was fixed by the Ship-Carpenters' Association, a kind of trades union. The foreman received nine shillings, and ordinary workmen seven shillings per day. These are the wages paid at the present time.

The rates for insurance in Liverpool, for first-class vessels, were as follows:

British-built vessels, in 1860, about seven guineas per cent. per annum. In 1869, about ten guineas.

Colonial-built vessels, in 1860, nine guineas per cent. per annum. The same in 1869, about twelve guineas per cent. per annum.

On steamers, wood and iron, in 1860, from five to six guineas per cent. per annum. The same in 1869, from eight to nine guineas per cent. per annum.

The only advantage possessed by ship-builders and owners in Great Britain over the same class in the United States, is cheaper labor and cheaper iron. In this country there is a redundancy of labor, consequently labor is cheap. The redundancy is so great that very nearly one man out of every twenty, taking England and Wales together, is a pauper, that is, has to be provided for in whole or in part at the public expense, to keep him from starving. The effect of this is felt not only in the construction of vessels, enabling builders to build cheaper, but to the owners as well in conducting their commercial pursuits, enabling them to run their vessels at less cost, and, as a general thing, with a better class of sailors. As an instance, wages of able seamen in New York, at present time, are about \$30 per month in currency, while in Liverpool they are only £2 10s., or equal to \$12 10 in gold, or about \$16 or \$17 in currency. Iron is also cheaper in this country, which is accounted for by the same reason, viz, that labor is cheaper, thereby enabling those engaged in the iron business to produce iron cheaper than it can be made in the States.

I have the honor, &c.,

THOMAS H. DUDLEY.

Hon. HAMILTON FISH,  
*Secretary of State.*

UNITED STATES CONSULATE,  
*Quebec, November 24, 1869.*

SIR: Your favor under date of October 30th has been acknowledged. I have given the shipping interests of Quebec considerable attention the past year, and am now able to make the following communication on the subject of your letter:

1. *Wooden sea-going sailing-vessels.*—The present cost of building this class, including both material and labor, is about the same as in 1860. The price of material is higher, while labor is lower than in 1860.

2. *The cost of same.*—Vessels of nine hundred tons cost about \$38 per register ton; vessels of fourteen hundred tons, \$36 per ton. This does not include the yellow metal for sheathing, the cost of which is \$3 per ton. Vessels are usually sold in Europe before they are sheathed.

3. *Value of same in England.*—At no time have Quebec-built vessels been held in very high repute in England; to-day they cannot be sold at remunerative prices. They sell in England for about seven pounds sterling per register ton, to which may be added about five dollars per ton for outward freight. Ship-owners do not like wooden vessels. Iron and composite are taking the place of wood in Europe, except in some special branch of the service, such as the freighting of lumber, &c. But iron and composite have never been built at Quebec or in Canada.

4. *Steamers.*—There never was but one wooden sea-going steamer built here—that was many years ago. There are — ocean steamers sailing from this port, and quite a number down the river to the ports below. All of them are of iron, and built on the Clyde, in Scotland. Among the latter are the Gaspé, formerly Emma, City of Quebec, formerly Dunbarton, and the Seacrit, all old blockade-runners in the rebel service.

5. *Tariff of 1868.*—Previous to 1868, all materials for ship-building purposes imported into Canada were subject to duties, but with a drawback to the full amount of duties paid. The act of May 22, 1868, so far as it relates to the ship-building interests, was drafted by J. W. Dunscomb, esq., collector of customs at Quebec, assisted by McKay & Warner, Americans, and large ship-builders here. It was the intention of these gentlemen, and also of the government, to have all material imported for ship-building free of duty, but, through some mistake, a few minor articles were not included, such as a certain class of nails, &c. All other articles were made free entirely, except cables of hemp or grass, cordage, varnish; when for ships only, free, otherwise fifteen per cent. duty.

6. *Cost of material.*—In order to shorten this communication, I will refer you to my report on the shipping interests of Quebec, to Hon. J. A. Graham, Acting Register of the Treasury, under date of October 20, 1865.

7. *Wages of laborers in ship-yards.*—I will refer you to my report to Mr. Graham.

8. *Composite vessels* are those with iron frames with planking of wood.

9. *Ships now building at Quebec.*—There are seventeen in all, including three half composite, for market of 1870.

10. *Character of officers and crew.*—About the same as in the United States.

11. *General information.*—The labor per ship of about one thousand tons classed A 1, at Lloyds, will amount to ten dollars per ton.

I fully believe that iron is to take the place of wood, eventually; that iron steamships will take the place of sailing, for nearly all freights except lumber. The great majority of ships to-day from Europe (England and France) to the East Indies are iron propellers. You may place the advantages of iron over wood for means of transportation in a greater ratio than you would water over land.

In the classing of vessels, Lloyds have heretofore given Quebec ships A 1, seven years. I am now advised that in order to advance the interest of the Dominion, they will give eight years in 1870.

You will find the wages of seamen, from the master down to the boy, in my report to Mr. Graham above referred to.

I am, sir, your obedient servant,

CHARLES ROBINSON,  
*United States Consul.*

Hon. JOHN LYNCH, M. C.,  
*Chairman Committee on American Navigation.*

UNITED STATES CONSULATE,  
*Kingston, Ontario, November 29, 1869.*

SIR: In obedience to a request contained in yours of October 30, I have the honor to submit the following report:

1. Cost in Kingston of wooden sailing-vessels per ton, fitted for lake navigation, in 1860, (old custom-house measurement,) two hundred and fifty tons and under, \$50; over that tonnage, \$45 per ton.

2. Wooden steamers, for passengers, in 1860, \$100 per ton.

3. There is but slight, if any, difference in the cost of building the foregoing at the present time.

4. First-class mechanics, in ship-yards, in 1860, received from \$1 50 to \$1 75 per day. The same prices are paid now as near as may be.

5. Steamers to class A 1. Insurance for the season six per cent.; sailing-vessels, one per cent less.

6. I am not aware of any regulation by this government to ascertain the amount of material entering into the construction of vessels, except the required oath of the builder or owner.

7. All material imported for vessel-building by the builder or owner comes into the province free of duty, while there is a heavy duty on all material entering the United States for the same purpose, thereby giving to the builder or owner here a decided advantage.

8. Character of officers and crews of Canadian vessels rates as near as possible the same as on American vessels of same classes.

At the present time, compared with 1860, pitch, tar, and oakum are a shade lower in price, and timber a shade higher.

From the best information I can get these trifling variations in price about neutralize, thereby making the cost now about the same as in 1860.

For a short time during the late rebellion oakum, pitch, and tar were at fabulous prices, but at the close of the war dropped back to the old prices.

All of which is most respectfully submitted.

I am, sir, very respectfully, your obedient servant,

S. B. HANA,  
*United States Consul.*

Hon. JOHN LYNCH, *Chairman, &c., Washington, D. C.*

CONSULATE OF THE UNITED STATES OF AMERICA,  
Halifax, N. S., December 2, 1869.

SIR: I have the honor to acknowledge the receipt of your communication, making certain inquiries in relation to the ship-building interests of Nova Scotia, and in compliance with your request have much pleasure in furnishing the following information:

1. The cost in Nova Scotia of wooden ships, iron fastened, per ton, fitted for sea, in 1860, was fifty-five dollars; and of coppered and copper-fastened, about sixty-five dollars per ton, register tonnage.

2. There is no material difference in the cost of building this class of ships at the present time, the increased price of some of the raw materials being equivalent to the abolition of the duty of five per cent. on imported articles.

3. No wooden steamers are built in Nova Scotia.

4. The rates of wages of first-class mechanics on ship work, in 1860, were from \$1 50 to \$1 75 per day, and at the present time are about the same.

5. Steamships crossing the Atlantic are generally insured in England. The rate of insurance on such steamers is about nine per cent. per year, or one-half per cent. per voyage.

6. On sailing vessels, the rates of insurance here on voyages from Halifax to England are from two and a half to three per cent.; on voyages to the West Indies, from one and three-fourths to two per cent.; and to the United States, one per cent.

7. No specific regulations are adopted by the government to ascertain the amount of materials exempt from duty entering into the construction of vessels. The articles are admitted free merely upon the oath of the importer that they are *intended solely to be used in the construction of vessels*. But by act of Parliament the importation of goods so exempt from duty, and all matters relating thereto, are subject to such regulations as may be prescribed by the governor and council for the purpose of preventing fraud or abuse under pretext of such exemption.

8. The advantages possessed by ship-builders and ship-owners in Nova Scotia over the same classes in the United States arise from the lower rates of wages, the cheaper raw materials, and the exemption from duty of all imported articles required in the construction of ships.

These advantages are partially counterbalanced by the greater durability of American-built vessels, owing to the better quality of the timber used in their construction.

Formerly the duty in Nova Scotia on ship-building materials was five per cent., but under the present Canadian tariff they are admitted duty free.

There has been no material change in the price of labor and ship-building materials in this province since 1866, and I respectfully refer you for many particulars relating thereto to my report on that subject made in that year, and published (page 219) in the appendix to the report of the Special Commissioner of Revenue.

But a small number of American vessels have been registered in Nova Scotia.

While the admission of American vessels to registry in the British North American provinces is of but little practical importance to American citizens, the admission of foreign vessels to registry in the United States necessarily involves the opening of our coasting trade to foreign competition.

This would be most injurious to the ship-building interests of our country.

It is not, therefore, it appears to me, by admitting foreign vessels to registry upon an equal footing with our own, and thus opening our extended coasting and inland trade to foreign competition, that the shipping and ship-building interests of the United States are to be restored to their former state of prosperity, but by the reduction of duties on all imported materials for the construction of ships, and by liberal subsidies, under judicious regulations, to ocean mail steamers.

I have the honor to be, sir, your obedient servant,

M. M. JACKSON,  
United States Consul.

Hon. JOHN LYNCH,  
Chairman of the Committee on American Navigation Interests

UNITED STATES CONSULATE,  
St. John, New Brunswick, November 29, 1869.

SIR: I have the honor to acknowledge the receipt, this 18th day of November, of your letter, dated October 30, 1869, forwarded me through the Department of State, asking certain information concerning ship-building interests of the province.

Inquiry of the same character having lately been made of this office by the Treasury Department, I am therefore enabled to answer your questions without much delay.

The cost of wooden ships and wooden steamers built in this province in 1860 and 1869 is the same. A comparison of ships and steamers built then and now show no difference in cost per ton worth noting. Sailing vessels of from 1,200 to 1,500 tons reg-

ister, complete with anchors and sails, ready for sea, can be built for \$40 per ton. They are what the Liverpool market term soft-wood ships. Frames are spruce; stanchions, keelsons, waterways, stringers and rails are hard wood; that is, hackmatack or pitch pine. They class 3-3; 1-1. Seven years French Lloyds, wooden steamers, for use on the St. John's River and Bay of Fundy, are built here at a cost, when ready for sea, fitted complete, of \$90 to \$95 per ton register; the largest being about 650 tons register, with 150 horse-power, cabins and saloon, built of hackmatack and Bay spruce. No steamers are built but those required for local traffic.

The rate of wages for ship-carpenters have varied but little in ten years. I am informed by different parties that the difference has not exceeded ten cents per day at any time within ten years last past. First-class ship mechanics get from eight to nine shillings a day, that is, \$1 60 to \$1 80.

Rate of insurance on sailing vessels is twelve per cent. per annum, to go anywhere, except Gulf of St. Lawrence in winter season. Rates of insurance on steam vessels are the same as on sailing vessels. Fire rates are from two to two one-half per cent.

There are no regulations whatever adopted, by which the amount of material entering into the construction of vessels which are exempt from duty can be ascertained. The Dominion government, in their tariff of customs, exempt certain articles intended for the construction of vessels. There being no check other than the oath of the importer that the articles are imported for the purpose of ship-building, it is impossible to ascertain what part or how much of such importations actually enter into the construction of shipping. An examination of the customs records shows the entire importation of these exempted articles to be for ship-building purposes.

The advantages claimed by New Brunswick ship-builders over those of the United States are numerous, the most important being cheapness of timber, low wages of ship-carpenters and laborers, free entry of all foreign material entering into the construction, use of less timber and bolting, giving a lighter and stronger vessel than the American build. (This is a question of construction, and one worthy our American ship-builders' attention.) Building their vessels under the inspection and scrutiny of London Lloyds and French Lloyds, giving them a preference in market over those not classed, or those classed in American Lloyds. The ship-owners of the province get their vessels at very low prices, because of there being no foreign demand for colonial ships. That although the spruce ships may not be as durable as our oak, still their greater buoyancy gives great advantage in carrying dead freights. The difference they claim to be twenty-five per cent. in their favor, and more than compensates for difference in durability. My knowledge of officers and crews being confined almost entirely to those of American shipping, I am unable to contrast them with those of New Brunswick. As far as my observation goes, I think our officers superior in education and general business capacity, but the New Brunswick skipper is generally a thorough sailor and of steady habits. As to the crews of the different vessels, it would be hard to make a distinction. The only nationality attaching to any of them being the flags under which they sail from time to time. When we find an American sailor who has a pride in his nationality, he is generally a very superior man to those of any other country. That he is a better sailor, I cannot say.

In former years the colonial ship-builders found market for their vessels in Liverpool, which often gave them fair profits, and again, heavy losses were suffered. Their ships went to market, like any other article of sale, the prices depending upon the demand. They were built of hackmatack, pitch-pine and oak, and under the scrutiny of Lloyds, London, the most of them receiving their (Lloyds) classification of seven years, A 1, which was indispensable, in case of sale in that market. The demand for this class of vessels having ceased, the builders are engaged in the construction of the spruce or soft-wood vessel, depending upon the citizen, merchant, and ship-broker of the province as purchasers. The demand is quite limited, and for three years the business has been rapidly declining. The few ships built pay the builder no profit, notwithstanding the advantages they have in cheap material, labor, &c. They are generally built under the inspection of French Lloyds. Ship-owners inform me their spruce vessels are giving better satisfaction than expected, and so well pleased are they, that they declare their intention of confining their future investments to that class. They cost about five dollars per ton less than the hackmatack ship, and carry fully sixteen per cent. more guano or coals.

In giving the cost of these vessels at \$40 per ton, I intend it as a fair average. It would probably give a clearer understanding to the committee to give the different kinds of vessels and cost of each. Small vessels, single deck, to class in French Lloyds A 1, five years, will cost \$34 to \$37 per ton. Vessels classed A 1, 3-3, five years, will cost from \$38 to \$39 per ton. Vessels classed A 1, 3-3, six years, will cost \$39 to \$40 per ton. Vessels classed A 1, 3-3, seven years, will cost \$42 to \$44 per ton. The vessels of the five-year class may be built of timber wholly the growth of the province. In the six year class, the rudder, stock, and windlass, must be southern oak, and the stems, stern-posts, aprons, knight-heads, bills, corners, &c., must be either oak or hackmatack. In the seven-year class, southern oak for all cases where hackmatack or



oak is required in the six-year class, also, tamarack or pitch-pine beams, pitch-pine or oak keelsons, waterways, stringers, rails, &c., &c. All of these vessels, when running from two hundred to four hundred tons register, more or less iron knees are required under every beam. Above six hundred tons, in addition to the knees, iron straps on the outside, or an equivalent in the ceiling, with edge bolting, &c. Ships may be built in this province from one to two dollars per ton less, but only when the object is production at the lowest possible cost.

In building spruce ships, much depends upon the condition of the timber and the care in putting it together, it being very essential, indeed, indispensable to long service, that the timber be cut in the winter season; that every part have thorough ventilation, and so salted that the salt remains where placed and not allowed to collect on the bottom. When ready for sea a spruce ship should never be allowed to cruise in tropical climates until she has had a year's service in northern waters. When carefully and properly built and cared for, spruce vessels are known to have sailed, discharging their cargoes in good condition, from sixteen to twenty years. Again, when constructed of timber cut in bad season and probably sent south, while green, they have become utterly worthless in five years.

That the committee may have some of the reasons advanced by the builders here of their advantages in construction over our American builders, in a form more ship-shape than I can give, I enclose extract of letter received from Mr. Tucker, the very intelligent and long experienced agent of Lloyds, London, who has made the construction of ships a study for forty years, and who has been the agent of the committee of Lloyds in this province for fifteen years, in which time he has introduced many and radical reforms in the construction of sailing vessels.

I am, sir, very respectfully, your obedient servant,

D. B. WARNER,  
*United States Consul.*

Hon. JOHN LYNCH,  
*Chairman Committee on Navigation Interests.*

[Extract.]

\* \* \* \* \* Permit me to state that since the appointment of surveyors to these provinces by the committee of Lloyds, London, so great has been the reduction in cost of construction of our vessels, while the improvements have been considerable, from a personal knowledge, and I believe it is generally concurred. Ships of any required model and build to class A 1 in the society of Lloyds' register, London, can be constructed in the Dominion of Canada for one-fourth less cost than they can be turned out of any building yard in the States of America. As a consequence, the reduction of expenses in construction being so important, comparatively, where colonial vessels are returning interest upon the outlay to their respective owners, the mercantile vessels of the United States are, as a general thing, running to a disadvantage; in fine, are yielding no profitable return to those who may be interested.

It is also generally admitted that vessels constructed of tamarack or spruce have a material advantage over others, because of their buoyancy, while they are equally as durable when properly cared for; this species of timber not being of the same specific gravity compared with that which enters into the construction of ships built in the United States. Our colonial vessels, as a consequence, when either light or laden, do not become so deeply immersed, sailing, it is estimated, about one-sixth lighter, admittedly carrying a heavier dead weight and measurement cargo, tonnage being compared, and have a much more free board than ships built wholly of oak.

Again, your builders adhere to the ancient method of building ships with wood lodging and vertical knees, which are pretty to look at, because of the diffuse quantity of short bolts introduced for fastening, considered by those practically acquainted with ships, but very indifferent security, those knees not only increasing the weight, the former of no longitudinal strength, occupying a large space of the ship's carrying capacity, also preventing that free passage of air so essentially necessary in all vessels, of whatever may be their material, thus causing, it may fairly be presumed, the ships to prematurely decay.

In the better class of colonial vessels, especially those constructed to class at Lloyds, wood vertical knees to beam ends have, as a general thing, become obsolete, and in many instances both vertical and lodging knees of wood are dispensed with, and in lieu thereof, shelves and water-ways are worked equal in transverse sectional area to the respective beams at their ends. Iron hanging knees and knee riders are substituted, the latter embracing all the points of the frame, bolted through and through, the bolts being spaced less than every twenty-one inches apart, the whole length of rider, thereby giving those vessels an advantage over yours in regard to connection, general strength throughout, better ventilation, and larger carrying capacity.

It would also be needless for me to state other than that our better class of vessels are more liberally supplied with ground tackling and general equipments, those important essentials required to be, by Lloyds' register, rigidly tested at public machines recognized by them. While stating those advantages and requirements I admit that there are many fine points about your American-built ships to be admired: their very fine model, the application of modern appliances to reduce labor and facilitate the working of ships, their general smooth finish, the generally acknowledged accommodation for the mariner who traverses the storm-tossed deep, and the general stores supplied, excepting anchors and chain cables, which although of the most vital importance for the safety of both life and property, those, as a general thing, are found light and untested. \* \* \* \* \*

UNITED STATES CONSULATE,  
Prince Edward Island, November 22, 1869.

SIR: In reply to your letter of October 30, 1869, this day received, I have the honor to state:

1. The cost in Prince Edward Island of wooden ships, fitted for sea, was £9 4s. 6d., or \$29 52 per ton, medium tonnages, in 1860.
2. Steamers are not built on the island.
3. The cost of wooden ships, fitted for sea, is, at this time, £10, or \$32, per ton.
4. The rate of wages for first-class mechanics, on ship work, was, in 1860, 7s. 6d., or \$1 20 per diem.
5. Wages of same class, at present time, 6s. 6d. to 7s., or \$1 04 to \$1 12, per diem.
6. Rate of insurance on steamships and sailing-vessels from eight to ten per cent.
7. There is no government regulation for ascertaining the amount of materials used in the construction of vessels which are exempt from duty.
8. The character of officers and crews of Prince Edward Island vessels is very inferior to that of the same classes on vessels of the United States.
9. I would mention, in explanation of the cost of construction, as above given, that the pound currency of this island is equal to three dollars and twenty cents of federal money.

I have the honor to be, very respectfully, your obedient servant,

E. PARKER SCAMMON,  
United States Consul.

Hon. JOHN LYNCH, M. C.,  
Chairman Committee on Navigation Interests.

CONSULATE GENERAL OF THE UNITED STATES OF AMERICA,  
Frankfurt am Main, December 31, 1869.

To the Hon. Committee on American Navigation Interests:

During the present month I had the honor to receive from the Department of State, a dispatch inclosing certain inquiries, by your committee, concerning the navigation interests of Prussia. Sensible of the importance of the subject under your consideration, not only as it affects all persons directly engaged in ship-building and commerce, but also as it bears upon the finances and vital interests of the government, I have endeavored to furnish full and satisfactory information upon the matters involved in your inquiries, however it may affect your object.

Prior to the year 1866, Prussia was a member of the old Germanic Diet, and up to that time, neither Prussia alone, nor the Diet exhibited any inclination or ability either to extend its commerce, or to establish a navy and increase its maritime strength. The secession of Prussia and the events of the year 1866 attending and consequent thereon, scattered that confederation. A North German Union was formed of the several northern powers of Germany; the other powers remaining isolated. Prussia is the head, and principal power of the twenty-two distinct independent governments constituting the North German Union, as it alone contains 24,000,000 of the 30,000,000 inhabitants of the whole Union, and covers five-sixths of the whole territory of the Union.

The principal ports of the North German Union are the free cities of Bremen and Hamburg. The merchant marine is mostly confined to those free cities, and there is but little merchant marine in any port of Prussia. Each power of the Union may regulate its own merchant marine independently of all the other powers of the Union, but it can have no separate navy. The navy belongs to the Union as a whole. I shall, therefore, in answering your inquiries, inform you upon the subject-matters of inquiry

not only as they affect Prussia, but also as they affect the North German Union as a confederation.

The inland location of the states of the North German Union would seem not to admit of a large merchant marine or require a powerful maritime force, still individuals are greatly increasing the former, and the government immensely enlarging the latter, and all tending to a great maritime power.

These tables\* show in detail the present amount of the merchant marine according to the last public accounts and the latest information that can be had. Only ordinary merchant vessels are built in Prussia. The most valuable and largest of ocean steamers are still built upon the river Clyde.

To the second inquiry: "What encouragement the Prussian government offers to ship-builders and ship-owners by way of bounties, drawbacks, and exemption from taxation. If material entering into the construction of ships is exempt from duty, or a drawback is allowed upon it, what regulations are adopted by the government to ascertain the amount used," I reply that no bounties, drawbacks, or exemption from duties or taxation are provided either by Prussia or the North German Union.

There is a general complaint among those interested in the merchant marine that their interests are neglected by the government in favor of the navy. As an evidence of the feeling upon this subject, I call your attention to the discussion, at the last meeting of the German Nautical Association, of the new law of the federal council of the North German Union, requiring a more technical school education, and more thorough qualifications of captains and inferior ship officers, and subjecting them to more rigid technical examinations, without regard to practical knowledge. This association is composed of the leading ship-owners, ship-builders, underwriters, and captains of Hamburg and Bremen. The association expressed their dissatisfaction with the apparent disregard by the government of the merchant service, and severely denounced the tendency of Prussia to shape all naval matters and regulations to the interest of the navy on the ground of the pretended great necessity of making the "Union" a powerful maritime power, to the neglect and injury of the merchant marine service of the ports of the country. They ask the question—"What importance as a maritime power had Prussia previous to the annexation of Schleswig-Holstein and Hanover?" The answer was, "That except on the Baltic, where Denmark, Sweden, and Russia also dominated, Prussia had no maritime power at all; while the Hanseatic flag, that of Hamburg, Bremen, and Lubec, had carried the German name to every quarter of the globe." It thus appears that the ship-builders and ship-owners receive not only no encouragement, but that the government is more intent upon aggrandizing its own power upon the sea, as well as upon the land, than advancing the commerce and shipping of its ports.

To the third inquiry: "Whether shipstores are allowed to be taken in bond for consumption on the voyage?" I answer that no dutiable shipstores are allowed to be taken on board, under any privilege of exemption from duty, by any law of Prussia or of the "Union."

To the fourth inquiry: "What subsidies are paid to lines of Prussian steamers?" I answer that no subsidy is paid to any line of steamers by the North German Union or by Prussia, and it is not supposed that the free cities of Hamburg or Bremen pay any subsidy or allow any privilege or exemption from duty to any line of steamers leaving said ports.

The Bremen and Hamburg steamship companies have contracts with the North German Union for carrying the mails, but they are paid only for the exact services performed, and at very low rates of compensation.

To the last inquiry: "What measures are adopted to improve the character of and secure efficiency in the merchant marine service, and what relation does this service hold to the navy of Prussia?" I reply that the North German Union have not had time to adopt measures, which experience, the essential portions of which are herewith given, might show to be useful to itself or instructive to others.

Some of the ports have established schools for the study of navigation, which have attained distinction. There are laws regulating the sea-worthiness of vessels, also laws respecting ship-building.

The relation of the merchant marine service to the navy is best answered by a translation of those articles of the constitution of the North German Union referring to navigation, viz:

"SECTION 53. The federal navy is a united one, under the supreme command of Prussia. The organization and composition of the same is incumbent upon his Majesty, the King of Prussia, who appoints all the officers of the navy, and to whom the latter, together with the marine troops, must take the oath of allegiance.

"The ports of Kiel and Jähde are federal war ports.

"The cost and expense incurred in the foundation and maintenance of the navy and the institutions connected therewith will be borne by the federal treasury.

\*The report of Mr. Webster was accompanied by an elaborate set of tables, translated from a work of Dr. Engels, chief of the Prussian statistical bureau.

"The entire marine population of the Union, the body of engineers, and marine mechanics included, is dispensed from the service in the army, but obliged to serve in the federal navy.

"The distribution takes place in proportion to the existing marine population, so that the number to be furnished by each government will be deducted from the quota to be furnished for the army.

"SEC. 54. The merchant men of all the federal States form a joint merchant marine.

"The Union will fix the mode of ascertaining the tonnage of sea vessels, regulate the issue of bills of tonnage, and ships' certificates, and the conditions of licenses of sea vessels.

"The merchant men of all the federal states are uniformly admitted and received at the seaports, and on all natural and artificial water roads of the several federal states. The imports on vessels or cargoes for the benefit of any institution shall not exceed the cost of same."

I have thus endeavored to give the desired information upon the subject-matter of your inquiries. I fear that you will derive but little light from the information that will enlighten your investigations. The government aims to enhance itself, and magnify its strength and power as a nation, more than to aid the individual or develop the industry and wealth of the country. Neither is government aid much needed where every kind of material is so cheap, and labor so poorly paid. If the merchant marine is allowed to develop itself, wherever commerce demands or justifies its establishment in the ports of Germany, and is not burdened by government, it will regulate itself, and will compensate all persons employed in its interests. The kingdoms of Bavaria and Wurtemberg and the grand duchies of Baden and Hesse-Darmstadt being still independent, and forming no part of the Union, are not referred to in this communication.

I trust that a satisfactory result will follow as the reward for your arduous labors.

I have the honor to be your obedient servant,

WM. PREUTIN WEBSTER,

*Consul General.*

Hon. JOHN LYNCH,

*Chairman Committee on American Navigation Interests.*

*Sea vessels and river steamers in the old Prussian provinces. State at the end of the year 1867.*

NUMBER AND QUALITY OF MERCHANTMEN IN THE BEGINNING OF THE YEAR 1868.

	Number of vessels.	Lasts.
SAILING VESSELS.		
Sea vessels of a tonnage of more than 40 lasts* .....	960	183,742
Coasting vessels of less than 40 lasts .....	422	9,746
STEAMERS.		
Sea steamer .....	28	3,959
Steam tow-boats, river-steamer .....	84	1,677
Total .....	1,464	199,124

Of the above steamers there were:

	Tonnage of lasts.	Horse-power.
26 sea screw-steamers .....	3,788	1,667
2 paddle steamers .....	171	240
21 tow-boats and river screw-steamers .....	500	372
63 tow-boats and river paddle-steamers .....	1,177	2,399
112 steamers .....	5,636	4,678

*Changes in the state of 1863 to 1867.*

	Of the vessels built at home there were built in—				
	1863.	1864.	1865.	1866.	1867.
For domestic ship owners.....	93	76	85	73	43
Sea vessels over 40 lasts.....	63	48	64	56	37
Coasting vessels.....	14	14	12	16	4
Steamers.....	16	12	9	1	2
For the royal government.....		1			1
For foreign account.....	7	8	6	8	8
Total.....	100	85	91	81	52

In the beginning of the year 1868 there were building on Prussian and Pomeranian wharves 31 sea vessels, 5 coasting vessels, and 2 steamers; that is to say, just as many as in the preceding year.

	During the years—				
	1863.	1864.	1865.	1866.	1867.
There were bought in other states.....	17	10	3	3	5
Of which there were stranded and brought off.....	2	3	2	1	2
Sold to other states.....	13	15	17	17	14
Wrecked.....	1	1	6	2	2

*Sea and river vessels of the province of Hanover. State at the end of the year 1865.*

NUMBER AND QUALITY OF MERCHANTMEN AT THE END OF THE YEAR 1865.

	Number.	Tonnage in lasts.	Manning.
Sea vessels.....	862	64,371	5,324
River and coasting vessels.....	2,762	30,175	5,556

\* A last is like two tons, or 4,000 pounds.

*Changes in the state, 1862 to 1866.*

Province of Hanover.	Sea vessels.	Tonnage in lasts of 4,000 pounds.
1862.....	843	54,169
1863.....	842	60,251
1864.....	814	60,101
1865.....	862	64,371
1866.....	859	62,123

The five principal ports of the province were at the end of the year 1866 in possession of 377 sea vessels, of a tonnage of 37,954 lasts, viz:

	Vessels.	Tonnage of lasts.
Harburg.....	17	2,759
Geestmünde.....	44	10,567
Emden.....	84	5,357
Leer.....	50	3,202
Papenburg.....	182	16,069

*River and watching revenue vessels.*

Year.	Vessels.	Lasts.*
1862.....	2,748	31,173
1863.....	2,776	31,929
1864.....	2,792	30,863
1865.....	2,762	30,175
1866.....	2,809	31,034

\* A Prussian last is equal to two tons.

Of the same were steamers, viz:

	Vessels.	Tonnage of lasts.
1862.....	10	410
1863.....	11	471
1864.....	11	443
1865.....	13	560
1866.....	16	753

As regards ship-building, there were finished in the course of—

	Sea vessels.		River and watch vessels.	
	No.	Tonnage of lasts.	No.	Tonnage of lasts.
1862.....	93	9,246	130	2,483
1863.....	112	12,221	125	1,928
1864.....	70	9,128	100	1,228
1865.....	74	8,858	106	1,207
1866.....	66	7,910	95	1,159

*Schleswig-Holstein merchant marine. Changes in the state of 1860 to 1866.*

In the year	Number of vessels.	Tonnage of lasts.*	In the year	Number of vessels.	Tonnage of lasts.*
1860.....	2,549	63,402	1864.....	2,552	66,596
1861.....	2,590	63,814	1865.....	2,531	62,173
1862.....	2,633	65,766	1866.....	2,527	69,865
1863.....	2,639	67,582			

\* A Prussian last is equal to two tons.

*State of the merchant marine of the North German Union on the 1st of February, 1869.*

States to which the vessels belong.	Vessels.	Tonnage in tons.	Amongst them sea steamers.	Tonnage in tons.
1. Prussia:				
Province of Prussia and Pomerania.....	1,382	463,000	29	8,000
Province of Hanover.....	1,310	133,500	2	800
Province of Sleswig-Holstein.....	919	114,500	5	5,600
Total.....	3,611	651,000	36	14,400
2. Hamburg.....	467	245,300	35	36,900
3. Bremen.....	307	244,700	20	39,201
4. Mecklenburg.....	449	172,600	1	200
5. Oldenburg.....	231	57,100		
6. Lübeck.....	43	10,500	21	5,500
In all.....	5,108	1,381,200	113	96,200

B.—Tabular statement of new built men-of-war up to the 31st of December, 1868.

No.	Class.	Name.	Number of guns.	Horse-power.	Tonnage.	Commencem't of building.	Date of launching.	Expended for—	Up to 1867, inclusive.	In 1868.
1	Iron-clad screw-frigate.	King William.....	23	1, 150	5, 938	1866.....	Apr. 25, 1868	1. Hulk (body) of the vessel, including boats and round-wood. 2. The fitting-out (equipment) ..... 3. Machines and machine-inventory 4. Armature.....	\$1, 573, 673 74	
2	Iron-clad screw-frigate.	Crown Prince.....	16	800	3, 404	Spring of 1866.	May 16, 1867	1. Hulk (body) of the vessel, including boats and round-woods. 2. The fitting-out (equipment) ..... 3. Machines and machine-inventory 4. Armature.....	1, 210, 142 47	\$5, 586 60 2, 268 84 182, 732 87 190, 589 23
									1, 400, 738 60	
3	Iron-clad screw-frigate.	Frederic Charles..	16	950	4, 044	Spring of 1866.	Jan. 16, 1867	1. Hulk (body) of the vessel, including boats and round-woods. 2. The fitting-out (equipment) ..... 3. Machines and machine-inventory 4. Armature.....	1, 224, 221 68	42, 200 56 2, 207 52 182, 732 87 227, 041 66
									1, 458, 563 36	
4	Decked screw-corvette.	Elizabeth.....	26	400	2, 640	May 1, 1866...	Oct. 18, 1868	1. Hulk (body) of the vessel, including boats and round-woods. 2. The fitting-out (equipment) ..... 3. Machines and machine-inventory 4. Armature.....	93, 707 91 413 91 32, 930 30	142, 098 15 21, 103 06 112, 393 72 6, 018 12 281, 625 24
									128, 074 75	
									408, 679 99	

UNITED STATES VICE-CONSULATE,  
Copenhagen, December 7, 1869.

SIR: Your letter, dated the 5th of last month, (addressed to George P. Hansen, formerly a United States consul, but now returned to the United States,) expressing a desire to obtain information respecting the ship-building and navigation interests of this country, has been transmitted to me by the Department of State, and, in reply thereto, I shall endeavor to give you an explanation as satisfactory as I have been able to obtain it, giving my reply in the same order as your different questions are made.

The annexed register of ships belonging to this country has been issued in the beginning of this year, and shows very near the present state of the Danish merchant marine, (of course with the exception of some alterations through ships lost, ships built or bought from foreigners, or ships having shifted owners, since the register issued.)\* The building of sailing-ships is in a tolerable efficiency, especially in the *province ports*, because the work is cheaper *there* than in *this city*, but steamship building is only carried on at this port, at a moderate scale, however, there being only one establishment for such building, and the same is working at high prices. The merchant marine steam service, on account thereof, is frequently supplied by the purchase or chartering of foreign steamers.

The government offers no encouragement to ship-builders and ship-owners by way of bounties, drawbacks or exemption from taxation. Ship-owners' business, however, is *free*; that is to say, not subject to any concession such as many other lines of merchants' business, but it is, of course, the same as all other situations, subject to income tax when such is imposed. Foreign material entering into the construction of ships built for account of *Danish* citizens is subject to duty according to the tariff annexed, (oak timber only is free of duty.) But vessels built in Denmark for *foreigners'* account, or *foreign* vessels repairing average suffered or other damages, are in that respect *better* situated, as they may obtain a permission to take such articles as metal sheathing and bolts, chains, anchors, sails, and cordage, &c., out of bond. (The prerogative thus allowed foreigners arises from a desire to attract work and secure the labor to Danish citizens.) The material taken out of bond is not treated "ad valorem," but in conformity with the said tariff annexed. Ships' stores for consumption on the voyage are allowed to be exported out of bond.

There are no subsidies paid by the government to lines of Danish or foreign steamers, nor of sailing-ships, except a trifling remuneration of postage for letters carried, brought as well as sent; but steamers enjoy a separate favor, having only to pay port charges according to the quantities of goods loaded or discharged, and reduced into tons, or, better, into Danish lasts; consequently, they do not pay in proportion to their registered tonnage.

There are no measures adopted to improve the character of, and secure efficiency in the merchant marine service, and that service bears no relation to the navy of Denmark. If the royal marine department occasionally is in want of ship-room for any kind of transport, the department charters ships in the same way as private charterers.

Being at present aware of no further suggestions or facts deserving to be mentioned, I only add translations of the laws concerning the registration and measurement of ships, and remain, sir, very respectfully, your most obedient servant,

L. MEETSCHER,  
United States Vice-Consul.

HON. JOHN LYNCH,  
Chairman Committee on Navigation Interests.

WASHINGTON, D. C., February 5, 1870.

SIR: I have the honor to acknowledge the receipt of your letter of the 4th instant asking me to send to the special committee of investigation on the causes of the decay of American commerce any communication as to what, in my judgment, has created those causes, at least, in that part of the country with which I am acquainted, and suggesting, at the same time, what steps I would consider best adapted to remove them, and to establish in their stead an invigorating impulse by which American commerce would acquire that development and influence which the extent and importance of the agriculture and industry of this republic give it a right to expect.

Among various causes, too extensive to enumerate in the space of an ordinary communication, I beg to state that, in my opinion, the following are the most important, viz:

I. Neither the American government nor any portion of the American people, constituted as a body, have ever done nor directly attempted anything to secure the object they desire to attain.

\* Accompanying this communication were Danish official documents, which have been omitted.



II. The commerce of those localities in the West Indies with which I am acquainted has always been allowed to follow its primitive course without any efforts from the capitalists or the government of this country to take advantage of their proximity, in order to alter that course and try to give it a direction to these shores.

III. Instead of that, capitalists of Liverpool, Glasgow, Antwerp, Bremen, Hamburg, Paris, Havre, Marseilles, both as individuals and as corporations, make yearly advances for the productions to be shipped from most of those islands and from Central and South America, and secure thereby, at very advantageous profits, the consignment of such produce.

IV. France and England, especially the latter, have several lines of steamers touching at the various ports, largely subsidized, and offering great accommodations for freight and passengers.

V. The governments of England and France watch with a jealous eye over their vessels in those distant ports, and whether justly or not, they never allow the slightest interference with them, be it in time of peace or not, thus securing them, at all times and under every circumstance, the facility of taking and landing freight. That policy has been carried so far that most of the merchants in those unsettled countries rather prefer, for security's sake, to have their freight under English or French flags.

These are the principal causes, according to my judgment, which have unfavorably influenced the development and progress of American commerce both in South America and in the West Indies.

A contrary course would insure a contrary result:

I. The American government should lead, by initiatory measures, the American capitalists to invest their capital in the trade of those countries.

II. The American capitalists should, like the European, make advances to these different localities, in order to secure their consignment in return.

III. The American government, alike with England and France, should encourage the establishment of frequent communications by steam with all these countries.

IV. The American agents in all the different ports, while the country is in a state of war, should be instructed not to allow any interference with American vessels without due, formal, and immediate redress from the party, whomsoever it be, that may have caused such interference.

A few years of this policy would, I believe, give an unprecedented forward impetus to the development and growth of American commerce in this hemisphere.

Though I feel confident that none of the above considerations could have escaped the sagacity and attention of the committee, yet I send them with pleasure as a proof of my sincere desire to be always ready to give my service, however limited it be, for the good and prosperity of the American people.

I have the honor to be, sir, your obedient and humble servant,

A. TATE.\*

Hon. JOHN LYNCH.

UNITED STATES CONSULATE AT BREMEN,  
January 18, 1870.

SIR: In compliance with your favor of November 5, 1869, transmitted to me through the Department of State, Washington, D. C., making inquiries concerning ship-building and navigation interests of Germany, I have the honor to submit the following facts collected from statistics and other sources of information upon this subject, viz:

The German government offers no inducement to German ship-builders, but the material entering into the construction of ships is exempted from duty, or a drawback is allowed on it upon the following conditions: The builder can import, free of duty, all raw materials which are used for the construction of vessels, or in case the material is partly or wholly manufactured here, the government remits the duty which was originally paid on the imported raw metal.

The ship-builder who claims these advantages for building or repairing vessels, before commencing, has to give notice to the custom officer in whose district the vessel is to be repaired or built, by presenting a declaration, giving an exact description of the vessel, as well as the metal articles which will be used for building and outfitting, either in their manufactured condition imported, or the amount of foreign metal used for manufacturing same.

Those articles marked, which the ship-builder imports from foreign countries in a manufactured or half-manufactured condition, must be presented to the collector of his district in the mentioned declaration, stating the various shapes and condition in which said articles or materials are to be imported, which articles are entered according to the weight and number of pieces in the *Conto-register*, and marked with a stamp in order to pass the custom-house duty free. To control this, the custom officer inspects the vessel

\* Recently minister plenipotentiary from the Republic of Hayti to the government of the United States.

while she is built, or after her completion, and if these inspections prove that the declaration is made correct, said articles or material are cancelled out of the *Conto-register*.

Should the articles manufactured here, but from material imported from other countries, be used, the builder has to state the amount, quality, and kind of material for every article in his declaration; on this it passes the custom-house, every piece being stamped, weighed, and entered in the *Conto-register* by the custom officers. The number of pieces and the weight of the articles manufactured from these materials is also taken on their completion by the custom officer and compared with the *Conto-register* and if found correct said materials are exempted from duty.

The bars imported for the use of building coppered vessels, are entered in the same manner, but when the bolts are cut out in the dock it must be done in the presence of an officer of customs, who has to count and weigh such bolts, and see that they are used for the vessel, and on his certificate the bars are exempted from duty.

All declarations must be sworn to by the ship-builder, and should it be proved that fraud was intended, the builder is deprived of these advantages forever, besides paying the penalty.

Ship stores are allowed to be taken in bond for consumption without being subject to any duty.

No subsidies whatever are paid to lines of German steamers.

Masters are required to take on board his vessel one apprentice for every one hundred "lasts" (a last equal to 4000 pounds) measurement of his vessel. These apprentices, after having served a term of years, are advanced to the grade of regular sailors, in which capacity they are required to serve three years, at which time they can make application for admittance to the navigation school, where they have to pass severe examinations before they can be commissioned as second and first officers or commanders. As every able-bodied man is required to enter in the army on arriving at the age of twenty years, so is every seaman at the same age required to enter the navy.

I remain, sir, very respectfully, your obedient servant,

R. M. HAUSON,  
*United States Consul.*

Hon. JOHN LYNCH,  
*Chairman Committee on American Navigation Interests, Washington, D. C.*

# APPENDIX.

## STATISTICAL TABLES.

No. I.—List of steamships and vessels of the British navy.

BUILT IN GOVERNMENT DOCK YARDS.

Description.	Names.	No. of guns.	Tons.	Horse- power.	Of what built.
Screw	Aboutkir	86	3,091	400	Wood.
Screw	Achilles	26	6,121	1,250	Iron armor-plated.
Paddle	Advice	.....	197	100	Wood.
Screw	African	.....	36	20	Iron.
Double screw	Agamemnon	71	3,102	600	Wood.
Paddle	Alberta	.....	391	160	Wood.
Screw	Albion	72	3,117	400	Wood.
Screw	Alert	17	751	100	Wood.
Screw	Algiers	73	3,340	600	Wood.
Screw	Anson	54	3,336	800	Wood.
Screw	Arethusa	35	3,141	500	Wood.
Paddle	Argus	6	981	300	Wood.
Screw	Ariadne	26	3,214	800	Wood.
Screw	Atlas	54	3,313	800	Wood.
Screw	Aurora	35	2,558	400	Wood.
Screw	Brechante	28	2,667	600	Wood.
Paddle	Barracouta	6	1,053	300	Wood.
Screw	Barrosa	17	1,700	400	Wood.
Paddle	Basilisk	6	1,031	400	Wood.
Double screw	Beacon	4	465	120	Composite gun vessel.
Screw and paddle	Bee	.....	42	10	Wood.
Screw	Bellerophon	14	4,270	1,000	Iron armor-plated.
Double screw	Bittern	3	663	160	Gun vessel.
Screw	Blanche	6	1,268	350	Wood.
Sail	Boscawen	20	2,213	.....	Wood.
Double screw	Boxer	4	465	120	Composite gun vessel.
Sail	Brilliant	16	954	.....	Wood.
Screw	Bristol	16	1,087	250	Wood.
Screw	Bristol	31	3,027	600	Wood.
Sail	Britannia	115	3,935	.....	Wood.
Screw	Briton	10	1,322	350	Wood.
Screw gun vessel	Bullfinch	3	663	160	Wood.
Screw	Bulwark	81	3,716	800	Wood.
Paddle	Buzzard	2	990	300	Wood.
Screw	Cæsar	76	2,767	400	Wood.
Screw	Cadmus	16	1,466	400	Wood.
Screw	Caledonia	30	4,125	1,000	Armor-plated.
Sail	Cambridge	20	3,101	.....	Wood.
Screw	Camelion	7	952	200	Wood.
Paddle	Carron	.....	267	150	Wood.
Sail	Castor	22	1,293	.....	Wood.
Screw	Centurion	68	2,500	400	Wood.
Screw	Challenger	18	1,462	400	Wood.
Screw	Chanticleer	7	950	200	Wood.
Screw	Charybdis	18	1,506	400	Wood.
Screw	Clio	18	1,472	400	Wood.
Screw	Columbine	3	672	150	Wood.
Paddle	Confiance	.....	295	100	Wood.
Screw	Conqueror	74	2,845	500	Wood.
Screw	Constance	35	3,213	500	Wood.
Screw	Cordelia	11	579	150	Wood.
Screw gun vessel	Cormorant	4	695	200	Wood.
Double Screw	Cracker	4	467	120	Composite gun vessel.
Screw	Cruiser	5	752	60	Wood.
Double screw gun vessel	Curlew	3	665	160	Wood.
Sail	Daedalus	16	1,082	.....	Wood.
Screw	Danae	6	1,257	350	Wood.
Screw	Daphne	4	1,081	300	Wood.
Paddle	Dasher	2	260	100	Wood.
Screw	Dauntless	31	1,575	550	Wood.
Paddle	Dee	1	704	220	Wood.
Screw	Defiance	45	3,475	800	Wood.

## No. I.—List of steamships and vessels of the British navy—Continued.

BUILT IN GOVERNMENT DOCK YARDS.

Description.	Name.	No. of guns.	Tons.	Horse-power.	Of what built.
Screw	Devastation	.....	4,406	800	Turret ship, armor-plated.
Screw	Diadem	22	2,483	800	Wood.
Screw	Dido	6	1,268	350	Wood.
Screw	Donegal	81	3,245	800	Wood.
Screw	Doris	24	2,483	800	Wood.
Screw	Druid	10	1,322	350	Wood.
Screw	Dryad	4	1,086	300	Wood.
Screw	Duke of Wellington	49	3,771	700	Wood.
Screw	Duncan	69	3,727	800	Wood.
Sail	Durham	20	1,627	.....	Wood.
Double screw	Dwarf	4	465	120	Composite gun vessel.
Paddle	Echo	.....	295	.....	Wood.
Screw	Edgar	54	3,094	600	Wood.
Paddle	Efflu	.....	98	40	Wood.
Double screw	Elk	4	465	120	Composite gun vessel.
Screw	Emerald	28	2,913	600	Wood.
Paddle	Enchantress	1	835	250	Wood.
Screw	Endymion	.....	2,486	500	Wood.
Screw	Enterprise	21	993	160	Armor-plated.
Sail	Excellent	.....	2,311	.....	Wood.
Screw	Exmouth	76	3,109	400	Wood.
Screw	Falcon	17	1,751	100	Wood.
Screw	Favorite	10	2,094	400	Armor-plated.
Screw	Fawn	15	751	100	Wood.
Sail	Fisgard	42	1,069	.....	Wood.
Double screw	Flirt	4	464	120	Composite gun vessel.
Sail	Flora	10	1,634	.....	Wood.
Double screw	Fly	4	464	120	Composite gun vessel.
Screw	Forte	24	2,364	400	Wood.
Screw	Fox	2	1,131	260	Wood.
Screw	Frederick William	74	3,241	500	Wood.
Screw	Galatea	26	3,227	800	Wood.
Screw	Gannet	3	579	150	Wood.
Screw	Gibraltar	81	3,729	800	Wood.
Paddle	Gladiator	6	1,210	434	Wood.
Screw	Glasgow	23	3,037	600	Wood.
Double screw	Glutton	2	2,709	.....	Turret ship, armor-plated.
Screw	Goliath	60	2,596	460	Wood.
Screw	Greyhound	5	880	200	Wood.
Screw	Hannibal	73	3,136	450	Wood.
Screw	Hastings	50	1,769	200	Wood.
Paddle	Helicon	2	837	250	Wood.
Screw	Hercules	14	5,234	1,200	Iron, armor-plated.
Screw	Hero	71	3,118	600	Wood.
Sail	Hibernia	104	2,531	.....	Wood.
Screw	Hood	54	3,308	600	Wood.
Screw	Howe	84	4,245	1,000	Wood.
Paddle	Hydra	1	818	220	Wood.
Screw	Icarus	3	580	150	Wood.
Screw	Immortalité	28	3,059	600	Wood.
Sail	Impregnable	78	2,406	.....	Wood.
Screw	Inconstaat	16	4,066	1,000	Iron, cased with wood.
Sail	Indus	.....	2,098	.....	Wood.
Double screw	Iron Duke	14	3,774	800	Iron, armor-plated.
Screw	Irresistible	4	2,642	400	Wood.
Screw	James Watt	71	3,083	600	Wood.
Screw gun vessel	Jasewr	5	427	80	Wood.
Screw	Jason	17	1,711	460	Wood.
Screw	Juno	6	1,462	430	Wood.
Screw gun vessel	Landrail	5	427	80	Wood.
Double screw gun vessel	Lapwing	3	663	163	Wood.
Sail	Liberty	12	428	.....	Wood.
Screw	Liffey	30	2,654	600	Wood.
Paddle	Lightning	2	296	160	Wood.
Screw	Lion	60	2,611	400	Wood.
Screw	Liverpool	30	2,656	600	Wood.
Paddle	Locust	1	284	100	Wood.
Screw	London	72	2,687	500	Wood.
Screw	Lord Clyde	24	4,067	1,000	Armor-plated.
Screw	Lord Warden	18	4,080	1,000	Armor-plated.
Screw	Lyra	7	488	60	Wood.
Double screw gun vessel	Magpie	3	665	160	Wood.
Screw	Marlborough	98	4,000	800	Wood.
Sail	Martin	10	481	.....	Wood.
Paddle	Medusa	2	889	312	Wood.
Screw	Meipomene	28	2,861	600	Wood.
Screw	Mersey	36	3,733	1,000	Wood.
Screw	Miranda	15	1,039	250	Wood.
Screw turret ship	Monarch	7	5,102	1,100	Iron, armor-plated.
Screw	Mutine	17	882	200	Wood.

No. I.—List of steamships and vessels of the British navy—Continued.

BUILT IN GOVERNMENT DOCK YARDS.

Description.	Name.	No. of guns.	Tons.	Horse-power.	Of what built.
Screw gun vessel	Myrmidon	4	695	220	Wood.
Sail	Nankin	50	2,049	.....	Wood.
Screw	Narcissus	35	2,665	400	Wood.
Screw	Nassau	5	695	150	Wood.
Screw	Neptune	78	2,830	500	Wood.
Screw	Nereus	6	1,094	.....	Wood.
Screw	Newcastle	28	3,035	600	Wood.
Screw	Newport	5	425	80	Wood.
Screw	Niger	13	1,072	350	Wood.
Screw	Nile	78	2,622	500	Wood.
Screw gun vessel	Nimble	5	428	80	Wood.
Screw	Niobe	4	1,083	300	Wood.
Screw	Nymphæ	4	1,084	300	Wood.
Screw	Ocean	24	4,047	1,000	Armor-plated.
Screw	Octavia	35	3,161	500	Wood.
Screw	Orlando	46	3,740	1,000	Wood.
Paddle	Osborne	.....	1,536	450	Wood.
Screw	Pallas	6	2,372	600	Armor-plated.
Screw gun vessel	Pandora	5	426	80	Wood.
Screw	Pearl	17	1,469	400	Wood.
Double screw	Penelope	11	3,096	600	Iron, armor-plated.
Screw	Perseus	15	955	200	Wood.
Screw	Peterel	3	669	150	Wood.
Screw	Phaeton	28	2,396	400	Wood.
Screw	Phœbe	30	2,896	500	Wood.
Double screw gun vessel	Plover	3	663	160	Wood.
Paddle	Porcupine	3	382	132	Wood.
Sail	President	31	1,537	.....	Wood.
Screw	Prince Consort	24	4,045	1,000	Armor-plated.
Screw	Prince Regent	78	2,762	500	Wood.
Sail	Prince of Wales	115	2,646	.....	Wood.
Sail	Princess Charlotte	12	2,443	.....	Wood.
Screw	Princess Royal	73	3,129	400	Wood.
Paddle	Psyche	2	835	250	Wood.
Screw	Pylades	17	1,278	350	Wood.
Screw	Queen	74	3,249	500	Wood.
Screw	Racer	11	579	150	Wood.
Screw	Raccoon	22	1,467	400	Wood.
Screw	Ranger	5	427	80	Wood.
Screw	Rapid	11	672	150	Wood.
Screw	Rattlesnake	17	1,705	400	Wood.
Screw	Reindeer	7	953	200	Wood.
Screw	Renown	54	3,319	800	Wood.
Screw	Repulse	12	3,749	800	Armor-plated.
Screw	Research	4	1,253	200	Armor-plated.
Screw	Revenge	73	3,322	800	Wood.
Screw	Rifleman	5	486	100	Wood.
Screw	Rinaldo	7	851	200	Wood.
Double screw gun vessel	Ringdove	3	666	160	Wood.
Screw	Robust	81	3,716	800	Wood.
Screw	Rodney	72	2,770	500	Wood.
Screw	Rosario	3	673	150	Wood.
Sail	Royal Adelaide	26	2,446	.....	Wood.
Screw	Royal Albert	107	3,726	500	Wood.
Screw	Royal Alfred	18	4,068	800	Armor-plated.
Screw	Royal George	72	2,616	400	Wood.
Screw	Royalist	3	669	150	Wood.
Screw	Royal Oak	24	4,056	800	Wood.
Screw turret ship	Royal Sovereign	5	3,765	800	Wood.
Screw	Royal William	72	2,819	500	Wood.
Screw ram	Rupert	.....	3,159	700	Iron-clad.
Screw	St. George	72	2,864	500	Wood.
Screw	St. Jean d'Arc	81	3,200	600	Wood.
Sail	St. Vincent	26	2,612	.....	Wood.
Paddle	Salamander	2	818	220	Wood.
Paddle	Salamis	2	835	250	Wood.
Screw	Satellite	17	1,462	400	Wood.
Screw	Scout	21	1,462	400	Wood.
Screw	Seylla	16	1,467	400	Wood.
Double screw gun vessel	Sea-gull	3	663	160	Wood.
Screw mortar ship	Sea-horse	12	1,258	200	Wood.
Sail	Sea-lark	8	319	.....	Wood.
Screw	Severn	22	2,767	500	Wood.
Screw	Shannon	35	2,667	600	Wood.
Screw	Shearwater	3	669	150	Wood.
Screw	Sirius	6	1,268	350	Wood.
Screw	Spartan	6	1,269	350	Wood.
Screw gun vessel	Speedwell	5	428	80	Wood.
Paddle	Sphinx	6	1,061	500	Wood.

## No. I.—List of steamships and vessels of the British navy—Continued.

## BUILT IN GOVERNMENT DOCK YARDS.

Description.	Name.	No. of guns.	Tons.	Horse-power.	Of what built.
Paddle .....	Spiteful .....	6	1,054	280	Wood.
Paddle .....	Spitfire .....		432	140	Wood.
Sail .....	Squirrel .....	8	428		Wood.
Screw .....	Sultan .....	12	5,226	1,200	Iron armor-plated.
Double screw gun vessel ...	Swallow .....	3	664	160	Wood.
Screw .....	Sylvia .....	5	695	150	Wood.
Screw .....	Tenedos .....	6	1,268	350	Wood.
Paddle .....	Terrible .....	19	1,850	800	Wood.
Screw .....	Thalia .....	6	1,459	490	Wood.
Double screw .....	Thistle .....	4	465	120	Composite gun vessel.
Screw turret ship .....	Thunderer .....		4,406	800	Armor-plated.
Screw .....	Topaze .....	31	2,639	600	Wood.
Screw .....	Trafalgar .....	60	2,900	500	Wood.
Screw .....	Undaunted .....	28	3,639	600	Wood.
Paddle .....	Valorous .....	12	1,257	400	Wood.
Screw .....	Vestal .....	4	1,081	300	Wood.
Screw .....	Victor Emanuel .....	79	3,087	600	Wood.
Screw .....	Victoria .....	102	4,127	1,000	Wood.
Paddle .....	Victoria and Albert .....	2	2,345	600	Wood.
Sail .....	Victory .....	12	2,164		Wood.
Sail .....	Vindictive .....	2	1,758		Wood.
Paddle .....	Virago .....	6	1,059	220	Wood.
Paddle .....	Vivid .....		350	160	Wood.
Double screw gun vessel ...	Vulture .....	3	663	160	Wood.
Screw .....	Wasp .....	13	974	100	Wood.
Paddle .....	Widgeon .....		164	90	Wood.
Sail .....	Winchester .....	12	652		Wood.
Screw .....	Wolverine .....	17	1,703	400	Wood.
Double screw gun vessel ...	Wood-lark .....	3	663	160	Wood.
Screw .....	Zealous .....	20	3,716	800	Armor-plated.
Screw .....	Zebra .....	7	951	200	Wood.

## STEAMSHIP FOR THE DEFENSE OF THE COLONIES, BUILT IN GOVERNMENT DOCK YARD.

Screw .....	Nelson .....	72	2,736	500	Wood.
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## List of screw steam gunboats from 212 to 273 tons.

## BUILT IN GOVERNMENT DOCK YARDS.

Name.	Horse-power.	Name.	Horse-power.
Bruiser .....	60	Lark .....	60
Cherub .....	60	Minstrel .....	60
Cromer .....	60	Netley .....	60
Janus .....	40	Orwell .....	60

No. I.—List of steamships and vessels of the British navy—Continued.

BUILT IN PRIVATE YARDS BY CONTRACT.

Description.	Name.	No. of guns.	Tons.	Horse-power.	Of what built.
Screw	Active	8	2,322	600	Iron, cased with wood.
Paddle	Adder	.....	241	100	Wood.
Screw	Adventure	2	1,794	400	Iron.
Screw	Agincourt	25	6,621	1,350	Iron, armor-plated.
Screw gun vessel	Algerine	3	299	80	Wood.
Paddle	Antelope	3	650	260	Iron.
Sail	Asit	.....	2,289	.....	Wood.
Paddle	Asp	.....	112	50	Wood.
Screw gun vessel	Assurance	4	681	200	Wood.
Double screw	Audacious	14	3,774	800	Iron, armor-plated.
Double screw	Avon	4	467	120	Composite gun vessel.
Paddle	Bann	.....	267	80	Iron.
Paddle	Black Eagle	.....	510	260	Wood.
Screw	Black Prince	28	6,109	1,250	Iron, armor-plated.
Screw	Buffalo	2	440	80	Iron.
Paddle	Bustler	.....	217	100	Wood.
Paddle	Camel	.....	319	150	Wood.
Double screw turret ship	Captain	6	4,272	900	Armor-plated.
Paddle	Caradoc	2	676	350	Iron.
Screw	Chasseur	.....	543	70	Iron.
Screw	Chester	.....	164	30	Iron.
Screw	Cossack	16	1,296	250	Wood.
Screw gun vessel	Dart	5	428	80	Wood.
Screw	Defense	16	3,720	600	Iron, armor-plated.
Screw	Despatch	.....	257	40	Wood.
Screw	Dromedary	2	654	100	Iron.
Sail	Eagle	16	1,723	.....	Wood.
Screw	Eclipse	6	1,273	350	Wood.
Sail	Egmont	4	1,780	.....	Wood.
Screw	Erebus	16	1,954	200	Iron, armor-plated.
Paddle	Fearless	.....	165	76	Wood.
Paddle	Fire Queen	.....	313	120	Iron.
Sail	Gauges	20	2,255	.....	Wood.
Paddle	Grinder	.....	332	150	Wood.
Double screw	Growler	4	464	120	Composite gun vessel.
Paddle	Harpy	1	314	200	Iron.
Double screw	Hart	4	464	120	Composite gun vessel.
Paddle	Hearty	.....	221	100	Wood.
Screw	Hector	18	4,029	800	Iron, armor-plated.
Screw	Highlyer	21	1,161	250	Wood.
Screw	Himalaya	2	3,453	700	Iron.
Double screw	Hornet	4	464	120	Composite gun vessel.
Double screw	Hotspur	2	2,637	600	Iron, armor-plated ram.
Screw	Industry	2	638	80	Iron.
Double screw	Invincible	14	3,774	800	Iron, armor-plated.
Paddle	Jackal	2	340	150	Iron.
Screw gun vessel	Lee	5	431	80	Wood.
Screw gun vessel	Leven	3	300	80	Wood.
Paddle	Lucifer	1	387	120	Wood.
Double screw	Lynx	4	464	120	Composite gun vessel.
Screw	Mallacca	13	1,034	200	Wood.
Screw	Manilla	.....	295	70	Iron.
Paddle	Manly	.....	135	50	Iron.
Screw	Megara	6	1,395	350	Iron.
Double screw	Midge	4	464	120	Composite gun vessel.
Screw	Minotaur	34	6,621	1,350	Iron, armor-plated.
Screw	Mix	.....	303	10	Iron.
Paddle	Monkey	.....	212	130	Wood.
Screw gun vessel	Mullet	5	430	80	Wood.
Screw	Northumberland	28	6,621	1,350	Iron, armor-plated.
Paddle	Oberon	3	649	260	Iron.
Paddle	Otter	1	237	120	Wood.
Screw	Pelter	.....	250	40	Wood.
Screw	Pembroke	25	1,752	200	Wood.
Screw gun vessel	Penguin	5	431	80	Wood.
Double screw	Perit	4	464	120	Composite gun vessel.
Double screw gun vessel	Philomel	3	664	160	Wood.
Paddle	Pigmy	3	227	100	Wood.
Paddle	Pioneer	2	142	34	Wood.
Screw turret ship	Prince Albert	4	2,537	500	Armor-plated.
Paddle	Princess Alice	.....	270	120	Iron.
Paddle	Recruit	4	590	160	Iron.
Paddle	Redpole	1	360	160	Wood.
Screw	Resistance	16	3,710	600	Iron, armor-plated.
Double screw	Rocket	4	464	120	Composite gun vessel.
Screw turret ship	Scorpion	4	1,833	350	Iron, armor-plated.
Paddle	Scotia	.....	268	114	Wood.

## No. I.—List of steamships and vessels of the British navy—Continued.

## BUILT IN PRIVATE YARDS BY CONTRACT.

Description.	Name.	No. of guns.	Tons.	Horse-power.	Of what built.
Sail .....	Seringapatam .....		1, 152		Wood.
Screw gun vessel.....	Serpent .....	4	695	200	Wood.
Screw .....	Sharpshooter.....	6	503	160	Iron.
Paddle.....	Sheerness .....		233	114	Wood.
Screw .....	Simoon .....	4	1, 980	400	Iron.
Screw gun vessel.....	Slancy .....	3	301	80	Wood.
Screw gun vessel.....	Sparrow-hawk .....	4	676	200	Wood.
Paddle.....	Sprightly .....		234	100	Wood.
Screw gun vessel.....	Star .....	4	695	200	Wood.
Screw gun vessel.....	Steady .....	5	431	80	Wood.
Screw .....	Supply .....	2	638	80	Iron.
Screw .....	Swiftsure .....	14	3, 893	800	Iron, armor-plated.
Screw .....	Tamar .....	2	2, 812	500	Iron.
Double screw .....	Teazer .....	4	464	120	Composite gun vessel.
Screw .....	Terror .....	16	1, 971	200	Iron, armor-plated.
Paddle.....	Thais .....		302	80	Iron.
Screw .....	Thunder .....	14	1, 469	150	Armor-plated.
Screw .....	Thunderbolt .....	16	1, 973	200	Iron, armor-plated.
Screw gun vessel.....	Torch .....	5	428	80	Wood.
Sail .....	Trincomalce .....	16	1, 066		Wood.
Paddle.....	Triton .....	3	654	260	Iron.
Screw .....	Triumph .....	14	3, 893	800	Iron, armor-plated.
Paddle.....	Trusty .....		319	150	Iron.
Double screw .....	Turtle .....		37	20	Iron.
Screw .....	Urgent .....	4	1, 981	400	Iron.
Screw .....	Valiant .....	18	4, 063	800	Iron.
Double screw .....	Vanguard .....	14	3, 771	800	Iron, armor-plated.
Double screw gunboat .....	Viper .....	2	737	160	Iron, armor-plated.
Double screw gunboat .....	Vixen .....	2	754	160	Iron & wood, armor-plated.
Screw .....	Volage .....	8	2, 322	600	Iron cased with wood.
Screw, hydraulic gunboat .....	Waterwitch .....	2	777	167	Iron, armor-plated.
Paddle.....	Weser .....				Wood.
Paddle.....	Wildfire .....		186	76	Wood.
Screw turret ship .....	Wivern .....	4	1, 899	350	Iron, armor-plated.
Screw .....	Warrior .....	32	6, 109	1, 250	Iron, armor-plated.

## INDIAN TROOP SHIPS BUILT BY CONTRACT.

Screw .....	Crocodile .....	3	4, 173	700	Iron.
Screw .....	Euphrates .....	3	4, 173	700	Iron.
Paddle.....	Hasty .....		120	40	Wood.
Screw .....	Imnna .....	3	4, 173	700	Iron.
Screw .....	Malabar .....	3	4, 173	700	Iron.
Paddle.....	Prompt .....		120	40	Wood.
Screw .....	Serapis .....	3	4, 173	700	Iron.

## HER MAJESTY'S SHIPS FOR THE DEFENSE OF THE COLONIES, BUILT BY CONTRACT.

Double screw turret ship.....	Abysinnia .....	4	1, 854	200	Iron, armor-plated.
Double screw turret ship.....	Cerebus .....	4	2, 107	250	Iron, armor-plated.
Double screw turret ship.....	Magdala .....	4	2, 107	250	Iron, armor-plated.



No. I.—List of screw steam gun-boats from 212 to 273 tons.

BUILT IN PRIVATE YARDS BY CONTRACT.

Name.	Horse-power.	Name.	Horse-power.
Albacore.....	60	Magnet.....	60
Banterer.....	60	Onyx.....	20
Bonnet.....	60	Opossum.....	60
Britonant.....	60	Pheasant.....	60
Bullfrog.....	60	Pigeon.....	60
Bustard.....	60	Procris.....	60
Clinker.....	60	Rainbow.....	60
Cockatrice.....	60	Raven.....	60
Cockchafer.....	60	Redwing.....	60
Dapper.....	60	Skipjack.....	60
Doterel.....	60	Skylark.....	60
Dove.....	60	Spanker.....	60
Earnest.....	60	Speedy.....	60
Earne.....	60	Spider.....	60
Fancy.....	60	Starling.....	60
Fervent.....	60	Staunch 200 tons.....	25
Firm.....	60	Stork.....	60
Foster.....	60	Surdy.....	60
Forward.....	60	Thrasher.....	60
Grasshopper.....	60	Trinculo.....	60
Havock.....	60	Tyrian.....	60
Heron.....	60	Watchful.....	40
Hind.....	60	Weazel.....	60
Hunter.....	40	Whiting.....	60
Hyena.....	60	Wizard.....	60
Jackdaw.....	60	Woodcock.....	40
Linnet.....	60		

No. II.—Statement of the number, names, tonnage, guns, and location of vessels belonging to and connected with the United States Navy on the 1st day of April, 1861.

Name.	Guns.	Tonnage.	Where built.	When built.	Situation.	Where.
<b>SHIPS OF THE LINE.</b>						
1. Pennsylvania.....	120	3,241	Philadelphia.....	1837	In commission..	Receiving ship, Norfolk.
2. Columbus.....	80	3,480	Washington.....	1819	In ordinary.....	Norfolk.
3. Ohio.....	84	2,757	Brooklyn.....	1820	In commission..	Receiving ship, Boston.
4. North Carolina.....	84	2,633	Philadelphia.....	1820	..do.....	Receiving ship, N. Yerk.
5. Delaware.....	84	2,633	Gosport.....	1820	In ordinary.....	Norfolk.
6. Vermont.....	84	2,633	Charlestown.....	1818	..do.....	Boston.
7. New Orleans.....	84	2,805	Sackett's Harbor.....	1815	On the stocks.....	Sackett's Harbor.
8. Alabama.....	84	2,633	Kittery.....	1818	..do.....	Kittery.
9. Virginia.....	84	2,633	Charlestown.....	1818	..do.....	Boston.
10. New York.....	84	2,633	Gosport.....	1818	..do.....	Norfolk.
<b>FRIGATES.</b>						
1. Constitution.....	50	1,607	Charlestown.....	1797	In ordinary.....	Annapolis.
2. United States.....	50	1,607	Philadelphia.....	1797	..do.....	Norfolk.
3. Potomac.....	50	1,726	Washington.....	1821	..do.....	New York.
4. Brandywine.....	50	1,726	..do.....	1825	..do.....	Do.
5. Columbia.....	50	1,726	..do.....	1836	..do.....	Norfolk.
6. Congress.....	50	1,867	Kittery.....	1841	In commission..	Coast of Brazil.
7. Karitan.....	50	1,726	Philadelphia.....	1843	In ordinary.....	Norfolk.
8. St. Lawrence.....	50	1,726	Gosport.....	1847	..do.....	Philadelphia.
9. Santee.....	50	1,726	Kittery.....	1855	..do.....	Kittery.
10. Sabine.....	50	1,726	Brooklyn.....	1855	In commission..	Off Pensacola.
<b>SLOOP OF WAR.</b>						
1. Cumberland.....	24	1,726	Charlestown.....	1842	In commission..	Hampton Roads.
2. Savannah.....	24	1,726	Brooklyn.....	1842	In ordinary.....	New York.
3. Constellation.....	22	1,452	Rebuilt, Gosport.....	1854	In commission..	Coast of Africa.
4. Macedonian.....	22	1,311	Gosport.....	1836	..do.....	In the Gulf.
5. Portsmouth.....	22	1,022	Kittery.....	1843	..do.....	Coast of Africa.
6. Plymouth.....	22	989	Charlestown.....	1843	In ordinary.....	Norfolk.
7. St. Mary's.....	22	958	Washington.....	1844	In commission..	Pacific squadron.
8. Jamestown.....	22	985	Gosport.....	1844	In ordinary.....	Philadelphia.
9. Germantown.....	22	939	Philadelphia.....	1846	..do.....	Norfolk.

No. II.—Vessels belonging to and connected with the United States Navy, &amp;c.—Continued.

Name.	Guns.	Tonnage.	Where built.	When built.	Situation.	Where.
<b>SLOOP OF WAR—</b>						
<b>Continued.</b>						
10. Saratoga .....	20	882	Kittery .....	1842	In commission ..	Coast of Africa.
11. John Adams .....	20	709	Rebuilt, Gosport ..	1831	..do .....	East Indies.
12. Vincennes .....	20	700	Brooklyn .....	1826	In ordinary .....	Boston.
13. Vandalia .....	20	783	Philadelphia .....	1828	In commission ..	On way to East Indies.
14. St. Louis .....	20	700	Washington .....	1828	..do .....	Off Pensacola.
15. Cyane .....	20	792	Charlestown .....	1837	..do .....	Pacific squadron.
16. Levant .....	20	792	Brooklyn .....	1837	..do .....	Do.
17. Decatur .....	16	566	..do .....	1839	In ordinary .....	San Francisco.
18. Marion .....	16	566	Charlestown .....	1839	..do .....	Portsmouth, N. H.
19. Dale .....	16	566	Philadelphia .....	1839	..do .....	Do.
20. Preble .....	16	566	Kittery .....	1839	..do .....	Boston.
<b>BRIGS.</b>						
1. Bainbridge .....	6	259	Charlestown .....	1842	In ordinary .....	Boston.
2. Perry .....	6	289	Gosport .....	1843	..do .....	New York.
3. Dolphin .....	4	224	Brooklyn .....	1836	..do .....	Norfolk.
<b>STORE VESSELS.</b>						
1. Relief .....	2	468	Philadelphia .....	1836	In commission ..	Coast of Africa.
2. Supply .....	4	547	Purchased .....	1846	..do .....	In the Gulf.
3. Release .....	1	327	..do .....	1855	Repairing .....	New York.
<b>PERMANENT STORE AND RECEIVING SHIPS.</b>						
1. Independence .....	2	257	Charlestown .....	1814	In commission ..	Receiv'g ship, Mare Isl'd.
2. Alleghany .....	989		Pittsburg, Penn. ..	1847	..do .....	Receiv'g ship, Baltimore.
3. Princeton .....	900		Rebuilt, Boston ..	1851	..do .....	Receiving ship, Philad'a.
4. Warren .....	691		Charleston .....	1826	..do .....	Store ship, Panama.
5. Fredonia .....	800		Purchased .....	1846	..do .....	Store ship, Valparaiso.
6. Falmouth .....	703		Charlestown .....	1827	..do .....	Store ship, Aspinwall.
<b>SCREW FRIGATES.</b>						
1. Niagara .....	19	4,580	Brooklyn .....	1855	In commission ..	On return from Japan.
2. Roanoke .....	40	3,400	Gosport .....	1855	In ordinary .....	New York.
3. Colorado .....	40	3,400	..do .....	1855	..do .....	Boston.
4. Merrimack .....	40	3,200	Charlestown .....	1855	..do .....	Norfolk.
5. Minnesota .....	40	3,200	Washington .....	1855	..do .....	Boston.
6. Wabash .....	40	3,200	Philadelphia .....	1855	..do .....	New York.
7. Franklin .....	50	3,680	Kittery .....	1854	Unfinished .....	Portsmouth, N. H.
<b>1ST CLASS STEAM SLOOP.</b>						
<i>Screw.</i>						
1. San Jacinto .....	13	1,446	Brooklyn .....	1850	In commission ..	Coast of Africa.
2. Lancaster .....	22	2,360	Philadelphia .....	1858	..do .....	Pacific squadron.
3. Pensacola .....	19	2,158	Pensacola .....	1858	Unfinished .....	Washington.
4. Brooklyn .....	25	2,070	New York .....	1858	In commission ..	Off Pensacola.
5. Hartford .....	16	1,990	Gosport .....	1858	..do .....	East Indies.
6. Richmond .....	14	1,929	Norfolk .....	1858	..do .....	Mediterranean.
<i>Side-wheel.</i>						
1. Mississippi .....	11	1,692	Philadelphia .....	1841	Repairing .....	Boston.
2. Susquehanna .....	15	2,450	..do .....	1850	In commission ..	Mediterranean.
3. Powhatan .....	11	2,415	Gosport .....	1850	..do .....	New York.
4. Saranac .....	9	1,446	Kittery .....	1848	..do .....	Pacific squadron.
<b>2D CLASS STEAM SLOOP.</b>						
<i>Screw.</i>						
1. Mohican .....	6	994	Kittery .....	1858	In commission ..	Coast of Africa.
2. Narragansett .....	5	804	Boston .....	1858	..do .....	Pacific squadron.
3. Iroquois .....	6	1,016	New York .....	1858	..do .....	Mediterranean.
4. Pawnee .....	4	1,289	Philadelphia .....	1858	..do .....	Washington.
5. Wyoming .....	6	997	..do .....	1858	..do .....	Pacific squadron.
6. Pocotah .....	6	998	Gosport .....	1858	..do .....	East Indies.
7. Peconantas .....	5	694	Purchased .....	1855	..do .....	Atlantic coast.
8. Seminole .....	3	801	Pensacola .....	1858	..do .....	Brazilian squadron.

No. II.—*Vessels belonging to and connected with the United States Navy, &c.*—Continued.

Name.	Guns.	Tonnage.	Where built.	When built.	Situation.	Where.
<b>3D CLASS STEAMERS.</b>						
<i>Screw.</i>						
1. Wyandotte.....	5	464	Purchased .....	1858	In commission ..	Off Pensacola.
2. Mohawk .....	5	464	...do .....	1858	...do .....	In the Gulf.
3. Crusader .....	5	549	...do .....	1858	...do .....	Do.
4. Sumter .....	5	464	...do .....	1858	...do .....	Coast of Africa.
5. Mystic .....	5	464	...do .....	1858	...do .....	Do.
<i>Side-wheel.</i>						
1. Water Witch.....	3	378	Washington .....	1845	Prepar'g for sea	Philadelphia.
2. Michigan .....	1	582	Erie .....	1844	Winter quart'rs.	Eric. Pa.
3. Pulaski .....	1	395	Purchased .....	1858	In commission ..	Brazil squadron.
4. Saginaw .....	3	453	San Francisco.....	1858	...do .....	East Indies.
<b>STEAM TENDERS.</b>						
<i>Screw.</i>						
1. John Hancock...	3	382	Charlestown .....	1850	In ordinary.....	San Francisco.
2. Anacostia .....	1	217	Purchased .....	1858	In commission ..	Used as a transport.
Stevens's war st'r	6		New York .....			Unfinished.

RECAPITULATION.

Vessels .....	88
Tonnage .....	118,460
Guns .....	2,409

No. III.—Statement of the number and names of all vessels built by and for the government, for the Navy Department, since April 1, 1861, with their tonnage, number of guns, where, when, and by whom built, the cost of each, and time occupied in construction.

[NOTE.—The column "when built" in this statement is the date when each vessel named was launched, (if built by the United States,) and the date of the last regular payment, if built by contract.]

Number.	Name.	Tonnage.	Guns.	Where built.	When built.	By whom.	Cost.	Time occupied in construction.
<i>Screw sloops.</i>								
1	Madawaska .....	3, 231	15	New York yard; machinery at New York	July, 1865	U. S. gov't; engines, &c., J. Ericsson.....	\$1, 673, 080 52	Y. M. 3 5
2	Chattanooga .....	3, 233	15	Philadelphia	Mar., 1866	Wm. Camp & Sons.....	950, 159 31	2 4
3	Wampanoag .....	3, 281	15	Navy yard, New York; machinery, New York	Dec., 1864	U. S. gov't; Novelty Works.....	1, 575, 643 84	4 4 6 <sup>1</sup> / <sub>2</sub>
4	Piscataqua, sp. d'k .....	3, 177	21	Navy yard, Kittery; machinery, Hartford, Conn.	June, 1866	U. S. gov't; engines, &c., Woodruff & Beach	1, 177, 895 04	3 4
5	Guerriere, spar-d'k .....	3, 177	21	Navy yard, Boston; machinery, Boston	Sept., 1865	U. S. gov't; engines, &c., Globe Works.....	1, 154, 325 10	2 8
6	Shenandoah .....	1, 378	7	Navy yard, Philadelphia; machinery, Philadelphia	Dec., 1862	U. S. gov't; engines by Merrick & Sons.....	379, 717 64	1 10
7	Sacramento .....	1, 367	7	Navy yard, Kittery; machinery, Taunton, Mass.	Apr., 1862	U. S. gov't; engines, Taunton Manuf'g Co.	393, 218 50	1 2
8	Canandaigua .....	1, 335	9	Navy yard, Boston; machinery, Boston	Mar., 1862	U. S. gov't; engines, Atlantic Works.....	388, 541 84	1 9
9	Ticonderoga .....	1, 533	9	Navy yard, New York; machinery, New York	Oct., 1862	U. S. gov't; engines, Morgan Works.....	425, 426 63	1 2 <sup>1</sup> / <sub>2</sub>
10	Lackawanna .....	1, 533	7	do. do.	Aug., 1862	U. S. gov't; engines, Allaire Works.....	451, 069 00	1 2
11	Monongahela .....	1, 378	7	Navy yard, Philadelphia; machinery, Philadelphia	July, 1862	U. S. gov't; engines, Merrick & Sons.....	373, 796 39	10
12	Ossipee .....	1, 240	6	Navy yard, Kittery; machinery, Mystic Bridge, Conn.	Nov., 1861	U. S. gov't; engines, Reliance Machine Co.	363, 787 10	1 6 <sup>1</sup> / <sub>2</sub>
13	Juniata .....	1, 240	6	Navy yard, Philadelphia; machinery, Wilmington, Del.	Mar., 1862	U. S. gov't; engines, Pusey, Jones & Co.	364, 820 26	1 6 <sup>1</sup> / <sub>2</sub>
14	Housatonic .....	1, 240	13	Navy yard, Boston; machinery, Boston	Nov., 1861	U. S. gov't; engines, J. Cony & Co.....	368, 817 63	1 9
15	Adirondack .....	240	12	Navy yard, New York; machinery, New York	Feb., 1862	U. S. gov't; engines, Novelty Works.....	411, 529 48	1 1 <sup>1</sup> / <sub>2</sub>
16	Kearsarge .....	1, 031	7	Navy yard, Kittery; machinery, Hartford, Conn.	Oct., 1861	U. S. gov't; engines, Woodruff & Beach.....	286, 918 05	1 10
17	Tuscarora .....	957	10	Navy yard, Philadelphia; machinery, Philadelphia	Aug., 1861	U. S. gov't; engines, Merrick & Sons.....	280, 090 91	4
18	Onida .....	1, 032	7	Navy yard, New York; machinery, New York	Nov., 1861	U. S. gov't; engines, J. Murphy & Co.....	294, 697 54	2 8
19	Wachusett .....	1, 032	9	Navy yard, Boston; machinery, New York	Oct., 1861	U. S. gov't; engines, Morgan Works.....	314, 362 85	2 8
20	Resaca .....	900	8	Navy yard, Kittery; machinery, Washington navy y'd.	Nov., 1865	U. S. government.....	360, 037 64	1 11 <sup>1</sup> / <sub>2</sub>
21	Nantasket .....	900	10	Navy yard, Boston; machinery not completed.	July, 1867	U. S. government.....	Not compl'd.	3 10
22	Quinnebaug .....	831	10	{ Navy yard, New York { Machinery, London	Mar., 1866	U. S. government..... Jackson & Watkins.....	296, 032 71 \$13, 501 —	2 10 <sup>1</sup> / <sub>2</sub>
23	Swatara .....	831	10	Navy yard, Philadelphia; machinery, Washington y'd.	May, 1865	U. S. gov't; U. S. government.....	\$327, 365 07	1
24	Nipsic .....	593	6	Navy yard, Kittery; machinery, Hartford, Conn.	June, 1863	U. S. gov't; Woodruff & Beach.....	255, 943 99	1 9 <sup>1</sup> / <sub>2</sub>
25	Pequot .....	593	10	Navy yard, Boston; machinery, Hartford, Conn.	June, 1863	U. S. gov't; Woodruff & Beach.....	249, 231 99	1 3
26	Manumee .....	593	6	Navy yard, New York; machinery, New York	July, 1863	U. S. gov't; Stover Machine Co.....	257, 468 93	2
27	Vantie .....	593	7	Navy yard, Philadelphia; machinery, Philadelphia	Mar., 1864	U. S. gov't; Merrick & Co.....	206, 262 93	1 9
28	Saco .....	593	10	Navy yard, Boston; machinery, Providence, R. I.	Aug., 1863	U. S. gov't; Corliss Steam Engine Co.	274, 845 14	1 9
29	Nyack .....	593	6	Navy yard, New York; machinery, South Brooklyn.	Oct., 1863	U. S. gov't; South Brooklyn Works.....	257, 952 12	1 7
30	Shawmut .....	593	8	Navy yard, Kittery; machinery, Providence, R. I.	June, 1863	U. S. gov't; Corliss Steam Engine Co.....	232, 639 53	1 8 <sup>1</sup> / <sub>2</sub>
31	Kansas .....	593	8	Navy yard, Philadelphia; machinery captured	Oct., 1863	U. S. gov't.....	212, 316 78	1

Gunboats.

32	Aroostook	507	5	Kennebunk, Me.; machinery, New York	Dec., 1861	N. L. Thompson; Novelty Works	98,814 35	5
33	Cayuga	507	6	Portland, Conn.; machinery, Hartford, Conn	Dec., 1861	Gildersleeve & Son; Woodruff & Beach	97,912 22	5
34	Chippewa	507	6	Brooklyn, N. Y.; machinery, New York	Nov., 1861	Webb & Bell; Morgan Works	101,235 00	5
35	Chocoma	507	7	Boston; machinery, Boston	Nov., 1861	Curtis & Tilden; Harrison Loring	99,912 01	4½
36	Huron	507	6	do do	Nov., 1861	Paul Curtis; Harrison Loring	101,121 00	4
37	Itasca	507	4	Philadelphia; machinery, Philadelphia	Nov., 1861	Hillman & Streaker; J. P. Morris & Co.	98,756 57	4
38	Katahdin	507	6	Bath, Me.; machinery, New York	Nov., 1861	Larrabee & Allen; Morgan Iron Works	98,868 85	4½
39	Kanawha	507	4	East Haddam, Conn.; machinery, Bridgeport, Conn	Dec., 1861	G. E. & W. H. Goodspeed; Pacific Iron Works	97,775 00	5
40	Kennebec	507	4	Portland, Me.; machinery, New York	Nov., 1861	George W. Lawrence; Novelty Works	103,694 76	4
41	Kineo	507	6	do do	Dec., 1861	J. W. Dyer; Morgan Works	101,152 30	5½
42	Marblehead	507	7	Newburyport, Mass.; machinery, Newburg, N. Y.	Nov., 1861	G. W. Jackman, jr.; Highland Iron Works	97,739 75	4½
43	Ottawa	507	5	New York; machinery, New York	Oct., 1861	J. A. Westervelt; Novelty Works	82,250 37	4½
44	Owasco	507	4	Mystic River, Conn.; machinery, New York	Dec., 1861	Maxon Fish & Co.; Novelty Works	99,750 00	5½
45	Panola	507	4	Baltimore, Md.; machinery, Philadelphia	Nov., 1861	J. J. Abrahams; Charles Reeder	96,735 47	5
46	Pembina	507	4	New York; machinery, New York	Oct., 1861	Thomas Stack; Novelty Works	82,225 00	5
47	Pemolscot	507	5	Belfast, Me.; machinery, New York	Dec., 1861	C. P. Carter; Allaire Works	98,241 52	5
48	Sagamore	507	4	Boston; machinery, Boston	Nov., 1861	A. & G. T. Sampson; Atlantic Works	101,681 52	4
49	Sciota	507	5	Philadelphia; machinery, Philadelphia	Nov., 1861	Jacob Birely; J. P. Morris & Co.	96,279 43	5
50	Seneca	507	5	New York; machinery, New York	Oct., 1861	Jere. Simonson; Novelty Works	82,248 61	4
51	Tahoma	507	6	Wilmington, Del.; machinery, Chester, Pa.	Jan., 1862	W. & A. Thatcher; Renny, Son & Archbold	100,486 88	6
52	Unadilla	507	6	New York; machinery, New York	Oct., 1861	John English; Novelty Works	82,000 00	3½
53	Winona	507	7	do do	Nov., 1861	C. & R. Poillon; Allaire Works	101,240 00	4
54	Wissahickon	507	4	Philadelphia; machinery, Philadelphia	Nov., 1861	John W. Lynn; Merrick & Sons	98,771 72	4½

Paddle-wheel steamers, (double-enders.)

55	Sassacus	974	12	Navy yard, Kittery; machinery, Boston	Dec., 1862	U. S. gov't; Atlantic Works	249,037 97	7
56	Pawtuxet	974	12	Navy yard, Kittery; machinery, Providence, R. I.	Mar., 1863	U. S. gov't; Providence Steam Engine Co.	241,439 39	6
57	Tallahpoosa	974	10	Navy yard, Boston; machinery, New York	Feb., 1863	U. S. gov't; Neptune Works	241,856 98	6
58	Winooski	974	10	Navy yard, Boston; machinery, Providence, R. I.	July, 1863	U. S. gov't; Providence Steam Engine Co.	239,617 47	1
59	Mackinaw	974	10	Navy yard, New York; machinery, New York	April, 1863	U. S. gov't; Allaire Works	251,429 07	11
60	Shanrock	974	11	Navy yard, New York; machinery, Baltimore	Mar., 1863	U. S. gov't; Poole & Hunt	268,000 56	2
61	Tullahoma	974	10	Navy yard, New York; machinery, New York	Nov., 1863	U. S. gov't; Stover Machine Co.	256,824 52	4
62	Tacony	974	12	Navy yard, Philadelphia; machinery, Philadelphia	May, 1863	U. S. gov't; Morris, Towne & Co.	266,718 23	9
63	Algonquin	974	10	Navy yard, New York; machinery, New York	Dec., 1863	U. S. gov't; Paul S. Forbes	277,372 24	2
64	Peoria	974	10	do do	Oct., 1863	U. S. gov't; Etna Iron Works	305,199 73	3
65	Iosco	974	10	Bath, Me.; machinery, Boston	Mar., 1863	Larrabee & Allen; Globe Works	164,768 68	7
66	Agawam	974	10	Portland, Me.; machinery, Portland, Me.	May, 1863	George W. Lawrence; Portland Works	161,345 42	8½
67	Pontoosuc	974	12	do do	May, 1863	do do	163,031 58	8½
68	Massasoit	974	10	Boston; machinery, Boston	Mar., 1863	Curtis & Tilden; Globe Works	160,630 41	6½
69	Osceola	974	10	do do	June, 1863	Curtis & Tilden; Atlantic Works	160,575 41	8½
70	Mattabesett	974	10	Boston; machinery, New York	June, 1863	A. & G. Sampson; Allaire Works	163,595 17	9
71	Chicopee	974	10	do do	Mar., 1863	Paul Curtis; Neptune Works	163,239 85	6½
72	Ascuteuy	974	10	Newburyport, Mass.; machinery, New York	June, 1863	George W. Jackman, jr.; Morgan Works	176,143 73	9
73	Otsego	974	10	New York; machinery, New York	April, 1863	J. A. & D. D. Westervelt; Fulton Works	161,143 44	7
74	Metacomet	974	10	New York; machinery, South Brooklyn, N. Y.	Mar., 1863	Thomas Stack; South Brooklyn Works	159,081 27	6½
75	Chenango	974	10	New York; machinery, New York	April, 1863	Jere. Simonson; Morgan Works	161,273 71	7
76	Lenapee	974	10	New York; machinery, Newburg, N. Y.	June, 1863	Edward Lupton; Washington Iron Works	163,423 48	9½

No. 111.—Statement of vessels built for the Navy Department since April 1, 1861, &amp;c.—Continued.

Number.	Name.	Tonnage.	Guns.	Where built.	When built.	By whom.	Cost.	Time occu- pied in con- struction.
77	Mendota .....	974	10	Brooklyn, N. Y.; machinery, South Brooklyn, N. Y.	April, 1863	F. Z. Tucker; South Brooklyn Works	\$159,631 53	Y. M. 7½
78	Mingoe .....	974	12	Bordentown, N. J.; machinery, Wilmington, Del.	Aug., 1863	D. S. Mershon, jr.; Pusey, Jones & Co.	152,236 00	11½
79	Wyalusing .....	974	14	Philadelphia; machinery, Wilmington, Del.	May, 1863	C. H. & W. M. Cramp; Pusey, Jones & Co.	162,914 84	8½
89	Pontiac .....	974	16	Philadelphia; machinery, Philadelphia	May, 1863	Hillman & Streaker; Neafie, Levy & Co.	163,561 00	8½
81	Eutaw .....	975	10	Baltimore; machinery, Baltimore	Mar., 1863	John J. Abrahams; Vulcan Iron Works	160,200 00	7
<i>Paddle-wheel steamers of iron, (double-enders.)</i>								
82	Mohongo .....	1,030	10	New York; machinery, Jersey City, N. J.	Aug., 1864	Zeno Secor; Fulton Foundry	305,928 11	1 1
83	Suwanee .....	1,030	10	Chester, Penn.; machinery, Chester, Penn.	June, 1864	Reaney, Son & Archbold	278,662 78	10
84	Shamokin .....	1,030	10	do. do.	Feb., 1865	do.	278,620 81	1 6
85	Mascota .....	1,030	10	Brooklyn, N. Y.; machinery, Brooklyn, N. Y.	Aug., 1864	Thomas F. Rowland; Continental Works	297,678 80	1
86	Winnipeg .....	1,030	10	Boston; machinery, Boston	May, 1865	Harrison Loring	292,132 24	1 8½
87	Ashuelot .....	1,030	10	do. do.	July, 1865	Donald McKay	297,415 92	1 11
88	Monocacy .....	1,030	10	Baltimore; machinery, Baltimore	May, 1866	A. & W. Demmead & Son	293,473 98	1 7
89	Waterloo .....	974	12	Chester, Penn.; machinery, Chester, Penn.	Aug., 1863	Reaney, Son & Archbold	203,170 00	11½
<i>Paddle-wheel steamers, (double-enders.)</i>								
90	Octorara .....	829	11	Navy yard, New York; machinery, New York	Dec., 1861	U. S. government; Neptune Works	173,071 81	7
91	Miami .....	730	7	Navy yard, Philadelphia; machinery, Philadelphia	Nov., 1861	U. S. government; Merrick & Sons	172,341 25	5
92	Maratanza .....	786	6	Navy yard, Boston; machinery, Boston	Nov., 1861	U. S. government; Harrison Loring	187,128 19	5
93	Tioga .....	819	8	Navy yard, Boston; machinery, New York	April, 1862	U. S. government; Morgan Iron Works	199,852 14	7
94	Genesee .....	803	7	do. do.	April, 1862	U. S. government; Neptune Works	199,423 63	7
95	Sebago .....	832	10	Navy yard, Kittery; machinery, New York	Nov., 1861	U. S. government; Novelty Works	212,771 22	7½
96	Mahaska .....	832	8	do. do.	Dec., 1861	U. S. government; Morgan Iron Works	210,137 78	8
97	Sonoma .....	955	8	do. do.	April, 1862	U. S. government; Novelty Works	194,962 31	7½
98	Conemaugh .....	955	9	do. do.	May, 1862	do. do.	193,416 70	8
99	Port Royal .....	805	8	New York	May, 1862	Thomas Steek	110,057 00	7
100	Cimarron .....	860	9	Bordentown, N. J.	July, 1862	D. S. Mershon, jr.	100,000 00	9
101	Paul Jones .....	863	7	Baltimore; machinery, Chester, Penn.	April, 1862	J. J. Abrahams; Reaney, Son & Archbold	102,603 33	5½
<i>Tugs.</i>								
102	Pinta .....	350	2	Chester, Penn.	April, 1865	Reaney, Son & Archbold	128,000 00	1 2
103	Triana .....	350	2	New York	Nov., 1865	William Perine	128,000 00	1 11
104	Nina .....	350	2	Chester, Penn.	Sept., 1865	Reaney, Son & Archbold	128,000 00	1 7
105	Fortune .....	350	2	Boston	Sept., 1865	James Felton	149,600 00	1 9

106	Speedwell	350	2	do	Nov., 1865	do	149,600 00	1	7	
107	Standish	350	2	do	Jan., 1866	do	106,240 00	2	1	
108	Mayflower	350	2	do	Feb., 1866	do	106,240 00	1	9½	
109	Palos	350	2	do	July, 1866	do	125,000 00	1	9	
110	Leyden	350	2	do	July, 1866	do	125,000 00	1	9	
111	Pilgrim	170	2	Wilmington, Del.	Jan., 1865	Pusey, Jones & Co.	74,000 00	1	1	
112	Maria	170	2	New York	Jan., 1865	William Perine	89,000 00	1	8	
	<i>Iron-clad vessels, (sea-going, case-mated.)</i>									
113	Dunderberg	5,090	16	New York	Aug., 1866	William H. Webb	1,041,666 67	4	1	
114	New Ironsides	3,486	18	Philadelphia	Aug., 1862	Merrick & Sons	814,866 83	...	10	
	<i>Iron-clad vessels, (sea-going, single turret.)</i>									
115	Puritan	3,265	2	New York	Oct., 1864	John Ericsson	1,974,622 93	2	5	
116	Dictator	3,033	2	do	Dec., 1864	do	1,382,991 24	2	3	
	<i>Iron-clad vessels, (double turret.)</i>									
117	Monadnock	1,564	4	Navy yard, Boston; turrets, Boston; machinery, Philadelphia.	.....	U. S. government; Atlantic Works; Morris Toune & Co.	981,439 45	2	8	
118	Miantonomoh	1,564	4	Navy yard, New York; turrets, New York; machinery, New York.	Aug., 1864	U. S. government; J. B. & W. W. Cornell & Co.; Novelty Works.	1,310,773 08	2	11½	
119	Agamenticus	1,564	4	Navy yard, Kittery; turrets, Boston; machinery, Philadelphia.	May, 1864	U. S. government; Atlantic Works; Morris Toune & Co.	1,016,071 18	2	10	
120	Tonawanda	1,564	4	Navy yard, Philadelphia; turrets, New York; machinery, Philadelphia.	May, 1864	U. S. government; J. B. & W. W. Cornell & Co.; Merrick & Sons.	1,156,323 82	3	...	
121	Onondaga	1,250	4	New York	May, 1863	George W. Quintard	759,673 08	1	2	
122	Winnebago	970	4	St. Louis, Mo.	Aug., 1863	James B. Eads	384,969 84	1	3	
123	Milwaukee	970	4	do	Aug., 1863	do	387,432 86	1	3	
124	Chickasaw	970	4	do	Sept., 1863	Thomas G. Gaylord	329,962 70	1	4	
125	Kickapoo	970	8	do	Dec., 1863	G. B. Allen & Co.	391,828 24	1	6	
	<i>Iron-clad vessels, (single turret.)</i>									
126	Canonicus	1,034	2	Boston	Feb., 1864	Harrison Loring	622,963 22	1	5	
127	Mahopac	1,034	2	Jersey City, N. J.	July, 1864	Secor & Co.	635,374 55	1	10	
128	Tecumseh	1,034	2	do	Mar., 1861	do	636,941 76	1	6	
129	Manhattan	1,034	2	do	May, 1864	do	628,879 27	1	8	
130	Saugus	1,034	2	Wilmington, Del.	April, 1861	Harlan & Hollingsworth & Co.	588,466 02	1	6	
131	Tippecanoe	1,034	2	Cincinnati, Ohio.	Mar., 1866	Miles Greenwood	633,327 84	1	6	
132	Catawaba	1,034	2	do	June, 1865	Alexander Swift & Co., and Niles Works.	621,424 54	2	2	
133	Oneonta	1,034	2	do	June, 1865	do	621,424 54	2	2	
134	Manayunk	1,034	2	Pittsburg, Pa.	July, 1865	Snowdens & Mason	626,582 24	2	2	
135	Passaic	844	2	Brooklyn, N. Y.	Nov., 1862	John Ericsson	423,171 69	...	8	

No. III.—Statement of vessels built for the Navy Department since April 1, 1861, &c.—Continued.

Number.	Name.	Tonnage.	Guns.	Where built.	When built.	By whom.	Cost.	Time occu- pied in con- struction.
136	Camanche	844	2	Jersey City, N. J.	Jan., 1865	Donahue, Ryan & Secor	\$613, 164 98	Y. 2
137	Patapsco	844	2	Wilmington, Del.	Dec., 1862	John Ericsson	422, 779 95	9
138	Saugamon	844	2	Chester, Pa.	April, 1863	do.	422, 766 73	1
139	Lehigh	844	2	do.	April, 1863	do.	422, 726 28	1
140	Montauk	844	2	Brooklyn, N. Y.	Dec., 1862	do.	423, 027 49	8
141	Catskill	844	2	do.	Mar., 1863	do.	427, 766 78	11
142	Weehawken	844	2	Jersey City, N. J.	Jan., 1863	Secor & Co.	426, 007 29	8
143	Nantucket	844	2	Boston	Mar., 1863	Atlantic Works	408, 011 37	10
144	Nahant	844	2	do.	Jan., 1863	Harrison Loring	413, 515 14	8
145	Yazoo	614	2	Philadelphia	Sept., 1864	Merrick & Sons	566, 364 26	1
146	Waxsaw	614	2	Baltimore	June, 1865	A. & W. Demmead & Sons	592, 587 32	2
147	Napa	614	1	Wilmington, Del.	Feb., 1865	Harlan & Hollingsworth & Co.	506, 396 33	1
						Reaney, Son & Archbold and William Cramp & Sons	648, 070 99	1
148	Tunxis	614	2	Chester and Philadelphia, Pa.	June, 1864			
149	Unpqua	614	2	Pittsburg, Pa.	Mar., 1865	Snowdens & Mason	595, 649 36	1
150	Klamath	614	2	Cincinnati, Ohio.	July, 1865	Alexander Swift & Co.	602, 985 34	2
151	Yuma	614	2	do.	July, 1865	do.	602, 985 34	2
152	Naubuc	614	1	Williamsburg, N. Y.	Feb., 1865	William Perrine	513, 975 74	1
153	Cohoos	614	2	Green Point, N. Y.	June, 1865	M. F. Merritt	594, 012 10	2
154	Koka	614	2	Camden, N. J.	Aug. 1865	Wilcox & Whiting	545, 694 81	2
155	Casco	614	1	Boston	June, 1864	Atlantic Works	529, 996 99	1
156	Chimo	614	1	do.	June, 1864	Aquilla Adams	620, 415 52	1
157	Erlah	614	2	St. Louis, Mo.	Mar., 1865	Charles W. McCord	589, 458 82	1
158	Modoc	614	1	New York	Mar., 1865	J. S. Underhill	513, 353 13	1
159	Nausett	614	2	East Boston, Mass.	May, 1865	Donald McKay	578, 110 98	1
160	Shawnee	614	2	do.	June, 1864	Curtis & Tiklen	561, 818 50	2
161	Shiloh	614	2	St. Louis, Mo.	Mar., 1865	George C. Boston	589, 428 20	1
162	Squanto	614	2	East Boston, Mass.	April, 1865	McKay & Aldus	589, 535 70	1
163	Smecock	611	2	South Boston, Mass.	June, 1865	Globe Works	593, 674 30	2
164	Wassuc	614	2	Portland, Maine	June, 1865	George W. Lawrence	552, 374 51	1
165	Osage	523	2	St. Louis, Mo.	May, 1863	James B. Eads	199, 632 62	1
166	Neosho	523	4	do.	June, 1863	do.	200, 757 67	1
167	Ozark	578	7	Mound City, Ill.	Dec., 1863	George C. Bester	207, 071 50	1
168	Marietta	479	2	Pittsburg, Pa.	April, 1866	Tomlinson, Hartupce & Co.	235, 039 57	3
169	Sandusky	479	2	do.	April, 1866	do.	235, 039 57	3
	<i>Iron-clad vessels, (casemated.)</i>							
170	Chillicothe	303	2	Cincinnati Ohio.	Oct., 1862	Joseph Brown	92, 960 00	6
171	Indianola	442	2	do.	Jan., 1863	do.	122, 372 00	8



172	Tuscumbia .....	565	3	do .....	Mar., 1863	do .....	229,669 73	10 $\frac{1}{2}$
173	Keokuk .....	677	2	New York .....	Apr., 1863	Charles W. Whitney .....	227,507 02	12 $\frac{3}{4}$
	<i>Torpedo vessel.</i>							
174	Spuyten Duyvil ..	116		New Haven, Conn.; machinery, Mystic Bridge, Conn.	Jan., 1865	Samuel H. Pook; mystic Iron Works .....	45,036 29	1
	<i>Screw sloop.</i>							
175	Idaho .....	2,638	8	Brooklyn, N. Y. ....	Mar., 1865	Paul S. Forbes .....	550,000 00	2 6
	<i>Powder tugs.</i>							
176	Blue Light .....	103		Navy yard, Portsmouth .....	—, 1864	United States government .....	28,872 20	7 $\frac{1}{2}$
177	Port Fire .....	103		do .....	—, 1864	do .....	28,872 20	7 $\frac{1}{2}$
	<i>Iron-clad vessels. (first completed.)</i>							
178	Monitor .....	776	2	New York .....	Mar., 1863	John Ericsson .....	275,000 00	4 $\frac{3}{4}$
179	Galena .....	738	6	Mystic Bridge, Conn .....	Apr., 1863	C. S. Bushnell .....	235,250 00	7
		166,006	1,110					

RECAPITULATION.

Vessels built in government yards .....	55
Vessels built in private yards .....	124
<b>Total .....</b>	<b>179</b>
Number of vessels built in government yards, the machinery of which was built in private works .....	49

BY PURCHASE.

Whole number of vessels purchased by or transferred to navy .....	497
Disposed of by sale .....	363
Lost, destroyed, sunk as obstructions, transferred to army, &c. ....	97
Still in service .....	37
	<u>497</u>
Number of tons .....	171,837

No. IV.—Statement of vessels sold by the Navy Department from April 1, 1861, to April 1, 1865, inclusive; also from May 1, 1868, to date.

Name of vessel.	Where sold.	When sold.	Amount received.
Calhoun	New Orleans	June, —, 1864	\$14,560 00
Chotank	New York	—, —, 1864	700 00
Eugenie	Key West	Nov. —, 1864	.....
Falmouth	Aspinwall, N. C.	Oct. 28, 1863	.....
Isilda	Key West	—, —, 1863	.....
Mohawk	Philadelphia	July 12, 1864	5,000 00
Nightingale	Boston, Mass.	Feb. 20, 1865	10,000 00
Patroon	Philadelphia	Dec. 30, 1862	11,200 00
Planter*	.....	Sept. 10, 1862	.....
Pulaski	Montevideo	—, —, 1863	.....
Warren	Panama	—, —, 1862	.....
Aroostook	Hong Kong	Sept. —, 1869	16,094 74
Algonquin	New York	Oct. 21, 1869	30,000 00
Alleghany	Norfolk	Sept. 10, 1868	5,250 00
Ascutney	Washington	Oct. 28, 1868	21,687 50
Atlanta	Philadelphia	May 4, 1869	25,700 00
Augusta	New York	Dec. 1, 1868	20,700 00
Boxer	Philadelphia	Sept. 1, 1868	9,900 00
Buckthorn	Pensacola	Sept. 7, 1869	3,000 00
Chenango	Philadelphia	Oct. 28, 1868	21,687 50
De Soto	New York	Sept. 30, 1868	47,600 00
Don	do	Aug. 29, 1868	18,000 00
Florida	Philadelphia	Dec. 5, 1868	19,200 00
Glasgow	Pensacola	June 4, 1869	7,150 00
Grampus	Mound City	Sept. 1, 1868	450 00
Hornet	Philadelphia	June 26, 1869	33,000 00
Huron	New York	May 14, 1869	13,200 00
Lenapee	Portsmouth	Aug. 26, 1868	17,900 00
Mahaska	New Orleans	Oct. 12, 1868	17,000 00
Maratanza	Portsmouth	Aug. 26, 1868	32,700 00
Marblehead	New York	Sept. 30, 1868	14,100 00
Memphis	do	May 8, 1869	55,300 00
Metacomet	Philadelphia	Oct. 28, 1868	21,687 50
Muscoota	Portsmouth	June 17, 1869	50,000 00
Mendota	Philadelphia	May 25, 1868	18,750 00
Newbern	Washington	Sept. 1, 1868	35,000 00
Pansy	Mound City	Sept. 1, 1868	450 00
Penobscot	Portsmouth	Oct. 19, 1869	6,700 00
Peoria	do	Aug. 26, 1868	6,900 00
Pequot	New York	May 6, 1869	7,700 00
Purveyor	do	July 7, 1869	12,000 00
Sassacus	Philadelphia	Oct. 28, 1868	21,687 50
Seneca	Norfolk	Sept. 10, 1868	10,025 00
Shamokin	Washington	Oct. 21, 1869	25,000 00
Shanrock	Philadelphia	Sept. 1, 1868	19,700 00
Tacony	Portsmouth	Aug. 26, 1868	20,030 00
Tallahoma	New York	Aug. 29, 1868	24,500 00
Winnepoc	Norfolk	June 17, 1869	50,000 00
Winooski	Portsmouth	Aug. 26, 1868	19,130 00
Yneca	do	Aug. 26, 1868	9,500 00
Cnadilla	Hong Kong	Nov. 9, 1869	24,215 16
Total	.....	.....	853,934 90

\* Sold to War Department, not paid for.

#### RECAPITULATION.

Total vessels sold from April, 1865, to May, 1868	420
Total vessels sold from May 1, 1864, to April, 1865, and from April 1, 1865, to date	51
Total vessels sold by Navy Department, April 1, 1861, to date	471
Amount received for vessels sold from April, 1865, to May, 1868	89,710,575 55
Amount received from vessels sold from April 1, 1861, to April 1, 1865	41,400 00
Amount received from May 1, 1868, to date	812,534 93
Total	10,764,510 45

NOTE.—For the number and names of vessels sold from close of war to May 1, 1868, see Ex. Doc. No. 282, 2d session 40th Congress.

GENERAL RECAPITULATION.

	Number.	Tonnage.	Guns.
Vessels in service April 1, 1861 .....	88	118,460	2,409
Vessels built since April 1, 1861 .....	179	166,000	1,110
Whole number purchased since April 1, 1861, or transferred to navy .....	497	171,837	
Whole number sold .....	471		
Total price paid .....			\$10,764,510 45

No. V.—Number and tonnage of sailing and steam vessels built and first registered in the United Kingdom.

Calendar years.	SAILING VESSELS.		STEAM VESSELS.		TOTAL.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
1850.....	621	119,111	68	14,584	639	133,695
1851.....	594	126,914	78	22,723	672	149,637
1852.....	608	136,749	104	30,742	712	167,491
1853.....	645	154,956	153	48,215	798	203,171
1854.....	628	132,687	174	64,255	802	196,942
1855.....	865	242,182	233	81,018	1,098	323,200
1856.....	921	187,005	229	57,573	1,150	244,578
1857.....	1,050	197,531	228	52,918	1,278	250,442
1858.....	847	154,930	153	53,150	1,000	208,080
1859.....	789	147,967	150	38,003	939	185,970
1860.....	818	158,172	198	53,796	1,016	211,968
1861.....	774	129,970	201	70,869	975	200,839
1862.....	827	164,061	221	77,338	1,048	241,399
1863.....	881	253,036	279	107,951	1,160	360,987
1864.....	867	272,499	371	159,371	1,241	431,873
1865.....	922	235,555	382	179,649	1,304	415,204
1866.....	960	207,678	351	133,511	1,323	341,189
1867.....	915	185,771	295	97,219	1,210	282,990
1868.....	787	237,687	232	78,519	1,019	316,197

No. VI.—Table showing the tonnage of United States and British registered vessels, employed in the foreign trade of each country, during the years, respectively, 1830, 1840, 1850, and from 1860 to 1868, both inclusive.

Year.	UNITED STATES.			GREAT BRITAIN.*						
	Sail.	Steam.	Total.	In the foreign trade.			Partly in home and partly in foreign trade.			
				Sail.	Steam.	Total.	Sail.	Steam.	Total.	
1830.....	575,056	1,419	576,475							
1840.....	895,610	4,155	899,765							
1850.....	1,540,769	44,429	1,585,198	2,143,234	45,186	2,188,420	222,341	5,298	227,639	250,359
1860.....	2,448,941	97,296	2,546,237	2,804,610	277,437	3,082,047	226,556	24,924	251,480	276,404
1861.....	2,540,020	162,608	2,702,628	2,866,218	313,465	3,179,683	219,522	24,924	244,446	271,370
1862.....	2,177,253	113,998	2,291,251	2,993,696	328,319	3,322,016	246,479	29,463	275,942	317,405
1863.....	1,892,899	133,215	2,026,114	3,246,526	371,201	3,617,727	284,413	33,547	317,960	351,510
1864.....	1,475,376	106,519	1,581,895	3,532,242	456,241	3,988,483	262,125	36,944	309,069	346,013
1865.....	1,504,575	98,008	1,602,583	3,629,023	523,698	4,152,721	282,295	43,225	325,520	368,745
1866.....	1,294,637	198,289	1,492,926	3,612,973	553,425	4,166,398	278,167	47,194	325,361	362,555
1867.....	1,369,917	199,115	1,568,032	3,611,662	608,232	4,249,894	189,846	50,201	240,047	290,047
1868.....	1,313,793	221,939	1,535,732	3,646,150	619,199	4,265,349	240,921	53,150	294,071	347,221

\* This table includes Channel Island vessels, but not those of the British plantations. The home trade signifies on the coasts of the United Kingdom, or to ports between the limits of the river Elbe and Brest. The foreign trade signifies to ports beyond such limits.

No. VII.—*Total number and tonnage of vessels registered as belonging to the United Kingdom, including Jersey, Guernsey, and the Isle of Man, at the end of each year.*

Calendar years.	SAILING VESSELS.		STREAM VESSELS.		TOTAL.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
1850	24,797	3,396,650	1,187	168,474	25,984	3,565,133
1851	24,816	3,475,657	1,227	185,657	26,043	3,662,314
1852	24,814	3,549,968	1,272	209,310	26,086	3,759,278
1853	25,224	3,780,092	1,385	250,112	26,609	4,030,204
1854	25,335	3,912,513	1,521	306,237	26,859	4,218,750
1855	24,274	3,968,699	1,674	380,635	25,948	4,349,334
1856	24,480	3,980,491	1,697	386,462	26,177	4,366,956
1857	25,273	4,141,274	1,824	417,466	27,097	4,558,740
1858	25,615	4,205,250	1,926	452,468	27,541	4,657,738
1859	25,784	4,226,355	1,918	436,836	27,702	4,663,191
1860	25,663	4,294,360	2,000	454,327	27,663	4,658,687
1861	25,905	4,300,518	2,132	506,304	28,038	4,806,826
1862	26,212	4,396,509	2,228	537,891	28,440	4,934,400
1863	26,339	4,731,217	2,298	596,856	28,637	5,328,073
1864	26,142	4,930,219	2,490	697,281	28,632	5,627,500
1865	26,069	4,936,776	2,578	823,533	28,647	5,760,309
1866	26,140	4,903,652	2,631	875,685	28,771	5,779,337
1867	25,842	4,852,911	2,931	901,662	28,773	5,753,973
1868	25,500	4,878,233	2,944	932,297	28,444	5,780,530

No. VIII.—*Table showing the tonnage, respectively, of American, British, and French vessels which entered and cleared at the ports of countries to which such vessels belonged in trade with other countries.*

Calendar year.	Entered inward.			Cleared outward.		
	American vessels entering at American ports from foreign ports.	British vessels entering at ports of Great Britain from foreign ports.	French vessels entering at ports of France from foreign ports.	American vessels clearing from American ports for foreign ports.	British vessels clearing from ports of Great Britain for foreign ports.	French vessels clearing from ports of France for foreign ports.
1853	4,004,013	3,363,121	854,029	3,766,789	3,457,058	911,164
1854	3,752,115	3,313,549	921,186	3,911,392	3,362,083	1,011,611
1855	3,861,391	3,633,153	1,006,419	4,068,979	3,882,017	1,042,279
1856	4,335,484	4,433,792	1,191,424	4,538,364	4,521,818	1,215,151
1857	4,721,370	4,772,769	1,356,657	4,580,651	4,630,230	1,375,082
1858	4,395,642	4,506,100	1,286,870	4,490,033	4,367,855	1,274,219
1859	5,265,648	4,603,266	1,328,322	5,297,367	4,631,670	1,401,164
1860	5,921,285	4,772,019	1,345,396	6,165,924	4,801,042	1,437,898
1861	5,023,917	5,419,459	1,434,778	4,889,313	5,182,862	1,462,461
1862	5,117,685	5,526,295	1,589,763	4,961,818	5,546,183	1,559,886
1863	4,614,698	5,866,184	1,610,347	4,417,261	5,722,613	1,656,777
1864	3,066,434	6,462,606	1,649,518	3,090,948	6,460,578	1,660,630
1865	2,943,661	7,022,948	1,639,994	3,025,134	7,116,057	1,705,334
1866	3,372,060	7,989,264	1,633,296	3,383,176	7,895,770	1,699,549
1867	3,455,052	7,706,255	1,799,503	3,419,502	8,388,346	1,392,904
1868	3,550,550	7,721,022	1,804,021	3,717,956	8,604,691	1,834,856

No. IX.—Table showing the licensed and enrolled tonnage of the United States engaged in the coastwise trade, and the tonnage of the British registered vessels engaged in the home trade, during the years, respectively, from 1850 to 1868, both inclusive.

Year.	UNITED STATES.			* GREAT BRITAIN.						Year.
	Licensed and enrolled sail.	Licensed and enrolled steam.	Total licensed and enrolled.	In the home trade.			Partly in the home and partly in the foreign trade.			
				Registered sail.	Registered steam.	Total registered.	Registered sail.	Registered steam.	Total registered.	
1850.	1,408,738	481,005	1,949,743	666,957	54,196	721,153	222,341	5,298	227,639	1850
1851.	1,524,915	521,217	2,046,132	685,641	78,820	764,461	242,656	4,936	247,592	1851
1852.	1,675,456	563,536	2,238,992	701,893	69,606	768,499	147,867	15,244	163,111	1852
1853.	1,789,238	514,099	2,303,336	689,342	85,471	774,813	156,800	7,250	164,050	1853
1854.	1,887,512	581,571	2,469,083	694,712	54,002	748,714	202,124	19,135	221,259	1854
1855.	2,021,625	655,210	2,676,865	691,128	57,415	748,543	210,114	12,562	222,676	1855
1856.	1,796,888	583,362	2,380,250	719,269	67,616	787,476	162,488	16,102	178,590	1856
1857.	1,857,964	618,911	2,476,875	767,925	92,481	860,406	162,112	29,859	192,971	1857
1858.	2,550,067	651,363	3,201,430	782,113	90,739	878,552	138,699	20,604	159,303	1858
1859.	1,961,631	676,005	2,637,636	777,422	90,867	868,289	132,768	21,123	153,891	1859
1860.	2,036,990	770,641	2,807,631	821,079	92,254	913,333	226,556	29,833	256,359	1860
1861.	2,122,589	774,596	2,897,185	832,771	102,795	935,566	219,522	24,924	244,446	1861
1862.	2,224,449	596,465	2,820,914	771,326	104,029	875,346	246,479	29,463	275,942	1862
1863.	2,669,212	439,755	3,009,967	752,589	107,003	859,592	284,413	33,547	317,960	1863
1864.	2,550,690	853,816	3,404,506	789,108	125,808	914,916	268,125	36,944	305,069	1864
1865.	2,525,067	969,131	3,494,198	795,434	134,776	930,210	282,295	43,225	325,520	1865
1866.	1,932,829	855,023	2,817,852	813,909	147,194	961,103	278,167	47,194	325,361	1866
1867.	1,742,689	993,765	2,736,454*	838,523	154,244	993,767	199,846	50,201	250,047	1867
1868.	1,808,550	977,476	2,786,026	804,749	153,265	958,014	240,921	52,150	293,071	1868

\* NOTE.—This table includes Channel Islands vessels, but not those of the British plantations. The home trade signifies on the coasts of the United Kingdom, or to ports beyond the limits of the River Elbe and Brest. The foreign trade signifies to ports beyond such limits.

No. X.—A comparative view of the tonnage of the United States from June 30, 1850, to June 30, 1869, showing, separately, the tonnage of sailing and steam vessels, and the yearly increase or decrease of each class.

Fiscal years.	Total tonnage.	Tonnage employ'd in steam navigation.	Yearly increase and decrease of steam tonnage.	Tonnage of sailing vessels, including barges and canal-boats.	Yearly increase and decrease of sail'g tonnage.
	<i>Tons and 95ths.</i>	<i>Tons and 95ths.</i>	<i>Tons and 95ths.</i>	<i>Tons and 95ths.</i>	<i>Tons and 95ths.</i>
1851.	3,772,439.43	583,607.05	*57,660.15	3,188,832.38	*179,325.05
1852.	4,138,440.47	634,240.67	*50,633.62	3,504,199.80	*315,367.42
1853.	4,407,011.43	514,097.87	†120,142.80	3,892,913.56	*388,713.76
1854.	4,802,992.63	676,667.12	*162,569.25	4,126,325.51	*233,381.95
1855.	5,212,001.10	770,285.12	*93,678.00	4,441,715.98	*315,420.47
1856.	4,871,652.46	673,077.54	†197,207.58	4,198,574.92	†243,141.06
1857.	4,940,843.04	795,784.04	*32,706.50	4,245,059.00	*36,484.08
1858.	5,049,898.35	729,398.41	*33,614.37	4,320,499.94	*85,350.94
1859.	5,145,037.39	768,436.89	*39,038.42	4,376,600.56	*56,190.62
1860.	5,353,868.42	867,937.49	*99,500.66	4,485,930.93	*100,330.37
1861.	5,539,892.79	877,203.51	*9,266.02	4,662,689.28	*176,678.35
1862.	5,112,164.48	710,462.33	†166,741.18	4,401,702.15	†260,967.13
1863.	5,155,055.47	575,510.17	†134,952.16	4,579,545.30	*177,843.15
1864.	4,986,399.79	978,177.74	*402,667.57	4,008,222.05	*1571,323.25
1865.	5,096,781.80	1,067,139.91	*88,962.17	4,029,641.89	*21,419.84
1866.	4,310,775.48	1,083,511.99	*16,372.08	3,227,263.49	†892,378.40
1867.	3,957,514.62	1,122,979.61	*39,467.62	2,834,535.01	†392,728.48
1868.	4,318,399.50	1,199,414.89	*76,435.28	3,118,984.61	*284,359.60
1869.	4,144,640.76	1,103,568.38	†95,851.89	3,041,072.38	†177,822.61

\* Increase. † Decrease.  
 ‡ For 1863, 1866, 1867, and 1868 the tonnage is partly "old" and partly "new" admeasurement.

No. XI.—A statement exhibiting the amount of registered tonnage of the United States, steam and sail, employed in navigation annually, from 1850 to 1869, inclusive, and the annual increase or decrease of each class.

Yearending June 30—	Total tonnage.	Registered sail tonnage.	Annual increase or decrease of sail tonnage.	Registered steam tonnage.	Annual increase or decrease of steam tonnage.
1850.....	1,585,198	1,540,769	*122,697	44,429	*23,559
1851.....	1,726,307	1,663,917	*123,148	62,390	*17,961
1852.....	1,899,478	1,819,774	*153,857	79,704	*17,314
1853.....	2,103,674	2,013,154	*193,380	90,520	*10,816
1854.....	2,333,819	2,238,783	*225,629	95,036	*4,516
1855.....	2,555,136	2,440,091	*291,308	115,045	*20,009
1856.....	2,491,402	2,401,687	†38,401	89,715	†25,339
1857.....	2,463,967	2,377,094	†24,533	86,873	†2,812
1858.....	2,577,769	2,439,742	*122,648	78,027	†8,846
1859.....	2,597,402	2,414,651	*185,088	92,718	*14,721
1860.....	2,546,237	2,448,941	*34,287	97,296	*4,548
1861.....	2,642,628	2,510,020	*91,079	162,608	*5,312
1862.....	2,291,251	2,177,253	†162,767	113,998	*11,390
1863.....	2,026,114	1,892,899	†281,354	133,215	*19,217
1864.....	1,581,895	1,475,376	†117,523	106,519	†26,696
1865.....	1,602,583	1,504,575	*92,199	98,008	†8,511
1866.....	1,492,926	1,294,637	†209,938	198,289	*160,281
1867.....	1,568,032	1,369,917	*75,281	198,115	†174
1868.....	1,565,732	1,343,793	†26,124	221,939	*23,824
1869.....	1,566,421	1,353,169	*42,825	213,252	†8,687

\* Increase.

† Decrease.

No. XII.—Table showing the tonnage of the United States, June 30, 1869.

	TONNAGE.		
	Sailing ves- sels.	Steamers.	Total.
Registered vessels.....	1,353,169	213,252	1,566,421
Licensed and enrolled vessels.....	1,687,993	890,316	2,578,319
Total.....	3,041,072	1,103,568	4,144,640

No. XIII.—Statement showing the number and class of vessels built, and the tonnage thereof, in the several States and Territories of the United States from 1850 to 1869, inclusive.

Fiscal years.	CLASS OF VESSELS.					Total No. of vessels built.	Total ton- nage.
	Ships and barks.	Brigs.	Schooners.	Sloops and canal-boats.	Steamers.		
1850.....	247	117	547	290	250	1,460	272,218.54
1851.....	211	65	522	326	233	1,357	298,203.60
1852.....	255	79	584	267	259	1,444	351,493.41
1853.....	269	97	681	394	271	1,719	425,571.49
1854.....	334	112	661	386	281	1,774	535,616.01
1855.....	381	126	665	660	253	2,034	583,450.04
1856.....	336	103	594	479	221	1,703	469,393.73
1857.....	251	58	504	258	263	1,334	378,804.70
1858.....	222	46	431	400	226	1,325	242,286.69
1859.....	89	28	297	284	172	870	156,601.33
1860.....	110	36	372	289	264	1,071	212,892.45
1861.....	110	32	360	371	264	1,143	233,194.35
1862.....	62	17	207	397	183	866	175,075.84
1863.....	97	34	212	1,113	367	1,823	310,884.34
1864.....	112	45	322	1,389	498	2,366	514,740.64
1865.....	109	46	369	853	411	1,788	383,805.60
1866.....	96	61	457	926	348	1,888	336,146.56
1867.....	95	70	517	657	189	1,519	303,528.66
1868.....	80	48	590	848	236	1,802	285,304.73
1869.....	91	36	506	816	277	1,726	275,230.05

\* New admeasurement.

No. XIV.—*Total summary of the tonnage of the United States, June 30, 1869, as reported to the Bureau of Statistics.*

Class.	Vessels.	Tons.
Ships .....	537	
Barks .....	818	
Brigs .....	607	
Schooners .....	10, 870	
Sloops .....	3, 913	
Total sailing vessels .....	16, 745	2, 074 811. 09
Total steam vessels .....	3, 361	1, 046, 015. 98
Total unrigged .....	6, 287	623, 492. 62
Total number of vessels permanently documented .....	26, 393	3, 744, 319. 09
Total number of vessels temporarily documented .....	1, 033	401, 046. 99
Total .....	27, 426	4, 145, 366. 08

No. XV.—*A table showing the amount of American and foreign tonnage entered the ports of the United States from foreign countries in 1830, 1840, 1850, and from 1860 to 1869, both inclusive.*

Fiscal years.	American tonnage.	Foreign tonnage.	American in excess of foreign tonnage.	For'n in excess of American tonnage.
1830 .....	967, 227	131, 900	835, 327	
1840 .....	1, 576, 946	712, 363	864, 583	
1850 .....	2, 573, 016	1, 775, 623	797, 393	
1860 .....	5, 921, 285	2, 359, 911	3, 567, 374	
1861 .....	5, 023, 917	2, 217, 554	2, 806, 363	
1862 .....	5, 117, 685	2, 245, 278	2, 872, 407	
1863 .....	4, 614, 698	2, 640, 378	1, 974, 320	
1864 .....	3, 066, 434	3, 471, 219		404, 785
1865 .....	2, 943, 661	3, 216, 967		273, 306
1866 .....	3, 372, 060	4, 410, 424		1, 038, 364
1867 .....	3, 455, 452	4, 318, 673		863, 621
1868 .....	3, 550, 550	4, 495, 465		944, 915
1869 .....	3, 402, 668	5, 347, 694		1, 945, 026

No. XVI.—*Table showing the estimated value of American foreign carrying trade during the ten years from 1860 to 1869, both inclusive.*

Fiscal years.	Amount of registered tonnage June 30.	Estimated specie value, per ton.	Aggregate specie value of tonnage.	Estimated specie value of gross yearly earnings, being 33 1/4 per cent. of value.
1860 .....	1, 585, 198	\$38	\$60, 237, 524	\$20, 079, 175
1861 .....	2, 546, 237	41	104, 395, 717	34, 798, 572
1862 .....	2, 642, 628	41	108, 347, 748	36, 115, 916
1863 .....	2, 291, 251	45	103, 106, 295	34, 368, 765
1864 .....	2, 026, 114	45	91, 175, 130	30, 391, 710
1865 .....	1, 581, 895	45	71, 185, 275	23, 728, 425
1866 .....	1, 602, 583	45	72, 116, 235	24, 038, 745
1867 .....	1, 492, 926	45	67, 181, 670	22, 393, 890
1868 .....	1, 568, 032	45	70, 561, 440	23, 520, 480
1869 .....	1, 565, 732	45	70, 457, 940	23, 485, 980
1869 .....	1, 566, 421	45	70, 488, 945	23, 496, 315

No. XVII.—Table showing the estimated value of American coastwise and inland carrying trade during the ten years from 1860 to 1869, both inclusive.

Fiscal years.	Amount of licensed and enrolled tonnage on June 30.	Estimated specie value, per ton.	Aggregate specie value of tonnage.	Estimated specie value of gross yearly earnings, being 33 1/3 per cent. of value.
1860.....	1,949,743	\$38	\$74,090,234	\$24,696,745
1861.....	2,897,631	41	118,112,871	38,370,957
1862.....	2,897,185	41	118,784,585	39,594,861
1863.....	2,820,914	45	126,941,130	42,313,710
1864.....	3,099,967	45	139,498,515	46,499,565
1864.....	3,494,506	45	153,292,770	51,067,590
1865.....	3,494,198	45	157,238,910	52,412,970
1866.....	2,817,832	45	126,803,340	42,267,750
1867.....	2,736,454	45	123,140,430	41,046,810
1868.....	2,786,036	45	125,371,170	41,790,390
1869.....	2,578,219	45	116,019,855	38,673,255

No. XVIII.—Table showing the total foreign commerce of the United States during each year from 1850 to 1869, inclusive.

Fiscal years.	Exports and imports in American vessels.	Exports and imports in foreign vessels.	Total.
1850.....	\$239,272,084	\$90,764,954	8330,037,038
1851.....	316,107,232	118,505,711	431,612,943
1852.....	294,735,404	123,219,817	417,955,221
1853.....	346,717,127	152,237,677	498,954,804
1854.....	406,698,539	170,591,875	577,290,414
1855.....	405,485,462	131,139,904	536,625,366
1856.....	482,268,274	159,336,576	641,604,850
1857.....	510,331,027	213,519,796	723,850,823
1858.....	447,191,304	160,066,267	607,257,571
1859.....	465,741,381	229,816,211	695,557,592
1860.....	507,247,757	255,040,793	762,288,550
1861.....	381,516,788	203,478,278	584,995,066
1862.....	217,695,418	218,015,296	435,710,714
1863.....	241,872,471	343,056,031	584,928,502
1864.....	184,061,486	485,793,548	669,855,034
1865.....	167,402,872	437,010,121	604,412,996
1866.....	325,711,861	685,226,691	1,010,938,552
1867.....	296,998,387	580,022,004	877,020,391
1868.....	297,981,573	550,546,074	848,527,647
1869.....	289,950,272	586,492,012	876,442,284
Total.....	6,824,986,719	5,893,879,639	12,718,866,358

No. XIX.—Total exports of domestic and foreign merchandise combined.

Fiscal years.	American ves-cls.	Foreign ves-cls.	Total.
1850.....	\$99,615,041	\$52,223,679	\$151,838,720
1851.....	152,456,689	65,931,322	218,388,011
1852.....	139,476,937	70,181,429	209,658,366
1853.....	155,028,802	75,947,355	230,976,157
1854.....	191,322,266	81,474,054	272,796,320
1855.....	203,250,562	71,906,284	275,156,846
1856.....	232,295,162	94,669,146	326,964,308
1857.....	251,214,857	111,745,825	362,960,682
1858.....	213,491,288	81,153,133	294,644,421
1859.....	249,617,953	107,171,509	356,789,462
1860.....	279,082,902	121,039,394	400,122,296
1861.....	179,972,733	69,372,180	249,344,913
1862.....	125,421,318	104,517,667	229,938,985
1863.....	132,127,890	199,880,691	332,008,581
1864.....	102,849,409	237,442,730	340,292,139
1865.....	90,017,756	262,839,588	352,857,344
1866.....	213,671,466	351,754,928	565,426,394
1867.....	179,788,851	279,399,969	459,188,820
1868.....	175,016,348	301,886,491	476,902,839
1869.....	153,148,248	285,979,781	439,128,029
Total.....	3,548,866,478	3,029,577,155	6,578,443,633



No. XX.—Table showing the amount of foreign merchandise imported into the United States in American and foreign vessels, respectively, during the fiscal years from 1850 to 1869, both inclusive. (Expressed in specie value at foreign ports of exportation.)

Years.	IMPORTS.		
	In American vessels.	In foreign vessels.	Total in American and foreign vessels.
1850.....	\$139,657,043	\$38,481,275	\$178,138,318
1851.....	163,630,543	52,574,389	216,204,932
1852.....	153,258,467	53,038,388	*212,945,442
1853.....	191,688,325	76,290,322	267,978,647
1854.....	215,376,273	86,117,821	*304,562,381
1855.....	202,234,900	59,233,620	261,468,520
1856.....	249,972,512	64,667,430	314,639,942
1857.....	259,116,170	101,773,971	360,890,141
1858.....	203,700,016	78,913,134	282,613,150
1859.....	216,123,428	122,644,702	338,768,130
1860.....	228,164,855	134,001,399	362,166,254
1861.....	201,544,055	134,106,098	335,650,153
1862.....	92,274,100	113,497,629	205,771,729
1863.....	109,744,580	143,175,340	252,919,920
1864.....	81,212,077	248,350,818	329,562,895
1865.....	74,385,116	174,170,536	248,555,652
1866.....	112,040,395	333,471,763	445,512,158
1867.....	117,209,536	300,622,035	417,831,571
1868.....	122,965,225	248,659,583	371,624,808
1869.....	136,802,024	300,512,231	437,314,255
Total.....	3,273,119,610	2,864,302,484	6,145,138,998

\* In the year 1852 \$4,648,587, and in 1854 \$3,068,287, were imported into San Francisco; class of vessels in which brought cannot be stated.

No. XXI.—Statement exhibiting the arrival and departure, at certain specified ports, of American and foreign vessels, in certain portions of the foreign trade of the United States, 1856 to 1860, and 1865 to 1869, both inclusive.

## No. I.—DISTRICT OF BOSTON.

District.	ENTERED.						Countries.						
	From 1856 to 1860 inclusive.			From 1865 to 1869 inclusive.									
	American.		Foreign.	American.		Foreign.		Total.					
	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.		Number.	Tonnage.				
Boston.....	37	21,992	1	472	38	22,464	18	12,218	12	6,207	30	18,425	Dutch E. Indies.
	403	319,497	9	8,624	412	328,121	123	113,858	63	50,871	186	164,729	British E. Indies.
	1	311			1	311			3	1,538	3	1,538	Australia.
	67	55,924	1	892	68	56,816	25	23,376	7	6,008	32	29,384	Philippine Islands.
	20	15,399	1	125	21	15,524	5	2,709	12	3,601	17	8,310	China.
									1	757	1	757	Japan.
Total....	528	413,123	12	10,113	540	423,236	171	152,161	98	70,982	269	223,143	
Boston.....	49	16,180	23	9,599	72	25,779	11	5,010	18	6,949	20	11,959	France on Med.
	45	15,943	27	6,724	72	22,667	33	10,097	23	3,851	56	13,948	Spain on Med.
	203	81,246	131	26,507	334	107,753	184	79,124	76	28,451	260	107,575	Italy and Sicily.
	5	2,411			5	2,411							Austria.
	102	33,310	6	1,645	108	34,955	33	11,817	25	7,971	58	19,788	Turkey & Greece.
Total....	404	149,090	187	44,475	591	193,565	261	106,048	142	47,222	403	153,270	
CLEARED.													
Boston.....	23	11,518	5	1,912	28	13,430	22	16,184	3	2,030	25	18,214	Dutch E. Indies.
	206	133,696	1	475	207	134,081	94	86,202	16	11,763	110	100,965	British E. Indies.
	93	63,618	1	1,545	94	65,163	61	39,437	39	20,164	100	59,601	Australia.
	9	7,083			9	7,083							Philippine Islands.
	38	22,210			38	22,210	21	16,603	5	3,976	26	20,579	China.
							3	1,731			3	1,731	Japan.
Total....	369	238,035	7	3,932	376	241,967	201	160,157	63	40,933	264	201,090	
Boston.....	38	10,661	8	2,016	46	12,677	5	1,527	5	1,173	10	2,700	France on Med.
	24	5,865	3	871	27	6,736	30	9,897	7	1,865	37	11,762	Spain on Med.
	30	8,680	11	3,281	41	11,961	10	3,105	3	919	13	4,024	Italy and Sicily.
	36	11,463	6	2,049	42	13,512	1	384	1	211	2	595	Austria.
	116	41,942	4	2,266	120	44,178	26	8,009	13	3,539	39	11,548	Turkey & Greece.
Total....	244	78,581	32	10,483	276	89,064	72	22,922	29	7,707	101	30,629	

No. XXI.—Arrival and departure of American and foreign vessels, &c.—Continued.

No. II.—DISTRICT OF NEW YORK.

Districts.	ENTERED.										Countries.		
	From 1856 to 1860 inclusive.					From 1865 to 1869 inclusive.							
	American.		Foreign.		Total.	American.		Foreign.		Total.			
	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.			
New York	28	14,074	1	360	29	14,434	10	7,335	31	14,535	41	21,870	Dutch East Indies.
	136	117,768	25	14,238	161	132,006	58	54,983	170	141,010	228	195,993	British East Indies.
	13	5,186	1	250	14	5,436	4	3,178	8	3,818	12	6,996	Australia.
	67	67,019	4	2,790	71	69,809	60	63,275	31	24,605	91	87,880	Philippine Islands.
	234	213,958	16	2,868	250	222,826	61	46,750	227	108,821	291	155,571	China.
	.....	.....	.....	.....	.....	.....	11	7,383	54	23,314	65	30,697	Japan.
Total....	478	418,045	47	26,506	525	444,551	207	182,904	521	316,103	728	499,007	
New York	117	56,724	68	21,867	185	78,591	54	26,714	131	57,066	185	83,780	France on Medite'n.
	209	57,904	116	22,810	325	80,714	88	29,459	141	39,000	229	68,459	Spain on Medite'n.
	335	145,052	237	70,531	572	215,586	252	114,855	480	198,389	732	313,244	Italy and Sicily.
	20	8,718	34	11,684	54	20,402	2	949	76	30,999	78	31,948	Austria.
	25	9,072	46	15,307	71	24,469	6	2,150	55	13,430	61	15,580	Turkey and Greece.
Total....	706	377,470	501	145,292	1207	422,762	402	174,127	883	338,884	1285	513,011	

CLEARED.

New York	30	20,939	2	849	32	21,788	6	4,385	10	6,631	16	11,016	Dutch East Indies.
	56	41,617	31	17,399	87	59,016	4	2,925	24	14,059	28	16,984	British East Indies.
	186	179,915	22	12,122	208	192,037	42	29,872	109	61,512	151	91,384	Australia.
	2	755	.....	.....	2	755	1	729	.....	.....	1	729	Philippine Islands.
	145	124,818	1	369	146	125,187	81	71,974	49	36,382	130	108,356	China.
	.....	.....	.....	.....	.....	.....	25	33,270	6	5,337	31	38,607	Japan.
Total....	419	368,044	56	30,739	475	398,783	159	143,155	198	123,921	357	267,076	
New York	153	58,224	35	9,421	188	67,645	134	56,976	115	37,357	249	94,333	France on Medite'n.
	143	38,548	45	13,572	188	52,120	68	23,434	87	21,076	155	47,510	Spain on Medite'n.
	49	12,986	60	18,979	109	31,965	69	37,509	192	86,840	261	124,349	Italy and Sicily.
	10	4,881	14	5,021	24	9,902	2	1,040	62	18,662	64	19,702	Austria.
	51	16,713	13	3,766	64	20,479	16	5,331	33	8,043	49	13,377	Turkey and Greece.
Total....	394	131,352	167	53,759	561	182,111	289	124,293	489	174,978	778	299,271	

No. XXI.—Arrival and departure of American and foreign vessels, &amp;c.—Continued.

## No. III.—DISTRICT OF PHILADELPHIA.

ENTERED.

District.	From 1856 to 1860, inclusive.						From 1865 to 1869, inclusive.						Countries.
	American.		Foreign.		Total.		American.		Foreign.		Total.		
	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	
Philadelp'a	13	11,345	1	1,007	14	12,352	2	736	.....	.....	2	736	Br. East Indies. Australia.
	.....	.....	.....	.....	.....	.....	1	421	.....	.....	1	421	
Total....	13	11,345	1	1,007	14	12,352	3	1,157	.....	.....	3	1,157	
Philadelp'a	3	624	3	706	6	1,330	1	295	4	933	5	1,228	France on Med'n. Spain on Med'n. Italy and Sicily.
	10	2,350	13	3,032	23	5,382	3	921	5	891	8	1,812	
	97	39,393	71	23,201	168	61,594	76	27,099	90	25,660	166	52,759	
Total....	110	42,367	87	25,939	197	68,306	80	28,315	99	27,481	179	55,799	

CLEARED.

Philadelp'a	3	2,613	.....	.....	3	2,613	.....	.....	.....	.....	.....	.....	British E. Indies. Australia. Philippine Islr'ds. China. Japan.
	1	847	.....	.....	1	847	.....	.....	.....	.....	.....	.....	
	6	5,838	.....	.....	6	5,838	2	2,013	1	716	3	2,729	
	.....	.....	.....	.....	.....	.....	1	338	.....	.....	1	338	
Total....	10	9,298	.....	.....	10	9,298	3	2,351	1	716	4	3,067	
Philadelp'a	4	1,705	3	619	7	2,324	93	36,206	20	6,670	113	42,876	France on Med'n. Spain on Med'n. Italy and Sicily. Austria. Turkey & Greece.
	.....	.....	2	326	2	326	.....	.....	8	1,500	8	1,500	
	.....	.....	3	919	3	919	24	7,920	35	10,402	59	18,322	
	1	299	.....	.....	1	299	7	2,569	2	1,022	9	3,591	
Total....	5	2,004	8	1,864	13	3,868	125	46,943	66	19,784	191	66,727	

No. XXI.—Arrival and departure of American and foreign vessels, &c.—Continued.

No. IV.—DISTRICT OF BALTIMORE.

District.	ENTERED.											Countries.	
	From 1856 to 1860, inclusive.						From 1865 to 1869, inclusive.						
	American.		Foreign.		Total.		American.		Foreign.		Total.		
	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.		Tonnage.
Baltimore.			1	781	1	781							British East Indies.
Baltimore.	4	2,526	2	498	6	3,024			1	228	1	228	France on Med'n.
	9	2,040	8	1,028	17	3,068	5	4,354	8	1,683	13	6,037	Spain on Med'n.
	46	16,043	22	4,252	68	20,295	12	3,904	46	13,026	58	16,930	Italy and Sicily.
Total....	59	20,609	32	5,778	91	26,387	17	8,258	55	14,937	72	23,195	
CLEARED.													
Baltimore.			3	1,639	3	1,639							British East Ind's.
	2	1,392			2	1,392							Australia.
	1	910			1	910							Philippine Islands.
	2	3,433	1	1,313	3	4,746	1	679	2	1,399	3	1,988	China.
							8	7,782	1	987	9	8,769	Japan.
Total....	5	5,735	4	2,952	9	8,687	9	8,461	3	2,296	12	10,757	
Baltimore.	22	11,746	2	337	24	12,083	5	2,438	2	1,627	7	4,065	France on Med'n.
	6	2,116	1	189	7	2,305	7	2,121	7	1,031	14	3,152	Spain on Med'n.
	4	1,013	4	659	8	1,672	5	1,383	6	1,156	11	2,539	Italy and Sicily.
	5	2,246			5	2,246			1	246	1	246	Austria.
Total....	37	17,121	7	1,185	44	18,306	17	5,942	16	4,060	33	10,002	

No. XXI.—Arrival and departure of American and foreign vessels, &amp;c.—Continued.

## No. V.—DISTRICTS OF RICHMOND AND CHARLESTON.

ENTERED.

Districts.	From 1856 to 1860, inclusive.						From 1865 to 1869, inclusive.						Countries.
	American.		Foreign.		Total.		American.		Foreign.		Total.		
	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	
Richmond.	1	533			1	533							Spain on Med.
Charleston.	1	883	1	1,029	2	1,912							British E. Indies.
Charleston.	3	2,144	4	1,216									France on Med.
	5	3,535	49	18,986									Spain on Med.
			4	1,982									Italy.
	1	533											Austria.
			2	967									Turkey.
Total....	9	6,212	59	23,151									

CLEARED.

Richmond.	6	4,204											Australia.
Richmond.	8	4,414			8	4,414							France on Med.
	4	2,073	2	672	6	2,745			5	1,439	5	1,439	Italy.
	33	18,310	5	3,143	38	21,453			5	1,725	5	1,725	Austria.
Total....	45	24,797	7	3,815	52	28,612			10	3,164	10	3,164	
Charleston.	1	572			1	572							China.
Charleston.	7	2,222	4	913									France on Med.
	13	3,906	377	99,993			1	235	43	9,333			Spain on Med.
	4	1,801	1	290									Italy.
	2	1,209											Austria.
Total....	26	9,138	382	101,196			1	235	43	9,333			

No. XXI.—Arrival and departure of American and foreign vessels, &c.—Continued.

No. VI.—DISTRICT OF NEW ORLEANS.

District.	ENTERED.												Countries.
	From 1856 to 1860, inclusive.						From 1865 to 1869, inclusive.						
	American.		Foreign.		Total.		American.		Foreign.		Total.		
	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	
N. Orleans	7	6,909	3	2,673	10	9,582	1	1,043	3	3,359	4	4,402	British E. Indies. Australia.
	1	997	1	1,207	2	2,204							
Total ...	8	7,906	4	3,880	12	11,786	1	1,043	3	3,359	4	4,402	
N. Orleans	30	30,034	21	9,887	51	39,921	5	3,009	13	5,759	18	8,768	France on Med. Spain on Med. Italy and Sicily. Austria. Turkey & Greece.
	42	25,683	129	57,461	171	82,544	12	8,942	12	6,284	24	15,226	
	107	71,762	115	41,350	222	113,112	12	4,275	57	16,626	69	20,901	
	12	11,483	1	548	13	12,031							
	5	5,418	2	1,572	7	6,990							
Total ...	196	143,780	268	110,818	464	254,598	29	16,226	82	28,669	111	44,895	

CLEARED.

N. Orleans	2	2,253			2	2,253							British E. Indies. Australia.
Total ...	2	2,253			2	2,253							
N. Orleans	62	34,003	28	11,050	96	45,053	3	1,261	4	919	7	2,180	France on Med. Spain on Med. Italy and Sicily. Austria. Turkey & Greece.
	28	13,607	443	167,454	471	174,061	5	1,960	194	58,274	199	60,234	
	140	91,433	53	19,688	193	111,121	10	4,636	28	7,042	38	11,648	
	40	25,440	13	5,067	53	30,507							
Total ...	276	164,483	537	196,259	813	360,742	18	7,827	226	66,235	244	74,062	

No. XXII.—Statement exhibiting the entrances and clearances of vessels from and to each principal foreign country for the two periods, 1850 to 1859, and 1860 to 1869, all inclusive.

Countries.	ENTERED.								CLEARED.							
	AMERICAN.				FOREIGN.				AMERICAN.				FOREIGN.			
	From 1850 to 1859, inclusive.		From 1860 to 1869, inclusive.		From 1850 to 1859, inclusive.		From 1860 to 1869, inclusive.		From 1850 to 1859, inclusive.		From 1860 to 1869, inclusive.		From 1850 to 1859, inclusive.		From 1860 to 1869, inclusive.	
	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
Russia.....	219	98,455	219	76,988	41	15,674	147	55,657	220	126,400	171	81,452	62	33,115	188	70,965
Prussia.....	12	3,473	1	916	3	1,033	2	700	5	1,633	13	5,430	35	10,298	117	38,674
Sweden and Norway.....	108	53,013	53	29,388	339	110,279	200	76,657	76	38,708	20	9,213	204	61,621	56	17,489
Swedish West Indies.....	91	12,629	41	5,792	6	524	26	3,609	89	15,637	41	11,949	5	738	15	2,675
Denmark.....	3	1,081	7	11,316	12	3,229	6	2,871	19	6,517	4	1,358	78	25,925	31	9,113
Danish West Indies.....	690	142,680	446	110,015	142	43,581	325	99,841	1,077	203,553	703	152,280	163	43,135	514	88,762
Hamburg and Bremen.....	335	303,519	98	133,757	2,662	1,408,867	2,121	2,587,261	325	298,636	142	153,526	1,923	1,088,603	2,242	2,542,356
Holland.....	302	161,823	115	88,674	393	118,270	351	167,131	316	180,694	173	115,144	603	229,936	625	274,896
Dutch West Indies.....	716	131,840	357	73,585	308	45,069	498	86,459	411	80,969	228	37,781	39	6,352	258	49,725
Dutch Guiana.....	322	68,407	152	40,092	71	12,066	188	38,700	250	54,306	159	33,913	33	5,437	174	35,610
Dutch East Indies.....	141	66,316	61	31,496	22	7,135	77	33,119	118	60,577	63	42,455	94	42,927	27	15,697
Belgium.....	462	308,273	175	135,981	201	92,126	367	204,550	502	334,562	210	150,612	147	67,994	895	406,398
England.....	9,064	8,165,144	5,185	5,351,317	5,369	3,908,780	7,344	8,612,874	7,688	7,495,089	4,688	4,918,171	4,364	3,556,652	7,384	8,621,982
Scotland.....	450	241,095	286	191,958	1,164	661,783	952	790,456	367	215,609	246	181,119	415	281,987	598	550,775
Ireland.....	96	41,732	112	61,034	857	376,121	547	324,426	289	150,897	408	231,176	507	196,934	2,829	1,193,864
Gibraltar and Malta.....	111	46,553	44	22,817	66	28,654	56	22,935	424	105,920	304	102,351	69	15,817	326	87,323
British North American Possessions*.....	5,660	1,296,851	9,331	2,705,483	37,046	3,742,109	35,430	4,564,071	7,231	2,404,735	9,919	3,375,986	41,157	5,209,844	38,055	5,579,278
British West Indies.....	3,836	731,544	3,239	674,195	3,044	413,460	4,156	708,998	5,546	1,006,523	3,564	677,003	2,726	365,634	4,061	723,656
British Honduras and Guiana.....	514	102,739	620	113,213	412	63,673	863	158,425	907	188,194	742	152,942	500	76,489	876	158,900
British Possessions in Africa.....	172	45,000	284	79,583	32	8,121	267	72,842	243	59,819	308	94,157	39	11,758	229	63,761
British East Indies.....	896	614,504	532	449,095	72	38,456	301	240,880	783	524,249	250	198,926	97	48,649	57	36,543
Australia.....	120	43,576	144	81,723	173	54,821	283	134,637	652	377,247	393	260,018	329	103,436	401	236,318
France.....	2,729	2,119,106	1,264	1,065,539	1,016	365,592	1,155	656,478	3,331	2,285,018	1,812	1,405,876	589	201,100	1,632	579,716
French Possessions in America.....	427	69,629	184	36,299	508	33,616	359	98,058	1,122	182,173	656	112,856	325	45,141	646	103,775
French Possessions in Africa.....	5	1,165	70	20,256	3	744	29	7,533	7	1,353	133	26,651	15	2,345	41	8,541
Spain.....	952	348,827	661	264,499	823	260,270	608	198,800	906	302,369	598	223,844	1,951	570,512	972	330,537
Canary Islands.....	77	15,868	26	9,396	34	8,408	26	8,773	80	20,109	48	12,934	38	19,741	42	10,850
Philippine Islands.....	289	203,437	228	218,484	40	17,678	81	56,450	175	130,592	47	41,798	49	19,040	20	7,201
Cuba and Porto Rico.....	30,255	5,384,077	17,748	5,521,950	2,704	613,851	7,337	1,890,155	18,627	4,868,503	15,788	4,983,661	1,061	287,808	4,257	1,095,500
Portugal and Madeira.....	156	50,110	76	29,525	254	54,482	221	67,559	313	87,478	174	52,426	307	72,184	274	78,512
Azores and Cape de Verde Islands.....	187	43,477	123	38,370	66	16,921	121	42,825	211	50,195	131	31,305	70	15,805	138	35,729
Italy and Sicily.....	1,461	560,839	1,299	546,374	1,009	287,070	1,391	456,164	473	200,866	357	160,123	316	95,993	424	162,823

\* This designation does not include Canada, nothing of the Lake tonnage being included in this statement.



Countries.	ENTERED.								CLEARED.							
	AMERICAN.				FOREIGN.				AMERICAN.				FOREIGN.			
	From 1850 to 1859, inclusive.		From 1860 to 1869, inclusive.		From 1850 to 1859, inclusive.		From 1860 to 1869, inclusive.		From 1850 to 1859, inclusive.		From 1860 to 1869, inclusive.		From 1850 to 1859, inclusive.		From 1860 to 1869, inclusive.	
	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
Austria.....	72	40,895	18	7,974	59	26,664	107	41,867	269	126,050	57	21,614	181	69,058	84	26,454
Greece.....	10	2,421	4	1,383	13	3,169	59	11,904	3	635	1	375				
Turkey.....	289	96,569	144	52,679	53	19,668	78	28,553	233	72,145	155	53,248	19	6,266	68	18,461
Africa generally.....	603	137,361	320	95,225	38	9,072	71	21,311	699	163,729	290	89,833	41	8,185	36	10,004
Haiti and St. Domingo.....	2,961	448,476	1,398	239,322	402	73,482	1,370	214,566	2,404	350,977	1,409	247,040	365	62,299	1,459	240,930
Mexico.....	1,500	376,137	1,267	434,240	757	127,248	1,366	256,276	1,534	422,220	1,346	521,122	860	160,855	1,658	300,826
United States.....	596	410,456	215	183,264	47	9,429	128	26,327	702	471,182	232	201,230	93	22,319	142	30,432
United States of Colombia.....	1,893	1,463,239	1,488	2,053,515	109	32,654	181	39,818	2,025	1,522,700	1,859	2,237,165	120	35,538	258	68,323
Venezuela.....	972	204,202	253	66,237	218	40,223	449	100,387	706	157,239	224	56,557	128	27,190	469	109,632
Brazil.....	3,010	854,276	1,398	523,876	725	194,357	2,203	560,111	2,722	744,087	1,322	489,809	168	42,067	1,155	266,712
Uruguay and Argentine Republic.....	578	179,116	490	193,918	193	51,645	455	167,682	925	306,816	833	370,157	184	50,314	618	248,042
Chili.....	433	183,170	181	103,650	494	152,493	171	80,069	687	299,047	239	148,360	604	191,604	211	103,024
Peru.....	963	677,637	272	248,555	249	96,200	139	70,074	674	498,168	382	396,103	375	169,521	232	128,520
Sandwich Islands.....	620	176,383	369	157,061	133	20,671	64	26,178	721	221,874	309	177,421	225	41,708	82	31,563
Other islands of the Pacific.....	103	20,537	135	41,840	56	8,260	67	11,516	112	39,563	138	57,109	51	7,279	71	11,914
China and Japan.....	713	514,434	515	469,537	316	148,520	574	317,087	827	663,812	692	625,925	297	131,740	318	193,606
Whale Fisheries.....	1,424	419,687	954	251,582	8	947			1,824	540,233	815	210,215	60	17,013		
	67,684	27,717,028	32,535	23,355,033	62,522	13,867,315	73,377	24,344,507	69,850	28,679,363	52,947	23,944,114	62,063	13,826,067	74,691	25,005,667

No. XXI.—Arrival and departure of American and foreign vessels, &amp;c.—Continued.

No. VII.—DISTRICTS OF SAN FRANCISCO AND PUGET SOUND.

District.	ENTERED.										Countries.		
	From 1855 to 1860, inclusive.					From 1865 to 1869, inclusive.							
	American.		Foreign.		Total.	American.		Foreign.		Total.			
	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.	Number.	Tonnage.			
S. Francisco	12	4,998	11	3,820	23	8,818	2	460	13	4,736	15	5,205	Dutch E. Indies. British E. Indies. Australia. Philippine Islands. China. Japan.
	8	5,006	5	2,025	13	7,031			11	6,622	11	6,622	
	32	14,910	40	17,436	72	32,346	40	24,655	182	59,651	222	114,306	
	12	5,363	9	2,827	21	8,190	9	6,057	9	7,236	18	13,293	
	107	90,999	69	35,108	176	126,107	62	55,081	94	63,726	156	118,807	
	8	1,604	1	126	9	1,730	40	78,073	28	13,720	68	91,793	
Total ....	179	122,880	135	61,342	314	184,222	153	164,335	337	185,697	490	350,032	
S. Francisco			6	2,132	6	2,132			6	2,821	6	2,821	France on Med. Spain on Medite'n.
	2	461	1	369	3	830			3	989	3	989	
Total ....	2	461	7	2,501	9	2,962			9	3,810	9	3,810	
Puget So'nd	1	532	2	961	3	1,493			1	336	1	336	Australia. France on Med. China. Japan.
			1	424	1	424							
			1	273	1	273	5	3,469	6	6,517	11	9,986	
							1	449	1	650	2	1,099	
Total ....	1	532	4	1,658	5	2,190	6	3,918	8	7,503	14	11,421	
CLEARED.													
S. Francisco	8	4,571	8	3,458	16	8,029	1	164	5	2,067	6	2,231	Dutch E. Indies. British E. Indies. Australia. Philippine Islands. China. Japan.
	56	59,319	11	4,668	67	63,987	6	5,994	6	2,861	12	8,855	
	70	43,644	74	32,140	144	75,784	23	12,190	156	64,596	179	76,786	
	41	37,000	5	1,835	46	38,835	11	10,979	5	1,745	16	12,724	
	204	213,841	78	38,835	282	252,676	92	88,503	83	50,782	175	139,285	
	10	2,281			10	2,281	35	79,690	6	1,735	41	21,425	
Total ....	389	360,656	176	80,936	565	441,592	168	197,520	261	123,786	429	321,306	
S. Francisco							1	1,016			1	1,016	France on Med.
Puget So'nd									4	1,734	4	1,734	British E. Indies. Australia. Philippine Islands
	8	5,837	6	3,302	14	9,139	13	8,629	21	12,855	34	21,484	
	7	3,026	8	3,104	15	6,130	8	4,730	24	17,839	32	22,569	
Total ....	15	8,863	14	6,406	29	15,269	22	14,097	49	32,428	71	46,525	

No. XXIII.—Statement of steamers making regular trips between ports of the United States and foreign ports, in 1860 and in 1859.

TABLE A.

STEAMSHIP LINES FROM NEW YORK TO FOREIGN PORTS.—1860.

Name of line and port of destination.	Names of steamers.	Tonnage.	Material.	Flag.	Total tonnage each line.
Pacific Mail Steamship Line. From New York to Aspinwall.	Atlantic .....	2,846	Wood.	American .....	5,569
	Baltic .....	2,723	do.	do.	
Atlantic Mail Steamship Line. From New York to Aspinwall. From New York to Havana...	Ariel .....	1,295	Wood.	American .....	6,074
	North Star .....	1,868	do.	do.	
	Northern Light .....	1,768	do.	do.	
	Quaker City .....	1,143	do.	do.	
North Atlantic Mail Steamship Line. From New York to Havre.	Adriatic .....	4,145	Wood.	American .....	9,630
	Illinois .....	2,124	do.	do.	
	Vanderbilt .....	3,361	do.	do.	
Havre Steam Navigation Company. From New York to Havre.	Arago .....	*2,210	Wood.	American .....	4,548
	Fulton .....	*2,308	do.	do.	
North German Lloyds. From New York to Bremen, via Southampton.	Bremen .....	2,398	Iron.	German .....	4,764
	New York .....	2,366	do.	do.	
Hamburg and American Steam Packet Company. From New York to Hamburg.	Hammonia .....	*2,964	Iron.	German .....	9,359
	Borussia .....	*2,133	do.	do.	
	Bavaria .....	*2,235	do.	do.	
	Teutonia .....	*2,027	do.	do.	
British and North American Royal Mail Steamship Company. From New York to Liverpool.	Africa .....	2,027	Wood.	British .....	25,744
	Asia .....	2,051	do.	do.	
	Arabia .....	2,226	Iron.	do.	
	Australasian .....	2,663	do.	do.	
	Balbec .....	940	do.	do.	
	Etna .....	1,968	Wood.	do.	
	Java .....	*2,721	Iron.	do.	
	Jura .....	2,045	do.	do.	
	Kedar .....	*1,825	do.	do.	
	Persia .....	3,688	Wood.	do.	
	Damascus .....	1,116	do.	do.	
	Savonia .....	2,294	Iron.	do.	
	Liverpool, New York, and Philadelphia Steamship Company. "Inman Line." From New York to Liverpool, via Queenstown.	City of Baltimore .....	*2,323	Iron.	
City of Washington .....		*2,386	do.	do.	
City of Manchester .....		*1,895	do.	do.	
City of Edinburgh .....		2,188	do.	do.	
Glasgow .....		1,649	do.	do.	
Kangaroo .....		1,516	do.	do.	
Anchor Line. From New York to Glasgow.	Vigo .....	1,415	do.	do.	3,392
	John Bell .....	1,103	Iron.	British .....	
	United Kingdom .....	1,155	do.	do.	
Galway Line. From New York to Galway.	United States .....	1,134	do.	do.	7,082
	Prince Albert .....	431	Iron.	British .....	
	Parana .....	2,570	do.	do.	
	Golden Fleece .....	2,328	do.	do.	
	Circassian .....	1,753	do.	do.	

\* Tonnage under new admeasurement.

NOTE.—It may be proper to state that there may have been other vessels belonging to the above lines in 1860; if so, they did not come to this port in that year.

No. XXIII.—Statement of steamers making regular trips between ports of the United States and foreign ports, in 1860 and in 1869—Continued.

STEAMSHIP LINES FROM PORT OF NEW YORK TO FOREIGN PORTS, JANUARY 1, 1870.

Name of line and port of destination.	Names of steamers.	Tonnage.	Material.	Flag.	Total tonnage each line.
New York and Mexican Steamship Line. From New York to Vera Cruz and Sisal, via Havana.	City of Mexico.....screw.	1,200	Wood.	American.....	2,325
	Cleopatra.....do.	1,125	do.	do.	
Atlantic Mail Steamship Line. From New York to Havana.	Moro Castle.....side-wheel.	1,680	Wood.	American.....	5,216
	Eagle.....do.	1,385	do.	do.	
	Columbia.....do.	1,271	do.	do.	
	Missouri.....screw.	1,180	do.	do.	
Pacific Mail Steamship Line. From New York to Aspinwall.	Henry Chauncey...side-wheel.	2,556	Wood.	American.....	12,034
	Arizona.....do.	2,740	do.	do.	
	Alaska.....do.	4,011	do.	do.	
	Rising Star.....do.	2,727	do.	do.	
United States and Brazil Mail Steamship Line. From New York to Rio de Janeiro, via the West Indies.	Merrimack.....screw.	2,031	Iron.	American.....	6,166
	South America...side-wheel.	2,050	Wood.	do.	
	North America.....screw.	2,085	do.	do.	
New York and Bermuda Steamship Line. From New York to Bermuda.	Fah Kee.....screw.	601	Wood.	American.....	601
Port au Prince Line.....	City of Port au Prince.screw.	371	Iron.	American.....	371
British and North American Royal Mail Steamship Line. From New York to Liverpool.	Russia.....screw.	3,013	Iron.	British.....	42,038
	Scotia.....side-wheel.	2,865	do.	do.	
	China.....screw.	2,661	do.	do.	
	Cuba.....do.	2,781	do.	do.	
	Java.....do.	2,781	do.	do.	
	Tarifa.....do.	2,118	do.	do.	
	Siberia.....do.	2,538	do.	do.	
	Aleppo.....do.	2,103	do.	do.	
	Samaria.....do.	2,605	do.	do.	
	Tripoli.....do.	2,059	do.	do.	
	Pahayra.....do.	1,389	do.	do.	
	Atlas.....do.	1,650	do.	do.	
	Kedar.....do.	1,825	do.	do.	
	Malta.....do.	2,296	do.	do.	
	Marathon.....do.	1,819	do.	do.	
	Olympus.....do.	1,219	do.	do.	
Palesfine.....do.	1,468	do.	do.		
Sidon.....do.	1,703	do.	do.		
Batavia.....do.	2,235	do.	do.		
Liverpool, New York and Philadelphia "Dale Line." From New York to Liverpool.	City of Paris.....screw.	2,646	Iron.	British.....	26,874
	City of Antwerp.....do.	2,460	do.	do.	
	City of London.....do.	2,807	do.	do.	
	City of Dublin.....do.	1,994	do.	do.	
	City of Baltimore.....do.	2,323	do.	do.	
	City of Washington.....do.	2,386	do.	do.	
	City of Manchester.....do.	1,895	do.	do.	
	City of Limerick.....do.	1,604	do.	do.	
	City of Brooklyn.....do.	2,971	do.	do.	
	City of New York.....do.	2,094	do.	do.	
	City of Cork.....do.	1,540	do.	do.	
	Etua.....do.	2,208	do.	do.	
	Liverpool and Great Western Steamship Line. From New York to Liverpool.	Manhattan.....screw.	2,965	Iron.	
Minnesota.....do.		2,965	do.	do.	
Nebraska.....do.		3,392	do.	do.	
Nevada.....do.		3,125	do.	do.	
Colorado.....do.		3,015	do.	do.	
Idaho.....do.	3,132	do.	do.		

\* Made no trip in 1869.

No. XXIII.—Statement of steamers making regular trips between ports of the United States and foreign ports, in 1860 and 1869—Continued.

STEAMSHIP LINES FROM PORT OF NEW YORK TO FOREIGN PORTS, JANUARY 1, 1870.

Name of line and port of destination.	Names of steamers.	Tonnage.	Material.	Flag.	Total tonnage each line.
Anchor Line. From New York to Glasgow, via Londonderry and Liverpool. [A part of this line during a portion of the year runs to Mediterranean ports.]	Columbia.....screw.	1,716	Iron..	British.....	24,640
	Caledonia.....do.	1,418	do...do.	do.....do.	
	Britannia.....do.	1,418	do...do.	do.....do.	
	Dacian.....do.	1,039	do...do.	do.....do.	
	Towa.....do.	2,030	do...do.	do.....do.	
	Dacian.....do.	1,039	do...do.	do.....do.	
	Europa.....do.	1,747	do...do.	do.....do.	
	Cambria.....do.	2,141	do...do.	do.....do.	
	Tyrian.....do.	1,039	do...do.	do.....do.	
	Sabrina.....do.	2,538	do...do.	do.....do.	
	India.....do.	2,166	do...do.	do.....do.	
	Roxanna.....do.	915	do...do.	do.....do.	
	Palmyra.....do.	717	do...do.	do.....do.	
	Statira.....do.	862	do...do.	do.....do.	
	Acadia.....do.	755	do...do.	do.....do.	
Northumbria.....do.	960	do...do.	do.....do.		
Anglia.....do.	2,200	do...do.	do.....do.		
London and New York Steamship Line. From New York to London, via Brest.	Atlanta.....screw.	2,710	Iron..	British.....	5,948
	Bellona.....do.	1,845	do...do.	do.....do.	
	Celia.....do.	1,393	do...do.	do.....do.	
National Steamship Line. From New York to Liverpool.	England.....screw.	3,441	Iron..	British.....	23,301
	The Queen.....do.	3,560	do...do.	do.....do.	
	Helvetia.....do.	3,327	do...do.	do.....do.	
	Denmark.....do.	3,178	do...do.	do.....do.	
	Erin.....do.	3,335	do...do.	do.....do.	
	Pennsylvania.....do.	2,873	do...do.	do.....do.	
France.....do.	3,586	do...do.	do.....do.		
General Transatlantic Company. From New York to Havre, via Brest.	Eutopo.....side-wheel.	1,929	Iron..	French.....	9,512
	Pereire.....screw.	1,809	do...do.	do.....do.	
	St. Laurent.....do.	2,048	do...do.	do.....do.	
	Ville de Paris.....do.	1,809	do...do.	do.....do.	
Lafayette.....side-wheel.	1,923	do...do.	do.....do.		
New York and Bremen Steamship Line. From New York to Bremen.	Smith.....screw.	1,797	Iron..	North German.	1,797
North German Lloyds. From New York to Bremen.	America.....screw.	2,614	Iron..	North German.	25,947
	Herman.....do.	2,747	do...do.	do.....do.	
	Union.....do.	2,870	do...do.	do.....do.	
	Hansa.....do.	2,609	do...do.	do.....do.	
	Deutschland.....do.	2,881	do...do.	do.....do.	
	Weser.....do.	2,871	do...do.	do.....do.	
	Rhine.....do.	3,019	do...do.	do.....do.	
	Main.....do.	3,018	do...do.	do.....do.	
	Doran.....do.	3,018	do...do.	do.....do.	
Hamburg and American Steam-Packet Company. From New York to Hamburg.	Borussia.....screw.	2,133	Iron..	North German.	20,631
	Saxonia.....do.	2,591	do...do.	do.....do.	
	Hammonia.....do.	2,961	do...do.	do.....do.	
	Allemania.....do.	2,620	do...do.	do.....do.	
	Bavaria.....do.	2,235	do...do.	do.....do.	
	Tentonia.....do.	2,027	do...do.	do.....do.	
	Cimbria.....do.	2,961	do...do.	do.....do.	
	Holsatia.....do.	3,026	do...do.	do.....do.	
	Westphalia.....do.	3,054	do...do.	do.....do.	
Silesia.....do.	3,067	do...do.	do.....do.		

NOTE.—Some of the above lines have spare steamers, not in use at present, and not included in foregoing list.

No. XXIV.—Steamship lines from various ports of the United States to foreign ports.

Name of line.	To what nation belonging.	In what year started.	Termini of route.		Name of each steamer.	Wood or iron.	Screw or side-wheel.	Tonnage of each steamer.		Total tonnage of each line.	
			In the United States.	In foreign countries.				Tons.	100ths.	Tons.	100ths.
<b>BALTIMORE.</b>											
North German Lloyd Company .....	North German	1868.....	Baltimore .....	Bremen .....	Baltimore.....	Iron .....	Screw .....	2,301	63		
					Berlin .....	do .....	do .....	2,250	81		
					Ohio .....	do .....	do .....	2,388	42		
					Leipsic .....	do .....	do .....	2,335	10		
										9,275	96
Total to Baltimore.....										9,275	96
<b>NEW ORLEANS.</b>											
Liverpool and Southern Steamship Line ..	British.....	1867.....	New Orleans..	Liverpool ..	Crysolite.....	Iron .....	Screw .....	765	34		
					Fire Queen ..	do .....	do .....	1,129	78		
					Alice .....	do .....	do .....	1,181	60		
					Alhambra .....	do .....	do .....	1,033	95		
					Gladiator .....	do .....	do .....	604	13		
					Statesman* ..	do .....	do .....	1,400	00		
					Olinda .....	do .....	do .....	648	74		
					Historian .....	do .....	do .....	1,400	00		
					Castilla .....	do .....	do .....	2,254	00		
Alliance Line.....	United States.	1866.....	New Orleans..	Havana .....	Alliance .....	do .....	do .....	418	72	10,417	54
					Beaufort.....	Wood.....	do .....	374	08		
					Lavaca.....	Iron .....	do .....	499	43		
					Florida .....	Wood.....	do .....	385	86		
										1,678	09
Total to New Orleans.....										12,095	63
<b>SAN FRANCISCO.</b>											
Pacific Mail Steamship Company .....	United States.	1849.....	San Francisco.	Panama.....	Golden City...	Wood.....	Side-wheel	3,589	69		
					Sacramento* ..	do .....	do .....	2,682	92		
					Colorado .....	do .....	do .....	3,727	80		
					Montana .....	do .....	do .....	2,676	82		
					St. Louis .....	do .....	do .....	1,771	00		
					Constitution ..	do .....	do .....	3,575	36		
										18,023	59

Do .....	do .....	1887.	do .....	Hong Kong	Great Republic	do .....	do .....	3,881	83		67
					China	do .....	do .....	3,836	12		
					Japan	do .....	do .....	4,351	72		
					America	do .....	do .....	4,300	00		
North Pacific Transportation Company	do .....		do .....	Victoria	Moses Taylor	do .....	do .....	1,354	00	16,369	67
					Oriflamme	do .....	do .....	1,082	31		
					Active	do .....	do .....	510	43		
					California	do .....	do .....	673	51		
Do .....	do .....		do .....	Mazatlan	Continental	do .....	do .....	1,626	23	3,620	25
					Sierra Nevada	do .....	do .....	1,257	27		
Do .....	do .....		do .....	Honolulu	Idado	do .....	do .....	1,077	13	2,883	50
Total to San Francisco	do .....		do .....							1,077	13
										41,974	14

\* Twenty-four trips.

† Twelve trips.

No. XXV.—Statement of American steam lines making regular trips between ports of the United States and foreign ports.

Name of line.	To what foreign port.	When established.	Number of steamers.	Number of trips.	Tonnage.
<b>PORTLAND.</b>					
Portland and Halifax .....	1 Halifax, 1 St. Johns.	1867.....	2	52	1,026.71
<b>BOSTON.</b>					
Nickerson & Co.'s line .....	Charlotte Town.....	1868.....	3	About 38	1,341.26
I. G. Hall & Co.'s line .....	St. Johns .....	1866.....	1	About 40	440.25
International Steamship Co., (owned in Portland) .....	Boston and Portland .....		3		3,067.34
Total Boston .....			7		5,356.95
<b>NEW YORK.</b>					
New York and Mexican Mail Steamship Co. ....	Vera Cruz .....	1868.....	2	18	2,141.23
New York and Bermuda Steam- ship Line .....	Bermuda.....	1868.....	1	20	601.60
Atlantic Mail Steamship Co. ....	Havana.....		4		5,544.16
Pacific Mail Steamship Co. ....	Aspinwall .....	1849.....	4	26	12,034.00
United States and Brazil Mail Steamship Co. ....	Rio de Janeiro .....	1865.....	3	12	6,435.47
New York and Port au Prince Line .....	Port au Prince .....	1864.....	1	12	490.00
Total New York .....			15		27,245.56
<b>NEW ORLEANS.</b>					
Alliance Line .....	Havana.....	1866.....	4	52	1,678.09
<b>SAN FRANCISCO.</b>					
Pacific Mail Steamship Co. ....	Panama .....	1849.....	6	24	18,023.50
Pacific Mail Steamship Co. ....	Hong Kong .....	1867.....	4	12	16,569.67
North Pacific Transportation Co	Victoria .....		4		3,620.25
North Pacific Transportation Co	Mazatlan .....		2		2,883.50
North Pacific Transportation Co	Honolulu .....		1		1,077.13
Total San Francisco .....			17		41,974.14
Total.....			45		77,351.47

No. XXVI.—Comparative statement of English steamers entered and cleared at Portland, Maine, during the fiscal year 1860, and during the fiscal year 1859, for transatlantic ports.

Names of steamers.	Tonnage.	Class.	Names of steamers.	Tonnage.	Class.
<b>1860.</b>			<b>1859.</b>		
1. Hungarian .....	1,487	Iron, screw.	1. Austrian .....	2,650	Iron, screw.
2. Anglo-Saxon .....	1,165	Iron, screw.	2. Prussian .....	3,056	Iron, screw.
3. Nova Scotian .....	2,266	Iron, screw.	3. Nova Scotian .....	2,265	Iron, screw.
4. North American .....	1,816	Iron, screw.	4. Moravian .....	2,211	Iron, screw.
5. North Briton .....	1,487	Iron, screw.	5. North American .....	1,816	Iron, screw.
6. Bohemian .....	1,488	Iron, screw.	6. Nestorian .....	2,665	Iron, screw.
7. Canadian .....	1,310	Iron, screw.	7. Peruvian .....	2,566	Iron, screw.
8. Australasian .....	1,512	Iron, screw.	8. Hibernian .....	2,444	Iron, screw.
Total tonnage .....	12,531		9. St. Andrew's .....	1,315	Iron, screw.
			10. Damascus .....	1,359	Iron, screw.
			11. Scandinavian .....	3,400	Iron, screw.
			Total tonnage .....	25,807	



No. XXVII.—*Steamship lines.*

RECAPITULATION.

	Number of vessels.	Tonnage.
American line steamers trading with foreign ports, not transatlantic, January 1, 1870	15	27, 013
American line steamers trading with foreign ports, not transatlantic, 1860	6	11, 643
Increase in American tonnage since 1860	9	15, 370
American line steamers trading with transatlantic ports, in 1860	5	14, 178
American line steamers trading with transatlantic ports January 1, 1870	None.	None.
Decrease in American tonnage since 1860	5	14, 178
British line steamers trading with transatlantic ports, January 1, 1870	64	141, 395
British line steamers trading with transatlantic ports in 1860	26	51, 610
Increase in British tonnage since 1860	38	89, 785
German line steamers trading with transatlantic ports, January 1, 1870	20	54, 425
German line steamers trading with transatlantic ports in 1860	6	14, 123
Increase in German tonnage since 1860	14	40, 302
French line steamers trading with transatlantic ports, January 1, 1870	5	9, 518
French line steamers trading with transatlantic ports in 1860	None.	None.
Increase in French tonnage since 1860	5	9, 518
Total number of steamers and tonnage coming to New York from transatlantic ports under foreign flags, January 1, 1870	89	205, 338
Total number of steamers and tonnage coming to New York from transatlantic ports under foreign flags in 1860	32	65, 733
Total increase of foreign tonnage since 1860	57	139, 605
Total number of steamers and tonnage coming to Baltimore from transatlantic ports under foreign flags, January 1, 1870	4	9, 249
Total number of steamers and tonnage coming to Baltimore from transatlantic ports under foreign flags in 1860	None.	None.
Total increase of foreign tonnage since 1860	4	9, 249
Total number of steamers and tonnage coming to Portland from transatlantic ports under foreign flags, January, 1869	11	25, 807
Total number of steamers and tonnage coming to Portland from transatlantic ports under foreign flags, January, 1860	8	12, 531
Total increase of foreign tonnage since 1860	3	13, 276
Total number of steamers and tonnage coming to New Orleans from transatlantic ports under foreign flags, January, 1870	9	10, 417
Total number of steamers and tonnage coming to New Orleans from transatlantic ports under foreign flags, January, 1860	None.	None.
Increase of foreign tonnage since 1860	9	10, 417
Number of American steamers and tonnage trading between New Orleans and foreign ports, not transatlantic, January, 1870	4	1, 678
Number of American steamers and tonnage trading between New Orleans and foreign ports, not transatlantic, January, 1860	None.	None.
Increase of American tonnage since 1860	4	1, 678
Number of American steamers and tonnage running between San Francisco and foreign ports, not transatlantic, January, 1870	17	41, 974
Number of American steamers and tonnage running between San Francisco and foreign ports, not transatlantic, January, 1860	6	18, 023
Increase of American tonnage since 1860	11	23, 951
Net increase of foreign tonnage since 1860	73	172, 547
Net increase of American tonnage since 1860	19	26, 821

No. XXVIII.—Statement exhibiting the value of total trade of United States with foreign countries, as divided between American and foreign vessels.

Countries.		1850 TO 1859, INCLUSIVE.									
		Imports.			Exports.			Re-exports.			
		American vessels.	Foreign vessels.	Total.	American vessels.	Foreign vessels.	Total.	American vessels.	Foreign vessels.	Total.	
1	Russia and Dependencies .....	\$10,911,419	\$1,558,723	\$12,470,142	\$17,916,616	\$3,008,093	\$20,924,709	\$1,085,667	\$295,909	\$1,381,576	1
2	Sweden, Norway, and Swedish West Indies.	3,806,081	3,732,802	7,538,883	6,400,063	4,398,923	10,798,986	62,595	217,359	279,954	2
3	Denmark and Danish West Indies...	2,060,780	540,157	2,600,937	8,326,040	1,974,788	10,300,828	760,750	139,500	900,250	3
4	Hamburg and Bremen.....	56,884,454	76,374,581	133,259,035	25,090,953	71,833,285	96,914,238	2,402,581	8,526,133	10,928,714	4
5	Holland and Dutch Colonial Poss'ns	26,230,038	12,293,068	38,523,106	22,644,882	11,937,844	34,582,726	2,638,485	1,372,028	4,010,513	5
6	Belgium.....	27,050,924	4,790,842	31,841,766	27,699,261	3,304,681	31,003,942	9,585,820	1,312,130	10,897,950	6
7	England, Scotland, and Ireland.....	719,527,588	397,899,372	1,117,426,960	894,017,515	456,692,416	1,350,709,961	33,901,184	19,271,489	53,172,673	7
8	Canada, and British North American Provinces.	54,983,401	74,048,281	129,031,682	57,522,920	88,425,124	145,948,044	33,037,638	23,698,546	56,736,184	8
9	British West Indies and Possessions in Central and South America.	15,387,383	6,254,620	21,642,003	43,289,783	14,361,163	57,650,946	1,126,822	645,947	1,772,769	9
10	British Possessions in Africa and the Mediterranean.	4,213,569	869,471	5,083,040	6,605,974	1,005,439	7,611,413	773,487	99,271	872,758	10
11	British East Indies and Australia....	61,247,701	3,028,422	64,276,123	30,021,785	1,539,335	31,561,120	1,969,479	228,651	2,198,126	11
12	France.....	307,154,497	52,248,375	359,402,872	294,625,033	12,156,827	306,781,860	12,959,659	1,761,510	14,721,169	12
13	French West Indies and Colonies.....	775,387	729,284	1,504,671	4,649,695	1,535,211	6,184,906	138,370	304,926	443,296	13
14	Spain and Canary Islands.....	15,253,726	8,601,525	23,855,251	12,275,879	49,444,552	61,720,431	908,678	181,722	1,090,400	14
15	Spanish West Indies, Cuba, and Porto Rico.	248,689,714	16,367,019	265,056,733	85,516,435	3,067,314	88,583,749	14,653,521	120,175	14,833,696	15
16	Philippine Islands.....	23,454,922	1,438,460	24,893,382	850,191	9,841	860,032	451,712	20,143	471,855	16
17	Portugal and Portuguese Colonies.....	1,732,345	2,293,309	4,025,654	4,020,451	1,560,713	5,611,164	121,104	144,585	265,689	17
18	Italy.....	21,235,063	10,803,711	32,038,774	26,353,055	7,904,896	34,257,951	1,710,031	867,673	2,577,704	18
19	Austria.....	2,294,908	2,703,300	4,998,208	10,760,411	3,661,152	14,422,163	1,278,885	721,539	2,060,444	19
20	Turkey in Europe, Asia, and Egypt..	7,283,056	930,348	8,213,404	5,060,681	2,280,925	5,341,606	731,068	52,602	783,670	20
21	Haiti and San Domingo.....	19,825,725	2,067,226	21,892,951	16,572,522	1,807,121	18,479,643	2,333,719	193,817	2,527,536	21
22	Mexico.....	25,571,834	8,903,499	34,475,333	17,449,132	3,921,333	21,370,465	6,522,870	1,229,134	7,752,004	22
23	Central America.....	4,955,609	319,089	5,274,698	2,840,316	212,582	3,052,898	442,046	69,407	511,453	23
24	New Granada and Venezuela.....	42,267,670	6,003,675	48,271,345	23,792,588	979,358	24,771,946	3,147,226	174,245	3,321,471	24
25	Brazil.....	134,115,226	23,227,697	157,342,923	39,629,190	1,551,107	41,180,297	2,958,112	179,414	3,137,526	25
26	Uruguay.....	2,800,022	328,610	3,128,632	3,548,375	235,426	3,783,801	206,214	19,545	225,759	26
27	Buenos Ayres, or Argentine Republic.	23,771,016	4,582,900	27,353,916	7,635,799	889,079	8,544,878	2,641,175	112,955	2,753,130	27
28	Chili.....	23,854,924	3,316,485	27,171,419	19,491,556	1,048,870	20,540,426	2,253,710	521,769	2,775,479	28
29	Peru and Ecuador.....	4,355,019	467,954	4,822,973	5,258,827	955,695	6,214,522	354,466	197,729	552,195	29
30	China and Japan.....	90,281,227	6,290,495	96,571,722	23,009,677	464,759	23,474,436	8,636,368	1,259,303	9,895,671	30
31	Sandwich Islands and whale fisheries of Pacific.	2,494,981	99,188	2,594,169	5,454,691	239,540	5,694,231	804,160	58,753	862,913	31

32	Liberia and other ports in Africa	12,227,408	312,968	12,570,376	14,584,726	731,550	15,316,285	843,397	15,783	850,180	32
33	All other countries and ports	1,069,169	279,586	1,348,755	3,082,741	67,475	3,150,216	229,352	2,099	231,457	33
	Total	1,996,777,677	733,735,052	2,730,512,729	1,766,086,763	751,316,966	2,517,403,729	151,694,353	64,135,811	215,830,164	

1860 TO 1869, INCLUSIVE.

34	Russia and Dependencies	\$8,530,366	\$5,318,734	\$13,849,040	\$9,924,366	\$8,989,129	\$15,913,405	\$540,259	\$169,292	\$709,551	34
35	Sweden, Norway, and Swedish West Indies	1,814,924	4,897,015	6,711,939	1,177,310	1,549,743	2,727,673	7,693	33,393	41,086	35
36	Denmark, and Danish West Indies	2,115,146	2,221,748	4,336,874	5,970,581	6,664,263	12,634,844	182,088	209,700	391,782	36
37	Hamburg and Bremen	4,604,757	182,503,706	187,108,467	11,804,888	201,855,892	216,660,780	426,861	22,819,861	23,306,722	37
38	Holland and Dutch Colonial Possessions	13,488,738	25,174,592	38,663,330	13,624,762	30,288,873	43,913,635	727,847	1,510,981	2,238,828	38
39	Belgium	7,916,157	15,639,460	23,555,617	11,567,183	33,831,172	45,401,355	2,810,678	4,494,694	7,305,372	39
40	England, Scotland, and Ireland	246,767,182	1,113,005,737	1,389,772,919	706,251,198	1,200,383,469	1,906,634,667	14,217,619	57,714,663	71,932,212	40
41	Canada, and British North American Possessions	177,964,794	140,757,859	318,749,653	99,867,277	133,683,724	233,551,001	18,449,248	10,140,912	28,590,160	41
42	British West Indies and Possessions in Central and South America	15,586,767	23,376,990	38,963,757	38,122,751	53,504,303	91,627,054	355,447	1,340,380	1,695,827	42
43	British Possessions in Africa and the Mediterranean	7,132,801	9,594,217	16,727,118	14,123,843	11,895,559	26,019,492	597,872	269,821	867,693	43
44	British East Indies and Australia	46,992,917	21,032,920	71,025,837	28,126,819	24,963,618	53,090,437	504,485	174,360	678,845	44
45	France	107,638,050	126,304,441	233,912,491	230,728,724	113,195,715	343,834,499	5,916,379	7,428,065	13,344,444	45
46	French West Indies and Colonies	1,169,167	2,060,457	3,229,624	6,380,533	6,005,207	12,385,760	231,062	413,877	644,939	46
47	Spain and Canary Islands	14,593,252	14,793,816	29,387,098	10,176,507	35,565,143	45,741,650	317,589	706,199	1,054,388	47
48	Spanish West Indies, Cuba, and Porto Rico	296,820,075	132,306,584	409,186,659	111,065,896	46,531,982	158,257,878	18,931,816	5,907,020	24,838,826	48
49	Philippine Islands	18,710,666	6,518,912	25,229,578	957,882	386,914	1,344,796	5,513	75,902	81,415	49
50	Portugal and Portuguese Colonies	767,092	2,482,512	3,249,604	3,379,270	5,219,511	8,598,781	52,633	200,500	253,133	50
51	Italy	20,157,692	19,250,826	39,408,518	16,715,596	23,379,604	40,095,200	491,704	349,461	841,165	51
52	Austria	931,359	3,502,615	4,437,004	1,259,795	2,730,826	3,980,621	421,316	215,398	636,714	52
53	Turkey in Europe, Asia, and Egypt	4,545,262	2,643,495	7,188,667	4,100,121	1,764,996	5,251,117	218,181	246,011	494,282	53
54	Haiti and San Domingo	8,214,391	7,238,388	15,452,779	15,725,901	17,360,010	33,085,911	1,257,367	1,406,949	2,664,316	54
55	Mexico	36,370,374	20,121,829	56,492,199	27,185,368	31,177,071	58,362,439	6,379,129	13,069,017	25,133,501	55
56	Central America	2,787,888	2,796,050	5,583,938	2,512,364	1,434,635	3,946,999	207,526	147,072	354,598	56
57	New Granada and Venezuela	42,308,606	16,836,202	59,144,808	35,136,877	12,595,475	47,732,352	1,746,101	615,096	2,361,197	57
58	Brazil	71,908,700	100,775,745	172,654,445	29,086,697	24,483,878	53,570,575	1,046,674	585,827	1,632,501	58
59	Uruguay	3,659,488	6,429,093	10,088,580	3,482,030	2,089,903	3,393,092	393,092	234,014	467,106	59
60	Buenos Ayres, or Argentine Republic	22,021,929	23,574,739	45,900,668	8,158,384	7,732,288	15,890,672	1,389,687	490,509	1,880,196	60
61	Chili	10,739,244	5,743,841	16,483,075	12,350,444	6,297,148	18,656,592	1,367,473	704,772	2,072,250	61
62	Peru and Ecuador	3,744,319	3,482,659	7,226,978	6,587,323	3,672,333	10,259,676	263,355	516,956	780,341	62
63	China and Japan	57,970,599	59,914,472	117,885,071	53,922,151	23,087,431	79,040,582	11,456,017	3,731,634	15,190,651	63
64	Sandwich Islands and whale fisheries of Pacific	16,986,943	3,142,720	20,129,663	6,351,253	848,207	7,199,460	781,434	77,837	859,311	64
65	Liberia and other ports in Africa	9,580,612	2,363,404	11,944,016	8,298,513	1,477,115	9,775,628	376,375	39,639	416,014	65
66	All other countries and ports	1,917,184	1,253,232	3,170,416	6,174,822	4,632,354	10,807,176	64,327	41,879	106,206	66
	Total	1,276,457,481	2,130,452,910	3,406,910,421	1,533,906,449	2,082,239,631	3,622,116,080	92,335,336	129,455,768	221,991,104	

## No. XXIX.—Imports, exports, and re-exports, 1850 to 1859, inclusive.

Countries.	IMPORTS.			EXPORTS.			RE-EXPORTS.		
	American ves-	Foreign ves-	Total.	American ves-	Foreign ves-	Total.	American ves-	Foreign ves-	Total.
	scls.	scls.		scls.	scls.		scls.	scls.	
Great Britain .....	\$710,527,568	\$397,490,372	\$1,117,426,960	\$894,017,515	\$150,692,446	\$1,350,709,961	\$73,604,484	\$10,371,489	\$83,975,973
West Indies .....	27,771,572	24,970,340	312,730,912	172,632,691	19,914,633	172,547,324	13,831,735	1,272,398	20,124,133
East Indies .....	60,468,670	3,206,352	73,063,022	8,352,090	297,006	9,159,096	2,353,453	88,377	2,441,030
China and Japan .....	90,381,237	6,290,495	96,571,732	23,009,677	461,739	23,471,436	8,636,368	1,239,303	9,815,671
South America .....	334,451,386	37,975,688	272,427,074	101,285,834	5,756,569	107,042,403	11,745,191	1,203,275	13,008,466
	1,401,569,443	470,744,247	1,872,313,690	1,179,897,810	483,635,413	1,662,533,223	75,542,931	23,155,042	98,697,973

## Imports, exports, and re-exports, 1860 to 1865.

Countries.	IMPORTS.			EXPORTS.			RE-EXPORTS.		
	American ves-	Foreign ves-	Total.	American ves-	Foreign ves-	Total.	American ves-	Foreign ves-	Total.
	scls.	scls.		scls.	scls.		scls.	scls.	
Great Britain .....	\$246,707,182	\$1,143,605,737	\$1,389,722,919	\$706,351,198	\$1,200,383,469	\$1,906,634,667	\$19,217,649	\$57,714,563	\$74,602,212
West Indies .....	310,831,353	152,866,941	463,698,294	170,214,587	119,139,581	289,354,168	20,905,335	8,971,342	29,876,677
East Indies .....	72,401,024	28,772,297	81,173,321	11,970,311	7,458,468	19,428,779	516,636	10,191	526,827
China and Japan .....	55,970,599	59,914,472	117,885,071	53,922,154	23,087,431	78,009,585	11,436,017	3,739,634	15,190,651
South America .....	137,170,174	139,928,733	317,098,927	97,323,119	58,305,710	155,628,829	6,106,733	3,274,020	9,440,873
	\$851,140,362	1,544,488,200	2,393,628,562	1,041,681,366	1,408,394,689	2,450,076,055	53,202,450	73,704,220	126,907,300

BUREAU OF STATISTICS, January 27, 1870.

FRANCIS A. WALKER,  
Deputy Spec. Com'r Revenue.

No. XXX.—Amounts paid to American and foreign steamships for the sea-conveyance of United States mails from 1860 to 1869, inclusive.

Fiscal year ending—	Vessels.	Paid to vessels under contract.	Postages paid as compensation for the sea-conveyance of mails.	Total amounts paid.
June 30, 1860.....	American.....	\$426, 635 95	\$280, 712 53	\$707, 348 48
June 30, 1860.....	Foreign.....		147, 085 34	147, 085 34
June 30, 1861.....	American.....		306, 970 70	306, 970 70
June 30, 1861.....	Foreign.....		235, 713 54	235, 713 54
June 30, 1862.....	American.....		90, 303 77½	90, 303 77½
June 30, 1862.....	Foreign.....		225, 884 23½	225, 884 23½
June 30, 1863.....	American.....		55, 663 13	55, 663 13
June 30, 1863.....	Foreign.....		332, 184 80	332, 184 80
June 30, 1864.....	American.....		54, 545 54	54, 545 54
June 30, 1864.....	Foreign.....		371, 740 43	371, 740 43
June 30, 1865.....	American.....		65, 555 52	65, 555 52
June 30, 1865.....	Foreign.....		405, 479 56	405, 479 56
June 30, 1866.....	American.....	112, 500 00	136, 089 33	248, 589 33
June 30, 1866.....	Foreign.....		464, 978 60	465, 978 60
June 30, 1867.....	American.....	233, 333 33	181, 522 74	414, 856 07
June 30, 1867.....	Foreign.....		455, 049 32	155, 019 32
June 30, 1868.....	American.....	497, 916 66	132, 095 09	630, 011 75
June 30, 1868.....	Foreign.....		387, 304 35	387, 304 35
June 30, 1869.....	American.....	623, 333 33	82, 178 54	705, 511 87
June 30, 1869.....	Foreign.....		336, 163 24	336, 163 24
Total.....		1, 953, 719 27	4, 586, 220 31	6, 762, 039 58

RECAPITULATION.—Sum total paid to American and foreign ships, as compensation for the sea-conveyance of mails, from 1860 to 1869 inclusive, \$6, 762, 039 58.

No. XXXI.—Statement of the rates of duty upon the descriptions of iron most used in ship building under various tariffs.

[Submitted by FRANKLIN SMITH, of Atlantic Iron Works, Boston, October 21, 1869.]

Description.	Gold cost Dec., 1868, per ton 2,240 lbs.; calling exchange 6½ per cent.	Duty by tariff bill, 1857, ad valorem.	Duty by tariff bill, 1861, per ton 2,240 lbs.; also the same, ad valorem.	Duty by tariff bill, 1864, &c., per ton 2,240 lbs.; also the same, ad valorem.	Duty proposed by House of Representatives, bill 1868, per ton 2,240 lbs.; also the same, ad valorem.
Plates, (most used in ship-building).....	\$43 80	24 per ct.	\$20 00 or 46 per cent.	\$33 60 or 77 per cent.	\$33 60 or 77 per cent.
Common rounds and squares, ¾ inch.....	29 93	24 per ct.	15 00 or 50 per cent.	33 60 or 112 per cent.	59 40 or 168 per cent.
Common rounds and squares, 11-16 inch.....	29 93	24 per ct.	15 00 or 50 per cent.	33 60 or 112 per cent.	33 60 or 112 per cent.
Common rounds and squares, ¼ to 2 inches.....	29 93	24 per ct.	15 00 or 50 per cent.	22 40 or 75 per cent.	22 40 or 75 per cent.
Common rounds and squares, 2½ to 3 inches.....	29 93	24 per ct.	15 00 or 50 per cent.	33 60 or 112 per cent.	33 60 or 112 per cent.
Plats, 1¼ to 6 inches wide; ¼ to 5-16 thick.....	29 93	24 per ct.	15 00 or 50 per cent.	33 60 or 112 per cent.	33 60 or 112 per cent.
Refined of ordinary sizes, rounds and squares, ¾, 9-16, and ⅝ inch.....	34 80	24 per ct.	15 00 or 43 per cent.	33 60 or 97 per cent.	50 40 or 145 per cent.

No. XXXII.—Table showing the number and tonnage of sailing and steam vessels built and registered at ports in the British possessions, (exclusive of the United Kingdom,) in each of the years from 1853 to 1868, both inclusive.

Years.	Isles of Guernsey, Jersey, and Man.						Other British possessions.						Total British possessions.	
	Sailing vessels.		Steam vessels.		Total vessels.		Sailing vessels.		Steam vessels.		Total vessels.			
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
1853					32	4,067					597	145,313	629	149,380
1854					28	4,761					752	188,272	780	193,033
1855					28	3,894					744	161,968	772	168,862
1856					32	3,398					694	175,620	726	179,018
1857					46	5,065					721	167,940	767	173,005
1858					40	4,980					633	99,328	673	104,308
1859					31	3,041					605	93,307	636	96,348
1860					31	2,442					675	104,418	706	106,860
1861	35	3,529			35	3,529	532	111,856	4	211	536	112,067	571	115,596
1862	30	2,568			30	2,568	481	114,200	12	1,653	493	115,853	523	118,421
1863	33	3,047			33	3,047	737	228,910	19	3,732	756	232,642	789	235,689
1864	38	8,782			38	8,782	923	224,541	37	7,532	960	232,073	998	240,855
1865	39	5,155			39	5,155	949	206,666	31	3,489	980	210,155	1,019	215,310
1866	38	4,422			38	4,422	946	171,793	33	3,546	981	175,497	1,019	179,919
1867	26	4,855	2	455	28	5,310	773	137,539	24	2,049	797	139,588	825	144,898
1868	17	2,940			17	2,940	651	136,477	33	1,896	684	138,373	701	141,313
Total, 16 years					526	67,401					11,608	2,495,414	12,134	2,562,815

NOTE.—Previous to 1861 no distinction is made in British statistics between sailing and steam vessels built in British possessions.

No. XXXIII.—Table showing the imports, domestic exports, and foreign re-exports of the United States in American and foreign vessels, and the same combined, showing the total value of the foreign carrying trade of the United States, in American and foreign vessels, during the fiscal years 1860, 1866, 1867, 1868, and 1869.

1860.								
Countries.	IMPORTS.		EXPORTS.		RE-EXPORTS.		TOTAL.	
	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.
<b>BALTIC AND NORTH SEA TRADE.</b>								
Russia, on the Baltic and White Seas .....	\$1,532,190		\$2,350,644	\$354,121	\$21,730	\$2,723	\$3,913,564	\$362,841
Prussia .....		\$36,461		46,991		2,259		85,714
Sweden and Norway .....	303,850	940,341	887,198	429,543	220	2,166	1,191,268	742,050
Denmark .....		16,071	2,340	62,784			2,778	78,855
Hamburg .....	126,022	9,701,771	289,679	4,007,593	4,449	2,764,105	420,150	16,473,469
Bremen .....	1,678	8,669,136	1,766,307	8,737,912	50,141	758,522	1,818,126	13,165,570
Holland .....	1,453,754	1,416,205	2,152,050	1,610,363	86,772	123,146	3,692,576	3,149,711
Belgium .....	2,374,502	184,371	2,303,166	467,127	1,412,915	376,540	6,090,583	1,028,038
<b>Total .....</b>	<b>5,792,434</b>	<b>20,234,359</b>	<b>9,760,384</b>	<b>15,816,434</b>	<b>1,576,227</b>	<b>4,035,461</b>	<b>17,129,045</b>	<b>40,086,254</b>
<b>EUROPEAN ATLANTIC TRADE.</b>								
England .....	55,413,786	77,651,785	122,444,668	64,651,284	2,098,818	3,732,430	179,957,272	146,035,499
Scotland .....	730,536	3,876,651	1,879,245	2,987,973	98,799	38,497	2,708,580	6,903,031
Ireland .....	7,413	916,313	3,406,470	891,116		111,711	3,413,883	1,919,140
France .....	36,293,102	3,157,763	53,985,152	3,855,295	2,783,653	220,006	93,061,907	7,233,874
Spain .....	549,197	102,397	678,928	348,654	6,328	9,585	1,234,453	460,636
Portugal .....	10,186	136,627	205,924	60,780	1,558	4,727	217,668	292,134
<b>Total .....</b>	<b>93,004,220</b>	<b>83,841,536</b>	<b>182,600,387</b>	<b>72,795,012</b>	<b>4,989,156</b>	<b>4,117,766</b>	<b>280,593,763</b>	<b>162,754,314</b>
<b>MEDITERRANEAN TRADE.</b>								
France .....	1,514,290	2,254,394	1,097,209	110,665	72,470	81,018	2,683,969	2,446,077
Spain .....	1,452,127	938,330	340,164	5,067,571	18,107	9,963	1,810,398	6,015,864
Italy and Sicily .....	3,143,131	1,591,387	4,158,300	791,908	109,784	13,542	7,411,215	2,396,837
Austria .....	296,366	436,279	805,970	80,980	115,544	36,250	1,217,880	553,509
Turkey and Greece .....	703,528	473,022	705,288	114,213	60,942	5,745	1,469,818	592,980
<b>Total .....</b>	<b>7,109,502</b>	<b>5,693,412</b>	<b>7,106,931</b>	<b>6,165,337</b>	<b>376,847</b>	<b>146,518</b>	<b>14,593,280</b>	<b>12,005,267</b>
<b>EAST INDIA TRADE.</b>								
China .....	13,135,340	431,247	6,774,422	396,362	1,599,971	135,363	21,509,733	962,972
Japan .....	55,091		89,856		48,918		193,865	

Fiscal year 1860—Continued.

Countries.	IMPORTS.		EXPORTS.		RE-EXPORTS.		TOTAL.	
	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.
<b>EAST INDIA TRADE—Continued.</b>								
Australia .....	\$52,203	\$76,597	\$3,622,339	\$447,251	\$42,293	\$7,404	\$3,716,835	\$531,252
British East Indies .....	10,297,300	395,012	1,111,697	.....	128,953	.....	11,537,950	395,042
Total .....	23,539,934	902,886	11,598,314	843,613	1,820,135	142,707	36,958,383	1,889,266
<b>WEST INDIA TRADE.</b>								
Danish .....	173,804	26,612	1,102,197	117,092	39,139	4,996	1,315,140	148,700
Dutch .....	669,900	78,639	542,932	35,742	46,230	443	1,259,062	114,824
British .....	1,668,391	974,041	4,541,176	2,044,333	42,960	122,553	6,252,557	3,140,927
French .....	44,758	847	488,641	65,670	79,542	3,832	612,941	70,349
Cuba .....	31,840,706	2,191,570	11,300,194	447,719	582,443	52,513	43,723,343	2,691,802
Porto Rico .....	3,488,843	1,024,092	1,395,669	122,168	257,042	6,871	5,141,534	1,153,131
Haiti and San Domingo .....	1,994,372	351,419	2,241,207	356,752	216,937	28,086	4,452,516	736,287
Total .....	39,880,774	4,617,250	21,612,016	3,189,476	1,264,323	219,294	62,757,113	8,056,020
<b>SOUTH AMERICAN TRADE.</b>								
New Grenada .....	3,722,059	121,509	1,597,410	45,390	147,155	5,544	5,466,624	172,443
Venezuela .....	2,618,331	265,131	1,035,276	20,974	90,304	1,346	3,743,913	287,451
Brazil .....	18,244,077	2,970,726	5,429,950	515,285	320,311	14,709	23,994,338	3,509,720
Uruguay .....	908,750	.....	636,986	24,340	.....	.....	1,673,768	24,340
Buenos Ayres .....	3,761,055	259,793	712,388	10,620	269,732	970	4,749,173	271,383
Chili .....	2,013,351	59,561	2,693,519	151,706	353,412	70,036	5,060,282	281,303
Peru .....	280,810	27,642	894,482	65,299	94,222	23,669	1,179,514	116,610
Total .....	31,548,435	3,704,362	12,916,009	833,614	1,403,168	116,274	45,867,612	4,654,250

Fiscal year 1866.

<b>BALTIC AND NORTH SEA TRADE.</b>								
Russia, on the Baltic and White Seas .....	\$438,330	\$392,425	\$609,989	\$1,937,144	\$27,394	.....	\$1,075,713	\$2,329,569
Prussia .....	186,744	2,335	.....	67,510	.....	.....	186,744	70,075
Sweden and Norway .....	43,223	387,577	.....	149,282	.....	.....	43,223	544,550
Denmark .....	.....	21,467	.....	124,420	.....	.....	.....	145,887
Hamburg .....	423,691	13,132,712	.....	13,440,087	12,653	1,617,857	436,344	28,190,656
Bremen .....	165,897	12,535,636	1,466,302	11,424,771	41,078	267,672	1,673,877	24,228,079



Holland	301,286	2,477,028	630,339	1,716,760	3,559	19,703		995,254	4,213,491
Belgium	433,685	1,833,677	812,492	5,589,361		468,879		1,276,177	7,891,917
Total	1,992,956	30,783,057	3,609,172	34,449,965	85,304	2,381,202		5,687,432	67,414,224
EUROPEAN ATLANTIC TRADE.									
England	19,033,476	177,487,152	115,970,384	211,298,381	467,072	4,104,308		135,470,932	392,889,841
Scotland	175,515	5,669,813	292,826	4,149,102		7,551		468,341	9,826,469
Ireland	72	74,214	249,806	5,724,190		14,835		249,878	5,813,239
France	5,617,016	13,072,761	39,380,617	18,386,733	260,357	319,498		45,257,990	31,778,992
Spain	27,900	581,313	116,218	1,518,928		19,486		144,127	2,100,241
Portugal	5,566	241,449	64,493	434,235				70,059	695,170
Total	24,859,554	197,126,702	156,074,344	241,511,569	727,429	4,465,681		181,061,327	443,103,952
MEDITERRANEAN TRADE.									
France	678,071	3,562,441	1,851,901	1,564,054	82,289			2,612,261	5,126,495
Spain	672,566	1,393,221	390,311	3,693,289				1,062,877	5,086,510
Italy and Sicily	1,449,837	2,695,935	1,127,801	2,206,347	1,604	2,846		2,579,242	6,505,128
Austria	54,563	381,585	1,800	688,528		20,000		76,363	1,072,829
Turkey and Greece	177,079	248,450	212,855	352,663		775		390,730	695,635
Total	3,032,116	8,281,642	3,584,698	10,104,881	104,668	10,071		6,721,482	18,396,597
EAST INDIA TRADE.									
China	2,326,829	7,805,854	4,703,419	3,928,669	651,485	866,251		7,681,733	12,600,774
Japan	411,068	1,401,296	427,567	44,984	45,487	14,731		884,122	1,464,014
Australia	44,945	379,073	1,653,437	4,397,095	3,624			1,762,006	4,776,168
British East Indies	3,185,524	2,996,144	401,529	180,439	850	54,843		3,587,903	3,231,426
Total	5,968,366	12,585,367	7,185,952	8,551,187	701,446	935,828		13,855,764	22,702,382
WEST INDIA TRADE.									
Danish	174,960	265,919	382,883	781,489	1,050	7,245		558,893	1,054,633
Dutch	99,851	621,887	253,490	878,287	2,019	10,831		355,360	1,514,005
British	1,444,352	3,364,480	3,130,065	6,392,717	4,952	71,252		4,579,369	9,828,449
French	110,656	253,487	281,111	417,307	1,481	8,726		393,248	673,580
Cuba	22,302,694	15,493,118	9,376,565	5,617,981	535,967	241,647		32,215,226	21,352,746
Porto Rico	2,843,804	3,329,214	1,791,186	761,649	48,574	63,335		4,595,564	4,154,198
Haiti and San Domingo	406,101	833,100	1,476,022	2,110,707	93,512	136,281		1,975,641	3,080,088
Total	27,384,418	24,164,295	16,601,328	16,960,197	687,555	533,317		44,673,301	41,657,719
NORTH AMERICAN TRADE.									
New Grenada	1,584,820	107,247	3,327,136	395,911	59,484	9,410		4,971,440	512,568
Venezuela	204,887	2,271,562	205,412	1,102,522	35,609	17,194		445,908	3,391,278
Brazil	3,032,685	13,798,738	1,738,428	3,941,085	26,851	79,140		4,797,964	17,818,963
Uruguay	5,447	1,458,506	233,070	130,826				238,517	1,589,332
Buenos Ayres	1,060,109	5,772,157	680,166	1,059,806	4,325	57,201		1,744,600	6,889,164
Chili	241,010	499,240	703,139	431,516	370	26,359		944,519	957,115
Peru	170,461	636,777	610,936	533,319	8,234	63,346		789,631	1,233,442
Total	6,299,419	24,544,227	7,498,287	7,594,985	134,873	252,650		13,932,579	32,391,862

Countries.	IMPORTS.		EXPORTS.		RE-EXPORTS.		TOTAL.	
	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.
NORTH SEA TRADE.								
Russia .....	\$1,051,190	\$195,364	\$870,217	\$1,058,103	\$69,071		\$1,990,478	\$1,253,467
Prussia .....	451,298	2,013		611,959			451,298	613,972
Sweden and Norway .....	149,384	762,455		125,267			149,384	891,322
Hamburg .....	79,575	12,470,650	114,172	10,912,528	38,117	1,766,820	231,864	25,149,998
Bremen .....	69,580	13,523,478	2,693,525	12,709,425	42,170	374,171	2,805,275	26,607,074
Holland .....	226,024	1,359,336	527,940	2,438,562		113,205	753,964	3,911,103
Belgium .....	274,447	2,338,121	2,024,658	4,514,675	277,119	298,900	3,176,234	7,151,696
Total .....	2,901,498	30,651,417	6,230,512	32,370,519	426,477	2,556,696	9,558,487	65,578,632
EUROPEAN ATLANTIC PORTS.								
England .....	21,485,774	150,194,021	78,305,268	156,997,463	675,801	5,560,380	100,466,843	312,751,864
Scotland .....	196,690	6,961,172	146,896	4,658,236		191,722	343,586	11,811,130
Ireland .....	4,208	73,390	485,859	6,631,995	91,025	198,210	561,092	6,993,595
France .....	7,439,135	20,619,883	27,309,473	14,277,962	517,607	1,213,600	35,266,215	36,111,445
Spain .....	85,773	419,229	243,115	425,557	1,236		330,124	844,786
Portugal .....	17,704	244,039	91,686	454,558	750	2,950	110,140	701,547
Total .....	29,229,284	178,511,734	106,582,297	183,445,771	1,286,419	7,166,862	137,098,000	369,124,367
MEDITERRANEAN TRADE.								
France .....	418,830	2,729,886	2,010,483	492,913	74,809		2,504,122	3,222,799
Spain .....	844,474	1,701,336	910,091	3,927,986	27,517	50,366	1,782,082	5,679,688
Italy and Sicily .....	2,184,679	3,104,208	1,388,376	3,256,690	5,669		3,578,724	6,412,526
Austria .....	5,427	505,414	5,300	156,333	8,700	21,605	19,427	683,352
Turkey and Greece .....	196,845	362,129	264,898	201,552	4,315	6,974	485,968	570,646
Total .....	3,650,255	8,402,964	4,599,058	8,033,474	121,010	130,573	8,370,323	16,569,011
EAST INDIA TRADE.								
China .....	3,027,880	9,084,560	6,127,650	2,660,465	607,572	371,899	9,763,132	12,116,924
Japan .....	454,483	2,163,704	624,705	63,431	38,841	71,131	1,118,323	2,300,266
Australia .....	49,986	212,415	1,974,293	3,128,060	1,925	22,212	2,026,204	3,362,687
British East Indies .....	3,614,503	5,317,982	345,268	35,873	17,779		3,977,550	5,354,855
Dutch East Indies .....	1,131,130	1,513,056	127,019	77,376	5,140	1,518	1,263,289	1,591,950
Total .....	8,278,282	18,231,717	9,198,965	5,967,205	671,257	466,760	18,148,504	24,725,682

WEST INDIA TRADE.									
Danish West Indies.....	309,831	332,040	471,581	581,506	20,137	28,643	801,549	942,189	
Dutch West Indies.....	175,987	520,249	191,701	248,219	454	2,777	368,142	771,245	
British West Indies.....	1,331,786	1,779,414	2,918,549	4,687,704	9,693	77,465	4,260,028	6,544,583	
French West Indies.....	36,250	211,569	423,485	241,491		4,881	459,735	457,941	
Cuba.....	25,984,948	13,339,817	10,336,671	3,835,164		1,378,666	267,574	37,700,285	17,442,555
Porto Rico.....	2,532,908	2,781,751	1,525,678	497,968		52,507	29,551	4,111,093	3,309,270
Hayti.....	449,924	508,462	6,495	46,393		171,994	176,419	628,413	731,274
Total.....	30,821,634	19,473,302	15,874,160	10,138,445	1,633,451	587,310	48,329,245	30,199,057	
SOUTH AMERICAN TRADE.									
New Granada.....	2,290,965	243,255	4,027,444	452,246			6,318,409	695,501	
Venezuela.....	282,157	1,714,818	205,412	1,102,522	4,435	27,185	492,004	2,844,525	
Brazil.....	4,695,903	14,436,988	2,579,737	2,456,193	91,440	72,981	7,367,140	16,966,162	
Uruguay.....	227,165	1,291,323	245,047	299,152	23,996	28,813	496,208	1,619,288	
Buenos Ayres.....	2,660,192	3,182,619	889,923	1,459,666	159,442	99,483	3,790,557	4,741,768	
Chili.....	416,990	870,186	2,793,010	739,533	73,231	10,236	3,282,231	1,619,955	
Peru.....	1,421,680	280,307	1,196,373	502,145	13,034	19,362	2,631,087	801,814	
Total.....	11,995,112	22,019,496	11,927,946	7,011,457	364,578	258,060	24,287,636	29,289,013	

## Fiscal year 1868.

NORTH SEA TRADE.									
Russia.....	\$1,105,024	\$348,414	\$793,111	\$1,387,672	\$33,220	\$31,554	\$1,931,355	\$1,767,640	
Prussia.....	257,741	191,721	64,027	885,111		224	321,768	1,077,056	
Sweden and Norway.....	290,326	934,332		177,426			290,326	1,111,758	
Hamburg.....	19,824	8,599,116	193,192	14,997,606	568	2,236,599	213,584	25,833,311	
Bremen.....	623,750	12,692,536	1,874,981	21,469,486	30,109	513,208	2,528,840	34,615,230	
Holland.....	118,199	1,155,658	524,261	4,100,193		31,477	642,460	5,987,328	
Belgium.....	602,931	2,559,652	1,056,023	5,144,322	5,155	609,259	1,664,109	8,313,233	
Total.....	3,017,795	26,481,419	4,505,595	48,101,816	69,052	3,422,321	7,592,442	78,005,556	
EUROPEAN ATLANTIC PORTS.									
England.....	17,084,258	109,201,168	66,551,753	158,147,165	1,048,414	4,541,086	84,684,425	271,889,412	
Scotland.....	431,072	6,364,533	898,785	6,169,641	1,250	105,038	1,331,107	12,639,291	
Ireland.....	63,739	23,369	377,890	5,940,617			441,539	5,963,986	
France.....	5,519,499	17,925,816	21,206,607	22,179,777	210,871	1,771,733	26,936,977	41,876,826	
Spain.....	155,894	338,098	859,844	1,243,668	7,216		1,022,954	1,581,766	
Portugal.....	32,471	191,493	437,925	477,160	4,122	17,686	474,518	689,339	
Total.....	23,286,933	134,046,977	90,332,714	194,158,026	1,271,873	6,435,543	114,891,520	334,640,548	
MEDITERRANEAN TRADE.									
France.....	1,710,699	1,766,437	2,305,410	254,070	2,417		4,018,526	2,020,507	
Spain.....	1,282,665	1,102,710	748,573	4,787,467	15,795		2,047,033	5,890,177	
Italy and Sicily.....	2,374,050	2,135,583	2,253,491	2,742,312	12,004	12,214	4,639,545	4,890,109	

Countries.	IMPORTS.		EXPORTS.		RE-EXPORTS.		TOTAL.	
	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.
<b>MEDITERRANEAN TRADE—Continued.</b>								
Austria.....	\$58,242	\$566,325		\$267,837		82,558	\$58,242	\$836,720
Turkey and Greece.....	364,091	441,082	8583,442	136,111	821,391	5,153	968,924	582,346
Total.....	5,789,747	6,612,137	5,820,916	8,187,797	51,607	19,925	11,732,270	14,219,859
<b>EAST INDIA TRADE.</b>								
China.....	3,040,047	8,314,977	8,498,372	1,023,414	2,157,674	12,030	13,696,093	9,380,421
Japan.....	747,171	1,682,041	725,428	54,740	85,722		1,558,321	1,736,901
Australia.....	37,260	47,865	2,934,624	1,910,360	18,532	22,618	2,994,416	1,980,843
British East Indies.....	2,864,363	4,611,991	594,466	88,065	4,909		3,463,678	4,700,056
Dutch East Indies.....	1,326,811	576,564	83,514	60,749			1,410,325	637,313
Total.....	8,015,592	15,263,402	12,840,404	3,137,328	2,266,837	34,798	23,122,833	18,435,534
<b>WEST INDIA TRADE.</b>								
Danish West Indies.....	342,245	266,662	629,453	519,938	13,719	13,652	985,417	800,222
Dutch West Indies.....	225,273	583,638	162,136	333,957	1,003	10,736	388,412	922,331
British West Indies.....	1,413,270	1,546,695	3,369,682	3,304,554	48,701	33,949	4,831,653	4,855,198
French West Indies.....	46,055	172,898	717,966	186,760	7,387	1,008	771,408	360,666
Cuba.....	36,973,281	13,777,446	12,321,355	2,934,488	3,188,943	203,642	52,483,579	16,915,576
Porto Rico.....	3,917,011	2,430,012	2,543,039	448,169	71,847	19,686	6,531,897	2,897,867
Haiti.....	341,425	418,662	28,912	35,198	134,461	167,249	501,798	621,109
Total.....	43,258,560	19,196,013	19,772,543	7,763,064	3,466,061	449,902	66,497,164	27,408,979
<b>SOUTH AMERICAN TRADE.</b>								
New Granada.....	3,497,636	154,083	3,855,514	221,445			7,353,150	375,528
Venezuela.....	284,210	2,219,231	280,315	1,861,292	24,003	18,984	588,538	4,129,510
Brazil.....	6,408,198	17,274,687	3,025,411	2,619,613	133,686	64,179	9,567,289	19,958,479
Uruguay.....	495,848	683,672	331,605	465,756	2,842	29,803	830,295	1,170,231
Buenos Ayres.....	2,689,083	2,118,791	1,256,736	1,292,502	172,109	97,769	4,117,928	3,509,062
Chili.....	330,847	620,820	545,861	978,751	30,161	26,226	966,969	1,625,797
Peru.....	1,003,987	761,410	1,239,342	363,585	15,429	47,999	2,558,758	1,172,994
Total.....	14,709,939	23,862,697	10,534,784	7,892,914	378,221	275,960	25,622,917	31,941,601

Fiscal year 1869.

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NORTH SEA TRADE.									
Russia	2402,768	2435,309	2887,727	283,320,430	213,548	210,288	21,304,043	23,766,027	
Prussia	302,421	245,107	235,654	1,942,379			538,081	2,187,426	
Sweden and Norway	331,955	771,656	12,182	148,786			350,143	920,442	
Hamburg	50,587	8,917,820	265,789	12,687,663		1,048,703	314,376	22,654,186	
Bremen	509,740	15,444,915	234,049	24,508,280	19,158	318,340	502,947	40,271,535	
Holland	645,308	2,076,015	510,283	3,425,880	746	88,847	1,126,337	5,590,742	
Belgium	454,219	2,335,730	192,638	5,516,343	31,215	287,678	1,378,102	8,339,741	
Total	2,467,004	30,426,542	3,042,328	51,519,761	64,697	1,753,856	5,574,029	83,730,159	
EUROPEAN ATLANTIC PORTS.									
England	16,843,321	138,724,121	42,792,736	147,663,959	379,653	4,849,455	59,985,710	294,237,535	
Scotland	424,621	7,021,630		4,843,942		160,688	424,621	12,026,260	
Ireland	39,730	112,233	1,081,987	5,417,130		369	1,181,717	5,529,732	
France	5,281,413	30,356,911	25,854,961	16,585,178	125,825	1,295,702	31,262,909	48,247,791	
Spain	1,662,251	1,856,137	1,614,306	5,981,988	2,367	13,491	3,278,924	7,891,616	
Portugal	21,126	185,834	433,088	459,311	17,320	25,025	484,604	661,200	
Total	24,315,532	178,296,866	71,777,078	180,952,538	525,175	6,344,730	96,617,785	365,594,134	
MEDITERRANEAN TRADE.									
Italy and Sicily	2,766,720	3,423,143	2,473,070	3,209,881	6,547	16,677	5,266,337	6,649,701	
Austria	57,303	938,225	144,700	478,032		19	182,103	1,416,286	
Turkey, Greece, and Egypt	550,287	478,673	217,685	435,510	53,984	47,906	882,256	962,089	
Total	3,374,310	4,840,041	2,835,455	4,123,423	60,531	64,602	6,270,696	9,028,076	
EAST INDIA TRADE.									
China	5,361,187	7,847,934	8,881,139	1,377,039	2,115,693	1,861	16,358,019	9,226,834	
Japan	1,224,511	2,020,776	2,791,217	45,503	1,109,887	9,454	5,125,645	2,075,733	
Australia	43,917	83,736	2,129,496	2,489,817	18,243	40,409	2,191,656	2,613,962	
British East Indies	4,793,101	4,210,309	347,959	123,060	7,476	4,009	5,148,826	4,337,378	
Dutch East Indies	481,775	1,465,426	94,723	37,779	325		576,833	1,503,205	
Total	11,904,821	15,628,181	14,244,534	4,023,198	3,251,624	55,733	29,400,979	19,757,119	
WEST INDIA TRADE.									
Danish West Indies and Denmark	389,255	239,295	693,577	980,538	18,499	20,622	1,111,331	1,240,455	
Dutch West Indies and Guiana	198,569	890,530	285,424	610,627	7,323	22,272	321,316	1,463,429	
British West Indies	3,008,731	3,673,660	4,657,789	4,484,555	47,384	54,376	7,713,994	8,212,591	
French West Indies	385,760	311,252		7,473		5,380	393,173	316,632	
Cuba	42,495,684	15,706,220	9,878,183	2,765,772	6,903,655	161,132	59,276,922	18,633,194	
Porto Rico	4,114,355	3,293,545	2,003,612	666,352	68,200	45,837	6,156,167	4,005,734	
Haiti	276,897	452,735	531,927	817,511	40,135	89,327	848,959	1,359,573	
Total	50,878,891	24,477,307	18,050,512	10,355,355	7,092,669	398,946	76,021,772	35,231,608	

NAVIGATION INTERESTS.

## Fiscal year 1869—Continued.

Countries.	IMPORTS.		EXPORTS.		RE-EXPORTS.		TOTAL.	
	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.	American ves- sels.	Foreign vessels.
SOUTH AMERICAN TRADE.								
New Granada .....	\$5, 128, 748	\$162, 958	\$4, 809, 329	\$90, 746			\$9, 938, 077	\$253, 704
Venezuela .....	375, 470	2, 056, 290	152, 802	1, 039, 056	82, 282	\$26, 894	530, 554	3, 122, 270
Brazil .....	7, 287, 539	17, 624, 911	2, 804, 297	3, 106, 268	97, 961	60, 553	10, 189, 797	20, 791, 732
Uruguay.....	747, 096	725, 512	287, 935	548, 177	55	58, 215	1, 035, 086	1, 331, 904
Buenos Ayres.....	2, 392, 945	2, 770, 021	934, 309	1, 300, 780	173, 575	98, 850	3, 500, 829	4, 169, 651
Chili.....	576, 090	310, 892	906, 631	1, 062, 949	30, 550	85, 355	1, 813, 271	1, 439, 196
Peru.....	371, 539	1, 114, 471	1, 120, 450	436, 084	82, 609	34, 102	1, 475, 098	1, 584, 657
Total .....	17, 079, 727	24, 765, 055	11, 015, 753	7, 584, 090	387, 232	363, 969	28, 482, 712	32, 713, 114

## XXXIV.—Comparative table showing the value of imports into, and exports from, the United States and Great Britain, respectively, during the years 1867 and 1868.

	1867.	1868.
Imports into the United States, (specie value).....	\$417, 831, 571	\$371, 624, 808
Imports into United Kingdom, (specie value).....	1, 331, 886, 383	1, 426, 317, 063
Exports from the United States:		
Domestic exports, (mixed gold and currency value).....	438, 577, 312	454, 341, 713
Foreign produce re-exported, (mixed gold and currency value).....	20, 611, 508	22, 601, 126
Total United States, (mixed gold and currency value).....	459, 188, 820	476, 942, 839
Exports from the United Kingdom:		
Domestic exports, (specie value).....	875, 855, 707	869, 640, 610
Foreign and colonial produce re-exported, (specie value).....	217, 186, 119	232, 897, 107
Total United Kingdom, (specie value).....	1, 093, 041, 826	1, 102, 447, 717

NOTE.—In this table each year ends in the case of Great Britain, December 31, and in the case of the United States, June 30.

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B. F. WHITTEMORE.

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FEBRUARY 21, 1870.—Ordered to be printed.  
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Mr. LOGAN, from the Committee on Military Affairs, made the following

## REPORT.

*The Committee on Military Affairs, who were authorized by the resolution of the House of Representatives of the 4th day of February, 1870, to inquire into the alleged sale of appointments to the Military and Naval Academies by members of this and preceding Congresses, respectfully submit the following report:*

The committee have taken testimony in the case of B. F. Whittemore, member of Congress for the first district of South Carolina, which testimony, together with a statement made to the committee by Mr. Whittemore in exculpation of himself, is herewith submitted.

The committee, having carefully considered the same, have come to the conclusion that, in making the appointments to the Military and Naval Academies from the district represented by him, the said B. F. Whittemore has been influenced by improper pecuniary considerations. They therefore submit the accompanying resolution and recommend its adoption.

JOHN A. LOGAN, *Chairman.*  
AMASA COBB.  
JASPER PACKARD.  
WM. L. HOUGHTON.  
J. F. ASPER.  
JNO. S. WITCHER.  
GEORGE W. MORGAN.  
W. W. SLOCUM.  
S. L. HOGE.

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TESTIMONY.

WASHINGTON, D. C., February 14, 1870.

G. R. CATHCART sworn and examined.

By the CHAIRMAN:

Question. State your residence, age, and occupation.—Answer. I reside in New York City; I am twenty-eight years of age; my occupation is a journalist.

Q. State what you know, if anything, in reference to the sale, or offer of sale, of cadetships to the Naval or Military Academy, by any member of Congress, Senator, or government officer.—A. I have an office at 48 Broad street, New York, where I do a good deal in the way of commercial reporting. I have a friend named Philip H. Kegler, who has an office in the same building. He was formerly a wealthy banker in Charleston. I was in his office one day in September or October last, and he mentioned to me the circumstance of a correspondence between himself and Mr. Whittemore, member of Congress from South Carolina. Mr. Kegler desired that his son Freddy should be appointed to the Naval Academy, and he asked Mr. Whittemore to make the appointment. Mr. Kegler went on to tell me that the appointment had been offered to him for \$2,000, in Boston, by a gentleman named Shaw. He came from Boston to Washington, with a letter of introduction from Shaw to Whittemore. I do not know whether Whittemore told Kegler then that the appointment would be given to him or not; but he afterward, in answer to a letter from Kegler, addressed him a letter, of which I made a copy, as follows :

DARLINGTON, S. C., *May 12, 1839.*

P. H. KEGLER, Esq.:

In reply to your communication I have to say that so many have applied for the position you named that I have set the value of the appointment outside of my district at \$500.

Yours, &c.,

B. F. WHITTEMORE.

By Mr. SLOCUM:

Q. How do you know that that is a copy?—A. I made the copy myself. Mr. Kegler showed me the original letter, with Mr. Whittemore's frank. I judged it to be in his handwriting. The letter was in the same handwriting as the signature on the envelope.

Q. Who has the original letter?—A. Mr. Kegler has it. His office is at 48 Broad street, New York.

By the CHAIRMAN:

Q. Do you know of any other case?—A. I do not.

Q. Who is this Mr. Shaw that you have spoken of?—A. I do not know him personally. His name is William F. Shaw. I do not know his business. I think he is more or less engaged in Washington.

Q. Is he a newspaper man?—A. I think not. I heard Kegler say that Mr. Whittemore was in his employment once.

By Mr. SLOCUM:

Q. Did Kegler take the office?—A. No, sir; he did not propose to go into that kind of business. In the first place, he did not have the money to buy the place, but he was in hopes that he would have been able to get it out of friendship.

By Mr. HOGG:

Q. Then this boy did not get the appointment?—A. No, sir; he did not.

WASHINGTON, D. C., *February 18, 1870.*

PHILIP H. KEGLER, sworn and examined.

To Mr. SLOCUM:

My residence at present is Staten Island. It was Charleston until August last.

Question. Did you ever have any correspondence with a member of Congress relative to securing an appointment for your son?—Answer. I did. I wished to get him an appointment to the Naval Academy.

Q. Who wrote the first letter?—A. The first letter was written by Senator Sawyer, of South Carolina. He gave me a letter, addressed to Mr. Whittemore, in reference to the appointment.

(Witness produces the original letter, of which the following is a copy:)

WASHINGTON, *December 16, 1869.*

MY DEAR SIR: The bearer, Mr. Philip H. Kegler, of Charleston, S. C., has a son whom he is desirous of having admitted to the naval school at Annapolis.

If you have not pledged yourself to a nomination, you may be willing to nominate Mr. K.'s son.

I have given Mr. Kegler a copy of the regulations governing admission, which he will show you. Anything you may do in this matter will oblige,

Very truly, yours,

(Signed)

F. A. SAWYER.

Hon. B. F. WHITTEMORE, 23 *Indiana Avenue.*

P. S.—Should Mr. Whittemore not be so situated as to aid Mr. Kegler this letter is respectfully addressed to Honorables Messrs. Corley or Goss.

F. A. S.

Q. What followed this letter?—A. I had an interview with Mr. Whittemore in January, 1869, and presented to him this letter.

Q. This letter is dated December, 1869?—A. That was a mistake of Mr. Sawyer's. I received that letter in January, 1869. I received it here in Washington City, at his boarding house. He wrote it very hastily. It was during the session of the fortieth Congress. I handed the letter in person to Mr. Whittemore at his boarding-house in Indiana avenue, I think. He was just on the point of going out to a meeting where, I think, General Kilpatrick made a speech, and I walked with him as far as the church. Mr. Whittemore then told me that he regretted exceedingly that he did not know I wished an appointment for my son, but that he had, unfortunately, pledged himself. He said he was very sorry; that he thought I was as deserving as any man, in consideration of what I had lost in South Carolina, and of what I had done during the war. He talked very nice, and I thanked him warmly for his kindness, or his intended kindness. I dropped the matter, thinking that nothing more could be done. I then went to the Secretary of the Navy and made application there. I also went to Mr. Charles Sumner, asking his aid. My son even went alone to see General Grant. We failed. Four months afterward I happened to be in Boston with my son. That was in April, 1869. I had lived in Boston from 1843 to 1857. I there met an old business acquaintance named Shaw, and introduced my son. He said he would make a fine cadet. I said, "I would like very much to give him that opportunity, but I am afraid it is a hard matter—a matter of impossibility. It requires too much influence." "O," said he, "as far as that is concerned, I can give you an appointment; I have it in my pocket." Said I, "You would do me the greatest favor in the world." He took out the appointment, a blank for the name of the appointee, but signed. The moment I took hold of it I recognized the handwriting.

Q. Was it a regular appointment, signed by the Secretary of the Navy?—A. No, sir; it was a letter of appointment to the Navy Department, signed by Mr. Whittemore. (Witness exhibits a blank form—the same handed to him by Mr. Sawyer.)

Q. Go on and state what took place between you and Shaw.—A. I, of course, thought that Mr. Shaw was willing to present that appointment to me, and I thanked him for it; but, said he, "There is a consideration for it." He said, "I will show you a letter from Mr. Whittemore." He showed it to me; I did not read the whole of it; but he pointed out to me where Mr. Whittemore stated that these appointments were worth from two to three thousand dollars. I told him that it was unfortunate; that I had lost everything during the war, and even after the war; and that I could not, even if I wanted to, pay any money for the appointment. I said that I thought that I was entitled to it. He said, "That is all I can do; I am willing to waive my interest in the affair; I will give you a letter to Mr. Whittemore," who was then, as he expected, in Washington. He gave me a letter, of which I preserved a copy. (Witness presents the copy of the letter, as follows:)

BOSTON, *April 21, 1869.*

MY FRIEND: This will introduce to you one of my old customers, who desires to place his son in position as he may explain, and which, as I understand, you have power to grant, *providing matters are to your mind satisfactory.* My letter by this day's mail will fully explain my meaning.

Yours, truly,

W. F. SHAW.

Hon. B. F. WHITTEMORE.

P. S.—The name of the bearer of this is P. H. Kessler, a resident of South Carolina, where his family now resides and where his taxes are assessed.

WITNESS, (continuing.) When I reached Washington I found that Mr. Whittemore had gone South. I then addressed a letter to Mr. Whittemore, of which the following is a copy:

WASHINGTON, *May 4, 1869.*

DEAR SIR: I hereby inclose to you a note from Mr. W. F. Shaw, of the city of Boston, which I expected to deliver to you in person. On my arrival here I find that you had left for home.

I was informed in the Navy Department that your appointment is still open. I again beg of you to give the same to my son.

By granting me this request you will confer the greatest favor on an unfortunate but devoted father.

Very respectfully yours,

P. H. KEGLER,  
*Care of Astor House, N. Y.*

Hon. B. F. WHITTEMORE, *M. C. of S. C.*

Here is Mr. Whittemore's reply to that letter:

DARLINGTON, S. C., *May 12, 1869.*

DEAR SIR: In reply to your communication I have to say that so many have applied for the position you name that I have set the value of the appointment, outside of my district, at \$500.

Yours, &c.,

B. F. WHITTEMORE.

P. H. KEGLER, Esq.

Q. What followed; did you make any reply to Mr. Whittemore's letter?—A. No, sir; not at that time. I waited for some time, and I spoke to one or two gentlemen in reference to it, telling them how I was treated. Then I wrote to Mr. Whittemore saying that he had acted in a very equivocal way toward me. I also said that there were parties who wanted to get possession of his letter for political purposes, as I thought; that money was offered to me for it, and that I would not give it up. I expected that his conscience would prompt him to give me that appointment. Instead of that, he wanted me to return the letter.

(Witness presents to the committee the letter from Mr. Whittemore, of which the following is a copy :)

DARLINGTON, S. C., *October 21, 1869.*

DEAR SIR: I have just returned from a visit to the West and find a letter on my table—of the 8th of September—from you, in which you say, “A gentleman of public repute is extremely anxious to get from you a letter which you received from me relative to the admission of your son to the Naval Academy, and offers \$500 in exchange.”

I certainly cannot understand what there is in that letter of such value to “a gentleman,” known or unknown to me, or why my honor as a politician, minister, or otherwise, is to be compromised.

I am astonished that you should allow any letter written by myself or any one else to be used or sought for “deep political or other action” against me or any gentleman who corresponds with you.

I hope you will return the letter to me, as I should to you, if it was to become the medium of injury in the hands of base designing men.

The only reason your application in your son’s behalf could not be entertained, was that others were before you in their requests. I shall be pleased to advance the interests of any young man, if in my power.

Yours, truly,

B. F. WHITTEMORE.

P. H. KEGLER, Esq.

Q. Did that close the correspondence?—A. That closed Mr. Whittemore’s correspondence. But here is a letter which I received afterward under Mr. Whittemore’s frank.

(Witness produces the following letter, inclosed in an envelope directed to him under the frank and apparently in the handwriting of Mr. Whittemore, and postmarked “Washington, D. C., December 7 :”)

WASHINGTON, (Boston erased,) *November 29, 1869.*

SIR: I learn that you *claim* to be an *acquaintance* of mine, and as I cannot call to my mind among my *friends* one of your name I would be pleased to hear from you on what grounds the claim is founded.

I also learn that you seek to injure a former employé of mine, in whose *welfare* I take *much interest*, and as near as I can judge, your *object* is but to save *small cost* to yourself in the matter of benefiting your son; if this is the case, just bear in mind *what has been done* can be *undone* at a *cost*, and if I find you have *played false* I can *vouch* for it that I can find means sufficient to bring about results that will cause you to regret your movements.

Deal *fairly* with my friend or trust to what results I may be able to bring about by untiring efforts. If unfortunate, you will find your account in dealing justly toward your fellow-men.

Yours,

W. F. SHAW,  
615 *Washington street, Boston.*

Mr. P. H. KEGLER.

Q. This Shaw was the man who had Whittemore’s appointment?—A. Yes, sir. Mr. Shaw was not aware that I had seen or applied to Mr. Whittemore four months before he offered me that appointment. I saw Mr. Shaw in April, and I saw Mr. Whittemore in January previous. It was one of those instances which do not happen once in a hundred thousand times. I did not say that I had seen Mr. Whittemore, nor did I mention Mr. Whittemore’s name; but I thought it very mean for Mr. Whittemore to extort thanks from me while he was acting double-faced toward me. I was offered money for his letter, but I would not sell it. Mr. Cathcart one day got me to show it to him and he took a copy of it.

Q. That is all that you know of the case?—A. That is all that I know of it.

Q. Where were you born?—A. In Germany. I lived in Boston from 1842 to 1857. I was a manufacturer of cutlery and of surgical instruments. From there I went to Little Rock, Arkansas, where I was when

the war broke out. I was a Union man, and my Unionism nearly cost me my neck. I was conscripted on 3d February, 1863, and on the 8th of February I deserted, or skedadddled. If I had been caught, that would have been an end of me. I made my way to Memphis, and was away from my family eleven months, until Little Rock was taken by General Steele. All my property was taken or destroyed by the confederates. I brought my family north and returned to Little Rock, but after a couple of weeks I was taken sick and came north. In about four months after I had recovered sufficiently to look after business General Barnes gave me an appointment as inspector of surgical instruments to Sherman's army, but when I reached Savannah the army had marched northward. I went to Charleston, and, having made money in Arkansas after the close of the war, I went into the brokerage and banking business. I remained in Charleston from 1865 till August, 1867, engaged in that business.

By Mr. HOGG:

Q. Were you connected with any newspaper in Charleston while you were there?—A. Cathcart was an acquaintance of mine. He had been connected with the London Post. I thought that another paper in Charleston could do very well; and having the means, and feeling desirous to give Cathcart a start, I did so. I did not invest one cent in the paper, and was not interested in it financially.

Q. Were you connected with the profits in any way.—A. No, sir.

Q. What was your connection with the Charleston News?—A. Merely to give Cathcart a start in life.

By Mr. WITCHER:

Q. What were the politics of that paper?—A. I really do not know. I think it was on the fence; willing to do anything to make money.

A. SCHOEPF examined.

By Mr. SLOCUM:

Question. Is this (referring to previous evidence given by witness) the only case of sale or proposed sale of such positions with which you are acquainted?—Answer. I know of another case of proposed sale—or the same case; it was in the case of this same young man; but it was another gentleman that proposed the sale of the place. I was introduced to him, but have now forgotten his name; should perhaps know it if I should hear it—I am not certain; I should know him if I should see him; (witness gives a detailed description of his appearance.) I know he was originally a Massachusetts man, and a Methodist minister; during the war he was chaplain for a Massachusetts regiment, and when the war ended he settled in one of the southern States. Well, I was introduced to him, without thinking of money at all in connection with the matter; I asked him if there was any chance to secure an appointment for General Tyler's son to a vacant cadetship, which I understood there was in his district; he asked me to write down the direction; I did so. "Well," said he, "you can get it; my price is \$2,000." I was surprised, greatly; but went on to say that I believed the young man was a little over age; he said, "No matter; paper will bear anything." Then I left him; I didn't want anything whatever to do with any bribing. I was introduced to this man by another southern gentleman, from Georgia, I think; he was formerly an officer in the rebel army; his name was Young; he was not present at the above conversation; nobody was present excepting us two; he took me into a cor-



ner here. I had simply asked Young if he knew anybody that had a position of this kind that could be had for the son of an old army officer; then he mentioned this man, and introduced me to him.

Q. Was his name Whittemore?—A. I think that was it.

Q. Have you been engaged in this business of procuring such positions to any considerable extent?—A. Never, sir, except in this one case. General Tyler was an old and intimate friend of mine. While trying to do what I could for his son I thought a lawyer might help me out, and so I went to *General Este, because he was a lawyer. He went to investigating, and finally told me the position could be obtained for \$1,500. I wrote to General Tyler so, and he sent me the \$1,500, and I gave it to General Este. I did not keep a dollar myself; I was not working for money.*

At the conclusion of the examination General Schoepf was taken to the hall of the House of Representatives and asked to point out the gentleman who told him that the cadetship could be had, but that the price was \$2,000. He identified Mr. Whittemore, of South Carolina, as being the man, and so stated on his return to the committee room.

WASHINGTON, D. C., *February 19, 1870.*

E. P. BROOKS recalled and examined.

By Mr. SLOCUM:

Question. The committee now desire you to answer the question propounded to you yesterday as to the particulars of the other cases to which you referred.—Answer. I would like to explain that the reason why I declined to answer was this: My transactions with Mr. Whittemore were of such a character that I did not like to couple him in connection with the gentlemen I had mentioned. They were men who, to my mind, were in the market. I approached Mr. Whittemore early in 1868, and asked him if I could get his cadetship to West Point. He refused to have any transaction with me in the matter. I saw him frequently; was with him a good deal. I was obliged to argue with him a good deal, and to assist him in proving to him that he had no boy in his district capable of taking the place before I could make any headway. He refused altogether to receive money for it. I told him that I understood it was a usual matter for members to do such things; that it was a political requisite; that he could use the money for political purposes, as well as to gain the friendship of political friends which he might make. With a distinct understanding, and, as I believe, a religious understanding, on his part that the money was to be used for political and educational purposes in his district, he consented to receive the money which I gave to him. He also insisted that the boy should go to his district and acquire a legal residence, which I arranged.

By the CHAIRMAN:

Q. How much money did you pay?—A. I cannot remember the exact amount. I handled considerable amounts of money just about that time. I think it was somewhere in the neighborhood of \$1,500 I am not sure as to that, however.

Q. From whom did you get that money?—A. I got it through a draft on New York from Mr. John T. Dailey.

Q. How much in all did you get for the appointment of his son?—A. That I do not remember.

Q. Did you get more than \$1,500?—A. I did.

Q. How much more?—A. H. S. Olcott, the agent, whose name I

mentioned in my testimony yesterday, was concerned in this matter. I think that he brought me money enough so that I put in my own pocket about \$750.

Q. How much did he get for his influence?—A. I do not know. The draft I spoke of was made by Mr. Olcott on Mr. Dailey.

Q. Mr. Dailey paid the draft?—A. Yes, sir.

Q. Where did you pay this money to Mr. Whittemore?—A. In his rooms in this city. I think he was living on Louisiana avenue at that time.

Q. You are sure that the amount was about \$1,500?—A. I feel very certain of it.

Q. Have you given all the facts in connection with this case?—A. Yes, sir.

Q. What was the name of the young man who was appointed?—A. Thomas T. Dailey.

Q. Where did he reside?—A. His father lived in New York. The boy went down and accepted a place as clerk in the office of assessor of internal revenue in the district from which he was appointed.

Q. Did the boy go down there for the purpose of making that his residence, so as to get this appointment?—A. He did. The boy was to comply with the requirements of the law in that respect.

By Mr. MORGAN :

Q. Who got him the clerkship in the internal revenue office?—A. I do not know.

By Mr. SLOCUM :

Q. Can you be very positive as to the amount you paid to Mr. Whittemore?—A. I cannot. I was handling at that time a good deal of money that did not belong to me. I do not know how much I paid him.

Q. You must have known how much you got of Mr. Dailey?—A. Mr. Dailey and Mr. Olcott had been in business together, and Mr. Olcott and myself had a great deal of business in the way of the prosecution of claims and matters of that kind.

Q. Are you sure that it was over \$1,400?—A. I am not positive.

Q. Give us the lowest limit?—A. I should place the lowest limit at \$1,000, and I think \$1,500 would be the extreme limit.

By Mr. MORGAN :

Q. For what purposes were you handling so much money at that time?—A. Nothing that belonged to this transaction.

Q. Was it for the purpose of influencing the action of members of Congress?—A. No, sir.

Q. Was it for the purpose of influencing the action of courts?—A. It was nothing connected with this investigation.

Q. I want you to answer my question.—A. I decline to do it.

WASHINGTON, D. C., *February 19, 1870.*

JOHN T. DAILEY sworn and examined.

By the CHAIRMAN :

Question. State your age, residence, and occupation.—Answer. Age forty-six; residence, Madison avenue, New York; occupation, merchant.

Q. It has been in evidence here that you have paid money for the appointment of your son to the Military Academy at West Point; please state all the facts connected with the procurement of that appoint-

ment.—A. I wanted a West Point appointment; I went to a gentleman whom I have known for twenty years, and who has been in Washington a good deal of the time, and told him I wanted an appointment.

Q. Give us the name of that gentleman.—A. Henry S. Olcott. He said that he would use his influence to procure one for me. He came down here, I think, three times for that purpose, and finally succeeded in getting one for me from South Carolina.

Q. Was your son appointed?—A. He was.

Q. What is his name?—A. Thomas Dailey.

Q. By whom was he appointed?—A. By Mr. Whittemore, a member of Congress.

Q. How much, if any, did you pay for the procurement of that appointment?—A. I paid Mr. Olcott—I do not recollect how much—I think in the neighborhood of \$2,000.

Q. Did you know anybody else in connection with the transaction except Mr. Olcott?—A. No, sir.

Q. Had you ever seen Mr. Whittemore?—A. I had never seen him until after the appointment was made. Mr. Olcott represented to me that this appointment was made through his influence, but that a portion of the money that came from me went to a political fund that was being raised for election and educational purposes.

Q. He did not propose to get any of the money himself?—A. Yes; Mr. Olcott did.

Q. That portion then did not go for educational purposes?—A. I presume not. I did not ask him how much he kept, or anything of the kind.

Q. When did that transaction occur?—It occurred either in December, 1868, or in January, 1869.

Q. Did you know anything of Mr. Brooks in connection with the appointment?—A. I knew something of Mr. Brooks in connection with it after the whole transaction was over; not before.

Q. What did you know of his connection with it afterward?—A. After the appointment had been made Mr. Olcott said that Mr. Brooks aided him in obtaining the appointment; that is all.

Q. What is the business of this man Olcott?—A. He was formerly employed in the War Department in looking up frauds in the army and Navy Department. I don't know what his position was there. He was also connected with the press in some way. I do not know with what papers. I think he wrote for quite a number of papers.

Q. Do you know where he is now?—A. He is in Europe, I believe.

Q. When did he leave for Europe?—A. It was over two months ago.

Q. Do you know by whom he was employed in the army and Navy Department?—A. No, sir. He went out of that business immediately after the war. I wish to say in reference to Mr. Whittemore, and you will of course take it for whatever you think it is worth, that after the appointment had been made I proposed to give a present to Mr. Whittemore, understanding that what had been previously paid was for political or educational purposes; but Mr. Brooks told me I had better not do it.

By Mr. COBB:

Q. Mr Brooks seemed to think it would not do to offer Mr. Whittemore any present?—A. He gave me that reason. He said I had better not. It was one of those things I had better not do. The impression on my mind always has been that Mr. Whittemore never received any

of this money; and I may say, furthermore, that there seems to have been a feeling particularly against my son, at West Point, ever since the appointment was made, on the ground of his being a non-resident of the district. It was some two months after he had passed his first examination before I could get him into the corps, and the difficulty seems to have followed him down to the present time, so that, were it not for the feeling that I have had in this matter, I should have allowed him to resign three months ago. There seems to have been some influence at work in regard to him that I cannot explain. I consulted one of the most distinguished lawyers of New York, as well as a general in the army, who told me that if my son went to any point and acquired a residence, an appointment from that district would be legal. He went to South Carolina and remained several months; after which an appointment was solicited, and he was appointed from that district.

Q. What distinguished general was it that gave you that opinion?—

A. I do not wish to mention any names as he had nothing to do with this matter. It was General Donnelson, of the Quartermaster's Department.

By Mr. MORGAN:

Q. What was your son doing in South Carolina?—A. A part of the time he was in an assessor's office and a part of the time pursuing his studies.

Q. Who got him his appointment in the assessor's office?—A. I do not know. I sent him down there.

Q. Had he any friends or acquaintances there?—A. Yes; two or three.

Q. Who were they?—A. I think Mr. Fillebrown, of Darlington, got him his appointment in the assessor's office.

Q. Who was the tutor of your son in South Carolina?—A. A young man by the name of Landon.

Q. When did he become acquainted with Mr. Landon?—A. I advertised for a tutor, and that gentleman answered the advertisement.

Q. Do you know where Mr. Landon is now?—A. I do not.

Q. Had he anything to do with this transaction?—A. I never saw him in reference to it that I know of.

Q. What is his name?—A. I think his name is D. Landon. He replied to the advertisement I had put in for a tutor.

WASHINGTON, D. C., *February 19, 1870.*

Hon. B. F. WHITTEMORE, member from South Carolina, appeared before the committee, and the testimony of General Schoepf and P. H. Kegler having been read to him, he asked and obtained permission to make a statement on his own behalf, which he did, as follows:

With reference to the appointment to the naval cadetship Mr. Goss, who was my colleague in the fortieth Congress, came to me as long ago as December, 1868, and told me of the treatment which he had received at the hands of Mr. Wallace, who was a claimant for his seat. He said that he had made an arrangement with Mr. Wallace that, if Wallace would step aside and not run against him, he would give Mr. Wallace's son the appointment to West Point. As Mr. Goss's own son was not of sufficient age to enter on the appointment, he was willing to wait, anticipating that he should be in the forty-first Congress, and would have an opportunity to appoint his own son to the Naval Academy. Mr. Goss said, "Mr. Wallace has run against me, and I have been defeated. My son has been at school here in Washington, and I have been at great expense in his education. I feel considerably mortified at my defeat,

and because, furthermore, I shall not be able to send my son to the Academy; and I wish you would appoint my son to that Academy." I said to him that I had not made up my mind with reference to my appointments at all; and that my first idea was, if I could find a poor boy, who had sufficient education to warrant him in standing an examination for the Military Academy at West Point, to appoint him.

Mr. Goss said so much to me that I finally told him I would consider it. He finally came to me and said: "I will give you \$500 for the appointment, and you may use the money for any purpose you please." I told him that I should not sell the appointment for any consideration whatever. He said, "You are doing a good deal in educational purposes there, in building churches, &c. If you give my son the appointment I will give you \$500, to be used for educational purposes or for any other purpose in the district that you please." I thanked him for that, I told him that he knew very well that the people in my district were all very needy, that we had to keep putting our hands in our pockets all the time, that I knew that there was no poor boy in my district that could take the appointment; and, furthermore, that, as far as I knew the white people of my district, there was not a boy, except the son of a disloyal man, who could possibly pass the examination, and that, as to the appointment of the son of a disloyal man, I should not make it. I had suffered too much during the war to do anything of the kind; and I thought we had had disloyal men enough at West Point and the Naval Academy. I said that if I could not find any boy in my district I should give the appointment to the best boy I could find out of my district. The matter stood there, so far as the affair between Mr. Goss and myself was concerned. Up to the time of his leaving Congress it was understood between him and me that his son should have the appointment.

In January, as Mr. Kegler says, I received a visit from him, with the letter of introduction from Senator Sawyer; and, as he states, I told him (as any gentleman would be likely to do under the same circumstance) that I was sorry, but that the appointment was already promised, meaning the promise to Mr. Goss's son. He walked along with me up the street. It was the first time that I ever saw him to my knowledge, though I had heard of him as a banker in Charleston. We separated. Nothing was done about the Naval Academy appointment from that time forward up to the close of the fortieth Congress. I wrote to Mr. Goss, after he went home, asking him to let me know if he still desired the appointment for his son, as I had not heard anything more about it. He never replied to my letter. I then made up my mind that I should seek to make the appointment somewhere else; and I thought of my old friend Shaw, with whom I used to be an employé, who had been always kind to me and had always treated me very courteously. I thought to myself that I would give my friend Shaw an opportunity to make an appointment if he pleased. I sat down and filled out a blank appointment and sent it to him, with the statement that if he had any friend whom he wanted to appoint to that position he could do so, and that I would forward the appointment to the Navy Department. As to my saying that from \$2,000 to \$3,000 was the price of the appointment, that is not so.

I returned home after the close of the first session of the forty-first Congress, which, I think, was about the middle of April. In the meantime I had had conversations with a gentleman named Landon relative to the appointment of a boy to the Naval Academy. I told him that I did not know what I should do about it; but that I should seek the best

boy I could find. I was satisfied that I could not find one in my own district who would pass the examination and do credit to the appointment. I went home. Some time in May, 1869, I think, I received the letter from Mr. Kegler, and made the reply just as he states, with the understanding, in my own mind, that I did not regard him as of any importance whatever. On the contrary, there were very many disreputable things said of him in the State relative to his failure there as a banker, and to the manner in which he left the State. I was under no obligations to him; he was not in my district. I made the statement that I had been offered \$500 for the position, and that if the appointment was not made in my district I felt that it should be made good in my district some way or other.

The conversation that I had with Mr. Landron was this: I said that I had been offered \$500 by Mr. Goss to be used for educational purposes in the district. That understanding was left in that way.

Early in the latter part of May Mr. Landon wrote to me that if I had not filled the position he would bring me a young man equal to the young man whom I had appointed to the West Point Academy, and whom I regard as one of the best appointments that have been made there. Mr. Landon came down with this young man. I saw him. I did not like his appearance as well as I did that of the young man whom I had appointed to the West Point Academy. I said I was afraid he was not of the right caliber. He said I was mistaken, that he was a most excellent young man, and that he would do credit to the appointment. I said that it was utterly impossible to find any boy in my district, and that if I did not make the appointment before June I would lose it. Hence I was anxious to make the appointment at once if I made it at all, because I was notified by the Navy Department that if I did not make the appointment before June the department would make the appointment itself. I said, "Here are my people, very poor; they are at my door every hour without food or raiment. We have to put food in their mouths; we have to put our hands in our pockets continually to aid them; we have to send to the north, to the west, and to the east in behalf of those people. They are here after my wife every day, and every hour of the day, and almost every hour of the night. Now if you say that you are willing to give \$500 for this appointment rather than not have it, I will not accept it for the appointment under any consideration whatever, (I would rather not make the appointment at all.)" "But," said he, "if you will make the appointment, I will give \$500 toward the relief of those poor people." "Well," said I, "I do not know how I can do my people any more good than in helping them to \$500 or to \$5, which will aid their necessities and relieve their poverty. However, I will not accept anything at this time; but let your boy prepare himself; let him go to the Academy, and if he passes, and if you then want to fulfill your engagement with reference to giving \$500 to help the poor in my district, you can do it." The boy went to the Academy and passed, and I am happy to say that he occupies a good position in his class.

Now, so far as the letter which Mr. Shaw wrote to Mr. Kegler is concerned, I will say this: I was exceedingly annoyed with a letter which I had received from Mr. Kegler. He does not make the full statement to the committee in regard to that letter, he makes his own side of the case good; but, if the committee will permit me, I will read the letter.

(Mr. Whittimore presented and read the letter referred to, of which the following is a copy:)

ASTOR HOUSE, *September 8, 1869.*

SIR: A gentleman of public repute is extremely anxious to get from me the letter I received from you, relative to the admission of my son to the Naval Academy, and offers me \$500 in exchange.

That there is some deep political or other action intended against you is certain, and you can judge for yourself how far the letter in question compromises your honor and integrity as politician, minister, and gentleman.

Before, however, handing it to the gentleman, who has applied to me, I shall await your answer, in case you should have anything to propose as to its disposition.

Respectfully, yours,

P. H. KEGLER.

HON. B. F. WHITTEMORE :

The letter shows on the face of it that, if he was annoyed, as he says he was, at not receiving the appointment for his son, he was ready to put the letter out of the way, if I should offer him a larger amount or an equal amount. On the back of this letter of his is the brief which I made of the letter written by me to him :

Ans. Octb. 21.

Do not regard the matter but with the astonishment it deserves. Do not understand why such a value is attached to my letter. Nothing in it compromising my honor, &c. Ask him to return it, as I would, if a letter of mine could be used to his hurt.

So far as his communications with Shaw are concerned, that is a matter of which I know nothing. I sent this letter of Kegler's to Mr. Shaw, together with another letter which I received from him, in which he says that he has met Mr. Shaw, and that Mr. Shaw had promised him the appointment. If Mr. Shaw made any statement to him with reference to the price of the appointment, he made it entirely on his own account, and not on my account.

Mr. SLOCUM. Would you prefer to go on and make your statement as you are doing, or would you like suggestions to be made to you by any member of the committee as you go along?

Mr. WHITTEMORE. I will hear any suggestions that the committee may desire to make.

Mr. SLOCUM. It appears from the evidence that this letter from Mr. Shaw to Mr. Kegler was franked by you.

Mr. WHITTEMORE. I do not recollect it; I cannot conceive it possible that it was sent from Washington by me; I do not think that I was here as early as that time, but yet I would not deny that it was franked by me.

Mr. SLOCUM. We wish your statement to go exactly as you prefer. If you prefer to go right on without interruption, of course you can do so; but if you prefer to have questions asked you, I will put some questions to you.

Mr. WHITTEMORE. I am willing to answer any questions, or to submit to any suggestions that may be made. I do not recollect anything about the franking of that letter. I was so astonished at the letters received from Kegler, in which he implicated Mr. Shaw, that I sent Mr. Shaw his letters, and Mr. Shaw in his letter to me denies knowing anything about Mr. Kegler. He says that a man named Houchins, from New York, came to him and had some conversation with him about the appointment, but that he did not know anything at all about a man named Kegler. Mr. Shaw sent me a letter similar, I think, to the one produced; but I do not know whether it was sent to me at home or here, and I think it altogether probable that I sent that letter to Kegler, but I will not say whether it was sent from here or from home. Now, Mr. Shaw sends me this note which he received on the 11th February last, from this man Kegler:

NEW YORK, February 11, 1870.

DEAR SIR: I would advise you to take steps to protect your friend, the Hon. B. F. Whittemore, *at once*, for I fear he will stand in need of a powerful friend before long.

Do you read the papers?

I heard of a committee to investigate appointments for cadets!

Yours, in haste,

P. H. KEGLER,

48 Broad street, New York.

W. F. SHAW, Esq.

What I desire to state in regard to this appointment is this: that I never intended to receive a single farthing as payment for an appointment in any way, shape, or manner; nor have I done so. When the subject of appointments was first broached to me I was entirely at sea. I was unacquainted with them altogether. I was not politician enough. I was frequently approached upon different hands by different parties, who said that the appointments of cadets were regarded as perquisites of congressmen, and that it was not always the case that cadets are appointed from the same locality in which they live.

But the committee will recollect, in connection with that, that no appointment was made by me of a naval cadet until June, and that up to the preceding March that appointment was understood in my mind to belong to Mr. Goss's son. That was the understanding between him and me, and no other person outside could have received the appointment if Mr. Goss had answered my letter and expressed the same desire finally in regard to his son that he did when he first broached the subject to me. Finally, the appointment was made in the manner that I have stated. That is all that I have to say in regard to that appointment. I disclaim any criminal intention, or any wrong intention, from the beginning. It is evident to me that I committed one of the greatest indiscretions of my life when I wrote the man Kegler as I did; but I regarded it as a sort of getting rid of him and disposing of him altogether. I did not know him personally, and I ought not perhaps to have written a letter of that description; but, as I say, I regarded it as a sort of getting rid of him. I was under no obligation to him, and did not care about being troubled by him, and the sequel has proved that I was not in the hands of an honorable gentleman when I was writing such a letter to him.

Mr. SLOCUM. Permit me to call your attention to General Schoepf's evidence.

Mr. WHITTEMORE. That I totally deny. I have no recollection of any such man, or of any such conversation. I utterly deny it. I had no such conversation with anybody. Mr. Young may have introduced him to me, as he introduced different parties to me, but I had no such conversation with anybody.

In reference to my West Point appointment I wish to make a statement: As long ago as December, 1868, a gentleman named Brooks came to me, (I think he is a newspaper man,) and asked me if I had filled my West Point cadetship. I told him I had not, and that I was not going to do it at present; that I had not time to think of it, and that I wanted to look around and see what I was going to do about it, as I did not know where I was going to get a cadet. I also made, I think, something of the same statement to him that I made to Mr. Goss, that I would prefer a poor boy, if I could find one, as poor boys very seldom get to such places. "Well," said he, "if you have not got anybody in your part of the country I have got a very excellent young man whom I would like to introduce to you, and perhaps you would like to appoint him." Said I, "I do not know whether I will or not; but I



would like to see your young man, and see what he is." "Well," said he, "if you do not know anybody down in your part of the country, and if I can bring you a young man who possesses all the qualifications necessary for a cadet, and if he satisfies you," (he alluded to my being in the army, and having an army experience, and said I knew something about whether a boy would make a good soldier,) "will you appoint him?" I said I did not know whether I would or not. "Send on your boy and let me see him."

He sent to New York, and the boy came on; as fine a young boy as I ever laid eyes on; of fine frame, very tall of his age, and with a fine, open, free, frank face. He won his way to my good graces at once by his looks, and I had some talk with him. I said to him, "Tom, you want to go to West Point?" He said yes, that he had set his heart upon it, and that his father had set his heart upon it. Said I, "Where have you been going to school?" He said that he had been two years at Churchill's school at Sing Sing, and that he was the adjutant of his class. I said, "You must be a pretty good soldier now?" He said yes, that he understood something about it. I asked him how long it was since he had left the school. He said about a year before, and that he had been since traveling in France with his father's family. I talked with him about his father's family, and found that they were connected with old army friends of mine in business. The boy was a fine French scholar, and all these things were very pleasing to me. I said to him, "Well, now, if I give you the appointment, will you go down in my district and stay there until you acquire a residence, according to law; because, according to law, I cannot appoint anybody but an actual resident of my district?" He said he would. I asked him when he would go. He said he would go just as soon as he could return home and see his father. He came to my room, in Indiana avenue, the next day. I had thought the matter over that night, and came to the conclusion that it would be a very good appointment, and I told him to wait until he heard from me.

I wrote down to my home to find out if there was any place for him to board with a proper white family, where he could feel at home and pleasantly situated. A gentleman, an old acquaintance of mine, who was living in my town, agreed to take him, and he went down and stopped there, after receiving my letter. Mr. Brooks, when he spoke of this boy and asked me if I would appoint him, said, "If you do, you shall not lose anything by it." Said I, "I do not intend to ask anything for it; if the boy suits me, I will appoint him." After I gave him the appointment Mr. Brooks said to me, "What shall I pay you for that appointment?" I said, "Nothing; I will receive nothing whatever for the appointment." Said he, "You have pretty hard times, politically, have you not?" I said, "Yes." "You have a hard battle to fight?" "Yes." "You are not helped much?" "No," said I, "the national committee has not helped us very much, or any other committee, we have had to hoe our own row, and to paddle our own canoe." Said he, "You say you will not receive anything for the appointment?" "No; not a dollar." "Well," said he, "if we will furnish \$500 for your political fund down there, for the purpose of carrying on the campaign and helping your people through, I suppose you would not care anything about that?" "No," said I, "I do not. If you choose to give \$500 for the political campaign down there, I have no objection to that; but I will not receive a single dollar for an appointment."

That is all I have to say about that appointment except this: that my choice of a boy has proved to be a good one. In a class of seventy he stands number twenty, and has, for the last six months, received

but two demerits. He will not only honor my district and do credit to me, but he will be an honor to the country when he graduates. My purposes, in this particular, were just the same as they were in the other. The appointments have been of no pecuniary or personal benefit to me from beginning to end, except that the funds for them have been given for the relief of the poor people in my district, and for help in the political campaign.

I would like to add a few words about this man Cathcart. He was the editor, or one of the editors, of the Charleston News. Kegler says he does not know what shade of politics the News represented— regards it as being rather on the fence. He must be very ignorant of politics indeed if he cannot state the politics of the Charleston News. It was the most bitter, vindictive, scurrilous paper in the State. I was chairman of the State Central Republican Committee, which had charge of the reconstruction of the State, and brought her into the Union. Circumstances seem to compel me to say, what I otherwise ought not to say, that during the whole campaign of the election of delegates to the constitutional convention, and the campaign preceding, I was, politically, in a position of the most prominence of any man in the State on the republican side. Everything that could be dreamed of was said against me, and the News was the medium of these slanderous and unfounded charges, Cathcart being one of its editors. It is no new thing for Cathcart to desire or attempt to do me an injury, and I am not surprised to find him a convenient, and willing, and ready witness against me in this case.

*Resolved*, That B. F. Whittemore, a representative in Congress from the first congressional district of South Carolina be, and is hereby, expelled from his seat as a member of the House of Representatives in the forty-first Congress.

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CHARLES COOPER AND OTHERS.

[To accompany bill H. R. No. 1395.]

MARCH 1, 1870.—Ordered to be printed.

Mr. KERR, from the Committee on the Judiciary, made the following

REPORT.

*The Committee on the Judiciary to whom was referred the memorial of Charles Cooper, Goshom A. Jones, Jerome Rowley, William Hannegan, and John Hannegan, asking for certain relief, respectfully report that they have had the same under consideration, and have taken testimony touching the matters therein set forth, and find the facts to be as follows :*

In September, 1867, William and John Hannegan became contractors under the government for the improvement of the Des Moines Rapids of the Mississippi River, for the stipulated sum of \$710,999, and the other memorialists became their sureties in a bond in the penal sum of \$175,000 conditioned for the faithful performance by them of their contract. The engineer in charge of the improvement was and now is J. H. Wilson, Lieutenant colonel Thirty-fifth Infantry and brevet major general United States Army, and by him the work was originally estimated to cost the government about \$1,200,000. At the time the contract was made with the Hannegans, the next lowest bid to theirs was \$929,168, and the highest was \$1,527,890. In October, 1868, after having done work under their contract amounting to about \$150,000, the contractors became embarrassed and unable vigorously and properly to prosecute the work, and then their contract was, in the judgment of the committee, very properly declared forfeited and annulled by the engineer in charge, General Wilson, and the work was soon after let by him to other contractors. It is alleged that all this was done without the consent of the contractors and while they were in good faith prosecuting with vigor the work on the improvement. Under the contract, the government was entitled to retain in its hands fifteen per centum for the estimated amount of work done, as additional security for its faithful performance. The memorialists allege and the committee find that a sum approximating \$24,000 was so retained out of the estimates, and was declared forfeited to the government, but afterward, in October, 1868, the engineer paid out of that \$24,000, to certain employes of the contractors, for work done by them in that month, about \$10,000, leaving a balance of about \$14,000 of the fifteen per centum to stand as forfeited to the government. It is now claimed by the government that the contractors and their sureties should be compelled to reimburse the government in the sum of said \$10,000, and to that end an action has been instituted in the United States district court for the northern district of Ohio against the contractors and their sureties. The defendants claim that it would be unjust and manifestly inequitable for the government either to compel the repayment of the \$10,000 so advanced to employes of the contractors by the engineer, or

to withhold from the contractors the remaining \$14,000 of the reserved fifteen per centum. They therefore pray to be relieved by act of Congress from that bond and the pending action on the same, and to have said \$14,000 paid to the contractors for the use of the sureties, who claim to have made large advances to them to enable them to prosecute the work, which have not been repaid.

They rest their claims chiefly on the following allegations:

1. That the Hannegans made the contract at too low a price, on the faith of the report of the engineer that the water in the river where the embankments were required to be built was only from eight to twenty inches deep at ordinary low water, when in fact it was from two to twelve feet deep, and that thereby the cost of construction was very greatly increased and the time required greatly lengthened, and the danger to exposure and injury from the changing of seasons and conditions of the river greatly augmented, and that the work was in fact from time to time greatly retarded and injured in the ways aforesaid.

2. That during the fourteen months the contractors were engaged on the work, there were more instances of high water in the river, and of longer duration, than was usual for similar periods, whereby they were both directly damaged and seriously hindered in the work.

3. That work was exacted of the contractors not specifically or equitably required by the contract, for which no sufficient allowance was made them.

4. That the *estimates* were not fully and fairly made from time to time, whereby they were deprived of as full payments as they were entitled to have, and thus also were embarrassed in the prosecution of the work.

After the examination of such evidence as was furnished by the memorialists, the committee sent for and examined, under oath, the engineer, General Wilson. His testimony, which was quite full, and appeared to be eminently intelligent, fair and just, sustains the allegations of the memorialists in part only. The third ground for relief is not at all sustained by him, and the fourth only in small part; but the first and second are more fully sustained. Concerning the entire good faith of General Wilson as an officer of the government in the discharge of his duties, there is no room for doubt. The contractors appear also to have acted in good faith, and to have done as well as they could with the means at their command. The committee deem it proper to quote, for the information of the House, the material parts of the testimony of General Wilson on the most important points:

Question. With the knowledge you now have, do you consider that they (the contractors) had a sufficient and remunerative price under their contract for doing that work?—Answer. I know they had not; I can state to the committee plainly that it is going to cost the government just about the original estimate to do this work—*four or five hundred thousand dollars more than they contracted to do it for.*

Q. Is the cost to which the government will be subjected but the reasonable cost of the work?—A. Yes, sir.

Q. Will the government be subjected to loss beyond the fair cost by their inability to do the work at their insufficient price?—A. It will necessarily cost the government *something* more than if the contract had been originally let at a reasonably remunerative price, which would have enabled the parties taking it to finish the work. Frequent changes add to the expense; the work is necessarily left in a bad shape; new contractors will not take hold of it except at advanced rates, and by the time a work is done, which has been carried on in this way, it costs more than if it had been let at reasonable rates at the beginning.

Q. What was the actual depth of the water there—the low-water depth?—A. Along the line of the embankment, it would not average three and a half feet, and I think not so much as that; between two and three and a half feet, I should say; the pre-

aise average it would be impossible for me to mention. In places it is eight or ten feet deep; in other places only a few inches; this is, I mean, in low water. One thing it might be well to state, somewhat in justification of their complaints, to some extent; that is we have not had low water any season since they went there. We have thought that we could confidently rely upon having dead low water two seasons out of three; but such has not been the case for the last three years.

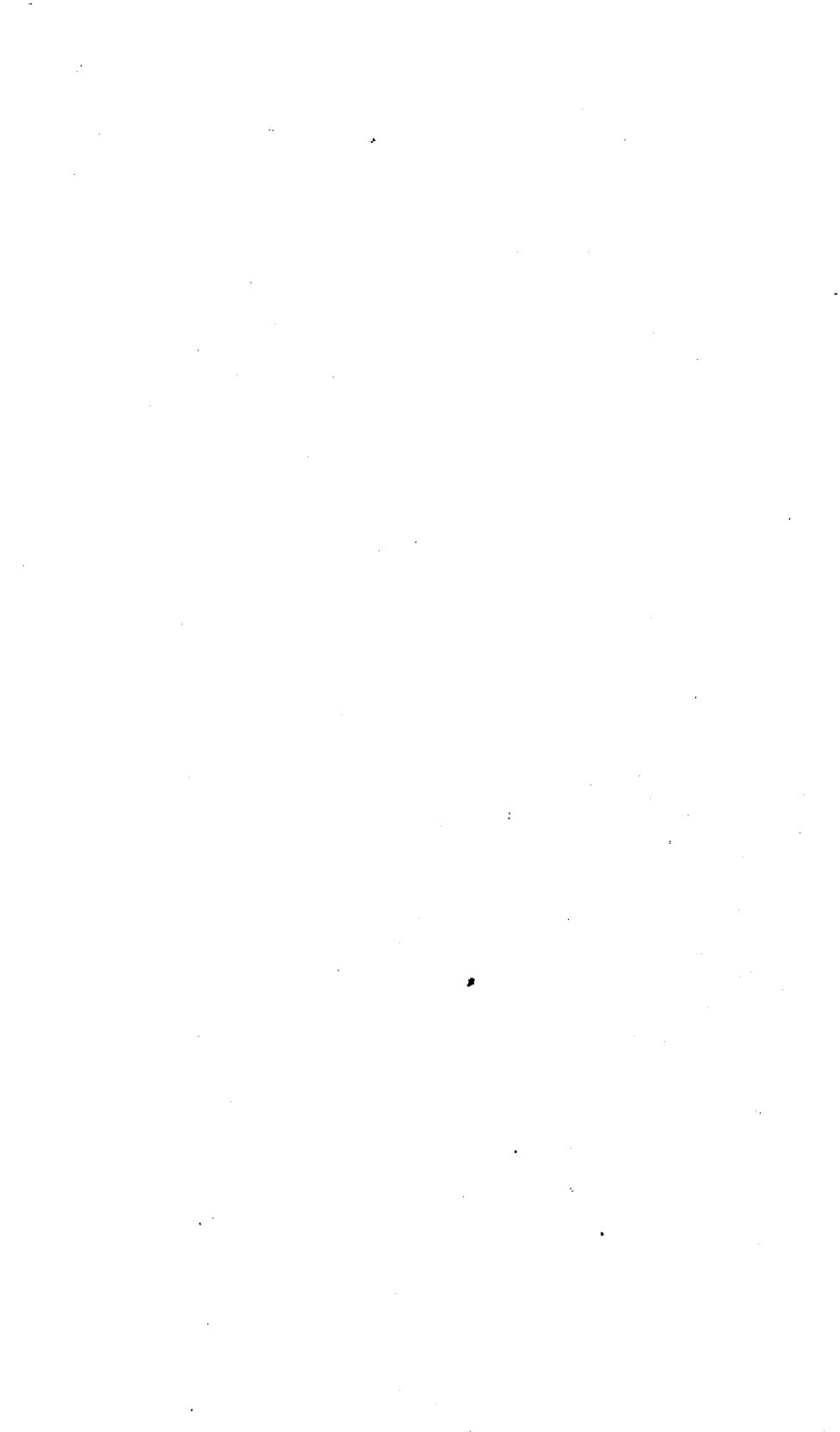
Q. Can you state whether the successful prosecution of the work was, or was not, prejudicially affected by the unusually high water which prevailed during the time they were employed upon this work?—A. It may have been somewhat prejudicially affected by it, but not nearly so much as it has been since, under later contractors. But even under their contract, the water was generally higher than it was when the survey was made, but this was a circumstance which they knew was likely to occur.

He further states that the estimates were always very fairly and fully made, except for one month, when, by the act of one of his assistants, the estimate was made somewhat too low, contrary to his express orders.

After full consideration of all the evidence, and of the circumstances attending the making and performance of the contract, and the conduct of the parties, giving controlling influence to the testimony of the engineer, the committee feel in duty bound to recommend as follows:

1. That the prayer for the payment to the contractors of the balance of the reserved fifteen per centum be denied, but that they be permitted, as a matter of justice, to litigate their claim to recover the same before the Court of Claims.

2. That the prayer for relief against the bond and the pending action should be granted, and the committee, therefore, recommend the passage of the accompanying bill. The committee believe that, to the extent indicated, the evidence clearly establishes a proper case for relief, by the action of Congress, and that, as to the reserved per centum, the government cannot be injured or injustice be done by referring it for judicial examination to the Court of Claims. There is sufficient apparent merit in their claim to render eminently proper such a reference.



## GOLD PANIC INVESTIGATION.

MARCH 1, 1870.—Ordered to be printed and recommitted to the Committee on Banking and Currency.

Mr. GARFIELD, chairman of the Committee on Banking and Currency, made the following

### REPORT.

*The Committee on Banking and Currency, having been directed by a resolution of the House of Representatives, passed December 13, 1869, "to investigate the causes that led to the unusual and extraordinary fluctuations of gold in the city of New York, from the 21st to the 27th of September, 1869," beg leave to submit the following report :*

In obedience to the order of the House, the committee resolved to examine the following topics, in the order named :

*First.* The Gold Exchange and the Gold Exchange Bank ; their history, the character of their ordinary operations, and their relations to the gold panic of September.

*Second.* The alleged conspiracy of September, to raise the price of gold ; the persons engaged in it, and the instrumentalities made use of.

*Third.* Whether any officers of the national government were directly or indirectly engaged in the alleged conspiracy.

The peculiar character of the operations to be investigated, and the secrecy with which they were carried on, made it difficult for the committee to find the clue to many transactions, a knowledge of which was essential to a full understanding of the subject ; and the large number of persons engaged in the movement and the reluctance of many of them to disclose their own transactions, have protracted the investigation and swelled the volume of the testimony to an extent which the committee regret, but could not reasonably avoid.

In narrating the facts developed by the investigation, the committee have used the language of the witnesses themselves wherever it could conveniently be done, and have, in the main, followed the chronological order of events.

The history of the gold panic will itself include all the topics above named, and they need not, therefore, be treated separately. In order to exhibit the full history, it will be necessary to review briefly the movement of gold during the year previous to September last.

On the 1st of September, 1868, the price of gold was 145. During the

autumn and winter it continued to decline, interrupted only by occasional fluctuations, till in March, 1869, it touched 130 $\frac{1}{4}$ , (its lowest point for three years,) and continued near that rate until the middle of April, the earliest period to which the evidence taken by the committee refers. At that time, Mr. Jay Gould, president of the Erie Railroad Company, bought seven millions of gold, and put up the price from 132 to 140. Other brokers followed his example, and by the 20th of May had put up the price to 144 $\frac{7}{8}$ , from which point, in spite of speculation, it continued to decline, and on the last day of July stood at 136.

The first indication of a concerted movement on the part of those who were prominent in the panic of September was an effort to secure the appointment of some person who should be subservient to their schemes, as assistant treasurer at New York, in place of Mr. H. H. Van Dyck, who resigned in the month of June. In this effort Mr. Gould and Mr. A. R. Corbin appear to have been closely and intimately connected. If the testimony of the witnesses is to be believed, Mr. Corbin suggested the name of his step-son-in-law, Robert B. Catherwood, and Mr. Gould joined in the suggestion. This led to an interview with Catherwood, the object of which is disclosed in his own testimony, as follows:

I went the next day to have a conversation with Mr. Gould and Mr. Corbin, and I found that the remark was simply this: That the parties could operate in a legitimate way and make a great deal of money, and that all could be benefited by it in a legitimate manner. I satisfied myself that I could not fill the bill.

And again, (p. 441 :)

Mr. Gould, Mr. Corbin, myself, and some other associates, had an understanding that we would go into some operations, such as the purchase of gold, stocks, &c., and that we would share and share alike.

And, (p. 441 :)

I declined to go into this sub-treasury business.

On what grounds Mr. Catherwood declined to be a candidate does not appear.

The parties next turned their attention to General Butterfield, and, both before and after his appointment, claimed to be his supporters. Gould and Catherwood testify that Corbin claimed to have secured the appointment, though Corbin swears that he made no recommendation in the case. General Butterfield was appointed assistant treasurer, and entered upon the duties of that office on the first of July.

It is, however, proper to state that the committee have no evidence that Catherwood's name was ever proposed to the President or Secretary as a candidate for the position, nor that General Butterfield was in any way cognizant of the corrupt schemes which led the conspirators to desire his appointment, nor that their recommendation had any weight in securing it. In addition to these efforts, the conspirators resolved to discover, if possible, the purposes of the President and the Secretary of the Treasury in regard to sales of gold. The first attempt in this direction, as exhibited in the evidence, was made on the 15th



of June, when the President was on board one of Messrs. Fisk and Gould's Fall River steamers, on his way to Boston. At nine o'clock in the evening supper was served on board, and the presence at the table of such men as Cyrus W. Field, with several leading citizens of New York and Boston, was sufficient to prevent any suspicion that this occasion was to be used for the benefit of private speculation; but the testimony of Fisk and Gould indicates clearly the purpose they had in view. Mr. Fisk says, (p. 171:)

On our passage over to Boston with General Grant we endeavored to ascertain what his position in regard to finances was. We went down to supper about nine o'clock, intending while we were there to have this thing pretty thoroughly talked up, and, if possible, to relieve him from any idea of putting the price of gold down.

Mr. Gould's account is as follows, (p. 171:)

At this supper the question came up about the state of the country, the crops, prospects ahead, &c. The President was a listener; the other gentlemen were discussing; some were in favor of Bontwell's selling gold, and some opposed to it. After they had all interchanged views, some one asked the President what his view was. He remarked that he thought there was a certain amount of fictitiousness about the prosperity of the country, and that the bubble might as well be tapped in one way as another. We supposed, from that conversation, that the President was a contractionist.

\* \* \* \* \* His remark struck across us like a wet blanket.

It appears that these skillfully-contrived efforts elicited from the President only one remark, and this opened a gloomy prospect for the speculators; for Mr. Gould testifies that early next morning he was at the telegraph office, and found there one of his associates telegraphing to New York to sell out his stocks.

Upon their return to New York, Fisk and Gould determined to bring a great pressure upon the administration, to prevent, if possible, a further decline in gold, which would seriously interfere with their purposes of speculation.

This was to be effected by facts and arguments presented in the name of the country and its business interests; and a financial theory was agreed upon, which, on its face, would appeal to the business interests of the country, and enlist in its support many patriotic citizens, but would, if adopted, incidentally enable the conspirators to make their speculation eminently successful. That theory was, that the business interests of the country required an advance in the price of gold; that, in order to move the fall crops and secure the foreign market for our grain, it was necessary that gold should be put up to 145. According to Mr. Gould, this theory, for the benefit of American trade and commerce, was suggested by Mr. James McHenry, a prominent English financier, who furnished Mr. Gould the data with which to advocate it. This theory is exhibited very fully in the testimony of Mr. Gould (pp. 4 and 5,) and of Mr. Fisk (pp. 171 and 172.)

The chosen instrument through whom these views were to be laid before the President was Mr. Corbin, who soon became a willing convert to the theory. The previous purchase and carrying of two millions

of United States bonds by Mr. Gould for Corbin's profit may have aided in his conversion. Gould says, (page 152:)

Mr. Corbin is a very shrewd old gentleman; much more far-seeing than the newspapers give him credit for. He saw at a glance the whole case, and said that he thought it was the true platform to stand on; that whatever the government could do legitimately and fairly to facilitate the exportation of breadstuffs, and procure good prices for the products of the West, they ought to do.

Having thus secured a concord of purpose to put up the price of gold for the public good, their next step was to press these views upon the President. Corbin also testifies (page 243) as follows:

I had been out of politics for a good many years, but still a remembrance remained with me; and I was now the more interested, as I had a natural desire for the success of the administration of the brother of my wife, especially during its first year. While at home Mr. Gould used to call at my house occasionally; and as I had heard that he was a Wall street operator, I always improved the opportunity to talk with him. I took advantage of every occasion to impress upon him what I thought was a vital point, and that was, to let the farmers and mechanics and manufacturers have good prices for their productions.

Mr. Gould testifies, (page 152:)

Corbin was anxious that I should see the President and communicate to him my view of the subject. Being connected in my railroad business with the matter of transportation, and knowing the views of those managing the other trunk lines, he thought that I knew the substance of the concentrated views of these people; and he was anxious that I should see the President and talk with him, and he made an appointment with me to do so. I went to Mr. Corbin's and was introduced to the President.

It appears from the testimony that in these interviews secured by Corbin, great care was taken to urge only the patriotic side of the question, and its relation to the great business interests of the country. Still, Mr. Corbin says that the President engaged in these conversations with reluctance, and the moment any allusion was made to the future policy of the government he became very reticent, and on one occasion reprimanded a servant for allowing Mr. Gould such ready access.

In pursuance of this system of espionage, Mr. Fisk, hearing that the President had gone to Newport, followed him. He says in his evidence, (page 172:)

General Grant started to go to Newport. I then went down to see him. I had seen him before, but not feeling as thoroughly acquainted as I desired to for this purpose, I took a letter of introduction from Mr. Gould, in which it was written that there were three hundred sail of vessels on the Mediterranean from the Black Sea, with grain to supply the Liverpool market. Gold was then about 34; if it continued at that price we had very little chance of carrying forward the crop during the fall. I know that we felt very nervous about it. I talked with General Grant on the subject, and endeavored as far as I could to convince him that his policy was one that would bring destruction on us all.

This visit of Mr. Fisk brought no comfort to him or his associates. On his return he found that Gould had joined with two brokers, W. S. Woodward and Arthur Kimber, and had bought a large amount of gold, but had not been able greatly to advance the price.

All their efforts had thus far failed to secure any promising prospect of a rise in gold, and Gould was still unable to induce Fisk to co-operate in his purchases.

A new scheme was started. If by any means they could make the people believe that the Treasury would not sell gold for a month or two, this belief would be almost as valuable to them as though it were true. They therefore sought by stratagem to make an impression to that effect on the public mind, through the press, and in this they came very near being successful.

On the 5th of August, the Hon. John Bigelow, editor the New York Times, had an interview with the President during which the financial condition and prospects of the country were discussed.

The statements in two editorial articles which appeared in the Times of August 6th and 7th were understood to represent the President's views, if they were not directly inspired by him.

On the 19th of August the President passed through New York, and immediately thereafter the conspirators sought to use the columns of the Times for the publication of an article which should appear to be a semi-official declaration of the financial policy of the administration, but which should have the effect to raise the price of gold, and thus aid their speculation.

At the suggestion of Jay Gould, Mr. Corbin, on the 23d of August, had completed an article (the manuscript text of which, in his own handwriting, is in possession of the committee) in which it was declared to be the policy of the administration to advance the price of gold, and in which the transportation theory of Gould and Fisk was advocated. This article was headed "Grant's financial policy." It was agreed that it should be published as a leading editorial, for only in that form could the purpose of its authors be accomplished. Its publication was to be managed by Mr. Gould, and lest his personal application to the editor of the Times should carry with it a flavor of Wall street, he secured the services of Mr. James McHenry, a prominent English capitalist, and a personal friend of Mr. Bigelow, who called at the Times office and presented the article as the expression of a person in the intimate confidence of the President, and whose utterances were faithful pictures of the presidential mind. The article was put in type and double-lead, for a leading editorial; but, on reading it over, suspicions were aroused, and the financial editor, Mr. Norvell, was sent for. He testifies, (p. 276:)

Not knowing where the article came from, yet, from whatever source it originated, I suspected there might be, from the statements of the last paragraph, a sinister purpose to bull gold; so the double leads were taken out, the tail of the article stricken off, and the article, as it appears, published on the 25th. \* \* \* \* \*

The intention, I have no doubt, was that it should appear just as much semi-officially as the other article of the 6th of August, which Mr. Bigelow himself wrote after his interview with the President.

The article as it was written, and the amended article as published, appear in parallel columns in Mr. Norvell's testimony, (p. 276.)

A comparison of the doctrines of the two will show how cunning was the fraud attempted.

Hoping still to make this article useful, Mr. Gould addressed a letter

to the Secretary of the Treasury, August 30, with the manifest purpose of drawing out a denial or admission that the article in the Times correctly reflected the intended financial policy of the administration for the next three or four months. This letter is made a part of Mr. Boutwell's testimony. (p. 372.) The brief and formal reply of the Secretary gave Gould no clue to the purposes of the government.

About the 1st of September, and just before leaving New York, the President wrote a letter to Secretary Boutwell, who was then at his home in Massachusetts, in which the President spoke of the financial condition of the country, and suggested that it would not be wise to sell gold in such large amounts, to force down the price, while the crops were moving, as it might thus embarrass the West.

This letter was received by the Secretary on the 4th September, and though it gave no order, but left the whole subject to his discretion, yet he determined not to sell so large an amount during September as he had done in the preceding months, and telegraphed the Assistant Secretary at Washington not to sell any gold in addition to the amount required for the sinking fund.

Whether the conspirators obtained any knowledge of this letter and telegram, the committee have been unable to determine; but on the 3d and 4th of September gold again commenced to rise rapidly, and on the 6th touched 137½.

All this time Gould continued to make large purchases. But, as Fisk well said, "the whole country was against them," and one after another of Gould's associates became alarmed. W. S. Woodward testifies, (p. 220,) that he bought far more than he intended to, and that he got Gould to take all but four millions off his hands. Other brokers felt the same alarm. It was evident that the movement was wholly artificial. The confidence in United States bonds increased in Europe every day. The prospect for abundant crops was flattering.

In spite of many forced operations, the export of specie was unusually light. Gold came pouring in from all quarters, and even commenced to return from Europe. Jay Gould himself testifies, (pp. 135, 136 :)

I did not want to buy so much gold. \* \* \* I had to buy or else to back down and show the white feather. \* \* \* I was forced into it by the bears selling out. They were bound to put it down. I got into the contest. And all these other fellows deserted me like rats from a ship. Kimber sold out and got short.

In Mr. Gould's efforts to force up the price of gold he seems to have left no means untried to open every avenue of information, and to buy or conciliate all possible influence and aid. He placed General Butterfield under obligation to him by a private loan, and by inviting him to join in buying a controlling share of the stock of the Tenth National Bank; and he swears, though General Butterfield denies it, that he bought and carried, during August and September, on the general's order, and for his profit, \$1,500,000 of gold.

To secure the more earnest aid of Corbin, and his pretended knowl-

edge of the views and purposes of the President, he bought, in two lots, and carried for Corbin, one and a half millions of gold. This is admitted by Corbin, and the memorandum of the purchase, dated September 2, is a part of the evidence. On the 6th September, Corbin received from Gould \$25,000, the profits which had accrued in one week on the smaller of the two lots. These purchases were made by Gould without margins or security.

In addition to the influence thus obtained by purchase, he pretended that the President had become a convert to his theory of putting up the price of gold to aid the business of the country; and he had heard the President tell Corbin that he (the President) had countermanded Boutwell's order to sell gold during the month of September. Corbin swears that he never heard the President make such a statement, and Mr. Boutwell testifies that the President gave no order on the subject.

Such were the means employed by Gould to secure influence in his effort to depreciate the currency of the country.

With all the purchases he had made up to the middle of September, he had not been able to hold the price above 135 and 136. Deserted by Woodward and Kimber, and unsupported by his old associate, his situation grew desperate, and he once more invited Fisk to join him.

Fisk replied that the skies did not look bright; that the tendency of gold was downward; that everybody was opposed to an upward movement, and that if they should buy much the treasury would sell.

It would appear that nothing but the scent of corruption could sharpen the appetite of Fisk for the game which his leader was pursuing. His own testimony on this point (page 173) exhibits his singular depravity and the kind of influences which could move him to act in opposition to his own judgment.

He was told that Corbin had enlisted the interest of persons high in authority, that the President, Mrs. Grant, General Porter, and General Butterfield were corruptly interested in the movement, and that the Secretary of the Treasury had been forbidden to sell gold. Though these declarations were wickedly false, as the evidence abundantly shows, yet the compounded villainy presented by Gould and Corbin was too tempting a bait for Fisk to resist. He joined the movement at once, and brought to its aid all the force of his magnetic and infectious enthusiasm. The malign influence which Catiline wielded over the reckless and abandoned youth of Rome, finds a fitting parallel in the power which Fisk carried into Wall street, when, followed by the thugs of Erie and the debauchees of the Opera House, he swept into the gold-room and defied both the street and the treasury. Indeed, the whole gold movement is not an unworthy copy of that great conspiracy to lay Rome in ashes and deluge its streets in blood, for the purpose of enriching those who were to apply the torch and wield the dagger.

With the great revenues of the Erie Railway Company at their command, and having converted the Tenth National Bank into a manufac-

tory of certified checks to be used as cash at their pleasure, they terrified all opponents by the gigantic power of their combination, and amazed and dazzled the dissolute gamblers of Wall street by declaring that they had in league with them the chief officers of the national government. On this point, Mr. Hodgskin testifies, (p. 35:)

When they had purchased a large amount of this gold, probably thirty or forty millions, they began to circulate the rumor, or at all events the rumors began to be afloat—about the middle of September, as nearly as I can recollect—that the parties who, as the expression was, were manipulating the gold market had in league with them pretty much everybody in authority in the United States, beginning with President Grant and ending with the doorkeepers of Congress. The President was reported as having a large interest, as well as every member of his cabinet, especially the Secretary of the Treasury; also, a large number of the members of Congress. There is no doubt but that these stories were set afloat by these men themselves, in order to frighten people into buying gold.

Possessed of these real and pretended powers, the conspirators soon had at their command an army of brokers, as corrupt as themselves, though less powerful and daring. They opened an account for the "pool," which they styled the national gold account, hoping thus to strengthen the pretense that officers of the national government were interested with them.

They gradually pushed the price of gold from 135½, where it stood on the morning of the 13th September, until on the evening of Wednesday, the 22d, they held it firm at 140½. Russell A. Hills, clerk for William Heath & Co., had bought seven millions for the clique. James Ellis, partner of the same firm, had bought for them \$6,895,000 more, under orders to put up the price and hold it there.

Woodward testifies that he bought eighteen millions, of which ten millions were taken by Gould.

H. K. Enos testifies that he bought ten millions.

E. K. Willard testifies that he bought ten millions.

Chas. E. Quincy, of Heath & Co., testifies that he held over fourteen millions.

On the evening of Wednesday, the 22d, gold stood at 140½, and according to Fisk's testimony the conspirators held calls from fifty to sixty millions. Mr. Gould thinks it was not more than twenty-five millions, but his partner (Smith) testifies that they held from forty to fifty or fifty-five millions, in the purchase of which they had employed from fifty to sixty brokers. No better proof was needed that the natural tendency of gold was downward than the fact that it required these enormous purchases, with all the accompaniments of fraud, to hold it three cents higher than it had stood sixteen days before.

During the ten days in which these purchases were made, the conspirators were disturbed by the movements of the Secretary of the Treasury.

About the 14th of September it became known in New York that within a few days Secretary Boutwell would pass through the city, and that he had accepted an invitation to dine at the Union League Club.

It was noised about that the dinner was gotten up by parties short of gold, who expected to use the occasion to influence the Secretary in favor of increasing his sales of gold, and breaking up the supposed clique. Mr. Gould became alarmed at the confident manner in which the Secretary's intentions were spoken of, and solicitous as to what effect the bears and business men might have on the Secretary's policy.

He called on Corbin, and communicated his fears. The testimony shows that he distrusted Corbin's pretended influence. For nearly a fortnight he had called twice a day, and while studying the situation was narrowly watching Corbin's behavior. He knew that every cent of advance in the price of gold added \$15,000 to Corbin's profit from the gold movement, and that this fact might explain Corbin's pretense of knowing the President's purposes, and of being able to influence them.

Corbin continued to assure Gould that there was no danger, and on the evening of the 17th September it was agreed that the former should address a letter to the President, urging him not to interfere in the gold market by ordering or permitting sales from the Treasury. During that night Corbin wrote a long letter on the subject, which was not considered worth preserving, but was destroyed soon after it was received by the President. The testimony shows that the letter contained no reference to the private speculations of Corbin, but urged the President not to interfere in the fight then going on between the bulls and bears, nor to allow the Secretary of the Treasury to do so by any sales of gold. The letter also repeated the old arguments in regard to transportation of the crops. Its contents are exhibited in the testimony of both Corbin (p. 249) and Gould, (p. 155.)

While Corbin was writing it, Gould called upon Fisk to furnish his most faithful servant to carry the letter. W. O. Chapin was designated as the messenger, and early on the following morning went to Mr. Corbin's house and received it, together with a note to General Porter. He was instructed to proceed with all possible haste, and telegraph Fisk as soon as the letter was delivered. He reached Pittsburg a little after midnight, and proceeding at once by carriage to Washington, Pennsylvania, thirty miles distant, delivered the letter to the President, and, after waiting some time, asked if there was any answer. The President told him there was no answer, and he hurried away to the nearest telegraph office and sent to Mr. Fisk this dispatch: "Letters delivered all right," and then returned to New York.

Mr. Fisk appears to have interpreted the "all right" of the dispatch as an answer to the doctrine of the Corbin letter, and says he proceeded in his enormous purchases upon that supposition. The relation of this letter to the whole transaction is sufficiently important to warrant a fuller statement in regard to it. The messenger Chapin, in his evidence before the committee, details, with great minuteness, his part in this transaction. He says he delivered a letter addressed to General Porter in the parlor, and that a few minutes afterwards, as the President

entered the porch of the house, he delivered the letter addressed to him. Chapin's testimony, (page 232,) is as follows :

Question. Were any words said either by the President or General Porter giving the least information as to what these letters contained?—Answer. No, sir; there was not.

Q. Were you informed before you left New York what the substance of the letters was?—A. No, sir; I was not. I had no knowledge of it in any way.

Q. Did you mean by your telegram to say that the President answered that the contents of the letter were all right?—A. No; I did not know anything about the contents of the letter. I meant to say that he had received the letters and read them; that they had been delivered all right.

Q. You did not, in your telegram, allude to the contents of the letters or the subject-matter of them?—A. No, nothing of the kind.

The account given of this transaction by General Porter is as follows: Evidence, (page 444:)

While we were stopping at Washington, Pennsylvania, the President and I were engaged one morning playing a game of croquet in the yard. I was told that there was a gentleman there who wanted to see me, and I sent him word to wait till we had finished the game. I then walked into the parlor, the President taking a seat in the porch, near the window. A gentleman in the room handed me a letter, which I opened. It was to this effect:

*“New York, (I forget the date.)*

“The bearer has a letter which he desires to deliver to the President. Please afford him an opportunity of doing so.

*“A. R. CORBIN.”*

I called to the President, and he stepped into the parlor, and a letter was handed to him by this messenger. The President walked out, I think, on the stoop, reading it, and in a few minutes I walked out in another direction. The messenger was still sitting in the parlor alone. A few moments afterward the President returned, and this gentleman arose, hesitated a moment, and said: “Any reply?” or “Anything further?” The President said “No answer;” and the messenger started off, got into a buggy, and drove away. I said to the President, “Who is that man?” He said, “I do not know. Why?” I said, “I merely asked on account of the peculiarity of the letter of introduction which he brought to me; his name is not mentioned in it.” He said, “Letter of introduction from whom?” I replied, “from Mr. Corbin of New York.” He said, “Is that messenger from New York?” I said, “He appears to be.” He seemed quite surprised, and was silent for a few moments, and then, and in some subsequent conversation, he gave me the impression that he supposed this man was a messenger from the post office, who had merely brought the mail up. It had been customary for the postmaster himself, or one of his clerks, to bring the mail to the President, and deliver it in person.

Question. In what the President said to the messenger, did you understand that any reference was made to the contents of the letter?—Answer. No, sir.

Q. Is the letter which you received in existence?—A. It is not. It was an ordinary note, which I tore up a moment afterwards.

Q. Do you know whether the letter addressed to the President is in existence or not?—A. My understanding is that it is not. It was destroyed at the time.

Q. State what is the habit of the President in that respect; whether he is in the habit of destroying letters addressed to him or not?—A. He destroys a great many, all that are not of importance for the files.

Q. Do you keep his files?—A. Yes, sir.

Q. If that letter were in existence, would you have knowledge of it?—A. It would be in my custody in all probability.

This letter, which Corbin had led his co-conspirators to trust as their safeguard against interference from Mr. Boutwell, finally proved their ruin. Its effect was the very reverse of what they anticipated.



## General Porter testifies, (page 448:)

The letter would have been like hundreds of other letters received by the President, if it had not been for the fact that it was sent by a special messenger from New York to Washington, Pennsylvania, the messenger having to take a carriage and ride some twenty-eight miles from Pittsburg. This letter, sent in that way, urging a certain policy on the administration, taken in connection with some rumors that had got into the newspapers at that time as to Mr. Corbin's having become a great bull in gold, excited the President's suspicions and he believed that Mr. Corbin must have a pecuniary interest in those speculations; that he was not actuated simply by a desire to see a certain policy carried out for the benefit of the administration. Feeling in that way, he suggested to Mrs. Grant to say, in a letter she was writing to Mrs. Corbin, that rumors had reached her that Mr. Corbin was connected with speculators in New York, and that she hoped that if this was so he would disengage himself from them at once; that he (the President) was very much distressed at such rumors. She wrote a letter that evening, which I did not see. That, I think, was the night after the messenger arrived, and while we were still at Washington, Pennsylvania.

Both Mr. Gould and Mr. Corbin have testified in regard to this letter, and they state its contents substantially as given by General Porter.

It was received in New York on the evening of Wednesday, the 22d. Late that night Mr. Gould called at Corbin's house. Corbin disclosed the contents of the letter, and they sat down to consider its significance. Both have detailed at length in their evidence what transpired between them that night and the following morning. (See Gould's evidence, pp. 156 and 157, and Corbin's evidence, pp. 251 to 253.)

This letter created the utmost alarm in the minds of both these conspirators. It showed Corbin that his duplicity was now strongly suspected, if not actually discovered. It showed Gould that he had been deceived by Corbin's representations, and that a blow from the Treasury might fall upon him at any hour.

The picture of these two men that night, as presented in the evidence, is a remarkable one. Shut up in the library, near midnight, Corbin was bending over the table and straining with dim eyes to decipher and read the contents of a letter, written in pencil, to his wife, while the great gold gambler, looking over his shoulder, caught with his sharper vision every word.

The envelope was examined, with its post-mark and date, and all the circumstances which lent significance to the document. In that interview Corbin had the advantage, for he had had time to mature a plan. He seems to have determined, by a new deception, to save his credit with the President, and at the same time reap the profit from his speculation with Mr. Gould. He represented to Gould the danger of allowing the President any reason to believe that he, Corbin, was engaged in speculation, and said he had prepared a letter to the President denying that he had any interest in the movement, direct or indirect, and said he must send the letter by the first mail, but that in order to send it it must be true. He proposed, therefore, to Gould that they should settle the purchase of a million and a half by Gould, paying to him the accrued profits, which, as gold stood that night, would amount to over \$100,000 in addition to the \$25,000 he had already received.

Gould was unwilling either to refuse or accept the proposition. Fearful, on the one hand, of losing his money, and on the other of incurring Corbin's hostility, he asked a delay until morning, and in the mean time enjoined and maintained secrecy in regard to the existence of the letter. The next morning they met again, and concerning this interview their testimony disagrees. Corbin says that Gould offered him \$100,000 on account if he would remain in the pool, but swears that, by an heroic effort of virtue on his part, and urged by the entreaty of his wife, he declined the offer. Gould swears that Corbin insisted on receiving full payment and discharge. Corbin says that Gould gave him a look of deep distrust, exclaiming, "If the contents of Mrs. Grant's letter is known, I am a ruined man." Corbin promised secrecy, and the conference broke up.

Gould went from Corbin's house to the office of the Erie railroad, still keeping Mrs. Grant's letter a secret from Fisk. Later in the day he disclosed only enough of the truth to make Fisk jointly responsible for whatever amount of money he should pay to Corbin. Of this transaction Mr. Fisk says, (page 31 :)

Mr. Gould says to me, "Old Corbin feels troubled and nervous about some gold; he wants a hundred thousand dollars." "What do you think of it?" Said I, "If he wants that money to deal out to people, and it will help to strengthen our position in regard to this gold, we will give him one hundred or two hundred thousand." "Well," said he, "do as you please." I went immediately and got a check for a hundred thousand dollars and gave it to Gould, who said he would give it to Corbin that night.\*

Mr. Gould testifies that the check was drawn but never paid to Corbin.

Mr. Fisk knew only of Corbin's nervousness, but Gould knew far more. He says that Corbin had deceived him in pretending to possess knowledge of the President's purposes, and of being in any way able to influence them. He saw the whole extent of the danger and the ruin which a Treasury sale would bring upon him. New victims were prepared and a new scheme devised to save himself.

Mr. Gould's plan appears to have been that Fisk and others should push on the work of buying and crowding up the price of gold, but that he himself would buy only enough to keep up appearances, while he was quietly and rapidly selling as large amounts as possible without exciting the suspicions of his associates. William Belden, a former partner of Fisk, became a ready tool for the accomplishment of this purpose. Bringing with him a crowd of fresh brokers, he went noisily into the street, proclaiming everywhere that gold was going up much higher, and gave unlimited orders to buy. That he might have the credit on which to base his purchases, he referred to Fisk and Smith, Gould, Martin & Co., and his principals and backers. Whether it was an afterthought to cover the retreat of the conspirators, or a device prepared in advance to enable them to repudiate their purchases, is a matter of doubt; but it appears in the evidence that Fisk held a letter from Belden, which

gave him unlimited authority to purchase gold at Belden's risk, and to give any orders he chose to Belden's brokers. Belden swears he has no remembrance of this letter. Early Thursday morning Belden brought into his back office Mr. Albert Speyers and introduced him to Fisk, Gould, and Smith, telling him to take orders from Mr. Fisk, and made the undoubted impression on Speyers's mind that he was to act as broker of the whole party. Armed with this authority, and in common with many other brokers, Speyers proceeded to buy gold. His first order was "buy quickly two millions;" and a few minutes later, "continue to buy." When he hesitated he was told to go on and buy without fear. Mr. Stimson bought many millions under an order to put gold to forty-four. Many other brokers bought vast sums under similar orders. But while these tools and victims of the clique were buying, Gould himself was selling. He says of that day's business, (p. 142:)

My purchases were very light. I was a seller of gold that day. I purchased merely enough to make believe that I was a bull.

While Gould was quietly selling many millions, and Belden buying more millions than he knew of, Fisk spent half an hour in the gold-room, the scene of the greatest excitement, received the adulation of his satellites, and struck terror into the hearts of the bears by offering to bet any part of \$50,000 that gold would sell at 200. After gloating awhile over the impending ruin which they had planned he withdrew to collect his forces for the next day's work.

Thursday afternoon gold closed at about 144, and the conspirators, flushed with apparent success, held a meeting that evening to lay plans for the next day's campaign. The operations of the gold clearing-house, which usually amount to seventy millions, had reached that day two hundred and thirty-nine millions. The clique held calls for more than one hundred millions of gold, and as there were not more than fifteen millions of actual gold and gold certificates in New York, outside of the sub-treasury, they seemed to be masters of the situation. Every man that had bought or loaned gold owed it to them, and must buy it of them or settle at such ruinous rates as they might dictate. They had a full list of all who were short of gold, including more than two hundred and fifty prominent firms in New York, many of them leading bankers and merchants, whose legitimate business required large purchases of gold.

At that meeting it was proposed to publish this list next morning in all the city papers, stating the amount each firm was short, and how much gold the clique held, and informing the victims that if they did not settle at 160 before 3 o'clock a higher rate would be demanded.

So strongly did this shameless proposal commend itself to some of the conspirators that they sent for counsel to inquire whether there was any legal obstacle in the way. They were informed that such a course would constitute a conspiracy under the statutes of New York, and for this reason, or perhaps for fear of popular fury, the scheme was abandoned.

It was finally determined to put gold up still further and to continue the work of the previous day on a still larger scale. Early on Friday morning Fisk and Gould drove down to Wall street, reading on their way from the morning papers the unmistakable signs of the wrath in store for them. Nothing can more strikingly exhibit the artificial and unnatural character of speculation in gold than one of the answers of Mr. Fisk when asked why he feared any sale the Treasury could make, while the clique held calls for six times as much gold as there was in New York outside the sub-treasury, and much more than both the Treasury and the city could command, he answered, "O, our phantom gold can't stand the weight of the real stuff."

They made Heath's office their headquarters, and, with bullies standing as guards at the door and a crowd of runners at their elbows, issued the final orders for their grand assault upon the commercial community.

Belden was the man of straw, in whose name all purchases that day were to be made. Fisk was to give the orders to buy, so as to leave it to be inferred that they were for account of himself and Gould, otherwise brokers would not have executed the orders. Willard was to attend to the loans and to force the collection of all the money they could by way of margins from borrowers. Speyers, deceived and confiding, but utterly imprudent and injudicious, was to be the convenient tool to bid up the market in the gold-room. Smith, Osborne, Dater, and Timpson, and other leading brokers of this clique, were to frighten the borrowers of gold into private settlements in their office, and Jay Gould, the guilty plotter of all these criminal proceedings, determined to betray his own associates, silent and imperturbable, by nods and whispers, directed all. He knew that day better than ever the value of silence, and as he testified to the committee, (p. 143 :)

I had my own plans, and did not mean that anybody should say that I had opened my mouth that day, and I did not.

At 9 o'clock Speyers received his first instructions. He testifies (p. 64) that he met Belden coming out of his office, who said :

"Come with me to Heath's office." He also said, "This will be the last day of the gold room. We have got over \$110,000,000 of calls, (meaning that they had a right to call for \$110,000,000 at a certain price,) and we have an immense amount of money and can buy all the gold the government dare to sell. You need not be afraid of any orders that are given you; you will be all right." We had now reached Mr. Heath's office, (this was said on the way to Heath's office,) where I found Fisk and Gould and others. Fisk told me to buy all the gold I could get at 145, or under. *He spoke loud in the hearing of everybody.* The market price (that was before the board) was then 143½. I then went to the gold-room and began to buy cautiously until it passed my limit of 145. Then, while I was standing there, a slip of paper was handed to me, on which was written, "Put it to 150 at once," signed "James Fisk, jr.," and addressed "A. Speyers." I continued to buy until I got it up to 150. I went back to Mr. Heath's office several times during my purchases, and reported to Messrs Fisk and Gould, showing both of them what I had done. Fisk said, "All right. Go back and take all what you can get at 150."

Again, (p. 65 :)

I then went back to Mr. Fisk and told him what had happened, [viz: that gold had

gone above 150.] He said he had heard of it, and he added: "Go and bid gold up to 160. Take all you can get at 160. But you will be too late, for I have given orders to other brokers already to buy at 160." I then went back and bought gold until I got it up to 160. After I had bought a lot at 160, I reported again to Mr. Fisk, and he told me I should continue to buy at 160. Gold passed 160 and went up to 163½.

Before noon Speyers had purchased nearly sixty millions, and other brokers had so swelled the amount that Belden swears he has no means of knowing how much gold was bought in his name.

In the meantime Osborne, and Willard, and Smith were taking the borrowers of gold, one after another, into their private offices, and by working on their fears, and threatening them to advance the market to 200, frightened and bullied them into making private settlements at ruinous rates. At short intervals Willard, and Smith, and others, came into the office where Gould was sitting, and reported these settlements, and still Speyers was ordered to buy, buy, buy, and to not let the price go below 160.

One thing was, of course, essential to complete success that day. The clique needed vast sums of money so as to be able to pay for the gold that parties who declined to place margins in their hands might return to them. For this Gould had made, as he thought, ample provision. He had some time before purchased a controlling interest in the Tenth National Bank, and used that institution as a convenience to certify the checks of his firm. To this bank he wrote a letter the day before the panic, guaranteeing them from loss through certifying the checks of William Heath & Co.

Russell A. Hills, clerk of Heath & Co., says, (p. 398):

He told me that the Tenth National Bank had agreed to certify to an unlimited extent, day by day. A short time afterwards one of the officers of the bank came into the office of William Heath & Co., and said that it was impossible for the bank to certify, as there were three bank examiners in there to prevent it.

It is in evidence that on Thursday the bank certified checks to the amount of twenty-five millions, and on Friday, notwithstanding the presence of the examiners, certified fourteen millions more.

While this desperate work was going on in New York, its alarming and ruinous effects were reaching and paralyzing the business of the whole country and carrying terror and ruin to thousands. Business men everywhere, from Boston to San Francisco, read disaster in every new bulletin. The price of gold fluctuated so rapidly that the telegraphic indicators could not keep pace with its movement. The complicated mechanism of these indicators is moved by the electric current carried over telegraphic wires directly from the gold-room, and it is in evidence that in many instances these wires were melted or burned off in the efforts of operators to keep up with the news.

In the meantime two forces were preparing to strike the conspirators a blow. One was a movement led by James Brown, a Scotch banker of New York, and supported by many leading bankers and merchants. The situation of all those whose legitimate business required the purchase of gold was exceedingly critical, and the boldest of them, under

the lead of Brown, joined the great crowd of speculative bears in desperate efforts to break down the conspiracy and put down the price of gold by heavy sales. The other was a movement at the national capital.

The President returned from Pennsylvania to Washington on Thursday, the 23d, and that evening had a consultation with the Secretary of the Treasury concerning the condition of the gold market. The testimony of Mr. Boutwell shows that both the President and himself concurred in the opinion that they should, if possible, avoid any interference on the part of the government in a contest where both parties were struggling for private gain; but both agreed that if the price of gold should be forced still higher, so as to threaten a general financial panic, it would be their duty to interfere and protect the business interests of the country. The next morning the price advanced rapidly, and telegrams poured into Washington from all parts of the country, exhibiting the general alarm and urging the government to interfere and, if possible, prevent a financial crash. Soon after eleven o'clock the Secretary called at the Executive Mansion. Concerning that visit Mr. Boutwell says, (pp. 345, 346):

He [the President] expressed the opinion, almost at the beginning of the conversation, that we ought to sell \$5,000,000. I recollect expressing the opinion that we should sell \$3,000,000, because that was the amount that I had in my mind when I left the office, and I thought it would be sufficient for the purpose. We had very little conversation beyond that. I returned almost immediately, without saying to him whether I would order the sale of \$5,000,000, or of \$3,000,000, or of any other sum, except that it was agreed that gold should be sold. Upon going back to my office, I came to the conclusion that I would advertise the sale of \$4,000,000; and immediately upon my return to my office I dictated a dispatch, which was taken by Mr. Bartlett, my short-hand writer. The following is a copy:

“TREASURY DEPARTMENT, *September 24, 1869.*

“DANIEL BUTTERFIELD, *Assistant Treasurer U. S., New York:*

“Sell four millions (\$4,000,000) gold to-morrow, and buy four millions (\$4,000,000) bonds.

“GEO. S. BOUTWELL,

“*Secretary Treasury.*

“Charge to department.

“Sent 11.42 a. m.”

The message was not in cipher, and there was no attempt to keep it secret. It was duplicated, and a copy sent over each of the rival lines. The one sent by the Western Union line was dated at the Treasury 11.42, Washington time, and reached General Butterfield 12.10, New York time. That sent over the Franklin line was dated at the Treasury 11.45, and was delivered to General Butterfield at 12.05, New York time. The actual time occupied in transmitting the dispatch from the Secretary to General Butterfield, including messenger travel at both ends of the line, was eight minutes, the same over each line; but in the branch office of the Western Union Company, at Washington, there was a delay of eight minutes before the operator could get control of the wire. The committee, after careful examination, found no evidence that any officers or employes of either company were unfaithful to their duty in regard to this dispatch. Its contents may have been heard in some of the tele-

graph offices in New York, by outside experts standing near the instruments, and thus the news may have been known in the gold-room in advance of its publication; but the evidence on that point is not conclusive. A few minutes before noon, when the excitement in the gold-room had risen to a tempest, James Brown offered to sell one million at 162; then another million at 161; and then five millions more at 160; and the market broke. About ten minutes afterwards the news came that the Treasury would sell, and the break was complete. Within the space of fifteen minutes the price fell from 160 to 133, and, in the language of one of the witnesses, half of Wall street was involved in ruin.

It was not without difficulty that the conspirators escaped from the fury of their victims and took refuge in their up-town stronghold—the office of the Erie Railroad Company.

During Thursday and Friday they had sold out, at high rates, a large part of the gold they had previously purchased, and had made many private settlements at rates ruinous to their victims. They at once repudiated all the purchases they had made through Belden, amounting to seventy millions, and it is evident that, either before or after the fact, they bought Belden's consent to this villainy.

The gold clearing-house, with its almost unlimited facilities for settling the accounts of gold gamblers, was suffocated under the crushing weight of its transactions, and its doors were closed.

Whatever may have been the final pecuniary results to the conspirators, it is evident that on that day Mr. Fisk, at least, supposed they had suffered enormous losses. He called on Corbin and overwhelmed him with threats and denunciations. In his evidence concerning this interview he says, (p. 175:)

I knew that somebody had run a saw right into us, and said I, "This whole thing has turned out just as I told you it would, I considered the whole party a pack of cowards;" and I expected that when we came to clear our hands they would sock it right into us I said to him, "I don't know whether you have lied or not, and I don't know what ought to be done with you." He was on one side of the table weeping and wailing, and I was gnashing my teeth.

Gould seemed to have hope that Corbin might still be of some service, by going to Washington and representing to the President that the effects of the disaster on all parties might be mitigated by suspending the government's order to sell gold. Fisk joined in this proposal with but little hope, and said in regard to Corbin's going: "I thought that the further off he was the happier I should be." Two days before this Corbin had written to the President denying, in the most positive terms, that he had any interest, direct or indirect, in the gold movement, and ventured to go to Washington on Saturday night, and on Sunday attempted to talk with the President on the subject. According to his own testimony, and also that of General Porter, the President cut him short with the remark that that subject was closed up. Corbin pursued the attempt no further, and that night returned to New York. The fact

that they received no dispatch on Sunday, and that the next morning further sales of government gold were ordered, showed Fisk and Gould that Corbin's mission had failed. He made no report, and the three conspirators never met again. Fisk says of this mission of Corbin's, (p. 176:)

Matters took such a turn that it was no use. It was, each man drag out his own corpse.

On Monday, the 27th, Fisk and Gould tried another method of saving what they could from the ruins of Friday. To answer the demand for settlement, made by scores of victims, they obtained from some of the courts of New York City, in a single day, twelve injunctions and judicial orders, which placed the gold-clearing house in the hands of a receiver; restrained its officers from making settlements, except on the order of the courts; restrained the officers of the Gold Exchange from enforcing against the conspirators their rules to compel settlements among its members. The committee do not consider it necessary to follow the history of the settlements further.

In reviewing the whole subject, the committee submit the following conclusions :

First. The Gold Exchange and the Gold Exchange Bank are creations of this country and this decade alone. All their operations are founded on the difference between the price of gold and of paper money. All the foreign trade of the country, and indeed all transactions where the commodity is purchased in one currency and sold in another, require a purchase, loan, or sale of gold to complete the transaction. To meet this legitimate necessity of business these institutions were organized, in 1862-'63, but they soon became the instruments of reckless speculation. The prominent bankers and merchants who testified before the committee were nearly unanimous in the opinion that there was no sufficient reason for the existence of these institutions; that they were the source of measureless evils, and ought to be destroyed. The testimony of William E. Dodge, sr., expresses the opinion of the committee and of many witnesses. He says in regard to the gold-room, (Evidence, pp. 186, 187:)

My opinion is, that without that organization it would have been utterly impossible to have got up that panic. In the open market no such excitement can occur. In the gold-room, gold—or, rather, the ownership of gold—changes hands at fictitious values; men of almost no capital buy and sell gold, which they do not, in reality, possess, merely or purposes of speculation. There is no legitimate business about it, and the commerce of the country is obliged to make settlements at the current rate of gold, according to the fictitious prices established by those gamblers. Unscrupulous and irresponsible men, without a hundred dollars in the world, either in gold or currency, buy and sell to the extent of millions, at fictitious prices; and every merchant in the United States is at their mercy. The legitimate gold transactions are very large, but they bear no kind of proportion to the amount that changes hands in the gold-room, solely as a matter of speculation. On a return to specie payments, there would be no necessity for a gold-room or Gold Exchange Bank, in the regular course of commerce—not the least in the world; it might exist for a time as a mere gambling house, nothing else. Take the gold-room out of the way, and the commerce in gold will regulate itself. I look upon the whole thing as a gambling operation. Such transactions ought to be placed entirely outside the pale of commerce. The law ought to treat it as *gambling*, for that



is what it is; gambling in the very life-blood of the nation, in the currency of the country, in which every person throughout the land is interested.

It is proper to add, that the testimony of Mr. Hodgskin (Evidence, page 25) gives the strongest points that have been presented in favor of these institutions.

Second. The gold conspiracy has already been so fully exhibited that but little more need be said. It is evident that the tendency of gold was downward, and that the movement of the conspirators was wholly artificial and unnatural, and that its effects were most disastrous to the legitimate business of the country. It dealt a heavy blow to our credit abroad by shaking the faith of foreign capitalists in the stability of our trade and the honesty of our people. At home its effects extended far beyond the circle of those who participated in it. One produced another, and hundreds of firms engaged in legitimate business were wholly ruined or seriously crippled. Importers of foreign goods were for many days at the mercy of the gamblers, and suffered heavy losses. For many weeks the business of the whole country was paralyzed—a vast volume of currency was drawn from the great channels of industry and held in the grasp of the conspirators. Hundreds of active, ambitious men were lured from the honest pursuit of wealth by the delusive vision of sudden fortune.

The effects of the panic are thus stated by Mr. George Oplyke, (Evidence, p. 334:)

It produced an impression on the mercantile and financial mind, not only in this country but all over the world, that we here are a set of gamblers, and that it is not safe to enter into any contracts with us when it is possible for a small combination of speculators to monopolize one branch of our currency, the coin, which performs its functions now as it did before the suspension of specie payments, so far as our foreign trade is concerned.

This shock was so universal, not only in America but abroad, that our railroad and other securities, which before that had been selling very freely on the continent, especially in Germany and Holland, have since found but little market abroad.

The foundations of business morality were rudely shaken, and the numerous defalcations that shortly followed are clearly traceable to the mad spirit engendered by speculation. But, however strongly we may condemn the conspirators themselves, we cannot lose sight of those causes which lie behind the actors and spring from our financial condition. The conspiracy and its baneful consequences must be set down as one of the items in the great bill of costs which the nation is paying for the support of its present financial machinery. For all purposes of internal trade gold is not money, but an article of merchandise; but for all purposes of foreign commerce it is our only currency.

So long as we have two standards of value recognized by law, which may be made to vary in respect to each other by artificial means, so long will speculation in the price of gold offer temptations too great to be resisted, and so long may capital continue to be diverted from enterprises which add to the national wealth, and be used in this reckless gambling which ruins the great majority of those who engage in it, and

endangers the business of the whole country. Not the least among the evils which grow out of the condition of our currency is the necessity which makes the national government a dealer in gold. Whether the surplus gold be hoarded or sold, it creates an artificial interference in the business of the country, and devolves upon the officers who manage it most delicate and difficult duties.

The committee find that the custom adopted by some of the national banks of certifying checks which do not represent cash deposits, and which if presented immediately cannot be paid, is a dangerous and pernicious practice, and that the use of such checks greatly aided the conspirators. It is in evidence that one bank, the Tenth National, certified thirty-nine millions of dollars of checks in the course of two days, and with all its cash reserve was unable to make settlement, and only by large loans was saved from breaking.

Third. In regard to the relation of officers of the government to the gold movement, the committee find that the wicked and cunningly devised attempts of the conspirators to compromise the President of the United States or his family utterly failed.

Mr. Corbin, using the opportunities which his family relationship to the President afforded, and under that worst form of hypocrisy which puts on the guise of religion and patriotism, used all his arts to learn something from the private conversations of the President which could be made profitable to him and his co-conspirators. But with this and all the efforts of his associates, the testimony has not elicited a word or an act of the President inconsistent with that patriotism and integrity which befit the Chief Executive of the nation.

Even Mr. Gould, notwithstanding all his attempts to discover the purposes and influence the opinions of the President, testifies as follows, (pp. 159:)

I am satisfied that the President has never had any connection, directly or indirectly, with any of these movements that have been made. \* \* \* \* \*

Nothing ever occurred in any of these interviews that did not impress me that the President was a very pure, high-minded man; that if he was satisfied what was the best thing, that was what he would do.

Question. By the CHAIRMAN: Was there anything said or intimated at any of these interviews to the President, or in the President's hearing, that would have led him to suppose any private purpose of speculation or gain was sought to be reached through these interviews, so far as you know?—Answer. No, sir.

The following letter to the Secretary of the Treasury exhibits both the wisdom of the President's opinions and the prudence of his conduct in reference to the gold movement:

NEW YORK CITY, *September 12, 1869.*

DEAR SIR: I leave here for western Pennsylvania to-morrow morning, and will not reach Washington before the middle or last of next week. Had I known before making my arrangements for starting that you would be in this city early this week, I would have remained to meet you. I am satisfied that on your arrival you will be met by the bulls and bears of Wall street, and probably by merchants, too, to induce you to sell gold, or pay the November interest in advance, on the one side, and to hold fast on

the other. The fact is, a desperate struggle is now taking place, and each party wants the government to help them out. I write this letter to advise you of what I think you may expect, to put you on your guard.

I think, from the lights before me, I would move on without change until the present struggle is over. If you want to write me this week, my address will be Washington, Pennsylvania. I would like to hear your experience with the factions, at all events, if they give you time to write. No doubt you will have a better chance to judge than I, for I have avoided general discussion on the subject.

Yours, truly,

U. S. GRANT.

Hon. GEORGE S. BOUTWELL,

*Secretary of Treasury.*

The message sent to Corbin, when his duplicity was first suspected, and the final order, which laid the strong hand of the government upon the conspirators and broke their power, are the most significant declarations that the President held and treated them as enemies of the credit and business of the country.

It is impossible to say whether the groundless and wicked charge, that Mrs. Grant was interested in this speculation, originated with Fisk or with Corbin; and the charge is only made on the hearsay testimony of Mr. Fisk. He swears that Corbin told him that \$500,000 of the gold that Gould was carrying for Corbin's account was for Mrs. Grant, and that the \$25,000 profit paid to Corbin by Gould had been forwarded to Mrs. Grant. This statement is denied by Corbin, and unsupported by Gould. The committee required Mr. Gould to produce the original check for \$25,000, and required Corbin to show what use he made of it. The check was produced, and Corbin produced the account of the officers of the Bank of America, showing that immediately on the receipt of the check, Corbin paid it on a debt which he owed to the bank. Corbin swears that he never sent or promised to send any money to Mrs. Grant or to any of the President's family; and that he never proposed to give any of them any interest in this gold speculation. And Mr. Gould swears that he did not believe that any member of the President's family had any knowledge of this gold speculation.

The pretense of Mr. Fisk, that Horace Porter, private secretary of the President, was interested in this speculation is utterly groundless.

Fisk admitted that he knew nothing on the subject except what Gould and Corbin had told him. Corbin swears positively that he never proposed to Mr. Porter to take any interest in their speculation, and never told Fisk that Porter had any such interest.

Mr. Gould was asked if he knew of any officer of the government who was interested in the gold movement, and, during a long and searching examination, he not only gave no intimation that Mr. Porter was, in any way, connected with it, but his testimony makes such a conclusion impossible. Moreover, it is in evidence that Gould once proposed to buy gold for Mr. Porter, and received from that worthy officer a prompt and merited rebuke.

In regard to General Butterfield, it appears from the evidence that, during his administration, the affairs of the sub-treasury were managed

with vigor and intelligence, and all the public funds intrusted to his charge were faithfully accounted for.

It is not conclusively proved that he was interested with the conspirators in raising the price of gold; though on this point the testimony is conflicting. Mr. Gould swears positively that he bought two lots of gold for General Butterfield, amounting in all to \$1,500,000, and on cross-examination details the conversation that occurred between them when the order was given. General Butterfield, under oath, denies this statement. He admits that Gould proposed to buy gold for him, but says he made no response either of assent or dissent.

Both Fisk and Gould swear that they received messages from Butterfield, and answers to messages which they sent him during the days of the panic, in reference to news from Washington, and this statement receives some support from the testimony of Robert P. Brown, a messenger of the sub-treasury. General Butterfield swears that he answered all inquiries sent to him, but sent no other messages to these men. But it is proved by the testimony that during the days of the panic two firms of brokers, not acting for the conspirators, sold gold on General Butterfield's order and for his profit, and that during his whole term of office he was dealing in United States bonds on his own account. Early in the week of the panic he sent for Joseph Seligman, a prominent broker, to come to the sub-treasury; told him he thought that the treasury would interfere, and that the price would come down, and gave him orders to sell. During the 22d, 23d, and 24th of September, while the panic was reaching its crisis, Seligman sold on this order \$700,000, on which General Butterfield made a net profit of \$35,000. Morton & Co. also bought bonds and sold gold for General Butterfield while he was in the sub-treasury; and other firms bought bonds for him.

The explanation of General Butterfield that the gold sold for him was not really speculation in gold, but an incident to dealing in bonds on a gold basis, does not, in the opinion of the committee, change the real nature of the transaction. And if it did, it is in evidence that his sale of gold through Seligman was made independently of the purchase of bonds, which had been bought before, and the profits on which were used as a margin for the sale of gold.

It does not appear from the testimony that General Butterfield disclosed the dispatches of the Secretary before making them public; but it is in evidence that during the last day of the panic he received important dispatches from the Secretary, and sent several to him, in which he exhibited the state of affairs in the gold market. Before the break in the market he sent the following dispatch:

FRANKLIN TELEGRAPH COMPANY, *September 24, 1869.*

I am requested to represent to you condition of affairs here. Gold is 150. Much feeling and accusations of government complicity. The propositions of Weatherspoon, Duncan, Sherman & Co., and Seligman, if accepted, would relieve exchange market and be judicious. Should be done by telegraph.

DAN'L BUTTERFIELD.

GEORGE S. BOUTWELL.

The proposition referred to in this letter will be seen in the letter of Duncan, Sherman & Co., the writing of which was suggested by General Butterfield himself, and was that the government should loan gold to certain banking-houses, and thus relieve the market and bring down the price.

While giving this advice, and while holding, next to the Secretary of the Treasury, the most important financial trust confided to any officer of the United States, General Butterfield knew that whenever the price of gold was pushed down one cent by the action of the treasury, it would make him a profit of \$7,000 dollars on his sales through Seligman alone. In a letter to Secretary Boutwell, of October 22, 1866, (which is made a part of the evidence,) General Butterfield writes as follows: "The charge that I have used my private means in speculating in gold, or authorized others to do so, is wholly false."

When asked by the committee whether he knew of any officer of the United States who was directly or indirectly interested in gold, he answered unqualifiedly in the negative. But when afterward confronted with the testimony of Joseph Seligman concerning his purchases of gold, he admitted that it was true. (See Seligman's testimony, pp. 238, 239.)

In conclusion, the committee beg leave to call attention to the valuable facts and suggestions on the financial situation of the country in relation to gold and currency, as given incidentally in the testimony of Messrs. Low, Opdyke, Dodge, Schell, Vermilya, Stewart, and Hodgskin, the consideration of which cannot properly form a part of this report.

JAMES A. GARFIELD.

JOHN LYNCH.

NORMAN B. JUDD.

JOHN COBURN.

WORTHINGTON C. SMITH.

JOHN B. PACKER.

ISRAEL G. LASH.

HORATIO C. BURCHARD.

The committee recommend the adoption of the following resolutions:

*Resolved*, That the Committee of Ways and Means be instructed to inquire into the expediency of reporting a bill to levy such a tax on such transactions as those of the Gold Exchange and Gold Exchange clearing-house, as, in their judgment, the interests of the country shall require.

*Resolved*, That the Committee on the Judiciary be instructed to inquire into the expediency of reporting a bill to define and punish conspiracy against the credit of the United States and the business of its people.

*Resolved*, That the Committee on Banking and Currency be instructed to inquire whether any further legislation is necessary to prevent the improper use of certified checks by the national banks, and that they have leave to report by bill or otherwise.



## TESTIMONY.

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WASHINGTON, *January 15, 1870.*

JAMES B. HODGSKIN sworn and examined.

By the CHAIRMAN:

Question. Please state your place of residence and occupation.—Answer. My business is broker and banker at 14 Broad street, New York. I have been in that business about four years.

Q. State whether you are a member of the Gold Exchange; and if so, what is your position in that body?—A. I am a member of the Gold Exchange. I am an officer of the executive committee, and also chairman of the arbitration committee.

Q. State the class of business you are doing as a broker.—A. I buy and sell stocks, gold, government bonds, and foreign exchange.

Q. Please state, in your own way, the history and character of the Gold Exchange, giving its origin, nature of its business, its mode of conducting business, and the general amount of its transactions.—A. I think I ought to begin by stating that no understanding of the nature of the business, especially of the Gold Board, can be arrived at by any man not directly familiar with it, unless we begin by disposing of the idea that its business is all speculative. That is a perfect mistake. The great bulk of the business of the Gold Board is absolutely and fairly a legitimate business, just as essential and unavoidable as the business done at the Produce Exchange. The whole foreign business of the country absolutely requires, so long as we have a fluctuating paper currency, that there should be some exchange where the transactions of the whole foreign importing and exporting trade can at all times be promptly liquidated, and transfers made from gold into currency, and from currency into gold. That can be done only by buying and selling gold at all times. There are occasions, of course, when the legitimate business of the gold-room has been frightfully perverted, as you know, by the wildest speculations; but the business of the room is, in the main, legitimate and necessary, and these frightful speculations are always brought about by men who take advantage of legitimate business to the great injury of the merchants, respectable bankers, and the people engaged in legitimate trade. That is exactly what this last gold speculation did. I might go on and state that when you read these fabulous transactions at the gold-room, as they appear in the papers, you are drawn into another element of confusion. The daily statements of the business done in the gold-room comprise the amount of gold transactions which are cleared through the bank. Each transaction is quoted doubly, because the bank reports for every transaction—both the sale and the purchase. If I sell a million dollars of gold, I report it to the bank as sold, and the person buying reports it to the bank as bought. Therefore each amount is stated twice over in the report. In the next place, the largest amount of business done at the Gold Exchange is done on time. That is to say, I make a contract to sell a million of gold to-day. I have not the gold to deliver, and may not have it for some days;

but, as I have sold, I must deliver it, and for that purpose have to borrow it. When I borrow the gold, that transaction is reported in the clearing-house, both by the party who is the borrower and the party who is the lender. But it appears again in this way. I borrow gold to deliver to-day, not knowing when I may get it. Each day I have to renew that loan, and each day the clearing-house reports that million of dollars as borrowed and as loaned, so that you can understand that the original transaction of selling a million dollars of gold will be first reported as four millions in the clearing-house, and the same million dollars may be reported over again every day for a month as borrowed and loaned. That is the way in which the fabulous amount of business which appears in the reports as having been transacted is made up.

The ordinary business of the Exchange involves the purchase or sale of gold sufficient to provide for every dollar of foreign goods imported at all the ports, amounting to about one million and a quarter a day. It involves about the same amount of transactions for the goods exported from all parts of the country. It has also to provide for the now enormous transactions in government bonds, State bonds, and railroad bonds, exported from and imported into the country, all of which have to be settled by gold transactions in the nature of exchange. It is well known that the export of government bonds alone during the past year has averaged about a million a day. Add to this the State bonds and railroad bonds, and you have perhaps half a million a day more. The whole gold product of the country averages about seventy millions of dollars per annum, the bulk of which is sent abroad. We are also in receipt from abroad, according to different estimates, of from twenty-five to forty millions dollars in gold, brought here by emigrants and other travelers, and that which is brought from the West Indies, and from all parts of South America and Central America for goods purchased here, and which comes in small lots by merchant steamers and sailing-vessels, all of which has to be settled through the Gold Exchange. My estimate is that the legitimate inevitable transactions at the Gold Exchange, in the present condition of the foreign trade, are not less than from five to eight millions a day, and multiplied, as these transactions are in the reports, as I have stated, the amount appears to the public as between forty and fifty millions a day.

It is easy to understand in a general way that so long as the people of the United States persist in transacting their business in a currency which bears no direct and established relation to the currency in use anywhere else, just so long will they absolutely require a gold-room, or some similar establishment, in which their transactions with the outer world can be translated from the vicious, fluctuating, unsettled, local, greenback currency into the sound, stable, international, gold currency, which alone is recognized in all other parts of the world. But it is not quite so easy to understand, or indeed to explain, in few words, the precise practical working of these transactions. With the permission of the committee I would like, therefore, to read a more elaborate explanation of these transactions, which I prepared some time ago for publication:

“The cotton crop, our largest export staple, is now going forward. Its value in round figures, say 3,000,000 bales, at \$100 a bale, is three hundred millions (\$300,000,000) of dollars. Of this about one-third is worked up in our home factories, and two-thirds, say to the value of two hundred millions of dollars, are exported. The process of exporting this cotton is practically as follows:

“The Liverpool cotton merchant telegraphs to the New York commis-



mission house: 'If you can buy one thousand bales of middling cotton so as not to cost me more than ten-pence, or twenty cents, gold, per pound, laid down here in Liverpool, you can do so.' The commission merchant finds that the freight, insurance, and other charges will amount to about two cents. He can, therefore, afford to give eighteen cents, gold, for the cotton itself. He goes into the cotton market and inquires the price of cotton per pound in gold. The dealer answers that cotton is sold for currency, not for gold. The planters at the South have to pay their laborers in currency; they buy their provisions, their agricultural implements, and their manures for currency; they owe their debts in currency; they can tell what their cotton costs them in currency, and they don't want to sell it except for currency. The commission merchant telegraphs to Charleston, Savannah, Mobile, New Orleans. From all these places he gets the same answer: Middling cotton is selling for about twenty-seven cents a pound in currency; no price can be given in gold. Finding that he cannot buy the cotton for gold, but knowing that he is authorized to pay eighteen cents gold per pound, he next proceeds to the gold-room to ascertain the price of gold, so as to know how much, in currency, he can afford to pay for the cotton without exceeding the orders of his Liverpool correspondent. He finds gold selling at 150; in other words, his eighteen cents gold are worth exactly twenty-seven cents in currency, per pound, for his middling cotton, without exceeding his correspondent's orders. Now, if business were all as simple as some people imagine, the proceeding of the commission merchant would be simple enough. He would only have to take as much gold as would pay for the thousand bales of cotton, to sell it at 150, and with the currency pay the cotton dealer, and the whole transaction would be concluded. But, to begin with, he has not got the gold. The Liverpool cotton merchant did not send the gold to pay for the cotton; and if he had sent it, it would not arrive for some time, as the order came by the Atlantic cable, which is not yet arranged for the transportation of specie. The way in which the New York commission merchant expects to get the necessary gold is this: He receives the order by cable on Monday, and concludes the purchase of the cotton the same day. He then has to engage a vessel to take the cotton to Liverpool, the arrangements for which occupy the next day. On Thursday or Friday the vessel is ready to take her cargo on board, a process which is perhaps completed by next Monday. The captain of the vessel signs the receipt for the cotton on a document called a bill of lading; the merchant makes out a bill for the amount of the cotton at the price in gold which his Liverpool correspondent authorized him to pay, attaches the bill of lading to it as evidence that the cotton has been shipped, and takes the bill to one of the foreign banking houses, like Belmont's or Brown Brothers', who thereupon pay him in gold the amount of the bill, less a small commission for forwarding the bill and collecting it from the merchant in Liverpool. Two or three days are lost in negotiating and settling with the banker, so that at least ten or twelve days elapse between the time of contracting for the cotton and obtaining the gold to pay for it. With this gold the merchant goes to the gold-room in order to sell it at 150, and obtain the currency to pay for the cotton. To his disappointment he finds that gold has fallen to 145, and that instead of getting twenty-seven cents currency for the eighteen cents gold, which his Liverpool correspondent authorized him to pay for the cotton, he only gets twenty-six cents currency, while he has actually bought the cotton and agreed to pay twenty-seven cents for it. In other words he has lost one cent on every pound of cotton

purchased, or \$5,000 on the thousand bales. It is very true that it might have been the other way. The market might have gone up five per cent., instead of down, and then the merchant would have gained \$5,000 instead of losing. But that is not what he wants. He does not want to speculate on the market—to gamble. His is legitimate business. All he wants is to convert his gold into currency so as to pay for the cotton he has bought. He wanted to buy his cotton for gold, in accordance with his orders, but the owners would not sell to him for gold. They compelled him to buy currency, and in doing so compelled him to run the risk of all the fluctuations of the gold market from the time he purchased the cotton until the day when he sold his bill. Now, this is a risk which no prudent business man will run, or, indeed, can run, without degenerating into a mere gambler. But the risk is forced upon the business community by the existence of our present currency. Of course the risk is evaded. Unless it could be evaded there would be a total stoppage of all foreign trade, as was the case during the great September panic in the gold-room. But it was the attempt to evade this improper risk, forced upon the business community by our unnatural currency, that delivered the merchants, bound hand and foot, into the arms of the desperate clique of gamblers and cheats, who made havoc of Wall street in September last.

“We have supposed that gold was 150 on the day when the commission merchant executed his Liverpool correspondent’s order for a thousand bales of cotton, and that, if he had had the gold at that moment, he could have sold it at 150 and thus evaded the risk of all future fluctuations of the market. He did not have the gold then, but he knew he would receive it in ten days or a fortnight. What was to prevent him from borrowing the gold, selling it at once at 150, and then returning it as soon as he had sold his bill on the Liverpool cotton merchant and obtained his own gold? There was nothing to prevent him, and, indeed, the bulk of the export of the country has for years past been conducted on the same basis.

“The merchant who expects to receive gold to-morrow, next week, a month, six months, or a year hence, for goods which he exports to-day, borrows the gold and sells it immediately, in order to avoid all risk from the fluctuations of the premium. This is the reason why so many merchants are borrowers of gold, and why it was in the power of the gold clique to inflict so much injury upon business.”

I have stated what makes the apparently large amount of business in the room, and what is the real amount of legitimate business which the merchants cannot get along without. I now want to explain more fully why the fact of the merchants having to borrow gold, as I have just explained, exposes them to the terrible losses which these speculative gamblers may inflict upon them. The practice of borrowing gold is this: The borrower receives from the lender, say one hundred thousand dollars in gold, and has to give him, as security for that gold, the market price of it in currency on the day the loan is made. That is, gold being 125 to-day, I, borrowing a hundred thousand in gold, deposit with the lender \$125,000 in currency as security. As soon as I return him the gold he returns me the currency. But if, at any time after I have borrowed the gold, the price of gold rises in the market, I am at once obliged to deposit with the lender as much more currency as gold is worth more by its rise in the market. The additional amount of currency which I pay to bring up the deposit to the market price is called, in Wall street parlance, a “margin.” For instance, having borrowed at 125, and the price having subsequently risen to 130, the lender calls

upon me for five per cent. more margin, and this is the meaning of the term used in Wall street, "calling up margins," or "marking up gold."

When these conspirators began to buy gold the price was about 131 or 132. They bought a large amount of it, of course lending it in the ordinary course of business to merchants who had to borrow. After that they continued to buy gold, and to spread the report about of their ability to control the market, and about the extent to which government officials were mixed up with them; and they frightened a great many people into buying gold and thereby assisting them in advancing the price. As the price advanced they called upon the merchants to whom they had loaned gold for their additional margin, as they were entitled to do; and the more gold they bought the more the price advanced, and the larger became the amount of currency in the shape of margins, which came in to them without selling a dollar of gold on their part. The committee will understand by this statement how these men were enabled to possess themselves of an enormous amount of currency without selling a dollar of the gold they had bought. As the price went up day by day, they called upon the merchants for their margins.

By Mr. COBURN :

Q. Had they any right to call for these additional deposits every day?—A. Certainly; and every hour in the day. If gold is 135 in the morning and goes up to 136 an hour after, the lender has a right to call for the additional percentage of margin. This explains how these men were enabled to go on buying all the time; and by this means they were enabled to reap a profit from the merchants to whom they loaned gold, just the same as if they had actually sold the gold. And when gold went up to 160 they were possessed of all the currency which their gold would have given them if they had sold it out at 160.

By Mr. COX :

Q. But when gold began to decline the rule worked the other way, did it not?—A. Yes; the merchants then called upon them to return their currency. But in the case of this gold panic these men were all prepared with injunctions by the courts of New York, prohibiting them from giving up the currency.

By Mr. COBURN :

Q. How could these injunctions be prepared in advance?—A. I am not familiar with the machinery of this matter, but within a very short time after gold began to drop, every one of the brokers who were known as the brokers of the clique was enjoined, by different orders of different courts in New York, from paying out any money to anybody or in any amount.

Q. But previously to that there had already been a considerable dropping of gold, had there not?—A. Yes; but during that time so great was the confusion in the street that men were not disposed to insist upon their rights to demand the return of currency immediately. I will now proceed in my statement of the workings of the Gold Exchange Bank, and endeavor to explain another point upon which a great misunderstanding exists in the public mind. The Gold Exchange Bank is just as much a necessity as the Gold Board itself. It has not existed quite so long as the gold-room, because its necessity was not felt until after the establishment of the gold-room. Up to the time of the establishment of the Gold Exchange Bank everybody who sold gold for legitimate business, or otherwise, was obliged to take gold in his hands and deliver it to the person he had sold it to, and take a check for it. Now, the gold

in the country, and more particularly the amount of gold at the disposal of merchants and bankers in New York, is, comparatively speaking, small; but the delivery of a certain amount of gold, by counting it, or by making out a check in payment of it, involves a certain amount of time, and it was found that people who had a large business to transact, such as the large foreign bankers, absolutely could not press the amount of business they desired to transact into the business hours of the day. The process of receiving and delivering the large amounts involved such an extraordinary amount of time and so many clerks that it practically could not be done, and day after day the deliveries were delayed until late in the day, during every day in the week, until people became unable to comply with their contracts. The most responsible houses in New York were frequently unable to meet their engagements, and seemingly, though of course not really, insolvent, because they absolutely could not get the gold involved in their transactions fast enough to pay it out as their contracts required. Great risk was also incurred in the transportation of these large amounts in coin, or in the delivery of certificates, which were made payable to bearer, and for months it was not too much to say that scarcely a week, and frequently not a day, would elapse without some messenger being knocked down and robbed, or without some messenger or clerk running away with gold or gold certificates. The temptation was too great. The facilities for getting away with actual money were so large that the temptation proved irresistible for weak men. The merchants and brokers of New York found that this whole business would come to a dead lock and be exposed to frightful risks, expensive delays, and lead to interminable confusion, unless some remedy was applied by which all parties could meet at some one place and each pay over or receive the money due as it might be from one to the other, just precisely as the same business is done by the banks in New York, who found it impossible to take every check handed them on every bank and get the money for it, but established a clearing-house, where they all meet, and a general statement is made out, exhibiting how much each bank owes each other bank, and often showing in their very large transactions only a small balance due to one or the other. The New York Gold Exchange Bank is to the gold business of New York precisely what the clearing-house is to the entire currency business of the country, and the latter could just as little be carried on without this machinery for clearing as the former. The Gold Exchange Bank, of New York, is nothing more than an institution where dealers in gold come and present their statements with all the other dealers, and the general settlement is made of all the accounts of each day, instead of there being a separate delivery of each transaction; the bank makes up its general statement, and divides up the balance among the different parties to whom it belongs. In that way they not only save the necessity of making separate deliveries for each transaction, but the small balance due is not necessarily taken out of the bank at all, so that actual deliveries of gold are done away with, except to a very limited extent, and the business formerly requiring six or eight hours, and which was attended with great risks, is now done in one hour and a half and with no risk whatever.

When the legal-tender act was first adopted, in 1862, gold at once became worth a small premium; the New York banks and the banks throughout the country had suspended specie payment; no one was obliged to pay any debt contracted in gold; the gold seemed to disappear from the market, and no one could get it when wanted, except by going to the foreign houses, who always kept it on hand; many people began to have the idea that gold would probably go up to a high pre-

mium, and if they had gold on hand would decline to sell it, unless they could make something by it. For some time after the legal-tender act was passed, gold was furnished by these foreign houses, and by some of the banks, at a merely nominal premium; but, as gradually the war extended, and the export demand for gold threatened to become large, the owners of it were no longer willing to sell at this nominal premium. Not only was there fear of a demand for export, but people throughout the country, who were in doubt as to what depreciation might take place in the currency, bought large amounts of gold and hoarded it. There were thousands of people in the country possessed of wealth, who did not know whether, if they took greenbacks, they were ultimately to be worth anything. They had heard so much about the French "assignats," and the Austrian and Russian failures, that they were fearful lest the United States legal-tender currency would go in the same way; and in order to make sure of a little something, they bought gold and hid it away, and it was largely on account of this, although a great many never could understand why gold was at a premium, and attributed the advance merely to the influence of persons unfriendly to the government, or to the war, that gold steadily and rapidly advanced. The heavy premium on gold was the consequence almost solely of the hoarding of it by timid people. I have in my possession tables which I think are indisputable—at any rate, which have often been published and never been disputed—showing that the amount of gold hoarded in the United States, between November, 1861, and the first of December, 1862, was over eighty-seven millions of dollars, besides the whole amount that was in the hands and pockets of the people on the first-mentioned date.

As the premium went up, for the causes I have mentioned, it of course began to attract the attention of illicit speculators. There never was anything more erroneous than the belief that the establishment of the gold-room caused this illicit speculation. There was no speculation in gold until gold began to go up and people began to see that they could buy gold and sell it out at a profit. When the dealings in gold began to be large the bulk of the business fell naturally into the hands of the large bullion dealers in New York, who had been always buying and selling foreign coin brought here, and buying and selling gold bars of our own domestic production. Gradually the dealings became so large that in front of the offices of two or three of these principal bullion dealers so great a crowd of people collected as to obstruct the streets, and the police commissioners of New York passed a resolution, some time in the summer of 1862, detailing squads of police officers to keep the sidewalks of Wall and William streets, New York, clear, they having become entirely impassable owing to these crowds. Up to this time most of the dealings in gold were comparatively small in amount. The brokers were principally insignificant people who had nothing else to do. Finding themselves driven away from the sidewalk, they gathered in a small room in a restaurant, near by. After a while transactions became so large that it became necessary to rent a larger room; but so many were the delays, disputes, troubles, and quarrels arising out of the transactions in this room, and so large had the business become, that a number of bankers and large bullion dealers recognized the importance of having their purchases and sales made in some recognized place, and of appointing some of their own confidential clerks to go and attend. And then this New York Gold Exchange was founded. The organization was in a very loose and informal way, by thirty or forty of these men meeting together and agreeing that they would rent a little hall, fit it up with some chairs, and allow any respectable man who

chose to pay \$100 a year to come in and buy and sell gold. This was some time late in the fall of 1862. In the spring of 1863 the business had become so large that it was found necessary to perfect a more regular organization, and these men got together, adopted a constitution, and incorporated themselves. Under that constitution, which was very carefully and prudently drawn, the business has since been carried on, and under it the organization is now existing. All these transactions are carried on in accordance with the strictest rules, and, until recently, with the utmost good faith. The organization has no regular charter. It was urged by many that a charter should be obtained, but it was feared at the time, on account of the great and unreasonable prejudice existing against dealings in gold, and the belief by the great mass of the people that that business was carried on exclusively by the enemies of the country, that they might not get a charter, and that some action might be taken which would prevent them from incorporating themselves. Hence, we are bound together only by a compact, which every one who enters into the association is obliged to sign, under which he engages to transact all his business in accordance with the regulations of the board, and to submit all matters of dispute to, and abide by the decision of, what is called a committee of arbitration, upon the penalty of losing his seat in the board. I would furthermore say that I doubt whether there is anywhere in the world any body of the same number of members that the Gold Board has that represents a larger amount of capital or business intelligence, or a larger amount of high character and general fair dealing. The gold-room is often a scene of confusion and play, from the fact that there are hours of the day when, owing to various circumstances, very little business is transacted; when the large houses are only represented by clerks, frequently by boys, whose only duty is to be there, and, in case any great change should arise, to notify their principals, and also to attend to any small transactions that may be required. Gentlemen who have heard of the scenes transpiring there can understand precisely how boys, who have nothing to do, sometimes for four or five hours in the day, will make a good deal of fun and mischief, and how it is that serious men who are obliged to stay there, with little to do, will sometimes join in the laugh. The Gold Board numbers about four hundred and fifty members, including, almost without exception, every leading foreign banker in New York, and also the leading bankers of the United States, both domestic and foreign. It includes, also, almost all of the highest class of our foreign and domestic merchants, who do not, perhaps, habitually transact their business themselves, but have it transacted through brokers, yet who are members of the Exchange in order to have the privilege of being there, going in and out, and, if they choose, transacting business themselves.

Q. Can you state what amount of capital the members of that Exchange represent?—A. I cannot; but, as I have stated, they include most of the largest mercantile and banking houses in New York. I make this statement because, however it may be understood by this committee, it is not generally understood by the mass of the community that this Gold Exchange comprises a larger amount of wealth, character, responsibility, and honorable, fair dealing than any other organization with which I am acquainted anywhere in the world. And it does business involving hundreds of millions of dollars, without the first shred of paper, upon the good faith and simple word of its members. No written contracts pass between its members. All is done with the knowledge that the bulk of its verbal contracts could not be enforced in a court of law. And yet, until a quite recent time, there has never been a case where a

member of that exchange has repudiated a contract for five dollars, or for any other sum.

By Mr. Cox :

Q. What do you mean by contracts which cannot be enforced by law ?  
—A. Most of the contracts made by the gold exchange could not, at least until lately, be enforced in law. There was a law, in the first place, which absolutely prohibited buying and selling gold for a premium, but which was afterward repealed. In the second place, there was a law, which I believe is still upon the statute book, which forbids the lending of currency upon gold security, except at par. Besides, the legal-tender act itself makes every contract for gold payable in greenbacks. At any rate, it has not until recently been supposed that it was possible to enforce in the courts any contract made in the gold-room ; but, in the face of this, as I have stated, until recently every contract made in the gold-room has been complied with in good faith.

By the CHAIRMAN :

Q. You gave during your general statement an explanation of some of the terms used in gold transactions. Please explain precisely the technical meaning of "long" and "short," as used in Wall street?—A. A person who has gold is said to be "long," and the broker or dealer who has gold on hand, whether in large or small amounts, is said to be "long," to that extent. I could not give you the origin of the expression ; it has been in use in the stock exchange for twenty years. Any one who has sold gold which he does not possess, but expects to get, is said to be "short." If I to-day sell a hundred thousand dollars of gold, which I have not got, but expect to get in some way, I am said to be a hundred thousand dollars "short."

Q. Please explain the character of the duties of the arbitration committee, of which you are chairman.—A. I have been chairman of that committee only during the last few months, covering, however, the gold panic of September. The duties of the arbitration committee are simply to take cognizance of, and exercise jurisdiction over, all matters of dispute between members of the board arising out of any of their contracts. Members are obliged to bring any dispute which they cannot settle amicably before the arbitration committee for its decision ; and they are obliged to abide by that decision.

Q. Does your committee sit in the character of a court?—A. To some extent.

Q. Administer oaths, and take testimony?—A. Yes, sir.

Q. State to the committee whether any action has been taken by your committee touching the recent gold panic ; and if so, what has been its general character?—A. Yes, sir ; the committee has necessarily had before it a great many disputes arising out of the panic in September ; and in examining into the facts connected with those disputes so as to settle the same, I have, of course, become possessed of a large amount of evidence relating to the matter.

Q. Have you had before you as witnesses a large number of persons connected with the panic?—A. Yes, sir.

Q. Was it shown before your committee that any considerable number of persons concerned in it refused to make their settlements?—A. Yes, sir ; a very large number.

Q. What class of men refused, the buyers, or the sellers?—A. Both.

Q. From your official position in the Gold Board, as chairman of this arbitration committee, and having had before you the testimony of a large number of persons concerned in the gold panic of the 23d and

24th of September, and from your expert knowledge as a practical broker, as well as your general personal knowledge on this subject, please state to the committee what is your understanding of the origin, progress, and results of that movement, its connection with the gold-room, and the Gold Exchange Bank, giving the history in chronological order.—A. With the permission of the committee, I will proceed to state, as clearly and in as connected a manner as possible, the history of the gold panic, and its causes so far as I understand them, and will try to state as far as possible the sources of my information—whether the facts come to me from evidence taken before the committee, or by hearsay only.

Early in the spring of 1869 the price of gold was lower than it had been for a long time previously. The merchandise exports of the country had been larger and of greater value than had been anticipated. The amount of bonds of the United States government, and of States and corporations, sent to Europe, had likewise been large; and the so-called balance of trade against the country was judged by experts and merchants to be less than it had been for many years previous. The probability therefore was that no large exports of coin would take place during the summer of 1869; and these facts caused the price of gold to decline to the neighborhood of 130. The merchants and bankers were all anticipating continued large shipments of merchandise and securities to Europe during the summer of that year, and were therefore in expectation of having a large amount of gold to sell during the summer, against these shipments of merchandise and securities. The consequence was that during the summer months the great mercantile and financial interests of New York were at all times what is technically called "short" of gold; that is, they had sold gold which they did not expect to get until they had sent the bonds, securities, and merchandise to Europe, which they knew, or anticipated, they would have orders for. During the summer months, three or four attempts were made by different persons, whom I do not know, to put up the price of gold by spreading reports which should induce these merchants and bankers to stop sending bonds to Europe, and buy back at an advanced price the gold which they had sold. These efforts were mainly unsuccessful. They succeeded in putting up gold two or three times to the neighborhood of 135 or 136, never much above that. The price of gold, during the entire summer, ranged from 130 to 136 or 137. I have said that the mercantile and financial people of New York expected that large shipments of merchandise and gold would be sent to Europe during the summer and fall. They could not send it all at once, nor could they send it to all points at once, because the transactions were too large. But they had advices from their correspondents on the other side that the disposition of the people of Europe was to buy large amounts of American bonds. When American bonds are sent abroad they are paid for abroad in gold, which gold is brought here and sold to pay for them. That is to say, the bonds are paid for here in currency, sent to Europe, and paid for there in gold. The banker here has gold to sell, when he sends bonds to Europe, although he does not actually bring the gold from there, because, except in exceptional cases, the current of gold is from here to Europe. But, by whatever process the exchange is made, the bonds are paid for in gold there, and in currency here. Knowing that these transactions were to take place, nearly all the merchants and bankers were, as I have said, largely "short" in gold.

Some time in the month of August, according to common report, a large speculative clique was formed, consisting, as is known, of James



Fisk, jr., Jay Gould, the firm of Smith, Gould, Martin & Co., William Belden, and E. K. Willard, and probably a number of other persons, whose names are not known to me. They formed a plan to take advantage of the position of the merchants and bankers so as virtually to rob them of a large amount of money. Their plan was to buy up all the gold there was in the market, and as much more as foreign agents and bankers or speculators were willing to sell them for future delivery; and then, by maneuvers which I will hereafter explain, put up the market price so high, and produce such a panic among these men as to oblige them to buy the gold back from these men constituting the clique, at a much higher price than they sold it for. They began to buy, so far as we have ascertained, in the early part of September, when gold was in the neighborhood of 131 or 132. They bought more or less every day, and sometimes sold a little, until the 22d of September, up to which time they are reported to have bought about fifty millions in gold altogether. On the 23d of September they bought about sixty millions more. On the evening of the 23d they are said to have had one hundred and eighteen millions in gold. There were altogether in the market about thirty millions in coin, or in United States certificates representing gold. They had bought all or nearly all this, and in addition eighty millions more, which had been sold to them by foreign agents and bankers, and to a certain extent by speculators who had sold them the gold when they did not have it, but who, in order to make their deliveries, had to borrow it. All this, of course, was not generally known at that time, or previous to the 24th. There is really very little gold to be had outside of the Treasury; but the fact I have stated that those parties, on Thursday night the 23d of September, had in their purchased possession one hundred and eighteen millions of dollars of gold, comes to me on the sworn statement of one of their principal brokers. When they had purchased a large amount of this gold, probably thirty or forty millions, they began to circulate the rumor, or at all events the rumors began to be afloat—about the middle of September, as nearly as I can recollect—that the parties who, as the expression was, were manipulating the gold market, had in league with them pretty much everybody in authority in the United States, beginning with President Grant and ending with the door-keepers of Congress. The President was reported as having a large interest, as well as every member of his cabinet, especially the Secretary of the Treasury; also a large number of the members of Congress. There is no doubt but that these stories were set afloat by these men themselves in order to frighten people into buying gold. And I might say here, that so far as my investigations have led me, I have found nowhere the slightest tittle of evidence connecting any one with this gold clique except the known members thereof. But these rumors were circulated with a pertinacity which showed that it was being done with an object. A great many people became seriously alarmed, and began to think, from the bold action of these men, and from the recklessness with which these statements appeared every day in the public prints, and also from some actions of the Secretary of the Treasury about that time, which I most fully believe were entirely straight and upright on his part, but which seemed to confirm the belief some people had that he was mixed up with them—I say a great many became seriously alarmed, and began to buy back the gold they had sold. And a great many nervous people, who had no gold, and who had nothing to do with gold in a speculative way, fearing the country was going to wreck and ruin, also went and bought large amounts of gold. A large number of speculators also bought more or less gold, because they thought they saw an opportunity to

make a great deal of money. The consequence was, what with the amount of gold which the clique had already bought, and these other large purchases, nervous people became still more frightened, and about the middle of September the price of gold began to rise rapidly, advancing to 33, 34, 35, 40, and as high as 42, when people became more and more convinced that these stories must be false, and those who had gold generally sold it out; and not only sold what they had, but, believing that the price of gold was preposterously and unnecessarily high, and that it was at any rate totally impossible for it to go higher, sold for purposes of speculation large amounts in addition to that which they had previously bought; in other words, sold large amounts of gold "short." The bulk of the gold brought on the market and sold was bought by this clique, all this time, until, as I have before said, on the 22d of September they are believed to have had somewhere near fifty millions of dollars. They then began to develop their plans more fully. On the 23d, they bought up sixty millions, putting the price up from 137, where it was the day before, to 144 and 145. On Friday they bought seventy-five millions more of gold, which put the price up to 160. On Thursday the clique had a meeting; precisely where, I have not been able to ascertain, nor do I know to a certainty who attended it. But at that meeting various plans were discussed for realizing the profits which they expected to make from these operations. James Fisk, jr., is reported to have suggested the following plans: That on the morning of Friday, September 24, every newspaper in New York should contain an advertisement, in a prominent place, stating in substance that "the undersigned, brokers for the gold clique, are the possessors of one hundred and eighteen millions of gold; that the following named gentlemen and firms are known to be short of gold in the following amounts—giving a list of the prominent brokers and dealers in gold, each being short several millions; that these parties own all the gold in the banks, and all the gold which the brokers and firms named had borrowed; and giving notice that until three o'clock that afternoon gold could be obtained of the clique at 160, and that parties not willing to pay 160 during that day would have to pay 200 for it the next day." After some discussion it was agreed that this plan was too hazardous; that the government would not permit a thing like that to be done, and the project was therefore abandoned. But they did adopt the following plan: They were to select two or three of their principal brokers who were to go into the market on Friday morning and buy all the gold offered for sale by anybody; and they were not to be satisfied with buying all the gold offered for sale, but they were to bid for gold even when there was none offered, and buy at high prices, in accordance with instructions which might be sent in to them from time to time.

Gold opened that morning at 143. Two or three of the brokers connected with the clique were early at the Exchange, and bought large amounts at 143, 144, and 145. They went on buying at increased figures, up to 160, buying during the day not less than sixty millions of gold at prices varying from 145 to 160. It was no doubt prearranged that these men should not receive that gold, or pay for it, but that, as soon as the price had been put up to 160, they were to force people who were "short" to come to them and buy gold. They were then to repudiate the brokers who had been buying for them, and refuse to acknowledge that they ever had anything to do with them, but let them go by the board. The brokers employed for this purpose were William Belden, Albert Speyers, and W. F. Livermore & Co. I can produce detailed evidence of their transactions, if the committee wish it. The plan undoubtedly was to

send these three firms into the market, and then to put up prices to 160, and keep them there. Several of the orders given these brokers have been presented before me in the course of my investigations. One of these orders directs them not to buy gold, but to put up the price to 150. Another order says, put gold up to 155 at once. The third order said, put it up to 160 right away. These were the terms of the instructions which these brokers received from the members of the clique. As soon as they had the prices up to 150 or 155, they instructed their brokers to send for the merchants, bankers, and brokers to whom they had loaned gold belonging to the clique, and to get them whenever they could into their private offices, and frighten them by showing them statements of the position of the clique, threatening them if they did not buy back the gold on such terms as the clique should dictate they would be compelled next day to pay 200 for it. The statements which they repeatedly made on these occasions were that they had all the leading men in Washington with them; that Grant and all his family were with them; that no one would dare to interfere with them; that they had money enough to buy all the gold in the United States treasury, if the Treasurer should dare to sell; and that if these parties did not buy gold at once, at 155 or 160, or whatever price they chose to ask them, they would be compelled to pay 200 the next day. On the strength of these representations, and with the fact actually before them that gold had risen to 160, no one could tell whether they had not the ability to put up the price to 200; and most of those who were "short" of gold bought this gold back of them at their own figure. It is believed, though not known positively, that they sold in that way not far from fifty millions of gold on that Friday morning, at prices ranging from 148 to 155. But they did not sell anything like the amount which they expected, and therefore gave further instructions to their brokers to continue buying at 160, and they did buy gold in large amounts at that figure.

The effect of these sales, and the appearance of the market during the morning of the 24th, cannot be better shown than by reading, as with the permission of the committee I will do, an extract from a newspaper published about that time:

In the spacious Exchange room of the Gold Board, crowded as it had never been crowded, even in the wildest excitement of war times, amid the strangest variations of deathlike silence and tumultuous uproar, the pallid, half conscience-stricken brokers of this gambling clique appeared, one after another, to do their dirty work.

By the little fountain which plays in the center of the floor, and around which the principal business is transacted, first one bid arose, 145 for \$100,000, and there was no response. Then another bid, 146 for \$100,000, and again no answer. 146, 147, 148, 149 for \$100,000, with a pause between each, all amid deathlike silence.

The hundreds gathered there, and the thousands who read the ominous words on all the telegraphic indicators in the principal business offices in the city, and the hundreds of thousands who watched the telegraph offices throughout the country, stood appalled. Each one per cent. advance involved losses of millions; the gain was with the clique. Who could tell what would be the end? There was no resisting such power. They could advance to 200 if they chose. And the usually surging, bustling, shouting mass of humanity crowded there was held silent, almost motionless, as by a magic spell. 150 is now bid for \$100,000, and despair suddenly gives back life to many. They rush eagerly to bid and buy. Orders come in by telegraph to buy at any price. Messengers from all parts of the city, the great bankers, the merchant princes, from up-town and down-town, force their way in through the crush, and give back to the brokers the sense of reality which they seem to have lost amid the dream-like terror. The stillness is suddenly succeeded by frantic excitement. Transactions of enormous magnitude are made amid the wildest confusion and the most unearthly screaming of men, always excitable, now driven to the verge of temporary insanity by the consciousness of ruin, or the delusive dream of immense wealth. But amid all the noise and confusion the penetrating voices of the leading brokers of the clique are still heard advancing the price at each bid, and increasing the amount of their bids at each advance, until at last, with voice overtopping the bedlam below, the memorable bid burst forth, "160 for any part

of five millions." Again the noise was hushed. Terror became depicted on every countenance. Cool, sober men looked at one another, and noted the ashy paleness that spread over all. Even those who had but little or no interest at stake were seized with the infection of fear, and were conscious of a great evil approaching. And from the silence again came forth that shrieking bid, "160 for five millions," and no answer; "161 for five millions;" "162 for five millions," still no answer; "162 for any part of five millions." And a quiet voice said, "Sold one million at 162."

That quiet voice broke the fascination. The bid of 162 was not renewed. But 161 was again bid for a million, and the same quiet voice said, "Sold;" and the bid of 161 was not renewed. But 160 was again bid for five millions. Then dimly it dawned upon the quicker-witted ones that for some reason or other the game was up. As if by magnetic sympathy the same thought passed through the crowd at once. A dozen men leapt furiously at the bidder, and claimed to have sold the whole five millions. To their horror the bidder stood his ground and declared he would take all. But before the words had fairly passed his lips, before the terror at his action had had time to gain men's hearts, there was a rush amid the crowd. New men, wild with fresh excitement, crowded to the barriers. In an instant the rumor was abroad, the Treasury is selling. Quick as thought men realized that it was not safe to sell to the clique brokers. Scarcely any one now wanted to buy. All who had bought were mad to sell at any price, but there were no buyers. In less time than it takes to write about it the price fell from 162 to 135. The great gigantic gold bubble had burst, and half Wall street was involved in ruin.

This break in the price evidently created a very decided disarrangement in the plans of the clique. They had sold large amounts of gold at private sale, as I have already stated, but nothing like as much as they expected to sell; and the consequence was, they were left, by this sudden fall in the price, the holders of a large amount of gold, which had cost them much more than it could be sold for in the market. Not only that, but they had loaned this gold to a great many merchants and bankers, from whom they had received currency as security, in many cases as high as 155 or 160; and according to the rules of the board, the moment the price fell to 135 they were in a position to be called upon by everybody who had borrowed gold of them or of their brokers, to return their margins, and if they were not able to respond by returning those margins, they would be declared bankrupt, and the gold would have been sold out for their account, at the board, by the persons who had borrowed it, in order to get as much as they could of their money back. It was, therefore, a very great object with them to prevent any one from being allowed to sell any gold for their account, under the ruling of the board; and in order to prevent that, they obtained, in a very extraordinary space of time, some of them as early as the next Monday, injunctions from various courts in the State, preventing the board, or any member of the board, from selling out any gold, for account of any one of the numerous string of brokers who had been doing business for them; and, also, against their own brokers, restraining them from settling any contracts; and, also, against the Gold Exchange Bank, restraining it from paying over any balances; and against the officers of the board, restraining them from trying any of those members for their default.

By the CHAIRMAN:

Q. In the course of your testimony you stated that the conduct of the Secretary of the Treasury was such as to give the impression of his being in some way or other in league with the gold clique. What was that conduct to which you refer?—A. That he had for some time previously diminished or suspended his sales of gold. I do not remember the precise time when the last gold was sold by him previous to that. As near as I can remember, there was no gold offered in September until after the panic; whereas, in previous months it had been sold with some degree of regularity.

Q. State any other facts on which that supposition was based.—A. I cannot mention anything else, except the reiterated statements on the part of the persons supposed to be interested. They asserted that the President, and, as the expression was, "Boutwell," was in with them.

Q. Please state to the committee, as near as you know, who made profits, and who lost, in these operations.—A. The great gainers by the operation were the clique, and some few speculators who joined hands or fell in with them. The principal losers were the merchants and bankers of New York.

Q. Were any considerable number of the merchants, bankers, and men doing a legitimate business, losers by these operations?—A. Yes, sir, a very large number; almost every one of them, to a greater or less extent.

Q. Can you make any approximate estimate of the amount lost by the whole transaction?—A. I can estimate from some statements made by their brokers, not under oath, but private statements made by them on the day of the panic, that the clique must have realized over twelve millions of dollars profits. In the latter part of the day, they no doubt lost severely; for they were large sellers of gold at lower prices than they bought for. Most of the gold bought for them on Friday they have not acknowledged, nor has it ever been received by them.

Q. If they had settled all their transactions, according to the rules of the Gold Exchange, what would have been the result?—A. They would have lost twenty millions of dollars at the least.

By Mr. LYNCH:

Q. Do you mean to say that they really made twenty millions or more by not selling?—A. Exactly. In their own offices, or in the offices of their private bankers, they made, on that Friday, not less than twelve millions of dollars; and if they had succeeded in selling all their gold loans, they probably would have made not less than thirty millions. But on a part of the gold they lost, instead of making; and lost heavily on that last day.

By Mr. JUDD:

Q. Did they pay all those losses?—A. Yes, sir; on the transactions which they chose to acknowledge. But, as I have said, not on the transactions of their brokers, at the high rates of Friday. In fact, it is well understood, although there is no positive proof of it, that there was a preconcerted plan that those brokers were to fail that day.

Q. Please state whether the brokers, which I understood you to say were about twenty in number, in the employ of the clique, were thoroughly posted in what they were doing.—A. Some of them were; others were not.

Q. Who were the ones taken into their confidence?—A. E. K. Willard, Osborne & Cammack, Chapin, Bowen & Day, are generally believed to have been in their confidence; and I might mention others about whom I am more or less doubtful.

Q. State in what respect the clique violated the rules of the Gold Exchange in their transactions.—A. In almost every respect. Their brokers refused to receive gold which they had bought, and refused to deliver gold which they had sold.

Q. What action, if any, has your Gold Exchange taken with reference to these violations of their rules?—A. None.

Q. Why not?—A. Because it has been forbidden by the courts.

By the CHAIRMAN:

Q. Please exhibit to the committee the injunctions or decrees of the court preventing your board from bringing these people to their responsibility under your rules.

The injunctions were here exhibited, and are as follows:

Supreme court.

WILLIAM H. LLOYD AND CHARLES H. HAMILTON, plaintiffs, }  
*against* } Summons for relief. Com-  
 THE NEW YORK GOLD EXCHANGE BANK, defendant. } plaint served.

To the defendant:

You are hereby summoned and required to answer the complaint in this action, of which a copy is herewith served upon you, and to serve a copy of your answer to the said complaint on the subscribers, at their office, No. 4 Pine street, in the city of New York, within twenty days after the service hereof, exclusive of the day of such service, and if you fail to answer the complaint within the time aforesaid, the plaintiffs in this action will apply to the court for the relief demanded in the complaint.

Dated New York, October 4, 1869.

FIELD & SHERMAN, *Plaintiffs' Attorneys.*

Supreme court.—city and county of New York.

WILLIAM M. LLOYD AND CHARLES H. HAMILTON, plaintiffs, }  
*against* } Complaint.  
 THE NEW YORK GOLD EXCHANGE BANK, defendant. }

The plaintiffs complain and allege—

First. That the defendant is a banking corporation, duly organized under the laws of this State, located and doing business in the city of New York as a gold clearing-house.

Second. That the plaintiffs are creditors of the said corporation in an amount exceeding twenty-one thousand dollars.

Third. That the said corporation has admitted to the plaintiffs that there is a large balance to their credit in its hands, but declares its inability to make out a statement of such balances, or to ascertain the amount thereof, and has refused to make any such statement or to pay the plaintiffs any part thereof, although the plaintiffs requested it to do so.

Fourth. That, as the plaintiffs are informed and believe, the said corporation is insolvent, and is indebted to various persons to the amount of several millions of dollars, which it is unable to pay.

Fifth. That the affairs of the said corporation are in a state of entire confusion; it has been unable to make up its accounts for several days, and there is great danger that unless its affairs are wound up by this court, its funds will be paid out to persons not entitled to receive the same, and its assets wasted and irretrievably lost.

Wherefore the plaintiffs demand judgment—

1. That the defendant be dissolved.
2. That the defendant, its officers, agents, and servants, be restrained by injunction from exercising any of its corporate rights, privileges, or franchises, from collecting or receiving any debts or demands, and from paying out or in any way transferring or delivering to any person any of the moneys, property, or effects of the defendant.

3. That a receiver be appointed to take charge of the property and effects of the defendant, to collect, sue for and recover the debts and demands that may be due, and the property that may belong to the defendant, and in general to wind up and settle its affairs.

FIELD & SHERMAN, *Plaintiffs' Attorneys.*

CITY AND COUNTY OF NEW YORK, ss:

Charles H. Hamilton, being duly sworn, says that he is the plaintiff in the above entitled action; that the complaint herein is true of his own knowledge, except as to the matter therein stated on information and belief, and as to those matters he believes it to be true.

CHARLES H. HAMILTON.

Sworn to before me, this 4th day of October, 1869.

T. B. ELLIOT, *Notary Public.*

Supreme court.

BENJAMIN F. CARVER AND OTHERS  
*against*  
 THE NEW YORK GOLD EXCHANGE BANK. } Notice of appearance.

SIR: Please take notice that we are retained by and appear for the defendant in the above entitled action, and hereby demand that a copy of the complaint, and all other papers in said action, be served on us, at our office, No. 31 Nassau street, (corner of Cedar, Bank of Commerce Building,) in the city of New York.

Yours, &c.,

MARTIN & SMITH, *Attorneys for Defendant.*

H. SMALES, Esq., *Plaintiffs' Attorney.*

Supreme court.

BENJAMIN F. CARVER AND WATTS CARVER, plaintiffs, }  
*against* } Summons for relief. Complaint  
 THE NEW YORK GOLD EXCHANGE BANK, defendant. } served.

To the defendant:

You are hereby summoned and required to answer the complaint in this action, of which a copy is herewith served upon you, and to serve a copy of your answer to the said complaint on the subscribers, at their office, No. 4 Pine street, in the city of New York, within twenty days after the service hereof, exclusive of the day of such service, and if you fail to answer the complaint within the time aforesaid, the plaintiffs in this action will apply to the court for the relief demanded in the complaint.

Dated New York, October 5, 1869.

FIELD & SHERMAN, *Plaintiffs' Attorneys.*

Supreme court, city and county of New York.

BENJAMIN F. CARVER AND WATTS CARVER, plaintiffs, }  
*against* }  
 THE NEW YORK GOLD EXCHANGE BANK, defendant. }

The plaintiffs complain and allege—

First. That the defendant is a banking corporation, duly organized under the laws of this State, and doing business in the city of New York as a bank and gold clearing-house.

Second. That the plaintiffs are creditors of the said corporation in an amount exceeding fourteen thousand dollars, that amount having been received by the defendant for the plaintiffs' use, and the defendant having refused to pay the plaintiffs any part thereof, although requested by the plaintiffs to do so, and although the defendant has admitted to the plaintiffs that the same is due to them.

Third. That, as the plaintiffs are informed and believe, the defendant is insolvent, and is indebted to various persons in very large amounts which it is unable to pay, and it has paid out large sums of money to persons not entitled thereto, to the prejudice of its real creditors.

Fourth. That the affairs of the defendant are in a state of entire confusion, and it has been unable to make up its accounts for several days, and there is great danger that unless its affairs are wound up by this court, its funds will be paid out to persons not entitled to receive the same, and its assets wasted and irretrievably lost.

Wherefore the plaintiffs demand judgment—

1. That the defendant be dissolved.
2. That the defendant, its officers, agents, and servants, be restrained by injunction from exercising any of its corporate rights, privileges or franchises, from collecting or receiving any debts or demands, and from paying out, or in any way transferring or delivering to any person, any of the moneys, property, or effects of the defendant.
3. That a receiver be appointed to take charge of the property and effects of the defendant, to collect, sue for, and recover the debts and demands that may be due, and the property that may belong to the defendant, and in general to wind up and settle its affairs.

FIELD & SHERMAN, *Plaintiffs' Attorneys.*

CITY AND COUNTY OF NEW YORK:

Benjamin F. Carver, being duly sworn, says that he is one of the plaintiffs in the above entitled action; that the complaint herein is true of his own knowledge, except as to the matters which are therein stated to be upon information and belief, and as to those matters he believes it to be true.

BENJAMIN F. CARVER.

Sworn to before me this            day of October, 1869.

EDWARD ENSIGN,  
*Notary Public, New York County.*

Supreme court.

CHARLES J. OSBORN, plaintiff,  
*against*  
 THE NEW YORK GOLD EXCHANGE BANK, defendant. } Summons for relief. Complaint served.

*To the defendant :*

You are hereby summoned and required to answer the complaint in this action, of which a copy is herewith served upon you, and to serve a copy of your answer to the said complaint on the subscribers at their office, No. 4 Pine street, in the city of New York, within twenty days after the service hereof, exclusive of the day of such service, and if you fail to answer the complaint within the time aforesaid, the plaintiff in this action will apply to the court for the relief demanded in the complaint.

Dated New York, September 28, 1869.

FIELD & SHERMAN, *Plaintiffs' Attorneys.*

Supreme court, city and county of New York.

CHARLES J. OSBORN  
*against*  
 THE NEW YORK GOLD EXCHANGE BANK. } Complaint.

The plaintiff complains and alleges—

First. That the defendant is a corporation duly organized by and under the laws of the State of New York, located and doing business in the city of New York, as a gold clearing-house.

Second. That the plaintiff is a creditor of the said corporation in an amount exceeding \$31,000.

Third. That, in addition to its usual banking business and in its character of a clearing-house, it is the custom and business of the said corporation to receive from its dealers daily statements of their transactions between each other in gold clearing, the amount due to or owing by them to each other. The said bank then makes a clearance or general balance of said several accounts of its dealers, and places to the debit or credit of its dealers, as the case may be, upon its books, the balances which in such clearances appear to be due to or from them, respectively; the dealers having balances to their debit pay the same into the bank, which then undertakes, forthwith, to pay to the other dealers the balances standing to their credit respectively.

Fourth. That, by reason of such a course of business and custom, the correctness of such general clearance of such debits and credits is entirely dependent upon the correctness of such several daily statements, so as aforesaid made to it, and the ability of the said bank to pay its several dealers any balances due to them is also entirely dependent upon the payment to the bank of the accounts or balances due to it from its dealers; and so numerous are the transactions of its dealers among themselves that the failure of any one of them to pay to the bank the balance due from him will inevitably throw into confusion the accounts of a large number of its other dealers, so that said bank cannot safely pay to any of its dealers any balances due to them until all and every of the accounts or balances due from the other dealers are paid.

Fifth. That, as the plaintiff is informed and believes, there is a large amount to his credit and to the credit of many other persons in its hands, but the officers profess an entire inability to make a statement of such balances or to ascertain the amount thereof, and have refused to make any such statement or to pay the plaintiff any part of the balance due to him, although the plaintiff has requested it to do so.

Sixth. That the said company is insolvent and indebted to various persons in the amount of several millions of dollars which it is unable to pay.

Seventh. That the affairs of the said company are in a state of entire confusion; it has been unable to make up its accounts for several days, and there is great danger that unless its affairs are wound up by this court its funds will be paid out to persons not entitled to receive the same, and its assets wasted and irretrievably lost.

Wherefore the plaintiff demands judgment—

1. That the defendant be dissolved.
2. That the defendant, its officers, agents, and servants, be restrained by injunctions from exercising any of the corporate rights, privileges, or franchises, of the defendant; from collecting or receiving any debts or demands, and from paying out, or in any way transferring or delivering to any person, any of the moneys, property or effects in its possession, and from receiving from its dealers any balances due from them, and from clearing any of the accounts of its dealers, and from paying to any person or persons whatsoever any balances which may appear by its books, or by said accounts of its dealers to be due to them.

3. That a receiver be appointed to take charge of the property and effects of the defendant; to collect, sue for, and recover the debts and demands, balances which may be due, and the property that may belong to the defendant; to receive the statements and



accounts of its said dealers, and to make a clearance thereof, under the direction of the court, and in general to wind up and settle the affairs of the said defendant.

FIELD & SHERMAN, *Plaintiffs' Attorneys.*

CITY AND COUNTY OF NEW YORK :

Charles J. Osborn being duly sworn, says that he is the plaintiff in the above entitled action, and that the foregoing complaint is true, of his own knowledge, except as to those matters therein stated on information and belief, and as to those matters he believes it to be true.

C. J. OSBORN.

Sworn to before me the 28th day of September, 1869.

MORTIMER SMITH,  
*Notary Public, New York.*

Supreme court, city and county of New York.

CHARLES J. OSBORN

*against*

THE NEW YORK GOLD EXCHANGE BANK. }

CITY AND COUNTY OF NEW YORK, ss :

CHARLES J. OSBORN, being duly sworn, says :

First. I am the plaintiff in this action.

Second. I have read the complaint herein, and except so far as the same is true of my own knowledge, the statements therein are founded upon admissions made to me, or in my presence, by officers and agents of the defendant, having full knowledge of its affairs.

Third. The accounts of the defendant for its transactions on Thursday last, September 23, 1869, covering many millions of dollars, were not made up when the defendant closed business on Saturday, the 25th of September, 1869, and the balances due upon such accounts were not paid at 12 o'clock, noon, of this day, if they have been paid at all, and the defendant's officers have openly declared their entire inability to make a statement of such account, or to settle the balances thereon, unless some of their creditors would advance to the defendant a very large sum of money to pay debts due the defendant from other persons, which it was unable to collect ; and one or more of its creditors have advanced a considerable part of this sum, but have, nevertheless, not attained a settlement of the said account.

Fourth. The transactions of dealers with the said bank, on Friday last, September 24, 1869, amounted to several hundred millions of dollars, and that the said defendant has not yet begun to make any statement of such transactions ; and the officers of the defendant, having charge of its affairs, have not duly declared their entire inability to make up the accounts of the said Friday, until the said Thursday's accounts have been settled, but refuse to say whether they would be able to make a settlement of Friday's accounts in any case.

Fifth. I am informed by some of the officers of the defendant that it has made considerable payments, on account of its transactions on the said Thursday, to a few favorite creditors upon a basis of a statement of the accounts, which was afterward found to be unreliable, and I believe that the payments thus made have so far reduced the assets of the defendant as to have destroyed its ability to settle the accounts upon their true basis.

Sixth. The defendant's capital is only five hundred thousand dollars, and I am informed, and believe, that its liabilities, by reason of the said payments and the general confusion of its accounts, exceed its good and collectable assets by much more than that sum.

C. J. OSBORN.

Sworn before me this 28th day of September, 1869.

MORTIMER SMITH,  
*Notary Public, N. Y.*

By Mr. SMITH :

Q. State whether certified checks on national banks were used by this gold clique to enable them to inflate the price of gold.—A. I have heard they were, to a very large extent. I have been told that the Tenth National Bank, on the 23d of September, certified for brokers of the clique to the extent of thirty millions of dollars, but I do not know it to be the fact.

Q. Please state your opinion of the effect upon the commercial interests of New York of a law forbidding national banks from issuing cer-

tified checks.—A. I think such a law would be highly injurious. The right of national banks to certify checks is very easily abused, just as the right to do business at the Gold Exchange, and the right of clearance at the Gold Exchange Bank, have been shamefully abused. But it is most essential to the transaction of business down town that the banks be allowed to certify checks.

Q. Is not the practice as now carried on a practical inflation of the currency?—A. I think not. This certification of checks by the banks is not equivalent to an inflation of the currency, because it is simply a piece of machinery. The main use to which certified checks are put is this: For example, suppose I do business for three or four of the largest banking-houses in New York, buying and selling large amounts of gold and government bonds for them. I frequently may buy over a million of bonds at one time for one large house which exports the bonds to Europe. It is very important for the secret and proper way of conducting business for that firm that it should not be known who I buy those bonds for. A house, for instance, that has prior information of some event in Europe, buys bonds, perhaps, through half a dozen different brokers; and if its purchases were immediately known on the street, it might frequently prevent their buying more for the same person. The fact of broker buying is of no importance, whereas if the fact is known that a certain house is buying, it sometimes affects the market to the extent of from three-quarters to one per cent. Now, if I were prevented from receiving those bonds myself, I would be obliged to declare to the seller that I had bought them for account of this house, and their plans would be interfered with. The party of whom I purchased would not be willing to deliver to me the bonds unless I gave him a certified check; and as I am not rich enough to have three or four hundred thousand dollars lying in bank, the bank officers, knowing that my representations are trustworthy, agree to certify my checks for these large amounts, with the understanding that the certified checks of the parties on whose account I make the purchase will be delivered and deposited in exchange for my certified checks. That is the legitimate use which is made of certified checks in the ordinary transactions of business. They greatly facilitate the transaction of business. Again, the denial to my bank of the privilege of certifying to my checks, would compel me to give up the name of my principal in the transaction, disclosing the nature of his business without any corresponding benefit ensuing. One reason why I think it would be injurious to the banks themselves to deny them the privilege of certified checks is, that they would be strongly tempted to accept on deposit checks not certified, subjecting them to a much greater danger than now; for, although my bank may certify my check to the amount of two hundred and fifty thousand dollars, it would not receive from me any check until it has been certified by a bank. When my bank, however, certifies my check, it incurs a moderate risk; but it is a very limited risk; and by this means they facilitate business greatly, and by allowing this medium of exchange they obtain a certified check from the party who is my principal, upon the bank in which his money is deposited. But if they refuse to certify my check, they cannot expect that checks which I deposit, drawn on other banks, shall be certified.

Q. Is there any way by which the abuses which are practiced from the use of certified checks can be prevented by legislation?—A. No, sir; the only way in which those abuses can be prevented is by the strictest investigation of such abuses whenever they come to the knowledge of the government officers. In other words, their correction is

rather with the administrative than the legislative branch of the government.

By Mr. Cox:

Q. You think we cannot make a law prohibiting the use of certified checks?—A. You can make a law, but it will not do any good. It will only drive the banks to the adoption of some other plan, much more hazardous to themselves and to the community. I know of no way to prevent it, except by the strictest control over the national banks, and frequent investigations by the proper officers—investigations by men high in rank, character, and standing in the community.

By the CHAIRMAN:

Q. I understand you to say that, so far as you know, there was never any such institution in existence as the Gold Exchange until after the suspension of specie payment?—A. No, sir, not to my knowledge.

Q. Can the Gold Exchange Bank exist after the resumption of specie payments?—A. No, sir, not in its present condition. These transactions must necessarily cease immediately upon resumption.

By Mr. BURCHARD:

Q. State whether brokers are engaged in dealing in gold exclusively?—A. A very small number are; a very much larger number are engaged in dealing in stocks, bonds, foreign exchange, &c.

By Mr. Cox:

Q. You are a broker, as I understand you, representing what house?—A. I represent my own house, only.

Q. State whether your house, or the members of any of these firms, suffered by this gold panic?—A. Yes, sir; some of them did, more or less. Our own house, however, and most of our friends, suffered only to a limited extent.

By the CHAIRMAN:

Q. Did you purchase or sell gold speculatively during the September panic?—A. No, sir; not a dollar, for my own house or any other, so far as I know.

Q. What is the name of your firm, and the precise nature of your business?—A. The title of my firm is Hodgskin, Randall & Hobson. I do an exclusively commission business for a number of the leaders, bankers, and merchants of New York.

Q. If you do not violate any business secrets in doing so, state as many as you can recollect of the names of the principal bankers and merchants of New York for whom you do business?—A. I do more or less business for Duncan, Sherman & Co., Eugene Kelly & Co., the Bank of British North America, the firm of F. Schusard & Sons, J. & W. Seligmann & Co., Grinnell, Minturn & Co., Howland & Aspinwall, Fabbri & Chauncey, and a number of others. I have only referred to the principal names.

By Mr. Cox:

Q. Have you hitherto done a speculative class of business?—A. Scarcely ever—I may say never. I will state that, representing the interests of these houses, doing a very large business, I had for some time previous to the panic been watching the operations of this clique, and had become convinced that there was danger of their causing very great and serious trouble. I was so thoroughly convinced of this that I had repeatedly consulted a number of the leading bankers and busi-

ness men of New York, to see whether there was no means of preventing their operations. In order to be better able to follow up the matter, I had watched the operations of the New York brokers until I knew pretty well who were the brokers of this clique; and I specially avoided any transactions or any connection with them. In this way I escaped the severe loss which otherwise would have inevitably fallen upon me and my clients.

By the CHAIRMAN:

Q. Will you state how, in your opinion, the difficulties and misfortunes arising from that panic could have been avoided, and can be avoided in future?—A. I know of no legislation that could be beneficial, unless it would be such as would enable the board to enforce its own laws and rules. The board, if it had not been deprived of its authority, could have prevented that panic. If these men had not known that they could defy the board, they never would have dared attempt what they did.

Q. Was not that board the theater of all those transactions?—A. The unwilling theatre—yes.

Q. Is there no other federal legislation that you can suggest, which will prevent such transactions?—A. None that I can now mention, unless it be the resumption of specie payment.

The following papers were subsequently furnished:

A.

At a special term of the supreme court of the State of New York, held in and for the county of New York, in the court-house in the said city, this 29th day of September, 1869. Present: Honorable Albert Cardozo, justice.

CHARLES J. OSBORN  
*against*  
 THE NEW YORK GOLD EXCHANGE BANK. }

On reading and filing the complaint herein duly verified and the affidavit of Charles J. Osborn, plaintiff; and on motion of Field and Sherman, plaintiff's attorneys, it is ordered that the defendant, the New York Gold Exchange Bank, its officers, directors, agents, attorneys, and servants, each and every of them, refrain from exercising any of its corporate rights, privileges, or franchises, and from collecting or receiving any debts or demands, and from paying out, or in any way transferring or delivering to any person or persons, any of the moneys, property, or effects in the possession of the defendant, and from receiving from its dealers any balances due from them, and from clearing any of the accounts of its dealers, and from paying to any person or persons whomsoever any balances which may appear by its books, or by said accounts of its dealers, to be due to them, until the further order of this court.

And it is hereby further ordered that the defendant show cause before a justice of this court, at a special term thereof to be held at chambers in the city of New York, on the first Monday of October, 1869, at ten o'clock a. m., why a receiver of all the moneys, property, effects, and franchises of the said defendant should not be appointed, pursuant to the provisions of the revised statutes in such cases made and provided, with the powers and authority conferred upon receivers in such cases, and why the plaintiff should not have such other and further relief as may be just; and in the meantime and until the hearing and decision of the motion, Augustus L. Brown, esquire, is hereby appointed such receiver, upon his presenting to this court, or a justice thereof, a good and sufficient bond to the people of this State, to be approved by said court or a justice, in the penalty of ten thousand dollars.

A copy.

CHAS. E. LOEW, Clerk.

A. C.,  
 J. S. C

## B.

*Inventory of property in the New York Gold Exchange Bank, received from Augustus L. Brown, receiver, by Conrad N. Jordan, receiver.*

NEW YORK, October 11, 1869.

Mutilated bills, sixty-seven dollars.....	\$67 00
Fractional currency, six hundred and seventy dollars.....	670 00
American silver, twenty-seven dollars and twenty-seven cents.....	27 27
Currency, one hundred and seventy thousand three hundred and seventy-five dollars.....	170,375 00
Fractional currency, twenty-eight dollars and five cents.....	28 05
Nickels, three dollars and fifty-eight cents.....	3 58
Currency, two thousand and seventy-six dollars.....	2,076 00
Fractional currency, one hundred and thirty-seven dollars.....	137 00
Check, payable in currency to B. H. Bixby, at Irving National Bank, two hundred dollars.....	200 00
One buckskin bag, containing twenty-three dollars and eighty-eight cents in currency and fractional currency, and nine dollars and sixty-nine cents in coin, and memorandum ticket signed "Saneton," for twenty-five dollars gold.....	58 57
Silver coin, forty-four dollars and fifty cents.....	44 50
Gold coin, four hundred and thirty-two dollars.....	432 00
One coupon, No. 163,262, for thirty dollars, (payable January 1, 1870).....	30 00
One packet, marked H. L. Chichester, containing two silver watches.....	.....
One package, marked \$24, one marked \$50, one marked \$15, and eleven dollars in nickel coin, (rolls).....	100 00
United States gold certificates, one hundred and thirty-two thousand seven hundred and twenty dollars.....	132,720 00
Gold coin, one thousand three hundred and fifty-two dollars.....	1,352 00
Fractional currency, seventy cents.....	70
Gold coin, fifty-two hundred and forty dollars.....	5,240 00
One bag gold coin marked "Bank of England," containing five thousand dollars (by weight).....	5,000 00
Fifteen bags gold coin, containing each, by weight, five thousand dollars..	75,000 00
One bag gold coin, containing, by weight, thirty-four hundred dollars.....	3,400 00
One bag nickel coin, fifteen dollars.....	15 00
Five dollars, two cent pieces.....	5 00
Six dollars in cents in twenty-four packages.....	6 00
One tin box, (oak colored,) containing, in nickel coin and currency, seventeen dollars and seventy-four cents.....	17 74
One check (certified) on the Bank of New York, by Naylor & Co., payable in gold coin, \$19,222 22.....	19,222 22
Three certificates of deposit in Sixth National Bank, Nos. 1781, 1782, and 1783, each by C. Darling, president, issued to Mrs. E. W. Haven for \$200, \$200, and \$100, respectively, in gold.....	500 00
One memorandum, "Wm. Bird 100 I. H. Gold.".....	.....
Two memorandum gold checks on New York Gold Exchange Bank, No. 823 and 830, dated August 16 and 18, 1869, respectively, one for \$100,000, the other \$150,000, each drawn by August Belmont & Co.....	.....
One check (president's) to order Dakin & Gillespy, one hundred dollars currency, September 2, 1869.....	.....
Memorandum of settlement Van Schaick & Co., September 27, 1869.....	.....
One package memorandum.....	.....
Three boxes, marked one "commissions from dealers," one "first division," and one "second division".....	.....
One box marked "Brennen," one marked "H. C. Rogers," one "William Foster, jr.," said to have been left for safe-keeping and not the property of the bank.....	.....
One empty tin box.....	.....
Sundry securities, supposed to be worthless; one thousand dollar bond Brooklyn Steamship Company; \$2,000 bonds Pittsburg, Maysville, and Cincinnati Railroad Company; \$2,500 Logan Co. bonds; one \$1,000 bond Fremont & Indiana Railroad Company; one hundred shares New York Consolidated Coal Company; eight hundred shares St. Domingo Copper Company.....	.....
One large iron safe, office furniture, desks, chairs, tables, inkstands.....	.....
One set scales for weighing gold, with weights.....	.....
Gas fixtures.....	.....

One telegraph apparatus for stock operations.....	.....
Lot of miscellaneous books in use, consisting of check books, division books, ledgers, &c.....	.....
Lot of new check books in safe.....	.....
Lot of old books for reference in safe.....	.....
Lot of vouchers in safe.....	.....

F. L. EAMES,  
FRANCIS M. BIXBY,  
J. R. CUMING,  
WM. F. MATHEWS.

## C.

At a special term of the supreme court of the State of New York, held at the courthouse in the city of New York, on the 9th day of October, 1869. Present: Hon. Albert Cardozo, justice.

CILAS. J. OSBORN	}
<i>agst.</i>	
THE NEW YORK GOLD EXCHANGE BANK.	}
WILLIAM M. LLOYD AND OTHERS,	
<i>agst.</i>	}
THE SAME.	
BENJAMIN F. CARVER AND OTHERS,	}
<i>agst.</i>	
THE SAME.	}

On reading the orders to show cause why a receiver should not be appointed, entered in these actions, and the verified complaints herein, which are now on file, and on filing the affidavit of Edward Ensign, verified on the 8th day of October, instant, and the consent of the parties herein, it is hereby ordered—

First. That Augustus L. Brown, esq., receiver herein appointed *ad interim*, be authorized and directed, and he is hereby authorized and directed, to pay out of the moneys in his hands as such receiver, and out of the assets of the said New York Gold Exchange Bank, for the expenses of the legal proceedings had in respect to his appointment, the following sums, to wit: To the plaintiff's attorney, five thousand dollars; to the defendant's attorney, two thousand five hundred dollars; to James Elliot, esq., of counsel for the defendant, two thousand five hundred dollars, and to A. J. Vanderpoel, esq., of counsel for the said receiver, five thousand dollars.

Second. That the said receiver be, and he is hereby, authorized and directed to pay out of the moneys aforesaid the following sums to creditors of the defendant, to wit: To Edward K. Willard & Co. the sum of seventy-five thousand dollars; to William Heath & Co. such balance as may be due to them in coin and currency, from payments actually made to the said bank in their account and from deposits, and also the balance coming to said Heath & Co. from C. C. Parks, according to the statement furnished by Heath & Co. to the said bank.

Third. That the present and any future receiver appointed in these actions, or any of them, be and are hereby directed to pay to the said William Heath & Co. such further sums as may fall due to them, in coin and currency, from moneys hereafter paid to such receiver or to said bank for account of said Heath & Co., such sums to be paid over as soon as received.

Fourth. That the fees and compensation of the said Augustus L. Brown, esq., for his services as receiver be, and the same are hereby, fixed and adjusted at the sum of fifteen thousand dollars, and that he be further allowed the sum of five hundred dollars for his disbursements herein; and that he is hereby authorized to deduct the said several sums from any funds in his hands as such receiver before turning over any moneys or property to any other receiver to be appointed in these actions or any of them.

CHAS. E. LOEW.

## D.

New York supreme court.

CHARLES J. OSBORN	}
<i>agst.</i>	
THE NEW YORK GOLD EXCHANGE BANK.	}
WILLIAM M. LLOYD AND CHARLES H. HAMILTON	
<i>agst.</i>	}
THE SAME.	
BENJAMIN F. CARVER AND WATTS CARVER	}
<i>agst.</i>	
THE SAME.	}

Received, New York, October 11, 1869, from August. L. Brown, receiver of the defend-

ants in the above-entitled actions, and in whose place and stead I have been substituted as receiver by order of this court, entered in the above entitled actions and dated the 9th day of October, 1869, all the property, money, effects, and franchises of the defendant which came to the possession of the said Augustus L. Brown, under the order of this court dated the 29th day of September, 1869, entered in the first above-entitled action, a copy whereof is hereto annexed, marked A, and which receivership was extended afterwards by orders duly entered in the second and third entitled actions, a true inventory of which property is hereto annexed and marked B, being a copy of the original inventory taken by said Augustus L. Brown as such receiver, on the said 29th day of September, 1869, excepting only therefrom the following sums of money, which have been paid out by said receiver, Augustus L. Brown, under the order of this court dated the 9th day of October, 1869, a true copy whereof is hereto annexed, marked C.

1. To the plaintiff's attorneys, five thousand dollars in currency, (\$5,000.)
2. To the defendant's attorneys, two thousand five hundred dollars in currency, (\$2,500.)
3. To James Emott, esq., counsel for defendants, two thousand five hundred dollars in currency, (\$2,500.)
4. To A. J. Vanderpoel, counsel for receiver, five thousand dollars in currency, (\$5,000.)
5. Edward K. Willard & Co., seventy-five thousand dollars in currency, (\$75,000.)
6. William Heath & Co., two hundred and ten thousand dollars in coin, (\$210,000.)
7. William Heath & Co., thirty-three thousand three hundred dollars in currency, (\$33,300.)
8. To the receiver for fees as such, fifteen thousand dollars in currency, (\$15,000.)
9. To the receiver for disbursements, five hundred dollars in currency, (\$500.)

Also, received from said Augustus L. Brown the sum of seven hundred and thirty-nine dollars and sixty-two cents in coin, and the sum of six thousand one hundred and twenty-eight  $\frac{2}{3}$  dollars in currency, received by said Augustus L. Brown from the National American Exchange Bank on the 8th instant, being the proceeds of collections by said last-mentioned bank on accounts of the defendants.

C. H. JORDAN, *ad interim*.

E.

At a special term of the supreme court of the State of New York, held at the courthouse in the city of New York, on the 13th day of October, 1869. Present: Hon. Albert Cardozo, justice.

CHARLES J. OSBORN	}
<i>against</i>	
THE NEW YORK GOLD EXCHANGE BANK.	}
WILLIAM M. LLOYD AND OTHERS	
<i>against</i>	}
THE NEW YORK GOLD EXCHANGE BANK.	
BENJAMIN F. CARVER AND OTHERS	}
<i>against</i>	
THE NEW YORK GOLD EXCHANGE BANK.	}

An order having been heretofore made by this court at a special term thereof on the twenty-ninth day of September, 1869, in the first above entitled action, by which Augustus L. Brown was, pending a motion for the appointment of a receiver therein, appointed receiver in the meantime, of the moneys, property, effects, and franchises of the New York Gold Exchange Bank, and said Augustus L. Brown, as required by said order, executed, together with two sureties, a bond to the people of the State of New York in the penalty of ten thousand dollars, which was approved by a justice of this court, and filed on said twenty-ninth day of September, 1869;

And thereafter in each of the two other above entitled actions, the said Augustus L. Brown was also appointed receiver of the same property in those actions;

And another order in the three above entitled actions having been made by this court at special term thereof, on the ninth day of October, 1869, directing certain payments to be made by said Augustus L. Brown, and authorizing him to retain certain fees and disbursements;

And thereafter on the same day another order of this court having been made at special term thereof, appointing Conrad N. Jordan receiver of the New York Gold Exchange Bank, *ad interim*, in the place and stead of Augustus L. Brown, and on the eleventh day of October, 1869, said Augustus L. Brown having transferred and delivered to the said Jordan, as such receiver *ad interim*, all the property, moneys, effects, and franchises of the said the New York Gold Exchange Bank which came to the possession of said Augustus L. Brown under the said order of this court, dated September twenty-ninth, 1869, excepting only therefrom the sums of money which were paid or

retained by the said Augustus L. Brown, under the said order of this court dated the ninth day of October, 1869, as appears by the receipt of the said Jordan filed herewith:

Now on reading and filing the said receipt of the said Jordan and the schedule of property taken by said Augustus L. Brown, as such receiver, and by him transferred to said Jordan and the other papers annexed to said receipt, showing that said Augustus L. Brown has accounted for, transferred and delivered to said Jordan as such receiver *ad interim*, all the property, money, effects and franchises of the said bank which came to his hand, excepting only the sums paid out and retained therefrom under said order dated October 9, 1869, and on motion of A. J. Vanderpoel, of counsel for said Augustus L. Brown—

It is ordered that the said Augustus L. Brown be, and he hereby is, discharged from all duties and responsibilities as receiver under the said order dated the 29th day of September, 1869, and under the several orders made in the second and third above entitled actions appointing him receiver therein; and further, it is ordered that the bond executed by said Augustus L. Brown and his sureties, and filed in this court on said 29th day of September, 1869, is hereby cancelled and discharged, and said Brown and his said sureties released and discharged from all liability thereupon; and the clerk of this court is directed to cancel the same.

I, Charles E. Loew, clerk of the said city and county, and clerk of the supreme court of said State for said county, do certify that I have compared the preceding with the original order discharging receiver and canceling bond and receipt of C. N. Jordan and schedules and papers annexed thereto on file in my office, and that the same are correct transcripts therefrom and of the whole of such originals.

In witness whereof, I have hereunto subscribed my name and affixed my official seal this 13th day of October, 1869.

[L. S.]

CHARLES E. LOEW, *Clerk.*

Supreme court.

HENRY N. SMITH, JAY GOULD, HENRY H. MARTIN, AND  
JAMES B. BACH, plaintiffs,

*against*

JOHN F. UNDERHILL, AS PRESIDENT OF THE NEW YORK  
Gold Exchange, Thomas P. Akers, as secretary of said  
Exchange, James B. Hodgskin, Thomas F. B. Parker, and  
Richard B. Whittemore, John Bonner, and Arthur L. Sew-  
ell, defendants.

Injunction by order.

It appearing satisfactorily to me by the complaint duly verified by the plaintiffs that sufficient grounds for an order of injunction exist, I do hereby order and enjoin,

1. That the defendants, James B. Hodgskin, Thomas F. B. Parker, and Richard B. Whittemore, refrain from arbitrating or deciding or attempting to arbitrate or decide the claims of the defendants, John Bonner and Company, against the plaintiffs, or either of the said claims.

2. That the defendants, John F. Underhill, Thomas P. Akers, and the New York Gold Exchange, and each of its officers and members, refrain from expelling or attempting to expel the plaintiff, Henry N. Smith, from the New York Gold Exchange, and from suspending or in any manner interfering with him in his right and privilege of attending the said Exchange and transacting business therein.

3. That the defendants, John Bonner and Arthur L. Sewell, their agents, attorneys, and servants, refrain from pressing their pretended claims against the plaintiffs, or either of them, before the arbitration committee of the New York Gold Exchange, and from taking any proceedings thereon or in relation thereto, except in this action.

GEORGE G. BARNARD, *J. S. C.*

NEW YORK, *December 29, 1869.*

WASHINGTON, D. C., *January 15, 1870.*

HENRY M. BENEDICT sworn and examined.

By the CHAIRMAN :

Question. Please state your residence and occupation.—Answer. I live at Greenwich, Connecticut; my business is in New York. I have been out of the business which I followed for some twenty years. I took charge of the affairs of the Gold Exchange association four years ago, and



organized the Gold Exchange Bank, of which I was president for three years. I resigned in October last. Since then I have some business connection with two or three enterprises which occupy my time.

Q. Please state in your own way what you know of the causes, history, and results of the gold panic in September last; also, state the history and character of the Gold Exchange Bank with which you were recently connected.—A. The bank was organized on the 11th of December, three years ago—in 1866—for the purpose of carrying on a clearing system, for the transactions by leading houses doing business in the two currencies of gold and paper. The object was simply to diminish the risk and expense of those exchanges. The forms adopted were based upon the clearing-house practice, as organized partially in London, and also in New York, among the banks, for settling their balances, instead of detailed statements. Perhaps it would be desirable to present to the committee the clearing plan, which can be done in a few words. I can also exhibit before the committee the papers and blanks used in that process. The bank was organized under the general banking law of the State of New York, for the purpose, primarily, of receiving and delivering gold. That is the language of the charter, I believe. The capital of the bank was for a million of dollars, with the privilege of increasing

In the settlements made two classes of documents were used; one blank for receiving from, and the other for delivering to. Two men make a bargain; one buys and the other sells, or one borrows and the other lends; one is to receive, the other to deliver. These transactions are multiplied during the day, according to orders received and business to be done. A great many such transactions will have to be settled by the same house with various houses. Before the organization of the bank, the system was for the banker to receive the gold and draw his check on some bank for every item. He had to receive a dozen, twenty, or thirty different lots of gold during the day; the gold would be delivered in coin or certificates, or on check drawn for the amount. To avoid the multiplicity of checking for each transaction, the clearing system was adopted, under which a statement is made of all the transactions of the day, and balance struck and paid over, whatever it may be, to the proper party.

There are, I think, about four hundred members entitled to use the clearing-house, who belong to the Gold Exchange, and out of these, probably two or three hundred will send in their statements each day. Balances are made in the case of each statement, and the money paid over; so that we paid out exactly the amount we received in settling all these transactions. There were some other leading houses, such as Brown Brothers & Co., not members of the Gold Exchange, who had the privilege of clearing at the Gold Exchange Bank. I have here some specimen sheets, showing the settlements made on the 24th of September. Here is the settlement of Brown Brothers & Co. for that day, showing that they delivered only four parcels of gold, which they paid into the bank, and received from the bank the amount in currency. In addition to these blanks there were two others, called tickets of advice. A would sell gold to B, and they would exchange tickets of advice, corresponding with their settlement of accounts, which were presented at the bank, so that we had two signatures for every transaction with the bank, each party sending his statement and also his advice-ticket, furnishing a perfect check against errors in these settlements.

The object in organizing the bank was to accomplish safety and economy in these settlements, and under it the settlements were made in perhaps one-fourth of the time, labor, and expense, incurred under the

old system of exchanges and settlements. The average amount of business which the books of the bank show, has been about sixty or seventy millions in gold every day during the year. The first year of the bank the average was about sixty millions; the last year about seventy millions. It should be stated, however, that in making this aggregate each transaction is counted twice over, each sale appearing as so much gold sold, and again appearing as so much gold purchased; so that, for the first year, the real transactions would be thirty millions a day.

On the 24th of September the first interruption in the business of the bank took place which had ever occurred. The difficulties in making settlements for that day grew out of the large number of failures which occurred. We have had before that several failures occurring in one day, but comparatively limited in extent. I have here, for instance, the settlement sent in for the 24th of September by Jay Cooke & Co., in which, of the houses named, there were not less than twelve or fifteen failures. These failures grew out of the fact that there had been a very extensive combination made to buy all the gold there was. The estimate of the amount is, of course, vague and indefinite, but probably running up to sixty or eighty millions of dollars. The amount was suddenly called in on that day, and the forcing of a settlement of the entire amount, obliging people to respond and furnish the gold, resulted in these failures. When the settlements came into the clearing-house there was utter confusion, as you will see from this statement. There would be from a dozen to two dozen mistakes in every settlement; and the embarrassment with the bank was in having received thirteen millions of money that day, to find out to whom it belonged. About eight millions of gold had been received, and five or six millions of currency, in certified checks and such dealings as go to make up the usual banking movements of that city. The bank was intrusted with the work of finding out to whom that money belonged. We had been in the habit of receiving three, four, and five millions, and in some instances running up to eight millions a day; but on this day the very large amount received was, as I have stated, complicated by the numerous failures that took place. To have retained in the bank this large amount of money until the time necessary to make the settlement complete had elapsed would have caused the failure of a good many leading houses. For instance, there was a balance due to J. & W. Seligmann & Co. of six hundred and fifty-one thousand dollars. Their statement was tolerably accurate, so that we were enabled to pay over to them the approximate amount of their balance; and by paying these approximate amounts we endeavored to get enough out to prevent a large number of houses from trouble, and possibly bankruptcy. We retained enough in each case, however, to make the bank good in the final adjustment of accounts. It may be asked how a system which had worked for three years without a single mistake or interruption, and with perfect success, should be overthrown in one day. I can only answer that it was because it was in the power of certain men to combine and make contracts to the extent of sixty or eighty millions, and to wield an amount of capital which would give them credit and position sufficient to do it, and then, by a sudden calling in of their contracts, to force people to a settlement, and make their own price out of it. There is the secret of the difficulty of the gold movement on the 24th of September. The bank officers used all their energies and their best discretion in unraveling the difficulty.

The rule has been adopted to pay nothing until all the balances were paid in, but in this case it was absolutely necessary to deviate from that rule. Ordinarily, all the balances must be paid by half-past twelve

o'clock, and by half-past one o'clock the bank is ready to pay out its balances.

By Mr. JUDD :

Q. Were you in the habit of doing business as a bank as well as a clearing-house?—A. The two departments were kept separate. We always did business as a bank, made loans, and carried on a general banking business. The money received through the clearing department was paid into the bank, and again checked out by the clearing department.

Q. Previous to this time, had it been your habit to pay out margins, through your banking department, while the current business of the day went on, and before you struck your balances?—A. The bank had no margins. We knew nothing of the nature of the transactions, which might be by purchase and sale, or by loaning. We simply received the statements and made the settlements.

By Mr. SMITH :

Q. Were Gould and Fisk customers of the bank?—A. James Fisk, jr., was not a customer of our bank, nor did we know him in any way whatever.

By the CHAIRMAN :

Q. Did your banking department certify checks during these two days—the 23d and 24th of September; and if so, to what amount?—A. I cannot say as to the amount we certified checks. We had, perhaps, two or three hundred depositors, and we certified the checks of dealers as they came in, as other banks do, but not a dollar beyond the amount of money on deposit in each case. Our bank has never certified checks unless the money was in the bank on deposit; and that rule was not violated on these days, to my knowledge. The only instance, if any at all occurred on that day, was of some of these parties who had balances coming to them in the clearing department having them transferred from the clearing to the banking department.

Q. Who did that?—A. Not more than two or three parties.

Q. Did the firm of which Jay Gould is a partner get any balances in advance?—A. No, sir. They had that day a balance in currency against them, which they paid. They had no currency account in the bank; they had a gold account, which, however, did not amount to much. They did not bank with us as a rule. I think they had no bank transactions with us that day at all.

Q. State the amount of transactions of your clearing department on the 23d and 24th of September?—A. The 23d of September there was no difficulty in our business; the exchanges and clearances went on as usual. The amount which the books of the bank show was about three hundred millions; I think, perhaps, three hundred and twenty millions. Of the transactions of the 24th of September we have never yet had a footing. I should say they would exceed three hundred millions. That is to say, one hundred and fifty millions sold, and one hundred and fifty millions delivered. One reason why these large amounts figure on our books is that the entire loan movement in gold is subject to renewal every day. There is a market price of loans as well as of gold, and the market fluctuates, causing a constant changing of loans; and these loans renewed every day figure as a large proportion of the business of the clearing-house; and this is a business entirely legitimate and proper. Nearly the entire foreign trade of this country is carried on through these gold transactions, and must be as long as we have two

currencies. Here are twenty people whose business involves gold amounts to perhaps a million or two millions a day in their transactions with different houses. They borrow gold, and agree from day to day on the rate at which it shall be carried, varying according to the fluctuations of the market. And these transactions appear from day to day as a part of the transactions of the clearing-house. A. T. Stewart & Co., for instance, will have two or three million dollars to loan, which will be borrowed by one broker one day, and by another broker the next day, and all this going through the clearing-house. We have nothing to do with making these transactions; the parties make their own bargains, and send their tickets of advice to the banker; A sending B's ticket, and B sending A's ticket; one says receive that, and the other says deliver that. The responsibility of the transaction is between themselves, and we know nothing about it.

By the CHAIRMAN:

Q. I understand your bank was closed on the 24th. Please state the reason of that?—A. No, sir, the bank was not closed; it was kept open for the purpose of endeavoring to find out who owned this money. We continued to pay out and to adjust settlements on the 24th and 25th; Sunday was the 26th. We commenced again on Monday the process of settling up, and had succeeded in paying out, within a half a million of dollars, all the money which came to us on the 24th, when there was a receiver appointed, and the affairs of the bank went into his hands. They became very much involved on account of the large failures that occurred after Monday morning.

Q. When did the clearing department open regularly for business again?—A. It opened again in November. During that time we were engaged in endeavoring to settle up transactions of that day, at least the receivers were for us.

By Mr. JUDD:

Q. What do you mean by paying out approximate balances?—A. If a balance of half a million was apparently due a party we would reserve perhaps a hundred thousand, paying four hundred thousand dollars.

Q. What brokers drew out balances during the business hours of the 24th?—A. Probably two-thirds of those having transactions at the clearing-house. I suppose such balances were paid out to over a hundred of them. I paid out between seven and eight millions dollars in that way to brokers who had sent in their statements, which statements appeared to be tolerably within the rule.

By Mr. SMITH:

Q. State whether the banking department was responsible for payments to the clearing department?—A. Yes, sir.

By Mr. JUDD:

Q. Had you an idea that there was a gold clique or ring whose operations caused these very large transactions?—A. Yes, sir. I knew something was going on, of course.

Q. Did you know the names of the brokers who were understood to be operating?—A. Yes, sir. I do not know that I was ever told that one broker or another was in the ring, but I judged from facts that came before me of the relationship existing between them.

Q. Would your books show what amount was drawn out by brokers supposed to be in the ring, in the shape of approximate balances, dur-

ing the business hours of the 24th of September?—A. I think they would.

Q. Could you make up such a statement?—A. Perhaps I could. The difficulty is, however, that the parties who were operating for the leading men also had separate transactions of their own, and for account of other parties. Such a statement, at any rate, would be of very little service to you, for you will recollect there were no balances actually struck. These parties simply drew out approximate balances, and a statement of these would give no indication as to whether the parties made or lost money.

Q. Take, for instance, the case of Speyers, who was a seller that day; could you state how much money he obtained from the bank during the business hours of the day?—A. The balances, as a general thing, are very small, and would give no idea of the magnitude of the actual transactions.

Q. Was it your custom, in the operations of the bank, to pay approximate balances?—A. No, sir. We did it that day for the simple reason that there was thirteen million dollars, which, if we retained until the actual balances could be ascertained, would produce very heavy failures.

By the CHAIRMAN:

Q. Do you keep separate accounts, exhibiting the clearing business and the banking business separate from each other?—A. Yes, sir.

Q. Was there any reason for closing the bank, outside of the complications in these settlements of the 24th?—A. Injunctions were served on the bank as early as Saturday, to prevent the settlement of certain accounts, which we at once threw out of the movement. The receivership, which was the great trouble in making our settlements, was sued out on the petition of Charles G. Osborne, who was supposed to be one of the brokers of the ring. This was when we had paid out all the money received on that day, except about half a million of dollars. Suit was brought for this amount, and without a hearing, without any chance of showing our case at all, and without any standing in court properly, Judge Cardozo grants this receivership, and puts us into the hands of the sheriff and receiver. This was on the 29th of September. Mr. Osborne's application was on the allegation of thirty thousand dollars being due to him for an account, while we had in the bank a receipt for that amount, with his signature to it. Yet, on that allegation the judge grants the receivership, and takes out of our hands the papers and books and funds of the bank, and without giving us a hearing in court at all. And we not only had the receipt of Osborne for that amount on which he sued out the receivership, but he never presented his demand at all subsequently, and he was not recognized at all in the final settlement which was made.

Q. What other injunctions were served upon you?—A. The other injunctions were simply to restrain us from paying out money to certain parties. They did not interfere with the general operations of the bank, and these cases were all settled out of court.

Q. Were there any injunctions ordering you to pay specific sums?—A. That was in a second order of the court appointing another receiver. The first receiver was appointed temporarily; the second receiver was appointed, as was supposed, in the interest of the bank. But the judge ordered the first receiver to pay nearly the entire amount of balance on hand to certain parties before he was to be discharged from the receivership. The order stated specific sums, and the names of the parties to whom they were to be paid.

Q. Were you represented in court by counsel?—Yes, sir; but there

was no hearing, and we never had any standing in court at all, except by arrangement. These proceedings cost the bank in lawyer's and receiver's fees about sixty thousand dollars.

Q. How much was paid to the receiver?—A. The judge gave to Mr. Brown, the first receiver, fifteen thousand dollars; and gave his partner, who was a lawyer, five thousand dollars. The first receiver continued in charge for ten days, and the next for fifteen or twenty days; then we got the bank back.

By Mr. BURCHARD :

Q. State whether this order, on which these specific sums were paid, was not a compromise order.—A. Yes, sir; it was an order in which the lawyers employed by the bank are supposed to have acquiesced.

Q. Did the plaintiff give bonds upon getting this preliminary injunction?—A. I am not aware of it. The receiver, however, gave bonds to the amount of ten thousand dollars.

By the CHAIRMAN :

Q. State whether the bank, aside from the expense which you have stated, incident to the receivership, lost any money in consequence of the panic; if so, how much?—A. The bank lost, for numerous claims, undoubtedly, between one hundred and seventy-five and two hundred thousand dollars. Some of the claims are good, and probably a considerable portion of them may ultimately be realized. They are now in process of suit. The bank lost, altogether, in consequence of these transactions, between three and four hundred thousand dollars. The loss occurred by precipitating the settlement of disputed accounts, in addition to what was lost by the receivership. These claims are mostly against parties who ordered us to make certain deliveries, and the parties to take the gold from the bank. We called upon them to take gold, but they refused to do it.

Q. State whether you or any of the officers or stockholders of the Gold Exchange Bank were engaged or interested in purchasing or selling gold on the 23d and 24th of September.—A. None of the officers of the bank were engaged, to my knowledge, to the extent of a dollar, in these transactions. As far as I am concerned, I had no interest in gold or stocks, and had not had for a long time. As to the stockholders, most of them were members of the board, and I suppose most of them were interested in the market in one way or another.

By Mr. JUDD :

Q. Can you give the names of any of these?—A. There are seventy or eighty stockholders; probably fifty of them are members of the Gold Exchange, and were doing business in gold.

By the CHAIRMAN :

Q. Have you a printed list of the names of the stockholders of the bank?—A. Not here; I can furnish it to the committee.

Q. State what interviews, if any, you had with Fisk and Gould, or with Smith, Gould & Martin, during the day of the 24th of September; and state the substance of such interview.—A. I saw Fisk for the first time to talk with him on the morning of the 24th of September. Knowing the excitement there was in New York on the subject of gold, I was under an apprehension that the bank would not be able to complete its business during that day with the large movement then pending. I found Mr. Fisk sitting with Mr. Gould in the back office of William Heath & Co. I said I had called to ask whether this was to be the settling day

for closing these contracts. Mr. Fisk hesitated at first, and then said, "I might as well tell you that this is the day." I said that I did not propose to get between the upper and the nether millstone in this movement, and that I did not propose that the bank should clear any of his transactions that day. He was very indifferent about it; said he came down to do business, and expected no trouble. I went away and consulted with some of the leading men. I found that they were not willing the action I had proposed should be taken. We had contracted to conduct the business of the clearing-house; but it became a serious question whether, if we declined balances when parties offered them, we would not be responsible; whether, having been appointed to receive these balances, we were not bound to go on; and whether we would not be responsible for any failures that might occur, if we did not. I found that none of the directors or dealers were willing to take the course I had suggested; and, therefore, I gave it up. I afterward saw Mr. Smith, of Smith, Gould & Martin, who said they were making a great many settlements outside. This was about ten o'clock. I said that I thought Mr. Fisk did not talk right. He said, "Fisk does not know what to say," and remarked that they were settling outside, and that he thought we would have no trouble; that they would help us all they could; that transactions were being rapidly settled outside. He called his partner, Mr. Gould, who gave assent to what he had said; and I left in the hope that through the assistance of these outside settlements we probably could get through the business of the day.

Q. Had you any other interviews with any of those men?—A. I saw Mr. Smith later in the day, when he came in to pay his balances, and again on Saturday and Sunday; and knowing that they had large interests in the movement, and in getting the various parties to settle up their balances, I asked him whether they would not guarantee the bank against loss in passing accounts of certain dealers, amounting in the aggregate to four or five hundred thousand dollars, supposing it would be for their interest to do so in facilitating the settlement.

By Mr. JUDD:

Q. Who were these parties you wanted to make good?—A. There were fifteen or twenty brokers named, who had failed to make their amount good. I did not then know much about the relationship which existed between certain brokers and this movement. But in the settlement of the accounts, if the statements in these papers were thrown out and their balances not paid, it would throw back a large amount of high-priced gold upon them; and I thought, therefore, it would be for their interest to have the settlement.

Q. You understood who these parties were when you called on Fisk?—A. I had a pretty good idea who they were.

Q. From all you had ascertained, whom did you understand to be at the head of the movement?—A. I had no opinion about these matters, derived from any accurate information; but I had made up my mind to apply to Gould and Fisk, the head of the affair; and from the manner in which they handled various transactions, as they came up, I was satisfied that they were the parties.

Q. And you were further satisfied that the brokers, whose accounts you wanted them to guarantee, were in their interest?—A. Not entirely so; but, as I said, it was for their interest to have these transactions settled; and if the accounts of these fifteen or twenty brokers were thrown out, it would so complicate matters as perhaps to throw back on them a large amount of high-priced gold. After considerable conversa-

tion, I reduced the number of accounts to be protected to three or four; but they were under no obligations to take care of any of them; it was simply a matter of whether they were to make money by the operation or not. The mistake on the part of the bank was in assuming certain statements to be good, which proved otherwise.

Q. Whose statements were these?—A. There were some fifteen or twenty; I do not now remember the names of all of them. I think Chase & McClure was one; James Boyd another; Galway Hunter another; J. C. Anderson & Co., David Tweedie, C. C. Parks & Co., Durant & Irwin, and others, whose names I do not recollect.

By the CHAIRMAN:

Q. Did you have any conversation, during the days of the panic, with any officer of the government of the United States, or of the sub-treasury?—A. No, sir; I did not.

Q. Did any such officer make any settlement in your bank?—A. No, sir.

Q. Did any broker of any officer known to you, have any account in your bank on those days?—A. Not that I know of; there is no business relation between our bank and the Treasury Department. Originally there was between O. M. Myers & Co., who sold gold for Mr. McCulloch. All that ceased at the close of the last administration.

[The witness was here directed to prepare and furnish to the committee a list of all the loans of the Gold Exchange Bank, for the week preceding and including the 24th of September, 1869; also all the certified checks of the bank for the same period; also a list of the stockholders of the bank, and of those who received approximate balances on the 24th of September, with the amount under such balances; also the order of the court, requiring specific sums to be paid in the settlement of balances.]

By Mr. JUDD:

Q. Is it not a fact that every party to whom these sums of money were ordered to be paid by court, was a broker in the ring?—A. Yes; I think they were understood to be.

Q. How much, under this order of the court, was paid out?—A. My impression is, between three and four hundred thousand dollars.

By Mr. BURCHARD:

Q. You say there were facts which led you to understand there was a movement among the brokers that would result in raising the price of gold. What were those facts?—A. The general course of operations in gold; the tendency on the part of a set of men to buy and hold gold; that everybody who wanted to borrow gold had to apply to certain parties. The remark was made generally, "you cannot get any gold this morning, unless you buy of those in the ring." These facts, in connection with the statement by some leaky persons, who gave out that there was to be a movement on foot which would corner gold, led me to the conclusion I have stated. Gold was not scarce before this day; on the contrary, it was rather heavy upon the market. These parties who bought gold, would lend to anybody who wanted to borrow.

By Mr. SMITH:

Q. Do you know where these parties kept their gold on deposit?—A. It was not kept on deposit; it was loaned out to parties.

Q. Who were the parties that loaned it?—A. The brokers of this ring; the principal of whom were William Heath & Co., E. K. Willard



& Co., and Lockwood & Davenport. I think there were about twenty brokers who were supposed to be operating for the clique; I do not remember all the names.

By Mr. Cox:

Q. Was there any of their gold or certificates of deposit in your bank?—A. No, sir; we had none of their gold.

By Mr. LYNCH:

Q. Was or not the fact that this movement was to culminate on this day a matter of newspaper talk?—A. Yes; it was a matter of common talk in the papers; and my impression is that the money articles of that period would convey about as nearly a statement of the facts that existed as you can get.

By Mr. Cox:

Q. Have you any reason to believe, or have you any information upon which to predicate any belief, than any officer of the government was interested in this gold panic, or in the speculations of this clique?—A. I have no personal knowledge of it. I gather through statements made publicly that one or more parties interested in the government had to do, directly or indirectly, with this movement. I have no personal knowledge.

Q. Have you had any information, directly or indirectly, from any officer of the government, or anybody speaking for them, in relation to this matter at that time, or since?—A. I never exchanged a word with any officer of the government, nor with any parties speaking for them. I have heard brokers say that certain parties were interested.

Q. What brokers said so?—A. I have only heard it repeated as the general rumor of the day. No communication has been made to me of any names of parties connected with the government.

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WASHINGTON, *January 17, 1870.*

JOHN BONNER sworn and examined.

By the CHAIRMAN:

Question. State your residence and occupation.—Answer. I reside in Richmond County, New York. I do business in the city of New York. I am a stock-broker, and president of the Bankers' and Brokers' Association.

Q. Were you acquainted with the general movement in gold during the month of September last?—A. I was.

Q. State how the price of gold ruled during the week ending the 25th of September.—A. I think gold opened in that week at about 37. It rose on Friday to 62½. It fell subsequently on Friday and on Saturday to about 33, I think.

Q. Explain, in brief, the circumstances attending its rise, as you know them.—A. There was a powerful clique engaged in bulling gold, and they forced it up by their purchases to 43½ on Friday morning. It was then suddenly advanced in the course of two hours by the clique brokers to 62½, which price it reached between 11 and 12 o'clock on that day. It fell as rapidly under sales, by other clique brokers, to 33 before the close of the day.

Q. Were you a broker for the clique?—A. I sold gold for the clique.

Q. State to the committee what persons you understood, from your knowledge as one of the brokers, to have been members of the clique?—

A. So far as I know, the members of the clique were Jay Gould, J. Fisk, jr., Henry M. Smith, Smith, Gould, Martin & Co., William Belden, E. K. Willard, and others, of whom I am not certain.

Q. State how many firms these persons whom you have named represented?—A. The brokers of the clique were Smith, Gould, Martin & Co., and William Belden & Co.

Q. Do these two firms include all the persons you have named as belonging to the clique?—A. They do not. J. Fisk is in no firm. He is a speculator and a director of the Erie railroad.

Q. By whom were you employed to buy or sell gold?—A. By Carver & Co.

Q. Did you understand that they belonged to the clique?—A. They represented the clique. They were brokers of the clique.

Q. What instructions, if any, did you receive in respect to your purchases of gold, as to the rate at which you were to buy, and as to the persons with whom you were to make transactions?—A. I made no purchases; they were all sales. I was instructed not to sell to Speyers or Belden.

Q. Was any reason assigned in your instructions why you were not to sell to them?—A. I do not think there was. It was obvious to my mind.

Q. What, in your judgment, was the reason?—A. Because they were buying for the parties that I was selling for.

Q. Did you receive orders from anybody else, besides the persons named?—A. I did not.

Q. Have you any claim against the clique, or had you any dealings with the clique which have led to any claim or difficulty?—A. I have large claims against the clique.

Q. State the character of them?—A. They arose from sales of gold made to Speyers.

Q. Have you made your settlements, or attempted to make them?—A. I have attempted to collect the money due to me without success.

Q. In what way have you attempted it, and what has been your difficulty in the way of settling them?—A. I have sued the clique, that is to say, Smith, Gould, Martin & Co., before the arbitration committee of the Gold Exchange, and have been stopped by injunction issued by Judge Barnard.

Q. Have you that injunction with you?—A. I have a copy of it.

(Witness presents copy of the injunction, which is annexed to the testimony of Mr. Hodgskin.)

Q. Was this injunction served on you personally?—A. It was.

Q. By whom?—A. By a clerk of Field and Sherman, counsel for Smith, Gould, Martin & Co. The concluding paragraph enjoins me from pursuing my claim and from taking any proceedings thereon except in that action.

Q. How has that placed you; what remedy have you now, if any; and have you tried to use that remedy?—A. I am advised by my lawyer that I am enjoined by that injunction from proceeding in any court or before any arbitration committee to collect the money that is due to me.

Q. In what way, if any, are you permitted to proceed?—A. I am permitted apparently to proceed only in an action in which I am defendant and in which the parties whom I am suing are the plaintiffs, (Smith, Gould, Martin & Co.)

Q. Do you understand therefore that you are shut up merely to defense?—A. Merely as defendant.

Q. At what time was this injunction served upon you, relatively to the time that you brought your suit before the arbitration committee?—A. I cannot recollect the dates precisely. I brought suit. They sought delay to put in their answer. It was granted to them. At the expiration of the delay they sought fresh delay. I resisted the application, and the committee overruled their request. Within half an hour of that time they served notice on the committee declaring that they withdrew from their jurisdiction. The committee thereupon rendered a judgment by default in my favor, and within 10 minutes of their rendering judgment by default the injunction was served forbidding them to proceed with the case and forbidding me to prosecute the case.

Q. Did you summon any witnesses in your case?—A. I had not got so far. They never joined issue.

Q. Have you had any trouble in getting at your witnesses; has any difficulty interposed between you and that purpose?—A. I had sought testimony and inquired for witnesses. The principal witness, after demurring to my request that he should come and be a witness when the case came on, has since, unexpectedly, and suddenly, and under circumstances of secrecy, departed for Europe. His name is William Heath. Other important witnesses, Lounsbury and Fanshaw, have also gone to Europe.

Q. What do you know of the past history and present situation of the Tenth National Bank of New York?—A. The Tenth National Bank was originally a branch of the Shoe and Leather Bank. At the time the stock business became very active in New York, about six years ago, the banking business among the brokers became very profitable, and the Shoe and Leather Bank established a branch in Wall street, to carry on this business. This branch existed some two or three years, or perhaps four, until the bank examiner or the bank authorities decided that it was not competent for a bank to have two banking houses in the same city. The Wall street branch of the Shoe and Leather Bank then ceased to exist, and a certain quantity of stock was issued to represent it. That stock was taken by directors of the Shoe and Leather Bank, and a new bank was established under the name of the Tenth National Bank; and this bank has ever since then continued to exist in Wall street. A few months ago the bulk of the stock was acquired by Gould, Fisk, and others, and about a week or ten days ago a change in the direction was made, in which the old direction has gone out, and an entirely new direction gone in, composed of the leaders of what is known in New York as the Tammany Ring.

Q. State what transactions, if any, you have had with that bank during or near the time of the gold panic?—A. The only transactions of any consequence I had was, I think, on the 23d of September, or at all events during that week. A report reached me that the bank was in trouble. I went to the Bankers and Brokers' Association, of which I am president, and inquired if we had any of their checks. I found in the drawer a certified check of theirs for about \$28,000. I went over to the bank with that check and demanded greenbacks for it. They evaded my demand and asked for delay. I sent the check to the maker of it, (Stokes & Saltenstall,) and told them the circumstances, and they gave me another and a good check. The Tammany Ring were owners but not directors then.

Q. What reason was assigned for the non-payment of the check?—A. No specific one, and no specific refusal was made. I think the pres-

ident said "What should we do if everybody came upon us for greenbacks?"

Q. In general, have you any other personal knowledge of matters directly in consideration before this committee?—A. I do not recollect.

By Mr. COX:

Q. Have you any knowledge as to who the owners of the Tenth National Bank were during the panic?—A. The purchase of stock had taken place prior to the panic.

Q. How do you know it?—A. I know it by statements of officers of the bank.

Q. Who were the officers of the bank?—A. Mr. Stout was the cashier, and Mr. Dickinson was the president.

Q. Was Mr. Corbin interested in that bank in any way?—A. I think not; I never heard that he was.

Q. Was Mr. Butterfield?—A. I never heard of it.

By the CHAIRMAN:

Q. Have you any knowledge of your own of any officer of the government of the United States, either in Washington or in New York, having anything to do with that gold panic?—A. I have not.

Q. From your knowledge of the whole transaction upon those two days, is it or is it not your opinion that the fall in gold was caused by the sale, or by the notice of sale, of Treasury gold?—A. I do not think that that had much to do with it. It was one of many circumstances.

Q. State what you think was the principal cause of the break in gold?—A. In my opinion, the cause of the fall in gold was the settlements that were made by persons who were short of gold—private and public settlements. Many of the shorts bought their gold in open market at 160; others went privately to Smith, Gould, Martin & Co.'s office and settled in large amounts. From the hour of those settlements there was no further object in putting up the market, and the sale of government gold was, I think, only one of the incidental causes of the fall.

Q. Do you think that the panic would have been any more severe if the government had taken no action whatever?—A. If the government had sold gold the day before, I think the panic would never have taken place. I do not think that the sale of gold on that day made much difference.

By Mr. COX:

Q. How much did the government sell?—A. Five millions, I have understood.

By Mr. SMITH:

Q. How would it have relieved the market to have sold on the day before?—A. It would have broken the morale of the movement. If the government could sell five millions, it could sell fifty millions. The government had eighty millions at the time, and if it had begun to sell, it would have demoralized the bull clique.

Q. Was it understood that the government could or would sell gold in advance of the amount advertised?—A. Precisely the contrary was understood. The government did not give notice till five minutes before the sale. The prevailing impression was that the government would not sell any more gold than was advertised for sale, which was a small amount—a million at a time and at wide intervals. It was understood by the parties in the confidence of the clique that the government would sell no more than that.

By Mr. PACKER :

Q. Do you mean that the clique had made their sales of all the gold that they expected to sell to the shorts, and had thus made all the profit they expected to make, and that for that reason they stopped running up the market?—A. Precisely.

WASHINGTON, D. C., *January 17, 1870.*

ALBERT SPEYERS sworn and examined.

By the CHAIRMAN :

Question. State your place of residence, your place of business, what your occupation is now, and what it was in September last.—Answer. My residence is New York; my place of business is 33 Broad street; I was a gold broker in September last, and am still such.

Q. Are you personally familiar with the movement of gold during the latter half of the month of September last, and specifically on the 23d and 24th days of that month?—A. Yes, sir.

Q. What part did you take in that transaction?—A. I acted as broker.

Q. For whom?—A. Principally for William Belden & Co., on Thursday.

Q. State your relation to the transactions on those two days, naming the parties for whom you bought or sold; the total amounts which you bought or sold; the returns that you made; and the interviews that you had with the parties concerned, so as to make a connected history of the whole transaction.

WITNESS. I suppose that there is no objection to my referring to some notes that I have.

The CHAIRMAN. You may use any memoranda to aid your recollection.

WITNESS. I have it all in writing, and therefore I may refer to my notes. The first principal transactions that I had with Wm. Belden & Co. were on Tuesday the 21st of September. I was asked by Mr. Belden to buy a million of gold at 137½, which I could not get at the price fixed. I got \$790,000. At the same time I loaned out for Mr. Belden & Co. that day \$500,000 in gold, which he sent in. The next day I bought the balance up to the million, and got some small further orders. On Wednesday I bought for the same firm of Wm. Belden & Co. about four and a half millions. Mr. Belden required me that day to loan out some gold for him under compensation, as he had too much to do in his own business. I had that day to loan, altogether, \$3,170,000. I only loaned out \$1,670,000. The rest he took himself.

Now we come to the 23d of September, Thursday. I went to Mr. Belden about 9 o'clock of the morning of that day. When I entered, Mr. Belden told me he was sorry I had not come before; that he had sent for me, and had given large orders already. With that he said, "Come to my back office now with me." There he introduced me to Mr. Fisk and Mr. Gould, whom I did not know before. Mr. Smith, of Smith, Gould & Martin, was also present. Him I had known before. After a few minutes Mr. Fisk nodded his head to Mr. Smith and said, "Here is Mr. Speyers." Then Mr. Smith told me to come quickly over to his office. Before I got into his private office, in the back part of his office, he said, "Buy quickly two millions of gold and report to Belden." That was on Thursday morning. I began to buy gold in the gold-room,

and in the mean time Mr. Belden came in and told me, "Continue to buy." This was before I had completed the two millions. I hesitated a moment, the amount being so large already. Then he said, "You need not be afraid. In all our purchases the gentlemen whom you saw this morning in my back office are equally interested." These are the gentlemen I have named.

A little while after Mr. Smith came to the gold-room, Mr. Belden being also present. I said to them, "How about loans?" (We had every day to loan the gold.) Then Smith told me not to loan the gold at less than one-sixteenth of one per cent. per day, to be paid by the borrower. I gave the order to my clerk who attends to the loans, but he could not loan at that rate, as other borrowers were loaning at one-thirty-second of one per cent. I reported to Mr. Smith this fact. Then he told me to loan at one-thirty-second, also, and I loaned a little at that rate; but I could not loan any large amount, for the same reason that other brokers loaned at less.

Then Mr. Belden came over, and, on reporting to him my inability to make loans, he told me to loan at the best rates I could, Mr. Belden again repeating that he would pay me liberally for my trouble, as he could not attend to the business. I succeeded in loaning all but \$1,740,000, which I could not loan. That day's purchases were not loaned at all. What I purchased that day was to be loaned the next day. What I loaned was the gold that I bought the day before, and the gold which they had sent in for me at about half past 12. I received a message from the Gold Exchange Bank to send in my clearance, as they were waiting for my settlement. Mr. Belden then took me over to the office of Wm. Heath & Co. after I had reported that I could not loan that gold. In the back part of that office I found Mr. Fisk, Mr. Gould, Mr. Heath, (of Heath & Co.) and Mr. Smith, (of Smith, Gould & Martin,) and several other gentlemen whom I did not know. I stated to them that I had about two million dollars over, which I could not loan. Mr. Fisk then asked me why I had not loaned it. I answered, "On account of the limit which Mr. Smith has given me." Mr. Smith then replied that he had only given me two limits—one-sixteenth and one-thirty-second. Mr. Fisk said, "Smith, you can take a million; and, Heath, you take the balance." I then entered these amounts on my clearance sheet to Smith and Heath, and they received, probably, the gold from the clearing-house, for which they were obliged, of course, to give certified checks. That cleared my transaction for the day. As I said before, it was \$1,740,000 which these two persons took off my hands—Smith, \$1,000,000; and Heath, \$740,000. On that Thursday I had bought between five and six millions of gold altogether.

Now we come to Friday, the 24th. I again went down town at 9 o'clock, and met Mr. Belden coming out of his office in New street. He said, "Come with me to Heath's office." He also said, "This will be the last day of the gold-room. We have got over \$110,000,000 of calls, (meaning that they had a right to call for \$110,000,000 at a certain price,) and we have an immense amount of money, and can buy all the gold the government dare to sell. We are all one family—Smith, Gould, and Martin and others, (he did not tell me who the others were,) and my partner is Mrs. Fisk's brother-in-law."

Q. Who is that?—A. I do not know what his name is. He went on to say, "You need not be afraid of any orders that are given you; you will be all right." We had now reached Mr. Heath's office, (this was said on the way to Heath's office,) where I found Fisk and Gould, and several other persons whom I did not know. Fisk told me to buy all

the gold I could get at 145 or under. He spoke loud, in the hearing of everybody. The market price (that was before the board) was then 143 $\frac{1}{4}$ . I then went to the gold-room again, to buy cautiously, until I passed my limit of 145. Then, while I was standing there, a slip of paper was handed to me, on which was written, "Put it to 150, at once," signed "James Fisk, jr.," and addressed "A. Speyers." I will produce that paper before the committee. I continued to buy until I got it up to 150. I went back to Mr. Heath's office several times during my purchases, and reported to Messrs. Fisk and Gould, showing both of them what I had done. Fisk said, "All right; go back and take all that you can get at 150."

I returned and bought some more at 150, and again reported to Fisk and Gould; and after all that he said: "Go back and take all you can get under 150." During the time I was bidding 150 a Mr. Horton, a stock broker and gold broker, came to me from the stock board into the gold-room (the stock board is in the next building) and told me that if I continued to bid I certainly would be shot down, as there was a great excitement among the stock brokers. I went at once to the stock board, mounted the platform in spite of the excitement, and told them that I was a member of the stock board; that I had been threatened to be shot, and that I came to tell them that I would continue to bid, and that I merely wanted to see the cowards and scoundrels who intended to shoot me; that I was there as the target and told them to shoot away. They did not fire off, though, but the board was very much fired up. I then went back to Mr. Fisk and told him what had happened. He said he had heard of it, and added, "Go and bid gold up to 160. Take all you can get at 160. But you will be too late, for I have given orders to other brokers already to buy at 160." I then went back and bought gold until I got it up to 160. I bought some for less. After I had bought a lot of gold at 160, I reported again to Mr. Fisk, and he told me not to report so often; that I was perfectly safe; that they had their own way of doing business; and that I should continue to buy at 160. Gold passed 160 and went up to 163 $\frac{1}{2}$ , and of course I did not buy at that price. It then began to break down to 160, and I reported again.

By Mr. SMITH:

Q. Can you tell what time it was when the market turned?—A. I cannot tell exactly; I could give a guess merely. I reported again and Mr. Fisk stated, "Do not let it drop, but take all you can get."

Q. Do you mean not to let it drop below 160 or below 163 $\frac{1}{2}$ ?—A. 160. I remember that Mr. Heath came in and bid at a higher rate than 160, I suppose also for them. When gold passed 160, Mr. Heath came in and bought at a higher rate. By the bye, Mr. Heath also told me when I stood at the platform of the Stock Exchange that if I would not bid, he would. Whenever I saw Fisk and Gould, there always were some gentlemen present whom I did not know. Gold began to break to 155 first when I reported. Still Mr. Fisk told me that I should not mind it at all; that I should bid 160 and take all that I could get at 160; that I was merely a broker and should not mind the market. He was sitting there in his shirt-sleeves, and with a big cane in his hand. Finally the market broke down to 140, and still Mr. Fisk, in spite of my objections, told me always that I was perfectly safe; that I was merely a broker; that they had their own way of doing business; to keep up that status, (that was the elegant language he used,) to keep up that status of 160; and, turning to Gould and Smith, they approved of it. Finally gold broke down

to 133, when I broke down too. I really was so exhausted that I stated I could do nothing more, and they requested me then to send my clerk. But they could not get any more even at 160.

By the CHAIRMAN :

Q. Why could you not get bids accepted at 160?—A. On account of the absurdity of the thing, when people were offering at 133. I bought a million at 160 from the man next to me, who bought it at 140, and who thought he had made two hundred thousand dollars by the transaction. The result of it was that Mr. Fisk did not take the gold at 160, and the party who bought at 140, instead of making money by the transaction, probably lost a good deal. In fact, I know that a good deal of that gold which I bought was sold through their own brokers to me. This I found out afterward from the brokers themselves. In fact, I can name one man of whom I had bought two millions at 160, and who, when gold got down to 133, came to my office and told me that he called to strike it out; and when I refused to have it struck out, he said it was all for the same parties. The firm was Gray & Prince; I do not know whether the man who came to the office was Gray or Prince. He told my clerk to strike it out. Another example: Mr. Marks, of whom I bought a million at 160, came to me in the gold room to strike out the transaction, which I refused to do, stating that I did not do that kind of business. I then went over to Fisk & Gould, and stated the circumstance of Mr. Marks's telling me to strike out that million, and they said: "Well, if Marks said so, you better strike it out." And so I did. And so I learned that a great part of this gold which I bought at 160 was sold to me through their own brokers. I bought some of Mr. Parks, but it never was claimed, unquestionably because it was sold for the same parties.

Q. State whether you found out in the course of the whole business, and subsequent examination of it, that a large part of the gold which you bought, was sold to you by the brokers of the clique?—A. Yes; I have stated these cases. I then returned to my office, after I myself had broken down in strength. I bought altogether, that day, over twenty-six millions. That was the last day—the day of judgment.

By Mr. Cox :

Q. Did you have any money at all to buy gold with?—A. No, sir; no margin at all. It was not customary. On Saturday morning I went over to the gold room and stated publicly that all the gold which I bought on Thursday was for Belden & Co., and associates, and that all the gold that I bought on Friday was for J. Fisk, jr., and associates. I stated that to all the brokers. I gave up my principals at once. I really cannot tell whether that was on Saturday or Friday, but I will come to it later, and I will remember it.

The account of all my purchases I tried to hand in to Mr. Fisk or Mr. Gould on Saturday, but I could not see them. I sent several times to the Grand Opera House, which is their office, and they would neither let the person whom I sent come in, nor would they receive any papers, so I was obliged to send the accounts by mail. The purchases of Thursday I sent to Mr. Belden, addressed to William Belden & Co. and associates. At one time I went to the office of Heath to ask some margins for Mr. Fisk and Mr. Gould. Mr. Belden, who was also there, spoke up and said, pointing to Fisk and Gould, "These men want, I suppose, to put all the trouble on our shoulders, as they refuse to give margins." So I left with an empty pocket. I wanted the margins, because I was called upon by other parties for the margins; among them was Mr.



James Brown, of the firm of James Brown & Co., of whom I had bought seven millions of gold for their account. I introduced Mr. Brown, saying, "Mr. Fisk and Mr. Gould, here is Mr. Brown, of whom I bought for your account seven millions of gold. He wants a margin, but as you have not given me any I leave him in your hands to settle with." I then withdrew. After that I tried to get into the office, but was refused admittance, two men keeping guard all morning at the office door. This was on the morning of the 24th, Friday. I did not see them on Saturday at all. When gold was at 160 Mr. Fisk told me if I could settle with any parties at 150 to do so, but I could not make any settlements at all. In an interview with Mr. Fisk he told me that he had received my reports. I had no chance to see Mr. Fisk for the next fortnight, until he sent for me one day to come to his office—the Erie railway office.

Q. State any interview that you had subsequently to the week of the gold panic with Mr. Fisk or Mr. Gould or either of them, and state the whole circumstance of the interview.—A. I went in the afternoon with Mr. Belden to the Opera House, Mr. Belden telling me that Mr. Fisk would like to see me. There I found Messrs. Fisk and Gould. When I arrived Mr. Fisk told me, "Mr. Speyers, you can ask anything of us—money, capital, or service. What do you care about the brokers? You have a family of children. The brokers are all rascals. I have got in my desk here accounts from twenty-seven brokers who owe me four hundred thousand dollars on stock transactions. I have, for instance, sold fifteen thousand shares of New York Central at 180 which I bought in at a much lower rate, and now they will not pay it. They want to mix it up with the gold business." I told him that all I wanted was that he should place me where I stood on Wednesday. He understood that to mean that he should fulfill his engagements with me. I stated to him that I wanted him to put me where I was on Wednesday. He said that that would put him in a very awkward position, referring to written contracts which I had given to the different parties from whom I had bought gold in the name of James Fisk, jr., and his associates, and which I supposed made them liable. I told him that he put me in a far worse position, and that I wanted him to get me out of it. With that the conversation broke up. Some time later—I suppose about a week later, which would be about three or four weeks after the gold panic—I either went up again to see Mr. Belden or I was sent for to the Opera House. I think I went to see Mr. Belden, when I found Mr. Fisk and Mr. Gould there again, and he told me that Mr. Shearman, his lawyer, would like to see me. I had an interview with Mr. Shearman in a private office in the same building, when Mr. Shearman asked me who my lawyers were. I told him that Mr. Charles A. Rapallo was my lawyer. His answer was, "Ah, he will be, of course, against us; he is Mr. Vanderbilt's lawyer. He will not give you two hundred thousand dollars to get you out of this scrape." I told him that I did not expect a lawyer to give me \$200,000; that if Mr. Rapallo had got me into such a scrape, he would try to get me out of it at any amount; that all I wanted was, as I had told Mr. Fisk before, to be placed in the same position in which I was on Wednesday, when my credit was good, when my name was good, and when I had a good business, and that the whole of it was ruined by their proceedings. I had a third interview with young Mr. Dudley D. Field in respect to a transaction in the purchase of gold from Mr. Joslyn. He, Mr. Field, was a member of the legal firm of Field & Shearman. He sent for me in the evening to the Opera House. The transaction with Mr. Joslyn was this: I had bought on that Friday half

a million of gold from Mr. Joslyn for Fisk and associates, at 160. As I could not see well I requested Mr. Reed, who stood next to me, to write my purchases down in my book. Among other purchases which he wrote down was one million bought of Dzondi, Springer & Co., at 160, also for the Fisk party. The name of Dzondi was not clearly written, and when the entries from my first book were transferred to my principal book in the office the name of Joslyn was entered instead of Dzondi, the latter being so badly written. Instead of an entry of a half million bought from Joslyn, the entry was for a million and a half bought from Joslyn, and Mr. Joslyn accepted the purchase, as gold was then 133. Mr. Joslyn afterward came to my office and instituted a suit against the clique, for the sale of a million and a half of gold. The mistake had not been discovered then, and not till a few days later, when the comparison was made between my first notes and the principal book. Then it was found that I had only bought half a million from Joslyn and not a million and a half. I stated the mistake to my lawyer, Mr. Rapallo. I then met Mr. Joslyn, in Broad street, and said to him: "There is a mistake. I only bought of you half a million of gold at 160, and the other million I bought of Dzondi, and not of you." He said: "Mr. Rapallo told me you said you did not buy any gold of me." I said: "No, that is a mistake. I bought a half a million of you, but no more." Mr. Joslyn said: "I will come over and see about it." He did not come to see me for a day or two, and then I repeated in writing to him what I stated verbally, that it was a mistake, and that I had not bought but half a million of him. At the same time I reported to Fisk and associates, also, the circumstance that I had only bought half a million of Mr. Joslyn, and not a million and a half. Mr. Joslyn never contradicted it, and never touched that subject again. That was the cause of Mr. Field coming to see me, and to get my affidavit stating that circumstance. Then Mr. David Dudley Field himself sent for me about a week or two later than the interview with his son, requesting me to state to him the whole circumstances of the transactions of those two days, as he had not been in town then, and he wanted to know all that had taken place; which I stated to him fully. Since then, I have seen neither of those gentlemen.

Q. In that connection, state what you understood to be meant by the suggestion that Vanderbilt's lawyer would not pay you \$200,000?—A. I understood that it was merely holding out that kind of a bribe to me; that if I would accept \$200,000 they would give it to me. My idea was that then I should hold them clear, and take the whole thing on my shoulders.

Q. State to the committee whether we are right in understanding you, from the drift of your testimony, that Fisk, Gould, and associates, repudiated a large portion of your purchases of gold?—A. Mr. Fisk told me, in the first interview I had with him after the transactions, that he did not deny that he gave me all those orders; but that it was on account of Belden, and Mr. Belden said at the same time: "You know, Speyers, that you did it all for me." I said: "Mr. Belden, and Mr. Fisk, that is all nonsense to talk to me so. Not only did you, Mr. Fisk, not tell me that it was for account of Mr. Belden, but you, Mr. Belden, told me all the time that all those transactions were for one family, and you named the parties yourself—Smith, Gould, and Martin, Mr. Fisk, and several others. It is no use to talk to me in that manner." I thought, perhaps, that the suggestion of the \$200,000 was a hint that if I would accept the \$200,000, and say that my purchases were for account of Belden or for my own account, I could have any amount of money.

Q. Have you ever received, since the transaction, any amounts of money from what is known as the clique, or from anybody else who is known as connected in the matter?—A. No, sir; not a dollar.

Q. How much money did you ever receive from the clique during the transactions for purchases, commissions, or anything else?—A. I never received a dollar commission; I did not receive any compensation.

Q. Did you receive no funds from them with which to make purchases?—A. No, sir; I had bought some gold for them at lower rates which I loaned out at higher rates, depositing the amounts in trust companies.

Q. To whose credit?—A. I deposited to my credit, but I had to give it up; it was a margin, in the first place; then, also, I called in large amounts of margin on that Friday.

Q. To what amount?—A. I do not know; I suppose, \$100,000. I returned all the certified checks that I had received as margins; I did not deposit one of them in the banks, but returned them to the original givers.

Q. How much gold, in all, during the whole transaction did you buy for the clique?—A. I suppose about thirty-five millions; that is as near as I can come to it without my books.

Q. How much did you loan?—A. I have stated the loans; I did not loan anything else. The purchases of Friday were not received; they did not go to the clearing-house.

Q. As the results of this whole transaction what is now your relation to the Gold Exchange?—A. I, of course, lost my seat in both the Gold Exchange and the Stock Board by claims being made against me which I could not meet. They were all for account of the clique. I did not buy any for my own account during the two days. I did not do any business at all for myself, and I do not suppose that for the whole month I bought or sold for myself \$200,000. I did not do anything whatever during the time of speculation.

By Mr. SMITH:

Q. What do you estimate as your aggregate losses in the transaction?—A. My business is ruined. With that exception I do not suppose I will have any losses. It will be pretty much made up by what I deposited in the trust companies with that which I got from the loans.

By the CHAIRMAN:

Q. What interest or compensation did you receive for the purchase of gold made by you during those two days?—A. I had no interest except my commission, which I have never received.

Q. If you had received commissions on the usual terms, what amount would you have received from your transactions?—A. Mr. Belden told me that he would pay me a liberal commission. My commission was never fixed. I would call a liberal commission one-sixteenth of one per cent., or even less. Mr. Belden told me to hand in my account for commissions, and that I would be entitled to one-eighth of one per cent. That is the general rate of commission for a broker, but in the gold business they do it for less, and I undoubtedly would have done it for less.

Q. What charge did you present?—A. At one-eighth of one per cent., amounting to about forty-odd thousand dollars. I would not have charged them one-eighth if Mr. Belden had not told me so. I would have left it to what they thought fair.

Q. State to the committee what efforts you have made, if any, to

procure a settlement of your transactions for the clique.—A. I was advised by my lawyers not to begin any suit. They told me, in fact, that I could not begin any suit, because I had not received the gold, except for my commissions. My lawyers told me further, that it was much better for me to stand neutral and be a witness, and let others sue for their claims. They said that if they were willing to make a settlement they would do it without my suing, because others were there who would sue, and who have sued.

Q. Have you given your testimony hitherto before any court?—A. Yes. I have given, in the first place, the testimony which I have here in manuscript, by order of the superior court before Judge Freedman. (Witness exhibits the manuscript of his testimony.)

Q. You have also, in addition, given your testimony before the arbitration committee in New York?—A. Yes, sir.

Q. Both under oath?—A. Yes, sir. I believe the testimony in the arbitration committee is not finished yet.

Q. Have you any knowledge that any officer of the United States was in any way concerned in the gold transactions of those two days?—A. No, sir; not the slightest.

Q. Had you yourself any personal conference during those days, or near that time, with any officer of the government of the United States?—A. No, sir.

Q. Or with anybody representing them?—A. No, sir.

Q. Had you any conversation or communication with any officer of the sub-treasury in New York?—A. No, sir.

Q. You know who the leading officer of the sub-treasury was?—A. Mr. Butterfield was at that time.

By Mr. Cox:

Q. I would like you to explain a little more explicitly how it was that you made no loss?—A. For instance, I bought gold for the clique at 138, and loaned it out at 140. That left a balance in my hands. On the first transaction I sent a check for the balance of \$15,000 to Mr. Belden for loans. The next day I had in my hands about as much as would cover the deposits which I made on margins with the trust companies, which, of course, when the gold went down I gave up to these parties. For instance: I remember \$25,000 from Kamlah, Sauer & Co., and \$5,000 from Drexel, Winthrop & Co., which was deposited in the way of margins, and when gold went down I handed over to them that money in a friendly suit. Fisk & Gould would have nothing to do with it.

Q. You had a written order from Fisk?—A. I had that little order from Fisk.

Q. Who brought you that order?—A. It was handed to me while I was in the gold-room by a little boy.

Q. Do you know Fisk's handwriting?—A. No, sir; but others saw it who knew Fisk's handwriting.

Q. You did not know that it was Fisk's handwriting?—A. No, sir.

Q. And you acted on that order?—A. Yes.

Q. How was it phrased?—A. "Put it up to 150 at once." Signed, "J. Fisk, jr.," and addressed, "A. Speyers."

By the CHAIRMAN:

Q. Did Mr. Fisk ever deny that he sent you this note?—A. No, sir; I do not think it came up. I did not show to him. He never denied to me any purchases that I made for him. In fact, the subject was only touched once.

Q. Did Mr. Belden fail?—A. He told me that he had gone into bankruptcy, and I saw the schedule of his assets. He claimed all the gold which he had loaned out to parties, and claimed that gold without returning the currency which he had received for it. He claimed five or six or seven millions, and told me when he got that money he would pay me.

Q. So that the clique said to you, "We ordered you to buy on account of Belden, and you must look to Belden?"—A. Yes, sir.

Q. And Belden still says to you that if he ever recovers his money he will pay you?—A. Yes, sir.

Q. So you understand that you are dropped in this matter through the supposed failure of Belden?—A. Yes. I believe that it was the intention to induce me to take that bribe, because when I said to Fisk, "It is all nonsense to talk to me in that way; you never told me that it was for Belden, and Belden, on the contrary, told me that it was for you," he never said one word more.

Q. Did this gold clique at any time let you into their confidence so far as to explain to you what they were going to do?—A. No, sir; only that it was a general report that gold was going up, and that the government would not sell. I never had seen Fisk or Gould until that Thursday morning, and I had never done any business for them before.

Q. The testimony which you have given before this committee has been given from full memoranda which you made in the regular order of business during the transactions themselves?—A. I made the memoranda the very next day, and the very day of the transaction.

Q. Which original memoranda you possess?—A. Yes, I have the originals in my pocket. I wrote these memoranda on the very next day.

Q. State whether you have, in the course of your business as a broker, a book in which you enter instantly every transaction as it takes place?—A. Yes; the very moment I make a purchase or sale, it is entered in my book.

Q. And your statements to the committee have been made on the basis of these memoranda, as well as from your private recollection?—A. Yes, sir.

By Mr. Cox :

Q. What time did it dawn upon your mind that this was a conspiracy, and that you were being used by these parties?—A. First, when I asked for a margin and they refused to give it. Their transactions were all so mysterious, that even when they bought gold at 160 while it was selling at 140 I thought it quite natural for them. I thought that probably they knew something about it. Mysteriously they issued forty millions of Erie stock, and put the money in their pockets. When I went to them over and over again, they said, "It is none of your business; you are perfectly safe;" and so I thought it quite natural that the gold which I bought at 160 was sold to me by their own brokers.

Q. Were you very much excited during the day?—A. Not the slightest. I was excited, of course, in doing this kind of business. It was very natural that persons should think me excited when I was buying gold at 160 that was offering at 140; but I was no more excited than I am now.

By the CHAIRMAN :

Q. Did a poem which appeared in the New York Tribune, which described yourself and your bids on that day, express the spirit of the transaction, so far as you are concerned?—A. I have never seen it. A gentleman told me that he passed the Evening Express office in the

afternoon, and saw on the bulletin that Speyers was a raving maniac. I believe that these men themselves spread that report.

By Mr. BURCHARD:

Q. Did you loan out gold on Friday?—A. No, sir; I did not make any loans on Friday.

By Mr. PACKER:

Q. Did you say you did not bid over 160 when gold ran up to 163½?—A. I did not.

Q. What amount was sold that day at a price above 160?—A. I know one man, Mr. Oakley, who bought over \$200,000 at 163½. During the time that gold went up from 160 to 163½ I went over to these parties, and in the meantime gold ran up to 163½. I know that Mr. Oakley bought \$200,000 or \$300,000 at 163½, and took it at that price.

Q. Was any bought for any persons of the clique above 160?—A. I understood that gold was bought at 163½ for an importing house, and they paid for it. They were afraid it might go up to 200; in fact, I understood Mr. Smith to say that it would go up to 175 or 200.

By the CHAIRMAN:

Q. At what time, as near as you can fix it, did you buy seven millions from James Brown?—A. I bought \$500,000 at 150; \$500,000 at 155, and \$600,000 at 160. But when I bought at 160 gold had broken down and was already offered all around at 140. I bought immediately half a million at 155 and half a million at 150. Then, when I began to buy at 160, gold had already broken down to 140, and, in fact, I understand that Brown bought the gold at 140 which he sold to me at 160.

Q. Had there been any acceptance of bids for some time before that at 160?—A. Oh, yes.

Q. My understanding was that there had been a considerable pause, and that you were offering 160 for gold, and that your offer was not accepted.—A. No. I think that in the beginning my bids were accepted to very large amounts. All who had bought gold at 140 came around me and were very anxious to sell at 160.

By Mr. SMITH:

Q. In any of the interviews which you had with the parties connected with the gold clique, was the object or purpose of the parties in forcing up gold stated or alluded to?—A. No, sir. In this combination Mr. Woodward played a great part, but he got out of it. He was in the combination, as far as I understand, to drive gold to a certain price. The idea was to bring the gold up to 145. That was the report. Neither of these gentlemen spoke to me about it. Mr. Woodward was one of the parties. I understood he had three or four millions of gold; but I understood that he sold it to the very parties with whom he was in connection to drive gold up.

Q. Was it for the purpose of affecting the price of stocks generally, or of government bonds?—A. That I do not know. I only understood that they wanted to put gold up, and as I had not been doing anything in bonds and stock, I took no notice of it.

Q. I supposed that something might have transpired that indicated their real object.—A. No, sir; they did not speak to me about it.

By the CHAIRMAN:

Q. What did you understand by the expression of Mr. Belden, on Friday, that that was to be the last day of the gold room?—A. I sup-

posed it meant that they would break the gold room down, and that they would drive gold very high. It was Mr. Belden that told me that.

By Mr. SMITH :

Q. What was the effect of this inflation of gold on the general market?—A. It broke down stocks. I do not know how far it affected government securities. It ruined a great many people and broke down the gold room.

By the CHAIRMAN :

Q. How long was it before the stocks rallied from the shock of those transactions?—A. I do not know. I did not take any interest in the stock market.

Q. Were other brokers of the clique beside yourself broken down?—A. Livermore & Co. bought at 160 for their account, and were broken down, and Mr. Harrison and many others were broken down.

By Mr. COX :

Q. Do you know a man by the name of Corbin?—A. No, sir.

Q. You have never heard of him?—A. Nothing more than in the newspapers.

WASHINGTON, D. C., *January 18, 1870.*

JAMES M. ELLIS sworn and examined.

Witness, at his own request, was permitted to make the following statement :

My partner, Mr. Heath, has gone to Europe simply on account of his health, at the solicitation of his family and his physician, and with no desire to evade giving his testimony here or elsewhere. He would be perfectly willing, were he here, to give the committee all the information he possesses. He left before the service of the process of this committee, and without any idea of such service being intended.

By the CHAIRMAN :

Q. State your place of residence, your business, and your place of business?—A. New York is my place of residence and place of business. I was formerly partner in the firm of Wm. Heath & Co., and I am now closing up the affairs of the firm.

Q. State the business of that firm.—A. Stock-brokers.

Q. You were a member of that firm during the month of September last?—A. Yes, sir.

A. Had you been in the habit, before September last, of doing business for any of the following parties: Smith, Gould, Martin & Co., Jay Gould, Henry Smith, James D. Bach, J. Fisk, jr., Wm. Belden & Co., E. K. Willard; and if so, for which of them?—A. At times for nearly all of them; but as to one or two whose names you have mentioned I do not recollect. For the principal ones whose names are here mentioned, we have executed orders for the last three years.

Q. Did you in September last buy gold for any of these parties? if so, specify the amounts bought and the circumstances.—A. (Referring to the books of the firm.) We seem to have bought gold for Smith, Gould, Martin & Co., Jay Gould, and J. Fisk, jr., on those days; different amounts and at different times.

Q. If you have entries so as to be able to give us items and prices, do so.—A. We commenced buying gold for Smith, Gould, Martin &

Co. on the 8th September. There is a long list of gold bought for them at different prices, \$110,000 at 135 $\frac{3}{4}$ , \$390,000 at 135 $\frac{1}{2}$ , \$490,000 at 135 $\frac{1}{4}$ . These purchases were made on the 8th of September for Smith, Gould, Martin & Co.

(Witness subsequently furnished the following figures in answer to the question:)

William Heath & Co. bought by order of Jas. Fisk, jr., the following amounts of gold:

Sept. 11, \$750,000 at 135 $\frac{3}{4}$ ; Sept. 22, \$550,000 at 137 $\frac{1}{4}$ , \$200,000 at 139 $\frac{1}{2}$ , \$705,000 at 140 $\frac{1}{2}$ , \$100,000 at 140 $\frac{3}{4}$ ; Sept. 23, \$95,000 at 142 $\frac{1}{4}$ , \$275,000 at 142 $\frac{1}{2}$ , \$100,000 at 144 $\frac{1}{2}$ , \$150,000 at 142; Sept. 24, \$100,000 at 145. Total, \$3,025,000, as appears by records.

William Heath & Co. sold and delivered by order of Jay Gould the following amounts of gold:

Sept. 11, \$50,000 at 135 $\frac{1}{4}$ , \$585,000 at 135 $\frac{3}{4}$ , \$200,000 at 136, \$365,000 at 135 $\frac{1}{2}$ , \$200,000 at 136 $\frac{1}{4}$ , \$200,000 at 136 $\frac{1}{2}$ , \$100,000 at 136 $\frac{3}{4}$ , \$300,000 at 136 $\frac{1}{2}$ , \$95,000 at 139 $\frac{1}{2}$ , \$105,000 at 136 $\frac{1}{2}$ , \$500,000 at 136 $\frac{3}{4}$ , \$375,000 at 136 $\frac{3}{4}$ , \$170,000 at 136 $\frac{3}{4}$ . Total, \$3,845,000, as appears by records.

William Heath & Co. bought for Messrs. Smith, Gould, Martin & Co. the following amounts of gold:

Sept. 8, \$110,000 at 135 $\frac{3}{4}$ , \$390,000 at 135 $\frac{1}{2}$ , \$490,000 at 135 $\frac{1}{4}$ , \$10,000 at 135, \$1,000,000 at 137 $\frac{1}{4}$ , \$1,000,000 at 137 $\frac{1}{2}$ , \$75,000 at 138, \$1,145,000 at 139, \$50,000 at 139 $\frac{1}{2}$ , \$980,000 at 139 $\frac{1}{4}$ , \$280,000 at 139 $\frac{1}{2}$ , \$600,000 at 140, \$1,765,000 at 140 $\frac{1}{2}$ . Total, \$7,895,000, as appears by records.

By Mr. SMITH:

Q. Had you bought any considerable amount before that?—A. No, sir. This is about the first of the large purchases for them.

Q. Had you any knowledge of a clique being formed at that time for the purpose of dealing in gold?—A. No, sir. The bulk of the gold we bought on the 22d of September for Smith, Gould, Martin & Co.

By the CHAIRMAN:

Q. State fully the transactions of that day.—A. We bought two millions at 137 $\frac{1}{4}$ ; \$75,000 at 138; \$1,145,000 at 139; \$50,000 at 139 $\frac{1}{2}$ ; \$980,000 at 139 $\frac{1}{4}$ ; \$280,000 at 139 $\frac{1}{2}$ ; \$600,000 at 140, and \$1,765,000 at 139 $\frac{1}{2}$ . That seems to have been all the gold bought for Smith, Gould, Martin & Co., on the order of Mr. Smith, one of the partners of the firm. He came into our office and gave those orders verbally.

Q. You have stated all that you bought for this firm?—A. That is all from September 8 up to and including September 22.

Q. Now state what you bought for James Fisk, jr., during the same period.—A. We bought from September 11 to September 23, inclusive, \$3,025,000, at an average of about 138 $\frac{1}{2}$ , on James Fisk's order. We do not appear to have bought any gold for Mr. Gould. We sold gold for Mr. Gould. We sold \$3,845,000 between the 11th and 18th of September at an average of about 136 $\frac{1}{4}$ .

Q. Did you loan gold for any of those parties during that time?—A. Yes, sir. By the order of Smith, Gould, Martin & Co., we loaned gold from day to day.

Q. About the same amounts that you bought?—A. Yes, sir.

Q. Did you buy or sell or loan gold for Belden & Co.?—A. No, sir.

Q. Or for any other of the firms that I named in my former question?—A. I should have to refer to the books for E. K. Willard. We may have bought or sold some little gold for him, but not to any amount.

Q. For Carver & Co.?—A. No, sir.

Q. You have stated substantially the amount of your transactions in gold from the 8th to the 22d of September, inclusive?—A. Yes, sir.



Q. State now what transactions in gold your house had on the 23d of September with any of these parties.—A. The memorandum which I gave you for Mr. Fisk includes all the transactions that we did for him. We bought \$3,025,000 for him. For Smith, Gould, Martin & Co. we bought on the 23d of September, or received on purchase from other brokers, (you understand, of course, that one man could not execute all those orders himself,) \$3,400,000, at an average of about 141. That is all the gold that we bought previous to Friday, the 24th of September, for any of the parties whom you have named.

Q. Proceed to Friday, the 24th, and state your transactions on that day.—A. On Friday, the 24th, we bought no gold except \$100,000 for Fisk at 145, and that is included in the statement of \$3,025,000. That we bought in the morning early. Our transactions on that day were entirely for other parties, and to a very limited amount, our attention being entirely devoted to loaning gold already bought, and in trying to avert the storm which we saw coming.

Q. Did you sell gold on the 24th?—A. No, sir; not for any of the parties named.

Q. Did you loan gold?—A. We loaned all the gold that we had bought by the order of those parties, and which we had not sold.

Q. To whom did you loan the gold?—A. To various parties in the street, bankers and brokers—thirty or forty different firms—whoever would take it.

Q. Did the parties to whom you loaned gold understand that you were the brokers of Smith, Gould, Martin & Co. and Fisk in doing so?—A. Yes, sir. They understood that we had been for two weeks buying gold for them.

Q. Did you make private settlements during that day with parties who were short of gold?—A. No, sir.

Q. Did you make any adjustment of margins on that day privately with parties?—A. None, except to notify parties who had gold from us to make it up to market prices; to send checks for currency.

Q. From what person of the firm of Smith, Gould, Martin & Co. did you receive your orders?—A. From Mr. Smith almost entirely. Occasionally orders would come from Mr. Gould by telegraph from his railway office, in which case they always confirmed it and took it.

Q. Did you have interviews with any of those parties during that time?—A. No, sir.

Q. Were you informed of the purpose of their movements; of what they intended to do?—A. I ought to state that I was not present during that week. All the facts that I am giving you are from my books.

Q. You are giving your testimony as an accountant, knowing the books to be correct?—A. Yes; I have examined them. All the information I can give further would be as to what has taken place since in interviews which I have had with Fisk and Gould.

Q. You have had interviews with Fisk and Gould since in the settlement of your affairs?—A. Yes, sir.

Q. To what extent did parties make their purchases good?—A. About ten millions of gold were loaned out to different parties on the street through the clearing-house. It would be impossible, without sending on to my office, to say to whom we loaned gold. We loaned to all the brokers and bankers on the street who were in good credit, and as fast as gold rose on Friday we sent to them to change the price of gold from 145 to 150 or 155, as the case might be. We sent to all of them, and some of them responded.

By Mr. JUDD:

Q. Can you give us an idea to what the additional margins on that day amounted?—A. I should think perhaps five or six hundred thousand dollars.

Q. Not more than that?—A. I should think not more than that on that day. Previously gold had been made up on that day to 145.

Q. Was this increase as to the 24th of September?—A. Yes, sir; the day of the culmination.

Q. How about the preceding day?—A. It is our custom always to make parties to whom we loan gold keep it at the market price. Consequently, if we loaned gold at 137 and it went up to 145, we sent around to the parties who borrowed it to give us checks to make the gold 145.

Q. How much margin did you get on the 23d?—A. The quickest way to answer that would be to say that when the market broke and went to 135 we owed the street about \$1,000,000, which had been money placed in our hands through the clearing-house belonging to parties who had been compelled to make it up to the high prices—all the way from 145 to 155 and 160.

By the CHAIRMAN:

Q. State how much gold Heath & Co. were carrying on the 24th of September for Smith, Gould, Martin & Co.—A. About \$7,800,000.

Q. Has that all been settled with Smith, Gould, Martin & Co.?—A. Yes, sir. This does not include Fisk's.

Q. What person of the firm of Smith, Gould, Martin & Co. settled with you?—A. We had interviews with several of the firm; with Mr. Smith and Mr. Gould. The negotiation extended from the 25th of September until within about a week. The conferences generally have been with Mr. Smith, or with his agent in the matter, Mr. Willard. Mr. Willard seemed to act as the confidential agent of Smith, Gould, Martin & Co., and had most of the interviews with our counsel in the settlement.

Q. Has that firm settled with you in the usual way?—A. No, sir. The manner of settlement has been in the usual way, but they have not settled at the rates customary in transactions of smaller magnitude.

Q. Did Smith, Gould, & Martin repudiate any of your transactions made by their orders during those days?—A. No, sir.

Q. Did any of the firms whom I mentioned in the beginning, as probably belonging to the gold clique, repudiate any of the transactions which you did for them during those days?—A. No, sir.

Q. In other words, they recognized the validity of the transactions between you and them, and settled them?—A. Ultimately they did. At one time there was a difficulty about the Fisk gold.

Q. But these differences have been settled.—A. Smith, Gould, Martin & Co. assumed and settled the Fisk gold.

Q. Was that settlement a settlement in the nature of a compromise, or a settlement based upon the validity of the transaction?—A. It was in the nature of a compromise.

Q. Was it a pecuniary compromise, putting the rates down?—A. Putting them up. That is, gold was settled on a basis of 135, when the market price of gold ranged between 129 and 133 during the settlement, lasting five or six weeks.

Q. Did your firm receive for your services on that occasion anything else than the usual commissions?—A. We could not get the usual commissions. We were obliged to compromise that, too.

Q. Did you receive any bonus other than commissions, or in lieu of commissions, as a consideration for the settlement?—A. Not a cent.

Q. The \$7,800,000 gold which you carried for Smith, Gould, Martin & Co., on the 24th, has all been settled?—A. Yes, sir.

Q. And your account with J. Fisk, jr., has also been settled?—A. The \$3,025,000 was transferred to the account of Smith, Gould, Martin & Co., and was settled.

Q. Is there a balance left unsettled?—A. There is a disputed matter upon nearly \$2,000,000 of gold which we have no connection with, but which a street broker bought on the orders of Mr. Fisk.

Q. What is his name?—A. Livermore & Co. That gold has never been settled by any one, although I believe Mr. Fisk does not dispute giving Mr. Allen, of Livermore & Co., the order, or to some party who gave the order to Mr. Allen.

Q. How were you connected with that?—A. No way, except that Mr. Fisk was in our private office when he gave the order, and the broker who executed the order claimed that one of our clerks gave him to understand in some way that we were to take care of the gold, which was not the fact. Mr. Fisk has that matter to settle.

Q. Were all the orders from those parties received by you in the usual manner?—A. Yes; they were verbal orders, or telegraphic, or in writing.

Q. Did any dispute arise between you and those parties concerning the validity of any of them; did they claim that any of them were not their orders; was there any attempt to repudiate any of them?—A. No, sir.

Q. When was this final settlement that you speak of?—A. I think it was about two weeks ago.

Q. Before Mr. Heath sailed for Europe?—A. Yes, sir; ten days before.

Q. Was Mr. Heath a party personally to the settlement?—A. Of course; I myself with my counsel acted in those matters.

Q. Are you and the other members of your firm members of the Gold Exchange?—A. Mr. Heath and myself are temporarily suspended.

Q. Why were you suspended from the Gold Exchange?—A. We were not precisely suspended. Certain parties claim that we have not paid differences to them, and so, under advice of our counsel, we have withdrawn from actual participation in dealings.

Q. Have you had any suit, either as plaintiffs or defendants, before the arbitration committee of the board?—A. As defendants we have been summoned before the arbitration committee.

Q. Have you, through your counsel, obtained any injunction or order from the court against any of these parties?—A. Yes, sir.

Q. What orders or injunctions have you obtained?—A. An injunction restraining the arbitration committee from arbitrating certain cases brought against us.

Q. Have all those injunctions been withdrawn?—A. The temporary injunctions have been dissolved.

Q. Have you any permanent injunctions against them?—A. No, sir; the court refused to make them permanent.

Q. What judge granted the injunctions?—A. Judge Loew, of the common pleas.

Q. Who was your attorney?—A. Messrs. Martin & Smith.

Q. In any of the transactions did you give up your principals?—A. No, sir; that was the reason why we had such large orders. We were confidential, and gave up no one.

By Mr. COBURN:

Q. What do you mean by giving up your principals?—A. Generally,

when a broker buys, for example, a hundred thousand dollars of gold, he states for whom he buys it, and the names of the principals are put down. We did not do that in any case. Of course, if we did in this case, it would have injured the operation of the bull party.

By the CHAIRMAN:

Q. If you are buying gold for another man, and the person of whom you buy begins to doubt whether you are responsible for it, he says that you must either settle or tell him who is responsible behind you?—A. Yes, sir.

Q. And when you conclude to do the latter thing you give up your principal?—A. Yes, sir; if they are not satisfied with the brokers they usually insist on the principals. Unfortunately, in this case, they were better satisfied with the brokers than they were with the principals.

Q. Who gave you the orders to loan the gold that you loaned during those days?—A. Mr. Smith, of Smith, Gould, Martin & Co., generally regulated the loans. The general instructions were simply to loan the gold.

Q. Did you receive any orders from Mr. Belden during that time?—A. No, sir.

Q. Did you loan to the shorts altogether?—A. Entirely, with the exception of a few hundred thousand dollars, which we were obliged to loan outside.

Q. Did you have any transaction on either of those days with Albert Speyers?—A. Not for any of those parties. I think there was \$100,000 of gold bought from him, and \$100,000 of gold sold to him from outside parties.

Q. Did you understand for whom Albert Speyers was acting during those days?—A. I not being there, could not understand personally anything about it. All the brokers in the street knew that Speyers was operating for the clique.

Q. How many brokers did your firm understand the gold ring had in their employ during those days?—A. It would be impossible to tell.

Q. Have your accounts yet been cleared through the Gold Exchange Bank?—A. They have been all settled, but not through the Gold Exchange Bank. All those transactions of Friday were obliged to be settled ex-clearing-house. The bank failed to clear Friday's transactions, and they were put in the hands of a receiver and new clearances were made. As far as we are concerned, I believe that there is only \$30,000 not cleared.

Q. Was your firm directed not to sell to any particular brokers or any class of brokers?—A. We had no orders to sell on Friday. The 18th was the last day that we sold any.

Q. Were you directed not to buy of some particular brokers? Were there any brokers on the street or in the room from whom you were directed not to buy?—A. No, sir. Our general directions were to buy, of course, from good parties who would fulfill their contracts.

Q. Were there persons in the gold room selling gold from whom you did not as a rule buy, either from instructions or from your own judgment in the case? Were there responsible brokers, from whom you as a firm did not buy and would not buy?—A. No, sir; unless we felt that they were poor parties. The firm of Wm. Heath & Co. was employed by Smith, Gould, Martin & Co., and by Fisk & Jay Gould, to buy large amounts of gold. The reason was the reputation of my partner, Mr. Heath, for the ability with which he executed orders, and the secrecy with which he kept his business to himself. On Wednesday we

bought the last gold that we bought, our books showing then that we had about eleven millions. That was too much for one firm of brokers to have. Therefore, on Thursday and Friday we executed no orders of any consequence for the purchase of gold or sale of gold. We bought \$100,000 on Friday morning for Mr. Fisk. The amount of gold that we had bought for Gould and for Fisk, and for Smith, Martin, Gould & Co., was so enormous that we did not care to take any more. Therefore, on Thursday and Friday we were simply engaged in taking care of the gold, or loaning the amounts of gold that we had. We bought for the firm of M. Dodge & Co. \$200,000 in gold for a mercantile house at 162. Beyond that I think that hardly anything was done by us.

By Mr. COBURN:

Q. Is there a regular commission established for gold transactions?—

A. There is a regular scale; one-eighth of one per cent. is the regular commission to outsiders. With brokers, between themselves, they divide the commission. The regular rate would be one-eighth to any one except bankers and brokers. They make any terms that they please.

By the CHAIRMAN:

Q. In the instructions that you received from Fisk or Gould or any of the parties, was there anything more than a simple order to buy or sell or loan, as the case might be; or did they explain the purpose they had in view?—A. There was not a word in explanation.

Q. Was your firm in the confidence of those people as to their plans or purposes?—A. Not in the least.

Q. Had you knowledge of their plans or purposes?—A. Not in the least.

Q. Did your firm or any of them know that Mr. Speyers was a purchasing broker for these people?—A. Of course we knew it on Friday. I will state that Fisk and Gould gave most of their orders on Friday in our private office, and Speyers was seen passing in and out from our main office to our private office, and receiving his orders from those people.

Q. Did any of those people say to your firm, or any of them, that they would raise the price of gold?—A. I did not hear anything of that kind. There was no correspondence as to anything except orders, and that was telegraphic.

Q. In the transactions which you carried on for these parties, did you receive currency or gold with which to make purchases? Did they furnish you with money to carry on such transactions, and if so, to what amount?—A. They did not. On Friday Mr. Gould, at the request of my partner for more margin, said that he would instruct the proper officer, or would write a letter to the Tenth National Bank to instruct them to make a loan, or to certify checks in some way, to give us credit, which might facilitate our business transactions for his firm.

Q. Did you receive such certified checks?—A. No. That was prevented by the presence of bank examiners, as I was informed by Mr. Heath, who would not permit any certification beyond the funds which were there. As I understood it, the presence of those examiners was the cause that the promise was not kept. He wrote the letter however.

Q. What amount did he promise to send you in the way of margin?—A. A half million dollars, I think. This is mere hearsay from my partner.

Q. And he wrote to the bank to give a certified check?—A. Yes; or

to give us a loan—to give us that necessary margin, so that we should feel safe as brokers—so my partner informed me.

Q. Did he give you anything in lieu of that certified check?—A. No, sir; not then. He made no offer until subsequently.

Q. Did your firm win or lose as the results of these transactions?—A. The only result to us has been an entire stoppage of our business, and very heavy losses, besides some claims now in dispute and in lawsuits.

Q. What character of claims are they?—A. Certain parties have sued us in lawsuits, and before arbitration committees, on the ground that we were brokers for more gold than we acknowledged. It is a mere question of fact to be settled by a jury.

Q. Who are those parties?—A. Joslyn has three suits against us. The result to us has been almost ruin as far as our business as brokers is concerned. We are utterly unable to go on, and we have made very heavy losses in our stock business consequent on this panic.

Q. How would your firm have come out of the transactions of those two days, if those stoppages or collisions had not occurred—if your real transactions, as you admit them, had gone through without any interference?—A. If the panic had not occurred, we should probably have got our full commissions, which we did not succeed in getting. That would have been the only benefit we should have got. They only allowed one-half the usual commissions, and we would have saved, of course, all the losses consequent upon the panic, which were very large.

By Mr. BURCHARD:

Q. What was the shape in which you held the eleven millions of gold which you had on Thursday?—A. Of course it was loaned out. Our capital was not sufficient to carry so much. For instance, I bought \$100,000 in gold at 137, and immediately loaned it to you at 137, and you paid me for it, therefore I would be just square on that transaction.

By Mr. JONES:

Q. In these various loans of gold, was gold really transferred?—A. No, sir; it was done through the clearing-house. The clearing-house was the machine by which those parties were able to handle so large an amount of gold, and was the cause, in my opinion, of all this trouble. You make a statement of the amount of gold you have on hand, and give it to the party who is short of gold, and he puts it through the clearing-house. It is merely a transfer of tickets.

By Mr. BURCHARD:

Q. So that no gold passes?—A. Of course it would be utterly impossible for any one in the street to deliver or receive five hundred millions of gold. Gold that is actually bought for use by the merchants comes to the office of the broker from the clearing-house.

Q. You had the right then to call for eleven millions of gold?—A. Yes, sir; from thirty or forty different brokers.

Q. And it was your option to demand the gold or its price?—A. Yes.

Q. You could refuse to take the gold, and could demand the market price?—A. No, sir; we could not refuse to take the gold. That was where Smith, Martin, Gould & Co. compelled the street to settle upon their terms. The street had the power to deliver to them all the gold which they had loaned. Smith, Gould, Martin & Co. said they could not take the gold, but that they would pay the difference in currency; Smith, Gould, Martin & Co. claiming that they could take all the gold whenever the clearing-house was reopened.

By the CHAIRMAN:

Q. What persons did you understand formed the gold clique for whom you did business on those two days?—A. I can only speak of it from the interviews I had on the Sunday following.

Q. Name the persons who you understood belonged to what is known as the gold clique.—A. I have no means of knowing anything further than mere street rumor and talk. I can only speak of what I saw myself a day or two after the panic. I came back to New York on the Sunday following the panic, and ascertained from my partner the state of affairs of our concern. I saw, as I supposed, that we were hopelessly swamped by the action of those parties. I then went with him to see Jay Gould and Mr. Fisk at the opera house on the evening of Sunday, to ascertain what they proposed to do. My partner was hardly in his senses, and knew not what to do. I had it, consequently, on my shoulders to see those people. I saw them at the opera house on Sunday evening. The room was occupied by Fisk and Gould and their counsel, by officers of the Gold Exchange Bank and their counsel, and by several brokers, and the subject of conversation seemed to be how they should get the Gold Bank out of its difficulties. I went to Fisk and Gould, and asked them personally whether they proposed to protect us as their brokers in these matters. They said they did. I then said, "We shall expect to-morrow collateral security or checks sufficient to protect us against all possible loss." They then promised to give some bonds and some cash, mentioning some of the bonds, and stating what they would do the next day. Subsequently the whole party, counsel and all, went down to the Gold Exchange Bank to see what arrangements could be made for the purpose of getting out of the bank the money which belonged to different parties; and the operations for the next two days were devoted by Fisk and Gould and their counsel, and our counsel, and the counsel of other brokers' houses, to get the bank running again, so as to get the money. Finally, by the hands of a receiver, it was obtained. After that, I went repeatedly for ten days to the opera house, two or three times a day, and two or three times a night, to try to procure interviews with Fisk and Gould, but I was always refused admittance, and I never succeeded in getting bonds or cash. I only inferred, from what I saw and heard, that Fisk, and Gould, and Belden were the managers of this gold combination.

Q. Did you receive any money in settlement from the receiver of the Gold Exchange Bank?—A. Yes, sir, we received nearly all the money that was due to us.

Q. From which of the two receivers?—A. I think it was from Mr. Jordan.

Q. Were any payments made to you by order of the court?—A. Yes, sir.

Q. The court ordered some specified sums to be paid to you?—A. No, sir. The court ordered that our account should be settled; that whatever was due us should be paid as soon as it was ascertained what it was. The Gold Bank owed us a million of dollars on the evening of Friday.

Q. And these payments were made by order of the court?—A. Yes, gradually, as the statement was found to be correct. The order of the court was to pay us, as the amounts were found correct. I believe that the priority was given in certain matters by order of the court—not to us particularly, but to certain houses—before they should pay out generally. That is what I have understood. I have never seen the order of the court.

Q. Have you any knowledge that any officer of the United States

government had anything to do, directly or indirectly, with what is known as the gold ring?—A. No, sir.

By Mr. Cox :

Q. Have you had any transactions with a man named Corbin?—A. No, sir.

Q. You do not know Corbin in this business?—A. I do not know him.

By Mr. SMITH :

Q. How long previous to the gold panic had you left the city?—A. I had been away for over two months on my vacation.

Q. I understood you to say that without the existence of the gold clearing-house it would have been impossible for those parties to have carried on this movement in gold?—A. Yes, sir.

Q. Explain why it would have been impossible for them, or for other parties so disposed, to have brought about this condition of things without the aid and assistance of this clearing-house?—A. It is very clear from the condition of the gold market from the 25th of September, for thirty days, when there was no clearing-house, and when gold was steady between 29½ and 31, that all the legitimate business in gold that merchants required can be done without the assistance of any clearing-house. Only those who could pay for the gold when they bought it, bought any gold. With the clearing-house in existence, a man who has got \$1,000 can go into the Gold Exchange and buy \$100,000 of gold. Sometimes a man with only that capital will buy half a million of gold, expecting to sell it out shortly at a quarter of one per cent. profit for example—what they call making a turn. Now, if this clearing-house was not in existence, and if Heath & Co. bought \$500,000 in gold, they would have to receive the gold and pay, say, \$650,000 in currency for it, or in certified checks. And the man who buys that same gold from them has got to have the money and pay for it. That he is not able to do, for he is only worth \$1,000. But the clearing-house says: "We will take this \$500,000 claim and pay the quarter of one per cent." Five hundred millions of gold were attempted to be cleared by that clerical machine. Mr. Speyer's bids for millions and millions of gold would not have been attempted, probably because he would have been required to give checks for the amounts.

By the CHAIRMAN :

Q. Do I understand you to say that the gold bank is to the gold business of New York a good deal what the gambling-house at Baden-Baden is to people who have a little money to risk?—A. It does not occupy exactly the position of the keeper of a gambling-house. It is the machinery, of course, by which people can speculate, and by which legitimate business is done with more safety. It offers the facilities for a man of small capital to deal in large amounts of gold.

By Mr. SMITH :

Q. Were you in business at the time the gold clearing-house was established?—A. Yes.

Q. What did you understand to have been its origin and purpose?—A. You must recollect that the Gold Exchange Bank was started in the last year of the war, or early in 1867, I believe. The speculations in gold were very great. There were two reasons for establishing it; first, for the purpose of facilitating exchange in dealing with those large amounts of gold.



Q. Facilitating speculation?—A. Or assisting principally in establishing differences; it amounts to the same thing. The other reason was to prevent the constant robberies that were attempted on boys and men carrying gold checks or coin about with them.

Q. Then it was really established, as you suppose, in the interest of those who wished to speculate in gold?—A. Not altogether in their interest. Some of the leading bankers and brokers in New York not doing a speculation business were connected with it; and are still, I believe, on the board of direction.

Q. But I understand you to say that operations in gold can be carried on better without it?—A. Certainly, except for the matter of convenience and of danger, which is very material; and it aids in the transactions of legitimate gold business. What I mean to have the committee understand is, that in my opinion the September gold panic could not have happened but for the facility which the clearing-house gave for handling large amounts of gold.

Except so far as relates to facts and figures taken from the books of the firm of William Heath & Co., now in my possession, the above testimony, so far as it relates to transactions previous to September 23, is simply hearsay, as I did not return to New York till September 23.

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WASHINGTON, *January 19, 1870.*

Witness recalled and examination continued.

By the CHAIRMAN:

Question. You stated in your examination yesterday that you have had interviews with Fisk and Gould since the 24th of September. Was any distinction made in those interviews between the gold belonging to Fisk and Gould, and Smith, Gould, Martin & Co., or was it all considered as one account?—Answer. They were so considered by us.

Q. Did you settle with them as one account?—A. Yes, sir; Smith, Gould, and Martin settled everything.

Q. They settled for Fisk?—A. Yes; they settled everything. On that occasion I remember this circumstance: Mr. Gould had an account of the Fisk purchase of \$3,025,000 in his hand on the evening when I, with Mr. Heath, saw him. He handed it to Mr. Heath and said: "I do not require this. Fisk has got a notice of that purchase." Whereupon Mr. Heath said: "Mr. Gould, you know that the understanding is that, although we bought by order of Mr. Fisk, you were also interested in it, and it was a joint account." Whereupon, Mr. Gould said: "Very well, Mr. Fisk has all the notice necessary." Then Mr. Heath repeated again the understanding that it was a joint account affair, and Mr. Fisk said, "Well, we prefer to have it in this way. Whatever I do, Mr. Gould stands by me;" and Gould said: "That is so, but I prefer for certain reasons to have it as it is." We both had the understanding that Fisk and Gould were to stand by each other.

Q. That they acknowledged themselves partners in the whole matter?—A. Yes; in the three millions. There was no dispute about the gold for Smith, Gould & Martin. The stocks and gold and everything else that Gould has bought and sold for the last three years have been taken care of by Smith, Gould & Martin.

Q. State whether their brokers were Smith, Gould & Martin.—A. I cannot say positively. My impression is that in those gold transactions

they employed generally all who would work for them in the street. Those specially interested were Speyers, Dornin, and Bocoock, (who were brokers for Belden & Co., and Belden & Co. were supposed to be brokers for the clique,) Gray, Prince & Co., Carver & Co., Dzondi, Springer & Co.; and there were various banking-houses in the street, not strictly brokers, that were carrying gold for them upon commission—carrying the actual coin and locking it up in the bank with the understanding that they should not part with it.

Q. When Smith, Gould & Martin assumed and settled Fisk's gold, was any reason given why they did so?—No, sir; the reason Smith gave was that although they were not in any way responsible for Fisk's gold, he wanted us to understand that if we would help them to settle their eight millions in the way they proposed, (and that way was by compromise,) they would help us out of our difficulty. That is the reason that Mr. Smith gave, disclaiming at the same time all interest in Fisk's gold.

Q. Did the firm of Smith, Gould & Martin make any threat against your firm in regard to settlements; and if so, what?—A. I remember that one day when there was some difficulty caused by a misunderstanding on the part of Smith in regard to \$750,000 of gold which was received for their account from Speyers, Mr. Smith, supposing that it was a purchase of gold not previously reported, came into our office in a very excited and angry condition, and wanted to know what I meant. He then threatened that if we did not take care, he would "smash us all to pieces," and that he could do it. I only recollect the threat; I do not remember the precise language that he used, except the words that he would "smash us all to pieces;" I remember that. I then explained that it was the gold already reported, and that he had misunderstood it, which explanation was satisfactory.

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WASHINGTON, *January 18, 1870.*

JOLIN H. STOUT sworn and examined.

By the CHAIRMAN:

Question. State your place of residence, your business, and place of business.—Answer. I reside in Brooklyn, New York. My late business was cashier of the Tenth National Bank of the city of New York.

Q. During what period were you cashier of that bank?—A. From the organization of the bank till the 11th of January last.

Q. During which period you were familiar with its history and affairs?—A. Yes, sir.

Q. What is the capital of the bank?—A. A million of dollars.

Q. State what transfers of the stock of that bank, if any, were made during the past summer, and state by whom the majority of the stock is held.—A. I have here a statement of the entire transfers from the 1st of January, 1869, till the 1st of January, 1870.

Q. Are you acquainted with these men in New York commonly known as the members of the gold clique?—A. Some of them.

Q. State to the committee whether any of them are, to your knowledge, or have been during the past summer, stockholders in the Tenth National Bank.—A. Some of them have been and still are.

Q. To what extent were they holders of stock?—A. I now refer to the firm of Smith, Gould & Martin. There were at one time a little over five thousand shares of stock—half a million—transferred to Jay Gould.

and he transferred in a few days afterward a large portion of that to several other parties, not, I presume, connected with the gold clique. The only transfer that was made at any time to any parties having any connection with the gold clique, that I know of, was this transfer of over five thousand shares to Jay Gould.

Q. At what time was this purchase of half a million of stock made by Jay Gould?—A. On the 5th of August.

Q. Did the transfer give him all the rights of a stockholder at that time?—A. Yes, sir.

Q. Was that a majority of the stock?—A. Yes, sir; he had 5,010 shares transferred to him on that day, making \$501,000 worth at par value of the capital.

Q. From whom did he purchase this stock; from one or from several parties?—A. It was standing in the name of several parties. I perceive that there were prior to that, on the 27th of July, fifty-six shares transferred to Jay Gould, and also on the 29th of that month, forty-five shares.

Q. State to the committee whether any change of the officers or managers of the bank was made shortly after or immediately after the transfer to Jay Gould?—A. No change was made in the officers of the bank until the 11th day of January last.

Q. When what occurred?—A. When there was a change in the officers and directors. That was the day of election, and there was an entire change both as to officers and directors.

Q. According to the rules of the bank, have the stockholders any power over its management except through the annual election?—A. None whatever.

Q. So far as you know was there any change in the policy or management of the bank after the purchase by Jay Gould, and before the election?—A. There was no change whatever.

Q. Did Mr. Gould keep his accounts in that bank?—A. Gould, Smith, Martin & Co. opened an account with the bank shortly afterward.

Q. Has their account since that time been a heavy one?—A. It was a heavy and active account up to the day before the gold speculation culminated.

Q. On the day before the panic what was the amount of deposits held in your bank to the credit of Gould, Smith, Martin & Co.?—A. I have not brought the memorandum of that with me. I did not understand the summons to include that. Their balance during that week varied from \$40,000 to \$120,000. I have brought with me a memorandum of the amounts they deposited, and the amount they drew each day of the week.

Q. Please state the transactions of the bank with the firm of Gould, Smith, Martin & Co. during the days of the panic?—A. On Monday, September 20th, they deposited \$1,737,807 25 in currency, and drew \$1,739,262 50; on Tuesday, September 21st, they deposited \$1,360,661 37 in currency, and drew \$1,363,047 99; on Wednesday, September 22d, they deposited \$1,000,000 in currency, and drew \$996,085 47; on Thursday, September 23d, they deposited \$7,829,637 48 in currency, and drew \$7,640,809 86; on Friday, September 24th, they deposited \$167,823 71 in currency, and drew \$363,358 62; on Saturday, September 25th, they deposited nothing, and drew \$105,482 50.

Q. Was there in every case an actual deposit of currency on their part?—A. There was an actual deposit of certified checks.

Q. Checks certified by the different banks?—A. Yes, sir.

Q. How many banks should you think had certified checks in the list that they deposited with you?—A. I should judge from six to ten.

Q. Do you recollect how large the largest single check was?—A. I do not. It would not come to my knowledge at all. The deposits are received by the tellers, and, unless there was some special reason for me to examine them, I would not know.

Q. State to the committee what amount of checks was certified by your bank during those days?—A. As it was a very busy week I can scarcely say. I suppose that on one day there probably was an amount of twenty-four millions certified; that was very much the largest of any day.

Q. What day was that?—A. That I think was on Thursday.

Q. How much on Friday?—A. I cannot answer that question. The large bulk of the money that was drawn out upon that day, and every day, was upon certified checks.

Q. During the month previous to that, and for some months, what was the average amount of checks certified by your bank?—A. From five to twelve millions, twelve millions being the largest amount. This one of twenty-four millions that I spoke of was very much larger than on any other day.

Q. State what amount of checks was certified for Smith, Gould & Martin during that day?—A. I presume that all that they drew was certified, or a very large portion of them. The whole amounts that I mentioned as drawn by them were, as a general principle, certified checks.

Q. Did J. Fisk, jr., have an account in that bank?—A. No, sir; his name has never been on our books in any form or shape, or for any purpose.

Q. Did Heath & Co. have any account with that bank?—A. Yes, sir. Allow me to state that when I say we certified this amount of checks it was only upon the receipt of other certified checks.

Q. State the amount of checks certified for William Heath & Co?—A. I will give you the total amounts which they drew upon the several days of that week, and I suppose the bulk of them was on certified checks. On September the 20th they drew \$394,800 91; on September the 21st they drew \$323,722 45; on September the 22d they drew \$249,365 80; on September the 23d they drew \$1,979,099 87; on September the 24th they drew \$400,362 95; on September the 25th they drew \$102 25..

Q. State whether Mr. Belden kept an account with your bank?—A. He did not. I had no transactions with him.

Q. Did any other person or firm, commonly supposed to belong to the gold ring, have accounts in your bank so far as you know?—A. Not any.

Q. Did any of the persons to whom you have referred overdraw their accounts on those days?—A. William Heath & Co. did.

Q. To what extent?—A. Their account was overdrawn to about \$145,000.

Q. Did Smith, Gould & Martin overdraw their account?—A. No, sir.

Q. In your subsequent settling of these transactions did you find any difficulty in making settlement with the checks which you had received, and for which you issued your certified checks?—A. No, sir.

Q. State, as near as you recollect, what proportion of the deposits made in your bank were in currency, and what proportion in certified checks?—A. A mere trifle was in currency. The main portion of it was in certified checks.

Q. Did your bank always transact business upon the same principle that you acted upon that day?—A. Yes, sir.

Q. State to the committee what surety you have that there is money behind a certified check which you receive, and upon which you issue your certified check?—A. The only surety that we have is that the bank certifies it, and that the bank is obliged to pay it whether the party has any funds there or not.

Q. And do you understand that other banks do in that regard as yours has been doing?—A. The other banks all do the same thing.

Q. That is that twenty-four millions may be certified by the bank when but a very small portion of currency has been received on deposit?—A. Yes, sir; a very small portion, a mere bagatelle of currency is received.

Q. Did you receive or have presented at your counter, during either of those days, a check for about \$28,000, certified by your bank and held by John Bonner?—A. I have no recollection of such a case.

Q. Or did John Bonner present a check?—A. It may have been so. I would have said no if Mr. Bonner had not told me since I have been here that he did.

Q. Did he present a check and demand currency, which was refused or delay asked by your bank?—A. He may have presented a check there which we may have not asked delay for, but objected to paying on the ground that, as we had received but a certified check for it, the custom of business did not warrant him to draw legal tenders upon it on the day it was given, for the implied understanding with the parties was that it was not to be paid until the following day through the exchanges.

Q. State what occurred in regard to an examination of the bank on the 24th of September, by persons sent from the Treasury Department.—A. There were three examiners sent from the Treasury Department present upon that day examining the bank.

Q. Did they make any orders in regard to the business of the bank?—A. Not any.

Q. Did the business continue while they were examining?—A. It did.

Q. Did they give no directions restricting the operations of the bank?—A. None.

Q. Was any change made in the business of the bank or in the mode of doing its business in consequence of their being there?—A. Not any.

Q. Has the bank been closed at all this summer?—A. It has not.

Q. Did it suffer any losses in consequence of the transactions of that week, and if so, to what amount?—A. There is one amount of \$75,000 not yet paid.

Q. Why has it not been paid?—A. The party says he has not the means to pay it.

Q. Was the party connected with these transactions?—A. It is William Livermore, who charges that he sold gold to Smith, Gould, Martin & Co.

Q. How large was the amount of checks drawn by him during these transactions?—A. On the 20th he deposited \$262,266 67, and drew \$268,940 46; on the 21st he deposited \$193,590 22, and drew \$204,031; on the 22d he deposited \$194,987 36, and drew \$200,632 35; on the 23d he deposited \$459,486 36, and drew \$457,138 75; on the 24th he deposited \$250,242 63, and drew \$242,862 50; on the 25th he deposited nothing and drew nothing.

Q. You say you cannot tell what the amount of checks certified by the bank on Friday was?—A. I cannot tell now. I will send a statement of the amount when I return to New York.

Q. Can you tell the committee on what bank Smith, Gould & Martin gave a check for \$1,400,000 to pay for a million of gold which they carried for Speyers on the 24th?—A. I cannot. I have no knowledge of such a check. I have no knowledge whether such a check was given or not.

Q. State if any examination, aside from the one you mentioned that was made by the three officers of the Treasury, was made of your bank near that time, before or after?—A. There was, in August.

Q. By whom?—A. By Mr. Callender, the bank examiner.

Q. Was Mr. Callender in your bank, or did you see him during the days of the panic?—A. I saw him on Saturday. He was there on Saturday.

Q. Did you have any conference with him in relation to the examination going forward in the bank?—A. No, sir.

Q. Did you make any communication as cashier to the authorities in Washington in reference to the examination?—A. None.

Q. When was it discontinued?—A. The examiners were examining on Friday, and also commenced on Saturday, but they stopped before the day was out.

Q. Why?—A. They gave no reason. I was exceedingly busy that day. It may be that they were through. I had no communication with them.

Q. I understand you to say that they gave no orders?—A. No, sir.

Q. Except when they showed you their authority in the first place?—A. That is all.

Q. What was that authority, a general one or a special one?—A. It was not shown to me. I really do not know whether or not it was shown to the president. The examiners got there before I did, and they must have shown their authority to the teller.

Q. I understand that you are not now an officer of the bank?—A. I am not.

Q. So far as you know, what interest does the present board, elected on the 10th of January, represent, or what people does it represent?—A. It represents, I presume, Jay Gould, William M. Tweed, Peter B. Sweeney, J. H. Ingersoll, James Watson, and a number whose names do not appear here, as the transfers of their stocks were made since the first of January. Jay Gould, Peter B. Sweeney, Richard B. Connolly, Hugh Smith, Henry Smith, and I believe all the rest are what is usually known as the democratic ring of New York.

Q. Do you know of any officer of the government having any connection, directly or indirectly, with the gold panic on the 23d or 24th of September?—A. I know nothing about it.

By Mr. PACKER :

Q. Was this bank examination brought about by any special circumstances at that particular time?—A. It was so rumored. I do not know anything about it. The rumor was that parties on the street engaged in speculation reported to the department that we were engaged in the locking up of gold, and I understand that that was the object of that examination.

By the CHAIRMAN :

Q. State in that connection how much gold you carried in your vaults upon this occasion.—A. On Monday, September 20, we had \$124,380 51; on Tuesday, September 21, we had \$119,275 58; on Wednesday, September 22, we had \$66,226 54; on Thursday, September 23, we had

\$259,795 47; on Friday, September 24, we had \$78,422 69; on Saturday, September 25, we had \$17,388 74.

By Mr. PACKER:

Q. Was that to the general credit of the bank, or was it subject to any orders or checks?—A. It was the ordinary regular every-day deposit, and was subject to check. I volunteer to say here that no portion of that money belonged to any party having any connection with or engaged in the gold speculation of the day.

Q. Did you certify at any time checks for parties who had not credit in your bank for that amount or more?—A. No, sir. The instructions always were not to certify a check for anybody who had not the amount deposited in bank to his credit.

By Mr. COX:

Q. Do you know Mr. Corbin?—A. I do not.

Q. Has he had any transactions at your bank?—A. None whatever.

Q. Neither for himself nor anybody else?—A. His name has never appeared in it. He may have had some interest in something there, but his name never appeared there to my knowledge or to the knowledge of any of the other officers of the bank. He has never had any transactions with the bank whatever.

Q. Have you had any transactions with General Butterfield in any way, either directly or indirectly?—A. I suppose I might answer that question, no. The only transaction we ever had with General Butterfield was that he sent a note to the bank requesting us to open an account with a party, a commission merchant in Detroit, saying that he might possibly want to overdraw his account to a small amount, and if so, requesting us to allow it, and he would be responsible for that overdraft to the amount of \$3,000.

Q. Was that during the panic?—A. No, sir.

Q. What time was it?—A. I think it was about the month of July or August last.

By Mr. JONES:

Q. Do you recollect the name of the party in Detroit?—A. J. G. Irwin. That is the only transaction we ever had with General Butterfield.

By the CHAIRMAN:

Q. Does General Butterfield, for himself or anybody else for him, so far as you know, hold any stock of the Tenth National Bank?—A. No, sir.

Q. Has he ever held any?—A. He never has.

By Mr. COX:

Q. Did you open the account with Irwin?—A. We did.

Q. Was it overdrawn?—A. It was overdrawn, and is now overdrawn, to the extent of \$2,500.

Q. And Mr. Butterfield is held responsible for it?—A. We hold him responsible for it.

Q. What reason does he give for not settling it?—A. We have not called on Mr. Butterfield to settle it.

Q. Why so?—A. Because of the understanding and arrangement made with him that the party was to overdraw, and that he would be responsible. I wrote to Mr. Irwin a short time ago requesting him to remit, to pay up. He has not done so, and, as yet, or up to the time of

my leaving New York, nothing had been said to Mr. Butterfield about it, except that I did one day state to Mr. Butterfield, before he left the sub-treasury, that the account was overdrawn, and asked him if he understood it. He said he did; that it was all right, and he would see that it was paid.

Q. You do not know what the consideration was between Irwin and Butterfield?—A. I do not know anything about it. I supposed they were personal friends.

Q. It had no connection, that you know of, with the gold panic?—A. I presume it had none whatever; it was some considerable time before this gold matter. I think it was in the month of July or August last.

The following letter was subsequently received by the committee, and directed to be appended to the testimony:

TENTH NATIONAL BANK,  
25 BROAD STREET, CORNER EXCHANGE PLACE,  
New York, January 20, 1870.

DEAR SIR: In accordance with your request, I herewith send you a statement of the amounts certified by the above bank for all their dealers during the week from September 20, 1869, to September 25, 1869:

Monday, 20th .....	\$14,081,120 32
Tuesday, 21st .....	12,401,143 21
Wednesday, 22d .....	13,270,301 38
Thursday, 23d .....	25,530,912 51
Friday, 24th .....	14,240,950 45
Saturday, 25th .....	903,527 73

I would again state that these certificates were against nearly similar amounts deposited with us and certified by other banks.

Yours, respectfully,

JOHN H. STOUT.

General GARFIELD,  
*Chairman Committee on Banking and Currency,  
House of Representatives.*

WASHINGTON, January 19, 1870.

LEWIS A. STIMSON sworn and examined.

By the CHAIRMAN:

Question. State your place of residence, your place of business, and your occupation.—Answer. My place of residence is Elizabeth, New Jersey; my place of business is 18 Wall street, New York City; my occupation is stock broker; the style of the firm is Litchfield, Dana & Stimson.

Q. Were you engaged in your business on the 23d and 24th of September last?—A. Yes, sir.

Q. Had you any power of attorney, and if so, from whom?—A. I had a power of attorney to operate in the gold-room for William Belden.

Q. State what your instructions were from him.—A. My general instructions were to fill all his orders; to buy and sell for him as orders were given. The special instructions that I had on Thursday, the 23d, I believe, were to put gold to 144 and to keep it there.

Q. Were your instructions wholly received from Belden?—A. Yes, sir; from nobody else.

Q. Did you understand, when you received those instructions, that the business was for Mr. Belden's personal account, or for other parties



with him?—A. I had no understanding on the matter. I simply received my orders from him.

Q. State your transactions on those two days under the orders of Mr. Belden.—A. On the 23d, about eleven or half-past eleven o'clock, I received this order from Mr. Belden to put gold to 144 and to keep it there. In execution of that order I bought about seven and one-fourth millions of gold. While I was purchasing Mr. Belden came to the gold-room, and I looked up to him, in an inquiring way, to know whether I was to continue purchasing; he nodded that I should do so. A little later I wrote a note to him asking him if he wished me to stay there all the day, and he sent back word that I might return to the office. That purchase of seven and one-fourth millions was all that I did for him that day. The next day he sent me to the gold-room to lend all the gold that I could; that was on Friday morning.

Q. What instructions did he give you?—A. Specially to lend all the gold that I could. I went back and told him that other brokers were there, offering to lend gold for Wm. Belden & Co. at rates above seven per cent., and that they were interfering with my business, particularly one man named Zerega. He told me to send this man to him. I afterward went back and told him of the high rates, and he told me to lend gold at any rate, but to lend it. I do not know how much I loaned, but I think it was perhaps one-quarter million; not more. I am now speaking of Friday.

Q. That is all you loaned on that day?—A. I do not know the amount, but I should not think that it was above a quarter of a million.

Q. Did you buy any gold for him that day?—A. No, sir.

Q. Did you sell any?—A. No, sir.

Q. Did you have any transactions or conversations with Mr. E. K. Willard?—A. Yes; on Friday Mr. Willard met me in the gold-room, and said to me, "Tell Belden to mark his gold to 160." That was the sentence he used.

Q. What relation did Willard sustain to Belden which gave him the right to make an order concerning Belden's gold?—A. This was simply a message which I bore for him to Mr. Belden. I know of no existing relations between them.

Q. Did you bear the message?—A. I tried to, but I did not find Mr. Belden, and I gave the message to one of Belden's partners.

Q. In whose behalf did you believe that Willard spoke to you?—A. I supposed he spoke for the clique.

Q. Whom do you mean by the clique?—A. Fisk and Gould were popularly supposed to constitute the clique.

Q. Was Mr. Belden a member of the clique?—A. That I do not know; I never thought that Mr. Belden had an interest in the clique.

Q. That is, you did not at that time?—A. From what I knew of Mr. Belden, I did not think that Mr. Belden would have a share either in the risks or profits of the clique.

Q. What reason had you to suppose that Willard belonged to the clique?—A. I only supposed that Willard was a broker for the clique; I did not know he was a member of it.

Q. Do you know anything of Willard's relations to J. Fisk, jr.?—A. No, sir.

Q. Have you any knowledge of your own that any officer of the government of the United States had anything to do with that gold clique in New York on any of those days?—A. No, sir.

Q. Have you any personal acquaintance with any officers of the government?—A. No, sir.

Q. Did you see any of them whom you supposed to be officers of the government, and who appeared from anything that you saw to be concerned in it in any way?—A. No, sir.

Q. Do you know Mr. Fisk and Mr. Gould?—A. I know them both by sight.

Q. And Mr. Heath?—A. Yes, sir.

Q. Did you have any conversation, or did you hear any conversation of theirs on any of those days?—A. No, sir. I did hear a conversation of Fisk's on that Friday; I heard him say to a gentleman, "These are high old times." That was just before he made his departure from Wall street, at half past one o'clock in the afternoon.

By Mr. COBURN :

Q. You did not hear him give any directions to any agent as to the mode of transacting business?—A. No, sir.

Q. Did your firm lose anything by the transactions of the day?—A. I was not a member of the firm then. I was operating that day as a clerk for Mr. Belden.

Q. Concerning the gold which you bought and loaned for Belden, was it cleared regularly, and settled for according to the usual rules?—A. I think not. Mr. Belden's statement for that day was only made for about five millions, and I alone the day before purchased for him seven millions. His statement was thrown out from the clearing-house.

Q. Did you give him up as your principal?—A. I was acting on his power of attorney.

Q. So that you were not personally responsible for any of your transactions?—A. No, sir; not for the transactions in gold.

Q. Did you buy of the clique brokers, as far as you know?—A. I do not know.

Q. At how high a rate did you buy?—A. The highest rate that I bought at was 144; I think I bought one hundred thousand at that.

Q. Did you pay anything for the gold that you bought, in currency or otherwise?—A. No, sir.

Q. You bought seven millions, for which you paid nothing?—A. For which I paid nothing; but I gave up Wm. Belden & Co., who were bound by my power of attorney to complete the contract.

By the CHAIRMAN :

Q. Did Mr. Willard give you any other orders beside those you have already mentioned?—A. After my return from the office Mr. Willard met me and asked me if I had seen Belden; I said I had not, and he replied, "Damn it, find him."

Q. Did he give this order to you with a tone of authority; did you understand that he had a right to give such orders concerning the matter, or did you consider him an intermeddler?—A. No, sir; he gave me individually no order; he gave me simply a message for Mr. Belden.

By Mr. COBURN :

Q. What is the business of Mr. Willard?—A. He is a stock-broker; his office is on Exchange Place.

Q. Is he in business with a firm?—A. He is now E. K. Willard & Co., but last summer he was E. K. Willard.

By the CHAIRMAN :

Q. You understood him to be acting as their agent on that day?—A. Yes, sir. During two years past he had done a good deal of business for Smith, Gould, Martin & Co.

WASHINGTON, *January 19, 1870.*

EDWIN S. CHAPIN sworn and examined.

By the CHAIRMAN:

Question. State your residence, your place of business, and occupation?—Answer. I reside at 111 West Forty-fourth street, New York; my place of business is 17 Broad street. I am a broker. The firm, previous to the first of January last, was Chapin, Bowen & Day. It dissolved on the first of January.

Q. State whether you were doing business as a broker in the month of September last as a partner in the firm you have named?—A. Yes, sir.

Q. State whether you have been in the habit of doing business before September last for any of the following parties: Smith, Gould, Martin & Co., Jay Gould, Henry M. Smith, James D. Bach, J. Fisk, jr., Wm. Belden & Co., E. K. Willard, Heath & Co., Carver & Co.?—A. I have done business for Smith, Gould, Martin & Co. for probably a year previously. I have never done anything for Mr. Gould or Mr. Fisk that I recollect. I do not think I ever executed an order for either of them individually; but I have done large business for Smith, Gould, Martin & Co. I have done business for Mr. Smith individually, but for none of the others. I do not think I have ever executed any order for E. K. Willard or for Carver & Co.

Q. Did you in September last buy gold for any of these parties? if so, specify the amounts bought.—A. (Referring to part of the purchase and sale book.) We bought for Smith, Gould, Martin & Co. gold as follows: On the 20th of August, \$750,000; on the 21st of August, \$2,950,000; on the 25th of August, \$200,000; on the 27th of August, \$200,000; on the 2d of September, \$1,315,000, at 134½; on the 3d of September, \$170,000, at 136; on the 4th of September, \$185,000, at 136¾ and 137; on the 6th of September, \$440,000, at 137; on the 10th of September, \$170,000, at 135; on the 15th of September, \$50,000, at 136; on the 16th of September, \$825,000, at 136½. That is the last of the purchases made by us for Smith, Gould, Martin & Co.

By Mr. BURCHARD:

Q. Were those orders to buy at discretion or at fixed rates?—A. In almost every case the orders were limited to buy at a certain price.

By the CHAIRMAN:

Q. Who gave the orders to buy this amount of gold?—A. Mr. Smith, of the firm of Smith, Gould, Martin & Co.

Q. After buying these amounts of gold what were your instructions to do with the same?—A. Sometimes we were instructed to clear it through the clearing-house, and to send it to them; but almost all of this gold was kept by ourselves and loaned in the market for them. The bulk of the gold was carried by my firm by lending it out to different parties from day to day.

Q. Now proceed with the statement of your sales.—A. On the 23d day of September, which is the first day of sales, we sold \$8,100,000.

Q. Give the items.—A. We sold to the following parties: Wm. Belden & Co., \$200,000 at 143½; C. C. Parks & Co., \$200,000 at 143¾; Albert Speyers & Co., \$2,500,000 at 143¾; ——— Grinnell, \$100,000 at 143¾; W. W. Belden & Co., \$3,100,000 at 143; W. W. Belden & Co., \$900,000 at 143¾; ——— Patterson, \$100,000 at 143½; W. W. Belden & Co., \$200,000 at 143; W. W. Belden & Co., \$100,000 at 143½; Albert Speyers, \$100,000 at 143¾;

Jno. Ponder, \$50,000 at 143; W. W. Belden & Co., \$100,000 at 143; W. W. Belden & Co., \$100,000 at 143½; Albert Speyers, \$100,000 at 143½; W. W. Belden & Co., \$150,000 at 143¾; W. W. Belden & Co., \$100,000 at 143¾. The order to sell this gold was given to me by Mr. Smith, on the 23d of September, with instructions to give it to other parties to sell. Wm. M. Parks & Co. sold seven millions of that gold for us. Stout & Dickinson sold \$850,000, and Whitely & Nielson \$250,000. I did a very large business for them, and very seldom did it myself. I generally gave out three-fourths of the business.

By Mr. PACKER:

Q. You were recognized as the broker of Smith, Gould, Martin & Co?—A. One of the brokers; they employed quite a number.

Q. What was the object of giving their business to so many people?—A. To cover up transactions, I suppose; that is generally the object. On the 24th of September the sales were \$2,825,000, at prices from 135 to 138. Mostly all the sales were made about 135. These sales were scattered over nearly all the brokers of the board. This was after the break, between twelve and one o'clock, after it was understood the thing was up.

Q. Did you buy none before the break on that day?—A. No, sir; we neither sold nor bought.

Q. How much were you carrying on the night of the 23d of September?—A. We were carrying for Smith, Gould, Martin & Co. \$2,925,000.

Q. Can you state at what average rate the whole of that was sold out?—A. It is hard to tell. We had been carrying at one time as high as five millions. We would deliver a lot of gold to Smith, Gould, Martin & Co., and thus we kept decreasing our line.

Q. How much were you carrying at any one time?—A. I do not think we were carrying more than five millions at any one time. Here was \$8,190,000 that we sold some time during the middle of the day of the 23d, so that that night we had really on our books sold more gold than we were carrying, and next day they would have to give us gold to make these surplus deliveries.

Q. Who gave you the orders for the buying, selling, and loaning of this gold?—A. Mr. Smith.

Q. Did you receive all your orders from Mr. Smith?—A. I think I received every order I got in gold from Mr. Smith.

By the CHAIRMAN:

Q. State what orders you received from him for your transactions in gold previous to the day of the panic?—A. He gave me an order to buy so much gold, \$200,000, \$300,000, \$400,000, or \$500,000, at a given price.

Q. Did he tell you at any of your interviews with him what his purpose was—what his general line of policy was?—A. Nothing, except that he said gold was going up.

Q. Did he express that as an opinion of his, merely as to the current course of business?—A. He would express it generally in my presence; not particularly to me, but in my presence. I often heard him say that gold was going up.

Q. Well, now coming down to the day of, or the day before, the panic, the transactions you allude to include the 23d, and were carried on in obedience to special orders received that morning or the evening before?—A. Yes; the 23d. I got instructions about the middle of the day, Thursday.

Q. Did you receive a note or go to his office?—A. I was sent for to

come to the office. It was within two or three doors. He gave me the order verbally.

Q. What occurred beside merely giving you the order?—A. He told me to sell in the neighborhood of ten millions of gold. The thing was done as quick as a flash; he just gave me the order and away he went.

Q. Did he fix the rate?—A. I do not remember whether he did or not. The price was then, if I recollect rightly, about 43.

Q. Were you ordered to sell on the market? You certainly must have had some instructions.—A. If there was any limit set I forget what the limit was.

Q. How did you act in respect to rate?—A. I gave an order to Wm. M. Parks & Co. to sell three millions of gold. I afterward sent another order telling them to sell four millions more. He did not mention any special party; I selected Parks and Co. of my own free will and accord.

Q. Who else was present?—A. I think no one else at all was present. I went to his office; whether it was in the front part or the back part of the office, I forget.

Q. Did you understand that this was for Smith, Gould & Martin alone, or for them with others?—A. I asked no questions. I understood it was for Smith, Gould, Martin & Co.

Q. In your clearing-house transactions next day, in whose name did you make settlement?—A. In the name of Wm. M. Parks. I made the bank a statement also as broker. As the bank broke that day, however, the statement amounted to nothing at all.

Q. Did you finally complete your settlement for this firm during those two days, regularly and satisfactorily?—A. Yes, sir; except the three or four hundred thousand dollars I have before mentioned, which was sold after the break, and which was not settled. It was some ten days before the thing was finally closed up, and it was not then closed in regard to this three or four hundred thousand dollars.

By Mr. COBURN:

Q. Was the failure to settle this last amount in consequence of the action of Smith, Gould & Martin, or persons of whom they bought?—A. O, no; it was the persons who bought gold of them and then didn't take it.

By the CHAIRMAN:

Q. Did you report the names of the persons to whom you loaned gold from time to time?—A. No, sir.

Q. Did Smith, Gould & Martin give you any orders to report for their information the names of the persons to whom you loaned gold?—A. Sometimes they did; and when they did the names were always given.

Q. What do you suppose was their object in asking you to specify the names of the parties to whom you loaned gold? Is that usual?—A. No, sir, it is not. I can merely say that I did as I was directed. I presume, however, they wanted to know who was "short" in gold.

Q. So far as you know, what was the object of the parties to whom you made loans of gold in borrowing it of you?—A. The fair presumption is that they were "short."

Q. When people are "short" of gold are they compelled to borrow?—A. That is the custom. If they make a contract to deliver a certain amount of gold, they are obliged to have the gold, and unless they do have it they must borrow it.

Q. Do you understand that the most, if not all, the gold that you

loaned on those days was borrowed on that account?—A. That I cannot say to a certainty. As I remarked before, it is only a fair presumption that the borrowers were short of gold.

Q. Did any other brokers, acting for the same parties as yourself, to your knowledge make similar reports of persons to whom gold had been lent by them?—A. I do not know positively.

Q. Did you receive your orders to sell, and your orders to buy, and your orders to loan, all of the same party?—A. Yes, sir.

Q. And that party was Mr. Smith?—A. Yes, sir; I do not think I got any order for anything of that kind from any one else but Mr. Smith. Certainly never from Mr. Gould or Mr. Fisk. I may have received orders in particular cases from Mr. Bache or Mr. Martin, both members of the firm. My instructions came from the members of that firm, and so far as I remember, all orders came invariably from Mr. Smith.

By Mr. SMITH:

Q. Were you advised by any member of the firm as to parties who, in their estimation, were short of gold?—A. No, sir; I do not recollect anything of that kind.

By the CHAIRMAN:

Q. Was the amount you were directed to sell limited?—A. As I said before, I do not recollect in regard to that, except that the order was to sell about ten millions of gold. I sold only \$8,100,000.

Q. Were you directed, on the 23d or 24th of September, not to sell to any particular brokers? If so, state their names.—A. I had no such instructions on the 23d. On the 24th, after the break, I had instructions to sell, not below 35, but not to sell to Mr. Belden or Mr. Speyers.

Q. Did you, without instructions, from your own observation as to how matters were moving, refuse to sell to any particular persons during the 23d or 24th, and before the break?—A. No, sir; I never refused anybody's bid.

Q. When you sold did you always sell to the highest bidder?—A. Yes, sir; I generally took the best bid.

Q. Did you always, during this transaction, sell to the highest bidder?—A. If you will state particularly what transaction you refer to, I will answer definitely.

Q. State whether, in sales made by yourself, or by other persons for you, you ever sold for less than the highest bid offered?—A. No, sir.

Q. While you were selling, or while your agents were selling, did Albert Speyers bid for gold at a higher rate than you were selling for?—A. On the 24th, whatever gold was sold at all, was sold either by myself or by my brother.

Q. Did you sell any to Mr. Speyers?—A. No, sir.

Q. Why not?—A. I had instructions, after the break, not to sell any to Belden or Speyers.

Q. Who instructed you thus?—A. Mr. Smith.

Q. Did he give you any reason?—A. No, sir. That was all he said. He gave me his order, quick as a flash, on the sidewalk. I remember it distinctly. He said I was to sell five millions of gold, not below 35, but not to sell to Belden or Speyers.

Q. That was while Speyers was bidding 60 by the million?—A. Yes, sir.

Q. What was the meaning of that order not to sell to those parties, when they were bidding higher than you were selling for?—A. I do not know; I simply obeyed instructions. I did not understand it myself.

Q. Did you not believe that Mr. Speyers was buying for these same parties for whom you were selling?—A. I did not know.

Q. What do you think?—A. I do not think that Speyers was offering for Smith, Gould & Martin; my belief is that he got his orders from Fisk; not that I know anything about it—that is merely what I should imagine.

Q. I understand you to say that you gave orders to other brokers to sell for the parties you have named. Did you instruct them not to sell for Speyers and Belden?—A. No, sir; that was on the 23d.

Q. That instruction you carried out yourself?—A. That instruction I carried out myself, on the 24th.

Q. Did any person with whom you transacted business, or for whom you transacted business, call on you for margins, or did you demand margins of them, on either of those days?—A. No, sir.

Q. Why not? Was it not usual for one side or the other to demand margins?—A. Yes, sir; for houses with outside customers; and a part of my business is to transact these outside operations for other houses who want their transactions covered. I may say that is our particular business. Of course we never demand margins of them, for we have confidence in them. We never gave nor received margins in any of the transactions to which I have referred.

Q. I understand you to say that the gold you purchased for those parties in the earlier part of the month was before the great rise in gold?—A. The transactions commenced about the 21st of August, while I was absent in the country; the first purchases were made by my brother while I was still away.

Q. There was no currency actually paid by you, or received by you, in any of these transactions, as purchase money?—A. I had occasion two or three times to take gold from the clearing bank for these very persons. Of course, we had to give the bank a currency check in order to get the gold. I recollect giving a check for \$700,000 in gold, which I drew out at one time. I had to give a currency check before I could receive the gold.

Q. What bank certified that check?—A. The Tenth National Bank.

Q. What did you deposit in that bank for that certified check?—A. I think we got a check from Smith, Gould & Martin for a large portion of the amount. I know the Tenth National would not certify that amount for us alone.

Q. So you had your check certified by the Tenth National Bank, on that day, for \$700,000?—A. Yes, sir; \$700,000, in gold, which was something over a million in currency.

Q. How large a check will the Tenth National Bank certify for you in your ordinary business?—A. I think they have probably certified as high as \$250,000 or \$300,000.

Q. What proof did you give the bank that Smith, Gould & Martin would stand by you in this matter, so that the bank would be sure of getting its money?—A. I did not give any proof at all. I took it for granted they had confidence in my statements. I deposited the check from Smith, Gould & Martin in the bank, in the first place. I do not remember what the amount of that check was, but it was sufficiently large to make them willing to certify our check for the entire amount.

Q. Besides the gold sold by you, and by your orders, for account of Smith, Gould & Martin, did you act for them in making settlements and compromises with any one with whom these transactions took place?—A. No, sir; we were situated differently from almost all the other brokers; you will find that we were not carrying any gold at the time the break took

place; on the contrary, we were actually "short," for I had sold the day before eight millions of gold. On the morning of the 23d we were carrying nearly three millions; but during that day we sold eight millions; so that we were actually carrying no gold at all for Smith, Gould & Martin on the 24th of September.

Q. Were your settlements all made in gold?—A. So far as they could be. The final settlement was not made for some days, on account of the bank breaking.

Q. And you ultimately settled without compromising anything?—A. Certainly; we had no occasion to compromise, for we were carrying no gold.

By MR. SMITH:

Q. I think you gave the prices of the eight millions you sold on the 23d as from 43 to 44, and that the price of gold after the break was about 35; then I understand that the difference between these prices, so far as that eight millions was concerned, was all profit for yourself, or your principals?—A. You do not understand it. When I received the order to sell gold not below 35, I really had no gold, for Smith, Gould & Martin were "short." I supposed then that everything had gone through the clearing bank in the ordinary course of business, at half-past twelve.

By the CHAIRMAN:

Q. Did you ever hear that there was a clique in gold at that time; and if so, do you know who composed it?—A. I do not know who composed it, if there was one. I heard a street rumor that there was a clique in gold.

Q. You have no information upon the subject yourself?—A. No, sir; I have none.

Q. What information led you to suppose there was a clique?—A. Mere current rumor on the street, as I have said; I did not know anything more positive about it.

Q. Do you know, or have you any belief, whether Smith, Gould & Martin had anybody else associated with them, or interested with them, in regard to the movement in gold?—A. I do not know that they had.

Q. Did you see Jay Gould during the transactions of these two days?—A. No, sir.

Q. Did you see James Fisk, jr., on either of these two days?—A. No, sir.

Q. Did you see E. K. Willard during that time?—A. Yes, sir; I think I met him.

Q. Did you have any communication with him on this subject?—A. No, sir.

Q. Did you receive any orders from him?—A. No, sir.

Q. Or from William Heath & Co., or any of their firm?—A. No, sir.

Q. Or from William Belden & Co., or any of that firm?—A. No, sir.

Q. Did you ever have any injunction served upon you in regard to settlement?—A. No, sir.

Q. Did you ever serve any injunction upon any other party in regard to settlement?—A. No, sir.

Q. Was it your belief that the extraordinary rise in gold during this time, from about 31 to 60, was caused by any combination of parties to raise the price of gold, or otherwise?—A. Nothing more than the fact of hearing Mr. Smith say, in my hearing, several times, that gold was going up.



Q. Is that the only reason, in your mind, why it did go up?—A. I knew that Smith, Gould & Martin were buying gold; that was all I knew about it.

Q. As a broker, you must have an opinion of your own as to the cause. Did you think it was their buying gold alone that was the cause of the rise?—A. I do not know whether there were any other parties connected with Smith, Gould & Martin or not; I know that *they* were large buyers and large lenders in the market; that they were carrying a large amount of gold, and loaning it through several other brokers, as well as myself.

Q. Did no member of the firm of Smith, Gould & Martin tell you whether they were associated with other parties, and who they were that were joined with them in this movement?—A. No, sir.

Q. There was no statement, in your presence, indicating that there were others with them?—A. No, sir.

Q. Were you ever present at any conversation between any member of the firm of Smith, Gould & Martin, and any other person connected with them in the gold business, during those two days?—A. I had occasion to go into E. K. Willard's office, at one time, on the 23d, I think; and I saw Arthur Kimber in there; and from the conversation that took place, I gained the impression that Kimber was interested with Smith, Gould & Martin in gold. I do not know anything about it, however.

Q. When was that?—A. Some days before the break in gold.

Q. Was there any conversation on the subject between them?—A. Not that I recollect.

Q. Do you know anything of a meeting in Mr. Heath's office on the 23d of September?—A. I do not.

Q. Or in Mr. Belden's office on the morning of the 23d?—A. No, sir.

Q. Do you know of any meeting that took place at Mr. Belden's office on the evening of the 23d?—A. No, sir.

Q. Or of any that took place in Mr. Smith's office on the morning of the 24th?—A. No, sir.

Q. Nor any other except the one you have already mentioned?—A. No, sir. And in regard to that, I merely say that I saw Mr. Kimber in there, and understood that he was in some gold transactions.

Q. Your impression was that the conversation they were having had reference to this?—A. I presumed that he had dealings in gold. I did not hear any conversation at all.

Q. At any meetings, or elsewhere, during this panic or afterward, did you see Judge Barnard?—A. No, sir.

Q. Or Judge Cardozo?—A. No, sir.

Q. Or any judge of any court in New York?—A. I do not recollect that I did.

Q. Did you see the attorneys of Smith, Gould & Co?—A. I do not know who their attorneys are.

Q. Did you see David Dudley Field, or Mr. Sherman?—A. I do not know that I did. I should not know Mr. Field if I did meet him.

Q. Have you any knowledge of any officer of the United States, in Washington or elsewhere, having been concerned, directly or indirectly, in the movement in gold during the month of September last?—A. No, sir.

Q. Are you acquainted with any of the officers in the sub-treasury at New York?—A. No, sir.

Q. Do you know them by sight?—A. No, sir.

Q. Did you see any persons who were alleged to be officers of the

government of the United States, who had anything to do with the matter?—A. No, sir.

Q. What do you think was the cause of the breakdown in gold on the 24th of September?—A. I do not know.

Q. You must have some opinion regarding the matter.—A. I heard that the government was selling gold; that is all I know about it. That was the report I heard on the streets, and that I did not hear until after the break had occurred.

Q. In looking over the whole field, have you in your own mind a sufficient explanation of the breakdown in gold? Supposing you were writing to a friend the story of that transaction, when you came to speak of the breakdown in gold, what would you tell him was the probable cause of it?—A. That the government was selling gold. I should think it very natural if the government was selling gold that the breakdown should occur in that way. That is all I know about the matter.

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WASHINGTON, D. C., *January 19, 1870.*

HENRY K. ENOS sworn and examined.

By the CHAIRMAN:

Question. State your residence, your place of business, and occupation.—Answer. My residence is New York; my place of business is 11 Wall street; I am a broker of the firm of Quinen & Enos.

Q. Were you in the business of a gold broker in the month of September last?—A. Yes, sir.

Q. State for what parties you did business as a broker during the 22d, 23d, and 24th of September last?—A. Principally for Smith, Gould, Martin & Co.

Q. Did you do business for any others during those days?—A. No business exceeding more than \$200,000, and this was for some Baltimore customers.

Q. State what were your transactions for Smith, Gould, Martin & Co., during those days, and if you had any considerable transactions during the week previous; go back to the beginning.—A. I do not think that that week I bought more than probably at an average a million a day.

Q. During two or three weeks previously, had you bought much for them?—A. I presume that altogether for two or three weeks previously I bought about \$10,000,000 of gold for this firm.

Q. Did you loan gold also?—A. We loaned gold for them.

Q. Did you sell any?—A. I never sold for them before Friday, the 24th. I do not think that I bought on the 23d more than \$500,000 for them.

Q. Did you perform any other business for them on the 23d?—A. No, sir. I never did any business for them except in gold. I did not do general stock business for them.

Q. State the orders that you received from them, and what you did in pursuance of those orders.—A. On the 24th I bought about \$100,000 of gold at 150, by the order of Gould & Fisk jointly. That order did not properly come from Smith, Gould, Martin & Co., as all the previous orders had come from them; but the gold was reported to the house of Smith, Gould, Martin & Co., and they became responsible for it, and the gold was received by them. I received the orders from Gould; I recognized nobody but Gould.

Q. Why did you connect the names of Fisk and Gould?—A. Because the two were in the room together; but I recognized no one but Gould. I never did any business for Mr. Fisk.

Q. From the conversation at the time of receiving the order, did you understand that they were in company in the matter, and that the business was really for them both?—A. I presume I could not help but think that they were jointly interested.

Q. Did they join in the conversation?—A. Yes, sir.

Q. And what was said to you was said as of two gentlemen talking to you?—A. As of two gentlemen, one saying something now and the other something again.

Q. And although you held Mr. Gould as the responsible party, you understood that both gentlemen were discussing the business with you?—

A. I presumed that Mr. Fisk could claim an interest in it. I did not recognize him in the transaction at all.

Q. What was the amount that you bought?—A. I think about \$400,000.

Q. What was the amount of orders to buy for them?—A. I had no limit.

Q. What was your order?—A. To put gold to 150.

Q. Of course you understood that as an order to buy?—A. As an order to buy:

Q. What time in the morning did you get this order?—A. I should think about 9½ in the morning.

Q. State that conversation as fully as you can.—A. I went in there to see Mr. Smith. I had never had any intercourse with Mr. Gould previous to that, or with Mr. Fisk. I went in looking for Mr. Smith. They asked me what the price of gold was, and I told them. It was probably 146 or 147, or something of that sort. Mr. Gould, as I was going out of the door, came up to me and said, "Enos, go and put gold to 150." As I went out of the door, Mr. Fisk, in a rather gesticulating way, told me to hold it there. Using some rather emphatic expression he told me to hold it there—rather in a decisive manner. I cannot tell word for word what the conversation was previous to that. It was in reference to the condition of the market, who was buying and who was selling; a general conversation relating to the condition of the market.

Q. State what you did in pursuance of that order.—A. I went and bid gold up to 150.

Q. Did you bid 150 immediately.—A. There was no gold bid under 150, I presume. I remember distinctly that I bid for as little as possible, and with a view to hold the market.

Q. How long?—A. I do not think above ten minutes.

Q. Did you report?—A. I did not report individually. I simply reported to Smith, Gould, Martin & Co., on a slip of paper, and Mr. Smith sent back word that I had no orders from him. All my previous orders had come from him individually. I sent word back that the order was for Mr. Gould. The gold was put down to Smith, Gould, Martin & Co., and they became responsible for it.

Q. Were you settled with for that transaction?—A. Yes, sir.

Q. Did you do anything further in the execution of the general order which they gave you?—A. No, sir.

Q. Why did you not go on?—A. I saw others bidding for it and buying more than I cared to buy. I thought I had executed my order in putting it to 150. I think the exact amount I bought was \$430,000.

Q. Did you loan any gold that day?—A. Yes, sir.

Q. How much?—A. I should think about four millions.

Q. For these parties?—A. Yes, sir.

Q. When did you get instructions from them to loan?—A. About 10 o'clock.

Q. After you had executed the order to buy?—A. Yes, sir.

Q. State what conversation occurred at the time you received orders to loan.—A. When I went back to report to Mr. Gould that I had bought this sum, he asked me, I think, how much it would take to put gold to 160. I told him I did not think it would be prudent to talk of putting it to 160 until the gold was loaned, as until it was loaned we could not call for margins. The suggestion was acted upon, and then he gave me orders to go and loan the gold.

Q. Did he limit you as to the amount you were to loan?—A. No, sir. I doubt very much whether he knew how much gold we had, or anything about the details of the office business.

Q. Who do you mean when you say "we"?—A. I mean our firm of Quinen & Enos. My instructions were simply to loan it and fix up the loans, and then come back. There was nothing said as to rates, or anything of that sort, but simply to fix the loans and get up all the margin we could.

Q. State any conversation that took place as to the general movement that was being made.—A. None whatever, except what I have reported.

Q. State what you did in obedience to the order.—A. I went and loaned the gold, as it is customary to do, at different rates; some of the rates were quite high; some, perhaps,  $\frac{1}{4}$  for carrying gold, some  $\frac{1}{2}$ , and some  $\frac{3}{16}$ , and all sorts of prices.

Q. To what amount did you loan that day?—A. About four millions.

Q. In large or in small lots?—A. I do not think that any lot was as high as \$500,000; the majority were small lots—\$50,000, \$100,000, and \$200,000.

Q. From all your interviews with those parties you had no doubt that Mr. Fisk and Mr. Gould were acting together as one family in the matter?—A. That was the first time I ever saw them together, or had any reason to suppose that they were together.

Q. All these transactions that you did for these parties were settled?—A. Yes, sir.

Q. Regularly, according to the rules of the board?—A. They effected some settlements themselves; I do not know what they were. So far as I was concerned, everything was settled with me.

Q. None of your transactions were repudiated or disputed?—A. No, sir.

Q. Did you have any conversation during those days with William Belden?—A. No, sir.

Q. Or with E. K. Willard?—A. No, sir.

Q. Or with any other persons who are commonly supposed to belong to the clique?—A. No, sir.

Q. State, now, what interviews you had or were present at between any of the parties to whom you have referred, after the panic.—A. I never had any general interviews with them. I went once to see Mr. Fisk and Mr. Gould in reference to making our account good. I went to the opera house.

Q. Then, you were present at a private meeting at the opera house?—A. I do not know that you would call it a private meeting; there was no one there but Mr. Gould and Mr. Fisk. I went to see Mr. Gould, and I had no conversation with Mr. Fisk.

Q. State what occurred during that interview.—A. It referred to an overdraft of ours on the Tenth National Bank. The Gold Exchange

Bank owed us about \$30,000, and we owed the Tenth National Bank about the same amount. I wanted Mr. Gould to guarantee the Tenth National Bank out of the proceeds which would come from the Gold Exchange Bank.

Q. Why did you need a guarantee?—A. I presume that the operations of the Gold Exchange Bank have been explained to you more fully than I can explain to you. We gave our checks, and they were put into the Gold Exchange Bank until 1 o'clock, when we must make our account good. That day the Gold Exchange Bank failed to make returns, and we had overdrawn our account in the Tenth National Bank about \$30,000. It all pertained to the business of Smith, Gould, Martin & Co., and therefore we wanted them officially or legally to recognize the transaction, which they did afterward. That was the business on which I made the call at the opera house.

Q. State what conversation was had there concerning the gold panic.—A. I do not recollect that any occurred; Mr. Gould was in one room and Mr. Fisk in another room. I saw them both, but I did not have conversation with them both.

Q. What did they say to you with reference to guaranteeing your overdraft?—A. Mr. Gould said that he would see Mr. Fisk—that he did not know anything about the details of the office business. I did not at that time effect a settlement.

Q. When did you?—A. We got orders to deliver our gold at the time the injunction was served restraining brokers from receiving any gold. At that time Smith, Gould, Martin & Co. owed us about \$130,000. When they paid us that and when we got our money from the Gold Exchange Bank we paid the Tenth National Bank.

By Mr. COBURN:

Q. For what was that \$130,000 due to you?—A. For differences in gold and for interest and commissions. Our commissions were about \$10,000, and the balance we owed in the street.

By the CHAIRMAN:

Q. When you loaned the gold did you report the persons to whom you loaned it in every case?—A. Always; in every case. From the beginning of the transactions I reported each day every loan made and the rates at which made.

Q. Was any restriction laid upon you with reference to the persons with whom you should deal?—A. No, sir.

Q. At what place and time, as far as you know, was this pool in gold formed?—A. I have no idea. I have no knowledge of any pool.

Q. Have you stated recently that the pool was originally formed in your office?—A. I believe that the first transactions were made by us; at least we commenced buying gold in the latter part of July or the first of August, and continued to buy to the end.

Q. What did you mean by stating that the pool began in your office?—A. I made no such statement, for I had no knowledge of any pool.

Q. You allude now to the fact that you were probably the first to make purchases of gold?—A. That we began to buy gold.

Q. Was any explanation made to you, when you began those purchases, what was to be the course of things?—A. None at all; I simply obtained my orders. I never had a general interview with them, and never received any written order from them.

Q. To your knowledge, was any officer of the government of the Uni-

ted States, either in Washington, New York, or elsewhere, connected, directly or indirectly, with this so-called gold pool or gold movement?—  
A. No, sir.

Q. Are you acquainted with any officers of the United States?—A. No, sir.

Q. Did you see any officer of the United States during those days, or any one who is said to be an officer of the United States, who seemed to be taking any part in the transactions?—A. No, sir.

Q. Do you know of any person who acts as broker for any officer of the United States?—A. No, sir.

By Mr. SMITH:

Q. I understand you to say that your account in the Tenth National Bank was overdrawn?—A. Yes; about \$30,000. We had kept our deposits there for a year previously.

Q. Did they allow you to overdraw without a certified check?—A. We generally gave them a certified check.

By Mr. PACKER:

Q. If you drew against a certified check they would not call that an overdraft?—A. I do not suppose they would; this amount overdrawn was in excess of certified checks.

By Mr. BURCHARD:

Q. You mean that you had drawn out on your checks more money than you had there?—A. Yes, sir.

Q. Were the checks on which those overdrafts were made certified?—A. That I cannot say, because I did not keep the bank account, and did not attend to any of the details of the office business. We gave the checks, and they might be certified or not, according as the parties required.

By Mr. SMITH:

Q. What is the condition of that overdraft? Has it been adjusted?—A. It has been all settled.

By Mr. PACKER:

Q. How much was the first order you received for purchase of gold, from Smith, Gould, Martin, & Co.?—A. I think about a million dollars.

Q. What was done with the gold when you purchased it?—A. We kept it and loaned it for their account.

Q. Immediately?—A. The next day.

Q. When they gave you that order, was anything said as to what they desired to have done with the gold?—A. No, sir.

Q. Was there no purpose stated?—A. No, sir. I never had any conversation with them in reference to their projects in gold, their plans or their purposes.

Q. Except on one occasion, when you advised them not to put it up higher than 150 without loaning the surplus?—A. Yes, if that can be called such.

By Mr. COBURN:

Q. Have you stated how much gold you bought for all of them from the beginning of the transactions in July up to the end?—A. (Referring to the book of purchases and sales.) The first purchase that I find was in August. We bought, on August 12th, \$375,000; August 30th, \$260,000; September 1st, \$625,000, at 133 $\frac{1}{8}$ ; September 2d, \$1,100,000, at 133 $\frac{3}{8}$ ; September 3d, \$25,000, at 135 $\frac{3}{8}$ ; September 4th, \$20,000, at

136 $\frac{3}{4}$ ; September 9th, \$500,000, at 135 $\frac{3}{4}$ ; September 15th, \$800,000, at 136; September 16th, \$1,000,000, at 136 $\frac{1}{4}$ ; September 20th, \$400,000, at 136 $\frac{3}{4}$ ; September 22d, \$1,100,000, at 137 $\frac{1}{2}$ , 139 $\frac{1}{2}$ , 140 $\frac{1}{2}$ , 141 $\frac{1}{8}$ ; September 24th, \$370,250, at 150.

By the CHAIRMAN:

Q. Did you have any transactions with E. K. Willard during any of those days?—A. I think I bought \$100,000 from him.

Q. Did you see him during the days of the panic?—A. Yes.

Q. Did you have any conversation with him in reference to the panic?—A. No, sir.

Q. What relations did Mr. Willard sustain to the gold clique, as you understood?—A. I do not know of any other than that he was one of their brokers. I know nothing beyond that. He seemed to be a conspicuous broker—one of their principal ones.

Q. To what cause do you attribute the rapid rise of gold in that week?—A. That I cannot tell.

Q. You must have an opinion on that subject. State what your opinion is.—A. I should think that it was owing to large purchases more than anything else.

Q. Do you think it was owing to any preconcerted purpose on the part of some brokers in New York to cause it?—A. I did not see any evidence of it before the day in which the movement culminated.

Q. Did you see Judge Barnard at any time near the transactions of which you have spoken?—A. Not to my knowledge.

Q. Do you know him personally?—A. No, sir.

Q. Do you know Judge Cardozo?—A. No, sir.

Q. Have you any knowledge concerning an injunction on the brokers?—A. None beyond what was served on us.

Q. What injunction, if any, was served on you?—A. Restraining us from receiving any gold bought on account of Smith, Gould, Martin & Co.

Q. What judge granted that injunction?—A. I do not recollect.

Q. Did you ever see the complaint that accompanied it?—A. No, sir. It was restraining us from receiving any gold bought or loaned on account of Smith, Gould, Martin & Co.

Q. Was that injunction dissolved?—A. I do not know that there was any formal dissolution of it. It dissolved itself with us.

Q. At whose suit was that injunction served on you?—A. I do not recollect. I believe it was in the interest of Smith, Gould, Martin & Co.

Q. Have you any knowledge of any consultation preliminary to getting that injunction, in which the question of getting the injunction was discussed?—A. No, sir.

Q. Did you never hear any such conversation at the opera house?—A. Not until after the thing was consummated. I was asked once to get out an injunction on the Gold Exchange Bank.

Q. Who asked you to do that?—A. I think it was Mr. J. A. Lane.

Q. On what ground?—A. That the bank did not pay its balances.

Q. Did you get out such an injunction?—A. No, sir. I got out another injunction, on the gold-room itself, restraining them from selling out gold on anybody's account.

Q. Before what court did you get that injunction?—A. I do not recollect.

Q. Who was your attorney?—A. Field and Sherman.

Q. Was that injunction got out?—A. Yes, sir.

Q. What complaint did you make on which it was based?—A. That, owing to the large transactions made on that day, and the confused condition which the Gold Exchange Bank was in, and as all the transactions had to be settled through the Gold Exchange Bank, no transaction should be closed arbitrarily by the rule of the board until the Gold Exchange Bank was in operation.

Q. Who advised you to sue out that injunction?—A. I think the injunction was got out in the interest of Smith, Gould, Martin & Co.; I think they asked me to get it out.

Q. At what time did they ask you to get it out?—A. I have forgotten; probably a week or ten days after the panic.

Q. Did they assume the expense of getting out the injunction?—A. They did, so far as I know; I never paid any attorney's fees for it.

Q. How many such injunctions did you get out?—A. But the one. In this case I acted simply as their brokers.

Q. Did you give them up as your principals, or did you settle in your own name for your transactions in the purchase or loaning of gold?—A. We did it all in our name, and settled all in our name, till the day after the panic, when I gave up the principals.

Q. You gave up Smith, Gould, Martin & Co. as your principals?—A. Yes, after the day of the panic; not previously.

Q. Did you give up any other persons as principals?—A. No, sir.

Q. Have you ever seen the injunction which you served on the Gold Board?—A. Yes.

Q. By what judge was it granted?—A. I do not recollect now. It was done entirely at the instance of Smith, Gould, Martin & Co., and I did not take particular notice what judge it was before. I had a large interest in it myself at the time.

Q. When Smith, Gould, Martin & Co. advised you to get out an injunction, what reasons did they give other than those you have mentioned?—A. None.

Q. Did they say anything about other parties getting out injunctions?—A. At first I refused, and they said that other brokers had done the same thing for their protection.

Q. Did you receive any consideration from them for getting out the injunction?—A. No, sir.

Q. Directly or indirectly?—A. Neither directly or indirectly.

Q. Did you see Field and Shearman?—A. I saw Mr. Shearman.

Q. What occurred between you and him in reference to the gold panic?—A. Nothing at all.

Q. What did you say to him?—A. I simply read the complaint and signed it.

Q. Who wrote the complaint?—A. That I do not know. I understood that he did it.

Q. He presented the complaint to you for you to sign it?—A. Yes, sir. I gave him the grounds of the complaint and he wrote it out.

Q. In your presence?—A. No, sir; it came from that office. I do not know whether he wrote it individually himself. I gave him the grounds of the complaint, and it was written out, and I signed it.

Q. Then you had two interviews with him?—A. Yes, sir; the first was some time in the morning, and the other one in the afternoon. There was, probably, some two or three hours between them.

Q. At the opera house?—A. No, sir; at our office.

Q. Had you any transactions during those days with Heath & Co.?—A. No, sir, except that one of our purchases of ten or twenty thousand dollars of gold was from Heath & Co.



Q. Had you any conversation with any one of that firm concerning the panic?—A. No, sir.

Q. Or with William Belden during any of those days concerning the panic?—A. No, sir.

Q. Did you see Mr. Field in the course of the injunction business?—A. No, sir.

Q. How long was it after you signed the complaint before the injunction was issued?—A. I think the next day. It may have been the same day.

Q. Do you know whether the judge who granted it was sitting in open court or in chambers?—A. I do not.

Q. Have you no memoranda from which you can ascertain by what judge it was granted, or in what court?—A. No, sir.

Q. What other brokers, known to you, got out injunctions for those parties?—A. None that I know of positively. I know by common report.

Q. Did you feel any necessity for the transaction of your own business to get out that injunction?—A. Yes, sir.

Q. Why, then, did you first refuse?—A. Because I thought they would take the responsibility themselves; and as they did not, I thought I was justified, under the circumstances, in doing it.

Q. You had already given up Smith, Gould, Martin & Co. as your principals; did the persons with whom you had transacted the business accept the surrender?—A. No, sir; they held us both.

Q. Why not?—A. Because Smith, Gould, Martin & Co. had failed, and we had not, and they thought they had better hold two than one. We had three millions to be delivered. Smith, Gould, Martin & Co. could not protect us, and we stood in the gap for whatever gold we had. We had sold gold at 134 and 135, and it was then down to 130.

By Mr. COBURN:

Q. Did you employ a lawyer in the suit in which you were served with an injunction?—A. No, sir.

Q. Did you pay any attention to that suit at all?—A. No, sir.

Q. What was the reason?—A. I simply obeyed the injunction not to receive the gold. I paid attention to that and nothing else.

Q. You did not employ a lawyer to defend the suit?—A. No, sir; there was no suit.

By the CHAIRMAN:

Q. Did you get the injunction dissolved?—A. No, sir.

Q. Why not?—A. We did not see the necessity of it. All of our business, except \$200,000 or \$300,000 in gold, was for Smith, Gould, Martin & Co.

Q. And as you had given them up, you did not care so much for it personally?—A. No, sir.

By Mr. PACKER:

Q. Were Field & Sherman the attorneys for Smith, Gould, Martin & Co.?—A. I do not know.

Q. Did not Smith, Gould, Martin & Co. direct you to go to Field & Sherman?—A. No, sir; I think I first saw Mr. Sherman in the office of Smith, Gould, Martin & Co.

Q. Were you consulted by Smith, Gould, Martin & Co. in reference to the injunction which they had issued against you before it was served on you?—A. No, sir; I knew nothing about it until it was served upon me.

By the CHAIRMAN :

Q. How came you to go to Mr. Sherman ?—A. I believe I saw him first in the office of Smith, Gould, Martin & Co.

Q. Did you understand that he was their attorney ?—A. No, sir.

Q. Then you made him your own attorney ?—A. I really did not know whether I was to pay the expense or not. I was acting at the request of Smith, Gould, Martin & Co., as their broker.

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WASHINGTON, *January 20, 1870.*

SAMUEL W. BOOCOCK sworn and examined.

By the CHAIRMAN :

Question. Please state your residence, occupation, and place of business?—Answer. I reside in the city of Brooklyn; I do business in New York City as a broker; I am a member of the firm of Dornin & Boocock.

Q. What kind of brokerage?—A. Stock and gold, both.

Q. Have you been in the habit of doing business for the firm of Smith, Gould, Martin & Co., William Belden & Co., James Fisk, jr., or others connected with them?—A. Unfortunately I have done business for William Belden & Co.

Q. Did you in September last buy gold for any of these parties; and, if so, specify the amount bought and the dates of purchase?—A. I do not think it would be possible for me to give the exact dates, but I will do so as nearly as I can. I bought, in the early part of September, for Smith, Gould, Martin & Co., \$750,000. Instead of purchasing for them again, I loaned a million, which was purchased by another broker. It was a loan by our house, and was considered equivalent to a purchase; that is, we carried it for this firm. I think these are all the transactions I had with Smith, Gould, Martin & Co. On the 23d of September I bought for William Belden & Co., as nearly as I can remember, \$1,260,000 of gold, I think, at between 43½ and 43¾; and loaned \$2,000,000 at about 43. So far as I can remember, these are about all the purchases I made for that house.

Q. Who gave you orders for those transactions?—A. The order for Smith, Gould, Martin & Co. was given me by E. K. Willard; the order for William Belden & Co. was given me by William Belden in person.

Q. Is E. K. Willard a member of the firm of Smith, Gould, Martin & Co.?—A. Not to my knowledge.

Q. How, then, came he to give the order for that firm?—A. I should say he gave it as agent in their employ; I should judge this from the fact that he gave me orders to loan a million, and report the loan to Smith, Gould, Martin & Co.

Q. What instructions, if any, did he give you in connection with these orders?—A. Nothing more than to make the loan, and report to them, and to agree upon the rate of commission. I think that was all the conversation that occurred.

Q. What limits did he fix as your rates for lending?—A. He did not fix any.

Q. Did you carry out your orders for Smith, Gould, Martin & Co., according to the terms in which they were received?—A. I did.

Q. And reported your loans to Smith, Gould, Martin & Co.?—A. Yes, sir.

Q. Did they receive your report and acknowledge the validity of the order?—A. They did.

Q. What orders did Mr. Belden give?—A. He gave me an order to loan any part of five millions. Our business was generally a stock business; we were more in stocks than we were in gold. In fact, we only carried this amount of gold for Belden one day before he failed. Not wishing to carry so large an amount, I said to him that I would loan for him two millions, if we could agree upon the terms. I stated the terms, and he accepted them; but he has never fulfilled them. He told me to loan at the market rates; and to satisfy me as to his responsibility for complying with the terms, he told me that he had plenty of money in his possession, and that I would be amply protected; he would mark it down as low as we wished; but he failed to do it. I presume your honorable committee would like to ascertain more particularly who Mr. Belden was doing business for. I made a general statement before the arbitration committee of the New York Gold Exchange, of which Mr. Hodgskin was chairman; which statement, as I am told, is before your committee. That would give you very clearly the whole transaction, because I gave in it the conversation which ensued at that time between Mr. Belden and myself, as to whom he was doing business for.

(The statement was here shown to the witness.)

Q. You are familiar with this statement?—A. I never read it. I think Mr. Bonner, who was acting as secretary of the arbitration committee that day, wrote it down as I gave it.

(The following statement was then read in the hearing of the witness):

SAMUEL BOOCOCK.—EVIDENCE BEFORE THE ARBITRATION COMMITTEE.

Was doing brokers' business on the 23d and 24th, under the firm name of Dornin & Boocock. Loaned and bought gold for Belden on the 23d. The first transaction was on the 21st. When I bought \$100,000 gold for him I gave him up. On Wednesday evening, 22d, Belden asked me if I wanted to do business for him. "According to what it is," was my answer. He said: "Loan a lot of gold for me in the morning—any part of five millions. See me in the morning." I asked him if he was in a strong position. He said: "Plsaw! There is only \$18,000,000 of cash gold in the market and we have taken up half and paid for it, and we intend to take up the other half." I inquired, "Who do you mean by us—Smith, Gould, Martin, & Co.?" He answered, "Who else do you suppose I mean?" I said: "Then you are both buying for the same parties." He answered: "Certainly; its all one thing." I saw him on the following morning, when he said: "If you don't want to lend five millions, lend two or three." I answered: "If there is a fall in the market of ten per cent., are you so situated that we would be well protected?" He answered: "Certainly." On Thursday, the 23d, when we had loaned his gold, I found he had delivered us the gold at a high price. I remonstrated with him. He said: "Go into the gold-room and buy all the gold you can get from 143½ to 144." I bought \$1,260,000, and I was frightened at the way they sold me the gold, at ½ per cent. below Speyer's bid. I reported to Belden and said: "I would rather buy no more. I will give you up on it." He said: "All right;" and turning to one of the boys, said: "Go over to Heath's office and tell Fisk to send in some other brokers; they are spotting ours."

Belden gave me to understand that he was doing business for Fisk and Gould. I was at Belden's office at 9 a. m. on the 24th. He had told me on the previous evening that gold would sell at 200. In the morning he reminded me of this and said: "What did I tell you? Gold is selling at 150." I asked him to mark down my gold. He said he would mark it down as low as I wanted, and told me to call upon the parties to whom I loaned twenty, thirty, forty, or fifty per cent. in the Trust Company. He then desired me to lend five millions instead of two millions—all I could. I said I could loan no more than I had already. I met Messrs. Gould, Fisk, Smith, and Speyers, at Belden's office on Wednesday, between 1 and 2 o'clock p. m.

When I began to buy gold for Belden he told me he was buying for Fisk and Gould. He said repeatedly that they were his principals. He said he (Fisk) had intended to make his (Belden's) house the largest in Wall street. I saw Fisk and Gould there more than once, and thus believed they were his principals. His offer to put large amounts in

the company strengthened this belief. After the failure, Belden said that he had never said that Fisk and Gould were his principals. He said, in answer to my expostulations: "Suppose I tell you now again that they were my principals, what good will it do you? Did you ever know Fisk to pay out such a sum of money as you ask?"

I saw Gould at the Erie Railway office after the failure. I asked "Why he had taken care of Fisk's gold with Heath (three millions) and left me unprotected?" He said: "That was the only gold of Fisk's I did take care of, and he (Heath) had money of ours which I wanted to get possession of."

I saw Smith, of Smith, Gould, Martin & Co., on Friday, and told him I held him for all Belden's gold. I held him on the ground that Belden had told me it was all one thing.

Mr. Newcome, a customer of Belden's, told me that on the 24th Belden told him that this was his last day in Wall street.

Witness continues: That statement is generally correct, but not as full as it might be in one or two points. I asked Mr. Belden who were the parties concerned. This was in conversation, before I had done any business for Mr. Belden. From what he said in regard to persons in high position I did not think he referred to officers in our own government, but to politicians in high position in New York. His remark was: I would be surprised to know what parties were in it; that there were in it persons in high position. He gave me no impression as to who the parties were; in fact, he was very reticent in his conversation. He had told me that Fisk was his principal.

Q. What was the total amount of your transactions for those two firms?—A. Leaving out the \$750,000 which they received themselves, it would be nearly four millions bought and loaned for these parties.

Q. Did you require or give any margins, in any way, in the course of these transactions?—A. I did not. I took this gold from Mr. Belden at about 41 to 43. Gold suddenly went up to 60. The houses to which I loaned the gold were all of them excellent houses, and I did not deem it necessary to call for margins.

Q. Was it usual for you to call for margins?—A. Yes; but gold went up so suddenly, and then within three-quarters of an hour went back again, that, the fact is, we did not give that matter a thought; because our loans were so heavy on that day that our entire time was occupied in getting our statements ready, and we had no time to call upon those houses, if we had thought of it and had desired to do so. Mr. Belden has never protected me in this gold which I loaned and bought for him. Three millions or more have been thrown back upon our house.

Q. When did they repudiate these obligations?—A. On the 24th, when gold commenced falling rapidly, becoming alarmed and anxious, I went to Mr. Belden's office, but he had gone away. I was told that he would probably return about half-past two; but at half-past two I found that he had run away with Fisk and Gould. My authority for that is Mr. Stimson, who told me that he saw him with Fisk and Gould going down Wall street. After that he remained locked and barred up, so that it was impossible to get at him for some time, although I tried repeatedly to do so.

Q. How long before you succeeded in getting an interview with him?—A. I think I saw him once, at the Gold Exchange Bank, one night about twelve o'clock, but simply to speak to him. He said to me: "You will be protected!" The Gold Exchange Bank had brought him, with others, there, to see if anything could be done to straighten out its own affairs. The first time I saw him to have any conversation with him was some two weeks afterward, and then the conversation was the most unsatisfactory I ever had. He denied everything; denied that he ever told me Fisk and Gould were his principals. I think he went before the grand jury and stated that all the gold he bought on those days he

bought for his own account, and that if five millions had been made out of the transactions he would have made it entirely himself.

Q. Did he refuse absolutely to protect you?—A. Yes, sir; he said he had no money.

Q. He acknowledged the order which he gave you?—A. O yes; he acknowledged the order, but refused to make me good, on the ground that he had no money.

Q. State to the committee as fully as you can what grounds you have for believing that Fisk and Gould were Belden's principals?—A. Well, he had a telegraph wire running from his office to the office of the Erie Railroad building that day and for some days before. And he not only at that time, but at a good many other times, told me that Fisk was interested in him; that he had placed his brother-in-law, a man by the name of Hooker, in partnership with him; and many times he told me that Fisk was doing a great amount of business with his house. And that morning I stated distinctly to him, before I loaned him the gold, that I must understand whether he would mark it down to me. He said he certainly would. I said to him: "Suppose gold suddenly falls ten per cent., have you money enough to protect us?" His reply was that nearly all his gold averaged 30 and below, and that we should run no risk. He further said: "When you loan, call your men up thirty, forty, or fifty per cent. in the Trust Company." I had not absolute confidence in his statements at that time, but believing from what he said that he had money, I took the risk of carrying that gold for two or three days, and for the purpose of making the liberal commissions which were agreed upon.

Q. You say this gold was thrown back upon you and repudiated by the parties for whom you were loaning it. Have you yet made your own settlements?—A. We are making them as rapidly as possible.

Q. Did you have any injunction served upon you?—A. No, sir.

Q. Were any injunctions served at your instance on others?—A. Yes, sir.

Q. Upon whom?—A. Upon Cammack & Osborn, restraining them from paying any money over to the firm of Smith, Gould, Martin & Co., or to E. K. Willard, or their agents.

Q. And did that protect Osborn & Cammack, whom you supposed were doing business for these agents?—A. I, myself, had purchased gold for them at 43½, and our loss on the purchase would have been fifty or sixty thousand dollars at least. I immediately sued out an injunction and placed it upon Osborn & Cammack, who directly signed a paper relieving me of that purchase.

Q. Were you recommended to get out this injunction; was it by your direction?—A. No, sir. It was of my own motion; but after consulting my attorney, Mr. C. T. Jenks, he indorsed what I had done fully.

Q. Was the injunction granted?—A. It was.

Q. By what judge?—A. By Judge Gilbert, of Brooklyn.

Q. Is that injunction still standing?—A. No, sir. It was dissolved by settlement. Osborn & Cammack agreed to sign off, releasing me, if I raised the injunction. My impression is that Mr. Osborn had been selling gold and had probably sold more than this amount, so that he could release me without difficulty from the third party who signed the release. I finally concluded this had no relation to Smith, Gould, Martin & Co.

Q. Did you understand that he was doing business for Smith, Gould & Martin?—A. I thought he was.

Q. Did you get out an injunction against anybody else?—A. Yes; I got out an injunction against Gray, Prince & Co.

Q. For a similar purpose?—A. Yes, sir.

Q. In what way were your settlements with Smith, Gould & Martin effected?—A. I had a million of gold. I had loaned \$600,000, and I sold \$400,000, just the balance of the million. The transaction would leave a balance in my favor of something like \$10,000, which they paid. None of the brokers who were doing business for them were permitted to suffer in any way.

Q. Then in your transactions with the firm you lost nothing?—A. Nothing.

Q. Did you lose anything from the operations of the Gold Exchange Bank?—A. Yes, sir. We have a suit against them for \$31,060, which occurred by their having delivered gold to the extent of \$235,000 to the firm of Livermore & Co. They claimed that they never delivered the gold; whereas Livermore & Co. had received the gold, and, as we delivered none, of course the bank delivered it.

Q. Was Mr. Osborn in any way connected with the \$31,000?—A. No, sir; no one but ourselves. Mr. Osborn's relations with our house have all been settled satisfactorily.

Q. State to the committee, from your knowledge of the whole transaction, what persons you understand to compose the gold clique?—A. I have always believed it was composed of Fisk, Gould, and others; and who the others were I am unable to say.

Q. What do you think about Belden & Co. and Willard?—A. I think that Willard did not do anything for his own account. I think he was merely an agent for others. I do not think Belden did anything for his own account beyond half a million dollars or so. He has always struck me as a very timid man who was easily frightened. I, for that reason, did not think that he was making the transactions on his own account. I think he bought for Fisk and others, and that since these transactions, for the sake of pay, he turns around and shelters them by declaring that all this gold was bought for himself. I believe that if Belden gets before this committee he will state that he bought this gold for himself, and he will state a wicked falsehood. He seems to be thoroughly under the influence of this man Fisk.

Q. Have you any knowledge of your own that any officer of the government of the United States had anything to do, directly or indirectly, with this gold clique; if so, give his name, and state what you know in regard to it.—A. My memory is not clear enough to state anything without danger of doing great injustice, and it would be no more than hearsay anyhow.

Q. Do you know by sight any officers of the United States whom you saw have anything to do, apparently or really, with this movement in gold?—A. I do not.

Q. Did any of the parties that you have transactions or business with make any statement to you that any government officer had any connection with this movement; if so, who made the statement, and what was the statement when made?—A. No statement of that kind has ever been made to me.

WASHINGTON, D. C., *January 20, 1870.*

CHAS. J. OSBORN sworn and examined.

By the CHAIRMAN:

Question. State your residence, place of business, and occupation.—

Answer. I reside on West Thirty-second street, New York; my business office is 34 Broad street; I am a banker and broker.

Q. What was the general run of your business during the season prior to September last?—A. Almost entirely gold. I had very little in stocks.

Q. Were you dealing in gold during the month of September?—A. Yes, sir.

Q. For what parties mainly did you deal during the early part of that month down to the morning of the 23d?—A. For A. B. Stockwell & Co., James Groesbeck, E. K. Willard, Henry Hart, and others occasionally, whose names I do not now recall.

Q. Are you aware of an extraordinary rise in gold during the month of September?—A. I am.

Q. What is your opinion of the cause of that rise in gold?—A. It was the enormous speculations, engendered by the way in which business has been done there, through the medium of clearing-houses; irresponsible parties being enabled to do enormous amounts of business without any capital; so that designing men, whoever they may be or whatever their reputation, are enabled to bring about changes in the gold market to accomplish their purposes. If a man has a thousand dollars he can go and buy five millions of gold, if he feels inclined, and transact his business through the medium of this clearing-house. To tell you the truth, that, in my judgment, has been the main-spring of all the troubles there have been in the gold market since it has been in existence.

Q. Who, so far as you know, belonged to that class of designing men who have organized and developed the gold ring or clique?—A. I think Fisk was the main man in the whole thing, so far as illegitimate proceedings were concerned.

Q. What persons do you understand were associated with him?—A. Belden & Co., William Heath & Co., and Albert Speyers. I think he made his headquarters around their offices. I do not know that he did in the office of Speyers, but Speyers was used by him, and the mischief was practically done mostly through these parties.

Q. Did you know any other firms concerned in this general movement of gold?—A. Smith, Gould, Martin & Co. went very heavily into it. They employed E. K. Willard, as I suppose. At any rate, he gave out large orders, and most of the business that I did was for him.

Q. Please give the committee a statement of your purchases and sales or loans of gold made for any of those parties you have named during the week beginning with the Monday before the break?—A. I had on hand, I think, from three to four millions of gold for E. K. Willard, who was my man of business at that time. I did not actually go into the market and buy it. They sent it in to me and put up margins for it, and I carried it for them. I think two hundred and twenty thousand was the extent of my purchase. They made me their *tugger*, so to speak; I just carried it for them. After returning from a trip to the White Mountains, the first day after my arrival in New York, in the neighborhood of the 16th of September, Mr. Willard asked me if I would be able to carry half a million dollars of gold on the market. I told him I most certainly was able to carry that much gold. It was only a question as to whether I should assume something I did not want, and prevent me doing something I did want to do. But I said that if he would put up the money I would carry the gold for them for a liberal commission. He soon brought me in half a million of gold, which I paid for and used in the course of my business. A day or two afterward he asked me if I would loan some gold for him. I did loan for him a million and a quarter, assuming the contracts myself. This he

margined down to me at 30, and whenever afterward I loaned gold for him he margined it down to 30. The gold I was carrying on the market he margined down to 25. All the balance of my gold was taken in that way. Whenever I received gold to loan, he sent in a check to make it down to 30.

Q. Up to the 23d, how much had you done for him during the week previous?—A. Between four and five millions, or in that neighborhood.

Q. On the 23d, did you transact any business for Mr. Willard?—A. The two hundred and twenty thousand I have mentioned was the only gold I bought for him in the whole transaction. This was on the 24th. I bought it at 50. On the 23d, I kept this gold on hand in the market.

Q. Did you have any orders from Mr. Willard on the 23d?—A. I had an order from him, but I did not fill it. Gold went from 36 to 38 up to 43 or 44, and had gone up so much when I received his orders that I did not fill them.

Q. Did you receive orders from him on the 24th?—A. Mr. Willard was an intimate friend of mine; I always told him I should protect myself; that whenever it looked as if things were going to destruction, I should protect myself under any circumstances. Said he, if gold breaks 42, turn in and sell out. In the meantime he told me to sell all the gold I could at 50.

Q. Did you sell out the gold you were carrying?—A. I did.

Q. How much gold did he give you orders to sell?—A. To sell all I had; and I did.

Q. At what figures?—A. At from 50 to 32½. What I sold and which went out was in the neighborhood of five millions. What I sold and did not go out was in the neighborhood of three or four millions.

Q. Why did not this go out?—A. Because the parties were irresponsible. I sold, for instance, a million to Speyers, and a million to Ward & Co.

Q. To whom did you sell the five millions?—A. In promiscuous lots; there were three or four batches of it.

Q. You sell, during these days, for anybody else but Mr. Willard?—A. Yes, I sold five hundred thousand for Henry Hard, and for others, merchants and others, for whom we had discretionary orders to sell.

Q. For whom did you understand Mr. Willard was acting?—A. My supposition was that he was acting for Smith, Gould & Martin.

Q. What led you to that supposition?—A. Seeing them together a great deal, and seeing the magnitude of the business transacted, which I thought nobody else was able to do. My impression always has been that Jay Gould was the partner of that firm principally concerned in these transactions.

Q. What has given you that impression?—A. Because Mr. Smith has always assured me that he was not a speculator; had no interest in gold; and knowing Mr. Gould pretty well, besides knowing what I did of him by hearsay, this whole affair struck me just like being one of his movements.

Q. In your interviews with Mr. Willard or other parties connected with the handling of gold during those days, what did Mr. Willard say in conversation concerning these matters?—A. I was very nervous, and rather desirous to keep out; I did not like so much desperation. Willard said, "You need not worry yourself; my parties can see gold to par." I saw him but very little, except in hard business transactions. I made myself safe, and I had no reason to ask whys or wherefores. I may have had some suppositions.



Q. What did he ever say touching this movement; did he make no remark in regard to what was being done, or what would be done, with gold?—A. No, sir; he always kept me in the dark about that. I always supposed it was a close corner. I was very much surprised to see gold go up to 60.

Q. In whose presence did you have your consultations with Mr. Willard?—A. They were always in my back office, and with nobody present but my partner.

Q. Did you ever see him in his office?—A. I may have gone into his office to report gold. I never went into his back office at all.

Q. Did you see any of the firm of Smith, Gould, Martin & Co. during any of those days?—A. Yes, sir.

Q. Did you converse with them in regard to this movement?—A. No, sir; I never spoke to Jay Gould until the morning of the 24th; and I never spoke to James Fisk, so far as I know, but once in my life.

Q. Did you hear any of those parties say anything about gold movements during any of those days?—A. No, sir; not at all.

Q. Did you see Belden during those days?—A. I was introduced to him in the gold-room, when gold was about 38; but I never had anything to do with him or his party. They were men I had a perfect detestation of; they were no company for me. I should not have spoken to them at all under any ordinary circumstances.

Q. All the transactions you had with Willard were settled in the ordinary way, and cleared at the Gold Exchange Bank?—A. Yes, sir; all up to the 24th.

Q. Settled without compromise?—A. Yes, sir; I never made any compromise.

Q. Were your transactions of the 24th settled?—A. So far as I was concerned everybody who had a right to do so called upon me, and I gave my checks; being amply protected myself, I had no excuse for not doing so. When it came to making the clearing outside of the gold-room, I just checked out my gold and delivered it.

Q. Did you have any trouble in settling with Mr. Willard?—A. None, I think.

Q. Or with any other parties with whom you transacted business?—A. None.

Q. Did you have any trouble in settling at the Gold Exchange Bank?—A. Yes, sir. There was a balance of fifty-eight thousand, currency, in my favor at the Gold Exchange Bank. I deposited my check for that amount in my bank, as I always do. Next day the cashier sent me word that my check was only partially good; in other words, that it was not all paid at the clearing-house; that out of the check for fifty-eight thousand dollars twenty-seven thousand was good, but the balance was not. Thereupon I took advice of my counsel, and on stating the facts in the case to him, he advised me to have the bank put into the hands of a receiver.

Q. Did you, on or about the 28th of September, bring suit against the Gold Exchange Bank?—A. I merely applied for an injunction, and to have it put into the hands of a receiver.

Q. Who was your counsel?—A. Mr. Lane.

Q. Your claim had not been paid previous to the commencement of this suit?—A. No, sir.

Q. Did you in the final settlement give the Gold Exchange Bank a receipt for the amount of your claim?—A. I think not. I simply gave my check, I think; it is not usual to pass receipts in such a case. I do

not think I did on this occasion; however, I would not like to say for a certainty. In those days I do not know what I may have done.

Q. Has your suit been discontinued?—A. Yes, sir; a long time since.

Q. At whose instance?—A. I told Mr. Lane some time afterward, when my check had been paid, that I had no further occasion to continue the injunction, and to withdraw the suit. I think some other parties were taken up and put in my place.

Q. Did you receive from the bank the amount you claimed in that suit?—A. Yes, sir.

Q. When?—A. Four, or five, or six days afterward; I do not remember exactly. My cashier notified me, first, that ten thousand dollars had been deposited; then there was another installment; and finally it was all paid up.

Q. Did you withdraw your suit on consultation with anybody else except your counsel?—A. No, sir.

Q. Did you make a compromise with any other parties?—A. I made no compromise; I got my money in full. Mr. Benedict sent for me one day. I went into the office, and he asked me what I had applied for an injunction for? He said there were plenty of securities in the bank to pay my check, &c. That is all I remember.

Q. At whose instance did you bring that suit; was it on the advice of Mr. Willard, or of Smith, Gould, Martin & Co.?—A. Not on their advice, certainly; that was the general impression on the street, I know; but it is false.

Q. How came you at first to bring the suit?—A. I was mentioning my troubles to Mr. Lane; he said to me, "Put the bank in the hands of a receiver and you can get your money." I replied, very well; then I would employ him as my counsel, and told him to go ahead. I knew that a man had to strike quick if he did anything at all, in those days. I was at work, day and night, trying to get myself out of those difficulties. I hardly slept at all.

Q. Did you bring more than one suit against the bank?—A. No, sir.

Q. And that suit was for an injunction and for appointing a receiver?—A. Yes, sir.

Q. Who was the receiver appointed?—A. Mr. Brown, at first; then afterward Mr. Lane told me that Mr. Brown was going out, and that they were going to appoint Mr. Jordan, at the request of the bank, and asked my consent for them to do so.

Q. Did you employ Mr. Lane and settle with him yourself?—A. Yes, sir; he acted as my attorney, and Field & Sherman as my counsel; I made the settlement with them myself; I handed the check either to them or to Mr. Lane, I now forget which. They sent to me one day and wanted a retainer.

Q. In what way did Mr. Lane explain to you the appointment of a receiver would benefit you?—A. In looking over the affairs of the bank, while I was there one evening, I found that they would lose a very large amount of money if they went on to clear; it looked to me as if the directors in the interest of the bank wanted to save it, they would have to get a receiver appointed of their own, throw out all doubtful accounts, protect themselves, and let the community suffer, although the bank was alone to blame. My idea was that if the bank was put into the hands of a receiver at the instance of somebody else, the bank would be largely the loser, as it ought to be, and everybody else would get their money.

Q. How did the appointing of a receiver actually benefit you?—A. It hurried up the business. When my cashier sent me word that my check

was not paid, it annoyed me considerably. Mr. Lane said the appointment of a receiver would get me my money.

Q. Did it in fact get you your money?—A. I think it hurried it up.

Q. Was the money paid to you?—A. The money was paid on my check, through the medium of the clearing-house, to my bank.

Q. The entire thirty-one thousand dollars?—A. Yes, sir.

Q. Was it paid in the ordinary way, or in pursuance of an order from the court; or did you, or some of your firm or clerks, settle with the receiver?—A. I did not go to settle with the receiver. My idea is that the bank had a certain amount of gold pledged in the clearing-house for this check. That I do not know, however. I only know that the check was paid.

Q. Do you know how the settlement of your claim was brought about?—A. It was by the receiver himself, on his own motion.

Q. It was not done by an order of the court?—A. I can merely tell you what I know. I took dinner with Mr. Jordan, subsequently, and he told me that he had hauled up my cashier and given him fits about this thing, and had the money paid, and that is all I know.

Q. Did your suit against the bank prevent its continuing its operations in clearing?—A. No, sir; I do not think my injunction did. I think they were incapacitated before the injunction came.

Q. Supposing they were not incapacitated, would your injunction have stopped them?—A. I think it would.

Q. Do you know of injunctions against the bank brought by other parties?—A. No, sir; I had nothing to do with anything of that kind. You will find that my business was conducted for myself alone, and to take care of myself.

Q. Were you enjoined by any person, or by any court, from doing anything?—A. Yes, sir; Smith, Gould, Martin & Co. enjoined me from receiving or delivering any gold for their account. I went over to see Mr. Smith, and asked him what the meaning of that was, for I had had no transactions with them. He said it was an error, and set down and wrote a note relieving me from the injunction, and stating that it was an error. I came back, made my statement, and was ready to deliver gold in fifteen minutes afterward.

Q. What reason did you give Mr. Smith for asking him to release you? State what conversation you had with him.—A. I asked him why he had enjoined me, and said I had had no transactions with him. He said it was all a mistake.

Q. Did you make any threats, or say anything of that sort?—A. I told him I should go on to receive and deliver gold, whether the injunction was taken off or not.

Q. Did Mr. Smith or Mr. Willard tell you it was a merely formal matter, to keep those whom they could not trust from playing the devil, or words to that effect?—A. He said that so far as I was concerned it was a mistake.

Q. Did they say anything to you about enjoining anybody else?—A. That was already done; the thing was all done in a lump, taking in a dozen names.

Q. What did you understand the purpose of the injunction to be?—A. I have since understood that the purpose of the injunction was to prevent their being overwhelmed all at once; to prevent their brokers from receiving all this gold immediately, and to give them time to turn around; to receive it piecemeal, and adjust their transactions.

Q. Then it was an interference of the court to enable them to get through with their business?—A. That is my opinion.

Q. Did you understand that a simple note from Mr. Smith would relieve you from the order of the court enjoining you?—A. Certainly. I think if you will look at the injunction you will find that the right is there given to Mr. Smith to raise the injunction when he felt disposed to.

Q. You understand, then, that it was in the power of the parties who enjoined you to dissolve the injunction in regard to any one individual, and shut down in regard to another?—A. Certainly; Mr. Smith really had the whole thing in his power. However, as I had had no transactions with Smith, Gould, Martin & Co. at all, I should have disregarded the injunction; but in order to have an understanding, and guard against any mistake whatever, I went over to see Mr. Smith about it. He said that so far as I was concerned it was an error, and then wrote me a release.

Q. Will you furnish the committee with his order releasing you from the injunction?—A. Yes, sir.

Q. So you understand it did not require any decree of the court to relieve you from the injunction?—A. I do so understand it.

Q. Did you then proceed to make a settlement of your matters, without regard to the injunction?—A. Certainly I did.

Q. And you proceeded with the injunction of the court still over you?—A. I did not say that. The decree of the court could not affect me in any case, because I had had no transactions for these people; besides, the decree itself gave Mr. Smith the power to set it aside, and he did grant me a release.

Q. Give to the committee an account of a meeting up town on the 25th of September, Saturday; also of a meeting the same day at Willard's office; also of a meeting Sunday evening, the 26th, at the bank—at which meetings the committee understand you were present.—A. I never spoke to Jay Gould to my recollection, until Sunday, the 26th. He was going into the Gold Exchange Bank, and I was introduced to him by his partner, Mr. Smith. We went into the bank and tried to cook up some plan for getting the clearing-house straight and putting it through. I could not record any particular conversation. It was a continuous business conversation.

Q. Who were there?—A. Mr. Benedict, Mr. Gray, Mr. Smith, Mr. Tanner, Mr. Underhill, Mr. Gould, myself, and perhaps others I do not now recollect.

Q. What was said in regard to settlements, and what was said in regard to these injunctions?—A. There were no injunctions out at that time, unless it may have been in regard to particular accounts.

Q. Was anything proposed to be done in the way of injunctions, in order to prevent settlements being made?—A. I really cannot remember. You must take into consideration that I was laboring under great excitement. If anything was said on that subject I have really forgotten it.

Q. State as fully as you can what transpired there.—A. If I were to do that I should say just about nothing. We were talking of receipts, examining accounts, and seeing if we could not arrive at some plan by which the bank could be extricated from its difficulties. That was the main topic of conversation, and who said anything, or did anything, I cannot tell.

Q. Did you have a meeting with any of these parties up town on Saturday?—A. No, sir. I never saw any of them until Sunday.

Q. Are any of your matters connected with these transactions unsettled yet?—A. I have nothing unsettled with the Gold Exchange Bank. I have several contracts not fulfilled.

Q. Are you a member of the gold board?—A. I am.

Q. Have you had any difficulties in the gold board?—A. I have brought suit before the arbitration committee against C. Ward & Co., who bought a million of gold of me, which is still unsettled.

Q. Did they belong to the gold clique?—A. I think not. I think they were heavy sufferers by it.

Q. Have you any knowledge that any officer of the government, either in Washington, New York, or elsewhere, was concerned, directly or indirectly, with the gold panic?—A. No, sir. I can only speak from common report.

Q. Are you personally acquainted with the officers of the government in New York?—A. No, sir.

Q. Did you see any of these officers there, during the days of the panic, having any conversation with any of the parties supposed to belong to the gold ring?—A. No, sir. I would not know Mr. Butterfield if I was to see him. Mr. Corbin I do not know. My business in all this matter was straightforward business transactions. The street, generally, think I know more than I do, because I saved myself.

Q. Were not consultations in regard to settlements, after the panic, carried on between Mr. Willard, Mr. Gould, Mr. Fisk, and yourself, and were not all these parties frequently, consulting together in regard to settlements?—A. Not to my knowledge. All the transactions I had with Mr. Willard occurred in my back office. I may have met him on the street and talked with him casually, but not otherwise.

Q. Did you have any intercourse with Smith, Gould, Martin & Co. in regard to settlements—were they not concerned in your settlements?—A. Subsequent to the 24th; no, sir.

Q. On the 24th?—A. On the 24th they were concerned in the bulk of the business that was done. Due bills passed from one to another in these transactions, and in that way I was brought into intercourse with them.

Q. Is there any doubt in your mind that E. K. Willard was acting for or in connection with what is now known as the gold clique to raise the price of gold?—A. I think Mr. Willard was operating for Smith, Gould, Martin & Co. entirely. There seemed to have been two separate rings in this matter: one a ring of rascals, and the other not much better. Still, one letting everybody operating for them go to the devil; the other settling their contracts. Mr. Willard was acting with the one that settled their contracts. What compromise they made I do not know; but they certainly stood by the brokers they employed, and made everybody good.

Q. Who lost by these gold operations?—A. The merchants lost very heavily, and speculators lost very heavily. It made no difference on which side they were, the fluctuations were so rapid and so great, they all lost.

Q. Who do you understand made by the transactions?—A. I have figured them over pretty carefully, and I cannot find anybody who made out of them, unless it was this man Belden.

Q. Do you think he made all that the rest lost?—A. Oh, no; it was distributed around.

Q. Do you know of Belden having gone into bankruptcy?—A. No; I only know that I never spoke to him but once in my life.

Q. Have you had any consultation with any of these parties since you were summoned to testify before this committee?—A. No, sir; I have seen some of them, but not to have any conversation on this subject.

WASHINGTON, D. C., *January 21, 1870.*

CHARLES J. OSBORN recalled and examined.

By the CHAIRMAN:

Question. You stated in your evidence yesterday that you had brought suit before the arbitration committee of the Gold Exchange, against Ward & Co., for a million of gold sold them September 24. State to the committee where that gold was sold and the circumstances connected with it.—A. Ward came into my back office on that day. I had called him for a million of gold at 37½. He said he had no gold on hand to make that delivery to me, and begged me to sell to him. I settled the call for a customer of mine at 150, for which he paid the money. Then he said that would do him no good, as he had still further calls, and requested me to sell him a million more, which I went out and got for him. That was the cause of the suit.

Q. How came he to buy the gold of you, in your private office, instead of buying it at the exchange?—A. Mr. Stockwell, a gentleman who had called on him, was very much alarmed on finding that he did not have the gold; and I being Mr. Stockwell's business man, he brought Mr. Ward down to my office, for me to settle the matter with him.

Q. State what you said to him, and what induced him to buy this gold.—A. I told him, from the looks of the market, unless these short gold contracts were settled, there was no telling what price it might run to. I do not know that I made any particular representations to him, any more than in speaking of the general condition of the market.

Q. How long did Mr. Ward remain in your office?—A. Perhaps five minutes, or in that neighborhood.

Q. During the time he was in your office, did you leave it and come back again?—A. No, sir; he left it for a short time and came back.

Q. Did you, during that time, go out and consult with any one on the subject?—A. I did.

Q. With whom did you consult?—A. With E. K. Willard.

Q. Did he give instructions which you obeyed?—A. No, sir; I asked him if he would allow me to sell a million of gold at 50, and settle for it for his account.

Q. What were the terms of agreement in regard to that, on this occasion, between yourself and Mr. Willard?—A. None, except the mere matter of purchase and sale.

Q. Did you see Mr. Willard with Mr. Smith?—A. No, sir.

Q. Did you, on that occasion, see Mr. Willard and Mr. Smith together?—A. No, sir.

Q. Was anybody else with Mr. Willard besides yourself at that interview; if so, who?—A. His clerks may have overheard the conversation. I should think not, however; he was there all alone.

Q. Did you make any other private sales and settlements, in your office, on the 24th of September?—A. Yes, sir.

Q. State the amounts, persons, and prices.—A. I made one of \$55,000 with Howes & Macy. I think that was all.

Q. Did you know that similar settlements were being made, at the same time, in Smith, Gould, Martin & Co.'s office?—A. No, sir; I did not until some time afterwards, when I heard that the thing had been done.

Q. Did not Mr. Willard and Mr. Smith both tell you that they had made or were making such private settlements?—A. I did not see Mr. Smith until that evening, until after the whole thing was over.

Q. Did they, when you saw them, tell you that they had been making

such private settlements?—A. Willard told me so; I had no such conversation with Smith.

Q. State the total amount of gold sold by you privately on the 24th; both that which was received by the buyers and that which was not received.—A. That is more than I could tell you without reference to my books.

Q. State it approximately.—A. Including Ward's and all, I should think in the neighborhood of seventeen or eighteen hundred thousand.

Q. To whom did you account for the gold sold?—A. To E. K. Willard.

Q. After the 23d, were all the transactions you had for account of E. K. Willard, and by orders of Smith, Gould & Martin?—A. The only instructions I had were from E. K. Willard.

Q. Was not the gold you had on hand delivered to parties who had received it from Smith, Gould & Martin, or their brokers, for their account?—A. All the gold I delivered was on actual sales of my own.

Q. From whom did the parties to whom you delivered have to receive their gold?—A. They had to receive it from me.

Q. For whose account?—A. For account of E. K. Willard.

Q. Were you not instructed to pair off for this gold, as the term is, with parties who had gold coming to them from Smith, Gould & Martin?—A. Willard instructed me to pair off with several houses through which it seemed gold was coming round to him.

Q. Please explain to the committee what you mean by pairing off.—A. For instance, I may sell to a party who sells to another, and the other sells to me. We do not actually pass any gold; we just circulate due bills round.

Q. Suppose you wanted to have the gold market affected, is that a process by which it is accomplished?—A. Yes; that would be what is called "washing." This was not a "wash."

Q. Explain the term "washing."—A. A man comes and buys fifty thousand of me and gives me an order to sell fifty thousand; if I should happen to sell, that would be a "wash;" but that is too low a transaction for parties often to engage in. These transactions were not of that description; they came in the ordinary course of business; it only happened that it passed around in that way.

Q. It happened to come out as though it had been a "wash?"—A. No; because there were two or three parties through whom it passed, showing that it was not a "wash." A "wash" is between two individuals.

Q. If there was any doubt in your mind, prior to the 24th of September, that E. K. Willard's orders to you were for account of Smith, Gould, Martin & Co., was there any doubt left in your mind after the 24th?—A. I cannot say there was; of course, however, that is merely my individual conclusion.

Q. Was your position, on the morning of the 24th of September, long of gold, for E. K. Willard, or short of it?—A. It was long.

Q. State the amount as nearly as possible.—A. It was long, between four or five millions.

Q. At the close of the 24th, how was it?—A. My books would have shown me short some three millions.

Q. Did you sell any gold on the 24th on your own account?—A. There may have been one transaction of twenty or thirty thousand.

Q. All the rest you sold for E. K. Willard?—A. There was some sold for other customers of mine, in the ordinary course of business.

Q. Have you stated to the committee all the facts within your knowledge relating in any way to the movement in gold, in September last, and the subsequent settlements?—A. All I can say is this, as regards

the movement in gold I was as ignorant as any other broker on the street, up to the time of the movement. Subsequent settlements led me to believe that there was some combination or other in gold; precisely what, I could never find out.

Q. Try to recall, if you can, what transpired that Sunday evening, or Sunday night, at the Gold Exchange Bank. What was the drift of the investigations into accounts that took place there?—A. I really cannot tell you anything at all about that; I did not really know anything about what transpired; it was all trying to fix up matters of the bank.

Q. Were all the accounts examined indiscriminately, or did they single out accounts?—A. I think they singled out some of the accounts that they considered as bad.

Q. Do you remember which accounts were specially singled out?—A. I remember those of C. C. Parks, T. B. Grinnell, P. H. Williams, Dornin & Boocock. There is a printed statement somewhere in existence of the accounts thrown out at that time, from which you could get a more full idea than I could give from memory.

Q. You did not understand that that meeting was for the purpose of helping the bank out of its difficulties?—A. There was some proposition for Smith, Gould, Martin & Co. to assist the bank in helping it to get through its clearing. There was nothing, however, which transpired in reference to it; but that was the drift of the conversation.

Q. Was not all of the investigation that took place there for the purpose of ascertaining whether it would be possible to protect the brokers of Smith, Gould, Martin & Co., Heath & Co., and E. K. Willard, &c.?—A. I really think not; I think that matter was not considered there.

Q. Were not several plans proposed and rejected because, in each instance, they involved assuming the transactions of Speyers, Dornin & Boocock, and others?—A. Not to my knowledge.

Q. Was it not finally decided to abandon the settlements of that sort and to prevent the money which Smith, Gould, Martin & Co. had in the bank from being drawn out by them, by having the bank enjoined and a receiver appointed?—A. Not to my knowledge; if there was such a thing I did not know it.

Q. When did you consult Mr. Lane, in regard to your injunction against the bank?—A. The day I received my check from the bank, and a day or two after the meeting.

Q. Did you meet him by accident?—A. Yes, sir.

Q. How much did you pay him?—A. That is a matter about which I could not give you any correct information from memory. I could find out exactly by reference to my books.

Q. How and when did you pay him?—A. That I cannot remember.

Q. If you do not now remember, please send to the committee, from New York, a copy of the check which you gave Mr. Lane, and any correspondence you had with him in regard to this matter.—A. I will do so.

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WASHINGTON, D. C., *January 21, 1870.*

JOHN P. BIGELOW sworn and examined.

By the CHAIRMAN:

Question. State your place of residence, and the position you hold under the government of the United States.—Answer. I live in Wash-



ington; I am chief of the loan branch, in the office of the Secretary of the Treasury.

Q. What duties, if any, are you accustomed to perform in regard to the national banks?—A. None in particular. I have been sent off, by the Secretary, in two or three cases, for examination.

Q. During the month of September, 1869, were you sent by the Secretary for examination into any national bank?—A. Yes, sir; into the affairs of the Tenth National Bank of New York.

Q. State what were your instructions.—A. They were as follows:

“TREASURY DEPARTMENT,  
“OFFICE OF THE COMPTROLLER OF THE TREASURY,  
“Washington, September 23, 1869.

“Albert Wyman, John P. Bigelow, and John W. Magruder, are hereby appointed and authorized to examine the Tenth National Bank in the city of New York, with power to make a thorough investigation of its affairs, and to examine any of the officers or agents thereof, under oath, as provided in section fifty-four of the national currency act.

“Witness my hand and official seal this 22d day of September, 1869.

“H. R. HURLBURD, *Comptroller.*

“Countersigned and approved.

“GEO. S. BOUTWELL,  
“*Secretary of the Treasury.*”

Q. State what you did in pursuance of that order.—A. We reached New York on the morning of the 24th of September, at seven o'clock. We took possession of the bank at half-past eight o'clock, the same morning, before any business had been transacted, and before any of their safes or vaults had been opened.

Q. Who was in charge at the time you took possession?—A. Some of the clerks of the bank; no officer of the bank was there.

Q. State what you did, what you found, and the result of the investigation.—A. I think that the general remarks in our report, a copy of which I have here, will cover the substance of my examination; and I submit this as an answer to that question.

Q. State what relation you found, from the examination you gave the bank, it sustained to the brokers, and what was the condition of brokers' accounts in that bank?—A. Most of the brokers had very light deposits there. It appeared to us that two or three firms of brokers were, in fact, running the bank.

Q. Name the brokers.—A. Smith, Gould, Martin & Co., Stout & Dickinson, Seligmund, and William Heath & Co.

Q. Did it appear to you that their transactions were too large for the amount of their deposits?—A. Yes, sir.

Q. How did they compare?—A. That we could not tell. The firm of Smith, Gould, Martin & Co. had certified over seven millions in one day. How their deposits were made for these certified checks we could not tell. There were no dates showing the time of day they were made.

Q. The books of the bank were not in such a condition as to enable you to say whether this seven millions was properly secured or not?—A. I have here a statement of the securities which they held for a temporary loan. It was these securities which made the clearing-house good and helped them out.

Q. State how you divided your duties and what each separate man did in the examination of the bank.—A. Mr. Magruder principally ex-

amined the certified checks and brokers' accounts, also the country balances. Mr. Wyman and myself took the account of funds on hand, examined the securities on which they had made temporary loans, and made memoranda of these. We also examined the accounts of deposits of country banks.

Q. You found that the bank had out, as shown by the books at the moment of your arrival, the amount of seven and a half millions. What did you find as to the actual deposits of the bank at that time?—A. We found eighteen and a half millions of certified checks of other banks, which they had received that day or the day previous. In other words, they owed this Tenth National Bank, through the clearing-house, eighteen and a half millions.

Q. What amount of deposits in the bank did you find other than the certified checks of other banks?—A. We found deposits of brokers, \$2,221,000; due from national banks, \$400,000; due from other banks and brokers, \$10,000.

Q. What were the deposits of brokers in?—A. Cash. We could not tell, of course, what their deposits in cash were. We simply found the balance of accounts due.

Q. How long did you three gentlemen continue your examination?—A. We stopped on the morning of the 25th, at 10 o'clock.

Q. Why did you stop?—A. Mr. Callender appeared with an order of the Comptroller of the Currency to suspend the examination.

Q. Did the order suspend the examination absolutely or turn it over to Mr. Callender?—A. It turned it over to Mr. Callender, who went on and finished the examination. We received on the morning of the 25th a dispatch "to examine the National Currency Bank. Examine any bank that you think needs it. Probably you had better remain until Monday night." On the morning of the 26th we received another dispatch from Washington, as follows: "Examine no more banks; committee may return. By direction of the Secretary." I think there was a letter also, which came to Mr. Magruder the morning of the 26th, asking us to suspend examination.

Q. When you were ordered to stop examination had you completed what you intended to do?—A. No, sir.

Q. What further had you to do?—A. We expected to stay there until Monday night, and until they had got through with this panic excitement, and then to make a thorough overhauling of their books. They were working night and day, and wanted to keep the bank running. We were interrupted a great deal in the examination by their being obliged continually to refer to the books. This day of the panic there was run upon the bank, and it was impossible to do business.

Q. State whether you have any knowledge in what way Mr. Callender assisted the bank to settle its balances?—A. By borrowing money on securities which they had left for call loans or temporary loans.

Q. From your knowledge of the duties of a bank examiner was that a usual or an unusual course?—A. Unusual, I think.

Q. Did you see Mr. Callender that day?—A. I saw him in the afternoon of the 25th.

Q. Did Mr. Callender assist the bank in the manner which you have suggested in your report at the request of the officers of the bank or on his own motion?—A. I could not say as to that.

Q. How do you know that Mr. Callender assisted the bank in settling its balances?—A. I saw him go out several times and return bringing money and delivering it to the officers of the bank.

The following is the examiner's report referred to in the above testimony:

Number of Bank 307.—*Examiner's report of the condition of the Tenth National Bank, located at New York City, in the county and State of New York, at 8½ o'clock a. m., September 24, 1869. J. B. Dickinson, President; J. H. Stout, Cashier.*

No.		Amount.
<b>RESOURCES.</b>		
1	Notes and bills discounted	\$1,833,682 86
2	Overdrafts	69,160 85
3	United States bonds to secure circulation	1,036,000 00
4	United States bonds to secure deposits	
5	United States bonds and securities on hand	
6	Other stocks, bonds, and mortgages	
7	Due from approved associations in New York	
8	Due from other national banks	83,258 19
9	Due from other banks and bankers	687 05
10	Banking house	
11	Other real estate	
12	Furniture and fixtures	10,000 00
13	Expense account, including taxes	20,092 02
14	Premiums	174,124 83
15	Suspense account	50,906 13
16	Cash items	20,544 70
17	Exchanges for clearing-house	18,543,810 62
18	Stamps	
19	Bills of other national banks	10,652 00
20	Bills of State banks	
21	Fractional currency	7,449 33
22	Specie, viz: <ul style="list-style-type: none"> <li>Coin</li> <li>Gold treasury notes</li> <li>Gold checks on other banks</li> </ul>	<ul style="list-style-type: none"> <li>1,909 45</li> <li>226,800 00</li> <li>29,335 70</li> </ul>
23	Legal tender notes	256,890 00
24	Clearing-house certificates	410,000 00
25	Three per cent. certificates	
26	Cash short	
	<b>Total</b>	<b>22,785,303 73</b>
<b>LIABILITIES.</b>		
1	Capital stock paid in	1,000,000 00
2	Surplus fund	43,000 00
3	Discount	14,510 04
4	Exchange	46 42
5	Interest	55,275 54
6	Premiums	
7	Profit and loss	182,416 65
8	Circulation received from Comptroller <ul style="list-style-type: none"> <li>Less amount on hand \$1,800</li> <li>Amount returned for burning 3,000</li> </ul>	<ul style="list-style-type: none"> <li>\$915,000</li> <li>4,800</li> </ul>
9	Amount outstanding	910,200 00
10	State bank circulation outstanding	
11	Individual deposits, viz: <ul style="list-style-type: none"> <li>Subject to check</li> <li>Demand certificates</li> <li>Time certificates</li> </ul>	<ul style="list-style-type: none"> <li>334,113 32</li> <li>14,610 00</li> </ul>
12	Certified checks	17,582,166 18
13	Cashier's checks outstanding	
14	United States deposits	
15	Deposits of United States disbursing officers	
16	Brokers' deposits	2,221,423 82
17	Due to national banks	416,370 84
18	Due to other banks and bankers	10,409 92
19	Notes and bills rediscounted	
20	Bills payable	
21	Unpaid dividends	761 00
22	Cash over	
	<b>Total</b>	<b>22,785,303 73</b>

Records and other books: Found correct—not very neatly kept.

President, cashier, directors, and stockholders: Examining the bank for a special purpose, it was not deemed necessary to inquire into the character of the owners and managers of the bank particularly, the more so as they are probably well known to the Comptroller of the Currency.

Office: Well situated, but small and inconvenient for a bank doing so large a business as this.

Safe: Two fire and burglar proof safes, large size, Herring's make. No vault.

DIVIDENDS AND SURPLUS. (SECTION 33.)

Date of last dividend, July 1, 1869. Amount, \$42,105 26. Carried to surplus, \$3,000.

CLASSIFICATION OF LOANS AND DISCOUNTS.

Commercial or business paper	}	
Bona fide bills of exchange		
Accommodation paper		
Bad debts, (as defined by section 33)		\$646,089 59
Past due paper, (exclusive of bad debts)		
Unsecured loans		
Loans secured by real estate		
Loans payable on demand		1,187,593 27
Indebtedness of directors as principals		
Indebtedness of directors as indorsers		
Loans exceeding the limit prescribed by section 29, viz: None.		

GENERAL REMARKS.

The Tenth National Bank is essentially a "brokers' bank," as is evident from the accompanying statement of its liabilities and assets, and consequently its prosperity depends in a great measure on that of Wall Street speculators; every convulsion in the street being felt by the bank to a degree which, in times of panic, renders the preservation of its credit a matter of some difficulty. This was clearly seen during the examination.

The breaking down of the gold market on the 24th instant affected the credit of brokers who had large dealings with the bank, and depositors supposing the association involved with those brokers checked out their funds so rapidly that a forced suspension of payments seemed imminent.

On the morning of the 25th inst. the bank was debtor to the clearing-house \$723,000, the payment of which was only effected late in the day by the greatest exertion on the part of the regular examiner of the New York City banks, who, after the officers of the bank had failed in doing so, succeeded in borrowing a sufficient amount of money on part of the collaterals held for the demand loans to pay the balance due the clearing-house, and with the funds on hand meet the demand of depositors, who, as stated above, were drawing out their funds as rapidly as possible.

These facts are merely mentioned to show that the Tenth National Bank is used to facilitate the speculations in stocks and gold carried on in Wall Street; and that its operations are not, as they should be, confined to legitimate business.

Checks of brokers are certified, in many cases, *apparently* without any bona fide deposits having been made as the basis of such certifications, though of this there was no positive proof, as the business of the day before (23d) was written up before we entered the bank, and, of course, no illegal certifications were made while we were there looking on. Among the exchanges to be sent to the clearing-house on the morning we commenced the examination, there were, however, some uncertified checks on other banks, which had been credited to depositors the day before and their checks on such deposits certified as good.

There was no evidence that the bank was engaged in actually locking up money; but that it greatly aided those who were, by that or other means, daily raising the price of gold is proved by the amount of certifications, which were as follows:

September 23, \$18,727,000, the bank being debtor to the clearing-house on the next day, \$162,000.

September 24, \$14,500,000, the bank being debtor on the next day \$723,000, a large proportion of the checks certified being those of the principal operators for a rise in gold.

On the 25th, when the operations in gold were very light, the certifications were merely nominal, and the bank was credited at the clearing-house on the following business day, (Monday, 27th,) \$518,000.

The collaterals held for the loans payable on demand are not of the best class, and many of them do not seem to have any market value, though the cashier claims that the margin at which they are held makes the loans secure beyond a doubt.

Respectfully submitted.

A. W. WYMAN,  
JNO. P. BIGELOW,  
J. W. MAGRUDER,  
*Examiners.*

TO THE COMPTROLLER OF THE CURRENCY, *Washington, D. C.*

No. 68.—Tenth National Bank.—Settling clerk's statement, September 24, 1869.

No.	Banks.	Debit.
1	Bank of New York, National Banking Association	\$2,175,729 17
2	Mauhattan Company	101,435 24
3	Merchants' National Bank	33,853 21
4	Mechanics' National Bank	532,977 64
5	Union National Bank	1,936,320 82
6	Bank of America	86,982 64
7	Phenix National Bank	1,014,434 13
8	National City Bank	216,287 04
10	Tradesmen's National Bank	1,316 34
11	Fulton National Bank	169 05
12	Chemical National Bank	1,796 26
13	Merchants' Exchange National Bank	829 13
14	Gallatin National Bank	48,625 00
15	National Butchers' and Drovers' Bank	1,326 89
16	Mechanics' and Traders' National Bank	146 00
18	Leather Manufacturers' National Bank	260,941 24
19	Seventh Ward National Bank	675 80
20	National Bank of the State of New York	681,159 03
21	American Exchange National Bank	469,065 59
23	National Bank of Commerce	264,009 46
25	National Broadway Bank	1,300 00
26	Ocean National Bank	1,428 16
27	Mercantile National Bank	6,441 87
29	National Bank of the Republic	163,106 61
30	Chatham National Bank	923 40
31	People's Bank	1,393 60
32	National Bank of North America	213,436 82
33	Hanover National Bank	98,417 64
35	Metropolitan National Bank	310,326 25
36	National Citizens' Bank	2,119 09
40	Nassau Bank	53,181 47
42	Market National Bank	8,911 69
43	St. Nicholas National Bank	86,179 39
44	National Shoe and Leather Bank	458,829 32
45	Corn Exchange Bank	630,217 29
47	Continental National Bank	968,746 64
48	National Bank of the Commonwealth	3,743,898 13
50	Marine National Bank	31,915 86
52	Atlantic National Bank	14,300 00
53	Importers and Traders' National Bank	10,391 75
54	National Park Bank	56,980 90
56	National Mechanics' Banking Association	913,253 87
57	Grocers' National Bank	85 04
58	North River Bank	2,150 22
61	Fourth National Bank	2,237,770 54
62	Central National Bank	3,913 08
64	Ninth National Bank	8,499 01
65	First National Bank	208 98
66	Third National Bank	336,072 42
67	New York National Exchange Bank	69 00
69	New York Gold Exchange Bank	321,092 87
	Total	18,543,810 32

## BROKERS' BALANCES.

Stout & Dickinson	\$87,025 22
Gold	
Lockwood & Davenport	66,363 04
Gold	32,412 18
— Meyer	14,253 82
Gold	19,348 31
Frank & Bros	23,085 55
Gold	2,284 00
J. & W. Seligman	96,964 97
Smith, Gould, Martin & Co	249,738 55
R. Hatch & Co	25,000 00
Wm. Heath & Co	
— Kimball	130,796 11
H. L. Horton	28,705 61
Edward Livermore	43,540 46
A. W. Sheppard	52,732 25
B. & D. Chapin	38,678 66
Kidd, Pierce & Co	370,398 91
Soutter & Co	2,967 93

Edward Tausig .....	\$18,895 91
— Benedict .....	82,793 49
E. Dzondi .....	20,657 77
R. W. Martin, jr., & Co .....	110,508 05
Gold .....	14,023 95
Edward F. Rook .....	21,649 44
Reed, Leo & Content .....	26,614 21
Hoyt & Garduer .....	7,639 82
— Quiman .....	49,795 31
J. N. Ewell .....	13,074 85
W. G. Wiley .....	30,994 88
Fitch & Bowen .....	4,653 37
Martin, Maas & Co. ....	31,953 77
Lavenburg & Bro. ....	23,218 84
— Wirth .....	8,961 93
Ginter, Colquit & Co. ....	1,355 89
L. G. Florance .....	11,805 78
— Markham .....	27,962 28
George W. McLean .....	15,255 82
J. T. Rollins .....	5,476 36
Jno. A. Riston .....	12,573 60
Speyers & M—— .....	26,600 49
Snydam & Vincent .....	11,149 86
B. F. Kendall .....	73,424 62
S—— & Nason .....	1,773 79
—, Westervelt & Co. ....	3,341 92
Whitaker & E—— .....	11,426 90
Bolles & Co. ....	14,303 02
Keep & Co. ....	15,880 82
— Mitchell .....	20,733 18
— Mills .....	5,047 39
Wm. P. Ellery .....	18,734 04
— Ward .....	1,454 38
P—— & Brewster .....	1,412 59
National Stock Exchange .....	7,989 23
— Nordlinger .....	5,439 29
— Eising .....	9,934 73
— Jackson .....	4,525 51
— Nathan .....	417 17
— Hanaburg .....	70 48
— Friedman .....	170 79
E. J. Hanks .....	1,656 52
— Fearing .....	321 47
E. C. Stedman .....	958 67
P. Burras .....	948 17
E. H. Smith .....	22 17
— Walters .....	588 00
C. N. B. Wetzlar .....	140 00
N. H. Messenger .....	831 08
Robert Waller .....	168 42
— Sargent .....	151 67
B. F. Munroe .....	826 41
E. Lambert & Co. ....	625 08
S. B. Hard .....	253 22
L. Joseph .....	12 94
M. Frank & Co .....	796 28
Albert Aub .....	7 06
— White .....	759 02
G. Frank .....	1,029 69
C. F. Pfeiffer .....	238 76
— Hall .....	1,257 13
— Joslyn .....	19 12
— Livingston .....	27 00
S. A. Joseph .....	617 96
— Cohen .....	349 29
— Stebbins .....	381 48
— Yelverton .....	3,316 72
Shepard & Co. ....	141 05
A. G. P. Speyers .....	328 04
Wetter & J—— .....	4,073 30

Stokes & S.....	\$19,922 70
— Nichols.....	53,108 03
Hall & G.....	9,232 71
Sundry accounts.....	1,881 37
— Bukman.....	5 00
Bacon Bros. & Starr.....	1 00
— Ashley.....	1,000 00
— Quinan (gold).....	100,000 00
	<hr/>
	2,261,649 93
	40,926 11
	<hr/>
	2,220,723 82
	<hr/>
General ledger.....	\$2,221,423 82
Brokers' ledger.....	2,220,723 82
	<hr/>
	*700 00
	<hr/>

\* See account of Kimball & Co., ledger 2, p. 1189.

WASHINGTON, D. C., *January 21, 1870.*

RICHARD SCHELL sworn and examined.

By the CHAIRMAN:

Question. State your occupation and place of business.—Answer. I am a broker, at No. 50 Wall street, New York City—at least I am called a broker. My business is rather that of a speculator.

Q. Were you engaged in business as a broker during the month of September?—A. I was speculating.

Q. Were you engaged in dealing in gold during that month?—A. No, sir.

Q. Are you accustomed to dealing in gold?—A. Very seldom.

Q. Were you familiar with the movement in gold during the month of September?—A. Nothing more than to hear the general news of the street.

Q. Are you familiar with the effect of that movement on the general business of New York?—A. I am.

Q. State to the committee from your knowledge of business in New York what was the general effect on the business of the country of that movement in gold.—A. It checked the whole business of the country.

Q. For how long a time?—A. Fully ten days, and afterward it had a bad effect in depreciating the value of stock.

Q. Has that bad effect ceased at this time, or do you still think it is influencing business?—A. We are still feeling the effects of it.

Q. In what way did it affect business injuriously?—A. By breaking up firms and breaking up confidence.

Q. Did it result in a large loss to persons engaged in legitimate business?—A. It did on Wall street to speculators and brokers.

Q. Did it affect injuriously merchants and others generally?—A. I should think it did.

Q. What do you understand to be the cause of this extraordinary rise in gold? Was it the legitimate result of proper and legitimate business, or was it brought about by artificial means?—A. By artificial means solely; by speculative movements. It was done for the purpose of making a corner, as is generally believed, on the street, and as appears on the face of it.

Q. State from your knowledge of business if it is clear to you that it was an artificial thing produced on purpose by somebody for the purpose of affecting the price of gold.—A. There is no doubt about it.

Q. From your extensive acquaintance with public men, state whether you know any officer of the government of the United States being directly or indirectly concerned in this gold movement?—A. I do not know of any officer being concerned directly or indirectly.

Q. Are you personally acquainted with the leading officers of the United States in New York?—A. Yes, sir.

Q. Would you be likely to have known if they had been thus engaged?—A. I think I would.

By Mr. SMITH:

Q. State whether in your opinion there is any way to prevent such combinations to bring about such results?—A. I have an impression that if the clearing-house in gold were broken up entirely, and business allowed to go back to its proper course on the street, it would check these large operations in gold.

Q. Are you familiar with the operations of the Gold Exchange Bank?—A. No, sir; not much.

Q. Are you familiar with its history, when it originated, &c.?—A. No, sir.

Q. State to the committee whether in your judgment the Gold Exchange Bank is necessary to the legitimate business of transactions in gold?—A. I should think it was not.

Q. Do you transact your business through it?—A. I sometimes do a little business in gold through the brokers, and I presume they carry on their transactions through the clearing-house.

Q. State, from your knowledge of the business in New York, whether, in your judgment, the Gold Exchange Bank, in its clearing-department, gives facilities to these men to get up such a corner, and whether they could have done it so easily if there had been no Gold Exchange Bank?—A. I do not think they could have done it at all if there had been no clearing department.

Q. State to the committee your reasons for that opinion.—A. For instance, I am a broker, and buy and sell gold. The transactions are settled through the clearing-house, and through that medium I can probably buy a million of gold on five or twenty thousand dollars capital. A settlement of all the transactions of the day is made up, and the differences, often amounting to very little, are then settled. Let me say that one of the best judges in regard to this matter in New York is William B. Duncan.

By Mr. JONES:

Q. You state that this gold bank was produced in the interest of a certain class of persons; who were prominent in that class?—A. I do not know of my own knowledge. I can tell you what rumors are on the street.

Q. Who have you reason to believe were most prominent?—A. I have no reason to believe anything except from rumor.

By the CHAIRMAN:

Q. How was the gold business, in New York, transacted during the period in which this Gold Exchange Bank remained suspended after the panic?—A. I do not know.

Q. Do you know whether there was any difficulty in transacting busi-



ness in consequence of that suspension?—A. No, sir; I think there was not.

By Mr. JONES :

Q. Were the prices of stock affected in proportion to the rise and fall of gold?—A. Yes, sir; the panic in gold caused a terrific panic in stocks.

Q. Why was that?—A. It weakened a good many firms who were speculators in gold and stocks, and they were obliged to force their stocks on the market to make up their differences.

Q. State whether this movement in gold had any effect upon the volume of currency available for active business purposes?—A. It took a great deal of money from active business purposes to carry this gold. They came into the market as bidders for currency at high rates.

By the CHAIRMAN :

Q. Did they pay higher rates for money than were paid by persons in legitimate business?—A. Oh, yes.

Q. And to that extent kept it away from the legitimate channels of business.—A. Yes.

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WASHINGTON, *January 22, 1870.*

JAY GOULD sworn and examined.

By the CHAIRMAN :

Question. State your residence and place of business.—Answer. New York; my business is railroading and steamboating.

Q. State whether you are engaged in any other business?—A. I am not engaged in any other business. I have a house in Wall street, but I do not do business there. I am a member of Smith, Gould, Martin & Co.

Q. In order to get the truth out, I have drawn up a list of questions leading in the direction in which I desire to get testimony. Were you familiar with the doings in and the price of gold during the month of September last?—A. Yes, sir; I have been familiar with the price of gold for the last two years.

Q. I believe you stated, before the grand jury in New York, that Messrs. Woodward and Kimber and Corbin were associated with you, in September last, in advancing the price of gold?—A. I do not understand that they were associated with me. Mr. Kimber sold exchange for one foreign house, the house of Stern Brothers, and he would buy gold when he thought it was cheap, with a view of selling exchange against it in the future. So far as he was ever connected with me it was merely his entertaining the same general views as I did as to the future course of the commodity. At that time he had no gold with me, that was in the pool, so to speak. Mr. Woodward had some gold. Whether he sold it prior to the last movement or not, I do not know. I never exchanged a word with him on the subject. We bought gold together, and each would take his own gold and pay for it. The reason we bought it together was that if two or three parties were in the market buying gold at the same time they would bid it up; but if only one party bid for the whole, he would buy cheap. This was the reason why we bought it together and divided it pro rata.

Q. Was the suggestion for this movement first made by Mr. Woodward to you?—A. No, sir; I never had any conversation with him about any movement in gold.

Q. When did you first begin to buy gold largely?—A. I bought gold along in the spring. Business got very dull after the inauguration. Gold went down to about thirty and stopped the movement of produce. Our business in consequence fell off very much. I went in and put gold up. The bears sold gold down on the inauguration of President Grant and the appointment of Mr. Stewart as Secretary of the Treasury. I took it at their price and put it up four or five per cent., which started up business a little, and I sold my gold out. I sold it about April or May. Other parties took hold of it and carried gold up to about 42 or 43. That was shortly after Mr. Boutwell was appointed. He went in and threw a large amount on the market, taking in greenbacks for it and making money very stringent. That stopped business the second time, and it got so that we were not doing anything. Then I went in a second time. That must have been in July or August. I went in with a view of putting gold up. At that time the fact was established that we had an immense harvest, and that there was going to be a large surplus of breadstuffs, either to rot or to be exported. I had a careful examination made, and I found that with gold at 40 or 45, Americans would supply the English market with breadstuffs; but that it would require gold to be at that price to equalize our high-priced labor and our rail transportation with the low-priced labor and the water transportation from the Mediterranean. With gold below 40 we could not export, but with gold above 45 we would get the trade.

Q. How did you make that calculation?—A. Much of my information I got from a gentleman very conversant with that business, who had originally introduced American produce in England—Mr. James McHenry—and who had spent almost his whole life in studying it in competition with the Greek and Mediterranean produce. I got my figures from him. I got him to give me about the basis upon which we would get the trade. We figured it at about 40 to 45. That we considered the true commercial price of gold. That was a price which would give American produce a market abroad.

Q. How will the rise in gold give American produce the foreign market?—A. The farmers West are pretty rich, and they sell very reluctantly unless they get a profit upon their products. Labor and rail transportation are high, and rather than do business at a loss they will let their produce lie; but as the price of gold goes up the price of wheat goes up. Last spring, when the Secretary sold gold, we had in one day orders stopped for 400 cars that were ordered to ship grain. The sale of gold fell like a pall upon the country, just as this last movement has fallen. Every railroad man knows that the whole movement from the West now is stopped. Gold went down in July to about 31 or 32, and my idea was to put gold up to about 40 or 45, not higher.

Q. When did the September movement begin, so far as you were concerned?—A. My only rule in buying was to buy when gold declined below a certain price, and to sell when it rose above a certain price.

Q. When did you begin to buy largely?—A. I bought in the fore part of September and in the last of August.

Q. To whom did you give orders to buy?—A. I do not recollect; to different brokers. I gave no personal orders. I gave the orders through my house, but they were distributed. I think the most of my business was done through Chapin and Willard.

Q. Were Chapin and Willard in company?—A. No. But the brokers there are a lot of speculators, and when a man goes into the market who they think has some power, they watch him, and if he gives them an order to buy a hundred thousand dollars, they will first buy three or

four hundred thousand dollars on their own account; so, in order to conceal the movement, we would sometimes give an order to sell while we were really buying.

Q. To whom else, besides Chapin and Willard, did you give orders to buy?—A. It appears to me that a Mr. Enos had some orders; I do not know his given name.

Q. Any one else?—A. I do not recollect any other.

Q. To whom else, so far as you recollect, did your firm give orders?—

A. I do not recollect any other.

Q. Did you, when Smith, Gould, Martin & Co., and other firms were buying gold for you, also sell gold occasionally?—A. Yes; I was selling all the time.

Q. That is, after buying a large amount you generally sold?—A. I commenced selling at thirty-five and sold all the time.

Q. Would you say that generally through the latter part of August and the first three weeks of September you and your firm, or your brokers for you, bought almost every day more gold than you sold during those three weeks of September?—A. I guess they sold more than they bought.

Q. Take the five weeks ending the 23d of September, and how was it?—A. I do not believe there was a difference of over a million between the purchases and sales for the whole period.

Q. Did you have a general knowledge of those operations yourself?—A. Yes, sir; I had a general knowledge of them.

Q. Was a daily statement prepared in the office of your firm, showing the amounts of gold purchased by the different brokers, the amounts sold, and the amounts loaned, and the persons to whom loaned?—A. No; I carried the whole thing in my head, what I knew about it.

Q. Did you keep no books of those transactions, nor have any kept?—A. No, sir; I never kept a book in my life.

Q. Were no statements prepared for you from time to time, and the results of those purchases and sales and loans communicated to you?—A. No, sir; I do not recollect any.

Q. How did you know when the brokers made transactions for you what the amounts were?—A. For instance, one broker sold a million and another bought \$900,000, there was \$100,000 left to begin with the next day.

Q. You simply took a note of the difference?—A. That was all. If you undertook to write up such a thing as that in a book, it would take a very large book. A good many of those transactions are merely paired off.

Q. Explain what you mean by pairing off?—A. To illustrate it, gold, we will say, is at 40½. A broker goes in and buys half a million at 40½. In the course of the day it will get up to a quarter, and he will sell half of it at that price, and one-half at the same price he got it at. He will go to the broker to whom he sold at 40½ and say, "I bought this morning for A, \$250,000 at 40½, I will pair off with you." That settles the transaction without going through the clearing-house.

Q. That would merely show on the books without being a real transaction?—A. Certainly.

Q. What was the largest amount that you and your firm, and those associated with you, held or controlled about the middle of September or at any time in September?—A. I cannot say. It would have been some millions.

Q. Was it not about fifty-six millions on the 22d of September?—A. No, sir.

Q. How near that?—A. It was some millions, but much less than that.

Q. How much less should you suppose?—A. I should think that half of that would be a large figure.

Q. But did you not know how much you owned and controlled?—A. Not from memory. I have had large transactions since, and they have passed out of my mind.

Q. And have you no memorandum to show it?—A. No, sir; not a particle?

Q. How much gold and gold certificates do you estimate that there was in all New York, outside of the treasury, on the 22d of September?—A. I think there were about sixteen or eighteen millions. I think there were about eighteen millions of certificates outstanding, and there were about two or three millions of that scattered in Boston and Baltimore and Philadelphia, used in the ordinary course of transactions there, which were issued from the New York sub-treasury. Then there was more or less gold that was in vaults and which would have come out. Belmont had a lot of doubloons, and some other houses had a lot of doubloons, which they would have converted into certificates if gold had become scarce, but gold was not scarce at any time.

Q. Taking the gold certificates and the gold altogether, not counting the sub-treasury, how much do you think was in New York at that time?—A. I should say there were about fourteen millions of gold certificates, and I think that there were about three or four millions of gold.

Q. You would say, then, that there were not more than twenty millions of gold certificates and gold together?—A. Not over that. Some of the Montreal banks send gold down to New York. They are large speculators. They throw gold on the market there and convert it into certificates.

Q. At the close of business on the 22d of September you held or controlled more gold than there was in the city, outside of the sub-treasury?—A. Yes sir, I think I did.

Q. When you bought five or ten or eleven millions of gold, did you have money enough to pay for so large an amount of gold?—A. No, sir.

Q. How did you pay for it?—A. The foreign banking-houses and a good many private gentlemen were heavily short of gold. That is, they had sold gold, expecting to buy it in at a decline. They had over sold the market. They took this gold and carried it. It took no money to carry it: For instance, your friend on the left is short a million of gold and you are my broker. I tell you to go and buy a million of gold. You go and buy it, and I tell you to loan that out. You go to that gentleman who is short, and he borrows it from you and pays you the market price of it. It takes no money. It takes merely credit to carry it. But if you make a corner in gold, if you make gold scarce, then it takes money, because you have to take the gold out of the market. Then it becomes like buying a hundred cargoes of grain; you have to pay for it.

Q. Then I understand that as soon as you bought gold you loaned it to parties who would give currency for it?—A. Yes, sir.

Q. Did not your brokers lend the whole of the gold bought for you as soon as it was bought?—A. All that we could was loaned out. I gave orders to make gold as plenty as they could.

Q. To whom was it loaned?—A. To the bears, to the foreign banking-houses, and to some large operators.

Q. Was it loaned to the shorts?—A. Yes, sir.

Q. What do people generally borrow gold for as a business transaction now carried on in New York?—A. Because they are short of it.

Q. That is, they borrow it to meet the engagements that they have already made?—A. Certainly. They borrow it to offset speculative sales.

Q. They borrow it because they have sold what they did not have?—A. That is it. That is what produces all the great fluctuations in the market.

Q. If there were only twenty millions of gold in New York, and if you bought about thirty, was it not evident that you had bought at least ten millions which others had sold that they did not have?—A. Yes, sir.

Q. Now, when the daily statement was prepared in your office, or in the office of your brokers, or whatever statement may have been made to you showing the amount of gold controlled by you or your firm, or by the brokers for you, and showing the amounts loaned and parties to whom loaned, could you learn from that statement who was short of gold; was there any chance to learn that from it?—A. Oh, yes; that would show.

Q. If you knew who had sold gold who did not have it, and if you had bought the gold so sold, and had bought besides all the gold that there was in the city, would not the parties who sold this gold to you be obliged to buy from you, if they were obliged to buy at all; was not that the situation?—A. No, sir; they would keep short of gold and import it.

Q. If they were obliged to buy it immediately they would be compelled to buy from you?—A. Yes, sir; or else of some other person long of gold.

Q. If they wanted to buy gold to deliver, which they had sold, must they not then have bought of you or of some one else who would sell?—A. That would not necessarily follow. They could buy of any other person who was long of gold. For instance, I might buy long twenty millions of gold, and there might be ten other men in New York twenty millions long. Suppose there were two hundred millions short, then there must be two hundred millions long, or rather there must be two hundred and twenty millions if there are twenty millions in the market. I estimated that there were two hundred millions short, and there must have been two hundred and twenty millions long of gold in New York.

Q. You say that that was your estimate at those times?—A. Yes, sir; Belden, I believe, was long about seventy millions of gold.

Q. Who else was long of gold to your knowledge?—A. Some of the banks held gold and were long of it; and then there are always lots of old fogies who keep gold to look at, and the foreign banking-houses keep it.

Q. Was it not the plan of yourself and associates, in your efforts to advance the price of gold for the purpose of facilitating the exports of the crops, to buy all the gold that there was in the city, and then to buy as much more as people who did not have the gold would sell you, and then force those who had sold what they did not have to buy back from you at whatever price you chose to fix?—A. No, sir.

Q. In what respect is that not a fair statement of the case?—A. I did not want to buy so much gold. In the spring I put up gold from 32 to 38 and 40 with only about seven millions; but all these fellows went in and sold short, so that in order to keep it up I had to buy or else to back down and show the white feather. They would sell it to you all the time. I never intended to buy more than four or five millions of gold, but these fellows kept purchasing it on, and I made up my mind that I would put it up to 40 at one time. I had no idea of cornering it. I always made it plenty.

Q. Having in view all the time the mere lightening of prices?—A. That is it. I thought to put it up so as to start business, and then quietly to sell mine off.

Q. Did you expect to hold gold to 40?—A. No. My theory was that if gold could stay at 40 or 45 until after the 1st of January, we could export about a hundred millions of produce, and that would turn the current of exchange in our favor, and gold would flow in here from Paris and London, and that would create a downward tendency in gold, and it would fall just as a ripe apple. That would have been a natural, legitimate commercial decline. I think that gold would have gone to 25 or 20, and business be prosperous all the time, because we would have turned the balance of trade in our favor and brought gold here from abroad. That was my theory.

Q. What did you intend to do with your own gold?—A. I tell you, originally I commenced selling at 35, and intended quietly to get out of it at from 37 to 40. But what put gold up so high was that these bears got frightened, and they commenced jumping over each other's shoulders for it. The worst panics ever produced are bear panics. These people know when they go to sleep that they have been selling what they have not; and when they begin to rush in to cover, that puts up the price. Gold went from 42 to 60 that day without a dollar changing hands. The bears just marked it right up themselves.

Q. What were the terms of agreement between yourself and Kimber, and Woodward, and other parties, concerning the movement in gold?—A. I never had any agreement with any one; we merely bought gold; we entertained similar views of the market; we would go in and buy a certain amount of gold and divide it. Each one would take his one-third, and each one was at liberty to do with it what he pleased.

Q. What other persons besides Kimber and Woodward were in that understanding whose views coincided with yours?—A. There were a good many. I do not know all. These were the only parties who bought gold and divided it in that way, but other people went in and bought it on their own hook.

Q. How much did you understand that Woodward and Kimber were themselves to buy? Was there not an agreement as to the amount which you would severally buy in that movement?—A. No, sir.

Q. Was nothing said about the amount?—A. No, sir.

Q. Was there no understanding at all?—A. Oh, no; on the contrary, Mr. Kimber, as I have been informed since, sold out gold at 37. He got short of it and went up.

Q. Was it not your understanding that by buying about thirty millions you would advance gold so much that the shorts would get frightened and be obliged to cover and buy back, and that you could then sell the gold you had bought?—A. No, sir; we went into it as a commercial transaction, and did not intend to buy such an amount of gold. I was forced into it by the bears selling out. They were bound to put it down. I got into the contest. All these other fellows deserted me like rats from a ship. Kimber sold out and got short.

Q. Did you lend large amounts of gold to banks and brokers who you supposed were not short of gold?—A. Yes, sir.

Q. How much do you think you loaned in that manner?—A. I think that quite a number of millions were loaned out.

Q. About seven millions?—A. More than that, I guess.

Q. How much do you think?—A. I guess there were some houses short four or five millions. I estimated the short interest in the whole city at the time at over two hundred millions.

Q. About how much do you think you loaned?—A. I must have loaned out most of it. I loaned out all I could.

Q. How much do you think?—A. I would say about fifteen millions.

Q. Did you instruct E. K. Willard and other brokers to be very particular to keep account of the number of all the gold certificates that you had loaned to banks and brokers, so that you might ascertain whether the persons to whom you loaned the gold went into the street and sold it again, and thus defeated the object which you had in view?—A. These certificates do not pass. It is done through the clearing-house.

Q. You passed no certificates at all in any of these transactions?—A. If you buy gold and I sell it, each one sends a ticket to the clearing-house, and there the transaction is passed and the balances are settled by gold checks. They keep what is called a gold account and draw a check for the balance.

Q. Did you give the instructions that I have suggested to Mr. Willard?—A. No, sir.

(Question repeated.)

A. No, sir; I do not recollect anything of the kind.

Q. You think you gave no such instructions to anybody?—A. No, sir; I think it likely that I did this; in lending out our gold, of course we wanted to lend out all we could. If we borrow money on gold, we do not want the parties from whom we borrow to use those same certificates, because if they did they would be in the market lending out gold instead of us. If you go to a house and borrow money on gold, you do not want them to go in the market and sell out gold. I think it more than likely that that may have been done, although I do not remember it to have been so. Brokers would need no instructions of that kind, because every house in New York that keeps books properly would keep a record of every certificate that passes through, and whenever you make a loan there is a loan book in which is entered the number of each certificate, and it is a penal offence to use them; there is a very stringent law on the subject, so that a thing of that kind would not be usual.

Q. I understood you to say a little while ago that some of these men broke faith; therefore I want to know whether you took precautions of that sort to prevent yourself being thus treated? I understood you to say that some of your associates, in their efforts to advance the price of gold did not adhere to the arrangement, but turned upon you?—A. I had no associates; but these parties had similar views with me, and were operating in the same line. That is a mere street rumor too.

Q. Was the whole result of the movement in accordance with your and their anticipations?—A. I did not suppose that the government was going to sell gold. So far as that was concerned, it was contrary to my anticipations.

Q. But as to gold going up?—A. I had no idea of gold going up. Probably I was the most astounded man in the street.

Q. I understand you to say, then, that the price advanced much more than you expected?—A. Certainly.

Q. Did you not find on the 21st of September, when gold advanced to 37 or 38, that you would be obliged to buy a good deal more gold than you had calculated upon, in order to advance the price as much as you expected?—A. Yes.

Q. Did not your partner (Smith) become alarmed at the readiness with which your brokers found that gold was sold to them by responsible houses, and principally by foreign bankers, and by the representatives of cotton-shippers in New York and at the South? Is that a fair

statement?—A. No, sir; they were never frightened. All they know is to obey orders. They do not know any such thing as fear.

Q. They have no right to be frightened when you give the command?—A. No, sir.

Q. Did Mr. Woodward and Mr. Kimber become alarmed?—A. I never had any conversation with them on the subject of any fear.

Q. Do you recollect any meeting that took place at the office of Mr. Woodward on the evening or afternoon of the 21st of September?

WITNESS. Meeting with whom?

The CHAIRMAN. Meeting with those gentlemen, and any others, at that office on the evening of the 21st. Were you present at that office on the evening of the 21st?—A. No, sir; not in the evening. I may have been in the afternoon. There is nothing to fix my mind upon the 21st.

Q. That is the second day before the great movement. Thursday was the 23d, Wednesday the 22d, and Tuesday the 21st.—A. I have nothing now to fix my mind on the 21st.

Q. Did not Mr. Woodward and Mr. Kimber both, or either of them, state, at a meeting there about that time, that this thing had gone far enough; that they did not intend to go any further; and that if you intended to put gold higher, they must part company with you? Was any such conversation had about those times?—A. No, sir; I remember no conversation of the sort.

Q. You recollect no meeting at which an arrangement was made that these men, Woodward and Kimber, should be allowed to withdraw and sell out their gold?—A. No, sir. They did not need my assent to that.

Q. They would need it on this account: that you were acting on a general similarity of views?—A. Kimber told me that he bought his gold to sell his exchange against it; that he was using it in that way; that he did not have it to sell. What I have said about him is a mere street rumor. I do not know it of my own knowledge. I never passed a word with him on the subject.

Q. How do you know that they went back on this general arrangement and got scared?—A. I did not say that Woodward did. I said that there was a street rumor that Kimber did; and I presume Mr. Woodward may have sold his gold. I never asked him. That is a private matter of his own. I do not wish to interfere in other people's business. I do not know but they have got the gold now.

Q. Did their action in any way disconcert your plans, and necessitate any different conduct, upon your part, from what you had expected to pursue?—A. No, sir.

Q. Had William Belden, prior to the 21st of September, bought any gold for you, or for those associated with you, in the effort of advancing the price of gold to facilitate the movements of produce?—A. No, sir. I never had any business with Belden. He never bought a dollar of gold for me in the world. I never had but one business transaction with him in the world, and that was an operation at one time in two hundred shares of stock. That is the only transaction I ever had with him that I remember. I never had a gold transaction with him in the world.

Q. Did any of your firm have anything to do with Belden during those days?—A. No, sir; except, perhaps, in dealing in the street they may have bought from or sold to his brokers.

Q. Did you see Mr. Belden during those days?—A. Yes, sir. I used to see Mr. Belden occasionally.

Q. Did you hear of any orders given by any of your firm to Mr. Belden in those days?—A. No, sir. Our firm never did any business with



Mr. Belden, except it might be in buying or selling. They had no business association with him.

Q. Were you present at a meeting at the office of William Heath & Co. on the evening of the 22d of September?—A. I was in Mr. Heath's office at some time in the afternoon, I think. I do not recollect any particular meeting there.

Q. Were not orders given on the 22d or 21st by you, or by Mr. Fisk for you, to Belden to buy large amounts of gold?—A. Mr. Fisk never gave any orders for me.

Q. Did you give any to Belden?—A. No, sir.

Q. Or order any to be given to him?—A. No, sir. I have said that I never did any business with Mr. Belden.

Q. Who was present at that meeting in Heath's office?—A. I do not recollect any meeting. I remember being in there that afternoon. It is a sort of run-in place.

Q. Do you remember seeing Mr. Belden, Mr. Fisk, Mr. Smith, Mr. Willard, and Mr. Heath there?—A. I do not recollect whether they were there or not.

Q. Was it not decided at that meeting, that the movement was to be continued by Belden & Co., and those whom he was to employ?—A. There could not have been any such decision. Why should I ask those men? They had no interest. I had all the interest there was. I was the party to decide. I did not want their opinion. I had my own opinion. I would listen to what they had to say, and very likely I did; but there was no decision. You do not suppose that I would go and tell a broker what I would do the next day.

Q. Were no orders given there at that time to any broker?—A. No; not that I remember.

Q. And there was no agreement to give any order.—A. No, sir; not that I remember. There could not be any agreement, because there was nobody to agree.

Q. You do not know whether any order was given, or agreed to be given, to Belden to purchase heavily all through Thursday, the 23d, by Smith, Gould, Martin & Co., with a view to put up the price as high as possible, so that the shorts would be compelled to settlement?—A. No, sir.

Q. There was nothing of that sort said?—A. O, no; I did not know anything about Belden's operations.

Q. Were you present in Belden's office on the morning of the 23d, the day before the break-down?—A. I do not recollect being in there that day. I may possibly have stepped in as I went along; I do not recollect it. I am quite positive now that I was not in there at all that day—quite positive.

Q. If you were there, would you probably remember if you had seen Albert Speyers there?—A. I did not know Albert Speyers. I never knew him until a person was pointed out to me, on the morning of the movement, as Speyers. I never knew him before that.

Q. Was he not introduced to you on the morning of the 23d?—A. I do not recollect. My recollection is that the first time I saw Speyers to know him was on the morning of the 24th. I remember being in Heath's office, when Belden brought a man in there, a slim man, and told Fisk that that was his broker, that he himself was very busy at the time, and that he would like to have Mr. Fisk give him some orders while he (Belden) was engaged in fixing his clearances, &c. That was on the morning of Friday, the 24th. I do not recollect that I met Speyers before that.

Q. Was Mr. J. N. Smith present at that time?—A. O, no; he did not know anything about it.

Q. Belden, Heath, Fisk, and yourself were there at the time that you speak of?—A. I do not know that Heath was there at that time. It was in a private back-room of Heath's. There was a private entrance to it. I do not think that Heath was in there.

Q. Who gave Speyers his orders at the time you referred to?—A. I was saying that Belden brought him in there and introduced him to Fisk as his broker, and told him that he had a power of attorney from him (Belden) to represent him in the gold-room, and he said to Fisk: "I am going to be very busy fixing up my clearances, &c., and would like to have you give some orders to Speyers for me while I am engaged."

Q. Did he give those orders?—A. He gave Speyers some orders. I do not know what they were. I think he gave him some orders in accordance with Belden's instructions.

Q. What were the relations between Belden and Fisk? Were they partners for any purpose?—A. Not that I know of, except that Belden relied a good deal on Mr. Fisk. They used to be in business together. I do not know anything about their relations. I did not give a single order on Friday to buy gold.

Q. Did you know that on that day, the 23d, your partner, Smith, gave Mr. Speyers his instructions in reference to loaning Belden's gold?—A. No, sir.

Q. Have you never known of that?—A. No, sir. I do not think I ever had any transaction with Speyers, or that I employed him to do a dollar of business.

Q. Do you know that on that day your broker, Willard, was, by instructions from your partner, Smith, giving instructions to other brokers about the loaning of other amounts of gold bought by Belden under orders from you and Fisk?—A. No, sir.

Q. Do you think that is not true?—A. I never gave orders to him to buy gold.

Q. I am speaking of orders given by your partner.—A. No, sir, I do not think that can have been so.

Q. On the 23d of September, after leaving Belden's office, did you and Fisk go over to Belden's office and spend a great part of the day there?—A. I do not think I was in Belden's office that day.

Q. Did you spend a good share of the day in Heath's office?—A. I was there a portion of that day. All the time that I was down town, I think I was in the back room of Heath's office.

Q. Were you present in Heath's office when Speyers reported to you and Fisk, and to Smith, that he was unable to loan Belden's gold, on account of the limits that your partner, Smith, had given him; and did Fisk, in your presence, instruct your partner, Smith, to receive and pay for a portion of that gold; and did Fisk instruct Heath to receive and pay for the balance?—A. I never heard anything of the sort.

(Question repeated.)

A. I knew nothing about Mr. Belden's or Mr. Speyers's transactions. They would not, of course, tell their business to me. They did not know how I stood in gold.

Q. Did anything like that occur in your presence?—A. I do not recollect anything of that sort.

Q. You know of nothing like it?—A. No, sir; nothing that is like it. That is one of the detail transactions that I would not inquire into or know anything about. It is a very usual thing for a broker who has gold or stocks over to go to another broker who has money over, and

say, "Here, I have got a million of gold over, and if you have got a million and a half in currency, do you carry the gold over night for me." That is a very usual transaction. Such a thing may have occurred. I would not be the party to know that. I never pay attention to these details.

Q. Were you present at a meeting which took place up town on the evening of the 23d, and at which Willard, Heath, Osborn, Fisk, Smith, and others were present?—A. If I remember, that evening I was in my office at the Opera House transacting business. There are always parties coming in and out there. These parties may have come in there.

Q. That evening, at the Opera House, was there any discussion as to the plan to be adopted by which the shorts should be compelled to settle; and if so, what?—A. As I said before, I had my own views about the market, and had my own fish to fry, and I would listen to everything that everybody said. I sat there transacting business, and very likely I listened to what was said, but it went in one ear and out of the other. I was all alone, so to speak, in what I did, and I did not let any of those people know exactly how I stood.

Q. Still you had partners in your firm, and you could scarcely be alone as to them?—A. They would not necessarily know.

Q. It depends upon whether they were real or only apparent partners.—A. There are other ways of having things done.

Q. State what was said or what occurred there that evening in regard to the settlement of these gold transactions. That certainly must have been a proper time for a council of war in a campaign like that.—A. I was transacting my railroad business, and whatever occurred there probably went in at one ear and out of the other. I got no ideas from anything that was said there. I had been selling gold from thirty-five up all the time, and I did not know until that morning (the next morning) that probably there would come an order about twelve o'clock to sell gold.

Q. Was there a proposition made that evening, in your hearing, to advertise the amounts that different parties were short of gold in the papers next morning, and invite them to buy gold at 160 or else they would be compelled to pay higher for it afterward?—A. I remember hearing parties there discussing, giving the names of houses that were short, and some one suggested that if they advertised the names and showed that they were two hundred millions short, beginning with Jay Cooke, so many millions, and that they could get the gold from 40 to 45, it would frighten them, and they would all come in and settle. I think there was some such talk as that, but I never heard any price mentioned over 45. It was never intended to carry gold over from 40 to 45.

Q. Did that plan meet with much support among those who were present?—A. No.

Q. Why was it not adopted?—A. There may have been parties there who were short of gold, being in there to hear what they could, and that conversation may have been merely to let them know that there was a very large short interest.

Q. Do you think that that was the object of the conversation?—A. If I had been engineering it, that would have been my tactics. If there were four or five men there heavily short of gold, that very conversation would make them sleep very uneasily that night, to say the least.

Q. Who took part in the conversation?—A. I do not recollect. I was transacting my regular railroad business.

Q. Did Mr. Fisk take part in it?—A. I do not know what occurred at

that time. I have a recollection of a lot of brokers getting together, and the thing was talked and laughed over.

Q. What opinion did you express on that plan?—A. I do not think that my advice was asked.

Q. Do you remember having remonstrated against the proposal, saying that the government would not stand that, that it would be sure to interfere?—A. I do not know what I may have said. I do not recollect that I was applied to. I have just a recollection of hearing such a thing. I think that if I had been applied to, my judgment would have been rather against that. My view was that gold would go to about 40 or 45, and would stay about there until we got the produce pretty well moved off, and then that it would naturally sink of its own weight. I had no idea of making any splurge. That was not my motive at all.

Q. How much gold did you, or others for you, or in connection with you, buy on the 23d, the day before the breakdown?—A. I do not recollect. My recollection about these transactions is very indistinct. The thing was over, and I banished it from my mind. I have been full of other things since.

Q. You could not quite banish such an important fact as that. What should you think the amount to be?—A. I cannot say.

Q. Fifty millions?—A. Oh, no, sir.

Q. Not more than forty?—A. I think my purchases were very light. I was a seller of gold that day. I purchased merely enough to make believe that I was a bull. For instance, through brokers who had been buying for me, I would keep buying a little if I was selling through somebody else.

Q. Speaking of this meeting of people at your office on the evening of the 23d, and the discussion of their plan to publish, in the papers, the names of the persons short of gold, and the proposition to settle at some rate between 40 and 50, was it finally settled, at that meeting, that gold should be put up to 160 next day, and that, if necessary, Belden and his brokers should be allowed to fail, and that all should be arranged so that, if the worst came to the worst, only Fisk should be held responsible for Belden's contracts?—A. Never.

Q. Was anything of that sort said in your hearing?—A. Oh, no.

Q. You heard nothing of that sort?—A. Certainly not. They did not know my business. I was attending to my railroad business, and heard just as little as I possibly could.

Q. Did you not go down to your office early on Friday, the 24th, and there, with Fisk, instruct H. K. Enos to put gold up to 150?—A. I was not in my office on Friday, if I recollect right. No, sir; I was not in my office that day. I never knew this man Enos until the thing was over.

Q. Did you, either directly or indirectly, or did any person connected with you, instruct him to put gold up to 150?—A. No, sir.

Q. What instructions were given him by you?—A. I do not recollect of giving him any. I believe that he came to me afterward. I was introduced to him, and he claimed that he had had an order to buy, and that he had bought. My judgment all the time was that, as there was a good deal of excitement, he bought this gold on his own hook, expecting to sell it out, and that it was left on his hands, and that he came to me and told me this pitiful story to get me to take it off his hands. I did not know Enos until afterward.

Q. Did you know that Enos, on an order said to have been given him by you or Fisk, or by both of you jointly, bought about \$400,000 of gold, at 150, and that that gold was received and paid for by your

firm?—A. I remember that this man Enos came to me afterward. I found that he was a broker, whom our folks had used. He came to me and told me this pitiful story, and I, out of sympathy, and believing all the time that he had really bought this gold on his own account, took it off his hands to keep him from breaking. That was the amount of it. I could not have given an order to him that day, because I had my own plans, and I did not mean that anybody should say that I had opened my mouth that day; and I did not. That was Friday, the 24th. I did not give any orders that day.

Q. Did you, on that day, after leaving your own office with Fisk, go to the office of Heath & Co.?—A. The only office I was in that day was Heath's.

Q. Did you, there, have an interview with H. M. Benedict, President of the New York Gold Exchange Bank?—A. Yes. Mr. Smith brought Mr. Benedict there.

Q. Did he then state to you his fears as to the inability of the bank to clear the enormous transactions that you were having, and that failure would result and trouble ensue?—A. I remember his having an interview with me in relation to clearing. There were some rumors about the bank, and he came to see me about it. I had a short interview with him.

Q. State the substance of that interview.—A. I think there was a rumor around that the bank had, contrary to its rules, advanced certain favored firms gold on their statements. The rumor was injuring the credit of the bank, and Mr. Benedict was brought to me. He was in a great state of excitement. After the bank had made these advances, some brokers, who had sent in their statements, failed, and the question was, whether it would not leave the bank liable for all the statements.

Q. Did Mr. Fisk, at that time, in your presence, and with your knowledge, state to Benedict, "I may as well tell you that this is settling day," or words to that effect?—A. Mr. Fisk had some conversation with Mr. Benedict. I do not know exactly what the tenor was. Mr. Benedict was afterward brought to me, and I had a conversation with him.

Q. What did you tell him in relation to that?—A. I told him that he had better go on and do his business in the usual way.

Q. Did you tell him that that was settling day?—A. No, sir; I do not recollect saying that. They were settling at that time. A great many of those persons who were short were settling at that time, privately.

Q. Did you hear nothing like that said by anybody in the room, informing Benedict that that was the day of break-down, the day of settlement, the day of winding up the corner?—A. He and Mr. Fisk had a conversation. I did not listen to it.

Q. Did Mr. Fisk, with your knowledge and consent, and in your presence, send an order for Livermore & Co. to buy a large amount of gold?—A. I did not know Livermore.

Q. Did he send an order to him?—A. Never, that I knew of, except what has come out since. I had no knowledge of it at the time. I did not know the firm.

Q. Have you any knowledge that Mr. Livermore refused to buy for Mr. Fisk, but offered to buy on account of Heath & Co.?—A. No, sir.

Q. Then you do not know whether Fisk told Mr. Livermore to buy it for account of Heath?—A. I did not know Livermore at all. I never met him in my life to know him.

Q. During that morning, did Belden bring in Mr. Speyers, and did Mr. Fisk, in your presence, tell Speyers to put gold to 150?—A. The

only conversation I remember, is the one that I told you before, (repeating it.)

By Mr. COBURN :

Q. What did Fisk say ?—A. I did not hear him say anything.

Q. Was he utterly silent ?—A. I was up in one corner of the room. What orders he gave I do not know.

Q. How did you hear Belden, and not hear Fisk ?—A. Belden introduced Speyers to him.

Q. And you listened to Belden and not to Fisk ?—A. I do not know what orders he gave.

Q. Do you say positively, that you did not hear Fisk say anything at that time ?—A. Yes, sir.

Q. But you heard Belden ?—A. Yes ; I heard Belden introduce him. I do not know that Fisk gave any order at that time.

By the CHAIRMAN :

Q. Did Fisk, subsequently, give any orders to put gold up to 155 right away ?—A. I did not pay any attention to what orders he gave. I sat in one corner of the room reading.

Q. You do not know, at a period later than the last referred to, Speyers was ordered to put gold to 160, and buy all that he could ?—A. I know it only by hearsay. I do not know it of my own knowledge.

Q. You heard no such order given in that office that day ?—A. No, sir.

Q. By hearsay, what do you refer to ?—A. It has been talked of since. I heard Speyers say so.

Q. Did you ever hear Fisk say anything about it ?—A. I heard him talk. I do not know that I have heard him say that.

Q. Have you heard him say anything about his transactions with Speyers ?—A. Oh, yes. I did not want to seem to be listening to their business.

Q. Did not Mr. Speyers, repeatedly, during that day, return to the office and report to Fisk ?—A. I saw him in the office twice, I think, after that ; once in the forenoon, and then after the thing broke.

Q. What was he doing there ; what was he saying when he came the next two times ?—A. He came in to report the price of gold.

Q. To report his purchases ?—A. No, sir ; to report the price.

Q. Did you not know the price without his telling you ?—A. We were in a private room, and knew nothing except what was told us.

Q. Did you hear Mr. Fisk say to him : " Do not report so often ?"—A. No, sir.

Q. Did you hear nothing said to Speyers about anything during those visits in the room ?—A. Nothing that strikes me at this moment, except that he came in and told the price of gold and that there was a good deal of excitement, &c.

Q. Did you know or believe that any orders were given to Speyers, during those interviews, to buy ?—A. I supposed that orders were given him.

Q. At what rate ?—A. I did not know about that.

Q. Had you anything to do with regulating that ?—A. No, sir. I suppose that the orders given were given in accordance with Mr. Belden's instructions.

Q. Was it not pre-arranged between you, Belden, Willard, and Smith, or understood between you, what was the course that you should adopt in reference to these transactions that day, in that office ?—A. No, sir.

Q. Were you mere, accidentally, individuals happening together there, without concert or arrangement?—A. Mr. Willard was my broker and came to see me.

Q. What orders did you give Mr. Willard that day?—A. I gave Mr. Willard orders to keep selling gold.

Q. Did you limit him or did you tell him to sell on the market?—A. I told him to keep selling.

Q. Did you limit him as to the amount in price?—A. I think I told him not to sell below 35.

Q. But as to the amount, you gave him unlimited orders?—A. Yes; gave him discretionary orders. Mr. Belden came to see Mr. Fisk. They have been partners.

Q. Did you know that during all the time you were in the office that day, on the 24th, and when Fisk was, in your presence, giving orders to Mr. Speyers to buy large amounts of gold, your partner Smith was settling large amounts of gold through Carver and Willard and other brokers?—A. I knew that Mr. Smith and Mr. Willard were selling and settling gold, and I supposed that Mr. Fisk was giving orders.

Q. Were those private settlements?—A. They were the usual settlements between brokers.

Q. Not settlements through the clearing-house?—A. They should pass through the clearing-house, but the clearing-house did not clear at that time. The bank was suspended, so that the settlements were necessarily private.

Q. And these settlements that were made in the private office of your firm, with parties who were short, were not made through the clearing-house?—A. No; the bank was suspended.

Q. What hour of the day did the bank fail?—A. The hour for clearing was 12 o'clock, I think, and when 12 o'clock came they found out that the bank did not clear.

Q. Did you know that at the same time all the brokers of your firm had instructions to do the same thing—that Willard was making settlements, and that Carver, and Osborn, and Cammack, and others were making settlements by order of your partner Smith?—A. I presume that that was so.

Q. You would not have the committee to understand that you were ignorant of the orders given by your partner to make private sales to the shorts?—A. They merely had a general order to go on and sell all they could sell, or to settle; but as to each individual's transaction and through what it was done, or anything of that sort, I cannot tell. They had just one general order.

Q. Was not your partner Smith in frequent communication with you during that day?—A. No, sir; they were so very busy that they could not come to see me. They had their general instructions and went ahead. I may have seen them perhaps four or five times during the day. He came with Benedict, and some other clients.

Q. Did he tell you how the settlements were going on in general?—A. Yes.

Q. Did you not instruct Belden to make private sales to the shorts at 150 or thereabouts, when Speyers and others were bidding 160?—A. No, sir.

Q. Were any such instructions given to anybody to your knowledge?—A. No, sir. I had nothing to do with Mr. Belden in any shape or form. I heard from Belden afterward that he had settled gold.

Q. Did you know that all the brokers engaged by you that day in selling gold had instructions not to sell to Belden or Speyers?—A. It was

more than likely that they would have those instructions, because these parties were known to be rather weak, and it is customary in giving orders to brokers to say, "that such and such houses are weak, and if you sell to them, either call up, or else be careful."

By Mr. COBURN :

Q. That was the fact to your knowledge?—A. I gave no such order myself, and I do not know of any such order having been given. I think it more than likely that it was given, for the reason that two or three days before they had sold some gold and had not been able to take care of it.

By the CHAIRMAN :

Q. Do you know that when brokers, selling for your firm or their agents, Willard and Carver, reported large sales to Speyers, they were instructed to cancel the sales?—A. We afterward canceled the sales, because Speyers failed.

Q. Did not your firm have sales to him canceled and the brokers ordered to sell the gold over again before the breakdown, during the period of these transactions?—A. I do not know, of my own knowledge.

Q. Had none of your partners reported such a fact to you?—A. They reported to me that they sold gold to Speyers.

Q. Did they not report to you that they had canceled that sale, and had ordered the gold sold over again before the breakdown?—A. I do not recollect.

Q. You do not know that they did not?—A. No; of my own knowledge, I do not know anything about it.

Q. Do you believe that they did?—A. No; I should hardly think it. They would not know until later in the day whether he failed or not; and they would hardly take the risk of selling it over until the first party to whom it was sold had failed.

Q. Do you know that brokers who had sold to Speyers and Belden were told by your agents that they were selling back to the clique, and warned not to do so?—A. No, sir; that is not true.

Q. You say that it was not true?—A. Yes, sir.

Q. Who was president of the Tenth National Bank of New York in September last?—A. Mr. Dickinson.

Q. Did you have interviews with him during that month?—A. Yes; I think so.

Q. Have you recently become a purchaser of the controlling interest in that bank?—A. I am a large stockholder.

Q. Did you hold at any time a majority of the stock?—A. No, sir.

Q. You or persons associated with you?—A. Friends of mine owned the majority of it.

Q. At what time did you and your friends become owners of a majority of the stock?—A. We bought it some time in the summer. This interest was owned by the Shoe and Leather Bank, and I think the controller notified them that they must sell their interest, and we bought it.

Q. Did you have an arrangement with the president of that bank that in an emergency the president would certify checks for you without depositing currency or certified checks therefor?—A. No, sir.

Q. Did you have any conversation of that kind with any officer of that bank?—A. I may have gone there in individual instances to get certifications. It is a very usual thing with houses in New York, if they are going to have large certifications, to deposit securities.

Q. You did that on those certain occasions?—A. Every day; per-



haps not with that bank, but with other banks in which we keep accounts.

Q. Do banks usually allow that?—A. Certainly; in all cases. The whole business of Wall street is done in that way.

Q. Do you know that the president of that bank told Heath that he would, on a certain day, certify his check for an unlimited amount, or for any amount?—A. Mr. Heath wanted some certification and the bank would not give it. Heath came to me, and I, believing Heath to be a very honorable man, (he had done a good deal of business for me, and was doing business for me then,) gave him a letter to the Tenth National Bank, stating that he wanted a certification for a certain purpose and that I would guarantee it.

Q. What was the extent of that certification?—A. I do not recollect; several thousands.

Q. What date was that?—A. I do not know. It was along about that time. I have nothing to fix the date.

Q. Do you recollect the appearance of some treasury examiners at the Tenth National Bank during the days of the panic?—A. I remember hearing of them.

Q. When did you first hear of them?—A. On the morning of the break.

Q. Did the president of that bank call at your office and tell you that he could not carry out the arrangement about the certification on account of those bank examiners?—A. No, sir. I had no arrangement with him. He called to tell me that the bank examiners were there and that the bank would not be able to certify that day.

Q. Why did he say they would not?—A. The bank examiners, I think he said, were making an examination and therefore they would not certify.

Q. Do you mean to say that they would not certify when actual deposits were made?—A. Oh, yes; I presume they would do that, although they did not want to do it that day, because they were afraid that the banks would send right in and take greenbacks.

Q. What do you mean by that?—A. A party may go in and deposit a million in certified checks and then draw a check and have it certified against those deposited; and the party receiving this certified check might go to the bank and demand greenbacks for it. No bank would do that under ordinary circumstances; but there was a rumor out against the Tenth National Bank that day, and I told Mr. Dickinson that they had better not do any business.

Q. Are you aware of the amount of checks certified for your firm by that bank during those two days—22d and 23d of September?—A. The certifications must have been large. I do not know what they were; I do not know whether they got their certifications at that bank or at other banks. Wherever they got them, they were large.

Q. Do you know what the total amount of certifications for your firm was on both these days?—A. No, sir. They commenced in the morning getting certificates, and then they made a deposit, and kept doing that all day.

Q. It is in evidence before the committee that there were nearly eight millions of certified checks in the Tenth National Bank for your firm on that day; are you aware of that fact?—A. No, sir; not personally.

Q. Do you know how much your deposits were in the Tenth National Bank at that time?—A. The deposits must have been larger than the certified checks, because we always keep a large balance.

Q. It is in evidence before the committee that your deposits were

only about \$300,000, and your certificates about \$8,000,000?—A. That was not so, of course.

Q. You think that could not have been so?—A. I know it. When a bank gives a certification to a broker it has to be made good by a deposit before 3 o'clock.

Q. Do you know that the Tenth National Bank did not certify beyond the amount deposited on that day?—A. I do not know it of my own knowledge, other than I have mentioned.

Q. You had no active direction of the bank?—A. Not at all. I never was in the bank more than three times, I suppose.

Q. Did the presence of the bank examiners, and the stoppage of certification through that bank, in any way disarrange the business or plans of yourself or firm during those days?—A. No, sir.

Q. How came the bank examiners to be sent there at that time?—A. I do not know, of my own knowledge.

Q. What is your idea as to the cause of their being there at that time?—A. I think that the bears procured it to make a panic. They were short of stock.

Q. What bears?—A. A good many houses were short. The regular bank examiner was not sent. As soon as the regular bank examiner came he went to the bank and said, "I know all about this bank; it is strong." As soon as he came there the panic was stopped. Otherwise, I think a good many banks would have failed.

Q. Who is he?—A. Mr. Callender.

Q. Did you know him personally?—A. Yes, sir; I have met him.

Q. Did you meet him during those days?—A. I met him after that.

Q. Did you have any conversation with him in regard to these special examiners from the treasury?—A. No, sir. I merely met him and asked him as to the condition of the bank, whether it was perfectly solvent, and whether it was safe to leave money there. He made a very careful examination of it and said that it was.

Q. Did it require a large amount of currency or certified checks to carry on your transactions in gold during those days?—A. Yes, sir.

Q. From what other sources beside the Tenth National Bank did you draw funds for those transactions?—A. I do not know what banks we kept accounts in. I think the Continental and the Commonwealth.

Q. Did you draw from any other sources besides banks?—A. No, sir. It takes very little real money to do these transactions.

Q. What per cent. of real money does it take to transact that class of business?—A. A man with \$100,000 of money and with credit can transact a business of \$20,000,000.

Q. How would he use credit instead of money?—A. He would use it in the shape of certifications, and for credit in the street, and for credit with the houses that he dealt with in his transactions.

Q. Certification of checks?—A. Yes, or they will take your checks without certification. All that you pay one man you have coming back from another man.

Q. If a bank believes you sound and certifies your check, it will serve the same as money?—A. Certainly. Business cannot be done in Wall street in any other way.

Q. What effect do you think it would have on business if banks were restrained from certifying checks at all?—A. So far as I am concerned I think it would be a very good law to allow banks to certify, but to compel them to have securities on hand. We usually do that. When we have certifications, we deposit securities; but banks do not require it.

By Mr. COBURN:

Q. So as not to certify beyond the amount of securities?—A. Yes, sir. The business of Wall street has been done so long in that way that it is almost impossible to change it. They would have some way of getting around it. They would form banks under the State law on purpose to do that certifying. There was a law passed last winter in relation to the certification of checks, and firms now keep two accounts. They check on one bank to deposit in another bank, and *vice versa*, and they use these as special deposits.

By Mr. LYNCH:

Q. If a law were passed prohibiting banks from certifying checks, would it not be possible to get an order from a New York judge compelling them to do it?—A. I do not know. I hardly think that a New York judge would interfere with an act of Congress.

By the CHAIRMAN:

Q. Did you know on Thursday night that Friday was to be breakdown day—settling day?—A. No, sir.

Q. Had you any reason to believe that it would be so?—A. No, sir.

Q. Did Mr. Fisk, by your direction or at your suggestion, or with your knowledge, provide a number of armed men to protect your own office, and Heath's, Willard's, and other offices of brokers during those days?—A. No, sir.

Q. Do you know that a number of armed men did guard those offices during the day?—A. No, sir.

Q. Did you, while at Heath's office, hear Fisk give orders that no one should be admitted? I am speaking now of the 24th.—A. No, sir.

Q. Did you know when you returned to your own office that armed men walked with you; that armed men received you at your doorstep, and that the office was guarded by armed men?—A. No, sir. I went from Wall street to the Boston steamboat, and went from there to my office all alone; that is, Fisk and myself.

Q. As soon as you ascertained that the clearing-house statement would not go through, did you leave Heath's office and go to your own office?—A. No, sir.

Q. What time of the day of the 24th did you leave Wall street, and where did you go?—A. It must have been in the afternoon. I left there and we went over to the North River side to where our boats leave, and from that we went to the Erie office.

Q. What time in the afternoon did you leave Wall street?—A. It must have been in the middle of the afternoon.

Q. Was Wm. Belden in the office of Smith, Gould & Martin that afternoon?—A. Not that I know of.

Q. Did Belden leave with you when you went up town?—A. No, sir.

Q. Did Fisk leave with you?—A. Yes; we went up town together. We went first, I think, up to some gentleman that we had business with, and then we went right over to the steamboat landing, and from there to our office.

Q. State what occurred that evening at the Opera House, at your office. Did Willard, Carver, Smith, Enos, and others visit you at the Opera House that evening?—A. I do not recollect.

Q. You do not recollect whether any of them were there?—A. No, sir.

Q. What did you do on Saturday? Tell the committee where you were the day after the panic.—A. I was in my office, and have been

there ever since, from half-past eight in the morning till ten at night, except two or three days that I have been sick.

Q. Did you spend almost all Saturday and Sunday with Lane, David Dudley, Field and Sherman, Smith, Fisk, Carver, or any of those men?—A. I was in the office all that day, if I recollect.

Q. Were those men, or any other, with you?—A. I think it more than likely that they were there. They were there almost every day. I do not recollect that particular time. I know that I have been in my office all the time since.

Q. State whatever transactions were had in regard to injunctions on the Gold Exchange Bank, or on any brokers who had had any transactions in the street, either for you or for others. State all that you know in regard to the procurement of injunctions or orders of court in reference to these settlements.—A. As I told you, the Gold Exchange Bank failed to make their clearance; and before they failed it turned out that they had made advances to certain parties on their statements, which very much complicated the affair.

Q. You mean that the bank had paid to some parties before full statements came in?—A. Yes. These contracts were made to be settled through the clearing-house, and as the bank had failed, they could not be settled through the clearing-house. Then the only way would be for these brokers to go and get the gold and deliver it; and in this way, unless they were restrained by some legal process, a great many of those brokers would have failed. I wanted to save them. They were restrained from settling in any other way except through the clearing-house, in accordance with the contracts. Then when the bank finally got on its feet again, they went to work and cleared these transactions. They were transactions which were to pass through the clearing-house. It was a part of the contract. If you buy gold from a member of the Gold Board, you being a member, the gold has not to pass, but it is to be settled through the clearing-house, where no gold passes; and it makes an immense difference to a firm. They can do a million dollars of business through the clearing-house without requiring \$50,000 at the outside. I wanted to save as many as possible from failure. That was the point; to keep firms from failing.

Q. What injunctions or orders did you ask to have made in pursuance of that purpose of yours to save people from failing?—A. I think there was an injunction against settling gold except through the clearing-house.

Q. Did you ask for that injunction?—A. Not myself.

Q. You had it done?—A. It was done, I think, by some brokers. I do not know now who they were.

Q. Who were your attorneys?—A. Field, I presume—Field & Sherman; either they or Mr. Vanderpool.

Q. Did you procure the appointment of receiver for the bank?—A. No, sir.

Q. Did you, or those associated with you?—A. I do not know who procured the receiver; I think there were several suits started by different parties on account of the condition of the bank; and the receiver was finally granted, on that of Mr. Osborn, as the first one.

Q. Was Mr. Osborn your broker during the period of the panic?—A. Mr. Osborn did business for us, I think, among others.

Q. Did Mr. Osborn bring that suit on the recommendation of your firm, or any of them?—A. I do not think he did on our recommendation; I think Mr. Osborn talked with me about the suit. There were

rumors that other parties were moving; it was plain that the bank must go into the hands of a receiver.

Q. Were you, at any time, consulted in regard to the salary or fees to be paid to the receiver, for his services?—A. Yes, sir; parties appealed to me on both sides, to say what amount would be fair. There seemed to be a difference in their views.

Q. Did you give any advice as to the sum?—A. I declined to name any sum. After they had come very near together, I advised them to meet.

Q. State to the committee if you know Mr. Corbin.—A. Yes, sir; I know him.

Q. How long have you known him?—A. Perhaps, something over a year.

Q. Did you, in the month of September last, have any transactions with him?—A. I bought some gold for him; I do not know whether it was in September or August. I think in the early part of September.

Q. How much?—A. I bought several lots at different times; I think it amounted, all together, to about two millions.

Q. Please fix the rate.—A. It was in the thirties, I think, at different prices.

Q. Was Mr. Corbin associated with you in this purchase of gold other than as a person for whom you bought?—A. That was all.

Q. Did you have any conference with him in regard to the movement, either in the way of seeking his advice, or giving your advice to him?—A. I used to see him frequently.

Q. On this subject?—A. Yes; and on the subject of the state of the country, the movement of the crops, and the result these things would have on gold.

Q. Did you take Mr. Corbin into your counsels in regard to your own movement, as to what you were going to do? Did he know your purposes and plans?—A. He knew that I believed gold would advance some.

Q. And that you intended to make it advance some?—A. Yes.

Q. Was he, in any sense, a partner in your gold operations?—A. No, sir; no more than that I bought this gold for him, and carried it for him.

Q. How long did you carry it?—A. I have it yet, I think; that is my impression.

Q. Then your transaction with him has not yet been closed?—A. Not closed yet; no, sir.

Q. Is it held on joint account?—A. It is not. I bought it for him.

Q. Were these amounts the only gold you ever bought for him?—A. They are all.

Q. Do you know of any officer of the government, either in Washington or New York, or elsewhere, who had anything to do, directly or indirectly, with the movement in gold during the month of September last, or who was personally interested in it?

WITNESS. Of my own knowledge?

CHAIRMAN. Yes; of your own knowledge.

A. The Secretary of the Treasury put gold down by selling it.

Q. That is a public fact, and not an answer to my question.—A. I do not see how I could answer that question, without explaining; because I do not know whether the question in the abstract is not too broad.

Q. Make your own answer in your own way.—A. I supposed it was the policy of the administration to let gold work up until after the fall

crops were moved; and I had good reason to suppose that was to be so, or I should never have gone into this movement.

Q. State what your reasons were.—A. During the summer I had an interview with Mr. Corbin. He came to see me; wanted to make some money in some way, and asked my opinion, as one gentleman would meet another. He asked me how he could make some money. I told him if we were certain we were going to have a big harvest, and if the government would facilitate it, I could see how it could be done. Then I explained to him my theory, just as I have explained it here, that the country had been over-trading; that the figures were over a hundred millions; and if we could manage to pay that debt with what we raised here, by exporting these crops, the price of gold would go up while the movement was going on, and afterward drop down again; that we could make money both ways by buying it then, and selling it on the rise. This first interview was about the time Mr. Van Dyke was appointed sub-treasurer in New York, as nearly as I can state the date.

By Mr. JONES:

Q. How was this interview brought about; at your instance or that of Mr. Corbin?—A. It does not occur to me at this moment whether I sought him or he sought me. I used to meet him occasionally. He owned some real estate in Jersey City, where I was building a horse-railroad, through some of our own lands, and also through his. I met him frequently on that subject, and at one of these meetings this matter was brought up. Now I will tell you about Mr. Corbin. Mr. Corbin is a very shrewd old gentleman, much more far-seeing than the newspapers give him credit for. He saw at a glance the whole case, and said that he thought it was the true platform to stand on; that whatever the government could do legitimately and fairly to facilitate the exportation of breadstuffs, and produce good prices for the products of the West, they ought to do. He was anxious that I should see the President, and communicate to him my view of the subject. Being connected in my railroad business with the matter of transportation, and knowing the views of those managing the other trunk lines, he thought that I knew the substance of the concentrated views of these people, and he was anxious that I should see the President and talk with him, and he made an appointment with me to do so. I went to Mr. Corbin's, and was introduced to the President.

Q. At what time was this?—A. It was along about the time of the peace jubilee in Boston. I did not know what the President's views were. But we took him over on our boat, on his way to Boston.

Q. Whom do you mean when you say "we"?—A. There were several gentlemen along—Mr. Fisk, Cyrus Field, and others. I mean the owners of the boats. He was our guest. We had supper about nine o'clock or ten o'clock going over. At this supper the question came up about the state of the country, the crops, prospects ahead, &c. The President was a listener; the other gentlemen were discussing. Some were in favor of Boutwell's selling gold, and some were opposed to it. After they had all interchanged their views, some one asked the President what his view was. He remarked that he thought there was a certain amount of fictitiousness about the prosperity of the country, and that the bubble might as well be tapped in one way as another. That was about the substance of his remark. He then asked me what I thought about it. I remarked that I thought if that policy was carried out, it would produce great distress, and almost lead to civil war; it would produce strikes among the workmen, and the workshops, to a great

extent, would have to be closed; the manufactories would have to stop. I took the ground that the government ought to let gold alone, and let it find its commercial level; that, as a matter of fact, it ought to facilitate an upward movement of gold in the fall. The fall and winter is the only time in which we have any interest in it. That was all that occurred at that time. We supposed from that conversation that the President was a contractionist.

By Mr. SMITH:

Q. Was Mr. Corbin in this party?—A. Oh, no.

Q. Please state who were the members of the party.—A. There were at the table, I think, the President, Mr. Fisk, myself, Mr. Simonds the general manager of the boat, William H. Marston, Cyrus W. Field, and a few other gentlemen, whose names do not occur to me at this moment. I remember Mr. Marston being along, because the next morning I was out early at the telegraph office, and found him there telegraphing to his broker to sell out his stocks; so that he had the same impression that I had. Then the President traveled about, meeting, of course, a good many business men; and I afterwards met him at Mr. Corbin's again.

Q. At what time?—A. If I had my testimony before the grand jury, I could give the date of the conversation more definitely than I now can. It was after he had returned from Saratoga, and when he was on his way to or from attending General Rawlins's funeral, that I met him the second time, at Mr. Corbin's. Mr. Corbin invited me to come round in the evening. He had, in the mean time, become very much interested in my theory on this subject. I had explained my views to him, and at that time I think it had become a sort of monomania with him. I think any idea of making money for himself had ceased to weigh with him. He was very anxious that I should come round. I did so, and talked with Mr. Corbin and the President.

Q. Who was present at this conversation?—A. No one, except Mr. Corbin, the President, and myself. The President had changed his views, as I at once discovered. The President said then that he was satisfied the country had a very bountiful harvest; that there was to be a large surplus; that unless we could find a market abroad for that surplus it would put down prices here; and he remarked that the government would do nothing during the fall months of the year to put down the price of gold or make money tight. On the contrary, they would do everything they could to facilitate the movement of breadstuffs. He seemed to take a very deep interest in it; it seemed to have been a matter of study with him. I was surprised at the clearness with which he seemed to comprehend the whole question. I knew what I felt in my business.

By Mr. JONES:

Q. Did he say he would use his influence in that way?—A. He did not speak about his influence. The expression of his views was upon the broad platform, that he seemed to be satisfied as to what the true interests of the country were, and that he intended, as far as he could, to pursue such a course as would bring these results.

By Mr. SMITH:

Q. He spoke of the government, not of himself?—A. He spoke of the government. The government was buying bonds all the time, and I did not see how they could keep up their purchases without selling gold, and, of course, very naturally suggested that. In reply to that he said the revenue was beyond their expectations; that they were issuing

fractional currency; that the issue was to go on until fifty millions had been put in circulation, and it was supposed that would give the government ample means to keep up the purchase of bonds, without selling gold.

By the CHAIRMAN:

Q. Have you given substantially all that occurred at that interview?—

A. Yes, I met him, I think, once after that, at the time he was going to Pennsylvania, to Corry. He wanted to go to Corry, and I arranged to give him a train on the Erie road. He wished also to return by the Philadelphia and Erie, and I went down to see General Diven, and between us we arranged the trip for him. When we were about going away Mr. Corbin wanted me to step back a moment. I went back and had another conversation with the President, while General Diven waited for me in front. I staid there perhaps half an hour.

Q. Was Mr. Corbin present during this conversation?—A. Yes.

Q. How long was this before the fluctuation or panic occurred?—A. I am very poor at fixing dates. I remember his telling Mr. Corbin that Boutwell had given an order to sell, and that he, being at Washington, saw of it or heard of it, and countermanded the order. This interview must have been after his return to New York from the funeral of General Rawlins, because it was on his return from that funeral that he told Mr. Corbin that he had countermanded the order; and when he got back he found a letter from Secretary Boutwell, saying that he fully acquiesced in the President's views. I supposed that the President explained his views as to the state of the country to Mr. Boutwell, and that Mr. Boutwell acquiesced in that statement.

By Mr. JONES:

Q. You are holding some gold for Mr. Corbin at this time?—A. Yes, I have some gold for him.

Q. Was your purchase of gold for Mr. Corbin previous to any of these interviews?—A. My purchase for him was after the first interview and before the second. The interview on the way to Boston was a wet blanket; the other interview was more satisfactory. I did not buy any gold for Mr. Corbin until I was assured from the President that the government would not do anything to put down the price of gold; and it may, therefore, have been after the second interview, and before the third, that I bought gold for Mr. Corbin.

Q. State what occurred at the third interview.—A. The third interview was just a repetition of the second.

Q. Was any person present at these interviews with the President except Mr. Corbin?—A. No, sir.

Q. You stated generally that the third interview was a repetition of the second. Let me ask you whether all these interviews were concerning a public policy, or whether any conversation took place concerning a private policy and private movements?—A. Nothing ever occurred in any of these interviews that did not impress me that the President was a very pure, high-minded man; that if he was satisfied what was the best thing, that was what he would do.

By the CHAIRMAN:

Q. Was there anything said or intimated at any of these interviews to the President, or in the President's hearing, that would have led him to suppose any private purpose, or speculation, or gain, was sought to be reached through these interviews, so far as you know?—A. No, sir.

Q. On the contrary, do you say there was not anything said of that



nature?—A. I should say there was not. The reason Mr. Corbin asked me to go there was this. He said to me: "You have large interests here; you have large railroad and steamboat interests in several different lines; you have more interest in the matter of transportation than any other man in the country; and I am anxious that the President should come in contact with practical men and talk with them. That was the excuse he gave for asking me to go. All this is preliminary to answering your general question. Then the President went west after this third interview. Of course I knew there were parties in New York who were short of gold. I heard there was to be a dinner party to be gotten up to Secretary Boutwell, and that certain parties were to be invited. I felt solicitous as to what the effect might be on the Secretary. That dinner was given, I think, while the President was in Pennsylvania on this trip.

Q. Was it very soon after your last interview at Mr. Corbin's house?—

A. Yes. I went to see Mr. Corbin about it; he said he did not think it possible, the President had so thoroughly made up his mind, or had so thoroughly marked out his policy that nothing could change him; he knew the man so well. He knew that when he had arrived at his conclusions after a good deal of deliberation and examination, he would not change them. I suggested to him that the Secretary might sell without consulting him. He said in reply to that, that the President had written a letter before departing on his trip and left it with him, and that he had left it with General Butterfield to deliver immediately to the Secretary on his arrival in New York, giving the President's views. But that did not satisfy me. I asked him if he knew what was in the letter. He said he did not; but he said he was very certain as to what was in it, because the President stopped in the middle of a conversation, in which he had expressed his views, and wrote the letter. That was Mr. Corbin's answer to me; and Butterfield afterward stated to me that he delivered the letter. He (Butterfield) did not know what was in it, although he supposed it to be the same thing that Corbin did. The next morning, I think it was, I went round again to Mr. Corbin's. I used to see him every day then, every morning and night. He told me he did not know what pressure might be brought, and that he had prepared a letter to the President, and if I would send him a special messenger he would send it to the President. He read to me the letter, or rather, he read extracts from it. He went on and said, in the letter, that in his judgment there were two parties; one party that represented a great deal of money and a great deal of wealth, having many prominent men in it, in the city, who were short of gold; that they would naturally like the government to come in and help them; that there was another party, long of gold, who would try to induce the government to keep its hands off. He said he thought the true interests of the government were in the direction of the opinions he had so often expressed. He went on, page after page, to describe the effects of low prices and high prices upon the products of the country. That letter he sent to the President. I did not furnish the messenger, but Mr. Fisk did.

By Mr. LYNCH:

Q. Where was the President at that time?—A. He was stopping in the western part of Pennsylvania.

Q. Why was it necessary to send it by a messenger?—A. In order that it might certainly reach him. He was back some ways from Pittsburg, and some ways from any line of railroad, and it might have been delayed in the mail; for that reason it was sent by a special messenger.

By Mr. PACKER :

Q. About what time was this letter written ?—A. Some three, four, or five days before the 23d.

By Mr. SMITH :

Q. How near the time of this dinner you have spoken of, to be given to the Secretary ?—A. It was either just previous or just about the time. It seems to me it was a day or two after the dinner. The messenger took the letter and delivered it. That is all I know of that.

Q. Who was the messenger ?—A. The messenger was a man by the name of Chapin ; W. O., I think, were his initials.

By Mr. PACKER :

Q. Where does he live ?—A. He lives in New York.

Q. If there was an answer, state what you know about it.—A. I only know that Mr. Corbin showed me a letter that Mrs. Grant wrote to Mrs. Corbin in reply.

Q. At that time ?—A. Yes ; they sent it by mail.

Q. It did not come by Mr. Chapin ?—A. No, sir.

Q. Mr. Corbin showed you that letter ?—A. He showed me some extracts from it.

By Mr. LYNCH :

Q. Did he show you the letter itself ?—A. Yes ; he did.

Q. Did you read it ?—A. There was quite a portion of it about family matters, about the children, &c.

Q. Do you mean to say that Mr. Corbin showed you a letter written by Mrs. Grant to his wife ?—A. Yes, sir.

Q. Did you see the signature ? Do you know it was a letter written by Mrs. Grant to Mrs. Corbin ?—A. I saw the envelope, post-marked at the place where they were stopping. It was in a lady's handwriting.

Q. Do you know that it was a letter addressed by Mrs. Grant to Mrs. Corbin ?—A. No, sir ; I do not know that it was.

By Mr. JONES :

Q. Did Mr. Corbin tell you that it was ?—A. Yes, sir.

Q. Did you see the signature of the letter ?—A. Yes, sir.

By Mr. LYNCH :

Q. Did you not say that you did not know it was her letter ?—A. I did not know the signature.

Q. How was it signed ?—A. It was signed by Mrs. Grant's given name.

Q. What was that ?—A. I do not know that.

Q. Addressed to whom ?—A. I think it commenced, "Dear Sister," or "Dear Jennie," and was addressed to Mrs. Corbin. I had never seen the handwriting before, and could not swear that it was not a forgery.

Q. I understand you to say there was a certain portion of the letter that you did not read. I want to ask whether you could have seen the signature and the address without reading the contents of the letter ?—A. A part of it was not designed for my reading.

Q. Was any part of it concealed from you ?—A. I took the letter in my hands, and of course I had to glance at the whole of it. He called my attention to the particular parts.

Q. Then you had an opportunity to read the whole of it ?—A. I could have read the whole. I saw that it was about family matters, and he called my attention to particular portions.

By Mr. JONES :

Q. What was in the letter, in the portions you read?—A. The substance of it was this: She says, "Tell your husband," or "tell Mr. Corbin, that my husband is very much annoyed by your speculations. You must close them as quick as you can." That was the substance.

Q. Was that all you saw?—A. That was all—the substance of it. There were some intimations about Cuba; but that was all that interested me.

Q. Was this previous to the panic, or during the time?—A. It was just previous to the panic; two or three days before the Secretary began to sell gold. This letter was written from Pennsylvania, and the day the President arrived in Washington the Secretary had advertised to sell gold.

Q. Do you know of any purchase of gold by any gold broker for Mrs. Grant?—A. Not to my knowledge.

Q. Why did Mr. Corbin show you that letter?—A. Mr. Corbin wanted me to take his gold off his hands. I had had some governments, carrying for him. He sold them out at a loss of fifty thousand dollars. I think I had, probably, two millions of governments for Mr. Corbin about the time the government was going to commence purchases. He brought them then, of course supposing they would go up on his purchases. He figured up that his gold, at the price it then stood, if sold, would give him about one hundred and fifty thousand dollars profit, and he wanted me to take his gold off his hands. He figured that, deducting the fifty thousand dollars loss on the governments, it would leave a profit of a hundred thousand dollars on both transactions. I think I had already sold half a million of his gold. He wanted me to give him a check for a hundred thousand dollars, and just take the gold off his hands. I told him I did not want to do that, but I would give him a check for a hundred thousand on account; that I did not want to throw his gold on the market at that time. The check never passed. I saw by that letter that he did not want to buy any more gold.

Q. He was disposed, then, to follow the advice of the letter, close up his account, and get out of the speculation?—A. Yes, sir.

By the CHAIRMAN :

Q. How do you know that the letter from Mrs. Grant to Mrs. Corbin was in response to Mr. Corbin's letter to the President?—A. Mr. Corbin told me so.

Q. Did the letter acknowledge itself to be a response to his letter to the President?—A. So far as this expression went I consider that it did.

Q. Was there anything in the letter that Mr. Corbin sent to the President in regard to his speculations in gold?—A. I think Chapin took two letters, one from Mr. Corbin to the President, and one from Mrs. Corbin to Mrs. Grant.

Q. But the letter to the President, I understood you to say, or the substance of it, was simply devoted, so far as you saw it, to discussing general questions—the general policy of the government—and that the letter of Mrs. Grant to Mrs. Corbin spoke about speculations of Mr. Corbin. How could that be a response to his letter to the President?—A. That is a point that has occurred to me.

Q. What do you say as to that point?—A. I think the papers had used Mr. Corbin's name, and that the President probably thought he had some interest; indeed, he might have told him.

Q. Do you know that the President had ever been informed by Mr.

Corbin, by yourself, or by any other person, that Mr. Corbin was speculating in gold?—A. No, sir.

Q. Do you believe he had been so informed when he was in New York at the time of any of the interviews he had with you or Mr. Corbin?—A. There never was a word passed between the President and myself, or in my hearing, that would lead me to suppose the President knew anything about his movements. But this letter of Mrs. Grant might look as though he did.

By Mr. JONES:

Q. Did Mr. Corbin ever say to you that he had told the President, or intimated to him, that he was speculating in gold?—A. No, sir.

Q. Can you state the exact time when this letter was written?—A. It was written, I think, the day Mr. Chapin got there, and mailed the next day.

By the CHAIRMAN:

Q. Did Mr. Chapin bring back any message or any letter?—A. No, sir.

Q. Was there anything in the letter of Mrs. Grant that acknowledged the receipt of Mr. Corbin's letter?—A. No, sir.

Q. Was there any reference to Mr. Chapin in the letter?—A. No, sir.

Q. Do you know that there ever was any answer by the President, or by his authority, to the letter Mr. Chapin delivered to him?—A. No, sir.

By Mr. JONES:

Q. Did Mr. Corbin tell you what the object was in writing the letter that he sent by Mr. Chapin?—A. I have already stated that it was feared the Secretary would sell gold, without the President's sanction.

By the CHAIRMAN:

Q. I understand you to say that Mr. Corbin's alleged motive in writing the letter was, that he feared the Secretary might sell without the President's knowledge or sanction, and he therefore wrote, urging on him the general policy that had been talked of before?—A. Yes.

Q. Have you completed all the statement you think it necessary to make preliminary to a full answer to the general question propounded you a long time ago?—A. After the 24th—I think it was Saturday morning after the Friday of the panic—I saw Mr. Corbin. He came round to the office, and he was much agitated; seemed very much disappointed, and proposed that he and his wife should go to Washington and get the order revoked. I said to him I thought it looked as though he had been rather assuming on the President; that he had assumed to know what the President would do, and had counted without his host. He said that he and his wife would go down Saturday night to Washington, for the purpose, as he said, of getting the order that had been issued to sell revoked. The order was advertised Friday, I think, to sell on the following Monday. He came back on Monday without having accomplished his purpose.

Q. Did you see him on his return?—A. I think I did not see him; I think Mr. Fisk saw him on his return.

Q. Had you any communication from him as to the result of his visit here?—A. I think I have not seen Mr. Corbin since his return. I think Mr. Fisk saw him. I might possibly have seen him once. On his return, I think, he sent for me; that I was out, and that Mr. Fisk went there.

By Mr. LYNCH:

Q. In reference to this letter, let me ask you whether it was a family

letter on family affairs, in which this matter was incidentally alluded to, referring to transactions that were known to the President?—A. Yes; that was it.

By Mr. JONES:

Q. What did Mr. Corbin say to you when he showed you this letter of Mrs. Grant to Mrs. Corbin; what was his object in showing it to you, if it was simply a family matter, about family affairs?—A. All the excuse which he gave me was this: He said that the President probably thought he had some interest in governments or gold, and that he wanted to get out. He, therefore, showed me this letter. "Now," said he, "I want to write a letter to the President which will reach him when he gets to Washington;" and he showed me a letter which he had prepared, and which commenced by saying that he had not a dollar of interest in gold or governments, and then went on to say, "I tell you now, as a man who has studied this matter impartially, that if you give an order to sell gold you will commit a great mistake." Having seen this last remark I did not bite at it.

Q. Did not bite at what?—A. I did not want to take the gold off his hands.

Q. And you understood the object of Mr. Corbin, in showing you the letter, was to induce you to take his gold off his hands, and help him out with his speculations?—A. Yes, sir; I told him I would give him the \$100,000 on account, and that when I sold, if he liked, I would give him the average of my sales. I did not feel like buying any gold of him then.

Q. How did Mr. Corbin come out of the whole transaction in his speculations?—A. He has not come out; he has been sick ever since. He says he does not know anything about any transactions.

Q. He says so to you?—A. He has not said so to me, for I do not think I have seen him since the morning of his return from Washington.

Q. If his accounts were now settled with you, would he stand a loser or winner?—A. I could not say. If I give him the average of sales, or if he took his gold up now, it would pay him a loss, of course.

By the CHAIRMAN:

Q. Can you now give a definite answer to the general question asked?—A. I know nothing further than I have stated. I will state, however, that I am satisfied that the President has never had any connection, directly or indirectly, with any of the movements that have been made.

Q. After your full statement of these transactions in detail, and of your interviews with the President, have you any reason to suppose that the President was cognizant, himself, of any private speculations in gold, or that he was aware of doing anything, on his own part, that would help any private speculation; or that he was consulted by any parties to any private speculation in regard to that movement?—A. No, sir.

Q. And you have no reason to suppose that he had?—A. No, sir; on the contrary, everything that I have seen has satisfied me that he is a very high-minded, pure man.

By Mr. JONES:

Q. Or that any of his family had any private speculation?—A. I do not think they had any knowledge, unless this letter I have mentioned would indicate it.

By the CHAIRMAN :

Q. Are you acquainted with General Butterfield, late assistant treasurer in New York?—A. I have some acquaintance with him.

Q. Did you have any business transactions with him during the month of September?—A. I bought some gold for him.

Q. When?—A. It was the first part of September or last of August. It was about the time I bought some for Mr. Corbin.

Q. How much did you buy for Mr. Butterfield?—A. I think it was a million and a half.

Q. At what rate?—A. It was in the thirties; about the price I paid for Mr. Corbin's gold.

Q. Did you seek an interview with him, or he with you, preliminary to this purchase?—A. I could not say as to that. He used to come to see me, and I sometimes went to see him.

Q. You were accustomed to converse on the financial policy and the movements in gold?—A. Yes, sir.

Q. Did he request you to buy this gold for him?—A. Yes, sir.

Q. Did he give you any instructions as to the amount you were to purchase for him, and the rate at which you were to purchase it?—A. The first order he gave me was an order to buy. I gave a part of that gold to Mr. Corbin. Gold went down some from that point, and when I saw the general I advised him to buy some more of the cheap gold for the purpose of averaging it so as to reduce the loss on the first. In my suggestion he acquiesced, and I did buy more gold for him.

Q. Did these purchases together make a million and a half, or was the first purchase a million and a half?—A. The two made a million and a half.

Q. Did you make any other purchase for him?—A. No, sir.

Q. Have you settled for that transaction?—A. No, sir. There is a difference of opinion between us. He says he never gave any order.

Q. You can swear, without any doubt of the truth, that he did give the order?—A. Yes, sir.

Q. Can you state the time and place where he gave you the order?—A. Yes, sir. It was in his office at the sub-treasury, either the last of August or the fore part of September, I should say. One or the other months.

Q. Was any person present besides you two?—A. No, sir.

Q. Did he give the order in writing?—A. No, sir.

Q. State the words he used in giving the order as nearly as you can remember?—A. He asked me what I thought of gold. I told him I thought the tendency of gold would be up. He said he thought so too. He believed the policy of the government was pretty well settled, and he thought gold would work up. He asked me to go in and buy some for him.

Q. Fix the date as near as you can?—A. I cannot fix the date any nearer. I did purchase for him.

Q. At what rate?—A. That was about 37. On referring to the list of quotations for gold I can now say that this purchase was made earlier than I suggested. It was either in the fore part of August or the last of July. The gold was bought at about 37, and afterward declined. I should say the purchase must have been in July. The second purchase, made to average the price, was some time afterward.

Q. You had a second interview with General Butterfield after gold had fallen, in which you advised him to buy more gold in order to average it. Where was that interview held?—A. I do not know where

that was. I sometimes met him at the club; sometimes I saw him at his house, and sometimes at mine.

Q. You met him very frequently on those days?—A. Yes, sir.

Q. What did he say in giving you that second order; give us the words as near as you can remember?—A. It was that he would leave it discretionary with me.

Q. Did he fix the amount that you were to buy of cheap gold?—A. No, sir; I bought about the same amount. It was a sort of rule in Wall street, if you buy an article which goes down on your hands you are to buy a similar amount, and that averages the other.

Q. Did you have any other communication with him in regard to these two transactions at any other time previous to the breakdown?—A. I went to see him on information I had that something was going to be done, and to see whether he knew anything about it.

Q. When was that?—A. That was the morning of the breakdown.

Q. What did he say?—A. He said he had heard nothing.

Q. At what hour was that?—A. That was quite early in the morning. A little while afterward I heard that Seligman, whom I knew was intimate with Butterfield, was selling gold. I was satisfied he would not be selling unless he knew what he was about, so I sent another message there at a later period on Friday.

Q. Before noon?—A. Yes, before noon. He sent word back that he had received nothing. A little while afterward I sent up again, and then he returned answer that he had a message.

Q. Had the message then been made public?—A. Yes, sir. He then sent me a copy of the message from the Secretary to sell gold. This must have been a little past twelve. Gold was then down to 35.

Q. Did he send any messages to you during the day?—A. No.

Q. Do you know of a message having been sent to you, or to Mr. Fisk, or to any of your partners, during that day, from General Butterfield, putting this question: "Has bottom been reached?" and of an answer being sent out from your office, "Bottom has been reached?"—A. I do not. I was not in my office that day.

Q. Wherever you were, do you know of his having sent any kind of message to any person doing business in the street as a broker other than you have described?—A. No, sir; that was the only communication that I knew anything about.

Q. General Butterfield's answer came to you in writing?—A. It did.

Q. Is it in existence yet?—A. I think not.

Q. What did you do with it?—A. It was just on a little sheet of paper, which was torn up, I think. Mr. Fisk saw it.

Q. How is it then that you made the answer you did, that aside from what you had said in regard to the President and Secretary you knew of no government officer having any interest in this gold movement?—A. General Butterfield had no interest in the movement. He had this interest in gold before the movement.

Q. You were carrying it for him?—A. I carried it for him, but it had no effect on the movement. It was purchased long before.

By Mr. JONES:

Q. Did General Butterfield intimate to you that he knew the policy of the government would be favorable to this speculation in gold, or anything like that?—A. Yes; he said the views and policy of the government were, that they would not sell any gold until after the crops had been sent to market.

By Mr. SMITH :

Q. What was his authority for making that statement?—A. I suppose that he got it from Mr. Corbin or from the Secretary of the Treasury. He dined with the Secretary.

By the CHAIRMAN :

Q. Do you know that was so?—A. He told me of conversations that occurred in dining with him. I know nothing of my own knowledge.

Q. Do you know of General Butterfield having purchased any gold through anybody else except yourself, in September?—A. He told me when the Secretary was in New York, at the time of this dinner, that he took him up to A. T. Stewart's; that he said to A. T. Stewart: "Here are parties pressing the Secretary on both sides; one pressing the Secretary to sell, and the other not to sell. Now, you are a high-minded, disinterested person. I should like to know your opinion as to what the government ought to do." Mr. Stewart replied: "I am interested, and I am interested in having gold come down, but I, nevertheless, unhesitatingly advise the government not to sell, not to go into the market as a speculator." General Butterfield related to me that this conversation occurred in his presence.

Q. Did you ever have any conversation with General Butterfield in regard to purchasing stock of the Tenth National Bank?—A. Yes, sir; I think I did. I think that was one of the first times that I came in contact with him.

By Mr. JONES :

Q. Do you say that General Butterfield requested you to buy that gold for him, and asked you to let Corbin have a part of it?—A. No. I bought the gold, and after it was bought I divided it and gave Corbin a part.

Q. And that was not at the suggestion of General Butterfield?—A. Oh, no.

By Mr. LYNCH :

Q. Was there any definite amount fixed upon by General Butterfield in the order he gave you to buy?—A. No.

Q. He simply said you were generally to buy gold for him?—A. Yes.

Q. Is that the usual way to give an order to buy gold without fixing the amount?—A. It is not usual. I suppose they had a better opinion of me then than they probably have had since, and thought it was pretty safe to depend upon my judgment.

Q. Did you understand that an unlimited order was given you to buy gold for him in that way, or did you understand that it was to be left to your discretion, and that there was to be a division between the parties?—A. Oh, no; that was no matter of agreement.

Q. How could you understand that any such order was given to buy gold without any definite amount, unless you were interested in it?—A. They had confidence in me, I suppose, that when I was going to sell mine I would theirs.

Q. And they left an unlimited order with you, having no interest in the order whatever?—A. They left it unlimited to me. The amount specified by General Butterfield was two millions. I did not buy that amount.

By Mr. COBURN :

Q. But you advised him that you had purchased a certain amount; did he then accept or reject that amount?—A. He accepted it. Of course if there was a loss he was bound to pay it.



By Mr. BURCHARD :

Q. Didn't you first say there was no limit in the amount you were to buy?—A. There was no limit when we talked about the average. At first the order was for two millions.

By Mr. LYNCH :

Q. Then you alter your statement to that extent?—A. There was no limit made in our talk about averaging. If I said otherwise I will change it. The original order, I think, was for two millions.

Q. Did either Corbin or Butterfield give any margins in this purchase?—A. No.

Q. Tell the committee why it was that you bought and carried that gold for these two men without their putting up any margin. Is that exactly business, to buy and carry for two gentlemen, with whom you are not very well acquainted, a considerable amount of gold for a considerable length of time without margins or settlement in any way?—A. No; that is not on business principles.

Q. On what principle did you do it?—A. I did it as a friendly thing.

Q. Was it to interest them in establishing the policy of the country?—A. I supposed that what interest they had would be thrown in that way.

By the CHAIRMAN :

Q. And you considered that an anchor thrown to the windward, did you?—A. Yes, sir.

Q. Were Butterfield and Corbin on intimate terms to your knowledge?—A. Oh, yes; Corbin got Butterfield's appointment for him. They had been intimate for years. I think he told me he was intimate with Butterfield's father.

Q. State what occurred at the interview you had with General Butterfield in regard to the stock of the Tenth National Bank?—A. After I was asked to become interested in the purchase of that stock, they wanted to make up a party to buy it. General Butterfield's name was connected with it in some way. I do not now recollect who, but some one connected his name with the purchase in making up the party; but when we came to respond and pay for it, he did not respond, and others took his interest.

Q. Did he agree to take a part of the stock?—A. It was arranged that he was to take a portion of it.

Q. What portion?—A. I do not know that any amount was fixed. It was decided that each one should take what he wanted of it.

Q. Was he to take it on the same terms as the others?—A. Yes.

Q. Do you know why he did not take his share?—A. I suppose he may not have had the money convenient.

Q. Did you make purchases in stocks for General Butterfield during the month of September?—A. No, sir; I never had any stock transactions with him, and no other transaction in gold.

Q. You have stated in your testimony that you had messages going back and forth from General Butterfield in regard to the Treasury orders on that Friday of the panic. Had you been in the habit of having such communications with him before that in regard to orders from the Treasury?—A. No, sir; I never heard of any orders being given. The orders were always given from here and telegraphed to the papers.

Q. Did General Butterfield before that day communicate to you any correspondence or dispatches that he had received from the Treasury Department?—A. I remember none.

By Mr. LYNCH:

Q. Was it ever designed that this transaction with General Butterfield should be settled, or was it intended that it should be a *quid pro quo* for information that you were to obtain through him?—A. No, sir; I did not consider his information as of any value whatever.

Q. Do you mean to say that he denied giving you these orders to purchase gold, and ignored the whole transaction?—A. Yes, sir.

Q. And Mr. Corbin the same thing?—A. Yes, sir.

By the CHAIRMAN:

Q. What is the general effect upon the gold market of large exports of grain, provisions, cotton, or any product of the country? Is not the general effect to cause a decline in the price of gold?—A. That would be the ultimate result. It might not have that immediate effect. The result of a large export would be to throw the balance of trade in our favor, and draw gold from foreign countries, and the effect of that would be to put gold down.

Q. Was not the attempt to put up gold at a season when these exports were expected to be so large, really an attempt to put up the price of gold, when its natural tendency was downward?—A. Gold in the month of September, for the last three years, has ranged from about 41 to 45 or 46, and there was no reason why the same rates should not be reached this year.

Q. Suppose those who thought as you did had made no effort to put gold up, was it not tending, and do you not think it would have gone down to some degree instead of going up, during that very month?—A. My idea is this: If gold had gone down, and there had been no exports, some time in the winter it would have gone up to a pretty high rate, unless the government stopped it.

Q. Would it have gone down but for this movement?—A. Somewhat; but I do not think it would have gone beyond thirty. Gold is kept down artificially now.

Q. You stated something in another part of your testimony concerning an editorial that was being prepared. Did you have anything to do with the preparation of that editorial; and if so, what?—A. Mr. Corbin prepared an editorial, submitted it to me, and wanted my views of it. He said it embodied the policy of the administration. I looked it over very carefully, and it agreed with my views. Then he wanted me to get it in the paper. Mr. Bigelow was then the editor of the Times. I gave it to James McHenry, and he had it put in.

Q. Did it appear as it was prepared, or as you saw it?—A. It was changed slightly, but not substantially. This article said that the government would not sell gold while the crops were being moved.

Q. Do you recollect what the date of that was?—A. It must have been in August. It was when gold was 30-something.

Q. What was your relation to Mr. Fisk in regard to the gold movement?—A. Mr. Fisk did not know anything about the movement at all until gold had become very active. He then supposed that I was in it, and asked me to tell him how I stood. He then went into the movement, but our interests were entirely separate. He had his own gold and I had mine.

Q. You did not share each others' gains and losses in the matter?—A. We had some little gold together.

Q. Didn't he settle your gold, and you his?—A. Not except some gold of Mr. Heath.

Q. Why did you mutually arrange to settle Heath's gold?—A. Mr.

Heath was a man who had done business for both of us, and when the question came up affecting Mr. Heath's interest, we were either of us ready to aid him, probably to our last dollar.

By Mr. JONES:

Q. How did you get out of this?—A. I think I have communicated very freely to the committee all that I know in regard to this movement that can be of any general interest, and, unless the question is pressed, I would rather not answer it.

By Mr. BURCHARD:

Q. Was gold sold by the government previous to Monday?—A. The advertisement was out on Friday. It was sold on Monday.

By the CHAIRMAN:

Q. Do you know whether the news of the fact that the Treasury was going to sell reached anybody in New York before it was officially announced?—A. I guess everybody knew it pretty nearly.

Q. Do you know the fact that it did get to New York and was known before the official announcement of it?—A. I only know it from evidences of observation which are very difficult to describe.

Q. Repeating the same question, do you say yes or no?—A. I should not want to say either very positively.

Q. From your knowledge of the transactions of that day, do you believe that it was known in New York that the Secretary of the Treasury had ordered the sale of gold before the official announcement of the fact?—A. Certainly.

Q. How long before?—A. I think it was known an hour in advance.

Q. What made gold break down?—A. It broke down because I was selling, and had been selling all the morning.

Q. Did the Treasury order cause gold to break down?—A. No, sir.

Q. Did it break before the order came?—A. Certainly.

Q. Did it break before the order was known to be issued?—A. No. The announcement of the order had no effect on gold at all. I had been selling all the morning, and I expected the order would come.

By Mr. SMITH:

Q. How did you become satisfied in your own mind that the government was going to sell gold?—A. An editorial came out in the New York Times that morning, which went on to state that parties interested in gold used very freely the name of the highest potentate in the land, his brother-in-law, the Secretary of the Treasury, &c. I understood that that editorial was written for the purpose of being telegraphed to Washington to frighten the officials down here, and that it would probably have the effect it did. I didn't want any further information to come to me anyhow. That editorial led me to believe that the government would sell, and I acted accordingly; I sold all the morning.

Q. Did you have any other means of information?—A. No, sir; not that I remember.

Q. Anything to corroborate that belief in addition to the editorial you speak of?—A. No. There were oceans of telegrams being sent all the time to everybody here.

By the CHAIRMAN:

Q. Did you see Mr. Corbin during the two days' panic?—A. I was down town during the day-time. I saw him at night and in the morning. In the day-time he came around to my office continually. There

are indicators in my office showing what is being done in Wall street. Under ordinary circumstances I seldom go down town. The indicators in my private office show how things are going. There is a gentleman in town who was with him in my office on the 23d or 24th, and I do not know but on both days.

Q. Do you know whether or not the telegraph wires between Washington and New York were tapped during any of those days?—A. No, sir.

Q. Have you any reason to believe that they were, and if so, what?—A. I have no reason to believe it.

Q. Do you believe it?—A. That would be a difficult question to answer. For instance, I have a wire in my office that connects with all parts of the country.

Q. I mean surreptitiously tapped by unauthorized parties?—A. I do not know. I did not care anything particularly what the Secretary was doing. If he had wanted to sell gold while I was buying, I should have bought his gold. He gave his advertisement while I was selling, and when I had pretty nearly sold out.

Q. Was communication by telegraph between your office and Washington shut off on that day while these telegrams were passing through?—A. I was not in my office. I suppose not. I suppose they were open as usual.

Q. Does not the Secretary have a wire of his own?—A. I presume he has.

Q. What I ask is, whether you believe that the Secretary's wire was tapped by any other than the Secretary's authority during that day?—A. I do not think the information came that way.

Q. Please answer my question.—A. I do not know that the Secretary has a wire. No such thing took place to my knowledge.

Q. You stated that you believed the news reached New York one hour before it was officially published. What reason have you for that belief?—A. My reason for stating that belief was, that parties who were generally very well posted were selling gold.

Q. You were selling gold, and therefore shall we say that you had news an hour in advance?—A. I considered that I pretty nearly had it.

Q. Do you mean to say that any parties in New York had any other news in advance than such as you had? From your general knowledge of the facts, do you think any other person had any earlier news of this order than you had?—A. Yes, I do.

Q. What persons other than the officer of the sub-treasury who directly receives it?—A. I think it was known. I do not want to call the names of houses that we are doing business with all the time.

Q. Do you know that it was known?—A. No, I do not. It was simply an opinion founded upon what I saw.

By Mr. LYNCH :

Q. You spoke of an editorial in the Times; was that an editorial or a special dispatch from Washington?—A. It was an editorial.

Q. Did you suppose an editorial in the Times would foreshadow the policy of the administration in Washington?—A. This editorial was written in a style that if an officer of the government read it he would naturally say, "Unless I do sell gold they will say I am interested."

By Mr. BURCHARD :

Q. Did you think it was an announcement of the policy that would be pursued, or that it would influence the administration?—A. That it

would influence the administration; that it would say to the administration, "If you do not sell you are in the movement."

By the CHAIRMAN :

Q. You said a little while ago that an hour before the order came from Washington you felt that you almost knew of the order. Tell us how.—A. A man who is liable to rapid thinking very often arrives at conclusions without being able to tell the process, and yet he is satisfied the conclusions are correct.

Q. Tell us, as far as it is possible for words to describe, how you knew, or almost knew, this fact an hour beforehand.—A. I hear of a great deal that happens. I can only say that it is one of those conclusions that a man sometimes arrives at intuitively, that are correct in themselves, and yet if you undertake to give the evidences by which they were reached you could not tell how it was done.

Q. But you had such evidence that you felt in your bones that your conclusion was correct.—A. I did.

Q. Did you have any doubt about it?—A. Not a particle.

By Mr. COBURN :

Q. Did you have any word or message from anybody on the subject?—A. Only those I have mentioned.

Q. Was a part of the ground of your conclusion the behavior of certain parties in New York, whom you supposed knew or would have more chance of knowing the secrets of the Treasury than yourself?—A. That was the only ground.

Q. Who were those parties?—A. I think, as I told you, that Seligman was selling, and knowing his relations with General Butterfield, and the fact that Butterfield's answer to me was not very frank, was one thing; and then having intimations, as I told you, that this editorial was being telegraphed off to a great many prominent men, and telegraphed to the government, convinced me that it was time to sell. I knew there were multitudes of telegrams going to Washington, and I had no difficulty in arriving at a conclusion as to what I should do.

By Mr. SMITH :

Q. Were you informed, or did you believe, that anybody in New York was advised of the purport of that official telegram before it was published?—A. I had no advice other than I have stated.

Q. Did you believe it?—A. I believed it, certainly.

By the CHAIRMAN :

Q. What person do you believe had that knowledge?—A. I believe that one of the persons who had it was the one I have named, Mr. Seligman.

Q. Anybody else?—A. No other name occurs to me.

By Mr. LYNCH :

Q. State whether you know of anybody connected with the telegraph giving out this information which they received in advance of its being communicated to the parties to whom it was sent.—A. No, sir.

Q. Do you know of any information being obtained in that way?—A. No, sir. I should think that parties would be most likely to get it from the Secretary, or from his clerk who has to copy the letter, or something of that kind. Telegrams of this description, I take it, are sent in cipher.

By Mr. JONES :

Q. Have you any reason to believe or do you know that the Secretary

had any sign which he communicated to General Butterfield in New York, indicating what his orders were to be in the future?—A. No, sir.

The witness subsequently communicated the following note:

WILLARD'S HOTEL, *Washington, D. C., January 23, 1870.*

DEAR SIR: Upon reflection since my examination, I think I omitted to say that I paid Mr. A. R. Corbin twenty-five thousand dollars; the check I have in my possession, and will send copy should you desire it.

Very truly, your most obedient servant,

JAY GOULD.

Hon. J. A. GARFIELD.

The committee having requested the original check to be furnished, it was transmitted with the remark that "This check was deposited to the credit of A. R. Corbin in Bank of America."

The check is as follows:

Smith, Gould, Martin & Co., 11 Broad street.

No. 5148.]

NEW YORK, *September 6, 1869.*

National Bank of the Commonwealth pay to the order of Jay Gould twenty-five thousand dollars.

\$25,000.

SMITH, GOULD, MARTIN & CO.

Indorsed across the face: Certified by the National Bank of the Commonwealth.

[STAMP.]

Indorsed on the back, "Jay Gould."

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WASHINGTON, D. C., *January 22, 1870.*

JAMES FISK, jr., sworn and examined.

By the CHAIRMAN:

Question. State your residence, place of business, and occupation.—  
Answer. I live at 313 West Twenty-third street, New York. My business is railroading, steamboating, and I suppose I may add speculating.

Q. Were you familiar with the course of gold during the last summer and fall?—A. Yes, sir.

Q. Were you particularly familiar with the course of gold during the week in September commonly known as the gold panic week?—A. Yes, sir.

Q. Were you engaged in either buying, selling, or loaning gold through yourself or others during these days?—A. Yes, sir.

Q. With whom were you associated?—A. With no one. I think that all the interests I had were personal. That question, however, may admit of some explanation on my part. I could say that no one was interested with me personally, or I might convey a clearer impression to the committee of my exact position by going into an explanation. At the outset, I may say that the transactions of Mr. Gould and myself are joint, and that our usual custom is to have no one else with us. At the time he started in to purchase gold, if I recollect right, he was with some other parties, perhaps with Woodward and Kimber, in the street. They spoke to me about it, and he said, I think, something to me about buying some gold. I replied that I did not believe in it; that I believed the pressure was against us on the street. At that time I was called away for three or four days; and when I came back, he had started in with Messrs. Kimber and Woodward, as I understood, and had commenced buying at about 37 or 38. You have had Mr. Gould before this committee, and have probably ascertained that he is a rather peculiar

man. Gold having settled down to 35, and I not having cared to touch it, he was a little sensitive on the subject, feeling as if he would rather take his losses without saying anything about it. It went along in that way for three or four weeks, when one day he said to me, "Don't you think gold has got to the bottom?" I replied, that I did not see the profit in buying gold unless you have got into a position where you can command the market. He then said he had bought quite a large amount of gold, and I judged from his conversation that he wanted me to go into the movement and help strengthen the market. Upon that I went into the market and bought. I should say that was about the 15th or 16th of September. I bought at that time about seven or eight millions, I think. As I said, our custom has been, in all transactions with which we have been connected, to make up a settlement and divide the results, whatever they are. This, I think, is the only case in which that was not done. It so happened that I started out with Heath & Co. The transactions of Smith, Gould & Martin, owing to the excitement that occurred, I think have never been fully settled. At any rate, Mr. Gould and I have never passed a word as to whether I was to be interested in his profits or losses, and there was no understanding that I was or was not. When the settlement is made in full, if there should be a loss, I should be very glad to help him to bear it, and if there are any profits I should not say no to a proposition to divide them with him; that is not my nature. I came into this movement simply to strengthen the market. I came in individually, and placed my own margins. There was no understanding between us any more than a general understanding that we did business together.

Q. Did you buy gold through any other house than that of Heath & Co.?—A. Some of my gold must have gone into the house of Smith, Gould, Martin & Co., and perhaps Carver may have had some; I think it probable that he did.

Q. How much did you buy, or order to be bought, during the week of the panic?—A. I should think the aggregate of gold that I bought for myself during that week was, perhaps, ten or twelve millions.

Q. Do you know Mr. Corbin?—A. Yes, sir.

Q. Did you transact any business for him during these days?—A. I did not.

Q. Did he have any interest in your operations so far as you know?—A. Not in mine. I know of an interest that he had in the market from information which I derived from him, and from information which I derived from Mr. Gould.

Q. State what occurred at an interview in Mr. Heath's office between you and Albert Speyers on the 23d of September.—A. That I can perhaps give more clearly by referring to memoranda which I have here. Let me say that the firm of William Belden & Co. was composed of William Belden, George Hooker, and Andrew McKinley. Mr. Hooker married a sister of mine, and I had seen a good deal of Mr. Belden personally, on Wall street, for three or four years. At one time we were in business together. At the time I started in to buy gold, say on the 16th or 17th of September, I think Mr. Belden was absent; at least I do not think I saw him until the Tuesday, if I remember right, before what was called black Friday. On the afternoon before Friday—that is, on Thursday afternoon—Mr. Gould and myself went down to Mr. Belden's back office. We went there because it was a little more out of the way than Wall street. It is on Broadway. I there gave some orders to Mr. Heath, and to Smith, Gould & Martin, brokers, that afternoon. That was the first interview, I think, I had

with Mr. Belden in regard to gold. That afternoon when I came out, Mr. Belden says, "I will meet you at the Opera House to-night." You must bear in mind that we had no idea then of the position we were drifting into. I had an idea that it might result in a transaction of fifteen or twenty millions of gold, which was not a very large amount of gold for us to carry. I met Mr. Belden at the Opera House that night at 8 o'clock. He said to me, "evidently you have got a corner on this gold market, and I want to buy some gold to-morrow. I can just as well carry it as not. I wish you would tell me what to do." I replied to him, "Mr. Belden, the great motto on which we have acted is to do our own business ourselves, and then, if anything happens, there are no lame ducks to take care of but ourselves. I do not see that any harm is likely to come of it if you want to buy gold, and if you want to give some orders I will attend to them." He said, "I will bring a broker to you, and you can give him the orders." I said, "If you want me to do anything for you, come to me in the morning." The next morning he gave me this order:

SEPTEMBER 24.

DEAR SIR: I hereby authorize you to order the purchase and sale of gold on my account during this day to the extent you may deem advisable, and to report the same to me as early as possible. It is to be understood that the profits of such order are to belong entirely to me, and I will, of course, bear any losses resulting.

Yours,

WILLIAM BELDEN.

JAMES FISK, jr.

That is a copy of the original.

Q. You know this to be a true copy?—A. Yes, sir; I have the original in New York. In the morning when we came down town we went to Mr. Heath's back office. I should think about half-past ten Mr. Belden came into the office and said, "I want to introduce to you Mr. Speyers. Mr. Speyers will receive from you any orders for purchases or sales of gold on my account." I think there were two or three parties in the room who heard this conversation. Two of my own parties, Kingsley and Hicks, and two or three persons whom I had taken down to keep people out of the room, were within hearing.

Q. State how large a room this was.—A. About half the size of this.

Q. Was this conversation carried on loud enough to be heard by anybody in the room?—A. Certainly; everything could be heard as plain as we could be heard in a room half the size of this room. I think gold was then about 43. I said to Mr. Speyers while Mr. Belden stood there, that Smith, Gould & Martin had just started for the market through Mr. Willard; that we were buying gold up to 45. He started out. I should think he was gone half an hour; he then came back and said he did not get any at that price. By that time gold had jumped to 50. He came back and said Smith, Gould & Martin's brokers are buying gold at 50. I said yes, and he started right down again. He came in, stating that he had bought about seven or eight millions. It was then about half-past eleven. During this time gold had been up to 63 and 64, and gone back to 50. He said he had bought gold at 60. He was in a condition of great excitement. He said he had bought gold at 60 when it was selling for 50. I said to him, "You have gone crazy." "Well," he said, "I do not know where I am." I told him he had better keep quiet. As I afterward understood, Mr. Belden, seeing the position he was in, told him to go into the market and buy gold up to 60 and hold it there. That was about the last time I saw Mr. Speyers for two or three weeks. I think he was in the office some two or three times that morning. He went back to the market, and some of our



people told me he was on the curbstone buying at 60 when gold was selling for 34. I have been in Wall street for a long time, and been in the habit of seeing people very much excited. I have seen respectable people out in the streets with their hats off, seemingly regardless of everything; but my opinion of Speyers that afternoon was that he was as crazy as a loon. The excitement then had got so high that not desiring to stay there any longer, Mr. Gould, Mr. Heath, and myself went out by a side door, took a carriage and drove up to our office, and that was the whole of our transactions for this day.

Q. What was your object in putting up gold that day?—A. We had no object at all. We had intended to put it up to 45. That was the point we had decided upon.

Q. Please state in your own way what your object was in pursuing the policy you did?—A. Before my starting in for the purchase of this gold, and as far back as the time when General Grant went to Boston on the occasion of the peace jubilee, which was in June, he went over on one of our boats, and we went with him.

We have employed on the Erie road some twenty thousand men, all told; a stock of eight hundred locomotives, with the other equipments of the road on a corresponding scale. I am aware of no way in which these men and equipments can be used to advantage unless the crops come forward from the West. The actual amount of transportation due us on the moving of the crops would be about three and a half million dollars. Now if these crops should be held over and come on late in the spring, they would come right on the transportation of the mercantile people, when we could not carry the whole of them, and they would seek other channels, canals, &c., while we would lose the benefit; or, again, if they came forward very early in the fall, it would be at a time when we were doing a large business in package goods for the merchants, which pays better remunerative prices than produce. Our policy, therefore, is to encourage the crops to move forward at a time when other trade is quiet. I have been with the Erie road now some three years, and during my connection with it in the falls of 1866, 1867, and 1868, while the crops have been coming forward, gold has ranged from 41 to 45, and our freights were full all the time. When we began to figure at the precise position in which we were in regard to these freights for the last fall, we found that unless our western produce moved eastward early, the foreign market would be supplied from the Mediterranean, the Black Sea, and all that section of country. We had lying upon our table advices of three hundred sail of vessels with wheat, on its way from these waters. Our cars were at that time doing a fair package business, but we were doing none of this produce trade at all. It was of vital consequence that our large railroad stock and steamers running from Buffalo for us should get this trade started. If we could have this produce trade of three and a half millions, with all the facilities we had for carrying it, about a couple of millions would be clear money, which in carrying on our road is too large an item to let go if we could help it.

So that on our passage over to Boston with General Grant, we endeavored to ascertain what his position in regard to the finances was. We went down to supper about nine o'clock, intending while we were there to have this thing pretty thoroughly talked up, and, if possible, to relieve him from any idea of putting the price of gold down, for if his policy was such as to permit gold to go down to twenty-five, our transportation would have been snapped right up. We talked there until about half-past twelve. When we first commenced to talk, I

could see that he was for returning to a specie basis. I remember the remark he made that we might as well tap the bubble at once as at any other time, saying that it had got to come to that. That was in the first part of the conversation. He entered into the conversation with a good deal of spirit, and I made up my mind that he was individually paying a good deal of attention to the finances, which he would to a certain extent control, so far as the action of the government was concerned. That being his idea, it looked as if it was the policy which we should have to work up to in the fall. I know that when we got to Boston, Mr. Gould and myself made up our minds that the prospect did not look promising.

When we got back to New York the next thing we did was to write to Mr. Boutwell something in regard to the matter. I think it was sometime in August that General Grant started to go to Newport. I then went down to see him. I had seen him before, but not feeling as thoroughly acquainted as I desired for this purpose, I took a letter of introduction from Mr. Gould, in which it was written that there were three hundred sail of vessels then on the Mediterranean from the Black Sea, with grain to supply the Liverpool market. Gold was then about 34. If it continued at that price we had very little chance of carrying forward the crop during the fall. I know that we felt very nervous about it. I talked with General Grant on the subject, and endeavored, as far as I could, to convince him that his policy was one that would only bring destruction on us all. He then asked me when we should have an interview, and we agreed upon the time. He said "During that time I will see Mr. Boutwell, or have him there." Now, then, gold had continued to go down until it sold for 130 or 132, though when the crops began to move forward I knew that gold would work up again without the necessity of buying to bring it up. I did not like the looks of affairs then. It was upon that theory that Mr. Gould had commenced to purchase gold. I told him that I did not think the skies looked clear enough to go into that operation, but he started to buy gold with a firm conviction that there was a short interest in the market, and I have no other idea than that it was his conviction that he could put up gold to 45, if he felt any sort of confidence that he would not come into competition with gold sold by the government. The theory was that it was safe to buy gold for the purpose of putting up the price, to enable us to secure this transportation for our road, and in the course of the operation we would get rid of our gold without loss; but the thing began to look scary to me, and I did not go into the transaction until I considered that Mr. Gould was undertaking to carry a pretty heavy burden, when I said that of course my entire resources were at his disposal. There was never any understanding regarding there being any corner in gold, nor had I ever had a word with any human being, except Mr. Corbin, on this subject. Mr. Gould started in again on the 17th of September, and seeing his position I said, "I will join you." During the week before there had been a little coldness between us, which did not often exist, for the reason that he had taken upon himself a pretty heavy load, which he did not want me to share, and, therefore, he was not in the habit of saying anything about it. I remember the morning I started in that I illustrated his position by the story of a man who goes out on a spring morning to yoke his oxen. Putting the great elm bow on the neck of Brindle, and holding the other end of the yoke, he undertakes, by main force, to carry the yoke and draw Brindle over until he can yoke Star, and I described Mr. Gould as being in pretty much the same condition. He had a very heavy load to carry. He would not have invited me to help him, but I

concluded I would help him to draw Brindle over. In the first place, however, I wanted to ascertain exactly how he stood, and I said to him: "How much gold have you got?" I said to him that it was my firm conviction that if we bought gold up the government would unload their gold onto us. Said he, "That is all fixed. I suppose you have seen nothing to convince you of that fact." General Grant was then in the city. It has always been our policy never to mix in politics unless it is in our business, but Mr. Gould said to me that morning: "This matter is all fixed up; Butterfield is all right; Corbin has got Butterfield all right, and Corbin has got Grant fixed all right." That, in his opinion, they were interested together. That was a point I had not taken into consideration. I did presume that Mr. Corbin had prevailed upon General Grant to make him believe that 45 was the proper point at which to carry off this crop. Up to that time I did not believe that General Grant, or anybody connected with him, had any interest in the movement whatever, but it startled me when it was suggested that Grant was in this movement, and I determined to go right around and see Corbin. I had known him before through a son-in-law of his, by the name of Catherwood, whom I had met in railroading, but I said to Mr. Gould: "You give me a letter to him, so that he will talk confidentially with me." He did so and I went to see Mr. Corbin. When I met him he talked very shy about the matter at first, but finally came right out and told me that Mrs. Grant had an interest; that five hundred thousand of gold had been taken by Mr. Gould at 31 and 32, which had been sold at 37; that Mr. Corbin held for himself about two millions of gold, five hundred thousand of which was for Mrs. Grant, and five hundred thousand for Porter.

Q. Was that General Porter?—A. I did not ask whether he was a general or not; I remember the name of Porter. This was given out very slow. He let out just as fast as I did. When he found that Mr. Gould had told me about the same thing, I said: "Now, I have had nothing to do with your transactions in one way or the other; but you can make your pathway clear and straight by emptying it all out to me, because Mr. Gould and myself stand together. We have no secrets from each other. We have embarked in a scheme that looks like one of large magnitude. Mr. Gould has lost, as the thing stands now, and it looks as if it might be pretty serious business before getting it straight again. The whole success depends on whether the government will unload onto us or not." He says: "You need not have the least fear." I said: "I want to know whether what Mr. Gould has told me is true. I want to know whether you have sent this \$25,000 to Washington, as he states." He then told me that he had sent it; that Mr. Gould had sold \$500,000 of gold belonging to Mrs. Grant, which cost 33, for 37, or something in that neighborhood, leaving a balance in her favor of about \$27,000, and that a check for \$25,000 had been sent. Said I, "Mr. Corbin, what can you show me that goes still further than your talk?" "O, well," the old man said, "I cannot show you anything; but," said he, "this is all right." He talked freely, and repeated, "I tell you it is all right." When I went away from there I made up my mind that Corbin had told me the truth. Whether he had taken money or not—whether he had lied about that part of it or not—I made up my mind that, either through speculation or for the good of the country in moving these crops, the sale of gold which was to have taken place within two or three weeks, in October, was stopped for October, either upon one basis or the other; either from motives of personal interest or for the best welfare of the country. I came out with that conclusion. In the evening Mr. Corbin

came round to the Opera House, and I had another interview with him there.

Q. Fix that date, as near as you can.—A. I should say, if it did not occur on Sunday, that it was about the 21st of September. It was either Monday or Tuesday night. We talked that evening, and Mr. Gould went home with him that night. In the morning, when Mr. Gould came down, I was over the river, and came into the office about 1 o'clock in the afternoon, but had no intercourse with Mr. Gould until about 4 o'clock. We were then doing our business on Wall street through the telegraph from our office to Wall street. I asked Mr. Gould if he had seen Mr. Corbin that morning. He said: "Yes, everything is all right. If Butterfield gives any information we will get it in time to get out. I am to see Corbin again to night. I think I can give you some more information to-night, after I see him." It seems that when he started to go home that night he stopped in at Corbin's house, when he went up or when he came back; anyhow, he came into the office about 8 o'clock in the evening. Says he to me, "Who is the most confidential man you have got?" I said: "It all depends upon what his mission is." He says: "I want a man who is a quick traveler; says nothing, but passes right along." Said I, "I will give you Chapin." I sent for Chapin. I said to him, "Chapin, I want you to-morrow morning to be at Corbin's house at half-past six. You will there receive a letter from him directed to General Grant, at Washington, Pennsylvania. I want you to leave on the eight o'clock train, traveling as fast as you can, and not stop until you lay that letter in his hands. Wait until he reads the letter. Drive directly from there to the nearest telegraph office (it seems that Washington is several miles from the railroads) and telegraph back to me whether the letter is satisfactory, if you can do so without conveying that intelligence to anybody else." I then told Chapin, "You are boarding at a private house; I will send another man to call you, so that you will positively not be late." My brother-in-law went up in the morning, saw that Chapin was called, took him in a carriage at half-past six, and went to Corbin's house; rang the bell; Corbin came down, and, as Chapin says, delivered him the letter. He took it, went over the Pennsylvania Central to Pittsburg, left the railroad the next night and drove to Washington, arriving there about half-past seven in the morning, I should judge. He sent in his card immediately, saying that he was a special messenger from Mr. Corbin. General Grant came in, opened the letter and read it, and said, as he was going out, "You wait a few minutes." General Grant went out, and in a few minutes returned and said, "All right." Chapin drove to the nearest telegraph office, according to instructions, and we got a telegram about 1 o'clock, "Delivered. All right."

I then had one evening another interview with Corbin. We were feeling a little nervous about the position we were then in. I said to Corbin, I hoped everything was all for the best. But, said I, "If we should miss—if the government should sell this gold, it would certainly be a serious matter." Corbin then said to me, "I want you to talk with my wife." Mrs. Corbin came into the room. I had been introduced to Mrs. Corbin before. The thing had gone beyond the matter of mere courtesy with anybody I met there. That was the first time I had seen her in reference to this transaction. We sat down and talked the matter over quite fully. I did not cover any matters up. I took it for granted that they had bought gold, and that they had as much interest in the matter as I had. She made this remark: "I know there will be no gold sold by the government; I am quite positive there will be no

gold sold; for this is a chance of a lifetime for us; you need not have any uneasiness whatever."

I had a phantom ahead of me all the time that this real gold would come out. I was well aware that we had bought all the gold there was in New York, and had no fear about that coming back on us. The gold we were then buying in Wall street was phantom gold, and could give us no trouble.

I started away on the strength of that conversation, and I think it was on the morning of Thursday we left our carriage back of the post-office, and when we came up to get into the carriage, as I came along up street, we stopped right below Duncan & Shearman's office. Mr. Gould says to me, "Old Corbin feels troubled and nervous about some gold; he wants a hundred thousand dollars;" and said Mr. Gould to me, "What do you think of it?" Said I, "If he wants a hundred thousand dollars to feed out to parties in interest, he had better have it." I think this was on the afternoon of Thursday. Mr. Gould asked if that didn't look as if there might be some blow up. I said, "If he wants that money to deal out to people, and it will help to strengthen our position in regard to this gold, we will give him one hundred or two hundred thousand." "Well," said he, "do as you please." I told him I would go and get the money; and I went immediately to Smith, Gould, Martin & Co., got a check for a hundred thousand dollars, and brought it and gave it to Mr. Gould in the carriage. Mr. Gould said he would stop there when he went home that night and give it to him.

I was not aware but what Mr. Corbin had received that hundred thousand dollars until the afternoon of Friday, after the blow up, when I said to Mr. Gould, "I'll be damned if that old scoundrel shall have that hundred thousand dollars; I will stop the payment of that check." Mr. Gould replied, "He has not got it; I have got it." I told him I was glad of that; there was that much saved, anyhow. Mr. Gould said Corbin had the twenty-five thousand dollar check, but he (Gould) had the hundred thousand dollar one in his pocket.

I went down to the neighborhood of Wall street Friday morning, and the history of that morning you know. When I got back to our office you can imagine I was in no enviable state of mind, and the moment I got up street that afternoon I started right round to old Corbin's to rake him out. I went into the room, and sent word that Mr. Fisk wanted to see him in the dining-room. I was too mad to say anything civil, and when he came into the room, said I, "You damned old scoundrel, do you know what has happened?" This was, of course, after everything had blown up. Said I, "Do you know what you have done here, you and your people?" He began to wring his hands, and "Oh," he says, "this is a horrible position; are you ruined?" I said I didn't know whether I was or not; and I asked him again if he knew what had happened. He had been crying, and said he had just heard; that he had been sure everything was all right; but that something had occurred entirely different from what he had anticipated. Said I, "That don't amount to anything; we know that gold ought not to be at 31, and that it would not be but for such performances as you have had this last week; you knew damned well it would not if you had not failed." I knew that somebody had run a saw right into us, and said I, "This whole damned thing has turned out just as I told you it would; I considered the whole party a pack of cowards;" and I expected that when we came to clear our hands they would sock it right into us. I said to him, "I don't know whether you have lied or not, and I don't know what ought to be done with you."

He was on the other side of the table, weeping and wailing, and I was gnashing my teeth. "Now," he says, "you must quiet yourself." I told him I didn't want to be quiet; I had no desire to ever be quiet again, and probably never should be quiet again. He says, "But, my dear sir, you will lose your reason." Says I, "Speyers has already lost his reason; reason has gone out of everybody but me." I continued, "Now what are you going to do; you have got us into this thing, and what are you going to do to get out of it?" He says, "I don't know; I will go and get my wife." I said, "Get her down here." The soft talk was all over. He went upstairs and they returned, "tottling" into the room, looking older than Stephen Hopkins. His wife and he both looked like death. He was tottling just like that. (Illustrated by a trembling movement of the body.)

Finally I said, "Here is the position of the matter. We are forty miles down the Delaware, and we don't know where we are. I don't know but we may be rich; but it looks devilish like as if we were poor. You have got us into this scrape, and now what is going to be done?" She said she could not think this had been done with the President's consent. She thought Boutwell had done it in violation of the strict orders of the President not to sell gold. Said I, "That don't help matters at all. I can't tell you where we stand." We had sold large amounts of gold, which I was afraid would not go out. "Now, Mr. Corbin, what do you mean to do?" The old man straightened up in front of the table and said, "I will go down to Washington, and lay it at their door; I will fathom this thing." Said I, "When will you go—to-night?" "No," he said, "they had both been abed all day, and could not go that night; but," said he, "we will be in Washington Sunday morning; we will ride all night Saturday night, and go to the Executive Mansion Sunday morning. You stand right still until Monday morning, and we will stop all sales of gold. We will mend up the matter; bind up the wounds, and all will be right."

I had made up my mind that Corbin's influence was pretty well played out, but I thought that the further off he was the happier I should be, and so I recommended him to go. He came down Saturday night, as I afterward heard, and came back Sunday night, spending the day at the mansion. I have never seen him from that day to this. Of course matters took such a turn that it was no use. It was each man drag out his own corpse. Get out of it as well as you can.

This is a statement as nearly as I can give you of this gold operation. The whole movement was based upon a desire on our part to employ our men, and work our power, getting the surplus crops moved east, and receiving for ourselves that portion of the transportation properly belonging to our road. That was the beginning of the movement, and the further operations were based upon a promise of what Corbin said the government would do. Whether Mr. Corbin has lied or not regarding Mrs. Grant's having half a million dollars of this gold, and about Porter's being interested in half a million of gold, I do not know; I have no reason to believe that he did.

Q. What Porter do you refer to?—A. I think he said General Porter; I know it was the Porter who was with General Grant, in Washington, Pennsylvania. I heard my man say that Porter had an interest in half a million of dollars in this gold. You have heard of the interest that Speyers had in this gold. We had nothing to do with Speyers that day. Whatever transactions he had were with Belden. My transactions were done through Heath & Co., and were merely to support the gold market, without any understanding that there was to be any cor-

ner; without any understanding whatever, of any name or nature, further than to assist Mr. Gould in this transaction. He had started out with the view of giving work for our men, and our power during the fall and winter.

To show you where we stand to-day: before I started to come to Washington yesterday morning, I asked Mr. Vanderbilt to come to our office, for the purpose of seeing whether he was situated as we were. I said to him, "We are going down to Washington, and we wish to see whether you are situated as we are; and perhaps it may have some weight upon our future position, so far as this affair is concerned. I would like to know whether, representing as you are a line as large as ours, you are employing as many men as you have been heretofore. Our men are on three-quarter time; we are ten days short in our payments, and our side-tracks are filled with empty cars. We yesterday took out one hundred and twelve cars, against three hundred and seventy-five last year; and," said I, "where do you stand?" He replied, "I have just ordered extra side-tracks to put empty cars on. Our men are on three-quarter time, and so far as our matters are concerned, they are just like yours."

The Atlantic and Great Western road, about which I presume the chairman of this committee knows something, took in \$480,000 for the month of December of last year. This year they received \$248,000 for the same month. Railroading to-day is not furnishing more money than is required to pay for the labor and the oil used. We are not situated differently to-day from any other road in that respect. There never was such prostration as has settled over these thirty-five or forty millions of people—as rests on us all here. I am now speaking to illustrate where this man, Grant, has brought us to.

Q. You are speaking of the policy of the government?—A. I am speaking of this man, Grant, who has brought us to this position. You have brought Mr. Gould and myself here to testify, and I am testifying what I know about these transactions; about the position we have been placed in. As the representative of the largest corporation on the American continent, I say to you that we are to-day starving to death.

(Mr. Burchard suggested that the witness was traveling out of the sphere of the investigation.)

WITNESS. I must state that I must ask you, gentlemen, to summon witnesses whose names I shall give you. My men are starving. When the newspapers told you we were keeping away from this committee, I say to you there is no man in this country who wanted to come before you as bad as Jim Fisk, jr. I have thirty or forty thousand wives and children to feed with the money disbursed from our office. We have no money to pay them, and I know what has brought them to this condition.

By the CHAIRMAN:

Q. In the beginning of this movement in gold, how far did you intend to carry it?—A. To where we could ship these crops.

Q. To what point in the price of gold?—A. That would depend entirely upon various circumstances. The point might have been reached at 40, and it might have been 46 or 47.

Q. Did you expect to carry it as high as 50?—A. No.

Q. What, with that view of the case, was the influence which resulted in carrying it above 50 and above 60?—A. It went up to 60 for the reason that there were in that market a hundred men short of gold. There were banking-houses which had stood for fifty years, and who did

not know but what they were ruined. They rushed into the market to cover their shorts. I think it went from 45 to 60 without the purchase of more than \$600,000 or \$700,000 of gold. It went there in consequence of the frightened bear interest.

Q. What frightened the bears?—A. There was a feeling that there was no gold in the market, and that the government would not let any gold go out.

Q. Mr. Belden has stated under oath to the grand jury that you and Mr. Gould gave him a great many orders to buy gold. Have you stated all the orders that you gave? State in full the orders you gave to Mr. Belden upon these two days of the panic.—A. We were buying and selling. Of course, in working a market like that we were continually buying and selling gold. I think I telegraphed two or three times on Thursday to Belden to buy a million of gold. The next morning I sold a million. I know in my conversation with Belden the first night there was no relative difference between his purchases and the sales for our account.

Q. What order did you give him on the 24th?—A. I gave him no order.

Q. Did he execute any order you had previously given?—A. No; all orders expired at sundown. This is the rule of the street.

Q. C. C. Allen has also stated to the grand jury that you gave him orders to buy gold; please state what orders you gave him.—A. Allen is a man whom I never saw, so far as I know. Allen claims, and has brought suit, that he has a written order to buy a million of gold for William Heath & Co. The facts of the case I will state as they were told to me. When gold was at 43, I gave a young man by the name of Crother an order to buy \$500,000 of gold. It seems he could not execute the order, and he says he gave the order to this man Allen. I then had no idea of gold going up to 60 or anything of that kind; and when he came back he said to me, "Suppose I can get a million, what shall I do?" Said I, "Take it." I remember that, and that is all I ever knew about it. Pretty soon he came back and said he did not get anything at all. This was just before the jump from 45 to 60. Then Crother comes back to me and says: "You sign right at the bottom of this paper," which he handed me, "and I will see if I cannot execute the order." In a hasty moment, I tore the margin off a New York Herald, and wrote, "Buy a million of gold. Wm. Belden & Co." I was going to send it to Belden, as I supposed Heath & Co. had all the gold they wanted. They said that I told them to send it in to Heath. Three days afterward Crother comes to me and states that he gave the order to this man Allen, and that Allen had executed it at 60. Said I, "If he has executed it let him take it." During this time Belden had failed, and Allen then tried to put it off on to Heath.

Q. It is in evidence before the committee that you gave large orders to William Heath & Co.; please state what orders you gave to them.—A. I think, on Friday morning, Heath bought four or five hundred thousand dollars in gold.

Q. There was a meeting on the night of the 23d at the Opera House, in which these transactions and the situation in which you were was discussed, and in which a proposition was made to publish in the papers the next-morning the names of the men who were short of gold, for the purpose of forcing them to a settlement; please state to the committee what your plan was?—A. That was never mentioned at the Opera House.

Q. Is not the Opera House the place of your up-town office?—A. Yes.



Q. State where this meeting occurred and what occurred.—A. There is a theory to which you seem to refer, and the only thing I can imagine you refer to, that to a certain extent has originated with Daniel Drew: that when parties were largely short of Erie, the names of parties and the amounts could be published, so that the parties themselves in looking over the list, seeing that such a list of the parties were down as short, one man at a thousand shares, and another at another rate, each would find his name there and believe the statement was correct, as to every other name. Upon glancing over a list like that they would see that they were cornered, and would come right down at such prices as they could get. That has been a theory I have always had in mind as among the things which might be tried in an emergency, until one day I asked our counsel about it. The counsel told me it would partake of a conspiracy, and that it could never be used. The only thing I remember to which you can possibly refer is, on the afternoon before black Friday, I recollect saying in the office, to Mr. Gould, I think, Mr. Willard, and perhaps Mr. Smith, that this would be a good time to adopt that theory of advertising the list of names and of carrying out that plan. Some one says: "Why don't we do it? We are in a good position enough? There is gold enough short?" Said I, "You cannot do it." "O, yes," they said. Said I, "We cannot; I have taken counsel on the subject, and they say it cannot be done." In order to convince these gentlemen, I sent up to Mr. Sherman's office Thursday afternoon, and he came down to Heath's office where we were talking. I asked him to explain just what he told me about this theory, which he did, stating that it could not be done; that it was one of the acts which would be considered as unlawful.

Q. State what was the plan agreed upon for your operations next day.—A. No plan whatever. The idea the next morning was to make gold about 45, and to keep it right there still. That was my idea. We did not have any particular talk of any plan; but my idea was to get gold up to 45, and then to loan it out at that price. We could make just as much money in loaning it out as we could in selling it, because parties had to come to us to buy their gold.

Q. How much do you think you and your associates held the night before the breakdown?—A. I cannot say for myself and associates, for the reason that I do not know. I can say for myself, and the different parties whom I knew to hold long gold, based upon the belief that the government would not sell, that we held, perhaps, sixty millions.

Q. In other words, sixty millions of calls?—A. That is exactly it; of course we knew there was only about thirteen or fourteen millions of gold that could come in onto us.

Q. Was your situation such that everybody who had gold must buy of you?—A. If we called in the thirteen millions, these parties must take the gold of us. I told them, as I stated, that our plan was to put gold up to 45, and that we were perfectly safe then, for we could loan the gold four times over and make as much money as if we sold it, but to wait until this excitement was over; for, I assure you, I never have made money in an excitable market. I preferred, therefore, to wait until the prices were steady at about 45; when they dropped down to 43 we would buy it over again, and so make a great deal of money without bringing on any corner in gold at all. If our plan succeeded, we had nothing to do but to make money all the time.

Q. Did your associates who discussed the matter with you concur with you?—A. They concurred in my view so far as this: there is no fright as great as the fright in Wall street when the bears get fright-

ened, for the very reason that they have sold what they have not got. There are so many orders for Gold Exchange by the English and German bankers, whom we knew were short of gold, that we were afraid what might be the result of the fright they would get into.

Q. You knew, pretty well, who were short of gold?—A. Of course we had a list of all their contracts.

Q. About how many were short?—A. It commenced with Jay Cooke, and probably went through two hundred and fifty houses. In fact, it included every firm in this country of any magnitude whatever.

Q. And they were all dependent upon you?—A. Yes; we had called in six or seven millions of this amount, enough to make a sharp demand. The banks held about as much more. And we therefore substantially held all there was available.

Q. Who do you mean by "we"?—A. I mean Smith, Gould, Martin & Co., Mr. Willard, Mr. Belden, Heath, and the brokers they employed.

Q. When did you call in that six or seven millions?—A. During Tuesday and Wednesday. Our intention was to bring in enough to make a sharp call for gold, enough to make quick loans, so that we could get it right out of the way.

Q. When the movement began on Friday, and gold started up, did not a large number of "shorts" come in to settle?—A. That I have understood. None of them came to settle with me. My gold went from Heath's back to Smith, Gould & Martin's from the clearing-house. They told me they had settled my contracts with Heath, leaving about eleven hundred dollars profit, out of eleven or twelve millions transactions. They said, "We have settled so much gold and sold so much gold; we will take your gold at a certain price." Said I, "Very well; you take the gold and turn it over to Smith, Gould & Martin."

Q. Why did the prices break down that day?—A. On account of this sale by the government.

Q. Did it not break down before the orders to sell were known?—A. Not before they were known.

Q. At what time in the day did the break occur?—A. I should think at half-past eleven.

Q. How soon did you know the news?—A. I will state what I know on that subject. I never had met General Butterfield but once before this. They considered him all-important. I did not see how we could get much benefit from him. Nevertheless, I could see that if they had a claim upon him, if he got the news first, he would give it to them. On Friday morning, when I went out into the street, everybody was wild. The first thing I suppose every man did who was a friend to Boutwell was to telegraph to Washington. An article also appeared that morning in the Times, saying that the administration was mixed up in this movement, and that the time had come when they should break up these cliques. It was a dirty article, but I found that it would break down gold; that it would be telegraphed to Washington, and that when the time came, these men would not stand fast. I believed it that morning, the moment I got into the street. I had three or four runners with me, and I started a man from my office right up to Butterfield's every fifteen minutes. Butterfield kept sending down word to Mr. Gould that everything was all right. This continued until about twenty minutes past eleven, when gold, which had gone up to 63, all of a sudden broke down to 40. My man had then been gone about half an hour. He reported that he could not for a good while find Butterfield. I believe that when Butterfield got the information he gave it to

Seligman, and that he withheld the information from the others as long as he could, until he could get out some of the gold he had there. That is the first knowledge I had of this order.

Q. Do you know that of your own knowledge?—A. No; I cannot say anything more than that it was the general belief.

Q. Why would the sale of four millions of gold break down the market?—A. It would break our corner.

Q. The "longs" then were not so strong but that four millions would break them?—A. It would when they knew the government had eighty or ninety millions right behind it. The theory was adopted in a moment that the government had made up its mind to break up this clique. They gave real gold that took the money to pay for it every time.

Q. Explain to the committee what you mean by "phantom gold?"—A. I mean "short" gold. That is the common title. You are a member of the board, suppose, and you say, I will sell you gold at twenty-one, and I say I will take it. You and I exchange tickets; to-morrow you have got to give me that gold; but you come to me and buy the gold, or you borrow it and give it to me. It is nothing really but a piece of paper. Again, suppose I have a million of gold; you come to me and want to borrow a million; you loan the gold or sell it to another man, and he to another, and so on, until a million of gold would settle twenty millions of transactions, and no gold has really passed at all. In fact millions of transactions pass through the clearing-house with never a dollar of real gold at all.

By Mr. BURCHARD:

Q. Where was the thirteen or fourteen millions of gold which you say was in existence?—A. Supposed to be in the banks, but the banks always kept it loaned out.

Q. In these purchases to which you have referred, did your parties have any actual gold?—A. Yes; we had probably three or four millions actual gold.

By the CHAIRMAN:

Q. Did you receive any messages from Butterfield during that day?—A. Nothing, only what was brought by my man, who kept going backward and forward to my office. In the first place Mr. Gould and myself fixed our headquarters for the day at Heath's office, and these messages were sent over there. Butterfield would send back word, everything is all right; no news from Washington; and so we kept passing our messages until half-past eleven, when, as I said, the messenger was gone for half an hour, during which time the break came. The messenger says he could not find Butterfield; but I have always made up my mind that, when Butterfield's testimony before the grand jury comes out, you will find that he gave the first information to Seligman, and to Morton, Bliss & Co. Of course I have not seen that testimony, but I think he admitted that, and that it was the cause of his removal. I have always thought they wanted to make Butterfield a bulwark to fight over so that it would not reach the Grant party. I have always held to the belief that they would have supported Butterfield as long as they could, if he had not in his own admissions acknowledged that he was speculating with Seligman and Morton; otherwise I do not believe they would ever have removed him.

Q. During the time did General Butterfield send this message to you: "Is bottom touched?" and did you return for answer "Bottom is touched?"—A. I do not remember anything of the kind.

Q. Did you state this during that day in Heath's office, "This is the last day of the Gold Exchange?"—A. No, sir.

Q. Did you say so anywhere?—A. Not that I remember. I made up my mind that afternoon that the Gold Bank and the Gold Exchange were both bursted. I did not think they could go through, but I did not make any remark of that kind.

Q. From your knowledge of business, do you think the gold-room and Gold Exchange Bank are necessary to the transaction of business?—A. I think the Gold Exchange is a legitimate way of transacting that description of business, but I think the clearing-house they have there is as much a tempter of sales as if somebody should say to a reformed drunkard, "I will set a bottle of gin on that shelf and then go away and leave you." I believe it is as much a temptation, for the reason that you can make more transactions with five thousand dollars through the clearing-house than you could with a hundred thousand dollars without it.

Q. From your own knowledge, do you know of any officer of the government of the United States, either in Washington, New York, or elsewhere, who was directly or indirectly concerned in purchasing, or interested in the results of the gold movement in these two days?—

A. I can state that I have told you what I know to be the connection of officers of the government with the gold transactions with which I was connected.

Q. Beyond what you have stated, have you any other knowledge?—

A. I should say no.

Q. I understand you to refer to your history of Corbin's statements to you; do you know of your own knowledge that Corbin spoke by authority, or that he spoke truthfully, when he represented that he had arrangements made for everything?—A. I only know that he told me that his arrangements with General Grant were perfect, and he reiterated it over and over again.

Q. With all the facts that have transpired, do you believe that he spoke the truth?—A. Yes, sir; I do.

Q. You have spoken of money having been paid; do you think money was ever paid to Mr. Corbin?—A. Yes; I know that a check of twenty-five thousand dollars was given to him, and that it was afterward returned to the bank.

Q. Drawn by whom?—A. Drawn on Smith, Gould & Martin, by Jay Gould. This check was tracked up, and found to have been presented to the Bank of the Commonwealth without Corbin's signature, which of itself has a suspicious look. We found that it came through the bank in which Corbin keeps his account, bearing the number of Corbin's account, showing that it went to his credit. Evidently he declined to indorse it, thinking it might place him more in our power.

Q. You know that that twenty-five thousand dollars was paid and placed to Mr. Corbin's account?—A. Yes, sir.

Q. Do you know of your own knowledge the fact of more money having been paid by any other parties connected with the government in connection with this matter?—A. I only know of this twenty-five thousand dollars, and what I have stated in regard to the hundred thousand.

Q. But that, you say, was not paid?—A. No; but I went, at the request of Mr. Gould, and got a check payable to Corbin's order, which I gave to Mr. Gould, as I stated.

Q. But you do not know that it was ever delivered to Mr. Corbin?—

A. I do not; no, sir.

Q. Can you name any other person who heard any of these conversations between yourself and Corbin than those you have named?—A. I think Dr. Pollard did.

Q. At what interview was he present?—A. I think he was present at two or three meetings at Corbin's house, and also that Mr. Catherwood was in an adjoining room when Corbin was at the Opera House. I never did know it until two or three days ago, when he recalled it to my mind that he had heard Corbin make certain remarks.

Q. Did any officer of the United States ever give you any direct or indirect statement that he knew of these private speculations in gold and intended to protect them by keeping the government from selling?—

A. I have stated about all that I know, to the best of my knowledge and belief, regarding what government officers had to do with our transactions, and that is my answer to the question.

Q. Have you stated anywhere that any officer of the government had told you this?—A. I have stated about what connection I considered the government officers had with our transactions.

Q. In any other way than you have described had you any knowledge of this fact?—A. In the way I have described about the gold transactions and the connection they had with government transactions, is the way I understand the matter to be.

Q. And the only way?—A. And the only way.

Q. From your knowledge and relationship to Mr. Gould, is it possible that these facts as stated by you can be true without Mr. Gould's knowing it?—A. I should suppose Mr. Gould would understand the matter as I do; that would be my supposition.

Q. You know him to have been intimately related to nearly all you have stated?—A. I know he was in the habit of calling on Corbin twice a day for six weeks. I know that he had three or four interviews with General Grant, and therefore I do not see why he should not understand the matter as I do. The testimony I have given this afternoon regarding the connection of General Grant with this movement, has been given to you by me upon the theory that what I knew about it was told to me by Mr. Corbin and Mrs. Corbin, and I have reason to believe that what they told me is true. It is, however, for those who have judgment in the matter to say whether Mr. and Mrs. Corbin deceived me. It is proof that I cannot doubt. I believed what they said, and acted upon that belief, and placed myself in a position that no one in this country would ever care to be placed in. That is the best reason I can give for my belief in what Mr. and Mrs. Corbin told me.

Q. When Speyers was introduced to you, did not Belden or some one in the office say, "We are all of one family, and the orders given are the orders for all of us?"—A. No, sir. Belden in these suits has given his affidavit, and has testified in regard to these transactions as to the precise language he used when he brought Speyers in.

Q. Was not Speyers ordered to report to Mr. Smith any purchases which he made?—A. No, I think not.

Do you know whether Mr. Smith gave him any orders?—No, I do not.

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WASHINGTON, D. C., *January 22, 1870.*

CHARLES W. POLLARD sworn and examined.

By the CHAIRMAN:

Question. State your residence, place of business, and occupation.

Answer. I reside in New York; my place of business is at the Erie Rail-

road office. I have charge of the distribution of cars, and demurrage account of the Erie railroad.

Q. Were you ever present at an interview between James Fisk, jr., and Mr. Corbin?—A. Yes, sir.

Q. When and where?—A. On Saturday, the 25th of September, at Mr. Corbin's house, in the morning.

Q. State the circumstances of that interview.—A. Mr. Fisk asked me Saturday morning to go up to Mr. Corbin's house and see him, saying that it was important for me to see him early in the morning. I went up to Mr. Corbin's, and found him feeling so ill and wretched that he said it would be impossible for him to get out, as he had been sick all night. He asked me to bring Mr. Fisk and Mr. Gould up there as soon as I could. I took the carriage and went back, and Mr. Fisk came right up with me to Mr. Corbin's house. Mr. Fisk and Mr. Corbin went into the library and talked a few moments. I stood in the hall. They then came out. Mr. Corbin took his hat and said, "If it is necessary, I will start to-night, immediately." They got into the carriage and went down to the office. He remained there about two hours in the office, closeted with Mr. Gould and Mr. Fisk. I was not present at the interview.

Q. Have you stated all you saw and heard on that occasion?—A. On that occasion, I have. That was the only interview they had together when I was present.

Q. Was there any other person present at that interview?—A. No, sir.

Q. Was there anybody else in the house, so far as you know?—A. No other person was in the library, to my knowledge.

Q. Did you hear the voice of any person other than those two?—A. No, sir.

Q. Were you near enough so that you could have heard any other voice?—A. No, I think not.

Q. Where were you?—A. At the vestibule door.

Q. Have you ever had any other interviews with Mr. Corbin?—A. He called upon me both Thursday and Friday, at the office.

Q. Are you familiar with what is commonly known as the gold clique or movement during that time?—A. Having been an old broker, I am somewhat familiar with the *modus operandi*. I was not connected with it myself.

Q. Of your own personal knowledge, do you know anything of the operations on that day?—A. I do not.

Q. Did you ever see Mr. Corbin at any time in company with Mr. Fisk?—A. A great many times at the office.

Q. Did you at Mr. Corbin's house?—A. No, sir; I have been at Mr. Corbin's house a number of times, and met him at the office, from time to time, for six months previous; during all that time I have known the pleasant relations existing between him and Fisk and Gould.

Q. Have you ever seen Fisk or Gould pay him any money?—A. I never saw them pay him money.

Q. Did you know of any business relations between them?—A. Yes. You asked me if I ever saw them pay him money. Of course I have seen the check that passed. My relations with Mr. Catherwood in regard to the railroad we were constructing brought me in contact frequently with Mr. Corbin, from a year ago last August for nearly a year. Perhaps the first time I saw Mr. Corbin was a year ago from this time; he frequently came into the office, and I met him at the down-town railroad office on Broadway.

Q. So that there can be no doubt that it was Mr. Corbin you saw at his house that morning?—A. Oh, no; I know him perfectly well. I have letters of introduction to General Grant from Mr. Corbin.

WASHINGTON, *January 22.*

WM. E. DODGE, sr., sworn and examined.

By the CHAIRMAN :

Question. State your place of residence and occupation?—Answer. I live in the city of New York; I am a merchant, and have been for forty years. Business, importer of metals.

Q. Has your business for the past few months led you to be familiar with the price and movements of gold?—A. Yes, sir.

Q. You then recollect the circumstances connected with the extraordinary rise in gold in September last?—A. Yes, sir.

Q. Do you understand the cause of that rise?—A. I have no doubt it was the result of speculation, attempting to control the gold market and raise the price of gold.

Q. Have you any knowledge as to who were concerned in this speculation?—A. I have no personal knowledge on that point.

Q. Will you tell us the effects of this extraordinary movement in gold upon the general business interests which you represent?—A. During the month of September, and immediately preceding the great culminating speculation, gold was rising so rapidly from day to day that as merchants it had become exceedingly embarrassing to conduct our business. Our goods were foreign goods; and as gold continued to rise we ceased, as far as possible, making any sales, feeling that gold was unnecessarily high, and must soon recede. On the day of the collapse, more particularly, there was a feeling of alarm that put a stop to business of every kind entirely. Almost everybody was running to and fro, either reporting or inquiring in regard to the continual advances; and gentlemen who were determined to maintain their integrity at all hazards were obliged to buy gold at the current rate of the hour. For instance, at half-past eleven in the morning, a merchant called upon to settle for a foreign importation, the payment for which came due that day, would have been obliged to purchase gold at from fifty to sixty per cent. premium; but at half past twelve, only an hour afterward, he could have got gold for 31.

Q. Did any merchants actually settle at any such rates during those days, so far as you know?—A. I do not know that I can name any particular individuals who did so, though it was very possible, and indeed probable, that many parties were so situated. Many losses of the kind were suffered up to the culmination of the affair. You will remember the price went to 35, 37, 39, 42, 44, 45; but on the day the break took place almost all business was suspended, and almost everybody deferred making settlement to as late an hour as possible, and thereby was saved from the loss that would otherwise have occurred.

Q. Do you transact your business through the gold clearing-house?—A. Up to that time we did; but since that time our transactions have been in the open market—refusing to encourage anything connected with such a speculative affair.

Q. What is the practical use of the gold clearing-house?—A. There is no need at all of any such institution. There would be no difficulty in buying and selling gold in the regular course of brokerage business. That would always keep gold at its regular and natural level.

Q. Mr. Dodge, it has been stated before the committee that the gold clearing-house, or some institution to serve a similar purpose, is necessary for the settlement of accounts, because previous to its establishment clerks carrying gold in settlement of balances were knocked down on the street and robbed, or would themselves sometimes run away with

the gold given in their charge to convey from one place to another. Do you know of the existence of any difficulty of that kind, in the absence of a clearing-house, which is obviated by its existence?—A. Practically there is no such difficulty. All of us keep two accounts, a currency account and a gold account; and transfers of gold are made, not by carrying it through the street, but by drawing gold checks on our banks. As I have said, we have been doing our business without going near the clearing-house ever since the panic.

Q. And have found no difficulty in the transaction of your business and the settlement of your balances?—A. Not the least.

Q. What is your opinion as to the opportunity offered by the existence of the Gold Exchange Bank for speculative movements?—A. My opinion is that without that organization it would have been utterly impossible to have got up that panic.

Q. How so?—A. Because in the open market no excitement can be got up. In the gold-room, gold, or rather the ownership of gold, changes hands at fictitious values; men of almost no capital buy and sell gold which they do not in reality possess, merely for purposes of speculation; there is no legitimate business about it; and the commerce of the country is obliged to make settlements at the current rate of gold, according to the fictitious prices established by those gamblers of the gold-room. Unscrupulous and irresponsible men, without a hundred dollars in the world, either in gold or currency, buy and sell to the extent of millions, at fictitious prices, and every merchant in the United States is at their mercy.

Q. What is the average amount, daily, of legitimate transactions in gold in New York City?—A. It is impossible for me to tell. When we consider the heavy importations that are made, the large dealing in foreign exchange and government bonds, and other business in which gold is necessarily used, it is evident that the legitimate gold transactions must be very large; but they bear no kind of proportion to the amount that changes hands in the gold-room, solely as a matter of speculation.

Q. In your opinion, could the gold-room and the Gold Exchange Bank continue to exist, were we to return to specie payments?—A. There would be no necessity for it in the regular course of commerce—not the least in the world; it might exist for a time as a mere gambling-house; nothing else. These institutions are built entirely on the difference between gold and paper.

Q. In the absence of the gold-room, how would the price of gold be determined?—A. Very easily. There are a large number of banking establishments in New York, among them five or six very large houses, headed by cool, determined, business men, who would take your order for five or six hundred thousand dollars. If you want to ascertain the rate of exchange, go to some of these men—say Brown Bros., Duncan, Sherman & Co., or Belmont. They will give you the figures at which gold is legitimately selling, without a variation of more than one-sixteenth of a cent between them. And there would not be that feverish competition between them that is excited among the gamblers of the gold-room. For instance, I go to Brown Brothers for \$100,000 in gold, and inquire the premium; they tell me  $22\frac{1}{2}$  was the quotation at 12 o'clock. I tell them that Duncan, Sherman & Co. are selling at  $22\frac{1}{4}$ ; "Well," say Brown Brothers, "if they are doing that, that is the price." Take the gold-room out of the way and the commerce in gold will regulate itself, and there would not be a daily variation of one-sixteenth of one per cent. in the price of gold.



Q. State whether the effect of this speculation in gold was felt for any considerable time after the panic?—A. For two or three days the business of the city was completely paralyzed; the clearing-house was completely loaded, and could do nothing. It was impossible for business men to do any business. I will refer to my own case. On that very day, when the collapse took place, as I was going down William street—gold being, according to the last quotations I had heard, at 57—a young man came running toward me, and told me that the bubble had broke, and gold gone down to 31. I hastened to the gold-room and found gold at 34. I immediately bought at 34; but the next day the party of whom I purchased was unable to deliver it; the clearing-house was bankrupt; and I had to wait three or four days. I wanted the gold to use the next day, and went into the market and bought it at 30½. He afterward offered to deliver it, but I did not want it then, and would not take it. I afterward found out that he was going to be shut out from the gold-room for not carrying out his contract, and as I knew he was a poor and worthy man, rather than have him suffer I sent him a check for the difference between 30½ and 34½, on the amount I purchased of him. This is only one instance of what was occurring throughout the city and country as the result of that panic. All over the country, for several weeks, business was almost entirely paralyzed; parties who were expecting gold checks or remittances by each mail, failed to get them, and were greatly embarrassed in consequence. All was disorder and uncertainty.

Q. In conducting your business is it necessary, frequently, for you to sell gold that you do not have?—A. We never do that. We buy gold, but we never sell. We buy it to use in the regular course of our business.

Q. Do you loan gold?—A. Never.

Q. It has been stated before this committee that an importer, in order to secure himself against fluctuation, after he has commenced a transaction with a European house, must buy his gold; and that then he can loan it until he needs it for his own use. Is that the ordinary way, and a legitimate transaction, in your opinion?—A. Oh, yes; that is perfectly legitimate, but it is not in our line. A man dealing in the cotton business *must* do that, in order to do business at all; otherwise he would be entirely at the mercy of the price of gold at that future time, when his transaction should be completed.

Q. Is it also legitimate for that class of business men to sell gold which they do not have at the time, but which they expect by-and-by to have, to deliver?—A. Yes, sir; that is legitimate. If a merchant knows that he is going to have gold in his possession a fortnight hence, and prefers to make a certain profit now than to run the risk of what the market may be a fortnight hence, it is perfectly legitimate and proper for him to do so.

Q. In your opinion, was there any combination at the time of the panic for the purpose of putting up gold?—A. I look upon the whole thing as a gambling operation. Such transactions ought to be placed entirely outside the pale of commerce; but I do not know whether it can be reached by law or not.

Q. In your opinion, is there anything short of a return to specie payment that can remedy it?—A. I do not know of anything that can be done, unless the law can treat it as gambling. That *ought* to be done, for it is gambling in the very life-blood of the nation. It is the worst kind of gambling. If you gamble in the stocks of a railroad, only those who own stocks in the railroad company are injured by it. You have

nothing at stake except what you have voluntarily risked. But in the condition of the currency, every single person in the entire country is interested. I do not know whether legislation could effect anything; but I should like to see government fix, if it were possible, some authoritative standard by which the business of the country could be settled. Then let these speculators gamble among themselves as much as they choose.

WASHINGTON, *January 22.*

GEORGE H. STUART sworn and examined:

Question. Mr. Stuart, state your residence and your business.—Answer. My residence is Philadelphia; I am a merchant—an importer of British dry goods; have been engaged in that business for thirty-eight years.

Q. Did you observe the course of gold in September last?—A. I did.

Q. State the effect of the disturbance in New York, about the 23d and 24th of September, upon business in Philadelphia.—A. Business was affected very severely. The price of gold was governed, hour by hour, and in fact minute by minute, by the price in New York. We had a telegraphic indicator in our office, constantly showing the price of gold in the gold-room in New York. In fact, the machines could not work fast enough.

Q. Are such indicators in use throughout the United States?—A. I presume they are—at least in the leading cities.

Q. In your business is it necessary that you should buy a great deal of gold?—A. Daily, sir.

Q. How did the New York panic affect your business?—A. Very seriously; put a complete stop to it for weeks. It paralyzed everything connected with foreign dry goods.

Q. Was this also true, to some extent, of other kinds of business in your city?—A. Very generally, sir, throughout Philadelphia.

Q. Were there any considerable losses as the result?—A. I have heard of a number of houses that lost heavily. One man I know of had to settle for a large amount at 55, when gold fell in a few hours to 35. He has since failed, at 50 cents on the dollar.

Q. You have heard the testimony just given by Mr. Dodge; in so far as he describes the general effect of the disturbance in the gold market upon business, does your opinion coincide with his?—A. Entirely.

Q. How do you settle your matters in Philadelphia? Have you a gold clearing-house there?—A. A small one; but our merchants' business is mainly done through our large brokers, who have the New York quotations in their offices from ten o'clock in the morning till four in the afternoon.

Q. Do you think a gold clearing-house necessary for the transaction of such business?—A. I think the very reverse. We used one for a short time, but finally concluded we could get along better without it.

Q. Did you ever hear of any considerable losses resulting from *not* having a clearing-house?—A. Never, sir.

Q. Can you suggest any legislation that would tend, in your judgment, to regulate and remove these evils?—A. I have not given the subject sufficient attention in that direction to be able to suggest any remedy; but I am convinced, from my own experience with and without the use of a clearing-house, from frequent visits to the gold-room in New York, and from my acquaintance with merchants and the mercantile business of various large cities, that there is no occasion whatever

for a Gold Exchange, and have endeavored to induce our merchants to transact their business outside of those who operate in the gold-room, believing that for all business purposes, gold, like exchange, can be and ought to be bought and sold at the counters of those whose business it is to deal with it, and its price regulated by the ordinary commercial rules of supply and demand, instead of by the fictitious values set upon it by reckless speculators, who have nothing to lose and everything to gain.

Q. Do you think it would aid the business of the country, and give it a more stable character, if Congress were to fix a rate at which paper currency should be received for gold?—A. As I have said, I have not given that branch of the subject sufficient study to speak in such a manner as I should; but it seems to me that if some well-digested law could be prepared to regulate the price of gold from month to month, it would have a very good effect upon the business of the country. The one great want of the business men of the country is stability. If we could be certain that for thirty days to come gold would remain at from 20 to 22, we could carry on business with some satisfaction—could feel some security. Our own house has purchased a large amount of goods with gold that cost us  $21\frac{1}{2}$  per cent. premium; the goods are in our possession; in order to get our money back we must sell upon a basis of  $21\frac{1}{2}$  per cent. premium. But if, before these goods are disposed of, gold should go down to fifteen per cent., we should lose by the operation  $6\frac{1}{2}$  per cent. True, if gold should go up we should be the gainers. But we do not want to risk our fortune upon a blind chance; we want to do a regular and prudent business, in a business-like way; but as it is now, we are compelled to be at the mercy of a changeable money-market, whose fluctuations we cannot control nor foresee. This renders all business very much of a lottery.

By Mr. SMITH:

Q. Do you think that such legislation as you propose would prevent the possibility of a corner in gold?—A. It seems to me that some law might be devised to prevent it. After all is said and done, the government owns, really, the gold of the country, and the operations of these gold cliques are all based upon the probabilities of what the government will do.

Q. But might they not form combinations of capital sufficient to counteract all that the government could do?—A. I do not think there is near so much gold in New York City as is generally supposed. The amount in use daily is undoubtedly very large; but I believe it could be very much reduced if there could be more stability in the price. For instance, as it is now, at the foreign exchange banker's there is a double operation; the man who buys foreign exchange has to go into the market and buy gold to pay for it; the man who sells exchange to the foreign banker and gets gold in payment has to go into the market and sell his gold, perhaps to the very same banker the other man has bought from, each man paying a brokerage. But if there were to be some price fixed at which currency would be exchanged for gold, much of these large transactions would be done away with.

Q. With the present state of affairs, can you, as a matter of fact, know anything definite as to the condition of your business?—A. That is one great trouble. A man may apparently be making a good living profit on his goods; but by the time the year's business is concluded, the difference in the price of gold may so tell against him as to sweep off the entire profits of the year.

Q. And your only protection against such a result lies in marking up the price of your goods so as to cover risks?—A. Yes, sir.

Q. If gold payments were resumed, or if we had a fixed rate at which greenbacks would be redeemed, could you or could you not mark down your goods to your customers very considerably below what you can now sell them at? In other words, if you knew to a perfect certainty that there would be no fluctuation in gold for a year ahead, could you or could you not afford to sell at less figures than you now can?—A. Most certainly.

Q. You have to insure yourself by charging enough to cover contingencies?—A. Yes, sir; and even then are not insured.

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WASHINGTON, *January 24, 1870.*

HENRY H. MARTIN sworn and examined.

By the CHAIRMAN:

Question. State to the committee the reasons why you did not obey its first summons?—Answer. I was notified to appear on a jury before Judge McCunn, on Monday of last week. That notification was before I had received any notice to appear before this committee. I was under the impression that I was excused from that jury duty and that I could come, but upon further examination I found I was not, and accordingly I reported myself to Judge McCunn and served upon the jury. I appeared in court from morning to morning. On Friday morning the court was adjourned over and I came on here on Friday afternoon. I had no design to avoid appearing before the committee.

Q. Did you ask to be excused from jury duty?—A. Yes, sir; I tried to be excused.

Q. Did you make your request in open court?—A. A friend of mine made application to Judge McCunn.

Q. What was the answer?—A. I saw upon my notice that I was not excused, or something to that effect, signed by J. McCunn, or his initials.

Q. State your place of residence, your place of business, and your occupation.—A. My place of residence is New York; my place of business is 11 Broad street; my business is broker.

Q. What is the firm?—A. Smith, Gould, Martin & Co.

Q. Is the Gould of that firm Jay Gould?—A. Yes.

Q. Were you doing business during the month of September last?—A. Yes.

Q. What branch of the duties of the firm do you usually perform?—A. My branch of the business that I have charge of is mostly in the way of looking after out-of-town stock-account correspondents.

Q. Is it largely office work?—A. To some extent.

Q. Do you have a general supervision of the interior business arrangements of your firm?—A. No, sir; I do not have altogether a general supervision. My duties are of that kind.

Q. You are generally cognizant of the operations of your firm, so far as they appear on the books?—A. No, sir; not always.

Q. You are generally acquainted with the operations of the firm?—A. No, sir; not generally. Sometimes I am and sometimes I am not.

Q. Was your firm large buyers of gold in August and September last?—A. There was some gold bought in those months.

Q. Was any member of your firm also member of the gold-room?—A. Mr. Smith was a member of the gold-room.

Q. Any other member of your firm?—A. I think not.

Q. You are not, yourself?—A. No, sir; I am not.

Q. Were the purchases of gold during these months made for the account of your firm by Mr. Smith himself?—A. Not to my knowledge.

Q. Which one of your firm did make the purchases of gold, if any?—A. Not any member of the firm that I am aware of.

Q. What member of the firm gave orders for the purchase of gold during those months?—A. I saw no orders given, so that I cannot say who gave the orders.

By Mr. JUDD:

Q. Do you mean to say that no orders were given, to your knowledge?—A. I do not know; I think two or three orders.

Q. Name them.—A. I do not know that I know that any orders were given. As I said before, I had no charge of any of those purchases in the business. I attend to my own department and let others attend to theirs.

Q. Do you mean the committee to understand that you do not know that any orders to buy or sell gold were given by your firm on the 22d, 23d or 24th of September last?—A. I do not see that I can give any different answer than I have already given for the ground I have stated.

Q. Give any answer categorically to that direct question.—A. There may have been, but I cannot say whether there were or not.

Q. Do you know that any orders were given on those days either to buy or sell gold by your firm as such, or by any member of your firm?—A. I cannot say.

Q. Do you mean to say that during those days you had no conversation with either of your partners as to the purchase and sale of gold?—A. Not to my recollection.

Q. Did you have any conversation with your partners as to the transactions on the Gold Exchange on those days?—A. Not to my recollection.

Q. Are there any entries upon your books as to purchases or sales of gold?—A. It is my impression that there are not.

Q. Were there any statements of purchases made on those days by your firm?—A. I think there were.

Q. What were they?—A. I cannot say what they were.

Q. Have you examined your books?—A. I cannot recollect what they were.

Q. Have you ever looked at your books to see the result of those days' operations?—A. No, sir; I have not.

Q. Who has charge of your books?—A. The different clerks in the office.

Q. Do you ever have occasion to examine them?—A. Sometimes.

Q. Have you ever conversed with your partners about the operations on those days?—A. No, sir; I have not.

Q. Have you ever heard them converse with anybody else upon the subject?—A. Not to my knowledge.

Q. Do you mean to say, then, that you know nothing about the transactions on those days?—A. I mean to say simply this, that my duties are of the character which I have already named; that they are separate and distinct; and these duties I have attended to, leaving others to attend to duties which properly belong to them.

Q. Did the members of your firm have any meeting for consultation during those days?—A. None with me.

Q. Do you know of their having any meeting?—A. Not to my knowledge.

By the CHAIRMAN:

Q. Do you or do you not know that there was a very considerable fluctuation in the price of gold during those three days?—A. There was a change in the price of gold.

Q. You know that, do you?—A. Yes, sir.

Q. Did you, as a member of the firm of Smith, Gould, Martin & Co., have any interest in the rise or fall of gold?—A. No, sir; I did not.

Q. Did your firm, as a firm, have any interest in it?—A. Not to my knowledge.

Q. Have you ever heard any of the members say that the firm had any interest in it?—A. No, sir.

Q. Did you hear any individual member of it say so?—A. No, sir.

Q. Do you believe that the firm had any interest in the movement of gold?—A. Not to my knowledge; I never have had any reason to believe that it had.

Q. Are you a responsible member of the firm; I mean to say are you responsible for the doings of the firm in part; are you such a member of the firm as is responsible in part?—A. I am a member of the firm in the ordinary sense.

Q. If the firm makes a loss, or a gain, are you a sharer in that loss or gain?—A. The firm is not interested in profits or losses, to my knowledge.

By Mr. JUDD:

Q. Who is interested in the profits or losses of the business?—A. Our customers.

By the CHAIRMAN:

Q. Does it make no difference to you pecuniarily, whether your firm loses or makes in transactions?—A. I am not aware of the firm being interested in transactions from which profits or losses can be made.

Q. What is the business of your firm?—A. Buying and selling.

Q. And you never make or lose in buying or selling; is that your answer?—A. Not the firm, as I understand it.

Q. Is your business entirely a commission business?—A. Yes, sir; as far as I have any knowledge.

Q. You do business for others, upon which you receive commission?—A. Yes, sir.

Q. Did your firm upon any of those days buy or sell, or loan gold for others upon commission?—A. It is quite likely.

Q. Did it, or did it not?—A. Yes, sir.

Q. Name the parties for whom you did buy or sell gold?—A. I cannot say who the parties were.

Q. Do you know none of them for whom you transacted business?—A. Not to my knowledge.

Q. How do you know then that your firm did transact business during those days in the way of buying or selling gold?—A. I know by the reports.

By Mr. JUDD:

Q. Reports from whom?—A. I know by the reports that I saw coming into the office.

Q. In what shape?—A. Reports of brokers.

Q. What brokers?—A. Lounsbury & Fanshawe for one, and Hall & Young, I think.

Q. What others?—A. I do not recollect any others at present.

Q. Was Wm. Heath in your office during those days?—A. I do not recollect to have seen him in our office.

By the CHAIRMAN:

Q. Did E. K. Willard do any business in the way of a broker during those days for your firm?—A. He has done some business for us, but to what extent I do not know.

Q. Did he do any business for you during those days?—A. Some of those days he did; I cannot say what particular days he did.

By Mr. JUDD:

Q. What did he do?—A. It is merely a general impression of mine that he did some business, either in the way of buying or selling.

Q. Did you not tell us a moment ago that you knew it by reports brought by brokers?—A. Yes, sir.

Q. Were those reports in writing?—A. Yes, sir.

Q. What were they?—A. Purchases or sales, as the case might be.

Q. What was done with those reports when they were brought in?—A. They were handed over to one of our clerks.

Q. And entered upon your books?—A. That I cannot say.

Q. They were handed over for that purpose?—A. It may have been so.

Q. Do you not know they were?—A. Not to my knowledge.

Q. What did you mean when you first told us that you did not know that your firm had any transactions on those days?—A. I supposed you had reference to the firm as a firm.

Q. It was asked as to individual members, and as to the firm. What did you mean by saying that you did not know anything about it?—A. I meant that I did not know, of my own knowledge, as to the firm, or its individual members.

Q. You now say that you do know that tickets were brought in and handed over to your clerks to be entered on those days?—A. But I did not say that I knew for whose account those were.

Mr. JUDD. That was not asked at all.

By the CHAIRMAN:

Q. Did Mr. B. F. Carver buy or sell any gold for your firm during those days?—A. I cannot say whether he did or not.

Q. Did W. B. Palmer?—A. Yes, sir.

Q. Did J. P. Persch?—A. I cannot say whether he did or not.

Q. Did Chapin, Bowen & Day, as a firm, or as individuals?—A. I cannot say as to that.

Q. Did E. K. Enos?—A. Yes, sir.

Q. How do you know he did it?—A. Only from the recollection of seeing some reports of his.

Q. Did Wm. Heath & Co.?—A. I saw no reports from them.

Q. Do you know that there was, or was not, any transaction done for your firm, or any member of it, by Wm. Heath & Co., or any of that firm?—A. Not to my knowledge.

Q. Was any business done for you by Dakin & Gillespie as a firm?—A. I think there was.

Q. By Lockwood and Davenport?—A. I cannot say as to that.

Q. By Polhamus & Jackson?—A. I cannot say.

Q. Among several of those parties that I have named you have indi-

eated some who did buy or sell gold for your firm on those days; do you recollect anybody else whom I have not mentioned? If so, name them.—  
A. No, sir; I do not.

Q. Had those brokers, or any of them, special instructions or general authority to employ other brokers in the execution of orders given by your firm, or by any of its members?—A. That I cannot say.

Q. Did not those brokers, or some of them, habitually or frequently employ other brokers to execute the orders given by your firm?—A. I cannot say what their custom was.

Q. What was the nature of the reports made to your firm by brokers executing your orders in the sale or purchase of gold? Give the committee an idea of what those reports are.—A. Sometimes they are written on slips of paper, and sometimes they are more fully written out.

Q. What did such a report state; did it give the names of the parties to the transaction?—A. Sometimes they would give the names, and sometimes not.

Q. Were such reports made daily, and frequently during the day?—  
A. Not frequently.

Q. Do you say that no entries are made upon your books of such reports, or were entries of the reports made?—A. I have not examined the books to say; that is out of my department.

Q. Do you say that you do not know whether they were entered or not?—A. Not to my knowledge.

Q. If they were made, who made them; that is, who usually makes entries of that kind on your books?—A. There is no clerk in particular for that business; sometimes one clerk and sometimes another.

Q. Name those who usually or habitually do so.—A. Mr. Wm. A. Timpson sometimes enters them, and Mr. T. W. Riker sometimes.

Q. What member of your firm has charge of the clerks who keep the books and make the entries?—A. Mr. Smith has charge of the clerks.

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WASHINGTON, *January 25, 1870.*

Witness recalled and examination continued.

By the CHAIRMAN:

Question. Where were you on the 22d of September?—Answer. I was in our office, 11 Broad street, to the best of my recollection.

Q. Were you there during all the business hours of the day?—A. According to my recollection, I was.

Q. Where were you on the 23d?—A. In our office also.

Q. And on the 24th?—A. I think so.

Q. Were you in the office of William Heath during either of those days?—A. I cannot say whether I was or not. I may have been, or I may not. They were pretty busy days.

Q. What were you doing on those three days? Give a general history of what you did.—A. I was signing checks; making up loans; paying loans; writing letters; and business of that character.

Q. What kind of checks were you signing?—A. Checks on the bank.

Q. What bank?—A. The Bank of the Commonwealth.

Q. Any other?—A. According to the best of my recollection, that was the only bank.

Q. Did you sign any check on the Tenth National Bank during either of those three days?—A. Yes; I may have done so. That I cannot say definitely, whether I did or not.



Q. What transactions did your firm carry on during those three days? State to the committee the nature of the transactions.—A. The usual business that goes on—paying for stocks and paying for loans that may have been called on any of those days.

Q. What kind of loans?—A. Loans on securities.

Q. State the amount and nature of the transactions in gold of the firm of which you are a member during those three days, or any of them.—A. That I cannot say, for I do not know.

Q. State whether your firm had any transactions in gold on either of those days.—A. Yes, sir.

Q. What was the extent of those transactions?—A. That I cannot say.

Q. State, as near as you can, whether you think it was \$1,000, \$1,000,000, or \$100,000,000 for those three days.—A. It may have been five or ten millions, as near as I can recollect.

Q. Will you swear it was not more than ten millions?—A. No, sir. I cannot swear whether it was more or less.

Q. Did you have no means of knowing what the extent of the transactions in gold of your own firm was?—A. My business was in a different branch, and I paid very little attention to any portion of that business; consequently my knowledge of it is slight.

Q. Did you never make any inquiries of other members of your firm what the extent and character and out-go of these transactions in gold were?—A. No, sir.

Q. Was it of no interest for you to make such an inquiry?—A. I answer that question as before, that I attended, as I have usually done, to my department of the business, and not further than that.

Q. If there were checks drawn on the Tenth National Bank to procure currency on gold account, or on account of transactions in gold, would you not have had those checks to sign?—A. I did not sign all the checks that were drawn.

Q. The checks that you did sign were for what account? Were any of them for gold?—A. It is very likely that they were.

Q. Do you know that they were?—A. I cannot recollect now.

Q. Did your firm deal in gold either in the way of purchasing, selling, or loaning, in the month of August, or in the early part of September, before the panic?—A. Very likely.

Q. But did it?—A. Yes, sir.

Q. Did your firm keep any books of these transactions in gold during these months?—A. I cannot say to what extent records were made.

Q. Do you say that you are not familiar with the books of your firm, or its mode of keeping accounts?—A. Only to a very limited extent.

Q. Do you know that there are books of account kept by any member of your firm for the firm?—A. I suppose so.

Q. Do you know so?—A. Yes, sir.

Q. How many books are kept as your regular account books?—A. Two or three books.

Q. What are they?—A. *The purchase and sales book, a blotter, and a ledger, or something of that kind.*

Q. Any others; and if so, what?—A. The loan book; that, I believe, is all.

Q. Who keeps the purchase and sales book?—A. William A. Timpson.

Q. Did he keep it during the months of August and September last?—A. It is my impression that he did.

Q. Who keeps the blotter?—A. Mr. Riker.

Q. Did he keep it during August and September?—A. It is my impression that he did.

Q. Who kept the ledger during those months?—A. John F. Seely.

Q. Who kept the loan book?—A. A gentleman who was in our office then, but is not now. His name is Joseph Stettheimer.

Q. Was he then a member, or an employé, of your firm?—A. He was simply an employé—a clerk.

Q. Where is he now?—A. In the city of New York.

Q. Did you keep any different form of account during what is known as the panic week, in regard to your purchases, sales, and loans of gold, than you had kept previous to that time?—A. Not to my knowledge.

Q. Do you know that you did not keep a different account—a separate book?—A. Not to my knowledge.

Q. Do you know of your firm, or any member of it, having opened, during the month of September, what was known as the national gold account?—A. Yes, sir.

Q. What member of your firm had charge of that account?—A. That I cannot say of my own knowledge.

Q. How many books were connected with that account?—A. Not more than the number I have already named, according to the best of my knowledge and recollection.

Q. Was there a separate set of books kept for that account?—A. That I cannot say, as to my own knowledge.

Q. Is it your understanding that there was a separate set?—A. I have no understanding at all either one way or the other. I cannot say, of my own knowledge, that there was or was not.

Q. Then how do you know that there was such an account opened?—A. By hearing it spoken of by the boys in the office.

Q. Of course, you would not swear that you had not seen the account?—A. It is very possible that I have seen the account. I cannot swear whether I have or not.

Q. Will you state under oath that you have not seen that gold account?—A. No, sir.

Q. When did you first see it?—A. I do not recollect when I first saw it.

Q. Was it before the 1st of September, do you think?—A. I cannot recollect when I first saw it.

Q. You can surely remember approximately. Was it before the beginning of 1869?—A. It was some time in the year of 1869.

Q. Was it before July?—A. I should say not.

Q. Was it before August?—A. That I cannot say.

Q. Who showed you that account?—A. I heard the clerks in the office speaking of it.

Q. What clerks?—A. The stock clerk, Mr. Riker.

Q. What was the object of that account? What transactions was it designed to enter under the head of national gold account?—A. Transactions in gold, as I understood it.

Q. For whom was gold either sold or bought, or loaned, that was entered under that head of the National Gold Account?—A. That I cannot say of my knowledge; I do not know and have not known to this day.

Q. You never have heard for whom gold was entered?—A. Not to my knowledge.

Q. For whom do you believe transactions were made under that head?—A. I have not any belief on the subject.

Q. Is that account yet closed?—A. I cannot say whether it is or not.

Q. Have any efforts been made to close it?—A. That I cannot say, either.

Q. Has your firm never discussed the question of closing it or settling it?—A. Not with me.

Q. Was Mr. Jas. Fisk, jr., interested in any of the purchases or loans of gold made by your firm during the month of September?—A. Not to my knowledge.

Q. You stated in your testimony yesterday that several persons, naming them, brokers, bought, sold, or loaned gold for your firm during those days; was that gold bought, sold, or loaned for your own account or the account of your firm, or was it for other parties for whom you were transacting business?—A. I never understood that it was bought or sold for the firm; so far as I have ever know nor understood, it was not for the firm's account.

Q. For whose account was it?—A. That I have never known.

Q. For whose account did you believe then, or do you believe now, that it was bought, sold, or loaned?—A. I have no belief on the subject.

Q. Have you never made inquiry of any of your firm about it?—A. Not to my recollection.

Q. Do you mean to state under oath before the committee that your firm transacted, as you have already stated, large business in the way of gold during those months; that it was not done for your firm; that you do not know for whom it was done; that you never have inquired for whom it was done, and that you never heard any of your firm converse on the subject of or state for whom it was done; is that your testimony?—A. That is as I understood it. Of course, I will explain as regards that feature of the testimony that, as I stated yesterday morning before the committee, my duties in the office were of a different character, (I think I gave them yesterday morning,) and that those branches which belong to me I attended to, and the other business I have little or nothing to do with.

Q. Still you have stated this morning that you were present in the office during those three days, or during the business hours of those days; that you were signing checks and transacting the ordinary business of the office; and with all that, you have heard no conversation of your partners concerning those transactions whatever. What members of your firm were present in the office during those three days, or any part thereof?—A. Mr. Smith was.

Q. Who else?—A. Mr. James B. Bach.

Q. Anybody else?—A. Not to my recollection.

Q. Who is the company?—A. Mr. Bach is the company of the firm.

Q. Then your full firm is Smith, Gould, Martin & Bach?—A. It is Smith, Gould, Martin & Co.; Mr. Bach representing the company of the firm.

Q. And there are no other partners?—A. There are no other partners.

Q. Were you generally present in the office during business hours in the week previous to the gold panic?—A. To the best of my recollection, I was.

Q. State now, under oath, as near as you can recollect, the names of the persons who during those three days of panic were frequently in your office; was General Butterfield there during any of those days?—A. I do not recollect seeing him.

Q. Was W. S. Woodward there?—A. I do not recollect.

Q. Was Mr. A. Kimber?—A. I do not recollect as to him.

Q. Was Mr. A. R. Corbin?—A. Not to my knowledge.

Q. Was Mr. Fisk?—A. Not to my recollection; I do not recollect seeing him.

Q. Was Mr. Fisk interested in those gold operations of your firm?—A. I have never known whether he was or was not.

Q. Were William Belden & Co., or any of that firm, interested?—A. Not to my knowledge.

Q. Were William Heath & Co., or any of that firm, interested?

WITNESS. Interested; how?

Q. Interested there as a buyer, or seller, or loaner, or as a partaker in the benefits, losses, or profits.—A. I cannot say of my own knowledge.

Q. Why did you make that inquiry of what I meant by "interested;" did you not mean that Heath & Co. stood in a different relation to your firm in that transaction to some of the other persons whom I named; and, if so, in what different relation did they stand?—A. No, sir; I did not wish to be understood in that way.

Q. Did your firm have any account with William Heath & Co. during any of those days, or arising out of any of those days' transactions?—A. I cannot say, to my own knowledge, whether it did or not.

Q. Has your firm settled any account since the gold panic with William Heath & Co., arising out of those transactions?—A. I cannot say, for the reason that that branch of the business has not been in the line of my duty in the office.

Q. It is just to state to the committee at this point that it is in evidence before the committee that his firm did transact large business in gold with William Heath & Co., and did subsequently settle large accounts with them. With that statement of the case, have you any change to make in your testimony on the subject?—A. Gentlemen, as I have repeated to this committee several times, my duties are separate and distinct from those matters; some duties are assigned to one member of the firm and some to another, and one attends to his department and the others to theirs.

Q. Have you ever heard any of the members of your firm say that they had any transactions in gold with Heath & Co.?—A. Not to my recollection.

Q. Have you never heard your firm converse upon their business relations with Heath & Co., since the gold panic, with reference to gold?—A. Not to my recollection.

Q. Do you know that there is, or is not, any entry upon your books showing any transaction in gold with Heath & Co.?—A. I cannot say.

Q. Did not your partner, Mr. Smith, give orders to Albert Speyers to buy?—A. Not to my knowledge.

Q. Or to sell gold?—A. Not to my knowledge.

Q. Did you ever see Albert Speyers?—A. I did not see him at the time of the excitement; I have seen him months ago.

Q. Did you see him in September?—A. Not to my recollection.

Q. Do you know that you did not see him during the week of the panic?—A. Not to my recollection; I think I am right in that.

Q. Are you, or are you not, aware that on the 24th of September Heath & Co. were carrying a large amount of gold for your firm?—A. I cannot say.

Q. You cannot say whether you are aware or not aware of it; you cannot say that you do not know or that you do know?—A. I do not know whether they were or not.

Q. Are you aware that they were, or are you aware that they were not?—A. I have no knowledge either way.

By Mr. COBURN :

Q. Have you had access to the books of the firm since that time ?—A. Yes, sir ; but I have not examined them.

Q. Have you ever seen the name of William Heath & Co., or of William Heath, upon those books ?—A. I do not recollect.

By the CHAIRMAN :

Q. During those gold transactions of September, were there daily footings-up of the state of your firm's gold account, so that you knew each day how you stood ?—A. I did not know how we stood.

Q. Do you know whether any member of your firm knew ?—A. Mr. Smith may likely have known.

Q. Was such an account as that kept, and such a record made up day by day of your transactions in gold ?—A. The usual balances were taken, as is customary in those cases.

Q. How do you know that they were taken ?—A. Simply that it is customary.

Q. Then you do not know that they were taken, if you only know that it is customary. Do you swear that you do not know that the balances were taken by any of your firm, or were upon the books of your firm during those days ?—A. I know that the stock clerk has charge of those matters, and that it is his duty to see that the business is properly seen to.

Q. Do you know that he took the balances during those days ?—A. So far as I know, he did.

Q. How far do you know ?—A. That I cannot say.

Q. So far as you know, he did ; but you cannot say how far you know ; then what can you say upon the question of whether he did or did not ; can you say yes or no ?—A. Only as I answered before ; so far as I know, he did.

By Mr. COBURN :

Q. What do you base your knowledge upon ?—A. I base my knowledge upon the fact that it is part of his duty to see to such business.

By the CHAIRMAN :

Q. On or about the 21st or 22d of September, do you remember any entry made upon your books transferring a large amount of gold to E. K. Willard ?—A. No, sir, I do not.

Q. Did you ever hear of such an entry ?—A. Not to my knowledge.

Q. Did you ever hear of such a transaction ?—A. Not to my knowledge.

Q. Did you ever hear that on or about the 21st or 22d of September, Woodward and Kimber refused to co-operate any further with the persons who were carrying on the gold operations in your office ?—A. No, sir ; I did not, to my knowledge.

By Mr. COX :

Q. Who was the member of your firm who specially attended to this gold business ?—A. Mr. Smith had more charge of the business.

Q. Did Mr. Gould take any part in these transactions ?—A. Not to my knowledge.

Q. Did Mr. Smith ever consult with you about these matters ?—A. No, sir ; not to my knowledge or recollection.

Q. Were you in the city during this panic ?—A. Yes, sir, I was.

Q. And your duty was to sign checks in reference to gold as well as other things ?—A. My duty was to sign checks for the payment of stocks,

the payment of loans, and indorsing checks for deposit; although I did not, of course, sign or indorse all the checks that were signed or indorsed.

Q. Does your business, in regard to stocks outside the city, require all your attention?—A. Yes; it requires considerable time.

Q. Does it employ you all the business hours of the day?—A. That and the making up of loans, paying off loans, and the signing of checks.

Q. Explain what you mean by "making up of loans."—A. I mean to be understood as borrowing money and paying the loans as they are called. Of course, the money is usually borrowed on call, and is subject to being paid on call.

Q. Do you know anything about the service of injunctions upon your firm, or for your firm, or any legal proceedings in connection with this business?—A. As to these legal matters, I had nothing to do with them.

By Mr. Cox:

Q. You have no knowledge of them personally?—A. I had nothing to do with them in any form.

Q. Did you make any affidavit in the proceedings?—A. Not to my recollection.

Q. Were any proceedings served upon you as a member of the firm?—A. I cannot say whether there were or not.

Q. That was not in the line of your business?—A. It was not in the line of my duties. I am not a lawyer.

Q. You have no knowledge at all of these proceedings for injunctions, &c., in the courts?—A. Only as I saw them in the daily papers. My want of knowledge is simply for the reason I have already stated, that I had no charge of matters of that kind.

By Mr. BURCHARD:

Q. What was Mr. Gould's department in the business of the firm?—A. Mr. Gould had no department at all; he was a member of the firm; his duties were connected with the Erie Railway Company.

Q. He was not an active member of the firm?—A. He was not a managing member of the firm; not in the ordinary sense of the word.

By Mr. SMITH:

Q. Were the gold transactions of the firm a separate and distinct department from the other business of the firm?—A. Not to my recollection.

Q. They were mixed in with stock transactions and loans and the general business of the firm?—A. According to my recollection they were; yes, sir.

Q. If they were conducted in that way, and if you took charge of the business that you have already described, did not those matters come before you for judgment and knowledge?—A. Not necessarily.

Q. Did all your knowledge of the legal proceedings come to you through the newspapers?—A. According to my recollection, I do not recollect to have had any interview with my partners upon the subject.

By Mr. Cox:

Q. Or with any lawyers or judges in reference to injunctions?—A. I do not recollect having any interviews with any of them.

By Mr. BURCHARD:

Q. Who signed the checks?—A. I signed some checks.

Q. Who else?—A. Mr. Bach signed some checks, and Mr. Stettheimer also signed some checks.

Q. Did any others sign checks?—A. Smith may have signed some checks also. We all had power to sign for the firm.

Q. Did Mr. Gould sign checks for the firm?—A. According to my recollection he never signed a check for the firm; I cannot recollect his ever signing a check for the firm.

Q. What was Mr. Smith's department?—A. As a general gentleman in charge.

Q. Had he no particular branch of the business, as you had?—A. No, sir; nothing special.

Q. What is Mr. Bach's department?—A. He is more of an outside man in the way either of lending money, if money is to be lent, or of borrowing, if money is to be borrowed for the business.

Q. Then you are the only member of the firm who had charge of the department inside?—A. I had charge of the department that I have spoken of.

Q. Who attended to the rest of the business?—A. Mr. Smith had a general charge and supervision of a variety of matters.

By Mr. Cox :

Q. Have you any knowledge, directly or indirectly, or have you any reason to believe, from your knowledge or otherwise, that any officer of the government of the United States, any subordinate or other officer, either in connection with the sub-treasury of New York or with the government at Washington, had any relations to your firm in this gold business?—A. Not to my knowledge.

Q. You had no communications from any of them in any shape or form?—A. Not to my knowledge.

Q. Have you any reason to believe there were any such relations or communications?—A. No, sir; I have no reason to believe it.

Q. Did you ever see General Butterfield in your office?—A. I do not recollect that I did.

Q. Do you know him?—A. It is doubtful whether I should know him. I never saw him but once, and that was some time very soon after his appointment that I saw him in the street. I think that was the only time that I ever saw him, according to my best recollection.

Q. If I understand the drift of your testimony, you had no connection at all with those gold transactions on Thursday or Friday of the week of the panic; you were entirely aloof of them, and were not consulted about them at all?—A. That is the way I wish to be understood.

By Mr. BURCHARD :

Q. Was there no consultation between the members of the firm prior to that time as to going into the purchase of gold?—A. Not to my knowledge.

Q. You have no knowledge of any consultation by members of the firm?—A. Not with me; I cannot answer for any of the rest.

Q. Did you know prior to Thursday or Friday that gold was advancing, or that large purchases of gold were being made?—A. No, sir; I did not.

By Mr. COBURN :

Q. You say you do not know that your firm was engaged in purchasing gold, or had any arrangements to purchase gold, in any amount, large or small, before this break; did you not have any conversation

before that with any of your partners on the subject of the purchase of gold?—A. Not to my recollection.

Q. You never had any conversation about that?—A. Not to my recollection.

WASHINGTON, *January 14, 1870.*

JAMES BROWN sworn and examined.

By the CHAIRMAN :

Question. State your place of residence, of business, and your occupation.—Answer. My place of residence is New Utrecht, Long Island; my place of business is 54 Exchange Place, New York; I am a broker in gold and foreign exchange. The firm is James Brown & Co.

Q. How long have you been in that business?—A. I think since 1862.

Q. State to the committee whether you are acquainted with the course of gold, and with the general transactions in gold in September last.—A. I was, and am.

Q. Did you or your firm, on the 24th of September, sell large amounts of gold in the New York gold-room?—A. Yes, sir.

Q. Please state the amount, the price, and the persons to whom sold.—A. We sold a large amount, and the whole of our sales were made to Albert Speyers. We commenced by selling \$500,000 at 150; then, when it got up to 155, we sold \$500,000 at 155; then, when it advanced to 160, we sold one million at 160; and then, after a little lull, we sold a further amount of five millions at 160. I think these were the whole of our sales, making a total of seven millions. There were one or two unimportant sales after that to various persons; but there was nothing of any importance. We sold seven millions in all to Albert Speyers.

Q. In selling to Albert Speyers did you understand that you were selling to him personally, or to his firm, or that he was an agent for some one else?—A. I did not know whether he bought for himself or for others; but I took it for granted that he was acting for sufficient principals.

Q. Did you, at that time, or subsequently, demand to know for whom he was acting?—A. I did.

Q. What response did he give you?—A. It was about half an hour after the last transaction of five millions took place. I was hunting him up to get a margin from him; at last I found him and said, "Speyers, I want to know who your principals are; I want you to make a deposit." He said, "My principals are the clique." I said, "I want names; the clique is nobody." He said, "Come with me." This interview took place in Broad street. He put his arm in mine and led me across the street to the office of William Heath & Co. I should think it was about 11 or 12 o'clock; it was after the breakdown. We passed through the general office and came to a door at the extreme end; Speyers walked right in; the door was opened for him; three sentinels were outside, and when I attempted to follow Speyers they pushed their arms in front of me and said, "You cannot go through here." I said, "I have business with that gentleman." They said, "We are instructed not to let any one go in there except those whom we have notice to admit, and you are not one of them." I was obliged to wait for a minute or two, and then the door was opened by Speyers, and he beckoned me to come in. J. Fisk, jr., and Jay Gould were there, and there were other per-



sons in the room; William Belden was also in the room; but I did not notice any others; and they probably were strangers to me. I did not recognize the face of any of the others; I should fancy that there were some five or six people there altogether. Speyers addressed Fisk and Gould, and said, "Gentlemen, this is Mr. Brown, of whose firm I bought seven millions of gold on your account. He has demanded a margin of me; you have not given me any, and, therefore, I refer him to you." I stated to them that they were aware of the rule that when one of the parties having transactions chose to make a deposit, and called upon the other parties to do so, they were compelled to do so; and that, as the transactions between us were very large, I was prepared to make my deposit, and I hoped they would make theirs. To the best of my recollection, Jay Gould replied and stated that they could not say what they would do in reference to it just at that time. I simply repeated what I first stated, and he made some remarks to the same effect; that they could not say just then what they would do in regard to a deposit. Mr. Belden, who was in a corner of the room on his knees looking over some statements, shouted out that they could not attend to that just now. Fisk had his coat off, and looked like a bull badly baited, puffing and blowing at a great rate; he did not appear to make any remarks. I terminated the interview, which did not last two minutes, by saying, "If you do not make the margin to-night I will have your heads." It was just an excited off-hand remark; there was no further response; the only thing they said was that they could not state what they were going to do about a deposit. I held the transactions, therefore, with Speyers to be proved to be on their account; it was a confirmation of Speyers's statement that these were his principals.

Q. Did that interview convince you of the truth of Speyers's statement that they were his principals?—A. It did.

Q. Did the language of Mr. Gould convey to you a conviction that he was the authorized principal?—A. It did.

Q. Did they, when Speyers made that statement, repudiate it, or say that he was not authorized, or make use of any such expression?—A. Not at all.

Q. Did they use any expression which indicated a want of authority on his part?—A. None, whatever. There was no other inference to be drawn from his remarks than that they confirmed the statement of Mr. Speyers. What satisfied me that I was all right in having them as the parties to whom I sold was the circumstance of Speyers being admitted freely to the room, while I was prevented going in, and it relieved me very much to find that Speyers had such backers, because they were presumed to have sufficient means to make good their contracts.

Q. What subsequent steps did you take to effect a settlement?—A. The same afternoon I went around with my young partner, Mr. Krüger, my son-in-law, to Fisk's office. They had not put up any margin. I wanted to have an interview with Fisk or Gould, or both of them. There was quite a mob of people in Heath & Co's. office, and the number of guards outside the door of their private office seemed to be doubled. There were a great many big fellows there, evidently prepared to resist any attempt of any one to go in.

Q. Were they armed?—A. Not that I saw. I said to them, "I am Mr. James Brown; I have important business with Mr. Fisk or Mr. Gould. I want you to tell him that I am here." They said, "Nobody can see him." I said, "Do you tell him that he is not behaving like a man at all. He has gone into an important transaction and leaves us here without any satisfaction, and I demand to see him, and will see him

at all risks," (speaking very peremptorily.) Two or three persons came to me and said, "It is no use, Mr. Brown, to make a fuss about it. These fellows will not let you pass, and you may as well keep quiet." I waited there for five minutes, and then went away. That same afternoon, immediately after that, not knowing but that Smith, Gould, Martin & Co., who were the screen to some extent to other operators, might have instructions to make a deposit, we went to their office, and Mr. Krüger, in attempting to go in to ask them if they had any instructions to make a deposit to meet such a transaction, was resisted by some of the clerks at the door, and one of them gave him a blow. Mr. Krüger is a robust young man, and very good tempered, but he gave the clerk a blow in return and knocked him down. Then a couple of private detectives arrested Krüger and this other young man and carried them off to the police office, and I went after them and explained the matter and got them discharged. That is all the further event in connection with that. We could not get at Fisk or Gould that day, nor into the office of Smith, Gould, Martin & Co. That afternoon I consulted my counsel, Mr. Southmayd, and the following day we endeavored to find Mr. Fisk or Gould for the purpose of offering delivery of gold to them. We applied at the office of Smith, Gould, Martin & Co., and were told by Mr. Smith, of that firm, that neither of them was there, and he could not say where they were. We went to Heath & Co.'s office and could not find them there. We went to Albert Speyers to say that it was very awkward that we could not find these men in order to give effect to the transaction; that we wished to tender them the gold. After we had hunted about and watched in the street a good while, and tried in various offices, Mr. Speyers suggested that we would find them in the Eric office, up in Fourteenth street. I first of all deemed it prudent to make an offer of delivery to Smith, Gould, Martin & Co., thinking Fisk and Gould might have provided funds with them to complete the transaction. I saw Mr. Smith, and took the precaution to take a witness with me, Mr. Christiani. I said I was there for the purpose of offering to make delivery of seven millions of gold to Fisk and Gould, and that I thought it not improbable that their house might have instructions to make arrangements. He affected to pooh-poo it, and made light of it. I made an angry remark and left him. Then I took the carriage and took Mr. Christiani with me and drove to the Eric office in Fourteenth street. We got there between three and four o'clock. We went up stairs into a square apartment surrounded by a series of offices, with a screen all around and doors through the screen to the offices. The first door we came to we asked a gentleman standing at a table if Mr. Fisk or Mr. Gould were in. He said, "I cannot tell you, but if you proceed along the interior there you will see a man at the end who will probably be able to tell you." There was a waiter sitting in the chair there, and we asked him if Mr. Fisk or Mr. Gould were in. He said he wasn't aware whether they were in or not, because he had been out himself; that they were in not very long ago, but he had been out himself and could not tell whether they were in or not. Just as he finished speaking there was a gentleman coming up, and he said, "That gentleman coming up there will be able to tell you where they are." I stated to him the object we were there for. I stated my name, and said that we were there for the purpose of offering to deliver seven millions of gold, and that I understood he could tell me where Mr. Fisk or Mr. Gould were, as I had not been able to find them down town. He said, "I will not tell you anything about it." He looked rather sour. I said to him, "Will you be good enough to give me

your name?" He said, "No." Then I said, "I suppose we must describe you as the gentleman with the long red beard." We made a minute of the whole thing. As this colloquy was going on a door in the screen opened and first one came out, and then another came out, until finally half a dozen big fellows came into the square apartment. After having minuted what I have written down, and Mr. Christiani witnessing it, I took my departure. Afterward we commenced an action for the recovery of the loss we sustained by their not taking the gold. That action is now pending before the United States circuit court. We sued as aliens, and had a little advantage in that respect, and we are hopeful of a favorable result. At least we feel that we will get justice there, and that no influence can be brought to bear to affect the case. That suit has not been yet tried. It is on the list to take its turn, and we expect it will be reached by the April circuit.

Q. Does that suit cover that transaction in all its parts?—A. Yes, sir. I have remained here since then. My family has been in Europe since June. I should have joined them in September, but I have been advised not to go away, because all sorts of interpretation might be put upon my absence; and this has detained me.

Q. Have you stated substantially all your transactions with those persons?—A. To the best of my recollection, I have.

Q. What time of the day was it when you made the first sale to Speyers?—A. The first sale was before the official opening of the gold-room. I think it was in the neighborhood of 9 o'clock. The gold-room actually opened at 10; but the excitement was so great at that period, from the unlooked-for rise in gold from day to day, that there was a considerable gathering before the official hour, and frequently a very large amount of business was transacted. Gold left off the previous evening at 144, and the first thing I knew when I came to town on Friday morning was that gold was at 150. We consulted with some of our friends, and were instructed to sell \$500,000. Before I was well out of the room gold was way up to 155, and I received further instructions to sell \$500,000 more. Before you say Jack Robinson, as the saying is, gold was up to 160.

Q. Without asking directly for whom you sold this gold, I desire you to state to the committee whether any officer of the government of the United States was in any way connected with your sales of gold that day, either as an adviser or as a principal for whom you sold, one or the other way. State generally the character of the persons for whom you sold.—A. Our customers were commercial men, not connected with politics or cliques, and men having transactions in cotton which involved the necessity of selling exchange, and they cannot sell exchange except by the sale of gold. The cotton will not come forward for perhaps a month or six weeks; but in the calculation of the price which they give for the cotton is involved the realizing of the then price of the day for gold. The only way for doing that is to sell the gold and remain short of it until the cotton comes forward, when they can get bills of lading and attach those bills of lading to the exchange, give the exchange to the broker who bought it, get the gold in return for the exchange, and deliver it in payment for the transaction entered into. We had transactions of that kind on our books, running from the time when gold was 133, and we had paid, paid, paid through that infernal combination that was entered into up to 144, and the question arose with us: "Is this thing to be perpetuated? Are we to stand and be flayed by this unscrupulous party, when there is nothing in the political or commercial atmosphere to account for any rise in gold? Shall we let this party go on and

slay and destroy hundreds of houses without an attempt to resist them?" I myself suggested that a bold proceeding, such as giving them all the gold that they would take, would probably kill the bull. If the bull had been twice as strong I would have tackled him. Hence the sales that I made. The suggestion as to these large sales emanated from myself, from a feeling of deep indignation at the unscrupulous heartlessness of these men, injuring hundreds of business commercial men, in the entire absence of any political or commercial cause of the rise in gold. If the bull had been as strong as twenty elephants I would have tackled him. I got a sort of general acquiescence to do just as I pleased in the matter. I went into the gold-room on the spur of the moment. I never saw General Butterfield myself. I declare my sincere belief and conviction that not one of the parties who were customers of ours, and who were caught in that bull movement, had the most remote connection, directly or indirectly, with any government official, or had the least idea of anything coming across the wires.

Q. When you made sale of gold at 160, had there been any sale very recently—almost immediately before that?—A. Oh, yes; gold had been recorded at 160 on the indicator at our office.

Q. But had there been any actual purchases at 160?—A. I have no doubt that there had been.

Q. How long was it after the indicator had touched 160 that you made your sale?—A. Not one moment.

Q. At what hour did you arrive at your office on the morning of the 24th?—A. If our boat was running at that time at 8 o'clock, I would have got at my office at a quarter before nine. If it left at 8½, as it does now, I would be in my office at 9¼.

Q. State the places you called on and the persons you saw prior to the sale of that gold.—A. I called at no place. I walked straight up from Wall street ferry to my office, and met a partner of Geraffy & Co., a gentleman with a curious German name. I asked him if there was any news. He said that gold was at 50. I went right to my office, and after a short time the first sale was made.

Q. Did you call at the office of Henry Clews & Co. that morning?—A. No, sir.

Q. Did you call at the sub-treasury?—A. No, sir.

Q. Did you call at the office of Duncan, Sherman & Co.?—A. No, sir.

Q. State as near as you can recollect, the persons who called at your office that morning.—A. I do not recollect any one, particularly; and we had no message from any one.

Q. Did you on that day receive any note, message, or communication from any officer of the sub-treasury?—A. No, sir.

Q. From any officer of the United States?—A. No, sir.

Q. Or from any person representing any government officer?—A. No, sir; not in the remotest degree.

Q. Or from any person whom you supposed to be connected with a government officer?—A. From no person whatever, supposed to be connected with a government official.

Q. Had you any telegram from Washington that day?—A. None whatever. I never had a telegram from Washington in the whole course of my business. I never did a political business at all, but only commercial business.

Q. Did you do any business that day for Henry Clews & Co.?—A. No, sir; we never did business for them.

Q. Did you purchase any gold on that day?—A. Yes, we purchased largely. After our sales we bought considerably; after the break.

Q. Did you loan gold that day?—A. No; we kept out of that net. We did not borrow gold. If we had done that we might have got a rate of interest that would have invalidated the whole proceeding.

Q. Were you told by any of the sellers to put any part of the gold down to other parties beside the sellers themselves?—A. I do not recollect being told so by anybody, but my partner, Mr. Krüger, was the party who made the purchases.

Q. Have you any knowledge of your own, or have you any reason to believe that any of the gold that you bought that day was bought directly or indirectly from any officer of the government of the United States?—A. Not the most remote.

Q. Do you believe that it was so?—A. No; I do not. In reference to the gold we bought, we found out after the sales that the persons from whom we bought were agents for Fisk and Gould—for the clique—and that those wretches were pouring out gold in the market all the time, finding that the bubble had burst, and when they attempted to repudiate their purchases from us, they endeavored to force upon us the gold we bought from them. We took the position that the gold we had bought was their gold, and that if they would receive the gold we sold them, we would receive the gold that they sold us. Our supposition in that respect was subsequently confirmed to the extent of all the purchases that we made with the exception of \$50,000, because Smith, Gould, Martin & Co. affected to sell out gold against us on the 26th of November, and to hold us responsible. We had a letter from Smith, Gould, Martin & Co., claiming that they had sold out against us through different parties, between four and five millions of gold. I sent them a reply stating that we did not recognize any such transaction, and that even if it had been so, it was quite too late to take such proceeding. We understand the situation and are able to prove if need be that all the gold we had purchased that day came from Fisk and Gould; and they were trying to force it upon us while they took the position of repudiating the seven millions which they had bought from us through Speyers. I say that from my knowledge of the whole transaction.

Q. Had you any knowledge, directly or indirectly, at the time you made your sales at 160, that the government was going to sell?—A. Not the most remote. I was not likely to have. I have no political connection of any kind.

Q. Did you believe that the government was going to sell?—A. I long thought that the government was very much to blame in not selling.

Q. Did you believe, and if so, for what reason, that the government was going to sell?—A. I had expected for many days back that the government would take some step of that kind, and I felt surprised that the government did not come to the rescue, between the public and a notorious combination that was working so much mischief. It was simply a feeling that the government ought to do it.

Q. State, if you know, what relations William Belden sustained to the clique?—A. He at one time, I believe, was a partner of Fisk, and he seemed to allow himself to be used by him as a convenience in any shape or form.

Q. Do you believe from your transactions with Speyers, that Belden was really Speyers's principal and not Fisk and Gould?—A. Oh, no; Belden was not Speyers's principal. A short time after the interview that I had with Fisk and Gould, when Speyers introduced me, Speyers came into the gold-room, got up at the president's desk, and the president called the gold-room to order to hear a statement of Speyers. This was on Friday.

Mr. Speyers then made a few remarks to the following effect: (I was present.) "Gentlemen, I want to make a statement to you. It has been said that I have been selling gold and buying gold on my own account. I want to say to you that all my transactions yesterday were on the orders of William Belden, but that all my purchases to-day were on the order of Jay Gould and J. Fisk, jr., and that I have not bought or sold an ounce of gold on my own account." I felt glád that he made that public statement, because it was a further confirmation that they were his principals.

Q. Was it contradicted by anybody in the room?—A. No. There was not any contradiction by anybody in the room.

Q. Did you make your settlements, or attempt to make them, through the Gold Exchange clearing-house?—A. No, sir; and for the following reasons: On that celebrated Friday, the 24th of September, Mr. Benedict, the president of the Gold Exchange Bank, addressed a note to Mr. Townsend Cox, the president of the Gold Exchange, stating that, owing to the very large amount of transactions which had to be cleared, it was necessary that members should be punctual in sending in their clearing statements with certified checks by half past twelve, and that any statements after that would be rejected; but he recommended, for the purpose of aiding the Gold Bank, and also escaping the inconvenience with which they were threatened, that, as far as possible, they should effect settlements ex-clearing-house. That day we had to receive one hundred thousand dollars of gold from one of the directors of the Gold Exchange Bank. It was on what was called "a call of gold" that had been purchased by one of our customers some three or four months previously, and for which some consideration had been given. The call was made, and we were instructed simply to act as the agent. The negotiation for the call was not made through us, but was put in our hands with instruction to receive it to-morrow. The requisite notice was given to the party. We sent four times to the office of the party. He held our ticket to receive \$100,000 at 40, but we failed to receive his ticket for the \$100,000. They were evidently *in extremities*. They were in a state of great agitation. I said to Mr. Krieger that we had better act on the suggestion made by Mr. Benedict, and make our settlements ex-clearing-house. I went across to the gold-room at once and asked the presiding officer to call the meeting to order; that I wished to make a statement. This was done. I said that in consequence of not being able to receive the corresponding tickets for the tickets which we had given in some important transactions, I had determined to act on the suggestion made by the president of the Gold Exchange Bank to the president of the gold-room, namely, that we would make our settlements ex-clearing-house, and that if parties would come to our office they would be all settled with, and everything attended to. That was received with cheers, and that was all. We kept out of the gold muddle. On Monday morning when I came to town there was a circular in my office from the Gold Exchange Bank, stating that they were proceeding as fast as they could with clearing, but that the statements of the following parties had been rejected as having failed to comply with the rules. In that list of seven or eight or nine names was the name of James Brown & Co. I felt very indignant when I saw it, because it might imply that we had failed, although the words were only that we had failed to comply with the rules. Having made no statements, they had no business to put our name on the list. At the first meeting in the gold-room that day, I asked permission to make a statement, which was granted. I said we were very much annoyed in seeing that statement put in circu-

lation, and that if it was not more correct in regard to others than it was in regard to us, it was not deserving any confidence at all. The vice-president, Mr. Hoyt, remarked that I had a right to complain. A little later that day Mr. Townsend Cox, the president of the gold-room, again commenced reading the same circular with our names in it, and I felt much aggrieved at it, and denounced the Gold Bank as being in collusion with the clique. I made use of some harsh words, saying that they were thieves and robbers, or something of that kind.

Q. Did you get out any injunction against the bank?—A. I never attempted it.

Q. Was any injunction got out against you by any parties?—A. No; but I addressed a letter to the president of the Gold Exchange Bank to this effect: That as the directors of the bank were aware Fisk and Gould had made large purchases of gold, I trusted that they, as trustees for the due fulfillment of all bargains with members of the gold-room, would take care not to pay out any money until they ascertained the agents of the parties who were notoriously acting for Fisk and Gould, so that justice might be done before any money was paid away. No notice whatever was taken of that, and I afterward understood that Fisk and Gould had been closeted with the directors of the Gold Exchange Bank, and had arranged with them generally as to the application of that money. I do not know that. It was only an *on dit* that was passing around. I thought it a wrong thing to pay out any money at all until the whole thing was balanced up, so that there should be no preference given to anybody. I should also say, that fearing from the exciting character of the time that the Gold Exchange Bank would come to the grief it did come to destruction, I drew out our balance from that bank on the morning of the 24th.

Q. State whether, in your judgment, the Gold Exchange Bank is necessary for the transaction of business in gold?—A. It is necessary for gambling transactions. It is wholly unnecessary for the legitimate business of the country.

Q. Do you think that it enhanced the opportunity for gambling in the month of September?—A. I am decidedly of opinion that it not only enhanced them, but that, had it not been for the fact of its existence, and for its furnishing the facilities that it did for large speculative transactions, the disasters that took place never could have occurred. A clearing-house is simply a facility for unlimited gambling of people who are irresponsible.

Q. Is the Gold Board itself, in your judgment, necessary for the transaction of business?—A. I think it is. I think that it is a convenience, at least so long as we are not on the gold basis.

Q. State to the committee whether, in your judgment, the gold-room or the gold clearing-house could exist if we were at specie payment?—A. O, no; it could not.

Q. Do not know historically of any such institution in any other country?—A. No. I have had thirty years' experience in finances since I commenced my apprenticeship in Scotland.

Q. Were you a banker in Scotland?—A. I served a regular apprenticeship in Scotland, and was managing director of a Scotch bank for six years. I was also the general manager of a very extensive English joint stock bank for years.

Q. And in your experience of finances, you know of no such institution as the Gold Exchange Bank of New York?—A. No, sir.

Q. It is an opinion held by some that the operations of this gold clique were simply injurious to the parties concerned in it, and that they

only were the gainers or losers. State to the committee, from your knowledge of the case, whether that is true, or whether its effect reached out to legitimate business in other fields?—A. The ramifications of the injurious consequences arising from the operation of those conspirators, commonly known as the clique, were vast in the extreme. There is no section of the country, the trade of which was not for the time being paralyzed by the extraordinary fluctuations in value caused by the great rise in gold.

Q. You say this from your knowledge, from business men, and from your business correspondents?—A. There is no question about it. It does not admit of a doubt.

Q. How long do you think the effects of it were felt?—A. We are feeling the effects of it still. Houses were brought to trouble then that will probably never recover from it. That conspiracy caused more mischief than any other thing in the history of finance that I ever remember to have read. I certainly never experienced anything to approach it.

Q. Have you any knowledge of your own that any officer of the United States government, either directly or indirectly, was concerned or interested in the gold movement in September last?—A. None whatever.

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WASHINGTON, D. C., *January 25, 1870.*

EDWARD K. WILLARD sworn and examined.

By the CHAIRMAN:

Question. State your residence, place of business, and occupation?—Answer. I reside in New York; my place of business is at 9 Broad street; I am a broker.

Q. Are you a member of a firm?—A. Yes, sir; of E. K. Willard & Co.

Q. Were you acquainted with the course of gold during the months of August and September last?—A. Yes, sir.

Q. Were you engaged in handling gold during those months?—A. Yes.

Q. Were your transactions for yourself or for others?—A. For others, acting as broker.

Q. You continued that business during the month of September, did you?—A. I think my first operations were about the first of September, and continued during that month.

Q. State for whom you bought, sold, or loaned gold during the month of September.—A. Smith, Gould, Martin & Co. were the principal parties.

Q. How much did you buy, sell, and loan for them through the month of September, prior to the week of the panic?—A. I cannot tell precisely. I should think somewhere from ten to fifteen millions, perhaps.

Q. Did you buy, sell, or loan?—A. I bought principally; I loaned also; I did not sell much.

Q. Please state to the committee the extent of your transactions during the week of the panic, giving your transactions for Smith, Gould, Martin & Co. separately, as far as you can.—A. I do not think I bought any gold that week at all; if I did, it was very trifling in amount. After gold went up I did not buy any; they removed their account elsewhere.

Q. What did you do that week?—A. I loaned gold for Smith, Gould, Martin & Co.

Q. Did you sell any gold for them?—A. I did the day of the panic, the 24th.



Q. How much gold did you sell on the 24th for Smith, Gould, Martin & Co.?—A. I think I had reports of somewhere about twenty-six or thirty millions of sales.

Q. State to the committee whether you, yourself, made these purchases and sales for Smith, Gould, Martin & Co., or whether they were made through others.—A. As a rule, I did it through others. I did some myself.

Q. What portion did you do yourself?—A. Very small; probably not over five per cent. of the whole.

Q. How much of the gold bought by other brokers have you ever put down to your own firm, and how much was carried by the brokers who bought it?—A. I carried probably half the gold in my own name, and the other half through other brokers, in which my name was not used.

Q. During the time these operations were going forward, did you occasionally visit the office of Smith, Gould, Martin & Co.?—A. Frequently.

Q. You were there every day, and a good many times a day, were you?—A. The fact is, they visited my office oftener than I did theirs. The business was done mostly in my office.

Q. With which member of the firm did you transact your business principally?—A. With Mr. Smith principally; with Mr. Gould also; Mr. Martin, so far as I know, never gave an order.

Q. What part of the office did you go to when you were in their office?—A. I had access to any part of it.

Q. Did you know anything about the manner in which the gold accounts were kept in their office?—A. No; the only account I know about is the account called the national gold account.

Q. Please state to the committee what you know regarding that account.—A. I do not know anything about it except this: One of their clerks asked Mr. Smith one day whom he should put a certain amount of gold to. Mr. Smith said he did not care. The clerk suggested that he should call it the national gold account. Mr. Smith said, "Very well," and it was kept in that way. That is all I know about it. I know it got to be a very big account.

Q. What account did you understand was included in that term "national gold account"?—A. My idea is, that as almost everybody in that business has accounts he does not care to have the clerks know about, as to who they are for, they put in an initial, or probably some name like this.

Q. In these large orders that you gave to buy, sell, loan, and borrow, did you make a difference in the brokers employed? Did you assign specific duties to them in some general arrangement, or did they all purchase, sell and loan, indiscriminately?—A. I had, I suppose, about six or eight brokers.

Q. Name the particular ones.—A. I had some brokers carrying gold; Drexel, Winthrop & Co. were the principal. I had also employed Fearing & Campbell, Smith, Randolph & Co., Wood & Reick, Osborn & Cammack, Polhaines & Jackson, Gray, Prince & Co., William F. Livermore & Co., Kuhn, Loeb & Co.; these were carrying gold for me.

Q. How much were they carrying in the aggregate?—A. About six millions. There were others who were loaning gold for me.

Q. Who were they?—A. Osborn & Cammack, Dzouck, Springer & Co., and Howard Lapsly & Co.

Q. You have stated that the principal firm for whom you were doing business was Smith, Gould, Martin & Co.; were there others you were doing business for?—A. Not on the day of the panic. During the previous month, I think, I did a little for others.

- Q. For what other firms?—A. I did business for a couple of brokers.
- Q. Please name them.—A. For Woodward and for Kimber.
- Q. What was their business?—A. Buying gold.
- Q. During what time did you buy for them?—A. I think it was somewhere in the early part of September. I only bought a few lots of gold for them; I think I made only three purchases altogether.
- Q. Amounting to how much?—A. To several millions; probably two or three millions.
- Q. Did you buy any of the gold to which you have referred for yourself, or was it bought for customers?—A. I bought none for myself.
- Q. You stated in your evidence to the grand jury, in November last, that these persons were acting in concert in reference to putting up the price of gold; how did you know that to be a fact?—A. I knew it only in the way that parties are known to be "bulling" in the stock market. We took them to the bulls; that is, they bought together, and they might have sold the same day.
- Q. State the grounds upon which you gave that testimony before the grand jury, that these parties were acting in concert.—A. When I made that statement before the grand jury I corrected it before I left the room, by saying that I did not know that they were acting in concert. I simply knew that they bought gold at the same time, and that they divided the gold so bought.
- Q. Do you know of any other brokers who were engaged at that time in buying gold for the same purpose that you were buying for?—A. On some days, when we were very busy, they asked me to give some instructions to other brokers.
- Q. Did not you, during these days in September, regulate the orders given to Smith, Gould, Martin & Co.'s brokers in regard to their transactions in gold?—A. During a portion of these days I gave some orders for them.
- Q. Did you give orders to Dakin & Gillespy; to Gray, Prince & Co.; to W. B. Palmer; to J. P. Persch; to Van Saun & Co., and a number of others, as to how much gold they were to loan, and at what rates?—A. I have transferred orders from Mr. Smith to some of them, and some of these were my brokers at times.
- Q. Did you, on the 23d or 24th of September, have charge of notifying the different brokers, acting for the clique, to call up the margins on the gold they had loaned for the clique, to certain figures, according as the market might be?—A. No especial orders; that is usual and customary. Of course I saw that my brokers had their margins up to market rates.
- Q. Did you, on the 23d of September, borrow currency or gold through Frank & Menzesheimer for account of Smith, Gould, Martin & Co.?—A. I made a loan for their account through these parties, or thought I had made it.
- Q. Did you, at various times prior to the 24th of September, borrow currency or gold through Prince and others?—A. Yes, sir.
- Q. Did you have the management of the orders of Smith, Gould, Martin & Co. for putting up gold?—A. I did not have any general management; I acted on Mr. Smith's orders.
- Q. But your management under these orders was very general?—A. Yes.
- Q. You did not act exclusively under their specific orders?—A. Yes, I did; I had my instructions from them.
- Q. You acted in general for them, under their general instructions?—

A. I cannot say my power was as great as that; my instructions what to do were given to me from day to day.

Q. Do you know William Belden?—A. I do.

Q. Was he, to your knowledge, lending gold on the 24th of September last?—A. I do not know anything about his business beyond what I have here stated.

Q. Do you know a clerk of William Belden by the name of Stimson?—A. I do, slightly.

Q. Did you meet him on the morning of the 24th, and say to him, "Tell Belden to mark up his gold to 160," or anything like that?—A. I do not know that I did; if I did, it was simply to deliver a message to him from some one else.

Q. You think it was the delivery of the message, instead of your own order?—A. Yes.

Q. Did he report to you that he had not succeeded in finding him, and did you answer, "Damn him, find him then," or words to that effect?—A. If I did deliver any such message as that it was probably a message from Jim Fisk.

Q. Please state how that order came to be made.—A. I do not remember it; the fact is, it was a pretty exciting day. I met Fisk frequently during the day, and I may have delivered a message such as that. If I did, it was something that Fisk told me to tell him, and I probably ran against him somewhere and repeated the message; I do not recollect it.

Q. Did you, after that, meet Mr. Hooker, Belden's partner or clerk, at Belden's office, and instruct his clerk or partner to mark his gold up to 160?—A. I never saw Mr. Hooker in my life, and I never went into Mr. Belden's office in my life.

Q. Did you not say, "Smith wants you to mark your gold up to 160 right away; don't fool with the little fellows, but call in all the big amounts," or words to that effect?—A. I have no recollection of it.

Q. Did any one from Belden's office report to you that parties refused to mark up their gold to 160, and that they were calling on him to put up margins in trust companies?—A. No, not that I recollect.

Q. Did you, on the 24th of September, give any orders to Gray, Prince & Co., or any of their firm, or any one representing them, and what was the nature of those orders?—A. I gave them orders to sell, I know.

Q. Please state to the committee what orders?—A. The orders were, "Sell, sell, sell; do nothing but sell."

Q. Sell on the market?—A. Yes; not sell to any man who would not take it; to sell gold.

Q. On whose account?—A. On my account, at that time; Gray, Prince & Co. knew no one but me in the matter.

Q. Who gave you the order?—A. Mr. Smith gave me the order.

Q. What amount did you order them to sell?—A. I think the amount I mentioned was five millions. I said, very hastily, "Go and sell five millions of gold on the market, quick."

Q. Was it sold?—A. Yes.

Q. Did Gray, Prince & Co., or any one representing them, report to you any sales made under that order?—A. They reported all the sales, I presume.

Q. Did they, or any one for them, report to you that they had sold a portion of that gold to Albert Speyers?—A. Yes, I think they did.

Q. Do you remember a message from Gray, Prince & Co., reporting to you that they had sold two millions of gold to Albert Speyers?—A. I have some recollection of it.

Q. What was your answer?—A. I told them it was not worth a damn.

Q. What else did you tell them?—A. I told them not to sell the gold to Albert Speyers.

Q. What reason did you give them for that?—A. I don't know that I gave any reason. I had heard of this thing; Mr. Prince spoke of it. I told him that as a business man I would not sell to any man who had been buying twenty-five or thirty millions of gold at 60.

Q. Did you not answer him, "God damn it; you are selling right back to the clique brokers?"—A. I do not know whether I did or not; I had this gold in my office, and I wanted it sold to protect myself, and I was not going to sell to people who I knew could not take it. Albert Speyers was buying, I think, at 160, while one of their men was selling as low as 135. I knew no one could stand that sort of transaction.

Q. You will not swear that you did not say it?—A. I will not swear that I did not say it; I have no recollection of it.

Q. What did you understand Speyers was about?—A. I thought he was crazy; I thought he was doing what no sane broker would do, in buying gold at 160, when others were selling for 135.

Q. Did you think he was doing it by orders?—A. I did not know, and did not care.

Q. Did the same messenger who made that report about the sales to Speyers subsequently report to you again, and ask you whether he should consider the sale to Speyers a real sale, and did you answer him "No"?—A. No; I told Mr. Green (one of the firm of Gray, Prince & Co.) not to count Speyers's sale; to let him off. I did not want to have any such sale on my books. I may have told Mr. Green that; I do not know. Of course, having a very large amount of gold myself, I wanted to know what became of it.

Q. How much was this sale to Speyers that Gray reported about?—A. I do not know; a million or two; I did not take any account of it at all.

Q. How much was sold by Gray, Prince & Co., exclusive of that sale to Speyers?—A. I think they sold about four millions.

Q. How much did they deliver on that sale?—A. I think they delivered about three millions.

Q. Did you ever hear of a suit brought by C. J. Osborn against the New York Gold Exchange Bank in the latter part of September?—A. Yes; I heard of such a suit.

Q. In what way were you interested in that suit?—A. In no way at all, that I know of.

Q. Do you know the nature of the suit and its object?—A. I think the object was for a receiver; I am not sure about it.

Q. At whose instigation did Mr. Osborn commence that suit?—A. That I don't know.

Q. Do you know the nature of Mr. Osborn's claim against the bank?—A. No; I do not.

Q. Do you know when the suit was discontinued?—A. No; I knew there was something about that suit. I think Osborn found out after they commenced suit that the claim had been satisfied; but I do not know anything about it.

Q. Do you know the nature of the settlement upon which it was discontinued?—A. I was interested somewhat in the settlement of the claim for Smith, Gould, Martin & Co., not for myself. I had about half a million of dollars in the bank when the bank shut down. I got the money out gradually as I could during the next day, or it may have been

Monday. Mr. Gould was willing to put up a certain amount of money, seventy-five thousand dollars, I think, to guarantee the settlement of some of the brokers, so as to help the clearance at the bank. I happened to have money in the bank, and so I left seventy-five thousand dollars for the account of Gould. When this suit was discontinued that money was repaid, and I got it.

Q. How much money did you receive under that settlement?—A. Seventy-five thousand dollars.

Q. What for?—A. It was money left there on account for Mr. Gould, and that was simply repaid.

Q. There were three suits brought against the bank, which were all settled by a discontinuance and by agreement under which you received seventy-five thousand dollars; these suits were brought by C. J. Osborn, by Lloyd, Hamilton & Co., and by Carver & Co.; did you have anything to do with making this settlement or agreement?—A. I was present when it was made.

Q. Can you explain to the committee how it is that when three different persons commence suit against a bank for money due them their suits are all simultaneously discontinued without either of the three parties obtaining any money whatever, while other parties, who have nothing to do with these suits, are receiving very large sums of money from that bank?—A. I presume the suits were commenced to put the bank into the hands of a receiver. The bank was afterward anxious to have its own receiver; somebody they could control, and the suits were discontinued to allow the bank to do that.

Q. Did you understand that these three parties who brought suits really brought them for themselves or for others; in other words, was it a power behind the throne that got up these three suits, so far as you know?—A. That I do not know anything about.

Q. In the settlement of these suits was the amount for which they had been brought paid?—A. All of them got their money. In the first place, the bank claimed that Osborn had got his money before he commenced the suit. In the case of Carver, and of Lloyd, Hamilton & Co., they were promised their money as soon as the suits were withdrawn, and they received it.

Q. How much did the plaintiffs' attorneys receive in this case?—A. I do not know.

Q. How much did the defendant's counsel receive?—A. I believe Brown, Hall & Vanderpool got five thousand dollars. The bank's counsel got, I think, seven thousand five hundred.

Q. How much did the receiver's counsel get?—A. Brown, Hall & Vanderpool got five thousand dollars, as I stated.

Q. How much was the receiver paid?—A. I think the receiver got fifteen thousand dollars.

Q. Who obtained the order from the court dated October the 9th, under which all these payments were made by the receiver?—A. I do not know.

Q. Do you know that Smith, Gould & Martin obtained various injunctions in the latter part of September, restraining various parties from paying certain sums of money, and from delivering or settling any gold contracts which they had for account of that firm?—A. Yes, sir.

Q. Did you have anything to do with obtaining these injunctions?—A. I obtained one.

Q. Which one?—A. Against the Stock and Gold Exchange. The suit was in the name of E. K. Willard, against the president and officers of

the Gold Exchange, and of the Stock Exchange, restraining them from selling gold.

Q. Why did you get out that injunction?—A. I got it out because the contracts were made under a peculiar law of the Gold Exchange. They were made to be settled through the Gold Exchange Bank by clearance, the balances to be paid. I had fifteen millions of gold to receive, which might be sent in that day, while I had on my books about twenty-four millions going out. I knew that it was impossible for me to receive that gold in any other way than through the Gold Exchange Bank; impossible to receive it by separate deliveries. According to my contracts I was not compelled to receive it by separate deliveries, and therefore to save myself I asked for that injunction.

Q. Were you instrumental in making a settlement of any of the accounts of the brokers affected by those injunctions?—A. Yes; I helped them all, and helped myself.

Q. Under whose instructions?—A. Under Mr. Smith's and Mr. Gould's instructions.

Q. Did any of these brokers make any effort to have these injunctions removed?—A. Not that I am aware of.

Q. Where is your place of business?—A. It is now No. 9 Broad street. It was at No. 30 Broad street.

Q. Had your office several entrances from the hall-way?—A. It had two.

Q. Had you a private office?—A. Yes.

Q. Did any one else have keys to that private office except yourself?—A. No; I had a key on the outside. I kept it locked to keep people out of my private office, but I left a key on the outside so that persons who understood could enter.

Q. Do you know the private offices of the president and treasurer of the Erie Railroad Company in the Grand Opera House in New York?—A. Yes.

Q. Have you ever been there?—A. Frequently.

Q. Were you there on the evening of the 23d of September, the day before the gold panic of Friday, September 24th?—A. I was there nearly every day.

Q. State who was present that evening?—A. Mr. Fisk, Mr. Gould, Mr. Smith, and, I think, Mr. Belden.

Q. What was the object of that gathering that evening; what topics were discussed?—A. General gold business.

Q. Please state to the committee as fully as you can the transactions of the evening; what was said and done concerning the gold movement.—A. I did not hear much said about it. I was most of the time in the adjoining room. My conversation was nearly all with Mr. Smith.

Q. Was any report made there, or any calculations, by the different persons, to see how the whole affair thus far stood?—A. Not that I know of.

Q. Can you make any statement as to how much gold had been sold and was held at that time?—A. I never knew. I was as much surprised as anybody when the thing was over to find that they had so much gold. There was nothing said about that in my presence.

Q. How much, from your knowledge of the case named, was carried at that time by the people who met there on that evening?—A. I should judge that Smith, Gould, Martin & Co. must have had somewhere about seventy millions of gold. What they had outside, or what Belden and these other people had, I do not know; it would be a mere guess.

Q. It was clear to you that Fisk, Gould, Belden, Heath, and these parties were working together on some general understanding or plan,

were they not?—A. Heath, of course, was nothing but a broker. He was in the same position with myself.

Q. Was it clear to you that Fisk, Smith, Gould, Martin, and Belden were working together in the general movement?—A. Fisk never could do business with Smith, Gould, Martin & Co. very comfortably. They would not do business for him. It was a very uncertain thing, of course, where Fisk might be. He is an erratic sort of genius. I don't think anybody would want to follow him very long. I am satisfied that Smith, Gould, Martin & Co. controlled their own gold, and were ready to do as they pleased with it without consulting Fisk. I do not think there was any general agreement.

Q. State the particulars of the plan discussed there that evening to publish in the newspapers the next morning the names of those who were short of gold, and the amount in each case, and the rate at which they could settle before three o'clock.—A. That was one of Fisk's brilliant ideas. Fisk never could do anything regular.

Q. State as fully as you can what was proposed.—A. I think, knowing the large short interest there was, he thought it would be a good joke to publish the names of the parties they were lending gold to, and request them to step up to the captain's office and settle. Of course, no business man would entertain such a proposition for a moment.

Q. How was the proposition received by the persons present, and was anything said against it?—A. I expressed myself against it, and Mr. Smith said the proposition was absurd.

Q. What did you state as an objection to it?—A. That it was unbusinesslike; that no man could ever again do business in Wall street who had been connected with such an indecent thing.

Q. Did anybody else favor it besides Fisk?—A. I do not think they expressed themselves particularly about it. At any rate, I did not pay any attention to it at all, and Mr. Smith did not.

Q. Was anything said to you about its being unlawful; that it would be treated as a conspiracy?—A. That I do not know. I think Fisk told me he consulted with Sherman and found that it would not be right, and that he had to abandon it.

Q. What was the plan finally agreed upon to be pursued the next day instead of Fisk's plan?—A. I think the idea was to put the price up.

Q. How high was it proposed to put it?—A. I do not think anything definite was settled on, and I know I was very much surprised when I found they had determined to put it up to 60.

Q. Was anything discussed as to the possibility of the Treasury coming in to sell gold?—A. Not that I heard.

Q. The result, then, was a general understanding that the price was to be put up without agreeing upon any specific price?—A. I did not hear any named. You can never tell in a corner where it may go to.

Q. Was it understood that night that the corner was perfect?—A. If they chose to make it perfect; but they did not make it perfect, and there is where they failed, I think.

Q. What was there lacking to make the corner perfect?—A. Nothing but boldness.

Q. Was not Speyers bold enough?—A. When you have a corner you do not want to buy—you do not want to buy at a high price.

Q. What, in your judgment, occasioned the breakdown on Friday?—A. Of course the final reason was the sale by the Treasury.

Q. Did it not break before a knowledge of the sale came?—A. Yes, it did; but I think that was an accident. Of course, this is merely a

matter of opinion. I think that somebody had that information before the public had it, and used it.

Q. State what ground you had for that opinion.—A. The boldness with which they sold gold.

Q. Did they sell any more boldly than Speyers bought?—A. Of course it is a kind of a thing you cannot explain.

Q. Have you any proof that this information was known in advance?—A. No proof; it is simply my judgment.

By Mr. COBURN :

Q. Who was selling gold?—A. The first man who struck the market with any large amount was this James Brown.

Q. How long before Mr. Brown's striking the market had there been any similar transaction?—A. There was apparently no gold for sale.

Q. Was Mr. Brown's movement a surprise to the clique?—A. They did not know anything about it. I do not admit that there was a clique—that is, I do not know of any; but if so, they did not know it, of course, as this transaction was in the gold-room. When the transaction was made, it seemed to take a weight from everybody's mind.

Q. Who else sold gold?—A. I do not know. I left right away. I was in the room when the first sale was made at 60.

Q. What is the rate at which the sale was made by Mr. Brown?—A. I think at 60.

Q. State what you mean by a corner in gold?—A. It is like a corner in pork, or any other commodity. Parties buy all there is for sale in the market, and then control the price. In this instance, nearly everybody was short of gold all over the country. I suppose it would not be an overestimate to say that ten or fifteen thousand people in the United States were short of gold at that particular time.

Q. In regard to this gold account at Smith, Gould & Martin's office, do you know what amounts were entered in that account?—A. No, sir.

Q. Have you ever looked over it?—A. No, sir.

By the CHAIRMAN :

Q. Have you any knowledge of your own that any officer of the United States government, directly or indirectly, had any interest in this gold movement in September?—A. I have not.

Q. Are you acquainted with the officers of the government of the United States in New York, and did you see any man whom you knew or suspected to be such, in any of these offices, or in any way connected with these transactions during these days?—A. No, sir; I did not.

Q. Do you know of any gold being bought by any persons connected with the families of high officers in the United States, or by Mr. Corbin or by any of his family?—A. No, I do not.

Q. Do you know Mr. Corbin?—A. No, sir; I do not.

By Mr. COBURN :

Q. Did you see or send any messages to General Butterfield while this movement was going on?—A. No, sir.

Q. Were you in Mr. Heath's office that day?—A. I was in there several times.

Q. Did you see any messages purporting to be from Gould or Fisk to Butterfield?—A. No, sir.

Q. You knew of no such messages having been sent or received?—A. No, I do not.

Q. Did you hear Fisk or Gould say anything to you respecting a mes-



sage from General Butterfield?—A. No, sir; I do not think I did. I knew nothing about that part of the operation.

Q. While you were in Heath's office during that day, did you see Speyers in that office?—A. I do not know that I saw him. I was in there frequently during the day.

Q. Did you see Belden in Heath's office during that day?—A. Yes.

Q. Were not Belden and Speyers there at the same time?—A. I do not think I saw them together.

Q. When you saw Belden in there, what was he doing?—A. I do not know what he was doing; he was talking about gold.

Q. With whom?—A. With Mr. Fisk.

Q. Was he buying, selling, or lending for Mr. Fisk?—A. I do not know.

Q. Do you know what relation Smith, Gould & Martin, or Fisk, had with Belden that day?—A. I always supposed that Fisk did business with Belden. I know that Fisk, Gould & Martin never would do business with him. None of us who knew him cared to do business with him. I would not have taken an order from him or have had anything to do with him.

Q. Who lost in this movement of September 23d and 24th?—A. I do not know; almost everybody.

Q. What do you think the total losses were in these transactions?—A. I do not think anybody has paid out any money except Smith, Gould & Martin. They say Belden has not. I do not think Fisk has. I think Smith, Gould & Martin have paid a great deal of money.

By Mr. JONES:

Q. Do you know of any intimation being received by telegraph from Washington here as to what would be the action of the government previous to the reception of the official notice that the treasury would sell gold?—A. I do not know, of my own knowledge.

Q. Have you any reason to believe that such information was received in New York?—A. No; I do not know anything about it. I only knew what rumors I heard—just as you would be apt to hear them yourself.

Q. Do you know anything about telegraph wires being tapped?—A. No.

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WASHINGTON, *January 25, 1870.*

WILLIAM J. WOODWARD sworn and examined.

By the CHAIRMAN:

Question. Please state your residence, place of business, and occupation?—Answer. I reside in Brooklyn; my place of business is in New York; I am a stock broker, or more properly a stock speculator.

Q. Are you acting alone or are you a member of a firm?—A. I am alone.

Q. Were you engaged in business as a broker during the month of September last?—A. Yes, sir.

Q. And particularly engaged in transactions in gold?—A. I had very large transactions in gold at that time.

Q. State to the committee your share in the general transactions in gold during the months of August and September, and particularly during the panic week, as it is called.—A. I have always operated more or less in gold. I think it was early in August when I returned from the country. Having no interest in gold at that time, I bought

some two millions on my own account at about 32. Subsequently I met Mr. Gould and a gentleman by the name of Arthur Kimber, now in London, and a representative of the banking house of J. Stern & Brothers. I remember sitting in Mr. Gould's office. Mr. Gould was speaking of gold. This must have been in August. Mr. Gould proposed that we should buy some gold, and we consented to buy three millions apiece, making nine millions. I went over to the gold-room and bought—of course I could not tell how much—purchasing in lots as I could. When I had discontinued purchasing I found the amount of gold I had was about ten millions. This was entirely independent of any other operation, and independent of my own purchase of gold, which I first mentioned, and it had no connection either with what was subsequently called the "pool." Subsequently we bought more, until the amount got to be so large, that, in conversation with Mr. Gould, I told him the amount was larger than I was willing to participate in, and larger than I had agreed to participate in. He subsequently took a portion of the gold off my hands, so as to reduce my interest to four millions, which I told him I was willing to hold. These operations must have all occurred in August. I had no interest in the pool. I suppose there was a pool in gold of course. That was outside. The transactions in which I engaged were what we called three-thirds, equally divided between Mr. Gould, Mr. Kimber, and myself, without any reference to any other operations. I repeat that I was interested in no operations except this. I never do a commission business. My operations are all for myself. I did execute an order for Smith, Gould, Martin & Co., of two and a half millions which I bought the day before the panic. They wanted me to go to Lockwood and give an order to buy five millions of gold. I declined to do it. I told them I would not go to Lockwood without taking a margin; that if they would give me two hundred and fifty thousand dollars, I would go up and order two and a half millions. They gave me their check for that amount, which I took to Lockwood, and gave the order for two and a half millions. My impression is that the order was only partially filled. I think only twelve hundred and fifty thousand dollars was bought.

Q. Of whom was that gold purchased?—A. I do not remember. They purchased it in the Gold Exchange of different parties.

Q. State anything further you know in regard to these transactions.—A. I have nothing further to state, having been connected with no other transaction.

Q. Did you settle this gold you purchased yourself?—A. No, sir.

Q. Was it ever settled?—A. It was sold; it was not sold at high prices. The bulk of these four millions of gold I undertook to carry myself was not sold until after the panic occurred, when I had permission from Kimber and Gould to sell. It was late in the day of the panic.

Q. At what price was it sold?—A. I think at an average of about 34.

Q. Did you have any difficulty in passing that gold through the clearing-house?—A. The clearances were effected through the brokers. I think there was no trouble, however.

Q. During any of this time did you have any difficulty in making your clearances through the gold clearing-house?—A. I did not clear any myself. I could not tell you whether my brokers had trouble or not. I suppose they had, however, as everybody had difficulty in regard to the transactions of this last day. My transactions were settled satisfactorily.

Q. Did you execute any orders on this day for E. K. Willard?—A. I

never executed any order for E. K. Willard. I did not do a commission business.

Q. Did you give any order to E. K. Willard during these days?—A. I think it is probable that I did; but I did not undertake to make any record of it.

Q. Do you know of any officers of the government of the United States having been concerned in or interested in the gold movement in September last?—A. I knew nothing more than what I have seen in the papers of the day.

Q. You have no knowledge of your own touching that point?—A. No, sir.

Q. Do you know A. R. Corbin?—A. I do not. I never saw him, and I had nothing to do with this clique movement, as it was called.

Q. When you went into this movement with Mr. Gould was it the understanding between you and him that gold was to be put up?—A. We of course expected it would go up, or we should not have made the purchase.

Q. Did Mr. Gould say to you, in any form, that it was the purpose to put gold up?—A. No; we thought the natural tendency of gold would be to rise. This was the kind of operation I had made a good many times. If I thought that buying a million of gold would affect the price I would go in and buy it. It was simply a speculation.

By Mr. COBURN:

Q. You spoke of having ten millions on hand; how much did you buy during the time you were attempting to raise the price of gold?—A. I do not think I went into the gold-room personally but two or three times. After the ten millions were bought other purchases were made, until, as I have already stated, the amount was larger than I was willing to carry. I think the aggregate amount was about eighteen millions, and the three-third account we had would give me about six millions, which was subsequently reduced to four.

Q. How much gold was actually in the market at that time?—A. Outside of the sub-treasury, about fourteen millions.

Q. In whose possession was it?—A. It was in possession of the foreign bankers, and in possession of the banks.

Q. Does that fourteen millions cover the gold certificates and all?—A. Yes; I think that was all of the available gold in the market.

Q. Was there any gold of any amount elsewhere in the United States, in other cities?—A. There must have been; for gold came to New York as the price advanced.

Q. Was there an effort made to get gold from San Francisco at that time?—A. Not that I am aware of. There were some transmissions of gold to the East through the Treasury Department from San Francisco about that time.

Q. Do you know whether there were any considerable amounts of gold in the banks outside of New York?—A. I do not. I suppose there were small amounts, but perhaps not very considerable.

Q. Where should you say the greater part of the gold in the country at that time was?—A. It was in the sub-treasury, and in the banks of New York.

WASHINGTON, D. C., *January 25, 1870.*

HIRAM C. ROGERS sworn and examined.

By the CHAIRMAN :

Question. State your place of residence, your place of business, and your occupation?—Answer. I reside in New York City. My place of business is 58 Broadway. I am assistant cashier in the Gold Exchange Bank.

Q. Were you assistant cashier in the month of September?—A. I was at that time acting as paying teller, though I was assistant cashier.

Q. State to the committee what was the average daily amount of clearances done by your clearing-house department?—A. I think it averaged eighty millions a day; perhaps more than that.

Q. What had it been doing the year previously?—A. It averaged up to that time seventy millions a day for the year. The year before it was from fifty-eight to sixty millions a day. Last year was the highest average we ever had.

Q. State what your clearings were the week of the panic?—A. A thousand millions for the week.

Q. What was the highest amount any one day?—A. Three hundred and twenty-five millions. That was the day before the breakdown. We never made up the clearings for the 24th. We cleared successfully on the 23d.

Q. What was the amount of the balance?—A. On the 23d the gold balance, I think, was about five millions, and the currency balance three millions. I speak from recollection. It was very near that.

Q. How did that proportion of gold and currency to the total clearings compare with the proportion on usual days?—A. About the same. We often have a large balance with a small clearing, and *vice versa*. The one is no indication of the other.

Q. Was your business of the 23d transacted in the usual way?—A. Yes, sir. There was no difference. We were a little later, perhaps about half an hour, but we got through without any trouble.

Q. All the ordinary rules of the clearing-house were observed on the 23d?—A. Yes.

Q. State to the committee why you could not or did not clear the transactions of the 24th?—A. There was a variety of reasons and complications. In the first place the business was enormous. I will not undertake to say how much it would be if cleared—probably not less than five hundred millions. But that could have been done if the brokers had made up their accounts properly and sent them in. On that day, however, some of the heaviest dealers failed to send in any statements whatever to the bank—having already exchanged orders with other dealers, and their transactions appeared on these other dealers' accounts. When we got through we found that we were very wide of our balance, and everything was thrown out of gear. We had such an enormous amount of money on hand about half-past two o'clock that we undertook to pay on approximate balances so as to get rid of the money. I had in my desk nearly ten millions of gold certificates alone. But if all the balances had come in, the bank would have cleared well enough.

Q. Was there no reason on account of injunctions?—A. No; not on that day.

Q. Were there injunctions subsequently served on the bank?—A. Oh, yes; they came in there by the hat full, until finally we did not know what to do. We were enjoined against performing almost every act.

Q. There was an order of court appointing a receiver—did you ever see that order?—A. Yes, sir; in the case of Osborn.

Q. Was it preceded by an injunction?—A. No, sir. The first that we knew of it was the receiver coming in to take possession.

Q. Do you know whether there was a complaint that preceded that order?—A. Yes, sir; there was a complaint. (Witness was directed to furnish the committee with a copy of the complaint.)

Q. Was there any hearing before the court, or was there any exhibit made on the part of the bank, by its attorneys or officers, against the order appointing a receiver?—A. Not until after the receiver was appointed. We had no opportunity.

Q. Was there a subsequent hearing before the court?—A. Yes. A temporary receiver was appointed, Mr. Brown, and then we were directed to show cause why the receiver should not be made permanent, which we did, and another receiver was appointed.

Q. Do you know of any orders given by the court directing the bank or the receiver to pay specific sums to different persons?—A. Yes, sir.

Q. Were such orders the result of a hearing of both sides?—A. That I cannot answer.

Q. Did the officers of the bank make any agreement to the effect described in the orders?—A. Not that I am aware of. Mr. Benedict may have done so.

Q. When did the bank resume its operations after the breakdown?—A. On the 22d November.

Q. Is it now continuing its operations in the usual way?—A. Yes, sir.

Q. What is the average amount of its clearances now?—A. Nearly forty millions a day since we started.

Q. Your transactions have dropped off nearly one-half since the gold panic?—A. Yes.

Q. What do you understand to be the cause of the decline?—A. A great many persons were severely injured in the gold panic, who are not doing business now, and those who are doing business are doing it very cautiously. There is a reduction of the volume of business on the Gold Exchange. Then there are some people who have a prejudice against the bank, and who do not clear at all; but they are very few, I think.

Q. During the 24th were there what is called approximate balances made out, and settlements made on those approximate balances?—A. Yes, sir. For instance, if we apparently owed a man on his statement \$700,000, we gave him \$500,000 on account, and agreed to settle his statement afterward. (Witness was directed to furnish the committee with an account of those approximate balances, and the amounts paid thereon. He subsequently furnished the account of currency and gold checks paid on the 24th September, and hereto annexed.)

By Mr. JONES :

Q. Is the Gold Exchange Bank a national bank?—A. No, sir; it is a State bank, organized under the free banking law of New York. The clearing-house part of it is merely an undertaking of the bank, by agreement between the bank and the gold board, that we should do the clearing, for a consideration.

By the CHAIRMAN :

Q. Was there a meeting of the directors of the bank on the 24th or 25th of September?—A. There was not any formal meeting; the directors were all there.

Q. Was there any consultation between the officers of the bank and directors?—A. Yes; they were consulting most of the time. They were there all together.

Q. Were there admitted to those consultations any of the brokers who

were concerned in the Wall street movement, on the 24th or 25th?—A. I do not know that there were on the 24th, although most of the prominent brokers were there that day and afterward. But in the consultations between the directors, I do not think that any brokers were present—not on the 24th, at any rate.

Q. Did the directors, or any officer of the bank, assent to the suggestion of having a receiver appointed?—A. No, sir.

Q. Was it by their procurement, knowledge, or consent that the first receiver was appointed?—A. No, sir; we had no knowledge of it whatever. I mistrusted the thing, and suggested a remedy as late as the Sunday night succeeding this Friday; but they all said that it could not be possible; that it was the interest of everybody not to have a receiver appointed. But I was still of opinion that it would be the case, and that it would come from the quarter from which it did.

Q. What quarter do you refer to—the clique?—A. Yes, sir.

Q. What was the total loss of the bank as the result of the whole gold transactions?—A. As it stands now we are out about \$480,000, but we have claims that we may get back from \$100,000 to \$175,000.

Q. What did that loss consist of?—A. Clean cash.

Q. Lost to whom and how?—A. In this way: The gold came into the bank on these balances, and was put down all the way from 145 to 160. The parties to whom it was going could not take it. They failed on us, and we found ourselves, without being in the market, long of gold, as it is termed. That is, we had gold that cost us from 145 to 160, and we were obliged to sell at 130 to settle up affairs.

Q. Was that loss which you have stated aside of the expenses of receiver?—A. No; that includes everything.

Q. How much was paid as the expense of receivers?—A. The expenses of receivers and attorneys, and all the fees, were just about \$100,000.

Q. How much did the bank pay to the receivers?—A. Each receiver got \$15,000.

Q. How long did they serve?—A. The first one served three or four or five days, or maybe a week. He did nothing but lock up the gold and put a deputy sheriff or somebody in charge.

Q. Who was he?—A. He was Mr. Brown, of the firm of Brown, Hall & Vanderpool.

Q. Was that a commission or percentage, or just a certain sum?—A. The court directed so much to be paid.

Q. Did the officers of the bank consent to pay that amount?—A. They were not consulted about it.

Q. Were they not consulted through their attorneys, as to the amount of payment to the receiver?—A. Not to my knowledge.

Q. Would you have known it if it had been so?—A. I believe I would.

Q. Who was the other receiver?—A. The other receiver was Conrad M. Jordan, the cashier of the Third National Bank.

By Mr. COBURN :

Q. Who is Mr. Brown?—A. He is a member of the firm of Brown, Hall & Vanderpool, attorneys. One of the firm, Mr. A. Oakey Hall, is the mayor of the city of New York. The firm of Brown, Hall & Vanderpool had, besides, \$5,000 as counsel fees.

By the CHAIRMAN :

Q. What other moneys did the bank pay for attorneys' fees besides the \$5,000 to that firm?—A. It paid \$25,000 each to four or five lawyers; \$2,500 or \$5,000 went to Mr. Dudley Field.

Q. In short, did the bank pay all the sums ordered by the court to be paid?—A. Yes, sir. The receiver took possession of the money and returned these payments as part of the money.

Q. Has the bank anything on its books except the report of the receiver, to show the payment of this \$100,000?—A. Not at all. We had nothing to do with these disbursements. The receiver was directed to make these payments, and in rendering his account he turned them in.

By Mr. JONES:

Q. From what fund was all the money paid?—A. The receiver came to the bank and took the money, and made these payments. They were paid out of the capital and assets of the bank. The receiver when he came in took possession of everything in the bank, about \$500,000, and out of that money he made all these payments, and turned the balance over to the bank.

By Mr. COX:

Q. What was the amount of money received by Mr. Brown as receiver?—A. About half a million of dollars.

Q. And assets?—A. It was all money—gold and currency—the total balance being about \$500,000 in currency.

Q. Did the receiver take charge of the whole banking concern?—A. Certainly.

Q. And of the clearing-house department?—A. The bank is a bank alone. The clearing department is simply a clerical duty that it performs; it has no assets at all.

Q. The clearing department is not such a separate department as to have assets of its own?—A. No, sir; it is simply a department of the bank.

Q. And the receiver had no other responsibility but to take that money and keep it safe, subject to the order of the court?—A. That is all that the first receiver did.

Q. Did he put officers in the bank?—A. He came and took possession of the money and put a guard over it one day, and then had it removed to the Broadway Bank.

Q. Did the receiver give a bond?—A. The first one gave a bond for \$10,000. The other gave bonds for \$100,000. I believe Mr. Brown did not attempt, and it was not understood that he was, to settle up the affairs of the bank. He was simply to hold this property *ad interim* until the receiver was made permanent.

Gold checks paid on account September 24, 1869, New York Gold Exchange Bank.

Dealers' No.	Dealers' name.	Amount.	Dealers' No.	Dealers' name.	Amount.
146	Geo. H. Bend .....	\$40,000 00	203	Davidson & Jones .....	\$5,000 00
143	McKim Bros. & Co. ....	20,000 00	110	C. S. Sloane & Co. ....	300,000 00
64	Lockwood & Co. ....	150,000 00	98	Watts & Redmond .....	150,000 00
96	G. H. & H. Redmond .....	300,000 00	11	J. J. Burns .....	40,000 00
196	W. F. Livermore & Co. ....	75,000 00	103	A. L. Seton & Co. ....	230,000 00
361	Lange, Boell & Co. ....	126,500 00	123	Winslow, Lanier & Co. ....	510,074 00
210	Gelston & Bussing .....	30,000 00	26	Dukhine, Cox & Co. ....	89,354 45
58	Oddie & Co. ....	30,000 00	57	Wm. Heath & Co. ....	15,000 00
333	Lounsbury & Fanshner .....	105,000 00	57	J. Robb, King & Co. ....	30,000 00
272	Julian & Co. ....	5,000 00	334	Dzondi, Springer & Co. ....	20,000 00
50	L. Von Hoffmann & Co. ....	97,500 00	25	Cone & Anfermann .....	65,000 00
93	Baker & Bushong .....	40,000 00	96	G. H. & H. Redmond .....	108,424 87
161	Ed. Sweet & Co. ....	50,000 00			
220	Lewis Daniel & Co. ....	15,000 00		Total .....	2,546,853 32
204	Dabney, Morgan & Co. ....	10,000 00			

H. C. ROGERS, *Asst. Cashier.*

*Currency checks paid on account September 24, 1869, New York Gold Exchange Bank.*

Dealers No.	Name.	Amount.	Dealers No.	Name.	Amount.
331	Dakin & Gillespy	\$83,787 50	126	Wotherspoon & Co	\$34,200 00
331	Do	50,000 00	4	C. Ashworth	59,990 59
182	Morewood & Co	30,000 00	165	Vermilye & Co	10,106 25
176	Whittmore & Co	120,000 00	76	Morton, Bliss & Co	30,000 00
310	Hatch, Foote & Co	200,000 00	131	R. Bell & F. Gundry	500,000 00
113	Trevor & Colgate	600,000 00	139	Fisk & Hatch	17,062 50
130	Clark, Dodge & Co	400,000 00	172	Dater & Timpson	41,906 25
74	Marvin Bros. & Co	250,000 00	130	Clark, Dodge & Co	100,000 00
125	A. Winterhoff	10,000 00	9	Geo. C. Magoun	1 0 000 00
9	G. C. Magoun	325,000 00	9	Do	300,718 75
244	R. L. Cutting, jr., & Co	50,000 00	46	Pearl & Co	28,325 00
172	Dater & Timpson	71,562 50	9	Geo. C. Magoun	60,000 00
140	H. A. Heiser's Sons	140,000 00	98	Watts & Redmond	75,000 00
30	D. F. Jonje & Co	33,750 00	211	Dibble & Camblos	6,181 25
4	C. Ashworth	125,000 00	255	A. M. Ferris & Bro	14,300 00
75	Marx & Co	100,000 00	329	Larambury & Bro	16,300 00
165	Vermilye & Co	300,000 00	341	Brown Bros. & Co	56,925 00
68	Leland Bros. & Co	53,000 00		F. P. James & Co	22,175 00
1	J. & W. Seligman & Co	500,000 00		Gelston & Bussing	29,225 00
263	Wood & Reick	50,000 00		W. C. Taylor	15,762 50
64	Lockwood & Co	20,000 00		E. C. Benedict	14,375 00
196	W. F. Livermore & Co	61,512 50		Reid, Leo & Content	30,800 00
157	J. B. Tilford & Co	40,000 00		F. Grant	23,715 00
9	G. C. Magoun	109,600 00		L. E. Schultz	6,498 75
146	Duff, Timmerman & Co	60,000 00		C. Ungre & Co	104,154 86
1	J. & W. Seligman & Co	75,000 00		Tanner & Co	16,350 00
307	Jay Cooke & Co	168,000 00		John Poudre	460,443 75
39	Ketchum, Phipps & Bro	50,000 00		P. M. Myers & Co	9,755 00
331	Dakin & Gillespy	175,000 00		Taussig, Fisher & Co	15,987 50
144	Manning & De Forrest	25,000 00		Gone & Aufermann	112,226 12
395	Duncan, Sherman & Co	100,000 00		Otten & Taeger	31,456 25
90	Northrup & Chick	200,000 00		S. D. Davis	25,458 27
38	R. H. Foote	20,000 00		J. R. Gunbemat	38,062 50
393	Hodgskin, Randall & Co	30,000 00		Freeman, Petty & Bond	20,512 50
194	P. Hayden	140,000 00	291	J. P. Porsch	33,318 75
361	Lange, Boell & Co	20,000 00	177	F. W. Jackson	13,791 65
19	Baker & Graeff	30,000 00	374	T. Reed & Co	57,324 31
327	E. K. Wallard	31,500 00	121	Ward & Co	29,812 50
57	Wm. Heath & Co	385,000 00	82	W. C. Mumford	90,581 25
57	Do	100,000 00	174	W. B. Saunton	9,100 00
322	H. T. Godet & Co	4,000 00	13	T. Braime & Co	10,978 99
93	Baker & Bushny	67,500 00	334	Dzondi, Spinger & Co	114,756 25
105	Philip Speyer & Co	25,000 00			
272	Julian & Co	3,000 00			
88	W. C. Mumford	175,000 00		Total	8,228,258 88

H. C. ROGERS, *Asst. Cashier.*

NEW YORK GOLD EXCHANGE BANK,  
58 Broadway and 29 New street, New York, January 28, 1870.

DEAR SIR: I forward herewith statement showing payments made by this bank both in gold and currency, on September 24, 1869. The other documents you desired, viz., the complaint in the case of Osborn and others vs. the Bank, Mr. Russell sent you during my absence. I regret that you did not receive them before I left Washington, as I could have shown that Osborn really had no claim on the bank at the time his complaint was made, nor has he ever made any claim against us since.

Very respectfully, your obedient servant,

H. C. ROGERS, *Assistant Cashier.*

Hon. J. A. GARFIELD, *Chairman, &c.*

WASHINGTON, January 26, 1870.

JOHN W. MAGRUDER sworn and examined.

By Mr. SMITH:

Question. State your residence and occupation.—Answer. I live in Georgetown, and am employed in the Treasury Department, in the office of the Comptroller of the Currency. I have charge of the division of reports in the office of the Comptroller of the Currency.



Q. State to the committee whether you were ordered by the Secretary of the Treasury to visit New York on the week of the gold panic for any purpose; and if so, what?—A. The Comptroller of the Currency came to my house on the 23d of September, and told me that I had to go to New York. He handed me this order:

TREASURY DEPARTMENT,  
OFFICE OF COMPTROLLER OF THE CURRENCY,  
*Washington, September 23, 1869.*

Albert U. Wyman, John P. Bigelow, and John W. Magruder are hereby appointed and authorized to examine the Tenth National Bank of the city of New York, with power to make a thorough investigation of its affairs, and to examine any of the officers or agents thereof under oath, as provided in section fifty-four of the national currency act.

Witness my hand and official seal, this 23d day of September, 1869.

[SEAL.]

H. R. HULBURD,  
*Comptroller of Currency.*

Countersigned and approved.

GEO. S. BOUTWELL,  
*Secretary of the Treasury.*

We reached New York very early on the morning of the 24th, having left here in the night train on the 23d. Before the Tenth National Bank had its doors open we went in there. We were there in time to see the vaults opened, and we did see them opened. We counted the cash in the bank to determine the object of our visit, which was to determine whether the bank was engaged in locking up greenbacks or not.

Q. Did you take possession of the bank; was that included in the order?—A. It was included in this way, that everything in the bank was subject to our order. During the examination the business of the bank went on; that is, when we got through counting the cash we gave it up to the tellers to go on with their daily business.

Q. State the result of the examination.—A. The result of the examination satisfied me that the bank was not locking up greenbacks, but it was impossible to tell whether or not it was assisting others in doing so. There was no immense amount of greenbacks found in the bank to create a scarcity of money. The books of the bank were all balanced, and there was not a disproportionate amount of cash on hand.

Q. Was the report of your examination made to the Comptroller of the Currency?—A. Yes, sir.

Q. Did you participate in the report?—A. I made it, and the other gentlemen signed it.

(Witness presents his written report, a copy of which appears in the testimony of Mr. Bigelow.)

Q. At what time did you complete the examination?—A. On Saturday, the 25th of September; I do not recollect exactly at what hour.

Q. Did you receive any orders from the Comptroller of the Currency or the Secretary of the Treasury to suspend the examination?—A. Not of that bank.

Q. Did you of any bank?—A. I had received papers ordering an examination of other banks, and on the 25th of September I received a telegram of which the following is a copy:

[Telegram.]

WASHINGTON, *September 25, 1869.*

JOHN W. MAGRUDER:

Call at National Currency Bank. Examine any bank that you think needs it. Probably you had better remain until Monday night.

H. R. HULBURD, *Comptroller.*

Before any action was taken on that order it was rescinded by a subsequent telegram directed to myself or Mr. J. J. Knox, of which the following is a copy :

[Telegram.]

WASHINGTON, September 26, 1869.

JOHN W. MAGRUDER OF JNO. JAY KNOX :

Examine no more banks; committee may return. By directions of the Secretary.  
H. R. HULBURD, *Comptroller*.

That telegram was dated on the 26th of September, which was Sunday morning. I do not recollect when we received it, but I reckon that it was on Sunday.

Q. Did you make any further examination?—A. No; we did not go in any other bank.

Q. Did Mr. Calender, the general examiner of New York, call upon you to confer with you in regard to the examination of the Tenth National Bank?—A. The orders that I received from Mr. Hulburd, the Comptroller of the Currency, were to go there, and to say nothing to anybody about the examination of the bank until we had determined whether the bank was engaged in laying by greenbacks; to say nothing to Mr. Calender, or anybody else. When the examination was nearly over I saw Mr. Calender, and then the orders had ceased to be of any effect, because we had determined the point upon which the Comptroller had instructed us. But the examination seemed to create a want of confidence in the bank on the part of the public, and there was a great run on it. Then Mr. Calender consulted with me and the bank officers as to what it was best to do, he being the official examiner for the banks of the city of New York. He did not know how to act; whether to do anything or to let the bank go. A committee of the clearing-house association of New York City had been in consultation with the officers of the bank, and, as I understood, the officers had told them that something would have to be done to save the bank from failure. Then that committee, as I understood, took a part of the collaterals held by the bank to secure demand loans, in order to raise money to save the bank from failure. The committee came back, and when they said they could not do anything, Mr. Calender took the securities and went and raised money on them so as to save the bank from having to shut its doors. That is his connection with the examination, so far as I know.

Q. Did he make any objection or complaint as to the examination which you were making?—A. No, sir; not at all; not the slightest.

Q. Was anything said by him as to his coming on to Washington to confer with the Secretary and the Comptroller of the Currency in reference to it?—A. Yes; if I remember right, I think he said that he would come on that night and see what the Comptroller and the Secretary thought of it.

Q. Do you know whether he did come on?—A. I know it from having been told that he did.

Q. What was the last hour that you saw him on Saturday?—A. I suppose it must have been about five o'clock in the afternoon, and I saw him again on Monday, about ten or eleven o'clock in the morning.

Q. Did he state to you whether he had been on to Washington?—A. I think he did.

Q. Did he state to you the object of his visit?—A. I think he stated that he just came on to consult with the Comptroller of the Currency and the Secretary as to the situation of affairs.

Q. Did he advise with you at all, or express any opinion as to the

examination of any of the other New York banks?—A. No, sir; I was instructed before I left, by Mr. Hulburt; and knowing this business, I did not have any consultation with anybody about it. It was a sort of secret matter.

Q. What time on Saturday did you leave the Tenth National Bank?—A. We went away about five o'clock.

Q. Was your examination at that time complete, as you understood?—A. Yes, sir; the examination was altogether complete before that time. On Saturday there was a very severe run upon the bank, and the examination throughout that day was rather desultory than otherwise. We had to take things as we could catch them. This statement (a copy of which is attached to Mr. Bigelow's testimony) is fuller than the general statement also already in evidence, because in that general statement there are several items added together. For instance, in this statement appear the names of the several banks that have balances due them from the Tenth National Bank, and those that owe to the Tenth National Bank; but in the other statement the amounts are all added together in one sum.

Q. This item of cash, about nineteen and one-half millions, what did it consist of?—A. It consisted of bills and checks, and a little gold and three per cent. certificates.

Q. What kind of checks?—A. Certified checks on other banks.

Q. Did you take any list of the individual deposits, showing who the depositors were?—A. No, sir.

Q. Have you any list of certified checks issued to brokers, constituting this item of seventeen and one-half millions?—A. I have a list of brokers' balances, but I have no list of the checks issued. It was impossible to get them. I would have liked to have had them, but they could not be got. They had a brokers' ledger in that bank, keeping the brokers' account separate from other accounts. That was done just as a matter of convenience.

Q. The item of broker's deposits amounting to \$2,221,000 is the item of actual deposits to the credit of brokers?—A. Yes, sir.

Q. Was there anything by the way of deposit or security to represent this item of seventeen and one-half millions of certified checks issued to brokers?—A. No, sir; these were the checks certified upon their balances the day before, and went to decrease their balances. If we had taken the account the day before, before these checks were certified, instead of the brokers having seventeen and one-half millions of certified checks, the bank would have had nineteen and one-half millions to the credit of brokers. That is, the brokers had practically drawn out all their balances excepting two millions. I suppose you understand the New York system of clearing. These checks were to be sent to the New York clearing-house at ten o'clock the next morning, and exchanged for outstanding checks on national banks, and any balance either way was to be paid in money.

Q. Would it not seem from your statement that upon the general clearing on that day there would be a million of dollars due to that bank from the clearing-house?—A. It might appear so from the statement, but then there may have been other checks outstanding from previous days which would come in upon that day and thus lessen that balance. I do not know that I can make you fully understand it. The real state of the balance that day, when it came back from the clearing-house, was that the bank owed the clearing-house \$162,000.

Q. Did it grow out of the transactions of that day?—A. No, sir; because the clearing was for checks drawn before.

Q. It would seem as if there was a million of dollars due to the bank by the clearing-house?—A. Yes, if there was nothing but these certified checks to come against the bank; but other banks may have held checks on the Tenth National Bank that were not certified. The checks which came into the clearing-house to be paid by the Tenth National Bank, instead of being only \$17,000,000, amounted to \$18,727,000, so that a part of them must have been checks that were not certified.

Q. What, according to the requirements of the banking law, was the amount of greenbacks that the bank was required to hold?—A. It was required to hold in greenbacks and three per cents, and gold and silver, twenty-five per cent. of its net liabilities.

Q. Have you upon your exhibit the amount of greenbacks held by the bank?—A. Yes, sir.

Q. Did you find the amount to be within the requirements of the law?—A. I think the bank had more than its lawful reserve. It needed \$715,574 80, and it had \$893,690. It had \$226,000 in gold treasury notes, \$256,900 in legal tenders, and \$410,000 in three per cents, but the operations of that day took every cent of cash that it had. The bank had to borrow money upon its collaterals to save it from suspending.

Q. Was there anything in the management or condition of the bank that day which led you to suppose that it was concerned in the gold movement?—A. I do not know about that. I cannot say that there was. It was known as a matter of common report that the bank was certifying for those brokers whose names were bandied around in connection with the gold speculations. Smith, Gould, Martin & Co. kept a large account there.

By Mr. JUDD:

Q. Would your examination show how much was certified for each of those brokers?—A. No, sir.

By Mr. SMITH:

Q. Do you know whether any report was required at that time of Mr. Callender, or whether he made any report of the condition of that bank subsequently to your report?—A. I do not know what the Comptroller of the Currency or the Secretary may have, but I know that no report of any examination has come into the division of reports subsequently to my examination.

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WASHINGTON, D. C., *January 27, 1870.*

WILLIAM O. CHAPIN sworn and examined.

By the CHAIRMAN:

Question. State your residence and occupation.—Answer. My residence is New York. I am in the employ of the Erie Railroad Company.

Q. In what capacity?—A. I don't know exactly in what capacity you would call it. I do all sorts of things. I have some contracts to settle, and to sell the accumulated material of the company, and different kinds of duty to perform.

Q. Are you a clerk, attorney, or detective?—A. I am a clerk.

Q. How long have you been in the employ of the company?—A. Since a year ago last November.

Q. Were you in their employ in the month of September last?—A. I was.

Q. Did you carry any message for Mr. Fisk, or under his direction,

into Pennsylvania, from the city of New York, at any time in the month of September?—A. I carried letters under his and Mr. Gould's direction.

Q. Letters, or a letter?—A. Two letters.

Q. When was that?—A. I am under the impression it was the 17th of September. I made no minute of it, and could not state positively.

Q. State all the instructions you received, the interview that led to the instructions, and all that was done under them.—A. I was at home in the evening reading; a gentleman came there, rapped, and said they wanted me at the office. I put on my boots and went down there. Mr. Gould and Mr. Fisk were there in the office. I cannot repeat the conversation just as it occurred. The idea was, that I was to go to Washington, Pennsylvania, which, as they thought, was about eighteen miles from the railroad at Pittsburg. I was to go to Mr. Corbin's house the next morning, get letters from him and take them, that is, if I could not go that night, as I found I could not. We looked over the railroad schedules and found that I could go, I think, at nine o'clock, or half-past eight, the next morning. The next morning I got into the carriage which I had ordered sent to me from the Fifth Avenue hotel, and went around to Mr. Corbin's house.

Q. Who awakened you in the morning?—A. A servant girl.

Q. Did anybody go from the railroad office to be sure you were awakened?—A. The servant girl awakened me and awakened Mr. Hooker. They wanted Mr. Hooker to be sure that I got off in the train.

Q. Who is Mr. Hooker?—A. A gentleman in New York, Mr. Fisk's brother-in-law. I went around to Mr. Corbin's house, rang the bell at, I think, about half-past seven. The servant came to the door and I told him to tell Mr. Corbin that I came from Mr. Gould and Mr. Fisk to take what he had to the President. The servant called me inside, and I stepped into the vestibule. Mr. Corbin appeared at the top of the stairs in his night-gown, and gave the servant two letters to hand to me. He said I was to give these in person to the General. There was one for General Grant, and one for General Porter. He said he desired me to give them in person, and if the General was busy or engaged, to use his name; that would be sure to give me access to him. I took the letters, and arrived at Pittsburg at one o'clock that night. When I got there, they told me it was about thirty miles over the mountains, and they did not think I could get any one to take me. I said I must go. I went around to the stable at first, and after sending for the proprietor of the stable, he finally sent down word that two horses were to be hitched up for me. We started, lost our way once on the trip, but finally got there; I think it was about nine o'clock in the morning. I proceeded immediately to the house where I heard that the President was staying, but learned from the lady there that he was up at Mr. Smith's house, some way out of town. I got another pair of horses, and the driver took me to Mr. Smith's house. A lady came to the door. I told her I had a letter from Mr. Corbin which I was to deliver to the President in person. She showed me into the parlor. General Grant was playing croquet on the lawn, he and General Porter. I do not know whether anybody else was engaged in the game or not. General Porter came up soon and spoke to me, and I gave him his letter. I told him I had also one for the President. When the game had been finished, General Grant stepped up to the porch and spoke to me; I told him I had a letter from Mr. Corbin, and delivered it to him. By this time, General Porter had opened his letter and was reading it. General Grant broke his letter open, started down to the window of the parlor facing me, and read it. He seemed to be reading some of it twice; then I

think some one said Mrs. Grant wished to see him. Before that, General Porter had read his letter two or three times over, as I thought. General Grant got up, went out, and was gone some fifteen minutes or so. In the mean time, General Porter got up, went up stairs and came down again; I think, went through the parlor, went up stairs again, and returned and inquired of me how Mr. Corbin was; I made some reply. A little while after, General Grant appeared again and walked by me almost up to the window, stopped, and walked back again. He still had the letter in his hand. I was waiting, expecting all the time he would give me some instructions, or send a message by me in return. He seemed to wait so long, that, as I wanted to get back, I said to him, "is it all satisfactory?" or something like that. He says, "yes." I asked him if there was any reply. He said, "no, nothing," and he wished me a good morning. I drove straight back to Pittsburg, and telegraphed to New York that the letters were delivered all right, and took the night train back to New York.

Q. Have you a copy of that telegram?—A. No; it was written in pencil and left at the telegraph office.

Q. What were the words of the telegram?—A. That the letter or letters were delivered all right. It was in one sentence, and signed by myself.

Q. What was the exact language you addressed to General Grant?—A. I cannot, under oath, repeat the exact language; I said, "Is it all satisfactory?" or "all right?" implying that I wanted to know whether I had done my part all right.

Q. The substance of that inquiry of General Grant was, whether he had anything further for you?—A. I thought he would naturally give me some message. I supposed the matter must be something very important to require such a trip as that, and I supposed he would give me some message to assure me that it was all right. I wanted to know whether he wished to send any reply back. To the first part of my inquiry he said, "yes;" to the next, "no;" and then I think he repeated, "No, no reply."

Q. Was that all General Grant said to you on that occasion?—A. Yes; I think that was all; I do not remember his saying anything more.

Q. Did you put into your telegram that he said "no reply"?—A. No.

Q. Did General Porter send any reply by you?—A. No; I think General Porter joined in some little conversation, some common-place remarks, perhaps, something about New York.

Q. Were any words said either by the President or General Porter, giving the least information as to what these letters contained?—A. No, sir; there was not.

Q. Were you informed, before you left New York, what the substance of the letters was?—A. No, sir; I was not. I had no knowledge of it in any way.

Q. Did you mean, by your telegram, to say that the President answered that the contents of the letter were all right?—A. No; I did not know anything about the contents of the letter. I meant to say that he had received the letters and read them; that they had been delivered all right.

Q. You did not, in your telegram, allude to the contents of the letters, or the subject-matter of them?—A. No, nothing of the kind.

Q. Did you carry any other message except those letters from any person?—A. No, sir.

By Mr. PACKER:

Q. Was anything said by Mr. Fisk, or Mr. Gould, about the object of

your mission?—A. No, sir. The night before I started, when I went down to the office, I knew there was a movement in gold, but I knew nothing further than that.

Q. Did they say that this trip of yours was in connection with any movement in gold?—A. Not a word.

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WASHINGTON, D. C., *January 27, 1870.*

THOMAS SAMPSON sworn and examined.

By the CHAIRMAN :

Question. State your residence and occupation.—Answer. I am a United States detective by occupation, attached to the sub-treasury of the United States in New York; I reside on Staten Island.

Q. How long have you been a detective for the Treasury?—A. I have been in the sub-treasury since 1863.

Q. What are your duties in that position?—A. To investigate any frauds attempted against the government; when over-payments are made, to get it back; to arrest persons stealing the government funds, and the general duties of a detective officer.

Q. Were you on duty at the sub-treasury building during the month of September last?—A. I was.

Q. Were you there every day of what is known as "panic week," ending the 25th of September?—A. Yes, sir; every day that week and for two or three weeks before.

Q. What were your special duties during the panic week?—A. I cannot remember any particular duty just now. Large payments were being made of interest, &c., and I had to keep the lines of persons calling to receive payments in order.

Q. Did you have anything to do with the messengers or servants about the building?—A. Yes, sir; all the messengers are my immediate subordinates.

Q. About how many subordinates have you?—A. I think I have six immediately under me, and others who are incidentally so.

Q. If messages are sent out from the sub-treasury to any part of the city by any of the messengers would you know it?—A. Yes, sir.

Q. In what way?—A. The messenger is required to notify me when he is going out, so that I may know how long he is to be absent and where he is. There may be times when he would go out without speaking to me about it; but that is the general rule.

Q. Do you know of any messages being sent by General Butterfield during what is known as "black Friday"?—A. Yes, sir.

Q. What messages were sent, so far as you know?—A. There was one messenger there who was not under my control. It was said that he was an orderly of General Butterfield. I do not know his name or what his business was; and he carried a good many messages which I did not see. There was a messenger by the name of Robert P. Brown, who carried a good many messages, sometimes to Belden, a number of times to Smith, sometimes to William M. Tweed, and, I think, to Mr. Seligman and to Mr. Fisk.

Q. How do you know that the messages were sent to those persons?—A. These messages became so frequent previous to panic week, that I took especial pains to detail this man Brown for that special purpose. I had never done that before, nor have I since; but he had to go so much that I made up my mind to dispense with his other services and

detail him for that business. When he would go out he would say to me, "I am going to such a place," showing me the name.

Q. Did you take note of the persons to whom he sent messages?—A. No, sir; nothing but memory, and at that time I did not attach any importance to the matter, except that the messenger was kept very industriously at it.

Q. Did he carry an unusual number of messages to these parties?—A. Decidedly.

Q. Was it customary, previous to that time, to carry messages to those parties during business hours?—A. No, sir; it was very unusual.

Q. How many messages, as near as you can remember, were sent on those days?—A. I really could not say; I do not suppose less than a dozen, and there may have been forty. Sometimes he would wait, however, and would not go out at all for an hour.

Q. How many times do you remember of his having taken messages to James Fisk, jr.?—A. I do not remember more than two or three times. After I notified him to stand at the door and carry messages for General Butterfield, I did not see any more of these messages, and he did not report to me the parties to whom he carried them.

By Mr. SMITH:

Q. At what time did you detail him?—A. As I remember, about the 10th of September.

Q. And after that you did not know to whom the messages were directed?—A. Except in this way: I would be sometimes called out on business, and in going out I would say to Brown that I wanted him to be here, and he very likely would say that he had to go out himself, showing me the letters.

Q. When did you see these messages particularly?—A. I should say from the 12th to the 23d or 24th, to within one or two days of the panic.

Q. On the day of the panic did you see any messages?—A. No, sir; I did not see any message to Mr. Fisk. He took messages out that morning, but whom they were addressed to I do not know.

Q. Then none of these messages you have spoken of were on that day?—A. No, sir; not on that day.

By the CHAIRMAN:

Q. Did you ever see General Butterfield in conversation with Mr. Corbin, and if so, when?—A. I did, on no less than three occasions previous to the panic. I never saw him in the office after the panic.

Q. State as nearly as you can the days when you saw him there.—A. I should have to guess at that; I should say probably within two weeks of the panic, or three at furthest.

Q. Where did these interviews take place?—A. In General Butterfield's room.

Q. You could not give the dates of these interviews more exactly?—A. No; within ten days or two weeks.

Q. How did you know he was Mr. Corbin?—A. He was pointed out in the office as Mr. Corbin, the brother-in-law of the President. On the first occasion when the President visited the sub-treasury there was a great crowd. After that I think he came alone.

Q. Did you know any of the messengers whom James Fisk, jr., employed on that Friday?—A. I did not.

Q. Or any messengers outside of General Butterfield's, coming that day?—A. A great many came in very hurriedly and excitedly. I could not say who they were.



Q. Do you know anything about the time the telegraphic dispatch was received by General Butterfield from the Secretary of the Treasury to sell gold?—A. Of my own knowledge I know very little. It was received, I remember, by a messenger who took it in to General Butterfield. It was in the course of the morning; I should think, about 10 o'clock.

By Mr. PACKER:

Q. Did you ever see Mr. Fisk or Mr. Gould come there?—A. I do not know that I did. The broker who came there most frequently was Mr. Seligman. He would come there a great deal and stop a long time.

By Mr. SMITH:

Q. How did you know this telegraphic dispatch was from the Secretary of the Treasury?—A. That was what the messenger at the door said. I do not know of my own knowledge. I think I gathered it from him, for it was one which was expected at that time.

Q. Did you see the messenger who brought it?—A. I think I did. I think it was a boy thirteen or fourteen years of age.

Q. From what office did the sub-treasury get its messages from Washington?—A. I think they came from the office at the corner of Liberty street and Broadway.

By Mr. PACKER:

Q. How long was it from the time the message got there until it was publicly announced, or until you knew what its nature was?—A. I really cannot answer that. I have been asked that question a great many times in New York. I could not tell how long it was. I should think from the time the messenger went in with it, it was at least two hours before I knew what it was.

Q. After it was received were there messages sent to any of these brokers you have been speaking of?—A. Mr. Brown will be able to testify to that. After the panic Mr. Brown's labors in taking out these messages were very limited, and I returned him to his ordinary duties.

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WASHINGTON, *January 27, 1870.*

BENJAMIN F. CARVER sworn and examined.

To the CHAIRMAN:

My place of residence is at 7 West Twenty-fifth street, New York City; my place of business 7 Broad street. I am a broker. The style of the firm is Carver & Co. We deal in stocks and gold and government bonds.

Question. You do business, I believe, for Smith, Gould, Martin & Co.?—Answer. Yes, sir.

Q. Both in gold and stocks?—A. Yes, sir.

Q. Also for James Fisk, jr.?—A. No; I did no business for James Fisk, jr., for a number of months.

Q. Did you do business for him during the month of September last?—A. No, sir.

Q. State in general for whom you did business in the month of September last.—A. We did business for quite a number of parties.

Q. For Smith, Gould & Martin?—A. Yes, sir.

Q. For Heath & Co.?—A. No, sir.

Q. For Belden & Co.?—A. No, sir.

Q. Do you buy and sell and loan, yourselves, or do you employ *others* to do it for you?—A. I employ others mostly.

Q. State the extent of the transactions for Smith, Gould, Martin & Co. during the month of September last, prior to the breakdown.—A. I believe my transactions for them were not very large. I may have had one time prior to the breakdown probably four and a half millions of gold.

Q. Upon the order of which one of the firm did you buy this gold?—A. I believe I usually got my orders from Mr. Smith.

Q. What were the terms of the order as to amount and price? State your general instructions.—A. They varied with the market.

Q. Were you limited as to the amounts you were to purchase?—A. O, yes.

Q. At what rates did you purchase?—A. I do not recollect. I think that most of my purchases were at about 37.

Q. Did you also loan this gold that you bought?—A. Yes, sir.

Q. From day to day to different parties?—A. Yes, sir.

Q. Did you buy or sell or loan gold for the firm of Smith, Gould, Martin & Co. on the 22d, 23d, or 24th of September? If so, state the amount.—A. I have no recollection as to the amount. I undoubtedly loaned gold for them during those days.

Q. About how much should you say?—A. I should judge probably three millions in all.

Q. Did you buy or sell for them on either of those days?—A. Yes, sir. I think there was a little something done all the time each day.

Q. Who were your brokers who bought, sold, or loaned gold for you during those days?—A. I had different brokers. A good deal of this business is done by my clerk. I recollect that R. W. Martin, jr., H. Knickerbocker & Co., Wood & Reick, and James Julian were brokers for me.

Q. You made settlements with parties with whom you transacted business?—A. Yes, sir.

Q. Did you make your settlements through the clearing-house, or privately?—A. Some of them were made through the clearing-house and some privately. The clearing-house stopped, and shut up shop.

Q. Please state what persons Mr. Smith suggested to you to compromise with in regard to transactions of that day.—A. I sold a good deal of gold at 35, and all of it went out with the exception of a trifling amount; I do not think the difference was \$5,000.

Q. Was there anybody in the gold-room to whom you did not sell, or authorized gold to be sold to?—A. There was a man named Speyers in the room. The rumor got around the street that he was insane; he was bidding 10 or 15 per cent. more for gold than the market price really was, and I may have told my brokers not to sell to him.

Q. Did you tell any of them to sell in small lots, and not to sell to Belden or any of those who were buying in large lots at 160?—A. I rather think that probably I did.

Q. State what was your object in giving that order?—A. Belden is a man in whom I never had any confidence in any way. He did not belong to the gold-room, to begin with; he was not one of the parties to the organization, and for months before that I would not have taken him for a gold transaction.

Q. Did you give any orders on the 24th to John Bonner to sell gold, and did you instruct him not to sell to Belden or Speyers?—A. I may have done so; Mr. Bonner sold some gold for me.

Q. What is your understanding of the cause of the extraordinary rise in gold during those days?—A. It was caused by very large purchases.

Q. Made for the purpose of raising the price?—A. I should think so.

Q. Who was in the combination to raise gold, as you understood?—A. I do not know; nothing more than what rumor says. I do not think there was really any pool in it.

Q. Were you the plaintiff in any suit against the New York Gold Exchange Bank in September last?—A. I believe I was.

Q. State the nature and object of that suit?—A. I cannot do it. It was a time of great excitement. I had \$15,000 in money in the bank, and I think I applied for a receiver, if I recollect right.

Q. Was the injunction granted?—A. No, sir; it was all fixed up before anything came out of it.

Q. By whose direction or advice or order did you commence the suit?—A. I do not think by any one's advice; I think I consulted with Mr. Smith about it.

Q. Who was your counsel?—A. Field & Sherman.

Q. Did you settle with the counsel and pay his fees?—A. There was nothing done.

Q. You began the suit?—A. I began the suit, and Mr. Field told me that he should want a retainer, I think of \$1,500; and he sent down to my office a number of times to have me come up there. I had inquired into the situation of the Gold Exchange Bank, and had made up my mind that it was perfectly good, and so I never went near the office. I wrote him a note saying that I did not wish to carry on the suit, as I was satisfied I should get my money in a few days, when I did receive my money in full from John Ponder.

Q. How came he to pay you the money?—A. He owed the bank some money.

Q. And the bank ordered him to pay you and thus cancel the transaction?—A. Yes, sir; what they call a "stand-off" among brokers.

Q. Was the suit then discontinued?—A. Yes, sir.

Q. By your order?—A. Yes, sir; by my order to counsel.

Q. Did Mr. Field ever demand any fee for his services?—A. Not after that.

Q. And you never paid any?—A. No, sir.

Q. Who did pay?—A. I do not know. He did not get anything out of me.

Q. Do you consider that you owe him anything?—A. I suppose I may have owed him \$25 or \$30.

Q. Did you not consider this suit really more for Smith, Gould, Martin & Co. than for yourself, and that they ought to pay the fee?—A. No, sir.

Q. Were you consulted by anybody with regard to discontinuance of the suit, and the manner in which it was to be settled?—A. No, sir.

Q. Were you not a party to the suit when the first receiver was appointed?—A. Not that I recollect.

Q. Did you bring any other suit than the one you have spoken of?—A. No, sir.

Q. Were you by name a party to any other suit?—A. I think not.

Q. Were you present at the Opera House, about the time of the panic, at any meeting of the parties interested in the movement?—A. No, sir.

Q. Have you any knowledge of any officer of the United States having been interested, directly or indirectly, or having taken any part in the gold movement?—A. No, sir.

WASHINGTON, *January 27, 1870.*

JOSEPH SELIGMAN sworn and examined.

By the CHAIRMAN :

Q. Please state your residence, place of business, and occupation.—A. I reside in New York. My place of business is 59 Exchange Place. I am a banker.

Q. In what business were you engaged during the months of August and September last?—A. As usual, in foreign exchange and United States government bonds.

Q. Were you acquainted with the course of gold during these months in New York?—Yes, sir.

Q. Did you have transactions in gold?—A. We had, almost daily.

Q. State the extent of your transactions during the month of August and the first half of September?—A. I should think our transactions are generally on an average of about a million and a half to three millions a month.

Q. State what the extent of these transactions was during the week known as the panic week, ending 25th of September?—A. During that week I should think I sold, it may be, a million or a million and a quarter of gold. I purchased very little, and the gold we purchased was after the break. I do not think we purchased more than a hundred thousand dollars.

Q. For whom did you transact business during that week?—A. We sold chiefly for ourselves. I also sold some gold during the week for another gentleman. I presume I might as well state what I suppose you refer to at once. I sold gold that week for General Butterfield.

Q. How much did you sell for him that week?—A. I should think near seven hundred thousand dollars.

Q. State the dates.—A. On the 22d or 23d of September I sold about four hundred thousand in gold, on an average, from 41 to 43. I could not, from memory, state the amount sold each day, but on that week, up to black Friday, the total amount was seven hundred thousand, averaging from 34 to 43—the majority 41.

Q. State what orders General Butterfield gave you, and what instructions in regard to these sales.—A. He told me about how much to sell. One order was for half a million, and on it we sold three hundred thousand.

Q. Were these orders given in writing?—A. No; verbally.

Q. Did he come to you in person?—A. He sent for me.

Q. Did you go to the sub-treasury?—A. I did.

Q. State as nearly as you can what the conversation was.—A. I had been operating for some weeks for General Butterfield in the purchase of United States bonds, which is our chief business. I told him, of course, that I thought gold at 40 was a good sale in connection with the purchase of bonds on the other side. He told me he wished I would sell for him about half a million of gold, which I did, and we sold two hundred thousand afterward. He told me afterward that these operations were for Mrs. Butterfield, his wife. I had a general order from him to sell. I had no special orders for particular sales.

Q. Did he put up a margin with you?—A. He did not, but he had a profit on bonds we had purchased previously, so that that acted as a margin.

Q. So that your business with him was a regular one, in which you had regularly secured yourself?—A. O yes, I paid him his profits. He made on the sale of gold, I should think, about thirty-five thousand dol-

lars, which we settled with him for part in currency and partly in United States bonds, which we carried.

Q. What amount in gold and bonds have you transacted for him?—

A. About a million dollars.

Q. During any of these days of the panic week did you receive any messages from General Butterfield, aside from the one you have mentioned?—A. I think I did.

Q. What messages, if any?—A. Only to come up and see him to operate either in bonds or gold for him.

Q. How often did you go during that week?—A. I think not exceeding three or four times.

Q. What messenger did he send to you asking you to come?—A. I do not know; some subordinate of the treasury. I do not know his name if I should see him.

Q. Did General Butterfield say anything to you about the probability of gold being sold from the Treasury, in any of these conversations?—A. Yes; I think he thought that Mr. Boutwell's plan would probably be continued for the following month.

Q. When did you first learn of the order to sell on that day?—

A. After the market had broken.

Q. Not before?—A. No.

Q. How did you first hear of it?—A. I really cannot speak positively. I am satisfied I did not learn of the order through General Butterfield. I had no interest in that, even for General Butterfield, inasmuch as we were not long of gold, but rather short. I think I heard at first in my own office.

Q. Did you call on General Butterfield during that day, and before the break?—A. I think not.

Q. Did you call on him on the 23d?—A. I am not positive; I think it likely I did.

Q. Do you remember any specific thing which he said to you of what the Treasury would be likely to do?—A. No; I did not know certainly, but thought the Secretary would probably continue to sell gold and purchase bonds for the ensuing month.

Q. Did he show you any correspondence or dispatches?—A. No.

Q. Had he been in the habit of showing you dispatches?—A. He showed me a week or two before a letter he had written to the Secretary.

Q. What was the substance of the letter?—A. I think it was a general letter, advising Mr. Boutwell to go on with the plan of selling gold and purchasing bonds. I would not be positive, but I think that was about it.

Q. Was it the understanding, in the transactions with him, that he was to keep you informed of any changes of policy in the government in regard to selling gold?—A. There was no particular understanding about that. I suppose he thought it would be to his own interest to do so.

Q. Have you had any transactions for General Butterfield other than those you have mentioned?—A. Except in a few stocks which I once carried for him, I think not.

Q. When did you first begin to buy, sell, or loan stocks, bonds, or gold for General Butterfield?—A. Some time in July General Butterfield sent for us to say that he had received an order from the Treasury—General Spinner—to sell, on account of some western banker, some 10.40 United States bonds, which he wanted us to dispose of and render an account. That was our first transaction with General Butterfield. Then I became acquainted with him.

Q. Did you have any transactions with General Butterfield after the break?—A. Yes; after the break we bought in gold. We were short of gold previous to the break.

Q. When did you settle these transactions with him?—A. They are not settled. There are some bonds I am carrying for him. I have paid in the money for sales we have made.

By Mr. COBURN:

Q. State whether you sold any gold for General Butterfield on Friday, the 24th of September; and if so, how much and at what price?—A. I think I sold two hundred thousand at about 34 on that Friday. This was a part of the seven hundred thousand which I have mentioned.

Q. At what time on Friday did you sell that gold?—A. After the market had broken; an hour perhaps.

Q. Before that who was the first man you discovered selling gold after the market broke?—A. I do not know. I did not go into the gold-room personally. When I saw gold was quiet at 45 I told my broker to sell two hundred thousand to a good man. He went over and said the room was in great confusion; that he could not find a good man. He finally sold at 34 to a good man.

Q. Who was your broker?—A. William H. Reed.

Q. You had heard that gold was broken before you directed Reed to sell it?—A. Yes; it ran down from 60 to 35 in ten, fifteen, or twenty minutes. I have a telegraph indicator in my own office.

Q. How close is your office to the gold-room?—A. Very close; diagonally opposite.

Q. Who first told you of the order of the Treasury to sell gold?—A. I cannot state positively who told me. I expected it would come. I had no doubt but that Mr. Boutwell would break gold on that day. When I went down town I had a conversation with Mr. Norville, the financial editor of the Times, and he said so too. In fact, no reasonable man expected anything else but what the government would step in that day or, at all events, the following day.

By Mr. BURCHARD:

Q. Did you sell any gold that day; and if so, how much?—A. Yes, I think I sold probably from one to two hundred thousand dollars.

Q. After the break or before?—A. After the break. I did not sell any before on that day.

By the CHAIRMAN:

Q. Please state whether you had any gold transactions for any other person connected with the sub-treasury.—A. I had not.

Q. Did you have any other transactions for any member of the family, or any officers of the Treasury?—A. I did not.

Q. Aside from what you have said in your testimony hitherto, do you know of any officer of the government of the United States, either in New York, Washington, or elsewhere, who had any interest, or took any part in the interest, in gold during the month of September?—A. I do not.

Q. What do you think, as a banker and an expert business man, was the cause of the break down in gold?—A. Mr. Boutwell's order to sell.

Q. Did not gold break down before notice of the order came?—A. I think it did. I cannot tell. It is just as possible it may have broken down before the order came. It had run up to such a fearful price that no reasonable man would deal in gold at 50 or 60, when it was worth but 25.

Q. What was the cause of the sudden rise in gold?—A. There is no question but what the pool drove it up by their tremendously large purchases.

Q. What do you mean by the pool?—A. I mean a combination of gamblers.

Q. Do you know that there was such a combination?—A. I do not know it, except as you know by the papers.

Q. Have you any doubt in your own mind that there was?—A. I have no doubt.

Q. From your knowledge of the transaction, who made money out of this movement?—A. Very strange to say that out of a hundred people I have spoken to ninety-nine have lost money. It occurred in this way: I did not go and purchase gold to strengthen the pool, but I had a certain amount of gold short, believing that it was commercially too high. Of course I had necessarily to take in gold from others at certain prices—suppose I took in gold at 140, the price at which gold was on Thursday, or 160, the price to which it rose the next day, these men came and wanted to get their margin. I, being an experienced banker, was rather careful who I gave margins to. When people came in whom I did not know I told them to put up your margin in the Trust Company, and I will put up with you. Others who put up margins on that day could not get it back again on the next day; and even as careful as I was, in one instance I received money from a very respectable firm by the name of Belden, and on the day following they could not respond, and I was out some ten or twelve thousand dollars. I do not think there was much money made by anybody. The men who were alleged to have formed the pool overdid the business. I do not believe they made much money. There are sometimes financial transactions in which nobody makes anything.

By Mr. COBURN:

Q. How much gold do you think was in the market, all told?—A. I do not believe there were twenty millions in the market.

Q. Does that estimate cover the whole country as well as New York City?—A. I mean in Wall street, exclusive of the Treasury.

Q. Have you any knowledge of the amount held in the country outside of New York?—A. I have no knowledge. I should think that outside of New York, including California and Nevada, there ought to be near two hundred millions.

Q. Where is this gold outside of California and Nevada?—A. Texas had a great deal of gold. They sell their cotton for gold. I should think there were eight or ten millions in that State. Louisiana has a great deal of gold, and a great many people all over the country have small sums. We can only tell from the production of gold in California during the last fifteen years, and the export of gold, from which I should say there must be about three hundred millions of coin in the United States, exclusive of the amount of gold in the Treasury.

Q. How is it possible with so large a supply in the country to get such a corner on twenty millions?—A. You could not get it in time. What gold there was in Philadelphia and Boston was sent in.

Q. Do you know anything about an effort to get gold from California at that time?—A. I telegraphed to San Francisco for gold.

Q. Did they send it on?—A. Yes. My opinion is that, at any time, in spite of the government, a corner can be gotten up in the gold-room in New York by a number of wealthy gamblers—owing to the fact that this gold-room is composed of hundreds and hundreds of men, a great

majority of whom have no capital, who would not be trusted for five thousand dollars, and yet who deal by millions. If you can enact a law requiring them to lay down the gold within a few hours after a sale, you can stop such panics in the future; otherwise you cannot. You must stop in some way these tremendously large operations by people who have no money.

By Mr. SMITH:

Q. What is the effect of short sales of gold upon the price of gold?—

A. A number of short sales in gold, if they are not too large, will steady the market and keep it from going up; but if too large a number of men come in and sell too largely short, and the bulls find that out, then they will put up the price and endeavor to frighten those who are short.

Q. So that the effort in regard to gold in this panic was to endeavor the shorts to cover?—A. I think not; because the gamblers as a general rule run short. The merchants and solid people who thought gold too high at 140 were short; but I do not think there was any large short interest in the gold-room.

By Mr. BURCHARD:

Q. You say you sold four hundred thousand for General Butterfield on the 22d; did you sell that regular?—A. Yes; and delivered it the next day.

Q. Were there any profits?—A. There were profits, but we did not cover the shorts until after the panic.

Q. Did not somebody have to carry that?—A. I carried it until after the panic.

Q. So that you, on his account, was short?—A. I was.

Q. Does the clearing-house contribute to operations of this kind in panics?—A. I think it does. I think without the clearing-house there could not be these gigantic operations in gold by men of short means, who are enabled to deal by the million without any capital to go upon.

WASHINGTON, D. C., *January 27, 1870.*

ABEL RATHBONE CORBIN sworn and examined.

By the CHAIRMAN:

Question. State your residence, place of business, and occupation.—

Answer. I have resided these last seven years in New York; I have been out of business a great many years, and now simply manage my own real estate.

Q. Are you familiar with the course of gold during the month of September last?—A. I do not know how to answer that; I, who never in my life bought or sold gold for speculative purposes. Having been always an active man, and having in my younger years, after I gained my knowledge of the law, gone to St. Louis, where I was persuaded by Colonel Benton to become an editor, I tried to be familiar with everything. So in New York. Although I never buy bank stocks, or gold, or anything of that sort, my attention is ever directed toward them, and the events which took place there in the course of the summer made me pay considerable attention to gold and the effect that its price was likely to have on the products of this country.

Q. Did Mr. Fisk and Mr. Gould, or either of them, ever meet the President of the United States at your house; and if so, when, for the first



time?—A. To my knowledge, Mr. J. Fisk, jr., never was in my house in his life until after the break of gold on the 24th of September—never. It is possible that he may have been there on the occasion of the President going to the Boston Jubilee, to see him to the boat. Several gentlemen were there when I was not there, but I do not think that he was. Hence these various reports as to what Mr. Fisk stated to these reporters (and which I cannot think he ever said to them, as some reporters are in the habit of drawing a long bow,) must necessarily be false; he never was there on any occasion, with the possible exception I have stated. He never was in my house in his life prior to the 24th of September. As to Mr. Gould, I met him, I think, three or four years ago at Saratoga. I made a general acquaintance with him, and he called occasionally during the summer. I was gone much of the summer. I spent some time in Kaneshville, in the extreme western part of Pennsylvania, and then passed into the mineral region of that State. I went to Long Branch twice during the summer, and spent some time there. I also went to Saratoga. I had been out of politics for a good many years, but still a remembrance remained with me; and I was now the more interested, as I had a natural desire for the success of the administration of the brother of my wife, especially during its first year. While at home Mr. Gould used to call at my house occasionally; and as I had heard that he was a Wall street operator, I always improved the opportunity to talk with him. I took advantage of every occasion to impress upon him what I thought was a vital point—and that was to let the farmers and mechanics and manufacturers have good prices for their productions. I never was in his broker's office nor in the gold-room in my life. I was impressed with the idea that gold should be high if we would have good prices for the crops; and as he was engaged in the management of a railroad which was very much stigmatized, I told him I thought that the true road to popularity lay through the field of usefulness, and I think so now. If the crops brought but low prices we could not ship them with profit. That was enforced again and again, I insisting that gold ought to be high in order to move the crops. Mr. Gould concurred in all that, and gave a good many reasons himself. He talked to me much on the subject of gold. He had one or more interviews with the President. But the President was always hitching a little from him whenever he began to go at all into the policy of the government. The President would talk on general principles, but the moment the conversation led to the subject of what the administration would do, he uniformly became very reticent.

Q. State the first time that Mr. Gould ever met the President at your house.—A. (Referring to a pocket diary,) the first time that the President came to my house was on Thursday, the 15th of June.

By Mr. JUDD:

Q. Did Mr. Gould meet him at that time?—A. I am not certain. Several gentlemen came. The President merely left his family in my house, and left directly for the boat. (Reading from an entry in the diary under that date as follows: "General Grant and family arrived at our house this afternoon.")

By Mr. SMITH:

Q. Do you keep a regular diary?—A. No, sir; except this may be called so. It is a little expense account, and sometimes events are noted. The President arrived at my house that afternoon from West Point, and left at 5 o'clock for Boston, to visit the Peace Jubilee. That was Tues-

day, the 15th of June. He returned to my house on Thursday night, June 17.

By Mr. JUDD:

Q. What gentlemen went with him from your house to the boat?—A. There were quite a number, almost all of whom were strangers to me. I am not much acquainted with politicians. I think there were some persons from Boston—perhaps the governor and his staff. I was introduced to several persons, but there were so many strange faces that I do not recall them. The President came back on the 17th, and with his family, left on the 21st. One thing which attracted the President to my house was that I lived very quiet, and he was comparatively very little troubled with company there. In that time, Mr. Gould may or may not have had interviews with him. I do not recall definitely whether he had or not. The President was there long enough for him to have talked with him many times if he chose; but I believe, without recalling anything special, that there was not much conversation.

By the CHAIRMAN:

Q. Did you go with the President to the boat?—A. No, sir; I did not.

Q. State any other visit of the President to your house while Mr. Gould was there.—A. Very shortly after that I left the city and went to Covington, Kentucky, to visit my father-in-law, and remained there from the 24th of June to the 7th of July. My wife's (and General Grant's) father and mother came back with us. On the 3d of August General Grant and family came to my house again, accompanied by Mrs. General Comstock. On the 6th of August they all went up to Governor Fish's country house. There was no interview then with anybody. He spent a short time there, and on the 9th he and Governor Fish came back, dined at my house, and left for Washington City, the family remaining at my house. On the 12th of August he came back from Washington, accompanied by General Porter, his private secretary. The next day, (the 13th,) himself and family, and my wife and myself, went out to West Pennsylvania, to Kaneshville, and made quite a trip through Pennsylvania. Here is a memorandum under date of August 19: "Returned this afternoon from Pennsylvania with General Grant and family, who went on to Newport without stopping at all." When he came back from Pennsylvania, he went direct to the Fall River boat. That was on the 19th of August. On the 2d of September he came to my house to breakfast, and without seeing any one except one gentleman from New Jersey, he started in the 10.30 train for Saratoga Springs to join his family. On Sunday evening, the 6th of September, he left Saratoga Springs for Washington to see General Rawlins. He did not stop at my house at all, but his family came the next day—Monday. General Grant next came to my house on the 10th of September following, after the funeral of General Rawlins. That night he visited the Mechanics' Fair, I believe, and the next day went with his wife and two children to West Point. Mr. Gould could not have seen him that day. He returned that afternoon, and he possibly might have seen him that night. The next day was Sunday. He dined at A. T. Stewart's, and Mr. Gould could not have seen him there. Monday morning, September 13, General Grant and family left for Washington, Pennsylvania. It is not likely that in the trip, between the 10th to the 13th, Mr. Gould saw him. It is possible, but not at all likely. From Washington, Pennsylvania, he went directly home. He has not been north since, and that was his last visit to my house, I think. Instead of his visiting the Mechanics'

Fair the first night that he came, it may have been the second night after he came back from West Point, but I think it was the first night.

Q. The first visit of the President to your house, as I understand, was on the 15th of June, on his way to the Peace Jubilee?—A. Yes, sir.

Q. Do you say that Mr. Gould was not at your house during the President's stay at your house on his way to the Peace Jubilee?—A. No; he could not have had an interview, because the President arrived in the afternoon, and was off the same afternoon, accompanied by some gentlemen, I think from Massachusetts. Possibly Mr. Gould may have been present. But as the President arrived in the afternoon and went to the boat with a crowd at five o'clock, it was practically impossible for any gentleman to have had any private interview with him.

Q. I am not speaking of any private conversation with Mr. Gould at your house?—A. I cannot say. There was a crowd there requiring my attention, and I was much occupied. The only probability would be that going on their boat, Mr. Gould may have joined the committee.

Q. He may or may not have been there to go with the President. You do not know?—A. I do not recollect seeing him at all.

Q. On the return of the President from the Peace Jubilee, from the 17th to the 21st, state whether Mr. Gould was or was not at your house, while the President was there.—A. The next day, the 10th, the President rode out with Judge Pierrepont. Mr. Gould may or may not have seen him. He might very easily have done so, but whether he did or did not, I do not recollect.

Q. Then you swear that you do not recollect whether Mr. Gould called during those four days or not?—A. I cannot recollect. I recall no event which fastens it upon my mind. He could very well have done so, and may or may not have done so.

Q. When was the visit of the President to your house on his return from Saratoga?—A. August 3, General Grant and family arrived with Mrs. General Comstock, on Tuesday. He remained Wednesday and Thursday. He visited the sub-treasury—probably his first visit. He staid with me all of Wednesday and Thursday, and I think they went away tolerably early on Friday, the 6th, to Governor Fish's country-place.

Q. Was he on his way to Saratoga at that time?—A. No, sir. On the 9th, after dinner, the President and Governor Fish left for Washington City. He came back from Washington on the 12th, accompanied by General Porter, private secretary.

By Mr. SMITH:

Q. Have you any memorandum as to the President's movements between the 21st of June and the 3d of August?—A. I have nothing between June 21 and August 3, except that the President and his family came up from Long Branch on the 22d of July, shopping, and returned by the 4 o'clock boat to Long Branch.

By the CHAIRMAN:

Q. Have you reached the date when the President went to Saratoga from your house?—A. I went myself to Saratoga on the 26th of August, and therefore know that President Grant and family arrived at the springs (after the trip through New England) at 9 o'clock on Saturday night, the 28th of August. On August 30th I returned to New York, accompanying President Grant in a special car. He went immediately on to Washington. I think Governor Fish was with us, though I see no notice of it in my diary. The next Thursday, September 2, President Grant, accompanied by his secretary, and General Porter, arrived at my house and took breakfast. After a

brief interview with a gentleman from New Jersey, they left by the Hudson River Railroad on the 10.30 train for Saratoga Springs, where he had left his family. General Grant left Saratoga Springs for Washington on the night of Sunday, September 5, to visit General Rawlins, and did not stop at my house.

Q. At one of the President's visits to your house, not far from the time of his visit to Saratoga, did Mr. Gould call upon him at your house?—A. Mr. Gould had an interview, but it would be impossible for me to fix its date. I tax my memory in vain.

Q. Fix the time as near as you can.—A. There is nothing to arrest my attention. There is nothing relative to the date that is marked upon my memory. A notable thing connected with it is this: that after an interview the general turned and spoke to Patrick—the boy who attends the door—not angrily, (for he rarely shows anger,) but a little peevishly. I do not recall the expression used, but the purport of it was, that he was a little too easy in allowing Mr. Gould to have an interview. Thus indicating annoyance. But the date of that incident, whether June or September, I cannot fix. I remember the fact, because it was such an unusual thing for the President to exhibit impatience. He then turned around to his wife, who sat near by, and remarked, half ejaculatory, that Gould was always trying to find something out of him.

Q. Did you invite Mr. Gould to your house on that occasion?—A. I think not.

Q. Did you ever invite him to your house?—A. It is possible. The word "invitation" is pretty wide. In commenting on the importance of the general theory which I explained a few minutes ago—

By Mr. Cox:

Q. Answer the question.—A. I wish to answer it directly; but by making the answer circumlocutory I can make it more specific: I amplify, not to dodge, but to develop the facts more fully. My impression is that I did tell him, specifically, that I desired him to call; that he would not find the President difficult of access, or likely to be unwilling to have a full and free talk on the general subject of the currency and business of the country.

By the CHAIRMAN:

Q. Did he call, in consequence of that remark of yours?—A. He may or he may not have done so. Mr. Gould listens well, but quietly selects for himself his times and methods of approach towards men and measures.

Q. Who was present at his interview with the President?—A. I presume no one.

Q. But yourself?—A. I do not think I was present. The President almost always gave separate interviews to gentlemen who called upon him, and I was rarely, if ever, present.

Q. Did you ever hear a conversation between the President and Mr. Gould in relation to public policy?—A. I think not. I may have done so, but I think not. In talking amid a company it would scarcely be considered a conversation between the President and any one else. I recollect hearing a very long and full conversation at Saratoga between the President and Mr. Stewart—a conversation of several hours, and covering the whole ground; but I recollect no such conversation with Mr. Gould.

Q. Did Mr. Gould come to your house and see the President just previous to the President's going to Washington, Pennsylvania?—A.

Let me see how long the President was there, and what the chances were.

The CHAIRMAN. It is not a question of chances.

The WITNESS. I do not recollect such an event. You can easily imagine that an old man, with the President's family and his own family around, was fully occupied, and whether this gentleman called, or that gentleman, on a given occasion, I cannot say. Mr. Stewart and Governor Fish, and an immense number of gentlemen of more or less prominence in the community, were there. My house was like a tavern; and for me to recollect whether Mr. Gould came at such a time, or at such a time, would be impossible. It would be unjust toward Mr. Gould for me to affirm that he did or did not.

Q. Do you recollect at any of these interviews that the President told you, in the presence of Mr. Gould, that Secretary Boutwell had given an order to sell gold; and that he, being in Washington, saw it, or heard of it, and countermanded the order?—A. No; never. I did not hear a word of that in my life, and I do not believe a word of it. My belief is that the President and Mr. Boutwell have been always in accord. I never heard of any discord between them.

By Mr. JUDD:

Q. As a general proposition, are we to understand that you do not now recollect having, at any time, appointed for an interview between Mr. Gould and the President?—A. I do not, specifically; but I do recollect having said to Mr. Gould that I desired he would have, and that he should have, every facility to procure such interview; and I may have done so. I should say so, in justice to Mr. Gould.

Q. Do you mean it to be understood that, if such interview occurred, you do not recollect any of the conversation that took place?—A. Oh, no.

Q. You mean us to understand you that you were not present so as to listen to the conversation or take any part in the conversation?—A. I was not. I want to answer so as to be just. On two or three occasions there were five or six or seven gentlemen present in my library, which is a spacious one, among whom was Mr. Gould; and whether he may have made declarations then, or not, I really do not recollect; other gentlemen may.

Q. I was trying to direct your attention as to whether you recollect that Mr. Gould ever had an interview at your house with the President alone when you were present.—A. That is, all three being present. There may have been such, though I cannot recall it, nor do I think it likely. If you can mention some particular remark that was made, perhaps I can tell you.

By Mr. COX:

Q. Did you ever hear them talk about the movement of the crops in the interest of the country—this theory of yours and Mr. Gould's?—A. I do not recollect, but I have talked it myself much.

Q. Have you heard the President and Mr. Gould talk over these matters—over anything connected with the policy of the government in relation to it?—A. I do not recollect it. Mr. Gould was as full of it as I was, and I feel assured that he did talk of it, but I do not recall that I heard it.

Q. Did you ever hear Mr. Gould and the President talk on the policy of the government in relation to the currency?—A. No, sir.

Q. Or about anything connected with the sale of gold?—A. I heard

the President and Mr. Stewart talk it over, but I never heard any other man talk with him about it. That is the only time I ever heard the President speak unreservedly on the subject.

Q. Did you ever hear Mr. Gould talk to the President about it—the President being reserved about it?—A. I will not say that I did not, because, as I have said before, it is possible; but I really do not recall anything of the kind. Mr. Gould could have talked with him, and did talk with him several times.

Q. What was the subject of conversation between Mr. Gould and the President and yourself at any of these interviews?—A. I must first recollect the interview in order to tell what I said.

Q. Do you mean to say that you never were present at any conversation Mr. Gould and the President had?—A. I say this: that Mr. Gould was there, I should think, two or three times, and that there were conversations; but whether they took a financial turn, or otherwise, I do not know. But that he did talk with the President specifically, I know, because of the President's feeling as though Mr. Gould—a sharp and very able man—wanted to pry into the policy of the government.

By the CHAIRMAN:

Q. When the President was at your house, on his way to Pennsylvania, do you recollect Mr. Gould and General Diven, either or both of them, coming to your house and making arrangements for the trip to Pennsylvania, and that, when they were about to depart, yourself saying to Mr. Gould "Step back a moment;" that he then went back and had a conversation with the President, while General Diven waited for him in the front on the street for perhaps half an hour, at which time you were present and a conversation was had in reference to the policy of the government?—A. Well, that recalls it. I do not recall whether it was on the first or second trip to Pennsylvania, but I do recollect that General Diven did call. He is an acquaintance of mine. General Diven was there. The going-out part I do not recollect.

Q. He did not stay in your house forever, did he?—A. No, sir.

Q. The question was whether you recollect that, as Mr. Gould was about going away, you called him back, and that you and the President and he were parties to a conversation in which the general financial policy of the country was discussed?—A. I do not think that that is likely. General Diven and Mr. Gould called; that much is certain. General Diven is a very pleasant gentleman; but that conversation part I do not recall.

By Mr. JUDD:

Q. Do you mean us to understand that no such thing occurred as your calling Mr. Gould back?—A. Ah, that may be.

Q. Do you mean to say that you do not recollect it?—A. I do not recollect it.

Q. Do you mean us to understand that you do not recollect any conversation between yourself, the President, and Mr. Gould?—A. No, sir; I am afraid of giving offense by my answer. If you allow me to answer in my own way—

Q. Do you mean us to understand you do not recollect?—A. I do not. I want to add a word of explanation which, I think, will be satisfactory. I do not recall anything of that sort. I certainly told Mr. Gould that I would aid him to procure an interview; and therefore, if I thought there was a chance then, I very likely may have said, "Mr. Gould, step back and see the President."

By Mr. COBURN:

Q. State whether any such conversation did or did not occur.—A. No such conversation occurred in my presence. The President will tell you that I always made a bow and retired, and was not present when he had an interview with anybody. It is very likely that if, at that time, I thought there was a good opportunity for Mr. Gould to have a talk with the President, I may have told him so; but I do not recollect it, and I do not believe that the President, or anybody else, will say that I was present at that interview, if there was one at that time.

By the CHAIRMAN:

Q. Did the President tell you that Mr. Boutwell had given an order to sell gold, and that he, the President, had countermanded it?—A. No, sir.

Q. He never told you that?—A. No, sir; nor do I believe that there ever was such a transaction.

Q. Did you write a letter to be sent to the President while he was at Washington, Pennsylvania?—A. Yes, sir.

Q. Who carried that letter?—A. One of the messengers of Mr. Gould. He sent a man up and I wrote a letter to General Porter, saying that this was a messenger bearing a message to the President, and asking him not to detain him, but to let him have an interview at an early and convenient time.

Q. What was his name?—A. I do not know; he was a perfect stranger to me.

Q. Did Mr. Gould see that letter before it was sent?—A. My impression is that I read it to him, but I am not sure of that.

Q. Did you write that letter on Mr. Gould's suggestion?—A. Yes, sir.

Q. State the conversation which you and Gould had preliminarily to the writing of that letter. State it as fully and concisely as you can.—A. He came to me and said, "I have made an honest effort to maintain the price of gold," and believed that it would be carried over to Christmas, and that his road would be benefited so and so. "And now," said he, "here is Mr. Boutwell, represented by all of his leading friends in the city as being disposed to crush down the market, to change the policy of the government, and throw a vast amount of gold on the market, and thus bring down its price. This report he does not deny, and his silence causes it to be believed by the operators that there is to be a great thrust of gold on the market." He desired that I should write to the President, and say that it was believed by many that a change in the policy of the government was about to take place. I sat down and wrote a strong letter, and quite a long one, in which I took up all these old theories very much at length—that is, the effect that a change of policy would have; that it would affect the elections very seriously, and most certainly would affect the prosperity of the country, to cut off even ten per cent. of the value of the crop of the country. I represented that the government should not reverse its policy and arbitrarily interfere to put down the price of gold just as the crops were maturing and nearly ready to be marketed. (This was about the 16th or 17th of September.) I said that all desired to see gold fall, and that it would fall if the government was economical; if the government collected its revenues and lessened the interest on the public debt by funding it at lower rates.

By Mr. JUDD:

Q. Was this in the letter?—A. This was, in substance, in the letter;

also, that if we would fund the government bonds at lower rates, and collect the revenues closely, it would ultimately and with certainty reduce the price of gold.

Q. At the time you sent that letter, did or did you not know that Mr. Gould was engaged in speculating in gold?—A. I knew that he was buying gold. That is, as near as I recollect, the scope and substance of the letter. I kept no copy of it. It was written hastily at night in my own library.

Q. Was Mr. Gould there?—A. I am not certain whether he was present while I was writing it.

Q. What time of night was it?—A. It was on the night of the 16th or 17th of September, and I probably got through with the letter at about 9 or 10 o'clock.

Q. What did you say in addition?—A. That I believed cheap gold, the desire of the government and of the people, could be attained just as well after the crops were marketed as before that event. I assumed that last year's balance of trade against the country was about one hundred millions, and that if the price of gold was low, the balance of trade against us would be increased; that if, on the contrary, gold was high, the balance against us would be lessened, the crops would be marketed at high rates, and that if foreign balances against us were lessened gold would be cheaper. If the crops were sold at low rates the country would be left more in debt both at home and abroad. That was the argument, and I therefore expressed a hope that no violent change in the policy of the government would take place without most careful consideration.

Q. How many pages did that letter cover?—A. I do not know. I forget whether I used two sheets or not.

By Mr. JUDD:

Q. How much gold was Mr. Gould carrying then?—A. I do not know.

Q. About how much?—A. He never told me. He is not a man to needlessly communicate his affairs. He told me early in September that he had bought largely—using some such word. He may have used that or some other word; but he said that he was buying, or that he had bought largely. I said to him, "Suppose gold should fall, would not that be very injurious to you?" He said he thought not unless the fall was considerable, because the accruing interest on the gold which he had bought in order to control the market, would make it profitable of itself.

By the CHAIRMAN:

Q. Was there anything said in your letter in relation to Mr. Gould and his purchases of gold?—A. I think not. His name was not mentioned.

Q. Did you allude in the letter to any parties in New York having bought largely of gold?—A. I did not. I can speak positively that I gave expression to no personal interests in the letter. It was simply protesting, on general principles, against a change of governmental policy. I was not insensible to the fact that Mr. Gould applied to me from motives which probably had become largely other than railroad motives. I must take that offense, if it be one, on my own shoulders. But I said nothing of a private character in the letter.

Q. When was that letter delivered by you to the messenger?—A. I think it was early in the morning of the day after it was written. Mr. Gould, I now recollect, could not have read the letter. Mr. Gould came to see me and I promised to write the letter, telling him I would



not go to bed until I had finished it, so that I could hand it next morning to his messenger who was to call for it. Therefore no human eye did, in fact, see it. I think he gave the messenger a note to me so that I should be certain to deliver it to the right person.

Q. Did you receive any answer to that letter?—A. No, sir.

Q. Did you receive any message, subsequently, from any person in reference to the letter?—A. No, sir; and that was the cause of my mortification. It received no more notice than if it had not been written.

Q. Did the messenger never send any word to you?—A. No. Mr. Gould himself remarked that the messenger had telegraphed that he got there.

Q. Did you after that show any letter to Mr. Gould, received from any member of the President's family?—A. I did; yes. I should say that that question is not rightfully phrased. I did not "show" any letter; but I read to him so and so.

Q. What did you read to him?—A. Well, I do not know. Let me task my memory. It was a letter written to my wife—written apparently in great distress.

By Mr. JONES:

Q. Written by whom?—A. It was written by "Sis."

Q. Who?—A. It was written in a hurry—an affectionate letter; written in haste.

Q. Who wrote the letter?—A. I am answering as specifically as human phraseology can do it.

By Mr. JUDD:

Q. Who do you mean by "Sis"?—A. I am seeking to explain.

Q. You can state the name?—A. I am explaining, and cannot do it in any better way than I am doing it.

Q. Will you answer that question?—A. I will. I will not evade it, nor am I capable of evasion.

Q. Who do you mean by "Sis"?—A. I mean just what I say. That was the signature to the letter. I am so agitated, and I wish the committee would notice I am a little excited, very weak, and very nervous. I am perfectly broken down, and there is but a wreck left. A letter came, as I was saying, signed "Sis." I have no doubt about it; that is the way in which many western ladies write. They sit down and write a note and sign "In haste, Sis." I never received a letter from her, and cannot swear to the handwriting of it; but have no doubt of its authorship. This letter came to my wife, evidently written in great haste. I think it was written in such a hurry in consequence of the family being about to leave. The place where it was written was, I believe, not put down. I have not seen the letter for four months. But in the mean time I have no doubt of the fact that the place was not named. The writer then speaks of the distress of the President (making use of the word "distress") at the rumor which had reached them that the husband of the lady addressed was speculating in Wall street. I think it was written on Monday afternoon; but it is difficult to say. It was post-marked, I think, at Pittsburg; possibly at some place on the road, near Washington Pennsylvania. It probably was mailed on Tuesday. At any rate, it came to me on Wednesday, September 22. I was very much excited, and my wife still more so—such rumors were so disgraceful, as she thought. Engaged in buying and selling gold; what a terrible thing! The world is about to come to an end immediately! And yet I never did have a more unhappy day than I had when witnessing the distress which that letter inflicted upon my wife. I must get out instantly—instantly!

By Mr. JONES :

Q. Did the letter say that?—A. No, sir; my wife said it.

By Mr. COX :

Q. Get out of what?—A. I have answered that I was interested—not myself directly; but another being was, in whom I took a great interest, to wit, my wife.

Q. Your wife said that you must get out instantly?—A. That I must instantly sell out her interest and retire from Wall street.

By Mr. COX :

Q. Did I understand you to answer my question by saying that you were not interested, but another was?—A. Another was.

By the CHAIRMAN :

Q. State exactly the language of the letter, as nearly as you can.—A. In that letter she says: The President was greatly distressed at the rumor that your husband was speculating in Wall street, and hoped he would instantly disconnect himself with anything of that sort. She spoke with such directness and feeling that, while but few words were used, they evidently were upon the assumption that there was something about it so terrible, so disgraceful, that it wonderfully excited my wife, to whom the letter was addressed. When Mr. Gould came in that night, I at once read to him the substance of this letter, which had so agitated my wife; and then it was that I told Mr. Gould, at once, that I *must* go out of this matter; that it had created a great deal of feeling in my own family, as well as on the part of the President, and that the matter must now end.

Q. What was the authority of the rumor? Did it refer to any letter of yours or your wife's about being interested in gold?—A. There was not a word said in the letter as to the authority. It only said the President is greatly distressed at the rumors that your husband is speculating, or interested in speculations in Wall street; if it is true, he hopes he will disconnect himself at once.

Q. You read that letter to Mr. Gould that evening, as I understand; did you put it into his hands?—A. No, sir. The correspondence was between two ladies.

Q. Did you show it to him so that he could see the handwriting?—A. No, sir. We were in my library, sitting under one of the chandeliers, in front of the table, so that he might possibly have looked over my shoulder and seen it; but I think him too much of a gentleman to do that. I was looking over it some time, trying to decipher it; it was written in pencil, and my eyesight is dim; it is *possible* he may have seen the handwriting, but not at all likely.

Q. Is this the substance of the letter: "Tell your husband [or tell Mr. Corbin] that my husband is very much annoyed by your speculations, and you must close them as quick as you can?"—A. No, sir; not quite: for instance, the word "annoyed" should be "distressed," and she said the "President," and not "my husband."

Q. Have you stated the whole substance of the letter?—A. I think so. It appears to me, but I am not sure of it, that there was a sentence or two about the children. But whatever else there was in the letter was about family matters.

Q. The letter of which we are speaking was signed "Sis," but you have not yet stated whom you understood the letter to be from?—A. I can give you my belief on the subject. I had never seen the handwriting, so I could not by that means identify it as belonging to any par-

ticular person; but I have no hesitation in saying that I believe it was from Mrs. Grant.

Q. It was so treated by your wife?—A. Yes, sir.

By Mr. JONES:

Q. Was the word "husband" used in the letter? Did it say "my husband" is distressed?—A. I think not.

Q. Are you sure it was signed "Sis"? Or may not the letter have been signed by the writer's full name, and the postscript signed "Sis"?—A. I am very sure that "Sis" was the signature to the letter.

Q. Did Mr. Gould ever buy any gold for you, or on your order?—A. Never, in his life.

Q. Did he ever propose to buy any gold for you?—A. Yes, sir; or rather he offered to let me have some of what he then possessed.

Q. When?—A. The documents will show, (referring to memoranda.) It was on the 2d of September, 1869.

Q. What was it that occurred on the 2d of September between yourself and Mr. Gould?—A. If you will be patient with a nervous old man I will state the matter fully. My first wife had children; I had none. I had been in the habit of buying bonds for her account, on which I made for her handsome sums. I desired to repeat the same practice for my second wife. On the 24th of July, I therefore purchased and deposited in the Bank of America, where I always do my business, two hundred and fifty thousand dollars in bonds, indicating to my wife that she was to have a named share of the profits which I presumed would accrue from the rise in bonds, which I anticipated would take place in consequence of the economy of the government, and for other reasons. I state this to show that my conduct was in accordance with my theory about the appreciation of good securities. Time ran on through July and August, and the tendency, as you will recollect, was all the time downward, and instead of profits coming in, losses were accruing on the \$250,000 of bonds on which I had told my wife I was going to give her a portion of the profits. I got home from Saratoga on the 30th of August, and Mr. Gould called to see me very soon thereafter. He spoke to me, as he had repeatedly done before, about taking a certain amount of gold owned by him. I finally told Mr. Gould that for the sake of a lady, my wife, I would accept of \$500,000 of gold for her benefit, as I shared his confidence that gold would rise.

Q. Did you execute an order for Mr. Gould to buy that sum for you?—A. No, sir. I never gave him an order to buy anything. He said he was the owner of a large amount of gold, and would let me have \$500,000. I told him I never had bought a dollar of gold, and at my time of life I was not going into a gold speculation; but that for the sake of my wife I would for her accept his offer.

Q. Did you accept it as a present?—A. Oh, no; he said he had it, and would let me have it. There was no present about it. I will use his language as near as I can. He said, "I have so-and-so, and I will let you have this amount."

By Mr. JONES:

Q. The substance of it was, you were authorized to place \$500,000 in gold to your wife's credit as a purchaser?—A. If you will let me use his exact language you will understand what was meant. Said Gould: "I have a large amount of gold, and I will let you have, at cost price, without charging you any advance, half a million." I replied, "I will accept it for my wife." My understanding was that she took the gold with all its responsibility; that she stood in his shoes, so far as that was con-

cerned. The idea of going into the market and buying gold was something that never entered my mind. The price of the gold, I think, was 132 or 133, I forget which. He afterward insisted that I should take a million more, and I did so, on the same conditions, for my wife. He then sent me this paper. I desired that the whole matter should throughout be treated confidentially. I told him it would hurt me if it came out, and I did not want it to get out that I was in any way connected with gold. In order that it should not, he responded by sending me this paper, in which he puts down a transaction with his firm and a blank party, thus making the transaction informal, confidential, and dependent upon the honor of the two parties.

The paper is as follows:

SMITH, GOULD, MARTIN & Co., Bankers.

11 Broad Street.

NEW YORK, September 2, 1869.

Mr. \_\_\_\_\_:

DEAR SIR: We have bought for your account and risk—

500,000 gold, 132, R.

1,000,000 gold, 133½, R.

which we will carry on demand, with the right to use.

SMITH, GOULD, MARTIN & CO.  
SIMPSON.

This paper was carried in my pocket for a long time. I had forgotten that I had such a paper.

Q. How came that in your possession?—A. It seems it must have been given me after the second transaction, for, as you see, the two transactions are stated on the same sheet. So far as the paper was concerned, it being in blank, it was no conveyance to anybody, and consequently of no value; so it passed wholly out of my mind. The whole thing was a matter of honor; he could pay me or not, as he chose.

By Mr. JONES:

Q. Did not you understand it to be a memorandum of this transaction?—A. It looked to me to be a mere memorandum of honor.

Q. Did you not keep a bank account?—A. Yes, sir.

Q. Was not this gold entered in your bank-book?—A. No; I did not even enter it in my own private memorandum-book.

Q. Did you keep no note of it as a private transaction?—A. No; I do not keep books myself. I never kept any memorandum in regard to it.

Q. Did you deposit any money as a margin?—A. No; nor my wife.

Q. Did he ask you to deposit any?—A. No. I never had such a transaction before in my life.

Q. Did you understand it to be a *bonâ fide* business transaction when you accepted it?—A. Yes; but it is all a mere matter of promise; he gave me nothing to show for it. He simply said, "I will let you have this;" he said nothing about any margin nor consideration.

By the CHAIRMAN:

Q. State to the committee what the reason was, so far as you know, or can judge from the whole matter, for Mr. Gould's offering to carry for your wife a million and a half of gold? What relations existed between you and Mr. Gould that led him to make such an offer?—A. I can say nothing about that, of course; I can only tell you that Mr. Gould wanted me to do it. He said he was loaded very heavily, and would be very

glad to let me have some. At his request, I had written an article for publication, in which I had advocated the upholding of the public credit.

By Mr. SMITH:

Q. Was there anything you were to say or do in consideration of this transaction?—A. O, no; I will do Mr. Gould the justice to say that neither he, nor anybody else, so far as I know, ever in their lives proposed to give any money, or stock, or anything else, to operate upon any officer of the government.

By Mr. JONES:

Q. Was there any understanding between you and Mr. Gould that if he did you this favor you were to exercise your influence with the President or any officer of the government to prevent the sale of gold by the Secretary of the Treasury?—A. Never. Never even spoken of.

By Mr. JUDD:

Q. When was it that you wrote that letter?—A. I think it was on the 17th of September.

Q. When you wrote it you had this interest of a million and a half?—A. No, sir; on the 6th, I think it was, I told Mr. Gould that gold had gone up to 137, and I should like to have this matter realized. This was two days after the receipt of the paper or memorandum. I said to him I would like to realize on that half million. He had merely said, "I will let you have so and so, but gave me, as I supposed, no legal control over the \$500,000; therefore I said to him, let me realize on that and get the proceeds, and I will be obliged to you. He said, "Certainly, I will do it." Whether he actually sold the gold or not I do not know. I think the amount he reported as coming to my wife was five per cent. of the investment. As the whole matter was confidential, I do not know what he did, only as he reported to me; he brought me a check on the 6th, which I deposited in my bank on the morning of the 7th September. I see by my memoranda that I started that morning for Danbury, Connecticut, in company with the President's wife; I must therefore have gone to bank early to be able to deposit that check that day; I know I added a thousand dollars to it, and made payment with it on a note I owed the bank, \$26,000, on these bonds of the United States which I had purchased for my wife and myself on the 24th of July.

By Mr. SMITH:

Q. How was that check drawn?—A. I think it was drawn payable to Mr. Gould, so that I need not sign it.

By the CHAIRMAN:

Q. Did you enter into this transaction with Mr. Gould on your own motion, or at the request of other parties?—A. It was at the sole request of Mr. Gould himself.

Q. Did your wife at that time know that you had made that transaction?—A. No; I informed her afterward; she had no knowledge of the transaction until I told her what I had done.

Q. State what you did when the letter came requesting you to get out of any speculation you might be engaged in.—A. I was very much distressed about the matter, and told Mr. Gould that this thing must end; I must write; and it must be true that I had not a particle of interest in the business, either direct or indirect; that I must write to the President that night. I told Mr. Gould that as I had no legal claim I was wholly in his power, and he could pay something or nothing, as he chose. Gold

was then, as I remarked, 140 or 141. I said, "Mr. Gould, I want you to pay me the full amount of the difference at 141—or whatever the price was—if you will; if you will not do that, I will take three-fourths, or I will take one-half, or I will take a thousand dollars—it depends entirely upon you; I leave it wholly to your honor." Mr. Gould said he was very much concerned; he interpreted that letter to mean that the President was offended; that was the interpretation he placed upon that hasty letter of the lady. "Now," said he, "if I close this transaction, as you suggest, there may be a breakdown in the market, and will be, if the government should interfere, and how can I afford to pay you?" He seemed very much oppressed, and said to me, "Will you please say nothing until you see me to-morrow morning?" Next morning he came to my house and said, "Mr. Corbin, I cannot give you anything if you will go out." Here we parted—my wife preferring a settlement to the brilliant offer. This was on the morning of the 23d—Thursday. My wife, who had followed me to the head of the stairs, said to me before I met him, "I do not care what is done, but you *must* give that up." And then I did what I think it would have troubled almost any other business man to consent to do—refuse \$100,000 on a rising market. Mr. Gould said, "If you will remain in and take the chances of the market I will give you my check for \$100,000." If I had not been an old man married to a middle-aged woman I should have done it, (of course, with her consent,) just as sure as the offer was made. I said: "Mr. Gould, my wife says, 'No; Ulysses thinks it wrong, and that it ought to end.'" So I gave it up. Mr. Gould stood there for a little while looking very thoughtful—exceedingly thoughtful. He then left—about 10 o'clock—and went into Wall street; and twenty-six hours afterward gold stood at 164. He seemed to have gone into the movement with the desperation of a man who thought that everything was dependent upon instant and energetic action; and my impression is that he it was, and not the government, that broke that market. I know not, but believed his mind devised the successful upward movement of the 23d and 24th.

Q. What did Mr. Gould say when you refused to take the check?—A. My impression is that he was as much astonished as a man well could be; and he looked at me with a look of severe distrust, as if he was afraid of treachery in the camp. He remarked, "Mr. Corbin, I am undone, if that letter gets out."

Q. Referring to Mrs. Grant's letter?—A. To this letter of "Sis" to my wife. My response to that was something like this: that when a person sends me a letter saying that he is distressed at rumors at my expense, I am not going to publish it; and therefore, I said, you need not have any anxiety of mind on that account. And I never did read any part of that letter to any man living, except Jay Gould; and whether he named it to any one—even to Mr. Fisk—I do not know.

Q. Did Mr. Gould ever do anything in settlement for that million of gold?—A. No, sir, he did not.

Q. Do you know whether he ever drew a check for that hundred thousand dollars?—A. He may or he may not have drawn it; if he did, I never saw it. He did not exhibit a check to me.

Q. Did you ever, at any time, either by word or by letter or by message, inform the President or any of the President's family, or any of his officers, clerks, associates, or other persons attached to his official household in Washington, of this transaction between you and Gould?—A. To that question, in its broadest sense, I answer "No, never."

By Mr. Cox:

Q. Do you know how Mrs. Grant came to hear that you were con-

nected with these speculations?—A. No. She may have seen reports to that effect in the newspapers; the President and Mr. Boutwell, I think, have heard many offensive reports against me; I do not know from what source those offensive rumors flowed.

Q. Your wife never knew of this transaction until it was completed?—

A. Not until Mr. Gould had said to me, as I have stated, "I will let you have it." I never gave an order to buy, but accepted for her what had been bought theretofore.

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WASHINGTON, *January 28, 1870.*

A. R. CORBIN recalled and examination continued.

By the CHAIRMAN:

Q. When we left off yesterday afternoon you were completing the history of your interviews and transactions with Jay Gould. The last one which you detailed was that wherein Mr. Gould offered you a hundred thousand dollars to continue in the gold transactions between yourself and him, and you refused it. Was that interview the last of your interviews with Jay Gould before the breakdown?—A. I think it was, but I am not certain. This was on Thursday, the 23d, in the morning after breakfast, and he may have called on Thursday night, but I do not recollect it, and I do not think it is likely.

Q. When next did you see Mr. Gould after the breakdown?—A. I think he sent round a note on Friday evening to say that he would like to see me at the Erie office on Twenty-third street.

Q. State the substance of that interview.—A. Not much was said. Mr. Gould looked very sedate. There appeared to be in his room a considerable number of persons, and instead of going in he took me to a small room adjacent, where we could have a few words. But little was said. I thought he was depressed—quite depressed; but still it is difficult to read a man reticent as he.

Q. State particularly what he said about the transactions of the day.—A. I think he described no particular transaction. He thought the gold market was broken down; that it was entirely prostrate; that the whole thing was at an end.

Q. What thing do you refer to?—A. The whole of his gold operations, whatever their extent.

Q. Why did he send for you? What did the transaction disclose as to the object of his sending for you?—A. I have no particular idea; I think he had learned to look upon me as a man of sense in such matters, and as truly friendly to him. He was very much in the habit of coming to my library and talking with me, with confidence and respect; and I think I was entitled to both, for I never trifled with him; and when a great calamity came upon him he sent for me, as he would for any other respectable citizen whom he visited frequently. He looked sorrowful, and I think he felt so. Toward the close of the interview, which was short, Mr. Fisk came into the room, and I think he said that his sister, or his sister's son, was ruined, and made a few general declarations relative to his losses, which I recollect to have thought very severe. That was on Friday night.

Q. If you recollect anything else that was said, please state it.—A. Nothing, except in a very general way; Mr. Fisk, for instance, remarked, speaking of the extent of ruin to himself personally, that Governor Boutwell sent about noon a dispatch, and had thrown gold upon the market, and that the market had gone right down.

By Mr. JONES :

Q. Did he complain of you in that interview?—A. There was not a word or thought of complaint against me by either of them; no series of words contained a word reflecting on me. On Saturday Mr. Gould requested me to come around to the Erie office—

By the CHAIRMAN :

Q. Before you proceed to Saturday let me ask you as to this Friday's interview; whether anything was said about your transaction for a million and a half of dollars?—A. Not a breath.

By Mr. JONES :

Q. Did not Mr. Fisk come up to your house on Friday?—A. No, sir; I think not. I think that the first talk that I ever had with Mr. Fisk upon money matters was when he came into the side room where I was with Mr. Gould.

By the CHAIRMAN :

Q. I want you to follow Gould, and not to take in Fisk in your narrative, except where he comes in with Gould?—A. I think it would be as difficult to separate them in this matter of Saturday's interview as it would be to divorce the Siamese twins.

Q. Are you acquainted with J. Fisk, junior?—A. I know him.

Q. When did you first see him?—A. I do not know; perhaps at the Fifth Avenue Theater. When General Grant was at my house we went round to that theater by invitation one night, and I think that was the time that I was first introduced to Mr. Fisk.

Q. Then you first saw him in the summer or fall of 1869?—A. Yes, sir; that is my first recollection of meeting him; the first time he made any impression upon me.

Q. Were you ever introduced to him by a man named Catherwood?—A. It may have been he who introduced me. Mr. Fisk was one of the owners of the Fifth Avenue Theatre, and was there. I do not think Mr. Catherwood was there. If Mr. Fisk was introduced to me by him, it probably was upon a later occasion.

Q. Previously to the day of the breakdown did Mr. Fisk bring a letter of introduction to you from Mr. Gould or anybody else?—A. No, sir.

Q. Did Mr. Fisk ever call upon you at your house previously to the breakdown Friday?—A. Never.

Q. You swear that with absolute certainty of recollection?—A. I swear it with absolute fullness, that I had no conversation upon financial matters with him, in any shape, prior to the breakdown.

Q. Let me read some words to you for your assent or dissent, (reading Mr. Fisk's testimony as to his going to see Mr. Corbin with a letter of introduction from Mr. Gould.) Does that statement represent the truth?—A. It does not, in any form.

Q. Does that statement represent any truth?—A. None whatever; it is absolutely untrue; it is all coined.

Q. Did any such interview as that between yourself and J. Fisk, jr., ever occur?—A. Never; before nor after the breakdown; nothing of the sort. It is impossible for it to be true.

Q. Did you ever tell Mr. J. Fisk, jr., that Mrs. Grant had any interest in any gold or stocks purchased through you, or by any other person in connection with you?—A. No; in no form. I never told him anything of the sort; and he knows it. On Saturday, the 25th, I told him the reverse.

Q. Or that anything was ever purchased through you, or in connec-



tion with you, for General Porter?—A. Never. I never had a transaction with General Porter in any form to the amount of a dollar.

Q. Did anything of the kind I have described occur on Monday or Tuesday night previous to the breakdown, or on Sunday?—A. At no time. Mr. Fisk never was in my house in his life until after the breakdown, so far as I know, ever heard, or believe.

By Mr. Cox:

Q. State whether you had ever bought any gold or stocks for Mrs. Grant or any of the family of the President?—A. Never in my life have I bought a dollar, directly or indirectly, for Mrs. Grant or any member of that household.

By Mr. JONES:

Q. Do you know of any gold being purchased for Mrs. Grant by anybody?—A. No, sir; I do not.

Q. She had no interest, directly or indirectly, in that matter?—A. No interest, directly or indirectly.

Q. Did you ever tell anybody at any time that she had?—A. Never. I had never heard of such a transaction, and therefore never even thought of making such a statement.

By Mr. JUDD:

Q. What did you do with that \$25,000 that Mr. Gould paid you?—A. The check was dated on the 6th of September, and was brought to me on the evening of the 6th. Next morning I went to the Bank of America and deposited it, and here is the entry of the deposit in my bank book. The entry says "September 7th, \$25,000," with the letter "W," being the initial of the receiving teller, Mr. Watson. On that same day I drew a check in favor of the bank, which I now present to the committee.

Witness presented the original check, of which the following is a copy:

\$26,000.

NEW YORK, September 7, 1869.

BANK OF AMERICA:

Pay to Bank of America twenty-six thousand dollars.

A. R. CORBIN.

Witness also produced a statement rendered to him by the Bank of America of his account with that bank. The following is a copy:

*Loan of July 24, 1869.*

A. R. Corbin.....	\$302,637 45
Less paid August 27.....	\$19,526 94
Less paid September 7.....	26,000 00
	<hr/>
	45,526 94
	<hr/>
Amount due October 7.....	257,110 51
Accrued interest to date.....	4,049 88
	<hr/>

261,160 39—Margin at 12 per cent., \$292,499

*Collaterals.*

\$245,000 United States sixes of 1867, at 117—\$286,650.

By Mr. PACKER:

Q. Then this check for \$26,000 was applied to an indebtedness which originated as early as July 24, 1869?—A. Yes, sir.

By Mr. COX:

Q. You paid no money since to any person on that account?—A. No, sir; not a dollar or a cent.

Q. To any human being?—A. To no human being.

Q. You are under no obligation or promise to pay any human being?—  
A. Not even an intimation of any kind. I state that in the broadest and most unqualified way.

By the CHAIRMAN:

The memorandum book that you exhibited to the committee yesterday, were the records in it made up at the time of the dates therein named or since?—A. They were made up at the time of the dates.

By Mr. BURCHARD:

Q. For whose account was that purchase of bonds, mentioned in that bank statement?—A. That purchase of \$245,000 United States bonds was made on the 24th of July, on account of myself and my wife.

Q. Was it for the benefit of any other person?—A. No, sir; no person but myself and my wife had an interest therein.

By the CHAIRMAN:

Q. Did Mr. J. Fisk, jr., call at your house on Thursday morning, the morning before the breakdown?—A. No, sir.

Q. Did he meet you anywhere on that morning?—A. I do not know, but believe he did not.

Q. I will fix it more specifically. There were two interviews with Gould to which you have testified. One when Mr. Gould made the offer of a hundred thousand dollars, which was in the evening, and the other the next morning, when you declined the offer. Did Mr. Fisk call upon you between those two interviews of Mr. Gould?—A. He did not. Gould came to my house in the morning immediately after breakfast.

Q. Can you swear with positive certainty that Mr. Fisk did not call upon you between the two interviews with Mr. Gould?—A. I can. Mr. Gould was there in the night of Wednesday and came back in the morning of Thursday, before I went out, and there was no opportunity for Mr. Fisk to come in the meantime, unless he came at an unusual hour, that no one would be likely to forget.

Q. Let me read to you a statement of Mr. Fisk's, (reading from Mr. Fisk's testimony as to an interview with Mr. Corbin on Thursday evening before the breakdown;) did that interview take place according to the statement I have read?—A. No, sir.

Q. On Thursday morning before the breakdown?—A. At no time.

Q. On Wednesday evening before the breakdown?—A. I have answered no, and repeat the answer.

Q. Did the interview, as there described, or any such interview, take place before the breakdown?—A. No, sir.

Q. At any time before the breakdown on Friday, did J. Fisk, jr., call at your house and have an interview with yourself and your wife?—A. Never.

Q. Before that time, did J. Fisk, jr., ever say to you that he wanted to see your wife on the subject?—A. Never.

Q. Previously to the breakdown, did you at any time or place say to Mr. Fisk that you wanted him to see your wife?—A. No, sir; never. I never thought of such a thing.

Q. Do you on your oath swear that the statement which I have read is a false statement?—A. I say there is no truth in it, and therefore it is false.

Q. Did Mr. J. Fisk, jr., call at your house on the day or on the evening of Friday?—A. I think not, without being certain.

Q. You think he did not?—A. I think not; I was at the Erie office Friday night.

Q. Did you meet Mr. Fisk anywhere on Friday or on Friday evening; and if so, where?—A. I saw him in that little room where I had the conversation with Mr. Gould, in the Erie office. Mr. Fisk came in toward the close of the conversation and spoke of the ruin of his sister, or of his sister's son, I forget which, and the great loss which he and relatives had sustained. He came in there incidentally, and half apologized for the intrusion. I never had had any transaction with him. That was the first time he appeared on the stage to even *talk* about gold.

Q. Let me read this statement to you, (reading from Mr. Fisk's testimony as to his return from Wall street on Friday afternoon, and his visit to Corbin's house;) is that statement generally true?—A. No, sir; there is no truth in it.

Q. Did no such interview take place between yourself and Mr. Fisk, at your house, at any time on Friday, the day of the breakdown?—A. No, sir.

Q. Did any interview whatever take place between you and him?—A. To the best of my recollection he was not in my house that day or night.

Q. Where were you Friday?—A. On Friday I was over in New Jersey. I did business with my agent there, and I did business at the city hall in Hudson County, New Jersey. When I came home, I received a note from Mr. Gould, requesting me to go to the Erie office.

Q. What time did you get home?—A. It was late in the afternoon, for I recollect buying a copy of an evening paper when I was crossing over from Jersey City, and reading an account of the breakdown in gold. That was the first account of it which I obtained.

Q. You have testified that you saw Mr. Fisk that evening at the Erie office; did any conversation between yourself and Mr. Fisk occur; anything like what I have read to you?—A. Oh, not at all; everything was polite and gentlemanly.

Q. Did Mr. Fisk say to you upon that occasion that you were the cause, or in part the cause, of the breakdown?—A. No, sir. There was not a particle of reproach, in any form.

Q. Did he reproach you in any way with your part in the transaction?—A. Oh, no. Not a word. I thought him worried with a *then* belief that he had sustained losses.

Q. Did he in any way allege that you were at fault in the transaction?—A. No; neither he nor Mr. Gould.

Q. Was your wife present at the interview in the Erie railroad office?—A. No, sir; that was no place for a lady; it was a public business office.

Q. Did such an interview as here described occur at your house on Saturday, the day after the break?—No, sir; nor at any other time.

Q. Did you have any interview either with Fisk or Gould on that Saturday?—A. Yes, sir.

Q. Where did it occur?—A. At the Erie office, on Twenty-third street.

Q. At about what hour?—A. I think it was some time in the afternoon of the day.

Q. Who was present at that interview?—A. Mr. Fisk and Mr. Gould. For a few minutes Mr. Fisk was alone, but Mr. Gould soon came in.

Q. Were any other persons present at that interview besides Fisk and Gould?—A. No, sir.

Q. No other human being known to you was present?—A. No other

human being, it being wholly confidential; once or twice some one came to the door on matters of business, and the conversation then ceased until the person left and the door was again closed.

Q. Now, what occurred on that occasion?—A. Mr. Fisk was there when I went in. I asked him how Mr. Gould felt after the great calamity the day before. He remarked; “Oh, he has no courage at all. He has sunk right down. There is nothing left of him but a heap of clothes and a pair of eyes.” Pretty soon Mr. Gould came in, and Fisk began to work himself up into a state of excitement. I could not, at first, penetrate his object.

By Mr. JUDD:

Q. Tell us what he said?—A. After a little conversation, as before stated, Mr. Gould came in. Mr. Gould throughout behaved with manliness and character; Mr. Fisk began to tell again, as the night before, of the ruin of his sister or his sister's son, and that he was going now to have a general reckoning—going to have everybody come up and settle. After expressing himself very freely, and very loudly, and with great strength of voice, and wonderful gesticulation, he went on to say he had determined that Butterfield should pay so and so, and had sent a man after him, and all that; and he was going to do this, and do that. He was very declarative.

Q. What did he say?—A. Speaking of General Butterfield, he said that if he did not come right up and settle, he was going to sell him out. He spoke that, as I began to suspect, as a kind of preface to approaching me; and then, for the first time, I heard of Mrs. Grant in connection with gold operations, and I instantly supposed that an attempt was to be made to make me shell out some of what he supposed my superfluities to protect the character of the family of my brother-in-law. He began to say: “How is this, how is this? I have been deceived by somebody!” “Not by me,” said I, “for you and I never exchanged a word on this subject. You have not been deceived by me!” “Well,” said he, “if we had not had confidence in you, do you suppose we would have gone on?” “I do not make any supposition about it,” said I, “only that I never attempted to inspire you with confidence,” and so on, interspersed with some sharp passages. Among other things he said: “Where is that \$100,000 that Gould gave you?” I turned upon him and said: “Mr. Gould never gave me \$100,000, and he will tell you so.” Mr. Gould, showing a good deal of excitement, said: “That is accounted for.” “Accounted for or not accounted for,” said I, “I never have even seen any \$100,000.” “Well,” said Mr. Fisk, “where is the \$25,000 for Mrs. Grant?” “Stop that,” said I, “Mrs. Grant's name never has been mentioned in that connection by any human being, and you shall not mention it. It is as false as anything can be, and it is not to be named to me.” Mr. Gould sat there perfectly quiet. I should have lost my self-possession had the subject been pursued. The interview lasted for about an hour, and perhaps longer, and ended with quieting down all around. Mr. Fisk, toward the close of it, made a suggestion which I thought was a sensible one. He said that the bears had been buying very extensively within the last two or three days at 140, 145, 150, and 155, while the bulls had been also buying at yet higher rates; that the market was broken; and that, if Secretary Boutwell would advertise on Monday that he would not sell any gold until November, they could go around on Sunday and see the principal operators of both parties, and agree upon a settling price for gold, and thereby save large losses to all concerned. That struck me as very sensible, and I said: “Very well, I think the government will do that.” I did not know, of

course, that it would. I was quite unwell and had been unwell for several days, and it was a serious thing for an old man to make a night journey of 250 miles; but I told them I would undertake it. Then Mr. Fisk made what I believe to have been his first appearance at my house. So anxious were they that I should start for Washington that night, that they came around to my house some little time before the hour for starting. My wife, as I was ill, said she would go with me to Washington; and coming down to the library with me, saw Messrs. Fisk and Gould; but there was no conversation except what was entirely polite and kind in tone and temper. There was no special conversation about gold, only that Mr. Fisk said: "You telegraph us to-morrow if the government will forbear; and anything you say we will act upon, for we have perfect confidence in you."

Q. In the conversation in the Erie office which you have detailed, was the subject of your investment, or of Gould's investment for you, discussed?—A. Only in the way I have named, mere general denunciation. We were all angry except Mr. Gould; he was perfectly cool.

Q. Was the million and a half of gold which Mr. Gould had bought for you specifically discussed that evening?—A. Not at all.

Q. Were there any propositions to settle?—A. Not at all.

Q. On your part or their part?—A. Not at all. That had been settled by Mr. Gould and myself on Thursday morning.

By Mr. PACKER:

Q. State whether you had seen Fisk at any time on Friday previous to the interview at the Erie railroad office?—A. No, sir. I went to New Jersey on that day and he to Wall street.

By the CHAIRMAN:

Q. How was the interview at the Erie railroad office brought about?—A. I was sent for.

Q. Who sent for you?—A. Mr. Gould. Mr. Fisk never sent for me.

By Mr. Cox:

Q. Was anything said at the Erie office about Mr. Boutwell acting in violation of the strict orders not to sell gold?—A. I think not.

Q. What was said about the Secretary of the Treasury there?—A. I do not recollect that his name was mentioned at all at that interview; yet it may have been.

Q. Was anything said about Boutwell acting in connection with the bears?—A. They firmly believed that he was acting in connection with the bears, and may have said so on that occasion, but I think not.

Q. Did they say anything about it in that interview?—A. Not at that interview, I think, but they, (that is Mr. Gould,) firmly believed he was with the bears.

Q. Did they mention any of the bears by name?—A. I guess not. I know Mr. Gould used to say that the bears had sent on Frank Howe to Massachusetts to indoctrinate the Secretary on his way from Massachusetts to New York.

Q. Was any other name mentioned in connection with bearing gold?—A. Very likely, but I do not recollect.

Q. Was there anything more specific said on that occasion about Butterfield?—A. Yes. Mr. Fisk said that he had written a note to General Butterfield to come up and settle or he would sell him out.

Q. Did they mention to you any transaction which they had with Butterfield in that business?—A. No. Mr. Fisk said they sent for him to settle or they would sell him out. I told them at once: "If Butter-

field has made a contract with you I certainly think he will do the honorable thing; do not push; see him."

By Mr. JONES:

Q. Did Mr. Fisk charge you in that interview with having deceived them in having led them to believe that you knew the intentions of the President?—No, sir. I had never claimed to possess them.

Q. Was any reference made during that interview to the letter sent by you to the President?—A. No, sir.

By the CHAIRMAN:

Q. We now come down to Saturday evening after the interview at the Erie railroad office; at what time did Fisk and Gould come to your house?—A. Just before we started. We started at 8.30 or 9.30.

Q. State as substantially and briefly as you can what occurred at that interview?—A. They merely came, so far as I recall the occasion, to see that I would go off, and to enjoin me to telegraph the result promptly. I do not recollect anything special at that interview.

Q. Did they come into your parlor?—A. No; they were shown into the library.

Q. Who commenced the conversation when they came in?—A. There was very little conversation.

Q. What was the subject of it? What did they say they came for?—A. I think that the great point was that I should be sure to telegraph, so that they might have a chance to go about on Sunday and arrange with operators of the two parties as to a settling price for gold. I think Mr. Gould gave me the number of his house in Fifth avenue, so that a message would be sure to reach him, whether the government would give the pledge that it would not offer any gold before November. I think the great point was to make sure that I should not forget to telegraph early in the day, as time was important.

Q. Who managed the conversation on their side, Fisk or Gould?—A. I do not know; I think Mr. Gould made the remarks about his address.

Q. Did either of them upbraid you with your part in that transaction?—A. Not the slightest.

Q. Did either of those gentlemen request to see Mrs. Corbin?—A. Neither.

Q. Did Mrs. Corbin come in while the interview was in progress?—A. No; she came down with me. She came from my chamber with me to the library.

Q. Did either of those gentlemen ask any questions of Mrs. Corbin concerning the transaction?—A. I think not. I have no special recollection, but I think not.

Q. Did Mrs. Corbin make any statement to them concerning the transaction?—A. None.

Q. Were you present all the time that you were in the library?—A. I think so; the interview was but a brief one.

Q. Do you recollect anything that Mrs. Corbin said on this occasion touching these transactions?—A. I do not recollect her saying a word about them.

Q. How long do you think they were in your house?—A. They may have been five or ten minutes.

Q. Did they leave before you and Mrs. Corbin left for Washington?—A. Yes; they went right off.

By Mr. COX:

Q. Was there any agreement made as to the mode by which you were

to telegraph, whether by cipher or otherwise?—A. Not by cipher. I do not recollect anything as being very peculiar in regard to it. I was to telegraph the assent of the government, if obtained, to Mr. Gould at his house in Fifth avenue, at as early an hour in the day as possible.

Q. Telegraph what?—A. To say whether they could rely on the government that there would be an announcement in the newspapers next morning that no more gold would be sold by the government till November.

Q. And you proposed to send a dispatch of that kind through the telegraph without concealment, in that open language?—A. Of course, because the information was good for nothing, unless both bulls and bears agreed to fix a certain price for gold.

Q. A telegraph of that kind would be known to all the world.—A. That was the very object of my journey, to have the matter made public, so as to enable both sides to settle.

Q. Your telegraph was to have been sent on Sunday?—A. Of course; for unless there was time to fix it that day, it would be impossible to have an agreement between the bulls and bears before the business hours on Monday. The object was to have it in all the papers by daylight on Monday morning. A private dispatch could do nothing. But if Mr. Boutwell would send his advertisement that he was not going to sell any gold until November, they could go to the leading operators and could agree upon some price at which gold sales should be settled. I thought that the idea did credit to them. Mr. Fisk started the idea first.

By Mr. SMITH :

Q. You said it was Gould who proposed it first?—A. I am inclined to think it was Mr. Fisk who first made the suggestion of having a settling rate agreed upon between the two parties, though it may have been Mr. Gould.

By Mr. COBURN :

Q. In that interview which you had with Fisk or Gould, or either of them, either on Saturday afternoon or Saturday night, did they pretend to represent anybody's interest other than their own?—A. O, no; neither of them. Mr. Fisk sometimes said "we," as though he wanted to ring me in. Mr. Gould never, then, or before, or after, proposed to identify me with him.

Q. I am talking now about any parties who may have gone into an arrangement of that sort to have the administration influenced in reference to its course of policy.—A. I have no knowledge of any one attempting to influence the administration.

Q. You were coming to Washington for that purpose?—A. I merely came to Washington to present the facts.

Q. Did anybody else besides Fisk and Gould consult with you as to any suggestion that should be made here at Washington?—A. Oh, no.

Q. It was then just a matter between you three?—A. Entirely.

Q. Neither they nor you represented any board of bankers, or brokers, or moneyed association?—A. No.

By Mr. BURCHARD :

Q. Do you recollect Mr. Charles W. Pollard calling at your house on Saturday morning?—A. I do not. He may have done so. I received many messages requesting me to go to the Erie office.

Q. Do you recollect whether he came with Mr. Fisk to your house on Saturday morning?—A. I do not. I doubt whether Mr. Fisk was there

on Saturday morning. Let me see, (referring to his diary.) It merely states that I left for Washington City that night.

Q. How many inmates were there at that time in your house?—A. At that time I think there was no one there except my usual family and the servants.

Q. How many servants were there, and what were their names?—A. There was Patrick, who attended the door, and Julia, a colored woman, and I forget what other girl was there at that time.

Q. Do you recollect whether at those times you waited on the door yourself, or that one of those servants did?—A. Patrick usually waited on the door. If he was out, Julia, the colored woman, opened the door.

Q. Do you know Patrick's other name?—A. Patrick Hussey, I think.

Q. Where does he reside now?—A. With me.

By Mr. JONES :

Q. At that interview, previous to your departure for Washington, how did you consider your relations with Mr. Gould in that business matter? Did you consider yourself as still bound?—A. No, sir; I had closed up the matter Thursday morning.

Q. But you had not closed up?—A. Yes, that was all settled on Thursday morning before Mr. Gould left my house, and I so wrote to General Grant. If I had cared to remain in, I should have received from Mr. Gould the \$100,000.

Q. Then what was your object in going to Washington?—A. I was actuated by a spirit of kindness to them, and a desire to diminish the losses of the community.

By the CHAIRMAN :

Q. You and Mrs. Corbin went to Washington on Saturday night?—A. Yes, sir.

Q. When did you arrive?—A. On the morning of Sunday.

Q. Did you call upon the President of the United States?—A. Yes, sir.

Q. State the substance succinctly and fully as you recollect of the interview between yourself and the President in reference to the business on which you went?—A. On that topic the conversation was extremely brief. I merely stated to the President that it was believed that, if the Treasury Department would announce the next morning—and allow it to be telegraphed to-day—that the Treasury would not interfere with the market by the sale of gold beyond the ordinary course of proceedings until the 1st of November, it would be of great benefit both to the bulls and bears in settling up, and that it was, therefore, desired that such course might be taken. The President said at once: "This matter has been concluded, and I cannot open up nor consider the subject;" and he dropped it directly there without giving any reason.

Q. Did you say anything more on the subject?—Did you make any response?—A. No, sir; I made no other points than that.

Q. Did the President say anything further on the topic?—A. No, he said nothing himself, nor did he afford me an opportunity to talk at all upon the subject. When I got to New York next morning I learned that the sales of government gold were to go on, settlement or no settlement.

Q. Was anybody present at that interview besides yourself and the President?—A. His wife, and her father and children, may have been sitting there; it was in the parlor; others may also have been there, but I do not recollect any one.

Q. Did any other person take any part in the conversation on that



topic besides yourself and the President?—A. No, sir; I think not. It was exceedingly short and definite.

Q. When did you return from New York?—A. The same Sunday night.

Q. Did you report by telegraph to Mr. Gould, according to agreement?—A. I did not telegraph to any one. I was to telegraph in case the government would assent to the plan.

Q. You sent no dispatch to Mr. Gould or to Mr. Fisk, or to anybody connected with them?—A. No, sir.

Q. On your return to New York, did you visit Mr. Gould or Mr. Fisk on the subject?—A. No, sir.

Q. Did you see them on the subject?—A. No, sir.

Q. Did they visit you on the subject?—A. Possibly Mr. Gould came round on Monday, Tuesday, or Wednesday; but I think not. I had taken a violent cold during those two rainy nights, and was seriously ill. They knew, from my failure to telegraph, that the plan had failed—were too busy to pay idle visits.

Q. In your interview with the President on Sunday, did you inform him that you had an interest in gold?—A. I said nothing about it. I wasn't proud of it. I had written to him on Thursday, and my wife had written to him on Thursday night, enclosing mine, saying that I had no interest in gold. The President said to me: "I got your letter yesterday, and you cannot imagine how much relieved I felt, after the reports that were made that you were engaged in gold speculations, to know that you were not engaged in that disgraceful speculation." Well, that exonerated me a little further than I had asked for; but I did not feel called upon to enter into an explanation of a matter personal to myself.

Q. What response did you make to that remark of the President?—A. I had nothing to say.

Q. You did not undeceive the President in his opinion that you were entirely out of the speculation?—A. No, sir; I didn't say that I never had been in it, but that I *have* no interest.

Q. You spoke in the present rather than the past tense?—A. Yes, I said nothing of the past.

Q. Have you now stated substantially all that you recollect on that topic in that interview?—A. Oh, yes; it was very brief.

By Mr. JONES :

Q. Had the President anything to say in reference to his change of mind as to the public policy in regard to gold?—A. I never heard him say anything about the contraction or expansion of gold. He is a man who will sit and listen, but rarely expresses opinions. The most I have ever heard him say on that subject was to the celebrated Mr. A. T. Stewart.

Q. I speak in reference to what he said in that last interview with you in reference to gold?—A. He did not allude to the price of gold. He merely answered the whole thing by saying that the subject was concluded and the policy fixed.

By Mr. COX :

Q. State what you understood by the word "concluded?"—A. That the Treasury Department had arrived at a decision.

Q. That they had a policy fixed upon, and he could not open it?—A. Yes, sir.

Q. You went there—out of no selfish motive?—A. Not at all; I had no money object to achieve.

By Mr. COBURN:

Q. When you got back to New York, did you have any verbal communication with Mr. Fisk in reference to the business?—A. No, sir.

Q. And never since?—A. I think not.

Q. Did you have any verbal communication with Mr. Gould on your return, or ever since that time?—A. I believe I had; and if so, it was not of a business character, but merely an informal account of the trip. He came round to my house, I think, two or three days afterward, and I told him, as he already knew, by not getting a dispatch from me, that an adverse result was reached. I merely related the fact that I had failed, and alluded to the physical sufferings which I had endured during those uncomfortable nights. Beyond the mere casual mention of the results, I recollect nothing else of interest.

Q. Did you have any written communication with Mr. Fisk concerning that visit?—A. I think not; I recollect nothing.

Q. Did you have any with Mr. Gould?—A. I think not.

Q. Did you, after you returned, send a messenger to Mr. Fisk, conveying any information?—A. I do not recollect doing so; but it is possible I may have told some one to go down and tell him my object had failed.

Q. If you sent such a person, do you recollect who it was?—A. No, sir.

Q. Did you send a message to Mr. Gould giving him information?—A. I think not, but still I may have done so.

Q. Did you send a dispatch to both or either of them?—A. I did not.

Q. Have you had any communication with any other person in regard to that visit?—A. I never had any communication with any other person prior to the President's refusal to consider the plan.

By Mr. JONES:

Q. What have been your relations to Fisk and Gould since your visit to Washington?—A. There never was an unkind word between Mr. Jay Gould and me, and the last time I saw Mr. Fisk his conduct toward me was perfectly polite, respectful, and gentlemanly.

Q. Do you consider the relations between you and these gentlemen as friendly?—A. I do not know why they should be otherwise than friendly to me, as I have always acted justly toward them, and treated them with kindness and courtesy.

By the CHAIRMAN:

Q. At the time you wrote the letter to the President that was carried to Washington, Pennsylvania, did you write another letter to General Porter that was sent by the same messenger?—A. I have answered that by saying that I wrote a letter to General Porter, in which I said I would be obliged to him if he would introduce the bearer to the Chief Magistrate, so that he should not have any unnecessary delay.

Q. Was that the substance of the letter?—A. That was the substance.

Q. Did you discuss the financial questions in that letter?—A. No, sir; not at all.

Q. Did you write in the letter that you had discussed financial matters in your letter to the President?—A. No, sir.

Q. I understood you to say that you wrote an article which was subsequently published in the New York Times; what time was that?—A. I do not recollect; it was some time in the summer.

Q. At whose instance did you write that article?—A. Mr. Jay Gould.

Q. Did you or Mr. Jay Gould look the article over after it was written?—A. I undoubtedly carefully looked over the article after it was

written, and possibly may have read it to him; its publication was left to him.

Q. Did you and he consult with each other as to the points that ought to be made in such an article?—A. Oh, no; one day after traveling over the subjects treated in the article, Mr. Gould said to me that it would be admirable if I would prepare an article setting forth the views I had just expressed to him. I said very well, I will submit to the labor of writing one, and I did.

Q. Was that article published?—A. I handed it to him, and he had it published.

Q. In what paper?—A. I believe it appeared in the New York Times.

By Mr. PACKER:

Q. Was that before or after you had been asked by Mr. Gould to take part in the purchase of gold?—A. It must have been a good while before it; I think it must have been in July or August.

By the CHAIRMAN:

Q. Are you acquainted with General Butterfield?—A. I am.

Q. How long have you known him?—A. Ten or fifteen years.

Q. Did you meet General Butterfield during the months of August or September last?—A. I met him occasionally, but not often.

Q. Did you have any conversation with General Butterfield on the general financial policy of which you have spoken?—A. Not much, if any. I do not know that I can swear that I really talked with him at all on that subject; still I may have done so.

Q. Did you ever have a conversation with Mr. Gould in reference to General Butterfield?—A. Mr. Gould wished to have Mr. Catherwood appointed the assistant treasurer, and I frankly told him and Mr. Catherwood that I could not recommend it. I also very frankly told him that General Butterfield was a friend, and that I should like to see him appointed, and I told General Butterfield that I would recommend him for assistant treasurer; but after thinking it over, I, at a later day, withdrew my promise, and gave no letter of recommendation. I thought upon reflection that that was an office so exceedingly important that the members of Congress, and the party organizations, and the leading business men should be consulted about it exclusively. Hence, I concluded to recommend no man to any important office in New York, and I have recommended no one whatever.

Q. Did you ever have any conversation with Mr. Gould in reference to Butterfield's management of the sub-treasury?—A. I do not know but that I may have had.

Q. Did you ever have any communication with General Butterfield in reference to the sale of government gold?—A. I think not, unless in very general terms.

Q. Were you ever requested by any person to see General Butterfield in regard to the course of gold, or the purchase and sales of gold?—A. Oh, no; never.

Q. Do you know of any officer of the government of the United States, or any connection with the families or subordinate or employé of any officer of the government, ever having any interest in, or any part in, any transaction in gold in the month of September, either directly or indirectly?—A. No, sir; in no form, directly or indirectly, through any employé or in any other form.

By Mr. BURCHARD:

Q. Was any portion of this gold that Mr. Gould was carrying for you

intended for General Porter?—A. Oh, no; I have not the slightest idea that General Porter in any form or manner had any interest in any such transaction.

By Mr. Cox :

Q. Have you ever exchanged any word with the President of the United States or any of his family, before your interview on the Sunday you have spoken about, as to financial matters or your gold business or stock speculations?—A. Never; only, as heretofore stated in my testimony, I may at some time have said I owned bonds.

Q. Do you mean that the committee shall understand that the only influence and the only consideration of your writing this letter to the President when he was at Washington, Pennsylvania, was to carry the elections and help the country, or did your letter to the President refer to the elections in so many words?—A. I believed the course I recommended would be for the best good of the country, and also for the political good of the party.

Q. You say you have not seen that letter which was written, called the "Sis." letter, for four months; where is it now?—A. It does not exist; it was destroyed at once by my wife.

By Mr. JONES :

Q. Why?—A. She was angry because I read it to Mr. Gould.

Q. Have you since yesterday corrected your memory as to the means by which the President learned of your speculations?—A. How it came to his knowledge, or who were tattling against me, I have now no knowledge. Whether it was by the anxious operators to head off Mr. Gould on the street or personal spite, I cannot say. There are always men enough to convey such ill news among friends. He may have learned the gossip from the newspapers.

Q. Did you ever buy any gold or stocks for any person in any way connected with the government or their households; if so, when, how much, and what?—A. No.

Q. Or intend to buy any?—A. For my *intentions* I am responsible to Almighty God, and not to a member of Congress. I never did it; that is enough.

The committee at this point directed the witness to retire, and, after consultation, ordered the following question to be propounded :

Have you had any conversation with any officer of the government or with any of his household in reference to the purchase of gold or stocks, or your design of so purchasing; and if so, what?

Witness having been again called in, stated that if he had said anything disrespectful to the committee, or any member of it, he desired to apologize for it; that he did not wish to say anything indicating a want of entire respect to the dignity and character of the committee.

The question directed by the committee to be propounded to the witness was then put to him.

WITNESS. When my toes are tread upon, and the character of others are at stake, I at once accept the issue. I ask for the reading of the resolution authorizing the committee to make this investigation.

(The resolution was read by the clerk of the committee.)

WITNESS. Mr. Chairman, I respectfully ask what this resolution has to do with the conversation I have mentioned informally? What has a little *intended* gift in stocks last summer to do with the fluctuations of the gold market in September? Am I compelled to develop a proposition in regard to stocks, made in the summer, and which was declined,

in an investigation in reference to the gold fluctuations late in September?

(The chairman stated that the committee considered the question a proper one, and directed its answer.)

WITNESS. In relation to gold, I answer no; in relation to stocks, I appeal to the committee whether I ought to answer the question?

(Witness was again directed to answer the question.)

Q. Then my answer is, as I have already stated, that I purchased on the 24th of July two hundred and fifty thousand dollars in bonds, and paid for them by a note in bank; after which, I offered to let Mrs. Grant come in for one half, which was declined. She did not accept the proposition.

Q. Have you answered the question completely?—A. I think so.

By Mr. PACKER:

Q. At what time did you tell Mrs. Grant that she could have an interest in this purchase, and at what time did she decline?—A. The conversation was probably within one or two days after the purchase.

Q. Had she had any conversation with you in reference to it previous to the time of the purchase?—A. No, sir.

Q. Was she in any manner a party to the purchase?—A. No, sir; she knew nothing of it until it was consummated.

Q. Then, as I understand, it was simply an offer upon your part to give her a portion of these bonds, and an instant refusal upon her part to accept it?—A. Yes, sir; that was it.

By Mr. JONES:

Q. Did you expect, when you made this proposition to Mrs. Grant, that she would pay her portion of the margin, or did you expect, if she accepted it, she would not pay anything, but that you would simply give her the profits?—A. The latter, if there were any profits.

Q. Had you any funds of hers in your hands for investment?—A. No, sir.

By Mr. COX:

Q. What was your design in making this tender to the wife of the President?—A. My desire was to please her. She was my sister-in-law.

Q. Do you say on oath that no other design was in your mind?—A. I do. This was on the 24th of July, remember.

Q. It had no reference to any influence on the government, or expected to be exerted in reference to your speculations?—A. No, sir; I had no speculations then.

Q. Have you any knowledge that the President was aware of your proposition to Mrs. Grant?—A. I have not. I think he was not.

Q. You stated that you lost upon the stocks you bought; did anybody share that loss?—A. No one was interested but my wife with me. The loss was a little over nineteen thousand dollars on a purchase of two hundred and fifty thousand.

Q. Did you not deceive the President in respect to your being in gold speculations?—A. No, sir.

Q. Was not your letter written with a view, or intent, to deceive him in that regard?—A. No, sir.

Q. Was not the letter intended to assure him that you were out of these speculations when you had so recently been in them?—A. My intention was to assure him that I was out, and I told him the truth.

Q. But you did not tell him the whole truth, as I understand?—

A. You may understand that I told him the whole truth of what I was talking about.

Q. How did these losses occur on the bonds?—A. By the fall of prices.

Q. Did bonds decline with the decline of gold?—A. I am not sure.

Q. If gold advanced, would not the currency price of bonds advance?—

A. I do not know that I could give an intelligent answer that would be satisfactory to myself.

Q. Was not your understanding that Mr. Gould's proposition to advance gold primarily would at the same time advance the currency price of these bonds you were carrying?—A. I am not sure how that would be. The price of gold is now 20. The bonds of 1867 which I purchased are now, I think, at 114. I am not sure of the exact price. When gold was 140, bonds were not 134, which is \$20 higher than 114, the present price. I think there has been sometimes quite a contrast in the movements of gold and bonds. Not being a dealer I cannot point out the true connection between the two.

Q. Have you ever paid any money, or given any present, directly or indirectly, to any one, either as profits of gold speculations or in consideration of stock sales?—A. Never.

Q. At the time Mr. Gould offered half a million of gold at the price he paid for it, how much was the profit up to that time?—A. I don't know. I suppose the price he charged me was the market price at that time. An examination of the market prices will show.

Q. You have no recollection as to the fact?—A. I have not. I supposed it to be the same.

Q. Who is the Simson, or Limson, whose name is signed to the memorandum you gave yesterday?—A. I do not know; I never was in Smith, Gould, Martin & Co.'s office.

By Mr. PACKER :

Q. Were you to have the gold from this firm at the prices they bought it for, or for the market price the day it was offered to you?—A. The firm I never saw or had any acquaintance with. Mr. Gould offered to let me have gold at what he called cost price, and sent that paper which I have submitted here in fulfillment of his promise, without impeaching the truth of the paper.

Q. Did he state when he had purchased?—A. He did not say. The date of the transaction with me was September 2.

Q. Then it would be the market price of that day, would it not?—A. I was to have gold at 132 and 133½; that is the fact.

By Mr. JONES :

Q. Do you know whether Mrs. Corbin ever informed the President or his wife of the interest you had given her in bonds or in gold?—A. I presume not. I do not know it if she did.

By Mr. COX :

Q. Have you stated fully the amount of your interest in government bonds at the time of the panic, or shortly preceding the panic?—A. I have excepted those I hold regularly as a permanent investment, and I had sold a few bonds out of this two hundred and fifty thousand. I should think I had probably two hundred thousand, or a little more, at the time of the panic.

Q. Have you any litigation in New York in reference to this business?—A. No, sir; I never had a law suit in my life.

Q. To whom did you give the article for the newspaper which you

wrote?—A. I did not give it to any one; I handed an article to Mr. Gould, and he selected the paper. It was wholly confidential. I did not wish it to have any influence other than the merits of the article entitled it to; it was to be strictly anonymous.

Q. Did you ever state to any one that Fisk or Gould had never been in your house since the President was there, about the time of the Peace Jubilee in Boston; did you state that to a reporter?—A. I stated distinctly to a reporter, as I have said to this committee, that Mr. Fisk was never in my house prior to September 24. I did not state that in regard to Mr. Gould. I do not think the papers ever accused me of saying that of both gentlemen.

Q. Have you ever said to any one that you were in no way connected with the operations of Gould and Fisk in gold or otherwise?—A. Possibly I may, as, in fact, I was not. My wife had a specified interest. If you come to technicalities I really had none; not a dollar.

By Mr. BURCHARD :

Q. You say you wrote to General Porter; did you receive any letter from him?—A. No; I got no reply. I heard afterward, and it was a good while after, that the answer the President gave to the bearer of my letter was "No answer."

By Mr. JONES :

Q. Did you ever tell the President himself that you were speculating in stocks or gold?—A. No; I did not. I felt that I had a right to buy stocks or bonds the same as any other gentleman; at the same time it is but just to myself to say that I am not likely to thrust my affairs upon the attention of other people.

Q. Did you in the conversation with the President you have spoken of, on Sunday, refer to the letter you had written to the President which was carried by Mr. Chapin?—A. I believe I have told you the few brief words that passed, and that the whole matter was closed.

By Mr. COX :

Q. Do you know Doctor Pollard?—A. I have seen him.

Q. When did you see him; was it on the 23d of September, or about that time?—I do not know when I last saw him.

Q. Did you ever call on him at the Erie Railroad building?—A. I think not; I do not recollect of any such call.

Q. Do you remember any interview you ever had with him; if so, what?—A. I think he was the man who came and wanted a letter of introduction to Governor Fish, stating that Mr. Fisk wished to get a brass band, or something like that, from Belgium.

Q. Did you have any conversation with him about this gold business, or your speculations?—A. I never have to my recollection. He is a clerk in the Erie building, for Mr. Fisk, I believe.

Q. You never told him, at an interview in the Erie building, "How does Mr. Fisk bear his losses; it is terrible for us;" did you?—A. That is the Sun's story. No.

Q. You never made such a remark as that to him?—A. My dear sir, I never recollect saying one word to him of any kind whatsoever about gold.

Q. Did you ever see anybody, after your return from Washington, who was connected with this business; anybody representing Fisk or Gould?—A. Not to my recollection.

Q. Any lawyers or agents?—A. I had a talk with my own lawyer.

Q. I mean representing Fisk or Gould, after your return from Washington?—A. No.

By Mr. JONES :

Q. Do you think there is any matter unsettled between you and Fisk and Gould?—A. I would refer you for an answer to his lawyer and mine.

By Mr. COX :

Q. Did you have any relations or communications about this gold business with General Butterfield or any of his subordinates during the pendency of this movement?—A. O, no; none at all.

Q. You had no intimation by telegraph from Washington, or any other place, in reference to the sale of gold by the Secretary of the Treasury?—A. Never, either directly or indirectly.

By Mr. JONES :

Q. Are we to understand you to say that you had no interview with General Butterfield during this gold panic or crisis in New York from the time gold began to go up?—A. If by the word interview you mean to ask whether I ever saw him, I should say I presume I did see him, for we were in the habit of meeting pretty often before his appointment and occasionally afterward. I presume I was not at his house during August and September. He may have been at mine upon a visit, but nothing ever occurred in reference to any matter of business that I remember. We have had no transaction in gold, nor had any other business connections together since the time he came into his treasury office.

Q. You never asked him, and he never gave you, what was the policy of the government?—A. I do not think he had anything to give. I do not think Mr. Boutwell ever trusted him or any one else; at any rate, I answer the question in the negative.

Q. Your relations with the President are friendly now, are they?—A. Entirely so.

With the permission of the committee, I desire to make one general statement. I wish here to aver that I have formed no plans to cause fluctuations in the gold market, and no man, so far as I know, ever attempted to execute any plans derived from me to cause such fluctuations, with or without any assistance of mine. I have never put up a dollar of money or credit for any such purpose. I have never put up any credits or stocks with any view to cause the price of gold to fluctuate, nor to create any revulsion in the market. I have never given information, and have never obtained information, of a character that would benefit any attempt to create any fluctuation. No officer ever furnished me with any such information, and I have never sought any such information. I wish to state these facts in this general way. I think it is due to the officers of the government that I should make this statement, and also that I should say that I have never obtained any information from any subordinate other than from those high in authority. I wish to say, also, that I firmly believe that these fluctuations were produced by these extraordinary speculations in Wall street, and that it was a spasm which occurred very suddenly, as I believe, without any plan about it of more than a few hours' duration.

By Mr. COX :

Q. Do I understand that you had no design in your conversation and editorials, in your letters written to the President, in your visit to Washington, of a selfish character; that you had no design



to create a fluctuation in gold for the benefit of yourself and your friends?—A. Entire exemption from selfishness I cannot claim. I have not quite attained perfection, though I struggle for it. I am willing to admit that I have something of human selfishness, but so far as creating fluctuations is concerned I certainly have no desire to accomplish that purpose. I did desire to see gold at 140, and to see it held there until the crops could be taken to market and good prices obtained. I did not desire any fluctuation or agitation in the money market.

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WASHINGTON, *January 28, 1870.*

CALEB C. NORVELL sworn and examined.

By the CHAIRMAN :

Question. State your place of residence and occupation.—Answer. My place of business is the New York Times office. I am one of the editors of the Times; more particularly the financial editor.

Q. Were you acting as financial editor of the New York Times during the months of July and August last?—A. Yes, sir; ever since the formation of the paper.

Q. Was there an editorial on financial subjects presented to you for insertion in the New York Times some time in the months of July or August by Jay Gould?—A. No, sir; not by Mr. Gould, nor by anybody from Mr. Gould. Mr. Bigelow took charge of the editorial department of the Times about the 1st of August. About the 5th of the month he had an interview with the President; probably at Mr. Corbin's house. On the 6th appeared an editorial wholly irrespective of any matter of gold. Mr. Bigelow requested me to furnish him the figures to which reference had been made in his interview with the President. I wrote out a general article, which was published on the 7th. This article of the 6th, which had nothing to do with the gold speculations, seems to have been in some way confounded with the article of the 25th.

Q. What article was that?—A. That was what we call in our office an "outside article." Articles come to us well written on the topics of the day, and we adopt them as our own. How this article reached the office I only know from hearsay. As to whether Mr. Gould, Mr. Corbin, or who sent it, I have no knowledge. I did not see the manuscript for some time after, and not until this controversy arose. That article was represented to have come from some particular friend of the President. I have every reason to believe that it was put in type just as it was written, and double-led, to be published as an editorial leader. I had gone home to Staten Island, and my assistant in the money department told Mr. Bigelow he had better leave it over until he could see me; that, whether it was written in the interest of the administration or not, it certainly seemed to compromise the administration, and utterly to stultify our own position in regard to gold; especially the last paragraph, which was most illogical, and seemed to be a plausible plea for the highest possible gold that the market could be brought up to. I will do Mr. Bigelow the justice to say that he could not have believed that it came from any inspired source. General Grant had left the city on the 20th. This came to me about the 23d. It was to have appeared on the morning of the 24th; and when the suggestion was made to Mr. Bigelow that it was in my department, as he had just come into the office, and had not watched our course on this subject, it was proper that he should leave it over, which he did, and which I am

sure he would not have done if he had believed that General Grant had seen it before it came into the office. I have no doubt that it was sent under false pretences, and I do not think Mr. Bigelow had any doubt, after the occurrence of September, that it was intended to be imposed upon us as a semi-official expression by the President.

Q. Have you the editorial as first set up in your office?—A. I have; and I also have the manuscript with me. When Mr. Bigelow left our office a few days before the row occurred in September, I thought I would endeavor to get the facts before the public. It was a delicate business for the Times to publish a full statement of the facts, and I got the Commercial Advertiser to publish the interview with Grant on the 5th of August, the results of which appeared in our paper of the 6th, in the leader, which was looked upon as a manifestation of the views of the President on the payment of the debt, and the reduction of the expenses. On the 14th of October some of our neighbors still misrepresented us as to our responsibility for the gold panic. In the meantime there came out a statement from Mr. Gould to the reporter of the Sun that the article of the 25th had been reversed in its position by some editor in the office; that it was not published as set up; that the purpose was to "bull" gold, and that some person in the office had interlarded two or three lines so as to give it a different application, and had left out the closing paragraph altogether. In this article in the Commercial Advertiser the precise changes which were made in the original article appeared. Mr. Bigelow handed me the article and told me to do with it as I liked. I told him the honest argument of the article, if it meant anything, meant that the President and Secretary did not mean to sell gold and lock up currency in the treasury; that they would sell no more gold than they could disburse currency for, and that further, if bonds should be very favorable, the Secretary had the right to buy bonds for the sinking fund directly with gold. This fact is inserted in the body of the article, that he might perhaps exchange gold for 5-20 bonds direct. There is where Mr. Gould said the argument had been mutilated and reversed. I did it for two purposes. In the first place, I thought if the argument meant anything it meant that the President and Secretary did not intend to lock up currency during the busy season; and in the second place, not knowing where the article came from, yet from whatever source it originated, I suspected there might be from the statements of the last paragraph a sinister purpose to "bull" gold, so the double lead was taken out of the article, and the tail of the article (which you will find here) stricken off and the article as it appears published on the 25th. The original article was headed "Grant's financial policy." Mr. Bigelow, after we had changed it to conform to our own views, and to what we believed would be of service to the administration, said: "Suppose you head it, as Boutwell has been brought into it, 'The financial policy of the administration.'" That heading was given, and it so appeared in the paper the next day. I now furnish to the committee the article as it was originally set up, and as it was actually published, showing what changes were made.

*Article as set up from manuscript, double leaded.*

#### GRANT'S FINANCIAL POLICY.

Thus far in his administration of the government President Grant has not set forth, in an official form, the policy by which he is governed when acting upon

*Article as reduced and otherwise changed, as in italics, and published in ordinary leaded type.*

#### FINANCIAL POLICY OF THE ADMINISTRATION.

Thus far in his administration of the government President Grant has not set forth, in an official form, the policy by which he is governed when acting upon

fiscal affairs. This utterance cannot reasonably be expected prior to the meeting of Congress in December next. In his annual message, and in the report of the Secretary of the Treasury, we may expect to see a clear and full development of the policy of the President; and in the subsequent acts of Congress that policy will be aided, strengthened, and, perhaps, modified.

In the mean time the *acts* of the Administration enable us to form decided views of its policy and intentions. *First.* The President evidently intends to pay off the "five-twenties" as rapidly as he may in gold. *Secondly.* In order to be able to make this payment soon, the President is laboring to largely appreciate the credit of the government; he is struggling to lift its securities into the high position occupied by those of Great Britain and France. When this end is measurably attained, the President will then be able to negotiate a loan at par, in gold, at 4 or 4½ per cent., with the proceeds of which to pay off twelve or fifteen hundred millions of the public debt; thus, by a mere saving in the rate of interest, lessening our annual payments of interest, in gold, \$25,000,000 or \$30,000,000. *Thirdly.* To enable him to build up the government credit and lessen the interest upon the public debt, the President has sedulously and with success labored to collect the revenues without loss or waste, and with less expense; also, to introduce a rigid economy into every branch of the public service. Great savings have been realized in the Military and Treasury branches; creditable savings in the State and Interior Departments have been effected, and considerable savings are hoped for from the Navy and Post Office.

So far as the current movements of the Treasury are concerned, until the crops are moved, it is not likely Treasury gold will be sold. The entire surplus of currency in the Treasury, on the contrary, will be employed in the purchase of bonds as heretofore, that money may be abundant and cheap at the time crops are to be paid for and moved by transporters to market. At a time of the year so critical to producers, the President will not withdraw currency from the channels of trade and commerce; he will not send gold into the market and sell it for currency to lock up in the Treasury vaults. Such a procedure would reduce the value of our entire products; to buy and lock up our currency now, and thus make money scarce and dear, would distress all of the producers of the country, and benefit nobody but usurers and speculators. This error will not be committed. No administration can desire a money panic, and thereby low prices for produce, upon the eve of the fall elections.

The policy of the President is, then, as revealed by his acts, to appreciate the values of all government securities preparatory to the making of an effort to lessen the rates of interest on the public debt;

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So far as the current movements of the Treasury are concerned, until the crops are moved, it is not likely Treasury gold will be sold for currency to be locked up. The entire surplus of currency in the Treasury, on the contrary, will be employed in the purchase of bonds as heretofore, that money may be abundant and cheap at the time crops are to be paid for and moved by transporters to market. *And it may be that further purchases of bonds will be made directly with gold.* At a time of the year so critical to producers, the President will not withdraw currency from the channels of trade and commerce; he will not send gold into the market and sell it for currency to lock up in the Treasury vaults. Such a procedure would reduce the value of our entire products; to buy and lock up our currency now, and thus make money scarce and dear, would distress all of the producers of the country, and benefit nobody but usurers and speculators. This error will not be committed. No administration can desire a money panic, and, as a consequence, low prices for produce, upon the eve of the fall elections.

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to honestly collect the revenues; to reduce expenditures. This policy, if successful, will enable the administration to place our finances upon a solid foundation, *and to reduce the taxes.*

Such is the financial policy of the President, as developed by his acts. It is at once simple and efficient. By strengthening our credit we carry our bonds to par in gold; by becoming able to obtain money at 4 or 4½ per cent., we can save 1½ or 2 per cent. per year upon our whole debt. Contests between government and bondholders are likely to lessen the value of bonds and destroy our hope of reducing the rate of interest from 6 to 4 per cent. per annum. The policy of the President is wisest and best. It is honest, simple, and statesmanlike. It will succeed if adhered to and vigorously maintained.

[It may be objected, that the disbursement of currency to the largest convenient extent, and the retention in the Treasury of unneeded gold, will cause gold to rise again to 135 or 140. Suppose it should thus result. This would secure large shipments of breadstuffs, provisions, butter, cheese, petroleum, cotton, tobacco, &c., at increased prices; and, to the amount shipped, would save to our people an equal value of gold. Hence, as gold accumulated, the less would be the premium upon it; high prices for gold *before the sale of our products* would cause lower prices of gold after the sale of exports. It is better for our country to ship produce to pay for our imports than gold or bonds. The objection to the retention of gold in the Treasury, until our productions are marketed, is unsound; for the retention of gold will make both gold and the productions dearer at the time of the sale of the productions; if gold is not needed for shipment, the premium on it would fall. Large exports of produce, stimulated by the temporary high price of gold, would soon cause gold to bear a lower price. Hence, a high price for gold, during the next three months, would be productive of great good to exporters of produce. The fall of gold, at this time, to twenty-five per cent. would bring ruin upon the agricultural, mechanical, and manufacturing classes; injury to these would entail injury upon the merchants and upon laborers. If gold is made cheap it will be exported; if too dear to export, then produce will be shipped in lieu of it. Hence, government will not so act as to lessen the value of this year's abundant crop, but will labor to increase its value and promote its exportation to foreign countries.]

nes of all government securities preparatory to the making of an effort to lessen the rates of interest on the public debt; to honestly collect the revenues; to reduce expenditures. This policy, if successful, will enable the administration to place our finances upon a solid foundation; *and to reduce the taxes.*

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Q. Do you know who presented this article to your office?—A. Only from hearsay. I have reason to believe, though I cannot tell you precisely how I got the information, that before the grand jury Mr. Gould repeated what appeared in the Sun, and in one or two other papers, at the time, that Mr. James McHenry, of London, who was intimately acquainted with Mr. Bigelow, brought the article as from Mr. Corbin.

Now, the President had only left town on the 20th of August. This was brought on the 23d, and the intention, I have no doubt, was that it should appear just as much semi-officially as the other article of the 6th of August, which Mr. Bigelow himself wrote after his interview with the President.

Q. Was an editorial published in the New York Times on the 24th of September on the gold movement?—A. Yes, sir.

Q. What was the drift of the article?—A. I have it here. Mr. Bigelow said to me, "You write an editorial about the excitement; you have been in the midst of it; write it up." There had been two days of the excitement; this was before the great panic. On one of these days there had been great fluctuation in stocks. I wrote this article, and gave strong points of rumors that were current that Fisk had gone into the gold-room and wagered any part of \$50,000 that gold would go above 145; this was the day before the panic. I said in that article:

[From the New York Times, September 24.]

#### THE EXCITEMENT IN WALL STREET.

The second sensation related to the speculation and practical *corner* in gold. And here about 3 o'clock on Wednesday afternoon appeared on the scene the inevitable and irrepressible Fisk, jr. His presence in the gold-room was signalized by the rapid rise in gold from 137½ to 141½ per cent., and by the offer of wagers for any part of \$50,000 that the price would reach 145 per cent. The other engineers of the movement were not idle, nor had they been through the earlier part of the day. They not only *bullied* gold with a will, but talked freely of the warrant which they had from Washington that the government would not interfere with them. The highest official in the land was quoted as *being with them*, and he, of course, controls the action of the Secretary of the Treasury and the New York assistant treasurer. Although this must have been known to be false, there were abundant rumors and suspicions insidiously spread around the street to create the belief or fear with good men that the administration would *not* interpose by further sales of gold from the Treasury, or extra purchases of United States 5-20s in exchange for gold. Among these rumors was one that the Gould-Fisk party were about to secure the services and influence of Mr. Corbin, (the brother-in-law of the President,) as president of the Tenth National Bank, which they have recently purchased, in connection with Messrs. Tweed and Sweeney. The consideration was to be \$25,000 per annum, equal to President Grant's own salary. This was too monstrous for serious belief. We have reason to know it is wholly out of the chapter of probabilities with Mr. Corbin himself.

Yesterday the Central and Hudson affair was comparatively quiet, but the gold sensation was renewed with greatly increased intensity. The Gould-Fisk brokers bid the price up to 144 per cent. The party, without demanding their gold, compelled the sellers and borrowers who had contracts with them to place five or seven per cent. additional advance in price in their own hands, or else settle at the price of the day.

This scene may be amusing enough to our readers, as a Wall street fight between *bull* and *bear*, but it has a more serious aspect. The business of the Produce Exchange, and the conduct of the ordinary foreign exchanges of the market, are paralyzed by this heavy rise and *corner* in gold, through a *sheer gambling operation*. The government is scandalized by false rumors of complicity; the public credit damaged by the fall in the funds, and the general trade of the country agitated and unduly alarmed by a panic in money coincident with, if not directly superinduced by, the lock-up in gold. When or where the trouble is to end we have no present means of telling.

I have met Mr. Corbin himself, to-day, for the first time. When this monstrous story began to get about, that they meant to debauch the administration of General Grant, I went first to Mr. Seligman, a director, and a republican director, in the Tenth National Bank, which it was said the Gould party had bought up and intended to make Mr. Corbin president. I told him that the thing must stop; that it was monstrous. Mr. Seligman, while denying that such a thing had taken place, his manner suggested that such a thing had at least been suggested. I then went to an official of the government, Mr. Calendar, and stated to him what I had heard, saying that if there was any truth in it, it must

be stopped; that it was a great outrage; that it would scandalize the administration; that it was his duty as an examiner of national banks to set the thing right at Washington.

Q. What day was that?—A. I think it was the day before the panic. He was, I saw, a good deal excited. He said, "I can tell you, Mr. Corbin is not going to have that position. It is not in the chapter of probabilities that he is going to get it."

Q. Was this article of the 24th, so far as you know, telegraphed to Washington?—A. I have heard that it was.

Q. Did you telegraph?—A. I did not. I have often blamed myself for not telegraphing the night before; but as further explanatory of the feeling I had on the subject, I will state that after writing this article, never having met Mr. Boutwell personally, I sat down late at night and wrote a letter to Mr. Crouse (Times correspondent) asking him to say to Mr. Boutwell that if he would come to New York and hear what was said about the streets in regard to high officials at Washington, he would see it was necessary for the administration to do something.

Q. Are you able to state, from your own knowledge, that parties concerned in bulling gold during these days did freely say that they were backed up by persons high in authority?—A. I can only say that, professionally, I hear in my intercourse a thousand things on the street, sometimes a dozen times in an hour, without being able to place the responsibility of the statement on any particular person. I can only say, to the best of my knowledge, that I believe that what I stated in this article is true: that they said they had the sub-treasury, and that General Grant would not permit Boutwell to sell gold. They did not pretend they had bought up Boutwell.

Q. Have you any knowledge that any officer of the government had any part or interest, direct or indirect, in the gold movement of September?—A. Not from my own knowledge.

By Mr. Cox:

Q. Do you know General Butterfield?—A. Yes, sir.

Q. Do you know of any connection he has had with the gold movement?—A. Not until afterward, when the general talked freely with me, denying his complicity in any gold operations. He gave me very frankly a history of his dealings with Jay Gould.

Q. Do you know who it was who wrote the long explanatory article of Mr. Butterfield's conduct, which appeared some time afterward in the New York Times?—A. It was one of the reporters. I forget who wrote it. It was what we call "an outside article." It was regarded by many as coming from General Butterfield himself.

Q. Do you know whether it came from him?—A. I did not inquire into that.

Q. Do you know anything about any of the facts stated in that article?—A. Not at all. I think General Butterfield's friends rather regretted that they had stirred the thing up.

By Mr. JONES:

Q. You say that General Butterfield told you of his relations with Jay Gould. What, in brief, did he tell you they were?—A. That he had had transactions with them up the river. He assured me that he did not know anything about their putting gold down to him. According to his story, Mr. Lane went to them and claimed they had put down a million of gold for him; that he was wholly ignorant of it; that he did not know until this man Lane came to him about it, what he was in for, or what it was about.

By Mr. COX:

Q. Please state what, in your opinion, would be proper federal legislation with a view, if possible, to prevent these fluctuations and panics in the gold market?—A. I do not know that my opinion would be of any value. I have always considered that what is called the gold-room in New York should have ceased with the restoration of peace in 1865. I think it has been a great calamity, and that it would be a misfortune if what is called the Gold Exchange Bank should be revived. This Gold Exchange Bank, with its clearing-house, furnishes machinery which enables a man with \$2,000 to gamble in gold to the extent of \$100,000, while if he had to pay \$5,000, or in money, he could not get his check certified for that amount. This Gold Exchange Bank gives him a false credit. He may transact business to the extent of \$100,000, and if at the close of the day there is a balance of \$1,000 against him, he pays that. If at the end of the next day there is another \$1,000 against him, he pays that and is at the end of his rope. But as long as these \$2,000 hold out he has the same credit that Brown Brothers have.

Q. You think it gives great facility for gambling in gold?—A. If that should be abolished, and every national and State banking institution should be prohibited from being used as a place for clearing and settling gold, I think the effect would be good.

Q. How would you have gold cleared?—A. As it is done now. When a man buys in the gold-room \$10,000 of gold, he will give his check for \$12,000 of currency.

Q. Would you extend your proposition to the general bank clearing-house?—A. No, sir. The associated bank clearing-house is simply for settling checks between themselves.

Q. Would you have the gold-room abolished entirely?—A. I would have the clearing-house for gold abolished.

By the CHAIRMAN:

Q. Could the Gold Exchange clearing system continue to exist if a return to specie payment should take place?—A. Of course not.

By Mr. COBURN:

Q. How much specie is there to resume specie payment on?—A. I do not know. The only tangible amount is one hundred and five or one hundred and ten millions in the Treasury, and about fifty of that is owned by the public in the shape of certificates.

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WASHINGTON, D. C., *January 28, 1870.*

HENRY M. SMITH sworn and examined.

By the CHAIRMAN:

Question. State your place of residence, business, and occupation.—Answer. I reside in New York; my place of business is 11 Broad street; I am a stock, gold, and commission broker.

Q. Connected with what firm?—A. The firm of Smith, Gould, Martin & Co.

Q. Were you engaged in transactions in gold and stocks during the months of August and September last?—A. Yes, sir.

Q. What part of the duties of the firm do you usually perform?—A. Outside, I manage the whole business of the firm; I give orders and do everything. In matters in the office, I do not do anything.

Q. In the part of the business you perform were reports of the transactions made to you ordinarily?—A. That was just as I ordered; if I ordered them to be made to me individually, they were made to me; I kept them as long as I wanted them, and then turned them in to the firm; otherwise they were made directly to the firm.

Q. State how the accounts of the firm are kept; whether you have books and keep full accounts of your transactions ordinarily?—A. O yes; we have books.

Q. Which member of the firm has the general charge of the books?—A. I do not know that any one has especial charge.

Q. Are you familiar with the way the accounts are kept?—A. Yes; I look over the accounts sometimes. The accounts are kept in the way that such large transactions usually are in our business; the names of parties to large transactions do not appear in the books; they are represented by figures or something of that kind, indicating the persons to whom they relate.

Q. State whether your firm were large purchasers of gold during the latter part of August and the early part of September.—A. Yes, sir.

Q. What amount?—A. That is impossible for me to state; I do business through various officers in the street; I may buy and sell a good deal of gold, and it may come out very nearly even at night, the object being to shake the market up and make it lively; I would not make any report to the office of these transactions; they would be settled through the clearing-house, and I should report the balance to the office, therefore I could not give you any statement of the amount I have bought and sold; I can state generally that the amount is large.

Q. Did you buy more than you sold during the month of August?—A. I think I did.

Q. What balance had you on hand at the end of the month, as near as you can remember?—A. I could not tell you, even from the books, at all.

Q. Did you continue to buy more than you sold during the first half of September?—A. Yes; I think I did.

Q. Coming down to the week known as panic week, about the 20th of September, about how much gold do you think you were carrying; in other words, how much had you the right to call for?—A. Taking it up to about the 22d, I should say the largest amount of gold we held at any one time was probably from \$40,000,000 to \$50,000,000 or \$55,000,000.

Q. In what shape was this held; simply in the right to call?—A. O, no; the gold was purchased and loaned out.

Q. But you could call for that amount of gold?—A. Yes; if we had the money to pay for it.

Q. How much did you increase the amount of your purchases and the amount you were carrying during the 22d, 23d, and 24th?—A. I sold very largely on the 24th, and on the 23d I sold more gold than I bought.

Q. Did you buy any on the 24th?—A. Yes; a little, but I sold a great deal more.

Q. Through whom did you transact your business during that week?—A. Through a great many persons.

Q. How many brokers did you employ?—I would employ one broker and he in turn would employ several others; it is impossible for me to say anything about it.

Q. In your judgment how many do you think were employed by you and for you through others?—A. Probably fifty or sixty; it is impossible to give a correct estimate.

Q. For whom did you buy gold?—A. The only very large customer I



know was Jay Gould, of my own firm; we had some gold for Woodward and some for other small customers.

Q. Down to what time was Woodward with you in gold transactions?—

A. He is a large customer of ours; he bought some gold in August, and during that time also sold some gold; he has been for a long time one of our regular customers.

Q. What was the general policy of your firm during the month of September; was it to put gold up?—A. The firm had nothing to do with it; the firm is a commission house; we do business for Jay Gould; Jay Gould speculates, but the firm does not speculate.

Q. During the month of September were efforts made to put up gold?—

A. Yes, sir.

Q. How many persons do you know who transacted business with you who were engaged in putting up gold? State their names.—A. There were no prominent parties; we always have more or less customers who will buy gold, perhaps a hundred thousand dollars at a time, not with any view of influencing the market, but for the purpose of making money if gold goes up.

Q. Did you do business for Mr. Kimber?—A. He had an account with us.

Q. What relations did your firm sustain to E. K. Willard?—A. E. K. Willard was a broker for us, and has been for some time; that is, I employed him.

Q. Where did you spend most of the days of the 23d and 24th of September?—A. I was in the office, about the street, and all over.

Q. Were you in the office of William Heath & Company considerably during that day?—A. No great portion of the time. I may have been in there.

Q. Did you see Albert Speyers on that day in that office?—A. I presume I did. I am not certain.

Q. State what, if any, orders you gave to Speyers?—A. I did not give him any orders.

Q. Did you hear anybody give him any orders?—A. Not to my knowledge.

Q. Did you not give Speyers an order to loan gold?—A. I do not think I did.

Q. Did you not give Speyers directions as to the rate at which he was to loan gold?—A. No, sir. I never gave him any directions. He did no business for us at all.

Q. Do you recollect Speyers coming into the room and stating that he could not loan gold; Mr. Fisk asked him why; and he said the limits Smith had given him were such that he could not loan it on the street?—A. I do not remember it. I was busy attending to my own business. I do not think I had anything to do with Speyers or made any remark to him.

Q. Did you have any transactions that day with William Belden?—A. We may have in borrowing and loaning. I do not remember.

Q. Did you with William Heath & Company?—A. Yes, sir. William Heath & Company, however, bought no gold for us on the 23d or 24th. Up to that time I had been employing them with Carver and other brokers to buy gold and loan it out on the market for us.

Q. Were you present at a meeting in any place in New York on the evening of the 23d of September, in which the general condition and situation of the gold market was discussed?—A. I do not think I was.

Q. Were you at the offices of the Erie Railroad Company during that

evening?—A. I may have been about the 23d. I was up very frequently in the evening.

Q. Do you remember a discussion about the general situation, in the course of which a proposition was made to publish a statement of the situation, giving the names of those who were short, and how much, and make a proposition for them to come and settle before three o'clock at 60?—A. I do not remember it.

Q. Did you ever hear of that proposition?—A. I do not remember that I did. Certainly if a proposition of that kind had been made to me I should have rejected it, because, although I had no interest in it, yet my credit was at stake. I should have rejected it at once because it was a thing that would not do at all.

Q. Why not?—A. It would be very foolish to advertise your position. I do not remember hearing of it at all.

Q. You made, did you not, a large number of settlements on the 24th in the early part of the day?—A. You may call it settlements or whatever you like. Parties came to me and wanted to buy gold, and I sold to them. I was selling gold all day. A part of the time I was selling without orders.

Q. How much gold did you sell that day?—A. I do not remember the amount. I sold from forty-five to fifty-five million. Perhaps the amount may have been even larger than that, taking into account the sales which were not delivered.

Q. At what prices did you sell?—A. I sold from 50-odd down to 35.

Q. State what you mean by settlements.—A. I suppose a settlement would be something like this: If I had gold loaned to a party and he came to me—the price being 50—and told me he could not pay that price for the gold, and I should sell him the gold at 40 and take his money at that price, that would be a settlement.

Q. Can you state the amount of your settlements during that day?—A. It is impossible to state the amount. A settlement amounts to a sale in one sense of the word. If a party cannot pay 50 for gold and I settle with him at 40, that is a sale at 40. I have given you the amount of sales, and you may take it as the amount of settlements.

Q. Were these settlements effected, or sales made in your office, or were they made at the Gold Exchange Bank?—A. They were made in my office, made on the street, and made by the different brokers who received their orders from me.

Q. Is that the ordinary mode of settlement?—A. I do not know.

Q. Did you clear your gold at the clearing-house?—A. I attempted to clear; Thursday's business was cleared on Friday. On Friday they were in such a jumble that they could not make their clearances. My Thursday's business was settled by one o'clock. I was anxious to get the clearances through, for I thought if I could get settlements made quick, my gold would come out.

Q. These settlements you made on Friday were nearly all in the nature of compromises, were they not?—A. O, no.

Q. Were or were they not settlements made by parties who could not settle at the full figures?—A. There were some of that kind.

Q. How many parties do you think you made settlements with that day?—A. I could not say, at all.

Q. A hundred?—A. I do not know; I have no idea.

Q. A thousand?—A. O, no; we made a great many sales; I do not know how many settlements.

Q. State whether you had any difficulty in making your settlements through the Gold Exchange Bank.—A. A great many parties failed

and could not make their settlements good. The bank went on paying out portions of accounts; if the bank had not paid out a dollar until the clearances were made, it would have been all right. Their difficulty was that they paid parties portions of their amounts in order to get at their money; and they paid parties, too, who failed and were not able to make good their settlements. When these failures were known the bank got its matters all mixed up.

Q. Did you or any member of your firm bring any suit against the Gold Exchange Bank?—A. I really do not know whether we did or not. I do not think we did.

Q. Did any parties operating for you, bring suits?—A. Parties we had business with may have brought suit. They brought them, I believe, in their own names. I think the bank did not owe us any money. If I remember right, on Thursday I sent in a statement showing about nine millions of gold short. I afterward borrowed gold in the clearing-house and made my statement right in gold; so that I had some two hundred and odd thousand dollars in currency due the bank. I do not think, therefore, we brought any suits against the bank, because we owed the bank money.

Q. Have any suits been brought against your firm in consequence of these transactions?—A. I think there have; I really cannot tell what they are. Any such matters are turned over to our attorneys, and we pay no more attention to them.

Q. What part did your firm take in procuring injunctions against the Gold Exchange Bank?—A. I could not tell; I think I got up three or four injunctions in one night myself. I brought suits against the Gold Exchange Bank, for the purpose of enforcing our contracts in respect to this gold, as I made them. We have a rule in the Gold Board by which, if there is nothing expressed more than a man's saying, "I will sell gold at 50," and another man's saying "I will take it," that the gold is to be cleared through the Gold Exchange Bank. When this thing got mixed up on Friday and Saturday, they adjourned the Gold Board for a day or two, and then attempted to get up another clearing-house entirely outside of this. I held back for my settlement for some time, because I considered that that was intended evidently to be against us. In other words, they wanted us to take gold when they would not receive it from us. I did not clear through this outside house; I never agreed to, and never did, and they broke it up when they found they could not make us clear there. Then they held and made an endeavor to make us settle ex-clearing-house. That I knew could not be done. There was no house in the United States, and no three houses that could do it. Therefore, we got out injunctions restraining the Gold Board, and restraining all the brokers who had contracts for us, from receiving gold.

Q. Before what courts did you get these injunctions?—A. I think the supreme court; I do not remember.

Q. Who were your attorneys?—A. Field & Sherman, I think.

Q. Did your firm pay the fees, or did others assist you in paying them?—A. As our firm did not do business for itself, I did not intend that the firm should pay the fees. I intended that Jay Gould, for whose benefit we did the business, should pay the fees.

Q. How is it that Jay Gould, who is a member of your firm, transacts his business as an individual through your firm?—A. He operated personally through the firm as any one else would do.

Q. Did you say that your firm is not responsible for his operations?—A. I do not know that they are, except in this way: Of course, if he

should fail in his own private operations, his interest in our house would suffer, and it might affect the interest of the firm. We were interested in his operations, therefore, so far as his ultimate liability would be concerned if he should fail. The firm had no interest in the rise or fall of gold.

Q. How much currency did you use in the transactions extending to the forty or fifty millions you have spoken of?—A. I do not know.

Q. Can you state anything about it?—A. We never use any money in our office. The only currency we use there is what we have for our own private expenses. Our business is done entirely in checks.

Q. To what amount were checks used in that instance?—A. Various amounts; I cannot tell you anything about it.

Q. What bank usually certified your checks on those days?—A. I think the Bank of the Commonwealth. The checks, however, give no measure of the amount of business done. We only pay our differences in checks.

Q. What was the occasion of the breakdown of the 24th?—A. I suppose it was because I sold gold so heavily.

Q. Did you sell for the purpose of breaking down the market?—A. I sold for the purpose of selling my gold. I would have been very glad if it had not broken down.

Q. What reason have you to suppose your selling broke the market?—A. Because I sold so large an amount.

Q. Do you think that was sufficient?—A. I suppose it was; I did not sell for the purpose of breaking the market; I only wanted to sell my gold.

Q. Why did you want to sell gold?—A. I felt that I had too much. I sold the fore part of the day without orders, and the latter part of the day I had orders.

Q. From whom?—A. From Mr. Gould.

Q. What led you to think that you had too much?—A. Because the amount was so large.

Q. You had as much the day before, and yet you did not sell?—A. Not so much to sell; and I did sell some the day before; I sold seven or eight millions the day before.

Q. You had some other reason than the mere amount you carried, because that had not alarmed you before. What peculiar reason was there that day?—A. We always sell when we have a market to sell. If we buy gold and it goes up, we want to sell to realize the profit.

Q. Did you sell gold to Speyers during the day?—A. I do not remember; I presume so.

Q. If you did, did you settle?—A. If we did, he failed, and it did not go out.

Q. Did Mr. Gould give you any reason for selling gold that day?—A. It was noised around the street that the Treasury was going to sell.

Q. Did you hear Mr. Gould talk on that subject?—A. I do not think I did. I went to him in the morning. I felt as if there was something wrong in the market; it acted feverish. There are some things in connection with the market that a man familiar with it understands perfectly, and yet cannot describe. I told him early in the morning I was afraid the Treasury would be selling. It went up too rapidly. It was not my desire to have it rise so rapidly. I went to Mr. Gould and asked him to let me sell. He said, "No, do not sell any;" and I disregarded his orders.

Q. At what time in the day was it that he said that?—A. This was ten or eleven in the morning; I do not know the exact time. I sold

without orders because I was fearful that if anything should happen, gold might decline so as to break us. I was protecting myself, regardless of orders or anything else.

Q. Did the gold market in fact break before the order of the Treasury to sell was known?—A. I do not know what time the notice became public. I do not say but what the notice that the Treasury was going to sell may have broken the market.

Q. Did you not say that it did not?—A. No; I did not say that it did not. I said my sales, I thought, broke the market. My sales may have broken the market for the moment, and if the Treasury had not advertised to sell gold the market might not have gone so low, and it might have immediately recovered itself.

Q. When did you first receive a knowledge that the Treasury was going to sell?—A. I do not know; it was some time during the day; it was told me by some one.

Q. Did you receive any communication during the day in regard to the Treasury sales before the news came?—A. I did not.

Q. Did you send any message to the sub-treasury?—A. I did not.

Q. Do you know of any having been sent by any individual?—A. I do not.

Q. Do you know of Mr. Fisk or Mr. Gould's having sent any message?—A. No, sir.

Q. Do you know of any person in New York who received any message from the Treasury?—A. I do not know of any one.

Q. Do you know any officer of the United States government who had any interest in, or took any part in the movement in gold during September last, directly or indirectly?—A. I do not know of any one.

By Mr. JONES:

Q. Did you buy any gold for Mr. Corbin?—A. No, sir; not to my knowledge.

Q. Did you buy any for any member of his family, or the President's family?—A. Not to my knowledge. I only bought gold on Mr. Gould's order. I do not know of any gold having gone to them. Their names are not on our books. I never had any orders to buy any for them.

By the CHAIRMAN:

Q. What is the name of the clerk in your office who makes up notices of purchases for any person?—A. We have a man by the name of Timpson, another by the name of Rieker, and another by the name of Seeley; they are bookkeepers. Sometimes small boys make out notices of this kind. There is no particular one who makes these notices.

By Mr. PACKER:

Q. When you speak of having forty-four or forty-five millions of gold, do you mean that as the result of the operations of that day, or the whole sum you had?—A. The whole sum; I meant that sum was sold. It did not all go out; it was not all taken.

Q. What was the amount of these settlements which you made on the 23d and 24th?—A. I do not know.

Q. Could you not approximate to the amount?—A. I could not. Settlements are usually made in this way: We have loaned a man gold, which we have made to him at 43 or 40. If he had made it up to 40 and settled for 45, then there would be five per cent. payable by him.

Q. That would be the amount of your profit?—A. No; it would not be the amount at all, because the gold was loaned out to him, and he may have been called up on that gold half a dozen times before.

When gold goes up, word will be sent to the man to whom it is loaned to make that gold to the market price. If it falls we have to make it up to him; so that any final settlement made would not give any indication of the actual profit or loss on the gold.

By Mr. JONES:

Q. What was the cause of this remarkable rise in gold?—A. I do not know; large purchases, I suppose.

Q. When did you first suppose gold was going up?—A. I was away in the country when Mr. Gould first began to buy gold. The price was then down on him. He asked me how he had better get out of it. I told him I thought he had better buy some more.

Q. Is there any person who is entitled to the credit of putting up gold?—A. They gave us the credit for it.

Q. What was your object in putting up the price of gold?—A. Our object was to make a profit.

Q. You did not consider it necessary for the benefit of the country generally that it should go up?—A. A man may have his private ideas about this thing. My own private idea is that it would have been a great benefit to the country if gold had remained at 40 or 45.

Q. You knew Mr. Gould's theory upon that subject?—A. I have talked with him upon the subject. I have always thought that the market price of gold at a higher rate than its actual value was beneficial to the business of the country—much better than the low price at present.

Q. But your object in putting up the price was to make profit?—A. Of course. A man does not buy gold except to make money, and does not sell short except to make money.

By the CHAIRMAN:

Q. Do you know James Brown?—A. I have seen him. He is a broker.

Q. Did he call on you Friday before the breakdown?—A. I presume so. There were more than forty men at one time in the office. I had to get up and make a sort of speech to clear the office. I was half crazy that day.

Q. Did anybody in your firm buy gold of James Brown, or sell to him?—A. I think there was quite a large amount sold to him—of several millions.

Q. Has that gold been settled for?—A. No, sir.

Q. Why not?—A. He did not take it. There is no enforcing contracts made in the gold-room.

Q. Is it his fault that a settlement is not made?—A. Certainly. I should be very glad to deliver him the gold; but, under the law, contracts in the gold-room, unless they are in writing, are not valid. You may sell a man a million of gold, but you cannot compel him to take it, except by the rules of the board.

Q. What did Mr. Brown say to you on that subject that day?—A. I do not remember. I remember seeing him sometime, and he was quite angry.

Q. Did he not try to make a delivery of seven millions to you or your firm?—A. I do not know that he ever did. I do not remember that he did. I sold that gold to Mr. Brown through other brokers.

By Mr. COBURN:

Q. Did you have any communication with any officer of the government in Washington or New York, during that day?—A. No, sir.

WASHINGTON, D. C., *January 29, 1870.*

A. A. Low sworn and examined.

To the CHAIRMAN:

I reside in Brooklyn, and do business in New York. I am a merchant in the trade with China and Japan. I have been in that business since 1840.

Q. Were you lately president of the New York Chamber of Commerce?—A. Yes, sir.

Q. Are you familiar with the course of gold during the months of August and September last?—A. Generally.

Q. Are you familiar with the effect of the late movement in gold upon the general business interests of New York in particular, and of the country in general?—A. The effect of constant changes in the value of gold is very prejudicial and very embarrassing to all who are engaged in commerce, especially in foreign commerce. It is embarrassing in many ways. It is embarrassing to the vendor of goods, because all foreign imports are paid for in exchange, and exchange is bought with gold; and oftentimes the merchandise that is imported from abroad is sold in advance of the time when it is paid for; or paid for with high gold, and afterward sold when gold is less valuable. Sometimes goods are imported and paid for, and being unsaleable are kept on hand, and changes in the value of gold from time to time are embarrassing, and often injurious. As an importer, I sell goods to the jobber. The jobber is the distributor; not the man who distributes in the country, perhaps, but who distributes to the smaller dealers throughout the country. I may sell to him teas, for instance—a staple with which I am most familiar—and he must buy them from me for gold, which, at the time of purchase, may be thirty per cent. premium. *He* sells the goods for currency, and his purchaser, as well as himself, is guided by the value of gold at the time. If the price of tea be 50 cents a pound, and the premium on gold be 30 per cent., the currency price of the tea would be 65 cents. The jobber having bought his teas for gold, stipulates to pay for them at the expiration of 30, 60, or 90 days, as the case may be, and he proceeds to sell his goods for currency. Of course, if the price of gold advances from 30 to 35 or 40 per cent. between the time of selling and the time of payment, all his profit may be swept away. There is no stability—there has been none in the price of gold for many years, for reasons which I can explain to you by and by. I have mentioned one of many ways in which the constant fluctuation in the price of gold affects those who are interested in the importation of goods and those who buy the goods from the importer here.

Q. What measures do you take as importers or sellers of foreign goods to protect yourselves against the dangers and losses arising out of these fluctuations?—A. Different men are governed differently. Some men have the idea that gold is always cheap, and they will take the chance of buying gold. Other men guard themselves by borrowing gold until they can reimburse themselves from the goods which they have for sale.

Q. Are you not all compelled to mark up the price of your goods in consequence of this uncertain element?—A. Of course; we should not mark them up in gold.

Q. I mean those who sell in currency?—A. Certainly; the jobbers must mark prices up or down, according to the fluctuations in gold. Generally speaking, of late years, an advance in gold has been prejudicial to those who sell goods for gold, because in view of the ups and

downs in gold the currency price of merchandise has ceased to respond readily to the speculative changes in the gold premium, and the consequence of a rise or fall is a temporary cessation of business.

Q. Do you know about what percentage those who sell foreign goods for currency usually increase the price of goods, for the purpose of insuring themselves against fluctuations in gold?—A. There has been such an incredulity in regard to any continued advance in gold, that it has been very difficult to advance the price of goods in currency. The price in currency, especially during the period to which you refer, was not much changed because of those violent fluctuations in gold. It was exceedingly difficult to get any advance in currency, because there was a want of belief in the stability of that advance in gold. It was understood by everybody to be a speculative movement, and intelligent men did not believe in any permanent advance of such a nature.

Q. But as a general rule, in ordinary times, during the suspension of specie payment, the sellers of imported goods, who sell for currency, do necessarily mark up the price to cover their risks?—A. Necessarily; they must mark up the price of the goods, to compare with the fluctuations in gold.

Q. And the cost of those fluctuations is ultimately paid for by the consumer of those products?—A. Unquestionably. And it is impossible to guard against losses by these fluctuations; it would be impossible for me to guard against them. For instance, it is a part of our business to send merchandise to China for sale. We send cotton goods, the product of our own looms. The price of cotton is necessarily governed by the price of gold—the foreign market to a certain extent, and that a very large extent, determining the value of cotton at home; so that, if we buy cotton goods, they are based upon the value of cotton in gold. We send them to China for sale; they remain there a long while unsold; and in the mean time gold, instead of remaining at forty per cent. premium, falls to twenty per cent. The final conversion of the proceeds into currency is thus attended with a loss of twenty per cent., whether the result in other respects has been good or ill. We are all the time liable to suffer loss on goods shipped to foreign countries, and few are disposed to incur such a risk; for we regard a downward tendency as most natural.

Q. What do you think is the average daily amount of transactions arising from a foreign trade in gold, where we must pass either from paper to gold or from gold to paper, in completing the transactions?—A. It is impossible for me to answer that question, except upon some general knowledge of our importations.

By Mr. JUDD:

Q. You did not quite finish your answer as to how merchants protect themselves against these fluctuations in gold.—A. I said that some are willing to take the risk, believing that gold will be higher or lower, as may best suit their individual cases. Others borrow gold; and the mode of borrowing is to give the value for the time being in currency, taking the gold and giving currency for it. That temporarily liquidates the transaction. If the price of gold advances, the man who receives currency for the gold generally provides that a margin shall be paid to him, so that he shall be fully covered; and, *vice versa*, if it falls, the holder of the gold requires a margin to be paid to him. It depends, of course, upon the character of the parties whether such conditions would be nicely observed or not.

By the CHAIRMAN:

Q. What is the machinery in New York by which transactions of that



kind are carried out?—A. Transactions of that nature are made most generally with brokers; men who have access to parties who actually hold gold. I do not think that such transactions would reach what is known as the Gold Exchange.

Q. From your acquaintance with that class of business, do you think that the Gold Exchange is a necessary machine of exchange?—A. My impression is that it is not. I think it might be made useful, but that the abuses of the institution far exceed its uses.

By Mr. JUDD:

Q. Could not all the regular, legitimate business for the purpose of exchange be done in New-York without this Gold Exchange?—A. As I said before, I think the Gold Exchange would be very useful if it were confined to legitimate business; but the illegitimate business so far exceeds the legitimate, that I think it is a great bane. I know no legitimate business that could not be transacted without it. Your own observation will have shown you that when we had no Gold Exchange, during the temporary suspension of the Gold Exchange Bank, gold was steady; with but little perceptible variation.

By the CHAIRMAN:

Q. Did you find any difficulty in transacting your business during that period?—A. None at all. I think the merchants generally deprecate the revival of that institution.

Q. State a little more specifically what you regard as the evil of the Gold Exchange Bank.—A. The one grand evil is that it is a gambling institution, and demoralizing in its nature.

Q. In what way is it a gambling institution?—A. Transactions there are of a gambling character. Gold is bought and sold and exchanged there; but more frequently, and far more extensively, gold is bought and sold when no gold changes hands.

Q. Can a man, as a matter of fact, make large purchases and sales of gold through that institution, without having any considerable amount of capital to go on?—A. In answer to that, I shall speak without actual knowledge, but everybody understands that the majority of those who operate there are men of limited means. There are hundreds of them, certainly, who are men of small means, while there are many respectable men who go there because the institution is established, and because it is a place where much legitimate business is transacted. While it exists it absorbs that which is legitimate and proper in connection with all that which is illegitimate and improper.

Q. You have now stated in general the influence of fluctuations in gold upon the foreign trade of the country; now state, as a matter of fact, what was the influence of that gold panic in September upon the trade of New York. Did you observe any special hardship arising out of it to business?—A. From my own knowledge, and my own experience, I cannot speak of many cases. I know that there was a transaction of this nature. It is customary for certain institutions and for certain individuals in the city to receive from other parts of the country bills of exchange drawn on England for sale, and orders are transmitted from Savannah, Charleston, and other parts, to sell exchange that is on the way. The party to whom the instructions are given (and I refer to one instance in particular) has been accustomed to sell his gold deliverable on the day when the exchange would fall due, and to sell the exchange deliverable the same day. I know of one very respectable institution which in the month of September, about the time of the great disturb-

ance, had sold the probable proceeds of exchange then on the way, depending on the due receipt of gold for exchange to cover the sale; but, when the day came, it was impossible to get money for exchange within fifteen per cent. of its real value. Under the urgency of the circumstances, the gentleman having sold his gold, was constrained to step into the street and sell that exchange on account of his corresponding bank, and he actually sold it for ninety-five cents on the dollar, instead of 106 or 107, which he could have got for it when he returned to his office five minutes after. When he left his office gold was at 160; when he returned, it was at 135. That single transaction illustrates hundreds of others. One instance is as good as many, and that is one of many. This man was the president of an institution whose capital is two millions, and in as high credit as any other in the city of New York. The loss was six or seven thousand dollars in that single transaction. It involved the bank, it involved the intermediate agent, and it involved the broker, and each was a sufferer. Just at that time there were probably many merchants who had borrowed gold, who, not understanding the influence that was at work, were intimidated, as men are apt to be when there is a rise in gold, and led to go in and protect themselves by buying gold at 50 to 60 to pay off gold which they had borrowed at 35. It was one of the evils of the institution to which you refer; that it became a theater where all the most malign reports were put in circulation. In September we heard much of the strength of the combination that had the speculation in gold in hand, and some brokers were especially busy in spreading abroad this idea that the combination was all-powerful. In the Evening Post of the very day upon which the speculation culminated, there was an editorial in which the writer says that, if the government should sell gold, it would give those strong men the coveted opportunity to get more, and that, upon a rumor that the government would sell gold, the price advanced two or three per cent. The article was not dry from the pen before the speculation broke, and the prediction of that editor was set at naught. The press, or the financial columns of the press, appear to have been controlled by men who have been interested in these speculations, and constantly articles have been published which, to all appearances, were intended to blind and mislead the community. The Gold Exchange has been the fruitful source of falsehoods which disturb trade and aggravate the trouble of doing business with two currencies.

Q. What do you understand to have been the cause of the extraordinary rise in gold during the month of September?—A. The immediate cause I understand to have been the combination of men to raise the price of gold for purposes of their own; men who acted on the belief that the government would continue to hoard its gold, as it had been doing, depriving the country of the use of that gold.

Q. What is your opinion of the effect of the government holding this large amount of treasure in its vaults continuously upon the business of the country; and state whether you know of any good reason why it should be so held?—A. It is fair to say that my own views are not in accord with the views of a great many others with whom I meet. I believe that the holding of gold by the Treasury to so large an amount has been greatly prejudicial to the interests of the country. I think it has placed the securities of our country at the command of Europe at a much cheaper price than they could otherwise have been obtained at. I think it has aided conspirators against the public weal in their efforts to advance the price of gold; in fact, it is the capital upon which they act. Whether they had assurances or not that the government would or would not sell gold, they acted upon the policy, which, without being

declared, was certainly apparent, that the government would hold its gold. That made speculation a matter of pretty easy calculation. A certain number of men combined and absorbed what gold there was in the market, and then, by a process of manipulation, they could advance the price. I believe that it could have been advanced to 200 if the government had left them to their work; but the general effect of withholding gold from the market is necessarily to enhance its price; gold, like other things, is an article of merchandise. At present it is absolutely necessary for the functions of trade; it is absolutely necessary for all business transactions with foreign countries, and probably the question which the chairman asked me some time ago might be answered by taking the imports of the country at their known value, some three or four hundred millions, which would give over a million of dollars a day. That would answer the question approximately; but goods change hands many times, and exchange operations are extensive, and the uses of gold various and not easily measured; then the government receives, day by day, some half a million of dollars in the city of New York for duties, and that makes an unceasing demand for gold.

Q. Upon the government's side, what need is there for the government to hold so much gold for its own sake?—A. I understand that it is prejudicial to the country in that regard too, because the government is losing the interest on a very large amount of money, and the influence upon business is prejudicial to the country.

By Mr. COBURN:

Q. If this gold was sold out of the treasury down to the bare amount sufficient to pay the interest on the public debt and the current expenses of the government, would not the brokers have a greater control over the market than they have at present with the threat which the Secretary of the Treasury can hold over them?—A. My own belief is that the price of gold is governed, like the price of everything else, by supply and demand. If there is a large supply in the market, the price is cheap; if there is a small supply, it is dear, inevitably so; and any plan for holding gold with a view of finally bringing about specie payment seems to me to be entirely fallacious. The idea of the Secretary's requiring a large amount of gold, so as to control the market, is the argument of the men who are interested in keeping up the price of gold. They ply the Secretary with every kind of argument to induce him to hold gold. They tell him that if he holds all the gold, then the people have confidence in the notes of the government. They tell him that he can at all times hold it as a threat over the market. But the object is to induce him to hold it, so that they may speculate upon the balance. They do not want to deal with much gold, if they can deal with little. If there are only ten millions in the market, they can handle that and elevate the price; but the price of gold, like the price of every other commodity, must finally depend upon supply and demand.

By the CHAIRMAN:

Q. If the government should buy about three-fourths of all the wheat in the country and hold it in government storehouses, do you think that the effect on the wheat trade would be quite parallel to the effect upon the gold trade of holding so much gold?—A. Exactly the same. If any one will take three-fourths of the tea in the market, a better price can be got for what remains than if the whole were on the market for sale; and the argument is as true of gold as it is of tea or flour. At one time the Assist-

ant Secretary of the Treasury sold some fifteen or twenty millions gold, under general instructions, in a very short time, and, in view of war then imminent in Europe, very unwisely. Of course, there is some discretion to be exercised in regard to the sale of gold. When our foreign exchanges are high and gold is in demand for shipment abroad, I think it unwise to sell gold as freely as when exchanges are in the condition in which they have been lately, because the country has no great amount of gold to spare, and the only check upon the export must be in the advance of the premium. Therefore, I think that a sound discretion would restrain the sale of gold under certain conditions of our foreign exchanges. There was a time at which the price of gold was sustained more than it has been lately by the profitableness of foreign imports. When gold was forty-five to fifty per cent. premium, two or three years ago, it was easy to import goods and sell them in currency and convert the money into gold and ship it abroad. There was a large profit in that business. I do not think it is so this year. The inducement to import has not been great, and with the market for gold tending downward, as a general thing, the profitableness of importation diminishes.

By Mr. Cox:

Q. As to the effect of the high price of gold on the moving of crops; I would like to know the result of that sort of policy on our crops?—A. That sort of argument would seem to me to be without much force. The value of breadstuffs in currency ought to correspond with the price abroad, and ought to be higher in currency if the price of gold were higher than if the price of gold were lower; and, perhaps, with a higher price in currency our farmers might be more ready to sell. But I do not think that, however plausible or however true such an argument, it had much to do with the speculation in gold in September, a thing which had to culminate in one or two days.

Q. After the gold should decline again, what would be the result on the farming interest?—A. After the bubble burst a reaction would take place. This speculation in gold indicated a desire on the part of those who were acting to get rich rather hastily; not by any slow transportation of cereals on our railroads.

By the CHAIRMAN:

Q. State what in your judgment caused the breakdown in gold on that Friday?—A. The advertising of the public gold for sale.

Q. As a matter of fact, did the break occur before the news of that sale, or after?—A. As a matter of fact I cannot tell you, because how soon the parties who were most largely interested got the information, I do not know; but I have no doubt that either when it was promulgated, or before it was openly promulgated, they knew that it was coming, and that broke the price.

Q. You think that the shadow of the coming news fell upon them?—A. I think so, unquestionably; else I do not know why the operators for a rise might not have forced the price up much higher, squeezing the sellers for margins and growing stronger all the time, till they had bankrupted their victims.

Q. Were you present some time during the month of September, at a dinner given to Mr. Boutwell at the Union League Club?—A. I was present.

Q. Was the subject of the general financial policy of the country there discussed?—A. No, sir; only so far as this, after the dinner Mr. Grinnell

gave the Secretary an opportunity to say a few words to those who were present. The Secretary was very discreet and very general in his observations. He confined himself, I think, to indicating that it would be the policy of the government to pay its debts honestly and justly in coin. Beyond that, I think, he did not go.

Q. Did the Secretary of the Treasury on that occasion, so far as you know, give any, the least, indication of the policy of the government in reference to the sales of gold?—A. I am not aware that he did.

Q. Are you aware of any efforts on that occasion to draw from the Secretary an expression on that subject?—A. I am not. After Mr. Boutwell had spoken, the president of one of our banks (I think without invitation) rose to develop his own views in regard to the subject of specie payment, and he shocked some of the gentlemen present by suggesting that the country was in a high condition of prosperity, and that the true policy was to drift along. Mr. Grinnell did not ask for any general expression of opinion, but rather yielded to the wishes of several gentlemen who were present to repudiate such a financial policy—the Secretary having disclaimed having any financial policy of his own. Among others I took occasion myself to say to the Secretary that the price of gold, which was then commencing to rise, could not be kept down if the government pursued its policy of holding seven-tenths of all the gold in the country, when there were such manifold uses for it, for the payment of duties, and for all other purposes of trade; and I took occasion further to say, that it was an opportunity which a merchant had not often to speak, and that I hoped I should not go beyond what was becoming and proper. I said that the financial columns of our press were, or appeared to be, very largely in the hands of speculators, and that while there was a great hue and cry if a few millions of greenbacks were withdrawn from the market, seven-tenths of all the gold in the country was locked up in the treasury of the United States, instead of being utilized, and was withheld from the uses of the country. That is about all that transpired, audibly, in regard to gold. Whatever may have passed between individuals I do not know. (Mr. Greeley had previously spoken of the patriotic duty of subscribing to a 6 or 4 or 4½ per cent. loan, and, I believe, in favor of gold sales; also, Mr. Stewart in favor of hard money.

By Mr. COBURN:

Q. You say that about seventh-tenths of all the gold in the country is locked up in the treasury; will you state to the committee the means of knowledge which you have, and the facts that you have in your possession, in reference to the amount of gold in this country?—A. I have said that seven-tenths of all the gold was locked up in the treasury. I do not mean to say that I spoke with any degree of accuracy, but as illustrating my argument.

Q. We are all at sea on the question of proportionate amount of gold in the treasury, and would like to hear your views on the subject?—A. I have no amount of knowledge in reference to it; but I apprehend there is very little gold in the country, except what is in the vaults of the government treasury. I believe that the government treasury here, and at other points, holds the greater part of all the gold in the country, and that there is really very little gold out of it. I should not know where to look for any more than a few gold pieces with any individual or any institution. Some who require to use gold may have a little in their own keeping. Our banks have some, but it is generally in the shape of certificates of gold. Still there is some gold in the city of New York out

of the public treasury; but beyond the city of New York, and beyond the treasury and banks of the country, I do not think there is much. There must, of course, be considerable in California. I remember reading a speech of Senator Morton in which he spoke of the hoarding of gold in the country, and of the amount that, probably, exists in the country; but I never met the man in New York who believed in a general hoarding of gold. I do not think there is any such hoarding. Then we export a great deal of gold. Last year we exported seventy millions. The apparent export this year has not been so much. In '68 the export of gold was more apparent to the public eye; because it came to New York in the Pacific mail steamers, and passed from there to Europe and was reported. Now, the gold that leaves San Francisco goes to the Isthmus, and from there direct to England, and is lost to the common eye, so that we appear not to be exporting while we are all the time exporting gold. Our stock of gold is not replenished now as it was before by receipts from California. My own impression is that one hundred and fifty millions of gold, for the whole country, would be a pretty large estimate.

By the CHAIRMAN:

Q. Do you believe that Congress can do anything to prevent such catastrophes to business as occurred in the gold panic in September; and if so, what?—A. I have always believed that with a moderate amount of gold in the treasury, such an amount as the treasury has had hitherto, it could regulate the price of gold. I still believe in that fully. I believe the government has the power to regulate the price of gold. That has been shown lately. The government has done something to regulate the price of gold. It has done something to prevent its falling. When it advertised lately to sell gold, if it had sold at the price offered, gold would have gone lower, but the government took a stand and fixed the price of gold, so that the community immediately said, "There is a price below which the government will not sell."

By Mr. Cox:

Q. Is there any other remedy for these mischiefs except to come to the currency of commerce?—A. I do not think there is any other remedy than for the government to redeem Treasury notes at their face. I believe in that remedy.

Q. Will not these fluctuations always occur if the Secretary goes on from time to time to sell gold and undertake to regulate its price?—A. If the government treasury were pretty well supplied with gold, and should indicate its purpose to redeem Treasury notes it could maintain the position, because these Treasury notes are scattered all over the country. They are unlike our old bank circulation. They are not localized about New York or about Boston, but are scattered all over this vast country, and they are nowhere in any considerable amount. Our banks could not part with a dollar of them. If the government should undertake to redeem them, the banks could send none in for redemption, because they need all the United States notes they have at all times as a reserve. The moment a demand was made on them for these Treasury notes that moment they would have to curtail their discounts; and, therefore, there is no danger of any pressure on the treasury for redemption. If the banks were to send them in for redemption they would be compelled to use specie instead of legal-tender notes, or expose themselves to this necessity.

By the CHAIRMAN:

Q. Do you know of any officer of the United States, either in Washington or New York, or elsewhere, who was directly or indirectly concerned in, or interested in, the recent speculative movement in gold in September last?—A. No, sir; I do not.

By Mr. COX:

Q. What would be your remedy by federal legislation to avoid the disasters consequent on these fluctuations?—A. I do not think that I have any remedy to suggest, except that which looks to the return of specie payments. I believe myself that if the government of the United States would receive a small portion of its legal-tender notes, say five or ten per cent., in payment of duties, it would bring the country back gradually to specie payments, which is the grand remedy for all these evils. I do not know that any partial legislation would do any good, except the adoption of a scaling price by which the value of legal-tender notes would be brought down gradually to par.

By Mr. PACKER:

Q. If the government should reduce its fund of gold to a sum barely sufficient to meet the demands on the Treasury, what power could control the market and prevent speculators from advancing the price of gold without fear of interference with their movement?—A. The Treasury has recuperative powers in its customs receipts. But when the gold is in the market it must yield to the common interpretation of its value. What you have seen is a wicked combination of men to raise the price of gold to the injury of the common interest of the country, basing their calculations on the policy of the government to withhold so much gold, that they could manipulate the balance; but with eighty or ninety millions of gold in the market there is no probability of any such combination. There are few who have means, and few who have the nerve or the will to enter into such combinations.

By the CHAIRMAN:

Q. The load would be too heavy; they could not manipulate such a mass?—A. No, they could not manage it. The plan or conspiracy in September was conceived on the belief that the government would adhere to its determination not to sell gold. I believe that the government has been imposed upon. I believe that the press of New York has been made the engine for blinding the eyes of men in power, and that they have been blinded. A broker, perhaps an emissary of that very combination, came to me as if to make inquiries, and intimated to me that if the government should sell gold the strongest combination that had ever existed had the matter in hand, and would buy all the gold that the government would offer, and yet the very advertisement of the sale of four millions broke the whole thing. I urged upon the broker referred to that the Secretary of the Treasury should drown the operators in gold, giving them so much gold that they would not want any more.

By Mr. PACKER:

Q. Then you think there could not be a combination sufficiently strong to absorb the whole of the gold in the country, including that held by the Treasury?—A. There are many men who honestly believe in higher prices of gold, and who think that gold is cheap now. My experience of men is that there are not many men who willfully conspire against the common interests in that way, and that with an ample supply on the market a combination is altogether unlikely.

By the CHAIRMAN:

Q. Do you know of any combination of men to "bear" gold as a sort of response or counterplot to the conspiracy to raise the price of gold?—  
 A. I do not know of any such. There may be a conspiracy of bears as well as of bulls; and, therefore, I said before that in the main the price of gold depends on the supply and demand. While men may be brought together to act on such an assumption as that we have considered, (the hoarding of the greater part of gold in the country in the government treasury,) there are other men who, looking at the probabilities, will sell gold which other men buy. In fact, there will not be bulls without bears, or bears without bulls. But after all the main thing to determine the price of gold is supply and demand. It all finally rests there. If there are multifarious uses for gold, and if there is very little gold, a legitimate demand for that little would make the price advance inevitably.

By Mr. COBURN:

Q. How are we going to increase the supply of gold in this country?—  
 A. We cannot increase it with the balance of trade against us. It will finally advance in spite of us when our bonds cease to attract buyers abroad. If we export one hundred million of government bonds at seventy-five cents on the dollar, foreigners prefer them to gold I suppose; but if we should lose in another year some forty millions of gold, the supply being small, it will advance again.

Q. If we export cheap bonds, would not the effect of that be to relieve gold here?—  
 A. Yes, while the bonds last, but meantime see the effect of the increase in the price of gold. Here is Mr. Stranahan, the head of our Brooklyn Park Commission, who has been selling Brooklyn city bonds at par, when Smith, Gould, Martin & Co., *et id omne genus*, advanced the price of gold from 35 to 45 per cent., the currency price of Park bonds did not change at all. Bank stock yesterday sold at 122, which would not have brought 123 when gold was worth from 145 to 160 per cent. Well, with gold at 160, see how much cheaper that bank stock is to the foreigner who buys with gold. We are at the mercy of the foreigner all the time; and while the government aids in keeping up the price of gold by hoarding it, we are parting, at seventy-five to eighty cents on the dollar, with our securities, which we are to pay at par by and by. You see in this what is pernicious in principle and damaging in practice.

By Mr. JONES:

Q. When gold went up under the movement inaugurated by Smith, Gould, Martin & Co. what was the price of Brooklyn bonds?—  
 A. They were at par.

Q. Did they depreciate?—  
 A. They neither depreciated nor advanced; they remained just the same, but they were 25 per cent. lower to the foreigner at one time than another. He buys in gold, but to us there is no difference in the price, because we pay in currency. They are so much cheaper to the foreigner as gold is dearer than currency.

Q. What is your opinion of the general impression of the country as to the intrinsic value of gold, considering our immense debt and our depreciated currency?—  
 A. There are a great many opinions in reference to it; the market price necessarily reflects the common judgment. I have endeavored to show that the action of the Treasury with respect to selling and holding has much to do with the price. Proceedings in Congress are also watched very closely, as well as political affairs abroad.



WASHINGTON, D. C., *January 27, 1870.*

WILLIAM BELDEN sworn and examined.

By the CHAIRMAN :

Question. State your residence, place of business, and occupation.—

Answer. I reside in New York; I am a banker and broker in Wall street.

Q. Were you engaged in business as a gold broker in the month of September last?—A. I was.

Q. Had you been in the habit of doing business before September last for any one of the following parties: Smith, Gould, Martin & Co., Jay Gould, Henry M. Smith, James B. Burch, James Fisk, jr., E. K. Willard, William Heath & Co., and Carver & Co.?—A. I had been doing business for Smith, Gould, Martin & Co., for Jay Gould, and James Fisk.

Q. Did you, in September last, buy any gold for any of these parties? If so, specify the amounts you bought and the dates of purchase, so far as you remember.—A. I do not know that I can state that I did buy any for them.

Q. Can you state that you did not buy any for any of them?—A. I bought no gold whatever for their account that I remember.

Q. Did you sell any gold for any of these persons or firms during the month of September?—A. I think not.

Q. Did you loan any gold for any of these parties?—A. I did not.

Q. If you did not buy, sell, or loan gold for any of these parties, for whom did you buy, sell, or loan during the month of September?—A. For myself.

Q. For yourself only?—A. For myself principally.

Q. To whom did you, during the month of September, give orders to buy, sell, or loan gold?—A. I was in the habit of giving orders to any brokers that I saw; but they almost always gave me up; which amounted to the same thing as if I had done it myself.

Q. State what brokers were transacting business for you.—A. Mr. Gimbernat and Mr. Speyers have done business for me; it is pretty difficult to recollect the names of all.

Q. Did Mr. Boocock?—A. He did somewhat; not to a very large amount.

Q. What amount of gold did you buy in the month of September, previous to the breakdown on Friday, the 24th?—A. There may have been some twenty millions; I think that would be a moderate estimate.

Q. Do you think it was less than forty millions?—A. Yes, sir.

Q. Do you think it was less than thirty millions?—A. I have so many contracts in dispute that it is difficult to say. I think twenty millions would be a fair approximate of the amount.

Q. Did you see James Fisk, jr., Jay Gould, Mr. Smith and Mr. Speyers together at any one place, on the 23d or 24th of September; and if so, where?—A. I could not state positively whether I did or not.

Q. Did you go into Mr. Heath's office during either of these days?—A. I did.

Q. Did you take Mr. Speyers in there with you?—A. I don't remember whether I took him there or not.

Q. State what order you gave to Speyers, if any, on the 23d.—A. I could not now state what orders I did give. I don't remember. It is so long ago that it would be very difficult to make a positive statement.

Q. Going back to the 21st of September, did you order Speyers to buy a million of gold at 137½?—A. I think it is very probable. I cannot answer positively.

Q. How much did he buy for you under that order?—A. Mr. Speyers bought for me considerable gold; he bought quite a large proportion of the twenty millions I have mentioned; I suppose at least one-third of it.

Q. On your order?—A. I think it was.

Q. Who gave him any directions in regard to the purchase, sale, or loan of your gold, except yourself?—A. I told him that if Mr. Fisk gave him an order, he might execute it for me. I cannot be certain when that was.

Q. What relation between you and Mr. Fisk led you to authorize him to give orders to Speyers?—A. We were all buying gold, and I was willing to take what I thought I could hold.

Q. Were you buying for Fisk, or he buying for you?—A. I was buying for myself, and I suppose Mr. Fisk was buying for himself, through their office; I don't know whether he was or not; he never told me that I remember.

Q. Did Fisk give Speyers any orders, so far as you know?—A. I cannot state positively about that; the excitement was so great, and I was very busy.

Q. How came you to authorize Fisk to give directions or orders to Speyers with regard to buying gold for your account, unless there was some previous agreement between you and Fisk in regard to it?—A. Mr. Fisk and I had been partners for several years, and were more or less connected in a great many transactions. He thought gold was likely to go up, as I understood, and I believed it was. I had no desire to interfere with him in the market. The "short" interest was enormous, so far as I could see. I think it is very probable that I gave such an order. I didn't give the matter such close attention as I know I ought to have done.

Q. What was the aggregate amount of the "short" interest, so far as you knew, before the breakdown, say on the 23d?—A. An answer to that would be mere guess-work.

Q. What was your own "short" interest?—A. I suppose, twenty millions.

Q. Did you have any consultation with any one else as to how much they had; for instance, as to how much Fisk had?—A. I don't know that he ever told me.

Q. Did you never ask him, or did you never hear him say, how much he held?—A. I don't know whether I did or not; I don't remember it.

Q. From all you do remember about it, what is your impression of the amount he held at that time?—A. I suppose the house of Smith, Gould, Martin & Co. held the largest amount. What interest he had with them I do not know; and the only way I had of judging of the amount which they held was from the gold that was being loaned in the market.

Q. How much do you suppose they held at that time?—A. I suppose they must have held fifty millions, at the very least.

Q. Did you allow Mr. Fisk to make orders for the purchase, sale, or loan of gold as he pleased, holding you responsible for all such transactions, without regard to his own responsibility in the matter?—A. That is a pretty sweeping question.

Q. And you can probably answer it sweepingly?—A. No, sir, I cannot answer it.

Q. To what extent did you give Mr. Fisk authority to buy, sell, or

loan gold for which you were to be responsible?—A. I don't think I ever gave him any such order to loan gold. I know I gave him some authority to buy, but what it was I do not know.

Q. Did you give it to him in writing, or verbally?—A. I could not state.

Q. You cannot state whether you wrote him a letter to loan gold for you?—A. I do not remember any.

Q. You don't think you wrote such a letter?—A. That is my impression.

Q. Did he, as a matter of fact, order the purchase of any gold on your account?—A. That I do not know.

Q. Was any purchase reported to you as having been made by his order on your account?—A. Yes, sir.

Q. By whom?—A. By Speyers.

Q. To what amount?—A. To a very large amount; I don't know how much; so large that I never acknowledged it.

Q. How did you treat the transaction?—A. It is not settled yet. I think I declined to do anything about it.

Q. How did you treat it at the time it was reported?—A. It was not reported at once; it was some days before he reported it; I don't recollect what I said.

Q. Did you ever direct him to report to Mr. Smith any of the purchases he might make?—A. I don't remember having done so.

Q. Can you swear that you did not?—A. It is a very difficult matter to swear that I did not do anything in those days. That is something that I would not have been likely to do.

Q. Did Mr. Boocock report his purchases to you, or to whom did he report them?—A. I presume the purchases he made on my order he reported to me.

Q. Did you acknowledge them?—A. That I cannot say.

Q. Were Gould and Fisk in your office during either of the days of the panic?—A. They were there a day or two before that Friday.

Q. Let me read a paper to you:

“SEPTEMBER 24, 1869.

“JAMES FISK, JR.—*Dear Sir*: I hereby authorize you to order the purchase and sale of gold on my account, during this day, to the extent you may deem advisable, and to report the same to me as early as possible. It is to be understood that the profits in such order are to belong entirely to me, and I will of course bear any loss resulting. Yours,

“WILLIAM BELDEN.”

Did you write that letter?—A. I don't remember having written any such letter.

Q. Did you authorize anybody to write such a letter as that for you?—A. I think not.

Q. Did you ever see that letter before?—A. I remember something said about a letter; I think, to be positive about it, I should have to see it; if the letter was shown me, I could say whether it was mine or not.

Q. Have you seen Mr. Fisk within the past three weeks?—A. I have.

Q. Did Mr. Fisk say anything to you in regard to that letter within the last three weeks?—A. I do not think he has.

Q. Has anybody representing Mr. Fisk, or acting for him, said anything to you in regard to this letter, or any such letter, within the last three or four weeks?—A. I saw what I presume is the same thing published in the papers, and it occasioned some talk; that is about all.

Q. Before Fisk came on here and gave his testimony, did he, or anybody for him, talk with or communicate with you concerning such a letter as that?—A. No, sir.

Q. State, as positively as you can, the history of that letter, if you know anything about it.—A. I think I have said all I know about it.

Q. Do you think you would be likely to give any man such a sweeping authority as that over your affairs?—A. If you will imagine the circumstances, you will understand why I could not tell positively what was done.

Q. Do you think it possible you could have given an order of that kind, in writing, without remembering it definitely and distinctly?—A. These were days of very great and extraordinary excitement, and it is several months since.

Q. Have you ever written such a letter as that, since the days of the panic?—A. I don't think I have ever written any such letter.

Q. Can you swear you did not write this letter after the facts had all transpired, that is, after the breakdown, and post-date it?—A. I never wrote a letter in my life and post-dated it, to my knowledge.

Q. You can swear, then, positively, that you did not write this letter after the date it bears?—A. I think I have already stated that I do not remember having written any such letter.

Q. Did you ever sign this letter, or a similar letter, addressed to James Fisk, jr.?—A. As I have said already, these were days of such excitement that I cannot undertake to swear what I did or did not do. If the letter was before me I could state whether I wrote it or not.

Q. Do you believe there is in existence a letter with your own signature, which you put to it, such as this I have read?—A. If it were shown to me I could answer the question; I have seen parties mistaken when they have been very positive, indeed, so often, that, as I said before, if anything I have done is brought to me, I can give a positive answer, but not otherwise.

Q. What is the best of your belief about it?—A. I would not like to give an opinion about it.

By Mr. JONES:

Q. Do you state, to the best of your knowledge and belief, that you never wrote nor authorized such a letter?—A. I would like to give a clear and explicit answer about it. My impression is that Mr. Fisk is mistaken, if he thinks he has such a letter.

By the CHAIRMAN:

Q. Is it your impression that he is mistaken if he thinks that you ever wrote or signed, or authorized such a letter?—A. I do not know what you want to get at! I don't want to state directly that Mr. Fisk is entirely mistaken in the matter, because I might be mistaken. I don't think Mr. Fisk ever had such a letter. That is my impression.

Q. Did you say to Mr. Speyers, on the occasion of your going into the room, where you met Mr. Fisk and some other gentleman, "Mr. Fisk, this is Mr. Speyers; we are all one family; any order Mr. Fisk may give you will be all right?"—A. I don't remember ever having made a remark about any family relation at all.

Q. I mean that you were in one line—that you understood each other's movements.—A. I never said so.

Q. Did Mr. Fisk give Mr. Speyers any orders, so far as you know or believe?—A. I think it is likely that he did.

Q. Were you responsible for the results of these orders yourself?—A. That I do not know.

Q. The committee must know, as far as you can tell them, what these transactions of Mr. Speyers were; by whose orders they were given; the circumstances, and what your understanding was of these transactions.—A. Mr. Speyers did an enormous amount of business. I don't think any broker is justified, upon any order, to go to the extent which he did. There is a limit in everything.

Q. What orders did you give Speyers as to the amount and limit of his purchases?—A. That I do not remember at all.

Q. Did you give him any order?—A. That I could not tell you; I do not know. I cannot remember what order I gave him, if any.

Q. You don't mean to say that you don't remember whether you gave him any order on any day of the week of the panic?—A. I remember giving Speyers orders frequently before Friday; I probably gave him orders frequently before then; I thought you referred to that day.

Q. How large an order did you give on Monday, if any?—A. That I do not know.

Q. How large on Tuesday?—A. I can only say that he operated for me during the week, and took up probably five millions of gold previous to Friday.

Q. On your order?—A. I believe so.

Q. What instructions did you give him as to the amount and rate?—A. That I do not remember; that would have depended upon the market price.

Q. How much did you order him to buy during any days of the week previous to Friday?—A. As a general thing, I presume I limited him as to amount and price. I think I always limited him as to price. As to amount, it is very probable that I may have told him to keep gold at 36, 36½, or 37.

Q. What do you mean by keeping gold at any given figure?—A. To take what is offered at that price.

Q. In other words, you gave an illimitable order to buy as long as it could be bought at that price?—A. It might literally mean that; but no broker would understand, if he was told to keep gold at a certain figure, that he was to buy a fabulous amount; such an amount as we could never pay for or take care of at all.

Q. Did Speyers report to you from day to day his purchases for you previous to Friday?—A. He did.

Q. Did Mr. Fisk, in your office on the 23d, in presence of Mr. Smith, tell Mr. Speyers to buy quickly two millions and report to Belden?—A. I do not know anything about it. I do not think, in the first place, that Fisk or Gould was in my office on the 23d; I am pretty certain they were not.

B. Did you, on that day, anywhere introduce Speyers to Smith or Gould or Fisk?—A. No, sir.

Q. Did you, on or before the 23d of September, introduce him to Mr. Fisk, Mr. Gould being present?—A. I remember bringing him into my office when they were there; whether I introduced him or not I do not know. I think they both knew him.

Q. What did you bring him into your office for?—A. I think I brought him there to buy gold.

Q. What did you say to him there?—A. I don't remember having said anything; if I did, I don't remember it.

Q. How do you know, then, that you brought him there to buy gold, if you do not remember to have said anything to him?—A. I merely remember the fact that I took him there, and I suppose I brought him there for that reason. I don't remember anything about it.

Q. Can you swear that you didn't give him general orders to buy gold, or that Mr. Fisk didn't have you give him general orders to buy gold?—  
A. No, sir, I cannot swear that.

Q. Can you swear that Mr. Fisk or yourself, or both of you, did not give him orders to buy gold?—A. I don't remember what took place; I was busy, and don't know what Mr. Fisk or Mr. Gould may have done.

Q. Let me read you this passage: "On the 24th I met Belden; he said, 'Come with me to Heath's office; this will be the last day of the gold-room; we have got over 110,000,000 of claims, and we can buy all the gold the government dares to sell.'" Is that a correct statement?—A. I should say not.

Q. Can you swear that it is not a correct statement?—A. I can state that I don't believe I ever said anything of the kind.

Q. I read again: "I met Belden at Heath's office, and he said, 'Fisk and Gould want to put all the trouble on our shoulders, as they refuse to give margins.'" That was after the breakdown. Is that statement true?—A. I don't remember it at all.

Q. I read again: "Belden said, 'You know, Speyers, you made all your purchases for me.' I said, 'Belden, that is all nonsense; you told me all the time that these transactions were for Smith, Gould & Martin, Fisk, and others.'" Is that true or false?—A. I remember something about Speyers having said he bought for somebody else. I told him that, so far as I knew, all the gold he bought was for me; that I did not know anything about anybody else.

Q. State to the committee, as near as you remember, your transactions in gold, whether for yourself or others, or for yourself through others, during the week of the panic.—A. As I have said before, previous to the Friday I bought about twenty millions of gold; on Friday the confusion was so great that I cannot tell what gold I bought, for the reason that I do not know what gold I ought to take, or what I ought not to take. There were so many different prices, so many brokers running about and claiming that they had made contracts, that I was bewildered and could not tell anything about it. I was nearly the whole day on Friday endeavoring to make up my clearing for Thursday, at the gold clearing-house, and for that reason I had no time to pay attention to anything else. I didn't know even what the price of gold was. I learned from time to time; but the information I had might have been old by the time I got it. I was trying to get worked up at the clearing-house for the day before. That was my great effort on Friday. I devoted myself entirely to the settlements of that day, and did not attend to anything else. I neglected all my stock business, and everything else, and tried to get that statement completed. I finally had to give it up, because the Gold Exchange Bank didn't know whether they could take my statement or not.

Q. At what time in the day on Friday did you leave Wall street?—A. I think it may have been between two and three o'clock.

Q. With whom did you leave?—A. I went up town with Gould and Fisk.

Q. Where did you go?—A. To the Erie office.

Q. What was said between you three persons concerning the movements in gold on that day?—A. I don't know that I can recall any feature of the conversation.

Q. What in your opinion was the cause of the breakdown that day?—  
A. I was utterly at a loss to know what the cause was.

Q. Did Mr. Gould give his opinion as you were going up town; if so,

what did he say about it?—A. If he gave any reason, I don't remember what his idea was.

Q. What was Mr. Fisk's opinion?—A. I do not remember.

Q. Was that the subject of your talk on the way up, and after you got to the Erie office?—A. I presume we must have talked of it all the time, but I don't remember what was said; of course, Wall street was in such a state of excitement that I did not know what was going on.

Q. Were there any threats of personal violence to yourself or Mr. Fisk in Wall street before you left?—A. Not particularly. There was a good deal of loud talk.

Q. Did you go out through the usual passage?—A. I remember going over to the office of Mr. Heath, where Gould and Fisk were, for the purpose of trying to get some help to get my settlement ready.

Q. What help did you ask for?—A. I wanted some kind of assistance. The price of gold had changed so that I could not make my settlement at all. I supposed they would take an interest in the price being kept up. If I could not get my settlement completed it would bring trouble upon them; and I went over to see what could be done.

Q. What did you ask them to do?—I don't know what I did ask them to do. I think very likely that I might have stated what my trouble was.

Q. Did they offer you any help?—A. My impression is that they did make an arrangement to take some of my gold; the arrangement was not consummated, however, and I could not say whether they really did make it or not; I think they did.

Q. Do you know of their having at any time taken a part of Speyers's sales, in order to settle balances, one or two days before the breakdown?—A. It seems to me I recollect that Speyers was talking with me once about them; what was done I do not know.

Q. That was gold which Speyers bought on your order?—A. I do not know; we had so much gold, and had so much to do to take care of ourselves, that I did not take much notice of what was said.

Q. What were you buying this gold for?—A. To sell to others.

Q. Expecting a rise in price?—A. I was not so confident about a great rise in price; I never expected to see gold go very high; I was, I presume, as much astonished as anybody could have been to see it go up to 160; the "short" interest on the street was enormous, I suppose, from what I saw going on.

Q. Did you ever have any difficulty with Mr. Boocock in settling your transactions with him?—A. They are not settled yet. I have endeavored to get a statement from Mr. Boocock; I have asked him for it, and have demanded it of him, but have not yet succeeded.

Q. Did you buy, sell, or loan any gold for Mr. Fisk, or Mr. Gould, or any of their firm?—A. I bought some gold for Mr. Gould earlier in the week, I think; but afterward, when we all got so busy, I took that gold myself, so that I may say it was all for me.

Q. At what time was it that you took that for yourself?—A. My impression is that it was about Thursday. I never reported any purchases to anybody after Wednesday.

Q. Up to that time you had been reporting?—A. I never made any report that I recollect. I remember that Mr. Fisk gave me some orders, but I don't remember having made any report to him.

Q. Did you expect to settle all these purchases of gold you made from Speyers, Boocock and others, and which were made by Fisk and others for you?—A. Certainly.

Q. Why did you not do it?

WITNESS. In what way have I not done it?

CHAIRMAN. I understand you to say they are not settled.

A. It is impossible for me to determine in my own mind satisfactorily as to whether these large purchases of gold were made in a *bona fide* manner or not.

Q. Are there, or not, large sums due you, or due from you, in consequence of these transactions, as you understand it; if so, what amount?—A. We have not arrived at any adjustment or settlement whatever of Friday's transactions; until that is done, it will be impossible to say what amount.

Q. Have you never made any statement to your sureties in regard to these transactions?—A. No, sir.

Q. Have you not filed in bankruptcy a statement of your assets?—A. I have filed in bankruptcy a statement that is incomplete, and that I may now complete, and shall complete whenever I can get the statement made up.

Q. What was the amount of assets you filed?—A. I do not know; there were large numbers of gold contracts.

Q. Amounting to about how much?—A. I do not know; as I said, the statement is not yet complete.

Q. So far as it has gone, how much does it amount to?—A. I did not foot it up; at the time I made application I got permission to complete it at as early a day as possible, and until I get it figured up I cannot tell.

Q. Did you ever clear your transactions of that week from the clearing-house?—A. I believe they were all cleared up to Friday.

Q. What was the amount of your clearings for Thursday?—A. I suppose it might have been ten millions.

Q. Do you know how much your clearings would have been for Friday, if they had been settled?—A. Possibly—no, I could not tell. Upon reflection, I do not think Thursday's clearings could have been so large.

Q. Why did you not make them on Friday?—A. The price of gold fluctuated so rapidly that I could not get the statement written out; it was physically impossible to write it out.

Q. Why were not your clearances made subsequent to Friday?—A. I had sent a partial statement to the Gold Exchange Bank, but it was thrown out. Then parties would refuse to take gold I had sold to them, and I could not tell anything about it. The fact is we got into such a muss that we have never been able to get out of it.

Q. Were you at the Erie office on the night of the 23d, before the breakdown?—A. I think I was; I often went up there.

Q. Please state to the committee a proposition which was made there that evening to publish in the newspapers the next morning the condition of gold in Wall street, stating who were short, and how much, and proposing that they should settle during the next day.—A. I believe that Mr. Fisk proposed, to avoid the confusion the next day which was anticipated, to show the merchants and others who were gold speculators, who had been selling large amounts short, (for very few had been buying as much as they sold,) to prevent their coming into the market and selling, nobody knew how much; he proposed to tell them that we would sell to them, or settle with them at a fair price. I was not willing to accede to that proposition.

Q. Why not?—A. Because I was not willing to make my affairs public.



Q. Did you say that there?—A. I probably objected to the proposition.

Q. Did anybody else object to it besides you?—A. I do not remember of any other broker being there.

Q. What did Mr. Gould say about it?—A. I do not remember what he said.

Q. Was anything said that it would be a conspiracy under the laws of New York?—A. No, sir.

Q. Was an attorney or counsel called in to give any opinion on that point?—A. Not so far as I know.

Q. What was the course finally thought best to take in lieu of that plan?—A. I do not know of any at all.

Q. Was there any other plan discussed than that?—A. I do not know that that was discussed particularly; I know Mr. Fisk proposed it, and I know I told him I did not care to exhibit my business. If there was any consultation, I was not the person consulted. I do not know who should have consulted with me about what I should do. I should do what I pleased.

Q. Were you a party to any suits, injunctions, or orders of the court in regard to any settlement?—A. Not at all; not one of them.

Q. Have you yet settled your accounts with the Gold Exchange Bank?—A. I do not think I have anything open at the bank.

Q. Are you now continuing business as a broker?—A. I am not in active business just at this moment.

Q. Have you any knowledge of any officer of the government of the United States being interested in, or taking any part in, the gold movement of that week or month?—A. I have no information whatever.

Q. Do you know Mr. Corbin?—A. Yes, sir.

Q. Did you see him during the week of the panic?—A. I do not remember having seen him. I might have met him; I never exchanged a word with him about gold.

By Mr. Cox:

Q. What did you talk with Mr. Corbin about?—A. No business transaction at all.

Q. Have you seen Mr. Fisk or Mr. Gould since they gave testimony before this committee?—A. Yes, sir.

Q. And conversed with them or either of them in regard to their testimony before this committee?—A. I think I said something to Mr. Fisk about his. We did not hold any conversation. I only saw him for a moment. I have only seen Mr. Gould to bow to him.

Q. Did you say anything to him about this letter that was spoken of in his testimony?—A. I do not remember. All I remember was that I thought he had done very wrong in talking to the reporters as he did.

Q. Had you then seen what the papers said about his testimony?—A. I had been very sick, confined to my bed, and I did not read much.

Q. Did you read that letter?—A. I do not remember whether I read it or whether my attention was called to it. I read it or heard it read one day.

By Mr. JONES:

Q. Do you know of any gold being purchased by any officer of the government, or any of their families, or either of them?—A. I do not know anything whatever.

Q. Who are your partners in business?—A. Andrew McKinley and George W. Hooker. Neither of them knew anything at all about the

gold business. In fact they did not take a very active part in business, either of them.

Q. Were they not interested with you in your commissions and purchases of gold?—A. I suppose they were, but I did not consult them. I did just as I chose to do entirely without any consultation whatever.

By the CHAIRMAN:

Q. Are not they responsible for the general results of your transactions?—A. Yes, sir.

Q. Did you have a telegraph wire from your office connecting with the Erie office?—A. I did, and have had for a long time.

Q. Have you not stated repeatedly since this gold movement began that you were interested with Mr. Fisk in it?—A. No, sir.

Q. Have you never stated that?—A. It is not my habit at all to state who is interested with me or with any one of what goes on in my office.

Q. Have you ever stated it at all?—A. I do not remember ever having said so.

Q. Who is Mr. Hooker, your partner?—A. He is a brother-in-law of Mr. Fisk.

Q. Did you ever give any testimony before the arbitration committee of the Gold Board relating to these transactions?—A. No, sir.

Q. Were you ever summoned before them?—A. No, sir.

Q. Have you ever been summoned to give testimony before any court in regard to these transactions?—A. I was summoned by the grand jury.

Q. Are you willing your testimony before the grand jury should be made a part of your testimony here; is it testimony that you will swear to as the truth, to come in as a part of this statement?—A. It is the truth whatever I said.

Q. Have you seen it as printed?—A. I think not. I do not think it will give you any facts that you haven't here.

Q. When you ordered Speyers to buy gold and he raised some question about your ability to protect him in so large an amount, to whom did you refer him as standing behind you who would back you in your purchases?—A. You have supposed a case that did not exist. You have supposed something that did not take place.

Q. Did Speyers at any time raise the question as to your ability to protect him in all the transactions done for you?—A. Speyers always solicited business from me and never hesitated a moment when I gave him an order, and never asked me a question about money matters.

Q. Did he ever talk to you about a margin?—A. Never.

Q. Do you know that he, on having margins demanded of him, gave up his principals?—A. I suppose he did a great many things. I have heard he did this. I do not know.

By Mr. PACKER:

Q. Did you give orders for the purchase of this five millions of gold personally to Speyers, or did you do it through another person?—A. As near as I can recollect I gave them myself.

Q. You think you did not give these orders through Mr. Fisk?—A. I think I gave them myself. It is possible Mr. Fisk may have given them. I do not remember.

By Mr. COX:

Q. Was Speyers much excited that Friday?—A. Yes, sir.

Q. Did you see him around the street and the gold-room?—A. Yes, sir.

Q. Can you give the committee a description—a sort of photograph of his appearance?—A. I do not think that is my forte.

Q. Had he the appearance of a man being perfectly wild that day in the gold-room?—A. I think he gave that impression to a great many.

Q. Did he to you?—A. I do not think I was impressed with his steadiness. He was more excited than I ever saw a broker before.

By Mr. PACKER:

Q. Did you give orders to Speyers to buy, personally, or did you tell him he might take his orders from Mr. Fisk?—A. I gave him no order on Friday at all.

Q. When he purchased this five millions, what order did you give him?—A. I think certainly not to go above 44. My impression is that the orders I gave him were not to go above about 37.

Q. You stated that you at one time had a partnership with Mr. Fisk. At what time was that and in what business?—A. In the banking and brokerage business for about four years previous to the spring of '68.

Q. Had he any interest in your firm in September '69?—A. No, sir.

By Mr. JONES:

Q. What was the result of this whole movement upon the brokers of Wall street; did they make money, any of them, out of it?—A. I suppose some made and some lost. I do not know what the result was.

Q. As these immense transactions have never been closed up, I suppose the brokers generally—the bulls and bears—stand about as they did when the thing began, do they not? Do you know of any parties who made largely?—A. No, sir; I do not think any one made any money of any consequence out of it.

Q. Did you make any?—A. No, sir; I did not realize a dollar from it

WASHINGTON, D. C., *January 29, 1870.*

DANIEL BUTTERFIELD sworn and examined.

By the CHAIRMAN:

Question. State your place of residence and occupation.—Answer. I reside in New York. I am an officer in the army.

Q. What is your rank?—A. Colonel, and brevet major general.

Q. State what was your occupation in the months of August and September last?—A. I was assistant treasurer of the United States in the city of New York.

Q. What was the date of your appointment and the date of your resignation?—A. I was appointed somewhere about the 1st of July. I think I entered on the duties of the office on the 1st of July. The date of my resignation I cannot state without referring to my correspondence. It was some time in the month of October. My resignation was not accepted, and I came on to Washington to press its acceptance, and I was finally relieved on or about the 15th of November.

Q. Are you acquainted with the general course of gold during the month of September last?—A. I was generally.

Q. From your knowledge of general business transactions in New York, what was the cause of the extraordinary rise in gold during the month of September?—A. Speculation.

Q. The course was artificial and not natural?—A. Entirely so.

Q. Do you know what persons were the managers of the speculative

movement?—A. Only by general report. It was pretty well understood. I do not know of my own knowledge, but I know sufficiently well to convince me from what information and conversation that came before me from time to time.

Q. While you were assistant treasurer at New York, did you ever receive orders from any officer of the government at Washington to sell gold?—A. Just before the 1st of every month.

Q. How were those orders communicated to you?—A. With the exception I will note, they were communicated by mail. The orders would be found on my table on Monday morning when I would go to my office, signed by the Secretary himself, with a letter marked "Private," and inclosed in an envelope marked "Private and personal," addressed to myself. I would most always receive these orders for the monthly programme on Monday morning. I spoke to the President and to the Secretary of the Treasury requesting that any orders coming to me affecting values in any way should be always given to the public through the Associated Press before they were given to me. This course caused me to know what the orders were by the telegram in the Monday morning newspapers. The exceptional order was the telegraphic order which came on the 24th of September to sell \$4,000,000 of gold. That came by telegraph about 12 o'clock.

Q. State your mode of executing those orders, usually.—A. Whenever any order, or any direction whatever, came from the Secretary of the Treasury, I immediately wrote out the substance of the order and direction in full, signed my name to it, and had it posted plainly on the bulletin outside my door, simply saying that by order of the Secretary of the Treasury the Treasury will sell so much gold and purchase so many bonds during the month. The notice was brief first, so as to give promptly the whole information. I would then take it up in detail, and prepare the advertisements for the press, saying that, by order of the Secretary, I would, during the month, sell every week so much gold, and, as the order might specify, on alternate Wednesdays and Fridays, or whatever day it might be, would buy so many bonds. The advertisement would appear in the newspapers that afternoon.

Q. State whether you received any communication from the Secretary of the Treasury, or from any other officer of the government, during the month of September, on the subject of the sale of gold, previous to the telegram of which you have spoken?—A. None, other than the regular orders which have been made public.

Q. You have stated that you received a telegraphic order from the Secretary of the Treasury on the 24th of September to sell \$4,000,000 of gold. Was that in cipher?—A. No.

Q. Have you a copy of that order with you?—A. I have not.

Q. Do you recollect the words of it?—A. The substance of it was, "You will announce that you will sell \$4,000,000 of gold and purchase \$4,000,000 of bonds on Saturday, or Monday," (I do not recollect which.)

Q. At what precise hour of the day did you receive that message?—A. It would not vary five minutes, I think, from twelve o'clock. I think I entered it on the dispatch itself in the office. There were quite a number of people there when it was received.

Q. Who brought that dispatch to you?—A. I do not know; a telegraph messenger.

Q. Where were you when it was received?—A. Sitting in the assistant treasurer's office.

Q. Who was present at the time the order was received?—A. I think Mr. Hutton was present, and I think Mr. Garland, one of the leading

men of the house of Jay Cook & Co., was present. My doorkeeper, Mr. Cordray, was also present, and there were numbers of other gentlemen present and going in and out. I do not remember who they were. They were business men, some of them men who offered bonds to the government, and had business at the treasury. I know their faces, and can probably ascertain the names of half a dozen or more of them who were present in the office.

Q. Was the message brought to you by the ordinary messenger?—  
A. As far as I recollect, it was brought by the ordinary messenger.

Q. Had you any knowledge, direct or indirect, before the receipt of that message that such a message was to come?—A. Only a suspicion that it would come, from a dispatch that I had sent.

Q. What dispatch had you sent?—A. On the morning of that day, when I came to the office, there were several gentlemen there who stated to me what the price of gold was and the condition of affairs in Wall street, and they said, moreover, that there were accusations of government complicity; that I was accused of being a party to the speculation; that the Secretary of the Treasury and the President were also accused; and they asked me if I did not think it wise to advise the Secretary of the condition of affairs. I assented, and sent a dispatch to the Secretary of the Treasury something like this: "The price of gold this morning at such an hour is so and so, (150 perhaps;) there are open accusations of government complicity; I would recommend some measures." What they were I do not now recollect. I think the acceptance of some propositions made by some business firms in my dispatch to the Secretary will give the facts.

Q. At what hour was that dispatch sent?—A. When I arrived at the office, about 10 o'clock in the morning. Then, again, in half an hour or three-quarters of an hour afterward, some of the gentlemen who were present when I sent the dispatch, or who knew of its having been sent, would come in to see if any reply had been received. That is the way that they happened to be there when the reply did come. I would telegraph to the Secretary, for instance, that at 11 a. m. the price of gold is 155; then at 11.20, for instance, information would come in that the price of gold was 160, and I would telegraph to the Secretary, "11.30—price of gold, 160." Thus I sent him three or four dispatches that morning. As the price changed from time to time, I gave him the information.

By Mr. JONES:

Q. You said that certain persons came to you from the street and told you the price of gold, and that there were general charges of the complicity of the government in the matter. Who were those persons?—  
A. I will not be positive. I should make explanation as to my being in that position. When I went into the office I was determined that everything should be public. I would not allow my door to be closed. I had no private interviews with anybody nor private information for anybody; that saved me a good deal of trouble. People were often coming to the office to know what was to be done. I told Mr. Boutwell the first time I met him that he would relieve me from great embarrassment if he would never give me an order which the public did not know beforehand, as then I should be free from any accusation of using it for my own benefit. Thus, when I made any purchases or sales on my own account, I did it on the same basis as anybody else. I suppose that fifty people came into my office that day to ask me if there were any orders to sell gold. If my memory is correct, Mr. William R. Vermilye, or Mr. Hutton, or some of those who called, said that there were accusations

of government complicity spoken in Wall street; that had been intimated to me before.

By the CHAIRMAN:

Q. Have you completed the statement of dispatches which you sent to the Secretary of the Treasury that morning?—A. Yes; and I will furnish the dispatches themselves.

Q. State to the committee what you did on the receipt of the message from the Secretary.—A. When the message came in there were several gentlemen present. I supposed that the message was from the Secretary. I sat behind my table, these gentlemen in front. I took the message, opened it, put my hand before it, took a sheet of paper this way. (indicating,) and wrote—"Notice: By order of the Secretary of the Treasury, the assistant treasurer will sell \$4,000,000 of gold and purchase \$4,000,000 of bonds" on such a day, or words to that effect. I signed it, gave it to the doorkeeper, and said: "Put that on the bulletin." I then offered the dispatch for examination to all present, or read it, after which they generally left the office.

Q. At the moment of reading that dispatch, had gold broken in the market or not?—A. I think it had broken about five minutes before I got that dispatch. I think that Mr. Wm. Seligman, or some other gentleman, I cannot state positively who, walked in and said: "Gentlemen, gold is 139," or 35, or some such figures. That was just before or at the moment the dispatch was received. I wrote to the Secretary afterward that the price of gold had fallen before I got his dispatch, and I suggested that somebody had tapped the wires or had got hold of the information in some shape.

Q. Have you any knowledge, direct or indirect, of any person or persons who obtained any news in advance of the sending of that dispatch?—A. I have not.

Q. Have you any knowledge that the wires were tapped between Washington and New York?—A. Only from theory and suspicion.

Q. Have you any reasonable ground to believe that the wires were tapped?—A. I was told by somebody, I do not recollect now who it was, because so many people came into my office telling me so many things, that some of the operators in the street were aware of the telegraph line that the Secretary of the Treasury used for his dispatches, and that they hired an old operator of that line, who knew which the Washington instrument was, who could read by sound, to be in or about the office, and listen to the dispatches and bring it to them. The story seemed so plausible that I was inclined to credit it.

Q. Did you make any investigation as to the truthfulness of that story?—A. I did not.

Q. Did any one else to your knowledge make an investigation?—A. No.

Q. Was any additional light thrown on that theory?—A. Not by me or by my instrumentality. I informed the Secretary of the Treasury of the fact, and suggested that he should have a cypher for such dispatches.

Q. Did you sell gold in accordance with the order?—A. Yes.

Q. And bought the bonds?—A. Yes.

Q. Have you any knowledge that any officer of the government of the United States, either in Washington or New York, was in any way concerned in or interested in the movement in gold during the month of September?—A. None whatever. (On reading over his testimony, the witness makes the following note relative to the above answer: "I do

not change my reply to this question for two reasons—first, it did not occur to me when it was put that it applied to myself; second, it was never any part of my purpose to make a speculation in gold, but to put my bonds on a gold basis, a matter thoroughly understood by bankers.”)

Q. What officers of the government, if any, did you see or converse with in the month of September and before the breakdown concerning the movement in gold?—A. The Secretary of the Treasury.

Q. Anybody else?—A. I think not.

Q. When did you see the Secretary of the Treasury?—A. When he passed through New York on his return to Washington from his summer visit home. The Secretary wrote me before he left his home, inviting me to dine with him at the Astor House on his arrival in New York. I think the letter said he wished to see me before he saw anybody else. I met him and dined with him that evening. That was my first conversation and first meeting with him. I had a long conversation then with regard to all the business of the treasury, and also with regard to the movements of gold. It was in September, and some days before the breakdown.

Q. State what was the substance of your conversation on that occasion with the Secretary in reference to gold?—A. The substance of my conversation was generally this: “That there were two parties in gold in the street, as nearly as I could get at it from what I had heard and could find out, one a party of railroad men, who put it on the ground that they wanted to get higher price for their transportation, and higher price for grain, to get freights, &c., but I thought they wanted to make a little money without much regard to the farmers, the country, the administration, or anything else; and on the other side, a great many merchants, who were innocently and without really intending to become speculators in gold, from the necessities of their business; and then there were brokers, who were betting against the price of gold and selling it short. And I said that the best thing he could do would be to see all parties then he could, listen to both sides, hear what both sides had to say, and to take it for granted that both of them wanted to make money; to make up his mind about his course and to keep it secret, and when he did make orders, to make them so that the whole public would know them at the same time. That I would invite as many prominent gentlemen in Wall street as I could to meet him, and give them an opportunity to talk with him. I did subsequently invite all the bank presidents and leading bankers I could conveniently reach in a brief time to meet him. I think every bank president in the city was asked, and most of them came. That whatever he did I desired he would do so that the public would know it all at the same moment as far as practicable.” This conversation occurred at the Astor House.

Q. On that occasion did you go with the Secretary to A. T. Stewart?—A. I did; after dinner.

Q. Was any conversation had there in reference to gold; if so, state the substance of it?—A. Yes; the Secretary and Mr. Stewart had a general conversation. I said to Mr. Stewart, I think, “the Secretary will be besieged to sell gold, and he will be besieged not to sell gold, and he ought to have honest advice on the subject. Now, Mr. Stewart, what is your advice to the Secretary?” I think that was about the conversation.

Q. Did you have any other interview with the Secretary of the Treasury previous to the breakdown in gold?—A. Yes; I was invited to dine with the Secretary at the Union League Club. That was on the first or second day after this meeting at the Astor House.

Q. State what conversation, if any, occurred between yourself and the Secretary there in reference to the sales of gold?—A. I had no conversation with the Secretary. It was a general dinner party, and I avoided engrossing him or occupying him to the prejudice of other gentlemen, whom I thought ought to have an opportunity to talk to him and express their views.

Q. I understood you to say that you had no conversation with any other government official except the Secretary of the Treasury during this month of September in reference to gold?—A. I will not be positive as to that with reference to the month of September. On some occasion during the summer, (my impression is that it was in August,) I went up the river to West Point with the President. I had a general conversation with the President on all matters pertaining to the Treasury, and incidental to it was a conversation about gold and the sales of gold and the purchase of bonds. It was of a general character, nothing specifically. I think I said to the President that the people in Wall street were all apparently, very patriotic, but that most of them wanted to make money, and that whatever they said on either side had to be pretty carefully weighed.

Q. Are you acquainted with Jay Gould?—A. I am.

Q. Are you acquainted with J. Fisk, jr.?—A. I am.

Q. Did you see these gentlemen or either of them during the week of the panic?—A. I did not see Mr. Fisk, I know. I do not recollect whether I saw Mr. Gould or not.

Q. Did you have any conversation with them during the week of the panic?—A. None whatever.

Q. Did you send any message to them or receive any message from them?—A. As I stated, my office was open, and there were at least fifty messengers coming in or out. I did not know whom they came from. Some of them may have come from Mr. Gould or Mr. Fisk, or from any firm or party. I did not know or ask where they came from.

Q. Did you send any message in writing to either of these gentlemen?—A. Not to my knowledge.

Q. Did you send any message in writing to any member of the firm of Smith, Gould, Martin & Co. during any of the days of the panic?—A. Not knowingly. Sometimes a messenger would come in with a slip of paper on which was written: "Please ask General Butterfield if there are any orders from Washington." The messenger would hand it to me and I would write "No" on it and hand it back. Where the messenger came from I never asked at all. Perhaps I had fifty of them on the day of the panic from as many different people.

Q. Did Mr. Jay Gould, or anybody for him, during the month of September or the month of August, previous to the breakdown, buy any gold for you?—A. Not by my knowledge, consent, authority or advice.

Q. Did Mr. Jay Gould ever say to you that he had bought gold for you, or that he was holding gold for your account or your profit?—A. He said once to me that he was going to buy some gold for me.

Q. State the time?—A. I cannot recall the date. I have no idea of the date.

Q. Where was it?—A. I cannot recall that.

Q. Exactly what did he say?—A. I think he said: "Had I not better buy some gold for you," or "I will buy some gold for you." I cannot recollect which.

Q. What did you respond?—A. I made no answer whatever.

Q. Did you ever have any other conversation with him in regard to that matter?—A. Never.

Q. Did he ever tell you that he had gold for you, or that he was carry-



ing gold for you?—A. He made a claim in writing on the Saturday after the panic that he was carrying one and a half millions of gold for me in a pool.

Q. Have you that in writing?—A. I think I have.

Q. Did you make any answer to that writing?—A. I made a verbal answer to the person who brought it.

Q. What was your answer?—A. My answer was that there was some mistake about the matter; that if Mr. Gould had any gold for me, he had it without my authority and without my knowledge, consent or advice; that if he had bought gold for me, he bought it on somebody else's order, and I wanted to know who had taken the authority to give him that order, and all the circumstances about it; and that I would like to see him in regard to it.

Q. Are you quite sure that there never occurred but one interview between you and Mr. Fisk or Mr. Gould in reference to that matter?—A. I never exchanged a word on the subject of gold with Mr. Fisk in my life, to the best of my recollection.

Q. Please state as near as you can recollect everything that occurred between you and Mr. Gould on the occasion of his proposing to buy gold for you, so that we may see as near as possible the whole transaction?—A. My impression is, without being positive about it, that we were walking down Fifth avenue together, and our conversation was on railroad and steamboat matters; and it ran into the general condition of affairs. He said something about that he thought gold would go up, and he asked, or rather he made a remark tending to throw out a feeler to me that he had better buy some gold for me. I made no reply. I thought the remark was thrown out to get an opinion from me as to the course of gold which would commit me or commit the government or be used in some way for the purpose of speculation.

Q. Did he say anything further on the subject?—A. No.

Q. Did that part of the conversation cease utterly at that point?—A. We parted very shortly afterward, I to go down town, and he to go down Twenty-third street.

Q. Did Mr. Gould ever meet you subsequent to that conversation and say, or did he in any way take means to inform you, that he had bought gold for you, that the price had declined, and that he advised you to buy some cheap gold for the purpose of averaging it so as to reduce the loss on the first?—A. Never.

Q. Did he at the time of the first conversation referred to, say anything about buying gold for Mr. Corbin?—A. Not a word.

Q. Do you know Mr. Corbin?—A. Very well.

Q. Did any conversation ever take place between yourself and Mr. Gould in reference to buying gold for Mr. Corbin or in reference to Mr. Corbin buying gold?—A. Never.

Q. Or in reference to his having any transaction in gold?—A. Never.

Q. (Reading from Mr. Gould's testimony as to General Butterfield giving him an order to buy gold, and as to his advising General Butterfield when the price of gold went down to buy some cheap gold for the purpose of averaging it.) What have you to say to that statement?—A. So far as I am concerned it is false, whoever stated it.

Q. Did anything of that kind ever occur between Mr. Gould and anybody else speaking for you, or assuming to speak for you?—A. Never, by my knowledge, authority, advice, consent, connivance, directly or indirectly, in any way whatever.

Q. Did your silence, in the first conversation to which you have referred, give Mr. Gould any right to assume your consent to the sugges-

tion?—A. Not the slightest. People used all sorts of means to draw something out of me with reference to what the government was going to do; and I was constantly, as you may say, skirmished at to express some opinion or to do something, as I supposed, to give ideas for their operations. My desire was to avoid that; and when I saw or thought a question or a proposition put to me assumed that shape, I kept perfectly still and said nothing, whenever such a course was possible.

Q. Why did you not allow Mr. Gould to buy gold for you?—A. I thought it was an improper thing for a government officer to enter into any transaction that elevated the price of gold, and thereby discredited the currency of the government; and I wholly declined all propositions to purchase gold on that ground.

By Mr. JONES:

Q. When, therefore, Mr. Gould made a proposition to you to buy gold for you, why did you not peremptorily decline it?—A. I thought it unnecessary to offend anybody, or to say anything that might be construed into a supposition that I believed, or had any knowledge or information, that gold might go the other way.

By the CHAIRMAN:

Q. Did you ever have any conversation with Mr. Jay Gould in reference to purchasing stock of the Tenth National Bank? if so, state the time when, and the subject of the conversation.—A. Mr. Gould made a proposition to me at some time, I think before I went into the Treasury, to take some stock in the Tenth National Bank. I told him that I would consider the matter. He sent me an invitation (I do not recollect the time) to meet some parties. I did not attend the meeting, and had nothing to do with the matter. I made up my mind that it was not right for me to do so, and I did not enter into it. I held no stock in any bank.

Q. Did you say anything to Mr. Gould, subsequently, communicating your decision?—A. I do not think I did. I do not think the subject ever came up again. It seemed to be dropped.

Q. When Mr. Gould sent you a statement of your alleged gold account with him, what was the state of that account, in your favor or against you?—A. It was simply a letter brought to me, stating that he was carrying for my account a million and a half of gold, and that I must either put up a margin with Smith, Martin, Gould & Co., or take the gold and carry it myself. That was about the substance of it.

Q. That was after the breakdown? A. I think it was the day after.

Q. To that you say you made no written response?—A. I made no written response.

Q. But to the messenger you said what?—A. That there was some mistake about the matter; that if Mr. Gould bought any gold for me he did it without my authority, knowledge, or consent, and that I wanted to understand who had taken the liberty to give him the order to do it.

Q. Did you receive any answer to that message?—A. No, I do not think I did. I never have seen Mr. Gould since.

Q. Please state to the committee whether you had any other conversation with Mr. Gould concerning the course of gold during the months of August and September than that which you have stated?—A. I think I had.

Q. How frequently did you meet him during those months?—A. Three or four times.

Q. Where, generally?—A. I think he was in my office two or three

times. I think I was at his house once. I will not be positive about that. I think I met him in the street once.

Q. On those occasions was the subject of the sales of gold or the rate of gold discussed?—A. Sometimes it was. The discussion was generally on the condition of affairs and the course of finance. I always expressed my opinion that the real value of gold was not more than 120.

By Mr. COBURN:

Q. Had you any communication, written, verbal, by dispatch, or otherwise, with the President of the United States in reference to the sale of gold during September?—A. None whatever.

Q. Publicly or privately?—A. Publicly or privately, in *any* way or shape.

Q. Or with any member of his family?—A. No.

Q. With no member of his family?—A. No.

Q. Had you such communication in the month of August with him or with any member of his family or household?—A. I think that this conversation that I spoke about, on the West Point steamboat, occurred, possibly, in the month of August.

Q. Had you any in the month of July?—A. If the month of July was the month when the President was at Long Branch, I may have had some incidental conversation, but it had no direct bearing in any shape, more than a general conversation on policy. I did say to the President at Long Branch that I would be especially obliged if, under any and all circumstances, any information or any orders given to me for the purchase or sale of gold or bonds should be always made known to the public first.

By Mr. COX:

Q. You say that you never violated that arrangement of yours from the time you took office until you left it, that the public should know everything before any private person should?—A. Never.

Q. Detail the conversation between A. T. Stewart and the Secretary of the Treasury and yourself with reference to the policy to be pursued in the sale of gold?—A. I think I gave you the whole of it.

Q. You did not say what Mr. Stewart said to the Secretary.—A. I think Mr. Stewart advised the Secretary not to interfere on either side. Mr. Stewart's ideas and my own always agreed upon the subject. If I had been the Secretary of the Treasury I never should have sold a dollar of gold.

Q. He advised him then not to sell at all?—A. Mr. Stewart's reply, I think, was generally, "I should not sell." I think these were about the words he used, "I should not sell, if it were me."

By Mr. BURCHARD:

Q. Perhaps you have seen in the New York papers at that time a statement in reference to a \$10,000 check given by Smith, Gould, Martin & Co. to Jay Gould, and by him indorsed to you; was there such a check?—A. There was a \$10,000 check.

Q. What explanation have you to make to the committee in relation to it?—A. It had no connection whatever with gold, and I do not know that this investigation is to go into anything else but the gold question. Still, I should like for the satisfaction of the committee, and without having it made a part of the record, to state the transaction. The thing begins back of my entrance into the Treasury, and is a matter in which my family and private matters are mixed up, indirectly, a little. I have never come forward with any explanation of it; I considered my own

reputation sufficient to shield me from the imputation of being so foolish as to take a bribe of \$10,000. Prior to my going into the Treasury, or to there being any such idea, the Erie Railroad had built, or was building and about to finish, a direct cut-off from their road to make a short line to Newburg, New York, which line would make the distance from New York to Newburg, by the Erie road, the same as by the Hudson River road from New York to Fishkill, and would enable the Erie Railroad Company to run its trains on the same time. My wife's family had a farm of some four hundred and eighty or five hundred acres, some twenty miles above Newburg. I had bought for my brother-in-law the estate of Mr. Astor, within about a mile of that. I owned myself a little farm there, and my wife's brother had married into a family by which his wife was a party in large interest in another large farm there. There were four farms between us; all looked to me, as having some influence and acquaintance with public men, to promote the west-side railroad, and to do something to aid in benefiting their property. I called on Mr. Gould two or three times, and made him a proposition, when that railroad was completed, to put on a fast steamboat to run from Newburg to Rondout, touching at the docks on the west side of the river, my object being to benefit that property, and setting forth to him the benefit that would accrue to the Erie railroad by making that country up the river for thirty miles tributary to the road. We very nearly came to an understanding that a boat was to be put on. I agreed to put on the boat, provided the Erie road would pay the boat a subsidy, as it would not support itself entirely. That subject was up between us; and the time that Mr. Gould came into my office we commenced conversation about that. When I first assumed the duties of my office I was very much driven, and had hardly any time to give to anybody, and I endeavored to make all my interviews with everybody as brief as possible. I wanted to organize the office so that I should feel less the burden and great weight of the responsibilities of having so much money in charge, for which myself and bondsmen were responsible, and to organize a system by which I would have more real control and knowledge of it than then existed. I worked sometimes from 9 in the morning to 5 or 6 in the afternoon. That day, when Mr. Gould came in, I had to make a payment the next day on a real estate transaction of \$10,000. That thing was on my mind, and I rather wanted to cut short that interview with Mr. Gould, and I said to him, "You will have to excuse me, Mr. Gould; I have a good deal to do; I have to go out and borrow \$10,000 for a real estate operation, for which the money will not be in for some little time yet from my own resources." Gould said, "I have plenty of money lying idle, and I will lend you \$10,000 with pleasure." I accepted his offer, and he sent me a check for \$10,000 within fifteen minutes. I indorsed it and deposited it in my bank. That is the whole history of that transaction. That was early in July.

Q. Was the conversation that you were then having with him about the steamboat matter?—A. Yes.

By the CHAIRMAN:

Q. You have stated that you gave Mr. Gould no authority to buy gold for you; did you ever give him authority to sell gold for you?—A. No.

Q. In all that you have said in relation to gold transactions, you cover buying, selling, loaning, and the whole class of transactions that may occur in gold?—A. Yes; as an operation exclusively in gold, and having for its purpose profits from purchases or sales of gold.

Q. And all your answers in reference to that subject and your opinions, while you were not engaged in gold transactions, referred to buying, selling, or loaning gold?—A. Yes.

By Mr. JONES:

Q. What was the consideration for that \$10,000 check; was it simply a loan?—A. Simply a loan.

Q. Without security?—A. Without security.

Q. Was your note taken?—A. No.

Q. You said you could have borrowed \$10,000 from the government; what did you mean by that?—A. I could, if I had chosen to do what I had no business to do.

By Mr. JUDD:

Q. Have you paid that 10,000?—A. No.

By Mr. SMITH:

Q. Were you at any time, while you were assistant treasurer, made aware of the purpose, intention, or policy of the government in reference to selling gold or buying bonds, in advance of the actual orders received?—A. No.

By Mr. JUDD:

Q. Did Mr. Gould ever ask you to return this \$10,000?—A. No. I have never seen him since some time before the 24th of September.

By Mr. PACKER:

Q. Has nothing been said about it?—A. No.

By Mr. SMITH:

Q. Did you regard it as a call loan?—A. Yes.

Q. Not a time loan?—A. Not a time loan.

By the CHAIRMAN:

Q. Are you acquainted with F. A. Lane?—A. I have no acquaintance with him other than that he was the messenger who brought that letter from Mr. Gould, which I spoke of, in reference to the alleged purchase of gold.

Q. Did you ever see him before that time?—A. Never. I did not know him when he came.

Q. Did he say anything about that transaction to you?—A. Yes.

Q. What did he say?—A. He said he was sent down by Mr. Gould to settle up the matter, and that I had better settle it, or that the whole thing would be put into the newspapers.

Q. Did he say that in the nature of a threat?—A. Not in the nature of a threat of his own; but rather in the nature of friendly advice of his own, and a threat of others; that I had better make some compromise or do something.

By Mr. JUDD:

Q. What was your reply?—A. My reply was that I should do nothing in the premises, until I knew the authority and orders he had, and saw the evidence in the matter, and then I would make my decision.

By the CHAIRMAN:

Q. Are you acquainted with Joseph Seligman?—A. Yes.

Q. Did you give Mr. Seligman, at any time during the month of September, before the breakdown, any orders to buy gold?—A. No.

Q. Did Mr. Seligman buy any gold for you, or sell any gold for you,

or did you give him an order to buy or to sell?—A. Mr. Seligman bought bonds for me, and he may have bought gold or sold gold in connection therewith to put the bonds on what is called a gold basis. If you buy bonds on a currency basis, trusting entirely to the value of the bonds in currency, no gold transaction comes in; but if you want to purchase bonds on a gold basis here, the custom is to buy a certain amount in bonds, and to sell an equivalent amount in gold, so that you make your transaction on a gold basis. If you buy your bonds in Europe, you buy a certain amount of gold to cover the purchase there, so as to put them on a gold basis; that is customary with foreign bankers in dealing in bonds.

Q. When did Mr. Seligman begin to buy bonds for you?—A. I do not recollect. I think he bought some bonds for me as early as July.

Q. What was the total amount he bought for you while you were in the Treasury?—A. That I cannot tell you without referring to records.

Q. State it as near as you can.—A. I think he bought as much as three-fourths of a million dollars of bonds for me.

Q. Was that prior to the week of the panic, or during the week of the panic?—A. It was some time prior to the week or month of the panic.

Q. The purchases of which you speak were prior to the week of the panic?—A. A long time prior.

Q. Did he come to your office during the week of the panic?—A. I cannot say positively that he did, and I cannot say positively that he did not.

Q. Do you know whether during that week he did or did not buy or sell bonds for you?—A. I do not know without referring to records; but my impression is that he did not buy or sell bonds for me that week.

Q. (Reading from the testimony of Joseph Seligman, stating that he had sold for General Butterfield during the panic week gold to the amount of \$700,000.) State concerning what I have read, whether it is true or untrue?—A. That I think may be very nearly correct, and the only person who could make such a statement must be Mr. Joseph Seligman himself.

Q. If that statement was made by Mr. Joseph Seligman, was it a true statement or a false one?—A. I think it very nearly true.

Q. How came Mr. Seligman to sell gold for you; was it at your order or request?—A. Yes.

Q. When did you give him the order?—A. I cannot say when I gave him the order. I think it must have been the week before the panic.

Q. Was it given in writing?—A. I think not. It may have been.

Q. Did he come to you of his own accord, or did you send for him?—A. That I cannot say.

Q. Did he come to the sub-treasury to see you?—A. He was one of the frequent visitors at the sub-treasury.

Q. Was it during a visit of his to the sub-treasury that that order of yours to sell gold was given to him by you?—A. I will not be positive as to that. It is more than likely.

Q. Did you put up a margin?—A. No.

Q. Did you have any account with him whereby he was your debtor, so that he had money of yours in his hands?—A. We had a running account.

Q. At the time you gave that order how did that account stand—in your favor or his?—A. I do not know how it stood. We have a running account in the purchase of bonds and sale of gold.

By Mr. Cox:

Q. Has that account ever been settled?—A. No; it has not been set-

tled. It is an open account still. I have made transactions with Mr. Seligman within a short time.

Q. What conversation occurred between yourself and Mr. Seligman on the occasion of giving this order touching the course of gold?—A. I do not recollect distinctly the conversation. I remember the general idea.

Q. State it as well as you recollect it.—A. My impression is that I said to him (what I know was my belief at that time) that I never believed gold to be worth over from 120 to 125; that the then value was fictitious and could not be maintained; that it was artificial by speculation, and that it would certainly fall by its own weight.

Q. Was this transaction itself settled or approximately settled, so that you know whether you made or lost in the transaction?—A. No. It was carried into the current account.

Q. Did he pay you any profits arising out of that transaction?—A. I drew some money from Mr. Seligman on one or two occasions—small amounts that were charged to me in the accounts. They could not be said to have arisen from that transaction. They arose from a general account as between individuals. I never considered them as coming from that transaction.

By the CHAIRMAN:

Q. (Reading from the testimony of Joseph Seligman, stating that on the sale of gold General Butterfield had made about \$35,000, which was settled partly in currency and partly in United States bonds, which the firm carried.) Is that statement correct or incorrect?—A. That would make it a correct statement, my drawing a portion of the money and his still carrying bonds for me. That would make it, as I stated, an open account.

Q. Did you, after the order had been given to Mr. Seligman, send any messages to him during the panic week?—A. I do not think I did.

Q. Did you send word to him to come up and see you?—A. I might have done so.

Q. Did he come up and see you during that week?—A. Possibly he did. I will state why I am indistinct about that. Mr. Seligman had large transactions with the Treasury. He had an arrangement with the Treasury before I went there, made with General Spinner at Washington, for the transfer of currency from California, and for his placing gold in the treasury here and taking it out in California, thus saving the government the expense of transportation. Sometimes a transaction of that kind would come up in a shape that I did not understand clearly, and I would send for him to make an explanation. Two or three times these transactions came up in a shape that I would not carry them out till after I telegraphed to Washington about them; and in that way I frequently sent for him to ask him as to the state of the case, and what correspondence and evidence he had on the point; and he often called on these matters personally.

Q. In any of these interviews did you converse with Mr. Seligman concerning the course of gold and concerning your transaction with him, and how it was faring?—A. I cannot recollect now; I may have done so. Mr. Seligman's memory is probably more correct in regard to it.

Q. Do you regard Mr. Seligman as a truthful man?—A. I think so; I have every reason to believe so.

Q. Can you say that you did not have a conversation with him concerning your transaction in gold with him during the week of the panic,

and concerning the probable behavior of gold at that time?—A. I cannot say that I did not.

Q. If Mr. Seligman should testify that you did would you contradict him?—A. I would not until I knew what he had said. He might make some statement as to what I said which I would know positively I did not say; but if he should say that I expressed an opinion that gold was not worth more than 120, or that the government would not be able to resist the pressure of public opinion and would be forced to sell gold, I would believe it to be true.

(The chairman here read the testimony of Mr. Seligman relating to messages sent to and received from the witness during the panic week.)

Q. What will you say of these questions and answers; are they true or false?—A. I think it very likely they are true. I have said to a great many people that although I had no knowledge or information at all, I had no doubt that Mr. Boutwell would continue the policy he had pursued right along, of buying bonds and selling gold; I probably said that to Mr. Seligman.

Q. Under your orders for Mr. Seligman to sell gold did you tell him you were selling it for yourself or for anybody else?—A. I may have told him I was selling it for my wife.

Q. Did you so tell him?—A. I will not say I did not. I may have said so.

Q. So far as you recollect what do you think you did in that regard?—A. I will not undertake to state what I said, because I have no positive recollection.

By Mr. JUDD:

Q. You state that you received some money from Mr. Seligman growing out of these operations; how much did you receive?—A. I have drawn from him either ten or fifteen thousand dollars. Then Mr. Seligman has executed some orders for me in Paris. For instance, I sent over to have many articles purchased there. I took a letter of credit from Mr. Seligman on his house in Paris to cover the amount of these purchases, and these amounts are charged to me. I do not know what they are. They extend over considerable time and different amounts.

Q. Will they amount to thirty-five thousand dollars in the aggregate?—A. No.

By the CHAIRMAN:

Q. Did you have any business transactions while you were assistant treasurer with Mr. Corbin?—A. None whatever.

Q. Did you know of any gold having been bought, sold, or loaned, or carried for Mr. Corbin?—A. No.

Q. Or for yourself and him jointly?—A. No.

By Mr. JONES:

Q. Did you have interviews with Mr. Corbin previous to this panic and during the panic as to the probable policy of the government in relation to selling gold, the state of the market, and all that?—A. I would state as a general answer to that question that I have known Mr. Corbin some twelve years, and had some business transactions with him about two years ago, as near as I can remember. I formed a business acquaintance with Mr. Corbin in connection with the overland mail stages from St. Louis to San Francisco, and I have seen a good deal of him since then. I have been in the habit of meeting him frequently at his house for years. After I came into the sub-treasury in New York Mr. Corbin would talk to me in regard to the policy of the administra-



tion, about what he considered that policy was, and what it ought to be; that it ought to have a better price for gold; that it ought to have a better price for the crops to help the farmers and make the administration popular, for all of which he gave his reasons.

Q. Did he come to you about the time of the panic, or a little before, and endeavor to impress upon you the idea that gold ought to go up, and that the government ought not to hinder it?—A. That was the general tone of his conversation whenever we met.

Q. Did you see him frequently about this time?—A. I should say once or twice within perhaps a fortnight.

Q. Did he ever endeavor to get you to exercise influence to this end, or to do as much as you could?—A. I think the tone of his conversation was intended to impress me with the idea that that was the wisest thing to do, and that I ought to be a convert to his views. I do not think he ever attempted to induce me to exercise any influence, but he endeavored to impress me with the idea that the policy of the government ought to be to encourage good prices for cotton, grain, wheat, flour, &c., to be sent abroad.

Q. At this time did he speak of any speculations in gold or stocks, or tell you that he had any on hand for his wife?—A. No.

Q. Did you go into any speculations in gold or stocks for any of the President's family, or did you know of any gold or stocks being bought for them?—A. No.

By Mr. Cox:

Q. Did you ever do anything in pursuance of Mr. Corbin's influence or advice with the administration or Secretary of the Treasury to influence their action in any way?—A. In no way whatever, and I will be very glad if the committee will address a communication to the President and Secretary of the Treasury on that subject, asking them that question.

By the CHAIRMAN:

Q. Did you ever propose to invest any money for any member of the administration while you were assistant treasurer in New York, or for any member of their families?—A. No.

By Mr. Cox:

Q. Did Mr. Corbin have anything to do with your appointment as sub-treasurer in New York?—A. Not to my knowledge, any more than from his friendship. I supposed, of course, that as an old acquaintance he would speak in my favor.

By Mr. JONES:

Q. Did you see him after the breakdown in gold?—A. I went to his house once, when he sent for me, after these statements came out in the press. He was sick in bed. Mr. Wm. M. Evarts, his counsel, was there when I went into his room. We had some conversation about these charges and accusations, and he made some statements about them. I do not remember particularly the conversation, but denying them generally.

By Mr. COX:

Q. I asked you whether you took the office of assistant treasurer in New York under any promise or obligation, expressed or implied, to assist in any operations in Wall street, in connection with stocks or gold or other transactions?—A. With no living human being; not the slightest promise or obligation, expressed or implied.

Q. Did these transactions with Seligman begin before you took the office?—A. I am not positive as to that.

By Mr. JUDD :

Q. What is your impression?—A. I think not. I have for a long time bought government securities and sold them; and I have done this through different parties, for others and as a trustee, frequently, and sometimes for myself.

By Mr. COX :

Q. It is perhaps due to you to explain a seeming inconsistency of a former answer, in which you stated that you had no transactions in gold except the purchase of bonds on a gold basis; you afterward acquiesced in the statement of Mr. Seligman that he sold gold for you.—A. That is a part of the general transaction to make the bonds that he or others were carrying for me on a gold basis.

Q. What do you mean by a gold basis?—A. My meaning is this: Suppose to-day the price of gold is 122, and the price of 5-20s, 114. I want to buy one hundred 5-20s of 1867 on a gold basis here. I buy that amount at that price, and sell the same amount of gold at 122. I know very well when I make that purchase, with the European markets cornering the price of gold, that, if bonds go down five per cent. below the par of gold on the other side, they must fall here. If I think gold is going to fall, if I think it is not going to maintain its standard, I go and sell a hundred thousand dollars of gold; and if gold falls five per cent., and bonds fall the same, the bonds will stand, being on a gold basis. Bonds, however, do not fall quite as much as gold, and the purchase will be a profitable one when the gold is sold against these bonds.

By the CHAIRMAN :

Q. Do transactions in bonds on a gold basis depend for their profit or sale upon the premium in gold?—A. No.

Q. Does a transaction in bonds on a gold basis depend in part for its profit or loss on the premium in gold?—A. They have a relation to each other. You have a good many Wall street witnesses, however, and if you will put this question to them, they will explain it more clearly than I can.

Q. At the time of your giving the order during the panic week to sell gold, was it subsequent to your main transaction in bonds, growing out of which there was a balance in your favor on the books of Seligman?—A. I am inclined to think so.

Q. The sale of gold during the panic week was not then, as I understand, made in connection with any bond transaction, other than the fact that you had a credit in the account on Seligman's books growing out of the transaction?—A. I think Seligman was, if not he, others were, holding some bonds for me at that time, and a fall in gold would have wiped out any credit to my account.

By Mr. BURCHARD :

Q. Do I understand you that generally an advance or decline in the premium on gold is followed by an advance or decline in the currency value of bonds?—A. Very often it is. It depends on foreign prices and markets sometimes.

Q. Do not they usually sympathize with each other?—A. There are a good many nice questions to explain in that connection, which I do not think that I can make clear. For instance, a foreign banker, if gold falls here, can sell bonds and import them from the other side, acting constantly on a gold basis; and if gold rises here, can buy bonds with currency and send them to the other side. That has its influence and effect on these prices.

Q. If, after Seligman had sold the gold for you during that week, the price of gold had steadily gone up, or had held up, how would that have affected your transaction, favorably or otherwise?—A. It would have made me his debtor possibly.

Q. If, on the contrary, after the sale of gold for you, gold had fallen, could you have been a gainer by the amount of that fall?—A. Not entirely, for I was carrying bonds. It would have been partially so.

Q. State whether you had, during the months of August and September, previous to the breakdown, any transactions in gold or bonds with the firm of L. P. Morton & Co., or any member thereof; if so, to what extent?—A. I did.

Q. Please state to the committee, in your own way, the extent and character of the transactions?—A. I could give the transactions in exact figures if I had brought my papers with me. Mr. Morton purchased for me some bonds in London, and he made one or two different purchases at different times in different amounts, I think three or four hundred thousand dollars; in all possibility more, and possibly less. I stated to Mr. Morton that my impression of this administration was this: that in the first place they were determined to collect all the revenue of the government as faithfully as they could, and that in the second place they would administer the government as economically as possible, making as few expenses as they could; that the public sentiment would not sustain the Secretary of the Treasury in locking up the money which would accumulate under these circumstances in the Treasury; that he would be compelled to invest it in the purchase of bonds; that I believed, although I had never had one word on this subject—and here I will state that I had then never seen the Secretary of the Treasury, and did not until he came to New York the time mentioned in my testimony, and never exchanged a word with him verbally—that I believed his policy would be to so improve the credit of the government as to make it possible to fund the debt at a lower rate of interest; that I thought it was everybody's duty to put his shoulder to the wheel, and that as far as my means and credit would allow me, I should go in for that; that I did not think it took a very wise man, or a very shrewd man, to calculate as to what would be done up to the time Congress came together and fixed some policy in regard to the accumulation of the revenues; that I knew General Grant well enough to believe that would be his course; that he might make some mistakes in the road he traveled, but that his objective point would be certainly reached. I think I said that to other people when they asked me what I thought of the policy of the government. I had had no intimation from any official sources as to what the policy was to be, but it was plain to me that that would inevitably be the policy; and for any man to know what the extent of Mr. Boutwell's operations would be, he had only to look at the monthly statements and inform himself of the means he would have for purchasing bonds. I said to Mr. Morton, "I think that if I were the Secretary of the Treasury, I would announce publicly that policy, and would require my subordinates to publish every Saturday night the receipts and expenditures of the government. I would say that all the surplus receipts over the expenses should be applied to the reduction of the debt, and then it would be for Congress to say how much that surplus should be by fixing the revenues through the tariffs and revenue laws."

Q. About what time was this?—A. I have said that same thing to other people. I could not fix any time, but think it was at the time purchases were made. I moreover said, and it might be used against

me, that I would never sell a dollar of gold if I were the Secretary of the Treasury, and my reason for it is this: I would loan gold, but I would not sell it, because, in the first place, we want to reduce the rate of interest on the public debt, and foreign governments look specially to the amount of gold that is in the Treasury. You will not convince them as you convince our people of our abundant resources. If they see in the monthly statement of the Secretary of the Treasury so many millions of gold in the Treasury, they are ready to put their funds in bonds; and a large amount of gold in the Treasury would therefore enable the government more easily to fund its entire indebtedness at a lower rate of interest. I would provide that the Secretary of the Treasury should be authorized to loan gold to the national banks, to the extent of a certain per centum on their capital, on the four or four-and-a-half per cent. bonds in which the debt could be funded. Then the merchant or banker, who has gold duties to pay to the government, could borrow it of the banks. In such a country as this, and with such resources, gold is not worth more than par, and such a policy, if adopted, would bring gold to par. No combination could ever be made successful to put up the price of gold when they knew it was in the power of any man who held four or four-and-a-half per cent. bonds to go into the Treasury and borrow the surplus gold. I have often promulgated that view.

Q. Please state the amount of your transactions with Morton & Co.?—

A. I have said that Morton first purchased some bonds for me, the amount I do not recollect.

Q. State what gold transactions, if any, you had with him?—A. I do not think there were any gold transactions, except those made by him incident to the purchase of bonds, with no reference to the purchase or sale of gold by itself.

Q. What amount of gold did he ever sell for you in that way?—A. I do not think he ever sold a dollar. He may have bought some and sold it again without my giving any specific directions.

Q. Did you give any specific order in regard to the purchase or sale of gold through him?—A. Never. If he did it at all, he did it upon the general authority which he had from me.

Q. Has this account been closed by Morton, or was it before you left the treasury?—A. I had a statement of it. By reference to my letters and correspondence I could give you the exact condition of the account.

Q. State with what other firm or firms you had similar transactions as these with Morton and Seligman while you were in the sub-treasury.—A. I had transactions in bonds with other firms.

Q. Had you any transactions in bonds with other firms in the same way as you have stated you had with these firms?—A. I have felt a desire to be entirely frank with the committee, and still I have felt that the committee and myself, if you will excuse me, are going beyond the record when they go outside of anything but gold. I had no other transactions in bonds upon a gold basis.

Witness was here directed to retire, and the committee, after consultation, directed the following question to be propounded:

Q. Did you, for yourself or others, have any other transactions in bonds during the month of September, previous to the breakdown in gold; if so, what was the amount, and did you dispose of them before the breakdown, or did you hold them over?

The witness was again called in, and the above question propounded to him.

The witness stated to the committee that he desired to consult counsel

before answering the question. Leave was granted, and the witness was allowed time to consult counsel.

By Mr. JONES :

Q. What led to the resignation of your office?—A. Before this gold transaction I found the duties of the office wearing upon me very severely. I wrote to the Secretary of the Treasury that my physician advised me either to take a leave of absence or resign my position. I wrote that fact to the Secretary of the Treasury in a private letter. The Secretary replied that he should be very sorry to have me resign, and that I should have a leave of absence if I desired it. I had made up my mind fully to resign. When this thing came up, and these charges were made, I then withheld my resignation, because its effect would be merely to confirm the charges and accusations made against me. When the first accusation was made against me I wrote immediately to the Secretary stating that charges were made in the newspapers; that I considered my administration of the Treasury and its management as beyond question, and that I did not intend to take any notice of these accusations. If, however, the accusations made any impression upon the mind of the Secretary of the Treasury or the President, I deemed it due to myself and to them to ask for an investigation. The Secretary replied that on mere newspaper accusation of that kind he did not consider it worth while to pay any attention to it. Then a statement came out in the paper signed by Frederick A. Lane. When that appeared I wrote to the Secretary of the Treasury that as I was an officer in the army I would like to have a thorough investigation of this matter, and asked for a court of inquiry, or such other investigation as might seem best to him to be made. He sent the Solicitor of the Treasury Department, Mr. Banfield, to me in New York, with a letter stating that while the public mind was justly sensitive in regard to the charges of officers being engaged in speculation, it was due to the public that an investigation should be had, but that he did not see how it could be had while I held the office of assistant treasurer. My first reply to Mr. Banfield was that I would not resign while these charges were pending against me; until my skirts were entirely clear of the charge of having used my official position for my own private advantage. My counsel and friends, however, advised me to change my determination in that respect, and to send in my resignation at once, and ask for an investigation, which I did. I was then suffering very severely with what my physician termed premonitory symptoms of an attack of congestion. No action was taken for some time. When I sent in my resignation, after some days, I received a reply from the Secretary acknowledging the receipt of the letter, and stating that he would address me shortly upon the subject. Some days afterward I received a telegram from the Secretary that Solicitor Banfield and Senator Frelinghuysen, of New Jersey, would call upon me. They did call upon me, stating that they had come in accordance with my request to make an investigation into this matter; that they deemed it due to me to state how they proposed to make that investigation. They proposed to receive any statement which parties had to offer, but not to receive any affidavits. From the peculiar nature of their commission, being without legal power, they could not compel the attendance of witnesses. They, therefore, proposed not to take any formal testimony, nor to allow any counsel to be present. If I was prepared to submit to such an investigation as that, without the formality of affidavits, they announced that they were ready to proceed. After consultation, I said to these gentlemen that it did not seem to me that

it would amount to an investigation; that if it was to be entered on at all I wanted the witnesses to be under oath, and to have the opportunity of confronting them, and producing formal evidence and refuting false statements; that I must decline such an investigation as was proposed. I said that the session of Congress was near, and that in all probability Congress would order an investigation into the matter; if not, I would propose that it be made through a court of inquiry into my conduct as an officer of the army. These gentlemen returned. I came over to Washington, and saw the President and Secretary of the Treasury, stating to them my unwillingness to enter into such an investigation which would leave me at the mercy of any parties, who, without being under oath, or subject to any responsibility, could make any statements they pleased against me; that this office was wearing upon my health and using me up, and I begged them to appoint my successor. The Secretary of the Treasury assured me that my successor would be appointed very soon, and within a short time my successor was appointed.

By Mr. JONES :

Q. Then you resigned at your own instance?—A. I have stated the facts as they occurred. I think you will make that inference.

Q. You are still an officer of the army?—A. I am still an officer of the army. When I was appointed to the sub-treasury I applied to the Adjutant General for a leave of absence until the session of Congress, announcing my intention to resign my position in the army whenever I should be confirmed as assistant treasurer. An indefinite leave of absence was granted. I ceased to draw pay, of course, as an officer of the army from the date of my entering upon duty as an assistant treasurer.

By Mr. COX :

Q. How much money had you in charge in the sub-treasury when you commenced the duties of your office?—A. I think about eighty millions in gold, twenty odd millions in currency, one hundred thousand or more in the revenue stamp department, and in the assay office, bars, two or three millions; about one hundred millions in all that I became responsible for.

Q. Have you settled up all your transactions there?—A. My funds have been counted and my accounts approved and settled, with the exception of three or four little items, which they have referred back to me, and which have not been allowed. One, for instance, was for some repairs of the building; another was for a transaction which occurred in this way: I addressed the Secretary a letter, during my occupancy of the office, asking permission to subscribe, as my predecessor had done, one hundred dollars to an association for information, which expenditure was authorized and afterward placed in question with other minor items through the auditor. The whole amount is inconsiderable and only of such a character as is of frequent occurrence with disbursing officers. I consider my accounts fully and substantially closed and settled, with these exceptions, which are trifling and will probably be allowed.

Q. What amount of money passes through that office in the way of disbursements and receipts in the course of a week?—A. It varies very greatly. The receipts from customs some days run up to seven or eight hundred thousand dollars in gold; others as low as three hundred thousand. The treasurer keeps an account. Many disbursing officers keep accounts, and I think the aggregates of their balances are as high as six or seven millions a week; sometimes as high as twelve, and sometimes as low as four millions.

Q. No question was made on your resignation except what you have stated?—A. Nothing at all.

The witness subsequently furnished the following papers:

MY DEAR SIR: In reply to the inquiry made by your committee to answer in writing, under oath, and for which purpose time was given me to consult counsel, I would state that my counsel is absent from the city, and will not return this week. Without waiting for him, I therefore now reply fully to this, as I have to others, under protest as to any right to inquire into and publish my private and non-official purchases and investments, for myself, my relatives and friends; all of which were part and parcel of the amounts of investments, purchases, and sales alluded to in my testimony. Protesting against the right or justice of such a course, I leave it to your committee to decide and establish the precedent, whether by means of or through the process of a congressional investigation, the private business of an individual is to be made matter of public record, through his own testimony, or that of others, as to his business transactions, such transactions being in no wise official. Your committee must be well aware that any refusal on my part to answer fully any questions as to myself or any officer of the administration with regard to these matters, might give color to groundless accusations. Hence I am, by the situation, and my desire to leave nothing for conjecture, deprived of a course (which you would doubtless have sustained) of silence, and declination to reply to all questions raised which do not bear directly upon participation in a combination or course to influence the price of gold. Should I evade or fail to meet your inquiries, and leave you to suspect complicity of others, I should place both myself and them in a false position. While courting an investigation as to myself, and any complicity on my part, officially or otherwise, with any speculation or combination to affect gold, I did not anticipate any inquiry into my private and non-official business, or that of my friends. I have never considered that, in accepting an office of great responsibility and care, I divested myself of the right or privilege to use my own resources as freely as I pleased, so long as in such use of them I took no advantage of information or knowledge gained from my official position. I bought bonds prior to the breakdown. My entire purchases of bonds between the day I accepted the office of assistant treasurer and the day I left, for my own account and investment, amount, by careful and accurate examination of records, to the following sums:

In Frankfort, London, and other European markets, seven hundred and thirty-seven thousand, or 737 bonds. In this country five hundred bonds. I still hold nearly half of these amounts. I have made purchases and sales of bonds for several years last past; there never was any secret on my part in regard to the matter. The evidence of Mr. Seligman would seem to convey the impression that I was making a pure and simple gold transaction and gaining thereby a large profit, while the real and exact state of the case is, that it was but part of a general series of transactions in bonds on a gold basis; and the profits arising out of all my investments, purchases, and sales during my term of office would not reduce the cost to me of the bonds I hold at this moment, (and held when before your committee for examination,) two and a half per cent. below their market value. None of my transactions were calculated to, intended, or made for any purpose connected with fluctuations in gold. I have never made a purchase or sale intended or calculated in any degree to affect the price of gold or bonds, other than such as would show my implicit faith in my government, and aid (rather than injure, if of any effect) its credit. I am thus open in my statement, that none may suffer by my silence. All sales of gold by me were to put bonds on a gold basis, and not gold speculations. I do not change my reply to one of your questions concerning the fact whether I had any knowledge that any government official was in any way interested or concerned in the gold movement, for the reasons stated in my note appended to your report of the testimony. I desire to correct the inference arising from my testimony, that I kept silent when questioned as to the policy of the government, so that it shall be understood in all cases to apply to efforts for information, or ideas toward gold speculation. I never hesitated to converse freely upon the general policy of the government. I find upon examination that the sales of gold made for my account testified to by Mr. Seligman, were part and parcel of my transactions in foreign and domestic account, and were made by me to place bonds on a gold basis that were held partially by him and partially by others. I inclose the original dispatches as received from the Secretary, September 24th. I find that one was received by each line and the time noted as stated. I desire them returned for the files of the Treasury here. I give herewith a copy of the letter of Jay Gould, concerning his claim on me for participation in his pool, promised in my testimony, and submit the original for examination; the original letter I desire returned. I correct the evidence with regard to this, upon refreshing my memory by the letter itself, so far as to state in reply to the question as to threats, that the threat was made to sell it publicly for my name and account, if I did not carry the gold; also, that the whole thing would be published in the newspapers, and he said would ruin me. I give herewith the letters of the Secretary

of the Treasury, referred to in my testimony, and my own referred to with regard to resignation, &c. I desire the original to be returned. I desire the corrections noted below to be made to my testimony on the subject of bonds upon a gold basis, and replies thereto, which your permission was given me to re-examine by reason of errors on my part, or your reporter's part, in clearly conveying my ideas or expressions. They are as follows: Question. "What do you mean by a gold basis?" Answer. "I mean by a gold basis, so conducting the business that it would be equivalent to purchasing the bonds for gold; as currency is different in value from gold, and is at the same time lawful money here, the transaction is made by buying bonds and selling gold. For instance, I buy one hundred bonds for currency, sell the equivalent of gold, and use the currency for payment of the bonds; this leaves the bonds on the same basis as if bought in London or Frankfort, a very customary thing with foreign bankers." Question. "Do transactions in bonds on a gold basis depend for their sale or profit upon the premium on gold?" Answer. "Not necessarily." To the answer as to whether the sale of gold made by Seligman being in connection with bond purchase. Answer. "Seligman and others were carrying bonds for me, and a fall in gold, unless I placed the bonds on a gold basis, by an equivalent sale of gold, would have caused me to lose by the purchase of the bonds." To the answer, "it would have made me his debtor possibly," add "depending, however, upon the ruling prices of bonds abroad or in gold." To the answer to the question as to whether I would have been a gainer by the amount of the fall, read, Answer. "Not entirely." I was holding bonds with him and others; it would have depended upon value of bonds in London, or on gold basis. Morton & Co.'s purchases for me were a little under \$200,000, and they sold gold on account of these bonds in July to the amount of \$200,000. The bonds were sold October 7th.

*Copy of letter of Jay Gould.*

"NEW YORK, September 25, 1869.

"SIR: I am carrying for you \$1,500,000 gold, being your interest in the pool. Please provide a place to-day for the same, or give Messrs. Smith, Gould, Martin & Co. a satisfactory margin this morning, and let the bearer know, or they will be compelled to sell it out for your account under the rule.

"Yours, &c.,

"JAY GOULD."

I further remember a threat with it shown in writing: "Tell him if he don't, we will sell it publicly in his name," which the letter itself brings to my mind.

*Copy of telegrams.*

WASHINGTON, September 24, 1869, (Franklin line.)

DANIEL BUTTERFIELD:

Sell four millions of gold to-morrow, and buy four million bonds.

GEO. S. BOUTWELL,

*Secretary Treasury.*

Received at 12.05.—Originals herewith.

Duplicate, same as above, by Western Union, received at 12.10.

*Telegrams sent Secretary Boutwell September 24, and referred to in my testimony.*

SEPTEMBER 24, 1869.

HON. GEO. S. BOUTWELL, *Secretary Treasury, Washington, D. C.:*

I am requested to represent to you condition of affairs here. Gold is 150. Much feeling and accusation of government complicity. The propositions of Wotherspoon, Duncan, Sherman & Co., or Seligman, if accepted, would relieve exchange market, and be judicious.

DAN'L BUTTERFIELD,

*Assistant Treasurer.*

Sent about 10.30 a. m.

SEPTEMBER 24, 1869.

Price of gold at eleven o'clock and twenty minutes is 158.

DAN'L BUTTERFIELD,

*Assistant Treasurer.*



SEPTEMBER 24, 1869.

Gold one hundred and sixty, (160;) moving up every hour.

DAN'L BUTTERFIELD,  
*Assistant Treasurer.*

This last dispatch left the office about fifteen or twenty minutes to twelve o'clock.

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*Telegram, (sent on receipt of dispatch to sell four millions.)*

SEPTEMBER 24, 1869.

Dispatch received. Notice made public at once. Gold for cash fallen to 140, at 12 o'clock.

DANIEL BUTTERFIELD,  
*Assistant Treasurer.*

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*Copy of letter asking investigation.*UNITED STATES TREASURY, *October 22, 1869.*

DEAR SIR: I know of no other way that the charges and statements affecting my conduct as an officer and a gentleman can be so fully, thoroughly, and fairly investigated as by the method I have this day requested from the President, and forward herewith through you. Acting under the advice of friends and counsel, I have remained silent, and taken no notice of the charges and aspersions made. The charge that I have been a party, or had any interest in any combination to affect the price, or have bought any gold for such purpose, or with such parties, or authorized any person or party whatever, in any way to do so, is wholly and unqualifiedly false. The charge that I have received any pay, emolument, or profit for any service, information, or assistance to any such persons or parties, is wholly and entirely false. The charge that the gold or funds of the treasury have been sold, or used in any manner other than under your directions and orders, and those of the Treasurer of the United States, all of which are public, is wholly false. The charge that I have used my private means in speculating in gold, or authorized others to do so, is wholly false.

I cannot enter into details, item by item, of the various accusations made against me, otherwise than by a proper and thorough investigation. As I still hold my commission in the army of the United States, which commission, as well as the position I now occupy, I am unworthy to hold, if the various charges made against me are true, I sincerely trust that you may think proper to indorse my request. I am advised by my counsel and friends that this course is the true one for me to pursue. I should feel unsatisfied with any less formal and exact investigation and examination. Such a commission would have full power to investigate, and summon and compel attendance of witnesses. If composed, as I trust it may be, of officers of the highest standing and character in the army, its investigation and decision should be fully satisfactory. It will be so to me.

I am, very respectfully, your obedient servant,

DAN'L BUTTERFIELD,  
*Assistant Treasurer.*HON. GEORGE S. BOUTWELL,  
*Secretary of the Treasury.*

P. S.—I adopt this method as one certain to bring a result. Should you deem any other course preferable, I would be glad to adopt it.

I am, very respectfully, your obedient servant,

DAN'L BUTTERFIELD,  
*Assistant Treasurer.*

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*Copy of letter of Secretary Boutwell, which fixes date of his visit to New York, referred to in testimony.*GROTON, *September 13, 1869.*

MY DEAR SIR: Will you dine with me at 6½ p. m. Wednesday next, at the Astor House, where I then expect to be? No one else. I wish to see you before I see others in New York.

Very truly,

GEO. S. BOUTWELL.

HON. DAN'L BUTTERFIELD.

P. S.—I shall be in New York on Thursday, as well.

*Copy of letter of resignation.*

NEW YORK, *October 25, 1869.*

MY DEAR SIR: After an interview with Mr. Banfield, Solicitor of the Treasury, bearing your letter, I find that such an investigation as I have asked for cannot be accorded me, while holding my office. In order that your department may not be embarrassed in any examination of my transactions as assistant treasurer, and also that I may secure the investigation I have asked, I respectfully tender, through you, to the President of the United States, my resignation, to take effect as soon as a successor can be appointed and qualified, and receipt to me for the funds and public property.

Renewing my request for a formal and authoritative examination, that may forever settle the truth of the charges raised against me,

I am, very respectfully, your obedient servant,

DAN'L BUTTERFIELD.

HON. GEO. S. BOUTWELL, *Secretary of the Treasury.*

*Copy of Secretary Boutwell's reply.*

TREASURY DEPARTMENT, *November 10, 1869.*

SIR: Your letter of the 25th ultimo tendering your resignation as assistant treasurer at New York, was duly received, and I am now directed by the President to inform you that your resignation is accepted, to take effect when your successor is duly qualified. Hon. Charles J. Folger has been appointed to the office, and he will probably enter upon the discharge of its duties without unnecessary delay.

In thus accepting your resignation, I am able to say that you have shown great energy and industry in the office, and I am satisfied that the changes introduced by you will tend to accuracy and safety in the management of its affairs.

Very respectfully,

GEO. S. BOUTWELL, *Secretary.*

HON. DANIEL BUTTERFIELD, *Assistant Treasurer, New York.*

My delay in forwarding these documents is caused by the difficulty in getting at them all, and must be my apology therefor. The original documents referred to herein are in the hands of the bearer, who will lay them before your committee.

I am, very respectfully, your obedient servant,

DAN'L BUTTERFIELD.

General J. A. GARFIELD, *M. C.,*  
*Chairman Committee on Banking and Currency.*

NOTE.—I consider this, entire, as an answer, under oath, to the question I was given time to answer.—DAN'L BUTTERFIELD.

Personally appeared before me Daniel Butterfield, and made oath to the foregoing statements, subscribed by him before me this 4th day of February, 1870.

[SEAL.]

CHAS. S. NEWCOMB,

*Notary Public, City and County of New York.*

WASHINGTON, *January 31, 1870.*

GEORGE OPDYKE sworn and examined.

By the CHAIRMAN :

Question. State your place of residence, place of business, and occupation.—Answer. I reside in the city of New York; I am in the banking business in that city, as private banker.

Q. How long have you been in the banking business?—A. A little less than two years.

Q. What was your previous occupation?—A. Dry goods merchant and importer and jobber of dry goods. I was in that business for a quarter of a century.

Q. State to the committee whether you were familiar with the price of gold during the past season.—A. Yes, sir; I watched its movements carefully.

Q. State whether you are personally familiar with the causes and effects of the extraordinary fluctuations in gold in September last.—A. I cannot say that I have any direct personal knowledge of them, but I have knowledge inferential. I became satisfied, a considerable time before the bubble burst, that a combination had been formed in New York to monopolize all the marketable gold there was in the city; at least, all that was free from government ownership, and to make contracts for as much more as they could find speculators willing to sell "short," and thus control its price, both for use and for sale. I am entirely satisfied that such a combination existed.

Q. What was the immediate effect on the business of New York of these fluctuations in September last?—A. The effect on business was very injurious; it produced a universal distrust of the future; and whenever that feeling obtains in the market it produces an almost entire paralysis of trade. No one is willing to take a step forward until he can see more clearly what is awaiting, when such a combination as that can be formed, and can so fully accomplish its purposes.

Q. Were there considerable actual losses resulting from it in the city of New York?—A. Yes; not so large, probably, as community in general suppose; but still, very considerable; and of course there were corresponding gains.

Q. State to the committee whether many legitimate business men generally suffered much actual loss; also those doing any other kind of business?—A. Merchants engaged in the foreign trade, as well as bankers, a part of whose business is in foreign interest, and in which interest gold is necessarily involved, must always have prospective obligations to meet in gold. Every day's transactions create new obligations, payable in future, and liquidate others. These transactions at some times increase very largely, and at other times diminish; so that it is utterly impossible for a merchant or a banker to keep himself entirely free, so far as the gold branch of his business is concerned. He must, at some times, have larger obligations to pay than he has assets in gold to meet them. And it is the universal custom, I think, among intelligent merchants and bankers, and others largely engaged in business which requires gold to settle it, to judge of the future; and if they suppose gold is going to be lower, (taking into consideration the condition of the markets of the country and of the export trade,) they are very likely to borrow gold, so as to meet their immediate obligations, believing that they can buy in future at a lower rate; which is speculation in one aspect of the case. Nobody engaged in business can give an order for goods abroad in which there is not speculation. Consequently a judicious man endeavors to so arrange his gold interest as to have a surplus on hand when he thinks the price of gold is going to advance, and to be a borrower, or be "short" of gold when he thinks it is going to be lower. At the period preceding the September panic, so far as my knowledge extends, importing merchants generally believed that our large cotton crop, the payment of the interest of the national debt, and many other concurrent causes, would keep exchange in our favor, and reduce the premium on gold; consequently, the most of them were borrowers, in the expectation of buying gold at cheaper prices. I think that the chief part of the "short" interest that existed immediately before the combination for that September speculation, was on the part of the importing merchants. Nearly every man was acting under the belief that he had better borrow at least a portion of his gold than to buy it, thinking that in future he would be able to get

it cheaper. Therefore my opinion is that the chief sufferers were the importing merchants.

Q. Can you state, with any approximation to accuracy, what the total loss of the importing merchants of New York was, in consequence of that rise in gold?—A. I do not think it could be very large. The lowest point gold had touched before this combination was formed was 31 per cent. premium. It advanced to 40 or 41 by gentle gradation, a little every day, when, by a sudden startling movement, it was put up to 60. Matters were so mixed in the transactions in gold, from 41 to 60, that it is utterly impossible for any one to know, unless he were a party in interest, who gained and who lost. No exact settlements with reference to that day of the panic were ever made. They all compromised. Heath & Co., the brokers for the combination, compromised at 135 at the time when gold had fallen to 131.

Q. You have stated the directly injurious effect of that combination on importers; will you now state what injuries were directly effected upon bankers, and the banking business?—A. Bankers who were in the same category as merchants, especially those engaged in foreign exchange, suffered considerably, I have no doubt; and others doubtless gained—depending upon the precise condition in which they happened to be at the moment, in relation to their gold interest.

Q. Did it affect in any way injuriously the interest and business of the national banks?—A. No, not directly.

Q. You have stated the primary and immediate effects of the movement; will you now state the incidental general effects upon business, other than you have already mentioned; was the effect felt upon business generally for any considerable time after the panic was over?—A. The injurious effects have not yet passed away.

Q. Point out in what way it has left its injurious results upon the general business of the country.—A. It produced an impression upon the mercantile and financial mind, not only in this country but all over the world, that we here are a set of gamblers, and that it is not safe to enter into any contracts with us, when it is possible for a small combination of speculators to monopolize one branch of our currency, the coin, which performs its functions now as well as it did before the suspension of specie payments, so far as our foreign trade is concerned. The shock was so universal, not only in America but abroad, that our railroad and other securities, which before that had been selling very freely on the continent, especially in Germany and Holland, have since found but little market abroad. We have had some of these securities ourselves to offer to the foreign market; and all the German bankers with whom I have conversed upon the subject inform me that that event has greatly shaken the confidence of German capitalists, which has not yet been sufficiently restored to induce them to purchase our securities to any extent.

Q. Did it affect the price of our securities, as well as the readiness of their sale?—A. It affected government securities very little; but some German bankers have mentioned to me certain railroad securities that have since been returned upon their hands by their correspondents abroad, at a loss of from five to seven and a half per cent. on the price that was originally paid for them.

Q. Can you trace this result directly to a lack of confidence inspired by that movement in Wall street?—A. It is attributable to that, and to that solely. The effect on government bonds was not very material, and was but temporary. They fell two or three per cent.

Q. Did the fluctuation in gold last September affect in any way trans-

actions wholly in currency? A. It produced a universal feeling of distrust, which made it difficult to obtain currency, and injured, for a time very seriously, the general business of the country.

Q. Were there, in fact, a considerable number of failures of business houses in consequence of that event?—A. Failures were not numerous. There had been a good degree of prudence generally manifested by the mercantile community since early in the summer. We had quite a stringent money market in June, which led to a general apprehension that when the crops were moved, in the fall, that stringency would be so far intensified as to threaten a commercial revolution, and that superinduced a good degree of caution among merchants. To this fact alone I attribute the fact that so few failures occurred. I think the failures of 1869, in fact, were only about as numerous as those of the year previous, according to the statistics of the commercial circulars.

Q. State whether you think this panic, and similar movements in gold for speculative purposes, have had anything to do with the numerous defalcations of cashiers, and others, concerning which we have recently heard and read so much?—A. Speculation in general is, no doubt, one of the main causes of these defalcations. Speculation in stocks, speculation in gold, speculation in real estate, speculation in other things. They all spring from kindred movements. But there is this about speculation in gold which makes it more dangerous, and, perhaps, more tempting than speculation in almost anything else, viz: that it requires scarcely any capital to speculate in gold. A man with a very little money may speculate to a very large amount.

Q. What is the usual margin required in gold speculation?—A. I have never been sufficiently identified with it to speak with accuracy as to the general custom; but I think the general custom is that, with a man who is regarded as responsible, no margin whatever is required, and where a man's responsibility is not acknowledged, I think they require only one or two per cent. margin day by day.

Q. So that ten thousand dollars margin would enable a man to speculate in gold to the extent of a million dollars?—A. Yes, sir.

Q. State whether, in your opinion, the Gold Exchange, and the Gold Exchange Bank, and its clearing department, are necessary instruments in the transaction of business?—A. They are not absolutely necessary, but they are labor-saving machines. They enable operators to receive and deliver with less trouble and less risk, and to borrow and lend with less risk than they could do without them. Before they came into use operators did their business through the national banks where they kept their accounts, and it involved the necessity of receiving gold and paying for it by a certified check in currency; and after that was done it involved the necessity of selling the gold and getting the currency for it, to make good that certification. Now the whole matter is transacted without the use of any certified checks at all. Both the purchase and the sale go to the same bank, and are changed from one credit to another. I am not persuaded that this gold clearing-house is injurious in its operations and tendency. It is, as I said before, merely a labor-saving machine. Perhaps speculators in gold can operate a little more largely by means of it.

Q. What was the fact with regard to the facility or difficulty of transacting business during the month after the breakdown, when the Gold Exchange Bank was closed?—A. Business was done as it had been before the establishment of the gold clearing-house, by getting a certified check, and paying for the gold, and then delivering the gold to a third party, and getting the currency, to make good the certified check.

By Mr. SMITH:

Q. Does not the existence of such an establishment stimulate speculation in gold?—A. Slightly, I should think. If an operator were compelled to go through the triangular process of buying and paying for, and then selling and delivering, the gold, he certainly could not do so much business, for time would not permit it. Further than that I do not know that it tends to increase or encourage speculation. It is just the same as the bank clearing-house system, a machine of the same character, and which saves an immense amount of labor.

Q. What do you think, from your knowledge of the business of New York, is the average daily amount of transactions in gold; I mean real *bona fide* transactions?—A. I never have made any very careful estimate upon that; we know that something over half a million of dollars daily is required for the payment of duties; we know that the duties average about fifty per cent. of the cost of the imports; consequently the payments in exchange for gold would be about one million a day—that is, one million for the imports, and half a million for the duties. In the exports, gold is not included.

Q. Do you not send exports abroad for gold?—A. Yes, but in their case settlement is made by means of bills of exchange, which are sold abroad; or, if sold in our own market, they are sold for currency. I suppose that in the city of New York, at least one-fourth of the imports are sold for gold instead of for currency, which would be, covering duties, about half a million of dollars. So that two million dollars of gold per day would seem to be about the amount of gold transactions, outside of Texas and our Pacific States.

Q. Would you not mention anything in reference to bonds and securities?—A. No; there are none sold for gold with us. There is no gold involved in the transaction unless the proceeds are brought home gold. Here the bonds are purchased in currency and are sent abroad, and exchange drawn against them. Taking in everything, I should say that the gold transactions of New York amount to about three millions daily. And in doing business in the market this would be counted twice; so that on that basis six millions of dollars would be the daily exhibit of regular business transactions in gold.

Q. What do you understand to be the average annual transactions in the gold clearing-house?—A. I have never noticed the annual average struck.

Q. If the daily average is about seventy millions, as exhibited on the books of the clearing-house, how much of that do you suppose to be legitimate business?—A. I suppose at least half of that, and probably more, would be loans and exchanges growing out of speculative business in gold. For instance: A buys from B a hundred thousand dollars in gold, to be cleared the following day; it is cleared; the purchaser has to loan out the gold the next day, and so he loans it every day until he parts with it. So I suppose that more than one-half the transactions of the gold clearing-house consist in the daily borrowing and lending the exchange of gold for currency, and *vice versa*.

Q. Is there a technical expression in Wall street known as dealing in bonds on a gold basis; and if so, what does that expression mean?—A. I have never heard the term used, and have never known of bonds being sold in market for gold. It is the universal custom to sell for currency.

Q. Do you know of any transaction in bonds, as for instance the purchase and sale of United States bonds, which require the handling of gold as a part of the transaction?—A. No, sir.

By Mr. SMITH:

Q. Are you aware of any practice of transferring the purchase of bonds on a gold basis, that is, changing from currency to a gold basis, as a thing usual or customary?—A. I never heard of it at all.

By the CHAIRMAN:

Q. (Reading from General Butterfield's testimony as to his purchase of bonds on a gold basis.) State to the committee whether this is a custom with which you are familiar?—A. I am not familiar with it; but I am inclined to think, if I gather his meaning correctly, that it is a somewhat common transaction with foreign bankers who deal in government bonds for the foreign market. If I understand him his position is this: he is advised of a given price for government bonds in the foreign market—that is one element; he has two other elements here; the price in the foreign market is in gold; he has the price in currency here, and gold has also a price here. Thus all the three elements are in his possession. In order to make a transaction that will insure a profit, he buys his bonds and sells an equivalent amount of gold, and his correspondent sells his bonds abroad the same day. There are three transactions which, when completed, give him a certain amount of profit. That I have no doubt is often done; if I have understood what you have read, that is what the witness means.

Q. Would not, therefore, such a transaction in bonds on foreign account legitimately increase the amount of gold transactions in this country?—A. I should think that, to a certain extent, they would. These are speculative transactions.

Q. Would a man buying bonds here, not for the foreign market, but for himself, have any business to sell gold in that transaction?—A. No, sir. He might do it with a speculative purpose, and with an uncertainty in the future; but the case that I have stated is a triangular business transaction which gives him a small profit.

Q. Suppose you were to have a precisely similar business transaction, and this committee were to ask you whether you had, during the period covering that time, bought or sold gold, or had any dealings in gold, what ought you to answer that would be a truthful answer?—A. Yes, sir.

Q. Could you answer "no," and by any ratiocination that would be still true, cover up your answer?—A. No; no nearer than to call white black at the same time.

Q. Suppose you had ordered a broker to deal in bonds in the way that you have described, that is, on foreign account, and that in the course of his business of doing so he had transacted exactly what you described, would you have been justified in saying that you had not yourself, or through your brokers, been dealing in gold?—A. Clearly not.

Q. Do you know of any evil results growing out of the present habit of certifying checks?—A. No, sir; none that are of any magnitude at all.

Q. Are you acquainted with the Tenth National Bank of New York?—A. I am not acquainted with its officers. I know that there is such a bank. I think that that bank and one or two others rather abused the matter of certifications.

Q. State how that bank abuses the privilege of certifying checks?—A. By certifying checks when it has not the money deposited.

Q. What do you mean by money in that sense?—A. I mean when it has not an amount of deposits standing to the credit of the party to the amount of certification.

Q. Which deposits may, in part, or in the whole, consist of other certified checks?—A. Yes, sir.

By Mr. Cox:

Q. What is there to limit a bank in the amount of its certification; is there any limitation in the bank laws?—A. I think not. My impression is that there is none, even in the national banking law. The proper place to correct any evil of that kind, and to guard against danger, would be in the banking association of New York, what is called the clearing-house. The clearing-house has power to adopt any system of rules for the intercourse of the banks with each other. It is a *quasi* partnership. For example, if the Tenth National Bank, as was reported the morning after the panic, were unable to meet its certifications or to redeem its checks at the clearing-house, the loss, if the bank had become insolvent, would have been distributed *pro rata*, in proportion to their capital, among all the associate banks. So, if the banks felt that there was any real danger in certifying checks, I presume they would interpose for their own protection. But, I think, with very rare exceptions, there is no danger there. My impression is that the views which the head of the currency department of the country has expressed in his reports have not been financially sound, because they would have led to the entire disuse of certification, which would have increased the cost of banking in New York immensely and increased the hazards. It would have led to the necessity of counting the money for all the transactions that are now settled by certified checks—counting it twice and transporting it twice from one bank to another.

By the CHAIRMAN:

Q. You think it would be a bad thing for Congress to forbid the certification of checks by national banks?—A. Very bad. That is one of those labor-saving machines which is just as useful as banking itself.

By Mr. JUDD:

Q. Do you apply that to cases in which they have funds or have not funds?—A. I think that their own safety is sufficient to protect them from any serious errors, without any provision of law. The banks in New York have very rarely suffered from over-certification.

By Mr. Cox:

Q. Do you know the amount of certifications by the Tenth National Bank on the day of the panic?—A. No, I do not.

Q. The Tenth National Bank certified to the amount of \$24,000,000 on the 23d of September, and \$15,000,000 on the 24th; do you not think that such an amount of certifications aided the parties in the combination to carry on their conspiracy?—A. My impression is that that was an effect, not a cause.

By the CHAIRMAN:

Q. How came there to be such an amount of checks and currency on hand on those days; how was such an amount used in the gold market?—A. On the 24th, when the premium on gold went up from 41 or 42 to 60, the parties who were long of it, and from whom those who were borrowers had borrowed it, required margins to be put up from 40 to 60. Now, if the amount of gold loaned was \$60,000,000, as it is supposed to have been, twenty per cent. upon that would be a very large sum. That is one of the items; and then there were, besides, absolute payment transactions.



Q. How much gold do you think there was in the city of New York, outside of the sub-treasury, during those days?—A. I knew at the time, because it was manifested in the bank exhibits; I think it was \$14,000,000 to \$15,000,000.

By Mr. JUDD:

Q. Do you mean actual gold?—A. Oh, no; there probably were not \$3,000,000 of gold, but the certificates of gold were called gold.

By the CHAIRMAN:

Q. Do you know anything about what could be called a counter-plot in those days against the bull movement in gold?—A. No, sir; I know nothing of that sort; I do not suppose that any existed.

Q. What do you suppose the course of gold would have been during the month of September if there had been no artificial disturbance; would it have been upward or downward?—A. Its tendency was downward.

Q. How had it been ruling previously to that artificial movement, for a month or so?—A. There were temporary fluctuations, as there always are, but the general tendency was downward.

Q. Have you no doubt in your own mind that that upward movement was artificial?—A. I have not the slightest doubt of it.

Q. What did the real business of New York require—a resistance to that movement, or an opposition to it?—A. I think that the business interest of New York, and of every other place, is promoted by letting the natural laws of trade vindicate their own supremacy, as they will in spite of any efforts to thwart them; I think such efforts were injurious.

By Mr. COX:

Q. We have the theory presented here, of which you have probably read, that the enhancing of the price of gold after the crops were ready to be moved would not only increase the price of grain very much, but would give transportation to the railroads, so as to enable them to compete with the European grain markets. That is Mr. Fisk's theory, and Mr. Gould's, and Mr. Corbin's. Can you state to the committee the effect of the rise in gold on the crops and on our foreign produce trade, not only in its immediate, but its resulting, effect?—A. I will give you the same answer that I gave to Mr. Boutwell, in New York, when this theory was first started, and just after it became known that the combination for putting up gold existed in New York. Mr. Boutwell asked me my opinion of that theory. My opinion was then, and is now, that if the situation of our finances and of our foreign trade had been such as to have produced by natural causes any enhancement on the premium on gold, it would have been better for the business of the country, and especially for the agricultural interest of the West; but that an attempt to produce that result by combination, or by any other artificial means, was certain to fail in the end, and that the reaction would produce infinitely more mischief than the temporary advantage; that it would load parties who were relying upon the permanency of the advance with large quantities of those products, and that, when the thing collapsed, the grain would be left on their hands, and would produce bankruptcy, and that in every way it would be injudicious.

Q. Have you any knowledge that there was such a theory as that held in good faith as a doctrine of policy?—A. No; I have not.

Q. You think that there was such a theory held in good faith?—A. I think not. There may have been parties who were satisfied that that would be the effect, but I think that the parties who put forward that

idea were only interested in the effect it would have upon their own pockets. I know that the thing was reported to Mr. Boutwell.

Q. When was this interview with Mr. Boutwell, that you spoke of?—  
A. On his return to Washington from his summer sojourn at home.

Q. Was that the time of the dinner given to Mr. Boutwell at the Union League Club?—A. That was the time.

. By Mr. Cox:

Q. Do you know of any combination or plot to bear gold before this conspiracy to bull it was formed?—No, I know of none.

By Mr. SMITH :

Q. In your judgment, could the advance in gold to the point of enabling the crops to be moved have been legitimately brought about by the government withholding sales of gold so as to have made it safe?

A. My judgment has been that the best policy for the Treasury Department to pursue is to keep stronger in the ownership of gold. I think it has been rather injurious to the business interests of the country, and especially to the agricultural interests, that so large an amount of gold was sold by the government, which has unquestionably tended to depress gold more rapidly than it would otherwise have fallen. I think the error, if error it be, occurred in the months of June and July. The government was then a free seller of gold, when the amount in the market was very large. That depressed the premium quite low. In the autumn less was sold. That of course tended to aid the temporary advance of gold. Since then the government has been selling very freely. I have always felt that the true policy for the government to pursue was to keep the amount of gold in the market as nearly uniform as possible. It could not be rendered absolutely uniform, because the government pays out in four large quarterly installments the mass of the interest, and that at such periods the gold in the market will be much larger than at other periods. But the sales of gold by the government should be so timed as to mitigate rather than increase that want of uniformity. In all currencies, whether gold or paper, one of the greatest essentials for the security of the business interests of the country is to have it uniform in amount.

Q. Was it not announced some time previous to September, early precedent to it, that the treasury would not sell gold in September?—A. I think the proposed programme of the department was announced at the beginning of each month.

Q. What was the programme as announced on the 1st of September?—  
A. That I have forgotten; but the Secretary always reserved the right to accept bids for a larger amount, or to reject them, according to his judgment and discretion.

By Mr. Cox :

Q. What is your judgment as to the policy allowing the Secretary to sell gold at his discretion or caprice?—A. I have always felt that there might be a better policy adopted. I presented, in a letter to Senator Conkling two years ago, a plan which I thought then, and think still, would relieve us from most, if not all, those difficulties from fluctuations in the premium on gold. It was simply for the government to announce that it would sell gold for custom-house purposes at a certain premium for one, two, or three months, and at the end of that term, watching the operations of gold, the amount on hand, and other conditions, to fix the premium for another period, at the same price or a shade lower, and so go on, dropping the rate of premium each period until we got back to

specie payment. If the market price of gold got below the price fixed by the government, of course the gold for custom-house purposes would be bought in the market; but if the price got above it, then the gold for custom-house purposes would be bought from the government, and in that way there would be a steadiness maintained in the price of gold.

(Witness hands to the committee a copy of the letter referred to by him.)

By the CHAIRMAN:

Q. Do you think there is any necessity for legislation in reference to certified checks?—A. My impression is that there is no necessity for it. I suppose that if the necessity exists in reference to any banks, it would be in reference to the banks in the city of New York, where the certifications are so large. Take the Fourth National Bank, of which I am a director, and which is regarded as being as free and liberal in its certifications as any bank in the city. I suppose its certifications average seven millions a day, and I believe I am not in error in saying that it has never lost a dollar in that way. We used to certify a very large amount without equivalent deposits before the law was passed preventing that. Since that we have, of course, conformed to the law.

Q. From your acquaintance with the Gold Exchange, and with its mode of doing business, is it an institution whose operations can be enforced by law?—A. I think that is a question in doubt in minds of the legal profession in New York. It is a question which has never been decided. I understand it to be pending at present. As a layman, I should express the opinion that the courts would enforce the rules of the board. I have never been a member of that board.

Q. Have you any knowledge that any officer of the government was, directly or indirectly, interested in or concerned in the movement in gold during what was known as the panic week in September?—A. I have no personal knowledge on the subject.

Q. Have you any further information that you can give the committee, touching this general subject, which you think could be of interest to the country?—A. I do not know of any.

Q. Has Congress any power to protect the people from that class of fraud?—A. It is to be hoped so, because the community is getting in a very dangerous position. If men who have the power of controlling large amounts of money can with impunity combine together to disturb, to a degree that becomes dangerous to business, the volume of the circulating medium, whether that be in paper or in gold, I regard that as one of the most threatening dangers to the future of the country that has ever manifested itself. I know of no way to correct it except by proper legislation to punish for conspiracy against the public good. I suppose it is in the power of Congress to frame a law that would reach such a transaction.

Q. Do you know of any law of the State of New York, under which such a transaction as that in September last can be punished?—A. It is the impression that we have such a law if it were properly enforced. I think the law should make such combinations as infamous as possible. All else may be safely left to the natural laws of trade.

Q. Could such operations in gold have taken place except when specie payments are suspended?—A. I see no reason why they might not. I think the return to specie payment will not increase our security against these combinations. They are just as liable to attack gold or paper by locking it up; and in doing that they can affect the market price of everything.

Q. What do you suppose would be the feasibility of enforcing such a

law against combinations?—A. From the best consideration that I have been able to give the subject, I certainly believe it feasible, and I believe that public sentiment would sanction, and, as far as possible, cooperate in, the punishment of such acts.

By Mr. Cox:

Q. Would you not extend that to all combinations—in wheat, coffee, tea, bank stock, railroad stock, and everything else? Are they not all liable to be subject to conspiracies?—A. All such conspiracies are injurious, but not in the same degree; nor is the magnitude of the offense anything in comparison with that of tampering with a circulating medium of the country, in which every citizen is interested. Every citizen is interested in the stability and uniformity of volume, both of our paper currency and of our coin. They enter into the business of every man, and every man therefore is interested in protecting them from any violent disturbances of that kind.

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WASHINGTON, *February 1, 1870.*

GEORGE S. BOUTWELL, Secretary of the Treasury, sworn and examined.

By the CHAIRMAN:

Question. State to the committee what sales of gold, with the amounts and dates, you have made since you have been Secretary of the Treasury.—Answer. I am unable, at present, to give you the amount of sales since the 1st of January. I have a tabular statement of the sales made previous to the 1st of January. From the 29th of April, when the first sale was made after I came into the Treasury Department, up to and including the 31st of December, the sales made directly by me and by General Spinner, who invests the interest that accumulates upon the bonds purchased and owned by the government, amounted to \$53,399,000. The table which I present to the committee shows the dates of the sales. (The table is annexed to the testimony.)

Q. Was there any month in that time in which there was no sale?—A. No, sir. The sales in April only amounted to one million.

Q. State to the committee what has been your mode of giving orders to sell gold, whether by letter or telegraph; and usually at what time?—A. Usually by letter to the assistant treasurer at New York, and by telegraph through the Associated Press, and another association of the press here of which Mr. Evans has charge. Since I have known that he was in charge of dispatches to certain newspapers, I have also given him the dispatch as well as Mr. Gobright. I have given it to the agents of the press. There may have been exceptions in the beginning, but that has been the general practice. I have usually sent these dispatches out on Sunday nights, either the last Sunday night of the month or the first Sunday night of an opening month, in order that dispatches might not in any way be made use of, as possibly they might be if they were sent on a business day. I did in the beginning send one or two dispatches on business days; and, whether they were misused or not, the circumstance gave rise to suspicion that they were misused. I have since generally written a letter myself on Sunday evening, in season for the mail, to the assistant treasurer at New York, giving him instructions, and have at the same time given to the two agents of the press the substance of that communication, so that the

newspapers on the following morning would announce the sales of gold and the purchases of bonds for the month.

Q. So that, as a matter of fact, the newspapers would have the intelligence sooner than the assistant treasurer?—A. That has been the design, and generally, I suppose, has been the fact.

Q. At what time have the sales been made; on Monday?—A. No, sir. Our sales of gold for the sinking fund purpose have usually been on Thursday. For a time we sold gold on Wednesday for the special fund, but more recently, when we sold two millions in one week on account of the special fund, we have sold one million on Tuesday and one million on Friday.

Q. And these sales have been made by means of sealed bids?—A. Yes, sir; these were the instructions, to receive sealed proposals up to 12 o'clock on the day of sale, and then to open them in the presence of the people in the room.

Q. So that it was a public matter?—A. Yes; and I believe that those instructions were followed. I was present on one occasion when the bids were opened, and that was the fact then, so far as I saw.

Q. State to the committee what purchases of bonds were made in consequence of the sale of gold.—A. Before giving a direct answer to that question, I ought perhaps to state that I have proceeded in the sale of gold and in the purchase of bonds upon the plan of selling two million dollars of gold a month, or rather \$26,000,000 a year, on account of the sinking fund, and of purchasing about \$2,000,000, or at the rate, as near as might be, of \$26,000,000 a year, of bonds, for the sinking fund. But it is also true that the proceeds of the sale of gold on this account have been received into the treasury with other receipts, except that they are specified. The payments for the bonds designed for the sinking fund have been made out of the treasury, but the bonds themselves, to the amount of about \$500,000 a week, have been marked as belonging to the sinking fund, and have been kept separate as the sinking fund, under act of 1862; being a substantial compliance, as I understand it, with the requirements of that act. The proceeds of the gold sold in excess of \$26,000,000 a year have been received into the treasury, and the bonds purchased in excess of those purchased for the sinking fund have been regarded as a special fund and have been so marked, and the account has been kept separate from the sinking fund in the treasury. The special purchases have not corresponded in amount with the proceeds of the sales of gold in excess of what has been sold on account of the sinking fund, but we have purchased bonds, in excess of those purchased for the sinking fund, according to the means of the treasury derived from all sources. On the last day of December, the bonds belonging to the sinking fund amounted to over \$22,000,000. That includes the amount purchased by the Secretary of the Treasury directly from funds in the treasury, and also includes the amount purchased by General Spinner (who by an order of the Secretary of the Treasury was made custodian of the sinking fund) with the interest on bonds previously purchased. The other bonds purchased by the United States amounted on the last day of December to \$64,908,350, and that amount represented not only direct purchases by the Secretary of the Treasury, but also the purchases made by General Spinner, as custodian of that fund, from the interest accrued and collected upon the bonds purchased by the Secretary of the Treasury. This table (annexed to the testimony) exhibits the bonds purchased upon both accounts from the 12th of May, when the first purchase was made, to the 30th of December, when the last purchase was made in the calendar year 1869.

The total amount of bonds purchased is \$88,478,800. There will appear to be a slight discrepancy between the amounts purchased, as shown by this table, and the amount held in the two funds, as appears from our monthly statement; but I suppose that that is due to the circumstance that the purchases made on the 30th of December had not been reported, nor the bonds received from New York, so as to go into the monthly statement. There is also another discrepancy, due to the fact that this table does not show the bonds purchased by General Spinner. It only represents the bonds purchased by the Secretary of the Treasury.

Q. These two explanations, going with that table, will make the matter apparent, will they?—A. Yes, sir; I think so. There are other facts presented in the table. It presents, for instance, the average rate of each purchase, and the total average, &c.

Q. Please state the circumstances of your order of September 24 to sell gold; how you came to give that order, when it was determined, when the order was sent, and how sent.—A. I was in Massachusetts the larger part of the month of August, and returned to Washington about the middle of September; I am not sure about the day. I stopped in New York one day and, perhaps, a part of another. While there I became satisfied that there were speculative movements in gold, the nature of which I did not learn more than that there appeared to be an opinion that Fisk and Gould were concerned in it. I heard what was said and got what information I could about it. I came to Washington, and on the 23d of September, the Thursday preceding the Friday, I became satisfied that the matter was very serious. I think gold was reported that day at about 145, and I was apprehensive from what I heard that it might advance to a still higher price the next day. I went that evening to see the President and told him what the state of the market appeared to be from the information I had received. We had a consultation about it, the result of which was that if gold advanced materially the next day, it would be our duty to sell, not for the purpose of forcing down the price of gold as a primary and specific object, but because we thought the business of the country was in danger. Our custom receipts had fallen off, and I was myself apprehensive (I do not recollect that I mentioned it to the President) that if banking institutions should become involved and break, we might have a repetition of such disasters as we had in 1857. I left the President without any specific understanding as to what should be done, except in a general way that if the excitement continued and gold advanced, it would be our duty to sell.

Q. But still without a purpose as to the amount, or even as to the fact?—A. No; there was no specific understanding as to the circumstances under which gold should be sold, except that if the excitement continued and there was an advance it would be our duty to interfere. But the President was anxious, as I was, that we should not interfere unless it seemed to be an absolute necessity for the protection of the business interests of the country.

By Mr. Cox :

Q. Was there any rate of gold fixed on at that consultation at which it was advisable to sell?—A. There was no price named, as I recollect, at which we would sell, but simply there was an understanding that if the advance continued and that, in our judgment, it should threaten the business interests of the country, it would be our duty to interfere.

Q. The President and yourself were in perfect accord on that point?—A. We were in perfect accord; there was no difference between us. On the morning of the 24th I received various dispatches from New York,

some of them from Mr. Butterfield, the assistant treasurer, and some from other persons, merchants and brokers, (I do not recollect their names,) all to one effect, that gold was advancing, and that the price was being rapidly forced from 150 to 158 and perhaps to 160.

Q. Have you any of those dispatches that you can make part of your testimony?—A. Here are three dispatches from Mr. Butterfield. The dispatches from other persons I have not brought, nor do I remember from whom they were. Here is the first dispatch I received on the 24th of September, from Mr. Butterfield:

[By telegram from New York.]

FRANKLIN TELEGRAPH COMPANY, *September 24, 1869.*

To Hon. G. S. BOUTWELL.

I am requested to represent to you condition of affairs here. Gold is 150; much feeling, and accusations of government complicity. The propositions of Weatherspoon, Duncan, Sherman & Co., and Seligman, if accepted, would relieve exchange market and be judicious. Should be done by telegraph.

DAN'L BUTTERFIELD.

46—1 48.

This dispatch was received before the order for the sale of gold was issued

Q. What was the proposition referred to in that dispatch?—A. I present the committee with a copy of the letter from Duncan, Sherman, & Co. I thought it a letter which I should not answer, and, as I recollect, I did not answer it in any form. Here is another dispatch from Mr. Butterfield, of the same date. It was also received before the order for the sale of gold, but I cannot say at what time:

[By telegraph from New York.]

FRANKLIN TELEGRAPH COMPANY, *September 24, 1869.*

To Hon. G. S. BOUTWELL.

Gold over one hundred and sixty, (160.) Moving up every hour.

DAN'L BUTTERFIELD.

11—coll. 43.

Here is another dispatch of the same date:

[By telegraph from New York.]

FRANKLIN TELEGRAPH COMPANY, *September 24, 1869.*

To Hon. G. S. BOUTWELL.

Price of gold at eleven o'clock and twenty (11.20) minutes is one hundred fifty-eight.

DAN'L BUTTERFIELD.

15—55. Now 162.—Garland, operator.

I cannot say which of these two last dispatches was received first. Upon the receipt of those dispatches, and something after 11 o'clock by our time, I went over to the President and told him what the state of the market was, upon the information that I had. I went over with the idea of saying to him that I thought the time had come when we must interfere. I had a very strong conviction upon that point. I stated to him the condition of the market. Whether I said to him first that we ought to sell three million dollars of gold, or whether he said that he thought we ought to sell five million dollars, I cannot say; but he expressed the opinion, almost at the beginning of the conversation, that we ought to sell \$5,000,000. I recollect expressing the opinion that we should sell \$3,000,000, because that was the amount that I had in my mind when I left the office, and I thought it would be sufficient for the

purpose. We had very little conversation beyond that. I returned almost immediately, without saying to him whether I would order the sale of \$5,000,000, or of \$3,000,000, or of any other sum, except that it was agreed that gold should be sold. Upon going back to my office, I came to the conclusion that I would advertise the sale of \$4,000,000; and immediately upon my return to my office I dictated a dispatch, which was taken by Mr. Bartlett, my short-hand writer. The following is a copy:

TREASURY DEPARTMENT, *September 24, 1869.*

DANIEL BUTTERFIELD, *Assistant Treasurer U. S., New York:*

Sell four millions (\$4,000,000) gold to-morrow, and buy four millions (\$4,000,000) bonds.

GEO. S. BOUTWELL,  
*Secretary Treasury.*

Charge to department.  
Sent 11.42 a. m.

This dispatch is marked, "Sent 11.42 a. m.," but Mr. Bartlett has stated to me within a few days that he made an allowance for the time that he supposed it would take to deliver the message at the telegraph office at the other side of the street. He says he advanced the time two or three minutes on account of sending it across the street. Then apprehending that there might be trouble, or that some interested party might get possession of it, I sent by the Franklin line also the following dispatch:

[By Franklin line.—Telegram.]

TREASURY DEPARTMENT, *September 24, 1869.*

Gen. DANIEL BUTTERFIELD, *Assistant Treasurer U. S., New York:*

Sell four millions (\$4,000,000) gold to-morrow, and buy four millions (\$4,000,000) bonds.

GEO. S. BOUTWELL,  
*Secretary of the Treasury.*

Charge to department.—G. S. B.  
Sent 11.45 a. m.

This is marked, "Sent 11.45 a. m."

Q. Did you also write a letter at the same time?—A. Not at that time. I think I wrote a letter during the evening.

Q. Did you receive an acknowledgment of the dispatch, or any answer from General Butterfields, howing that the dispatch was received?—

A. Yes, sir. Here is a dispatch from General Butterfield:

[By telegraph from New York.]

FRANKLIN TELEGRAPH COMPANY, *September 24, 1869.*

To Hon. G. S. BOUTWELL.

Dispatch received. Notice made public at once. Gold, for cash, fallen one forty at twelve (12) o'clock.

D. BUTTERFIELD.

17—61.

The hour of the dispatch is not given, and it does not appear what time it was received. I have no recollection sufficiently accurate to testify about the time, except that it was received very soon, I believe, after our own dispatch went.

Q. Did you receive any other dispatches from General Butterfield



during the day?—A. Here are three other dispatches of September the 24th :

[By telegraph from New York.]

FRANKLIN TELEGRAPH COMPANY, *September 24, 1869.*

To Hon. G. S. BOUTWELL.

Shall I anticipate registered November interest of banks ?

DAN'L BUTTERFIELD,  
*Assistant Treasurer.*

8—40.

Answered by letter of same date.

[By telegraph from New York.]

FRANKLIN TELEGRAPH COMPANY, *September 24, 1869.*

To Hon. G. S. BOUTWELL.

Dispatch received too late for first notices, as you did not specify whether gold or bonds. I have announced that right was reserved to accept excess of bids over four millions for either gold or bonds. Send me detailed instructions by mail to-night.

DAN'L BUTTERFIELD.

43—139.

[By telegraph from New York.]

FRANKLIN TELEGRAPH COMPANY, *September 24, 1869.*

To Hon. G. S. BOUTWELL.

I should be reinforced with currency for to-morrow by express to-night. My balance is too small to execute orders under the rules of business here. Can I trespass on package of reserve sent by General Spinner, Wednesday, if necessary ? My letter to-night will explain. Answer by this line. It is more prompt than any other telegraph company.

DAN'L BUTTERFIELD,  
*Assistant Treasurer.*

44—142.

The dispatch to which that refers was this :

TREASURY DEPARTMENT, *September 24, 1869.*

Gen. DANIEL BUTTERFIELD, *Assistant Treasurer U. S., New York :*

Say in notice that the government reserves the right to accept all bids, even in excess of four millions, (\$4,000,000.)

GEO. S. BOUTWELL,  
*Secretary of the Treasury.*

Charge department.—G. S. B.

I intended that to relate to bonds exclusively when I dictated it ; but upon his receiving it, of course he did not know whether it referred to bonds or gold. Upon the receipt of his dispatch I said :

TREASURY DEPARTMENT, *September 24, 1869.*

DANIEL BUTTERFIELD, *U. S. Assistant Treasurer, New York :*

The government reserves the right to accept bids for the sale of bonds in excess of four millions, (\$4,000,000.) Sale of gold to-morrow not to exceed \$4,000,000.

GEO. S. BOUTWELL,  
*Secretary of the Treasury.*

Charge to department.—G. S. B.

Q. Was anybody present at your interview with the President on the morning of the 24th?—A. No, sir ; I think not.

Q. Had you conversed with anybody in the treasury before you went over to see the President in relation to your purpose?—A. No, sir ; not upon that subject, giving any opinion as to my intentions.

Q. You had made no expression of your subject to anybody?—A. Not that I am aware of.

Q. Was anybody present when you dictated your dispatch to your stenographer?—A. My recollection is that there was no person present.

Q. Have you any reason to believe that the wires were tapped, or have you made any investigation of the subject?—A. I have not made any investigation. I have heard such rumors afloat, but I have not investigated the subject.

By Mr. JONES :

Q. Have you any reason to believe that your orders were not as promptly executed by the assistant treasurer in New York as they should have been?—A. No, sir; without having any evidence upon the point, except from the character of the dispatches that I received and from such information as was open to the public generally, my own impression was, finally, that the dispatch was transmitted without interruption to him. Whether it may have been taken off and obtained simultaneously, or even earlier, by somebody else, I cannot say. I have no reason to suppose that it was, except that the suggestion was made.

Q. Have you any recollection now that there was unnecessary delay?—A. No, sir; my impression was then, and is now, that it was promptly transmitted, and that General Butterfield gave prompt notice; but I have not that information which amounts to positive certainty on that point. I have no reason to doubt, however, that that was the fact.

By Mr. COX :

Q. To whom did you intrust these dispatches for delivery at the telegraph office?—A. I cannot say; I think Mr. Bartlett, my clerk, delivered them to the young man, the messenger, who has charge at my door. His name is Johnson, but he has two or three subordinates.

By the CHAIRMAN :

Q. I suppose these messages were sealed before they left your office?—A. I cannot say about that, as they were not delivered by my own hand. I dictated them and signed them, and Mr. Bartlett had charge of them afterward. All that I know is that we felt the importance of having them transmitted promptly and secretly.

Q. When did you get news first of the breakdown in gold?—A. I think this dispatch from General Butterfield was the first information of it I received; and yet there were other dispatches sent to the office, I think, from other parties not connected with the government, who telegraphed the price of gold.

Q. What was your impression that day as to the relation in point of time of the delivery of your order to the breaking down in gold, as to which occurred first?—A. That day I thought the breakdown in gold was due entirely to our offer to sell.

Q. That is, that the offer was published, and then that the breakdown came.—A. Yes, that was my impression that day; afterward I had some doubts about it, as to whether the breakdown did not occur before, but I never was satisfied upon that point.

Q. During those days of panic did you receive from Mr. Fisk and Mr. Gould, or from either of them, a proposition to make a loan to them, to help to steady the market; if so, what was it?—A. I received a communication from Mr. Jay Gould, of which I will furnish a copy to the committee. I find inclosed in a letter from General Butterfield, dated September 23, the proposition of Duncan, Sherman & Co., just referred

to. I did not, as I now recollect, answer this letter of Duncan, Sherman & Co; and if I alluded to it in any letter to Mr. Butterfield, it was to decline it. Whether I did or not I cannot say without looking into the correspondence; at any rate nothing was done about it in any form. I will also furnish the committee copies of several letters from Mr. Butterfield, dated the 24th September, and relating most of them to the events of that day. In consequence of that letter of the 24th, and of the dispatch of the 25th, my attention was called for the first time so seriously as to comprehend it. I may have known it before, but I did not, up to that time, comprehend the practice that prevailed in the sub-treasury of receiving certified checks from purchasers of gold and others dealing with the sub-treasury. Under the circumstances in which we were then acting I was very apprehensive of trouble, and I telegraphed to Mr. Butterfield by both lines as follows:

TREASURY DEPARTMENT, *September 25, 1868.*

General DANIEL BUTTERFIELD, *Assistant Treasurer, New York:*

Gold must be paid for on delivery in all cases. Acknowledge receipt of dispatch immediately.

GEO. S. BOUTWELL, *Secretary Treasury.*

Charge department.—G. S. B.

(Witness here read from the correspondence attached to his testimony.)

In reply to Mr. Butterfield's letter of the 24th (numbered 27) I telegraphed to him on the morning of the 25th of September as follows:

*Franklin line, telegram 203.*

WASHINGTON, *September 25, 1869.*

To DANIEL BUTTERFIELD, *Assistant Treasurer, New York.*

Twenty-seven correct; subject to limitation in letter of last evening.

GEO. S. BOUTWELL, *Secretary.*

Charge treasury.—G. S. B.

To Same, &c., &c.

Twenty-six approved.

GEO. S. BOUTWELL, *Secretary.*

Charge treasury.—G. S. B.

On the morning of the 25th I sent the following dispatch to Mr. Butterfield:

*Franklin line, (copy,) telegram 202.*

WASHINGTON, *September 25, 1869.*

To DANIEL BUTTERFIELD, *Assistant Treasurer, New York.*

Do not deliver gold except for money. Have you received my letter of last evening?

GEO. S. BOUTWELL, *Secretary.*

Charge treasury.—G. S. B.

In reply to that I received the following dispatch:

[By telegraph from New York.]

FRANKLIN TELEGRAPH COMPANY, *September 25, 1869.*

To Hon. G. S. BOUTWELL.

Letter and dispatches received. Price of gold last night late, one hundred and thirty-two.

DANIEL BUTTERFIELD,  
*Assistant Treasurer.*

On the morning of the 25th, before the sale of gold, I received from Mr. Butterfield the following dispatch :

[By telegraph from New York, 25th.]

FRANKLIN TELEGRAPH COMPANY, *September 25, 1869.*

To Hon. G. S. BOUTWELL.

Committee from Gold Exchange have waited on me and asked suspension of sale of gold and purchase of bonds. They say if gold is sold below 35, or thereabouts, it will produce disaster. My own opinion is that I should make public your instructions in letter and policy, as in twenty-seven (27) last night. Then go ahead. I have kept your instructions secret. Answer.

DANIEL BUTTERFIELD,  
*Assistant Treasurer.*

65—205.

The following is my dispatch in reply :

[W. U. telegram.—Cipher.]

TREASURY DEPARTMENT, *Washington, September 25, 1869.*

Hon. DANIEL BUTTERFIELD, *Assistant Treasurer, New York :*

You may exercise your discretion about suspending sales. If best, you may reject all bids under thirty-four, (34.) I am not anxious to sell gold. If business will be injured, omit sales for to-day. If you do not sell gold you must not buy bonds.

GEO. S. BOUTWELL, *Secretary.*

Charge dep't.—G. S. B.

Here is another dispatch from me to him :

[W. U. telegram, to be sent in cipher.]

TREASURY DEPARTMENT, *September 25, 1869.*

General DANIEL BUTTERFIELD, *Assistant Treasurer, New York :*

If price is not above thirty-two (32) decline all bids ; if between thirty-two (32) and thirty-four (34) accept—amount between one (1) and two (2) millions. Unless above thirty-four (34) limit sale to two millions (2,000,000) or less.

GEO. S. BOUTWELL, *Secretary Treasury.*

Charge dep't.—G. S. B.

And here is another :

[W. U. telegram.]

TREASURY DEPARTMENT, *September 25, 1869.*

General DANIEL BUTTERFIELD, *Assistant Treasurer, New York :*

Report to me prices bid for gold before awards are made.

GEO. S. BOUTWELL, *Secretary Treasury.*

Charge treasury.—G. S. B.

Here is his dispatch in relation to sales of gold :

[The Western Union Telegraph Company.—Dated New York, September 25, 1869. Received at corner Fourteenth street and Pennsylvania avenue, 12.41 p. m.]

To Hon. GEORGE S. BOUTWELL, *Secretary Treasury.*

Bids opened under your dispatch directing sale between thirty-two (32) and thirty-four, (34,) and only two millions (2,000,000) to be sold. Second (2d) dispatch too late for suspension. Bids of gold nine millions (9,000,000) and over at rates from one hundred three (103) up to one hundred thirty-four, (134.) Have announced two millions (2,000,000) will be sold at from thirty-two (32) to thirty-four, (34.) Offerings of gold between thirty-two (32) and thirty-four, (34) two and three-quarters millions (2,750,000.) Offerings of bonds amount to six millions four hundred thousand, (6,400,000,) at prices from one hundred sixteen (116) seventeen (17) to one hundred twenty-one, (121.) Shall I accept any more bonds than the amount realized from the sale of gold? I think it would be well to accept four millions (4,000,000) of bonds in the present condition of affairs.

DANIEL BUTTERFIELD,  
*Assistant Treasurer.*

My answer to the last part of his dispatch is as follows:

WESTERN UNION TELEGRAPH COMPANY, *September 25, 1869.*

To General DANIEL BUTTERFIELD, *Assistant Treasurer U. S., New York:*

Accept bids for bonds to the amount of three millions, (3,000,000.)

GEO. S. BOUTWELL, *Secretary Treasury.*

Charge dep't.—G. S. B.

Q. Was there anything upon the face of the transaction that showed it to be a good thing not to accept bids for over \$4,000,000 of gold?—A. I had in my mind a reason for such a suggestion. It was that there was considerable stringency in the money market, or there were apprehensions of a scarcity of money; and I could understand that people engaged in financial affairs in New York should desire the government to pay out as much money into the market as possible. Here is another dispatch from Mr. Butterfield:

[The Western Union Telegraph Company. Dated New York, September 25, 1869. Received at corner Fourteenth street and Pennsylvania avenue 20-3 p. m.]

To Hon. GEORGE S. BOUTWELL, *Secretary Treasury:*

Dispatch received. Two millions (2,000,000) gold sold. Three millions (3,000,000) bonds accepted.

DANIEL BUTTERFIELD,  
*Assistant Treasurer.*

On the same day I received the following dispatch:

[By telegraph from New York, 25.]

FRANKLIN TELEGRAPH COMPANY, *September 25, 1869.*

To Hon. G. S. BOUTWELL:

Gold-room closed and adjourned until Monday. Gold Exchange clearing-house make no settlements until Monday.

DAN'L BUTTERFIELD,  
*Assistant Treasurer.*

16—58.

Q. State what you said, if anything, in regard to Jay Gould's letter to you?—A. My recollection is that I said nothing.

Q. State to the committee whether there was anything in the official conduct of Mr. Butterfield to lead you to suppose that he was in any way interested in gold or bonds during any of those days of the panic, or immediately previous?—A. If you mean to confine your inquiry to the time up to and including the 25th of September, I will answer, no. There was nothing that had awakened any suspicion in my own mind. I had heard charges or suggestions made that he was concerned in the speculations; but they were not of a character to produce any impression upon my mind, and they did not. During the events of the 24th and 25th, I did not suppose that he had any connection with the transactions, except what was official and proper.

By Mr. COX, (at the request of General Butterfield as per letter on file:)

Q. Have you any knowledge or reason to suppose that General Butterfield had at any time, from you or any of the officers of the Treasury, any information or advice of the intended policy in the purchase or sales of bonds or gold, that would have given him any notice in advance of the public so as to make purchases or sales for his own advantage?—A. I have no reason to believe that he had any such knowledge. Early in the season we transmitted some dispatches, I think, ordering the sale of

gold and the purchase of bonds, which may not have been simultaneously given to newspapers. This was before we had seen the objection to sending them direct to the assistant treasurer, and to him alone; but I think there was only a small number of such cases, when we first commenced the business of selling gold and buying bonds. Very soon I came to the conclusion that the announcement of purchases and sales should be made through the Associated Press here simultaneously with the transmission of the orders by mail to the assistant treasurer, so that the public at large should be informed in the morning papers of the purpose of the department for the ensuing month, before the letter ordering the assistant treasurer to make sales and purchases would be received by him. But I think there were one or more instances in the beginning, when in the ordinary way I sent to the assistant treasurer an order and left it to him to make the announcement in New York. I am not sure that there was even one such a case; but if there was there was only a very small number.

Q. Was that rule of yours to give information to the Associated Press simultaneously with the assistant treasurer, in consequence of any suspicion you had of General Butterfield?—A. Not the least. It was because of suggestions made in the newspapers that parties obtained advantage; and therefore it was that I sent the dispatches on Sunday evening, so as to avoid having anything to do with the business there.

Q. State whether General Butterfield has ever attempted, by letter or otherwise, to influence in any manner such purchases or sales or their policy?—A. Of course I cannot say what he may have attempted to do through letters which he has written. I can only say that I never discovered in the letters which I received from him any purpose to influence, improperly, the action of the department, in reference to the sales of gold and the purchase of bonds. I think the correspondence will show that he occasionally gave some information or stated some facts as to the condition of business or of the money market in New York; but his motive in doing it I cannot speak of.

Q. What was the character of General Butterfield's administration of the office of assistant treasurer for efficiency, integrity, and otherwise; and how did he discharge his duties?—A. I should say that his administration of the office was vigorous, efficient, and on sound business principles, as far as his administration was disclosed to me. I speak now of the administration of the office independent of any circumstance connected with these gold transactions. I think he introduced some changes into the management of the office that were beneficial.

By the CHAIRMAN:

Q. State in that same connection whether, on his leaving the office, you found the accounts in every way right, and the full amount of funds of all sorts in the sub-treasury, as you ought to have found them?—A. There was a committee appointed to make the examination, and that committee has made a report. I have not myself examined the report; but I am informed that it shows that the cash and funds in the office were correct.

Q. Please state to the committee what led to the resignation, and the acceptance thereof, of General Butterfield's position as assistant treasurer in New York?—A. I should like, in that connection, to furnish the committee with the correspondence on the subject. (The correspondence is annexed to the testimony.) I will state what I think will appear from the correspondence, that my letter to him suggesting that some explanation or statement of his alleged connection with the gold transactions

that culminated on the 24th of September was rendered necessary by the publication in one of the New York papers—I think in the New York Sun—of a letter from Mr. Lane, charging him in some form of language with being concerned in the arrangement which culminated on the 24th of September. Mr. Banfield, the Solicitor of the Treasury, was sent to New York on that subject, and had interviews with Mr. Butterfield, and learned something of the condition of public sentiment there which, as reported to me, was very strong in the opinion that he had been connected with the gold speculation. I ought to say that, while I had no sufficient testimony showing that he was concerned in the combination, and while my own mind was in great doubt whether he was implicated in it, I was clear in the opinion that his usefulness in that office was so diminished, and the public mind was so strong in the opinion that he was implicated, that it was a duty on the part of the government to ask him to resign, even if he were innocent. I thought it was one of those cases where, as a public officer, I was bound to insist on having a man in that position on whom such suspicions did not rest, although they might be unfounded, and although it would be a great personal sacrifice to him to leave the office under such circumstances. Yet still it was my duty to insist upon it. How far the correspondence will disclose that expression of opinion I cannot say, because I have not read it of late. I only know that my efforts were directed to a change in the office with as little personal annoyance or humiliation to Mr. Butterfield as was possible under the circumstances. I think that there is one letter to General Butterfield sent by Mr. Banfield, which was not actually delivered to him. This letter was dated, I think, October 22. (This date is fixed from subsequent examination of the copy of letter.)

By Mr. JONES :

Q. Were these facts presented to you indicating his complicity in the gold transactions, or did you request his resignation from mere rumors only, from newspaper allegations and charges?—A. The statements in that letter of Mr. Lane were very specific. Mr. Butterfield came here, and in conversation explained some of the matters alluded to there, and perhaps denied others.

By Mr. COX :

Q. Can you state how long Mr. Butterfield was retained in the office after these transactions?—A. I should rather rely upon the record for that. It was some little time, probably three or four weeks.

Q. Was his retention in office for so many weeks after those transactions in consequence of your failure to get a successor?—A. We had some difficulty in that respect; that is to say, there was some delay growing out of that circumstance.

Q. Was he retained in the office for so long a time in consequence of any request of the Executive?—A. No, sir. I think the President left it very much to me.

By Mr. SMITH :

Q. State whether the policy has been urged on you of purchasing bonds directly in gold, instead of in currency?—A. Yes, it has been presented to me; I will not say that it was urged upon me.

Q. What, in your judgment, would have been the effect of such proceeding on the gold market, and on the bond market?—A. Before I commenced the purchase of bonds, I considered that matter, and there were reasons satisfactory to me in favor of the course which I took as against the proposition to purchase directly with coin. One of those reasons

was that the transactions would be limited. If we offered coin for bonds, we should offer coin to those only who had bonds, or who could get them; but if we offered coin for currency, we offered it on the face of things to a larger number of people. If a man could not get coin out of the treasury, except by first getting bonds, it would lead to business difficulties in the way of merchants and others who might want to buy gold to pay duties, or for other legitimate purposes. They would be obliged first to buy bonds. It would place a monopoly in the purchase of gold in the hands of men who owned or who could purchase bonds. I thought that a serious objection to the proposition. In addition to that, at some seasons of the year, our receipts of currency from ordinary sources are less than our currency expenditures; while at other seasons of the year the currency receipts are considerably in excess of the currency expenditures. By selling coin for currency, I can arrange the condition of the treasury without going into the market, and ostensibly or openly selling coin for the purpose of raising currency to meet the ordinary currency expenditures of the government. It enables the Secretary of the Treasury to have command, not only of the gold balance in the treasury, but also to make his currency balance meet the existing condition of things. For instance, this month I have advertised the sale of four millions of coin, and propose to buy only two millions of bonds for the sinking fund. Near the end of this month we shall be obliged to advance several millions of currency for pensions, due on the 4th of March. We shall have to transmit currency to distant parts of the country. I therefore anticipate, unless the receipts from internal revenue are very large, that our currency expenses this month will exceed our currency revenue; therefore, I buy only two millions of bonds, and offer to sell four millions of gold, in order to strengthen the treasury with currency.

By the CHAIRMAN:

Q. State whether, during the months of August or September, the consideration was pressed on you that gold should not be sold while the grain crops were being sent to market, so that by gold being retained in the treasury, and by the price of gold being allowed to go up in the market, the crops could be sent forward from the west over the railroads, and exported abroad at enhanced prices; whereas, if there were considerable sales of gold during that period, it would produce a stagnation in that class of business, and thus produce distress in the country. State whether that policy was urged on the administration?—A. Such representations were made to me.

Q. Please state what your opinion was, or is, concerning the wisdom of such a policy as that, during that period; or whether it made any impression on you as a thing that ought to be considered?—A. It never made much impression upon my mind. It is undoubtedly difficult to move the crops on a falling market in gold. If the market is stationary, I should suppose that it is rather immaterial, so far as the crops are concerned, whether the price of gold is 20, 25, or 30. By that I mean to say that I should not feel it my duty, as Secretary of the Treasury, to undertake to regulate the price of gold, with reference to that matter; and, I may say, to regulate the price of gold at all. I have not acted on that theory. I consider it for the interest of the country that the premium on gold should diminish, and I hope the time will come when there will be no premium on it. But I think that that result must be wrought out by the development of the industry of the country; and that for the Treasury to force down the price of gold at any time below



what the natural condition of the country would dictate, would be bad policy. There would be a reaction which would be more pernicious than to allow gold to take its natural course; and I would like to say that, in the sale of gold, which I ordered on the 24th of September, my object was to arrest a movement which I thought was calculated to diminish the revenue of the country, to paralyze business, and which might possibly result in failures that would be very disastrous, and for which there was no necessity in the natural condition of things, if the combination had not been formed.

By Mr. PACKER:

Q. You thought the rise in gold speculative entirely, not natural?—A. Yes; and I want to say that I would only interfere to arrest a speculative movement when I had good reason to believe that it portended serious evils to the country.

By Mr. JONES:

Q. Your theory is quite different from that of Mr. Gould, who wished to raise the price of gold?—A. Yes, sir.

Q. When you threw this gold upon the market in New York did you buy up a corresponding amount of bonds?—A. Yes, sir. We advertised to sell four millions of gold; but there were representations made which I thought had some foundation, that the sale of that amount of gold would be injurious, that it would force gold to a very low price, that there would be a reaction, and that it would tend to increase speculation. Therefore, we sold but two millions of gold and purchased three millions of bonds.

Q. What did you get in exchange for gold?—A. Currency.

Q. What did you buy the bonds with?—A. With currency.

Q. Did you buy a \$1,000 bond for \$1,000 in currency?—A. No, sir.

Q. Suppose a bondholder came out and said that he wanted to sell a \$1,000 bond, would he receive \$1,000 in national bank notes or greenbacks for it?—A. I had no such offer. If anybody should offer to sell to the government a \$1,000 bond for \$1,000 in greenbacks, I do not know but I should feel justified in accepting it; but I had no such offer.

Q. When you purchased these bonds why did you not offer currency for them, dollar for dollar?—A. I supposed it useless to do it. I have never really thought of it.

By the CHAIRMAN:

Q. These two letters from Jay Gould, on the 30th of August and 20th of September, which you have laid before the committee, were they answered?—A. The letter of the 30th of August was received at Washington while I was in Massachusetts, and Judge Richardson sent it to me. I wrote a short answer to it, of which I kept no copy. I think it was formal and indefinite. I do not think there was anything in the answer that was directly responsive to anything that the letter contained. I saw published in a newspaper in New York a letter from me, which I presume was a true copy of the letter which I wrote him; but I have not even that copy. The letter of the 20th of September I made no reply to.

Q. State what action you took in reference to the Tenth National Bank, and your reason for such action?—A. On the 23d of September, the day before the crisis, I had a suspicion that there must be some banking institution in New York concerned in that affair. I sent for Mr. Hulburd, Comptroller of the Currency, and asked him if he had any information that would enable him to designate any bank that

would be open to a suspicion of being concerned. He mentioned the Tenth National Bank, and stated to me, I think, (I am not certain that I got the information from him; but on that day, or about that time, I obtained the information,) that Fisk & Gould owned \$501,000 of the million of capital. He also mentioned two other banks which he thought might possibly be concerned. On that I determined to send a committee to New York to investigate the Tenth National Bank, and with power to examine other banks, if it should be thought necessary. I selected three persons, upon consultation with Mr. Hulburd and General Spinner, who were reputed to be good accountants in the department, to go to New York. I sent word to them to remain after business hours. Mr. Hulburd had prepared a commission specially for the examination of the Tenth National Bank, and, as I recollect, a general commission for them to examine other banks, and they were dispatched to New York that night, with instructions to visit the Tenth National Bank at the opening of business in the morning. They had a letter of instructions to examine the Tenth National Bank and other banks, if they found it necessary. My reasons for sending this committee to New York at that time were two: One was to ascertain whether any banks were engaged in a movement such as this was understood to be. My other reason was this: I was under the impression that if Fisk & Gould, and the parties associated with them, were using the Tenth National Bank, or any other national bank, and relying upon it for support in their operations; that if the combinations to carry up the price of gold did not break from other causes, this check upon their base of operations might prevent the advance of gold on the 24th. I directed Mr. Bigelow, under certain circumstances, to prevent the certification of checks by the bank if they were carrying it on to such an extent as to endanger the condition of the bank. One reason I had was the hope that in that way we might prevent the continuance of the combination by cutting off their supplies.

Q. Did you order the committee to stop their investigations before they had completed them, or did they complete their examination and make a full report?—A. I am not quite sure as to the circumstances under which they were directed to suspend operations, but I understood then, as I understand now, that they continued their investigation until they ascertained the connection of this bank with these transactions. Whether they examined the bank as examiners do when they go into its entire operations to ascertain its standing, I am not sure. They were not sent there specially for that purpose. They were sent there for the purpose of ascertaining what connection this bank, in any of its operations, had with the combination to put up the price of gold.

Q. What impression was left on your mind as the result of the investigations concerning the complicity of the bank with the gold movement?—A. I have no definite opinion as to how far they were interested in it as participators in the profits or losses of these proceedings, but I had a very distinct opinion that the proceedings, as they were reported to me, were hazardous in the extreme, and wholly unjustifiable.

Q. And were made use of by the clique in gold?—A. I understood that parties had their checks certified there on the 23d and 24th to a very large amount.

Q. State to the committee whether you believe the certification of checks can be broken up without serious injury to the transaction of business?—A. It would be an impediment to business.

Q. A sufficient impediment to more than counterbalance the advantages of refusing it?—A. No, sir; I think not.

Q. You are still of the opinion you expressed in your report?—A. Yes, sir; I am still of the opinion that it is, practically, very dangerous in times of trouble, and will aggravate the disasters of a panic.

Q. To what extent would you recommend its being prohibited?—A. Not that they should not certify checks when currency or gold is deposited with them, but that they should not certify on other checks. If currency were actually deposited and the certified check were charged off against the deposit, the objections would be very much diminished. I do not think they would be serious, but the law passed by the last Congress, as I am informed, is in a great degree inoperative, and I consulted, I may say here, with the Attorney General as to whether we had the power to enforce that law according to the idea which I had of the purpose of Congress in passing it. I was advised by him, and my own opinion concurred with his in the matter, that we had no power to enforce it; that if one certified check was brought by a depository and deposited, and the bank took the responsibility of passing the amount of the check to his credit as cash, he might then draw upon that bank for an amount not exceeding the balance due to him, and they could certify that check, which check could be deposited in another bank by a customer of that bank, who could draw against that balance, and so on.

Q. Please state to the committee whether in your transactions through the sub-treasury in New York, in the sale of gold for currency and the purchase therewith of bonds, you make any use of the Gold Exchange or the Gold Exchange clearing-house in New York.—A. I can only say that it has never been brought to my knowledge that we do. My attention has never been directed to that point. I have never made any inquiry in regard to it, but I have never supposed that we had.

Q. Please state to the committee whether you know sufficiently the doings of that institution to have a definite opinion as to its value as an institution for trade and business.—A. No, sir. I have never had occasion to have an opinion whether it was necessary or otherwise.

Q. Please state to the committee whether Mr. Corbin has pressed upon you or your department any particular financial policy at any time, either personally or in writing.—A. I am not aware that he ever has. I have no knowledge that any letter has ever been received at the department from him. I have never received any myself, and I have no knowledge of Mr. Corbin, except that I believe he called upon me at the Astor House when I stopped there, in September last, previous to the panic. I have no recollection of any conversation I had with him. There were a good many persons who called, and I recollect among the cards on my table seeing his card, and upon thinking over the persons who had called I had in my mind a man whom I supposed was Mr. Corbin. He probably did not stay long. I had no recollection of the conversation I had with him, for at the time it did not occur to me that he was Mr. Corbin. After I saw his card it did occur to me that he was the President's brother-in-law.

Q. Did he call upon you the Sunday after the breakdown?—A. No, sir; I have no knowledge of ever seeing him since.

Q. Was the leading editorial of the New York Times, Friday morning, September 24, telegraphed to you or to your department, as far as you know?—A. I have no recollection that it was. I ought, however, to rely upon the records of the department rather than my own memory as to the fact. I can say that if it was telegraphed it made no impression upon my mind, for I do not remember it now.

Q. You received a large number of dispatches upon that day, did you not?—A. Yes; we were receiving numerous dispatches.

Q. Please state to the committee what was the general drift of the financial discussion at the Union League dinner which was given to you as you came through New York, so far as you can remember it.—A. The dinner, I think, was about the middle of September, and occurred on my way from my residence in Massachusetts to Washington. My recollection is that there were two opinions upon the subject. I observed from the speeches that were made that there were some persons who thought gold was high enough, or, perhaps, too high, and others who thought it would be advantageous if gold were higher even than it was then.

Q. Did you on that occasion observe anything that appeared like a concerted effort to impress upon your mind the necessity of putting gold down?—A. No, sir; I did not. I was invited by Mr. Grinnell to this dinner. I did not suppose that it had any significance except as an act of friendship on his part to me. I went there without dreaming that there was a plan upon the part of anybody to induce me to do or not to do any particular thing. I heard the views expressed at the table, and saw that there was considerable feeling upon the part of some men in regard to financial affairs.

Q. Did you give any expression of views there that would lead the persons present to understand anything specific as to what your financial policy would be?—A. I did not design to. My impression of what I said is that it was chiefly upon the importance of funding a portion of the national debt at a lower rate of interest.

By Mr. JONES:

Q. About the time of this panic in New York, when the President was at Saratoga, did he give you any instructions or suggestions as to selling gold?—A. Not at Saratoga. He never gave me any instructions as to selling gold at any time.

Q. I mean suggestions as to the propriety of selling gold at this particular time?—A. About the 4th day of September, I suppose, I think on the evening of the 4th of September, I received a letter from the President, dated at New York, as I recollect it; I am not sure where it was dated. I have not seen the letter since the night I received it. I think it is now at my residence in Groton. In this letter he spoke, I think, somewhat of his purpose of returning to Washington, and when I should be here. In that letter he expressed an opinion that it was undesirable to force down the price of gold. He spoke of the importance to the West of being able to move their crops. His idea was that if gold should fall the West would suffer and the movement of the crops would be retarded. The impression made upon my mind by the letter was that he had rather a strong opinion to that effect, but at the same time, in the letter he said he had no desire to control my purpose in regard to the management of the Treasury; that he was entirely satisfied with it, &c., and he left the matter to my judgment entirely. I saw from the letter that it was his opinion that the sale of gold in any considerable quantity might carry down the price of it, and that if the price were to fall the West would be embarrassed; that they would not be able to move their crops and get a return.

Q. Then just previous to this panic did you receive any suggestions from him on the subject?—A. He also wrote me a letter which I have with me.

By Mr. COBURN:

Q. Did you know of any order in relation to the sale of gold given directly to General Butterfield from the President?—A. Oh, no; I do not

think the President would interfere about that. The letter to which I have last referred is as follows:

NEW YORK CITY, *September 12, 1869.*

DEAR SIR: I leave here to-morrow morning for Western Pennsylvania, and will not reach Washington before the middle or last of next week. Had I known before making my arrangements for starting that you would be in this city early this week, I would have remained to meet you. I am satisfied that on your arrival you will be met by the bulls and bears of Wall street, and probably by merchants too, to induce you to sell gold, or pay the November interest in advance, on the one side, and to hold fast on the other. The fact is, a desperate struggle is now taking place, and each party want the government to help them out. I write this letter to advise you of what I think you may expect, to put you on your guard.

I think, from the lights before me, I would move on, without change, until the present struggle is over.

If you want to write me this week, my address will be Washington, Pennsylvania.

I would like to hear your experience with the factions at all events, if they give you time to write. No doubt you will have a better chance to judge than I, for I have avoided general discussion of the subject.

Yours truly,

U. S. GRANT.

HON. GEORGE S. BOUTWELL, *Secretary of the Treasury.*

By the CHAIRMAN:

Q. The letter you now exhibit to the committee is the original letter.—A. Yes, sir; it is the President's writing throughout. When I left Washington about the 1st of August I had an understanding with Judge Richardson that the sales of gold for the purposes of the sinking fund would go on in the month of September; that any additional sale would be a subject of consideration. Indeed, all along we have proceeded upon the idea that sales for the sinking fund should be made in any circumstances likely to arise. On the 1st of September I wrote to Judge Richardson this letter. (Letter appended to the testimony of this witness.) Upon the receipt of the President's letter on the evening of the 4th of September I telegraphed to Judge Richardson this dispatch: "Send no order to Butterfield as to sales of gold until you hear from me." The intention of this was to limit the proposals for the sale of gold for the month of September to sales of gold for the sinking fund. The paper already presented will show what was done.

By Mr. JONES:

Q. Do you mean to say previous to the reception of this letter of September 4 that you had ordered the sale of gold and the purchase of bonds, and that after the reception of that letter you had revoked the order and confined it to the purchase of bonds for the sinking fund?—

A. Yes; I sent this dispatch which Judge Richardson understood to refer to sales of gold over and above what was necessary for the sinking fund for that month, except that Mr. Spinner made during that month the sale of an amount of gold, probably eight hundred thousand dollars, which he had collected as interest on the bonds already owned by the government.

Q. Then you were acting rather in accordance with the suggestion of the President not to push down the price of gold.—A. The suggestion of the President, that he thought a fall in the price of gold would affect unfavorably the bringing of the crops from the West, led me to countermand the order for that month, so far as it authorized anything beyond what was necessary for the sinking fund.

Q. How did you consider the letter of the 12th of September, in which the President said "I would move on;" did he mean to say that he would act in pursuance of his policy—that is, not to endeavor to check

the price of gold?—A. I understood it to mean that in the existing condition of things in New York, as they appeared to him on the 12th, he would advise no change in our programme for the month of September.

Q. That was the only letter you received from the President after that of the 4th of September?—A. I think so.

Q. What policy do you understand to be referred to in the President's letter of September 12, which he thinks ought to be carried out for September?—A. As I understood it, it was that he would allow the existing order to remain, which was, as I recollect it, to sell a million of gold on alternate weeks for the benefit of the sinking fund during the month of September.

By the CHAIRMAN :

Q. Was the action of the government in any way changed or thwarted during that month?—A. On the 24th of September we issued an order for the sale of four millions of gold extra.

By Mr. JONES :

Q. Did you receive any other letter from the President after this of the 12th of September, or any suggestion from him in any way whatever, as to the policy of selling gold or withholding?—A. No, sir ; I came to Washington very soon after this, and the President also returned to Washington.

Q. Did you receive any communication from the President while he was at Washington, Pennsylvania?—A. My impression is, not. I have no recollection of receiving a letter from him. I certainly received no communication from him, unless it was in writing, and I should remember it if I had received such a communication.

Q. Then I understand you, after the writing of that letter, you received no communication from the President, written or otherwise, in reference to the sale of gold.—A. Not until I met him at Washington.

Q. When did you meet him in Washington?—A. I am not able to say. The first time I recollect having a consultation in reference to the price of gold in New York was on the 23d, the day preceding the explosion or crisis. I went over to the Executive Mansion that evening for the purpose of talking in reference to the condition of the country growing out of this movement in regard to the price of gold.

Q. What were his views then?—A. His views were that if the price of gold advanced materially the next day, as we apprehended it would, it would be the duty of the government to sell gold to save the country from the disasters of a panic.

Q. What was the price of gold on that day?—A. My recollection is that it was about 145.

Q. Was it the President's opinion that, unless it advanced, it would not be politic to sell gold?—A. I do not think any opinion was expressed on that point. I know this, however, that the President deprecated exceedingly the high price of gold at that moment. He thought it was an injury to the country, as I did myself. He thought it was an unnatural price for gold.

Q. The inference from that letter of September 4th was that the sales of gold ought not to be pressed?—A. No, sir ; I do not think the President, in writing or in any other way, indicated his desire that gold should advance. The suggestion was that it should not be forced down during the month of September when the crops were to be moved ; that they could not be moved as well upon a falling market as upon a stationary market.

Q. Did he think in this interview of the 23d the price of gold was too high?—A. Yes; that it had been forced up by a combination; that there was no natural cause that justified the then existing price.

By the CHAIRMAN:

Q. Was there anything in either of the letters of the President that you regarded as an order?—A. No, sir; I was left entirely free, and by the terms of the letter received September 4 he stated that he did not wish to control my action.

Q. Has the President, at any time since you have been Secretary of the Treasury, given a direct order to you as to the sales of gold?—A. Never. I want to say that in all the sales of gold and the purchases of bonds, although I have sometimes consulted with the President—and I have not always consulted him—I consider myself officially responsible for all that has been done by the Treasury Department in regard to purchases and sales, as well previous to the letter I received on the 4th of September as subsequent to it. I did not then regard any material advance in the price of gold as probable, and I thought it was comparatively immaterial whether we sold four millions during that month or refrained; but I saw the President had an apprehension that the price of gold might be forced down to the injury of a large section of the country, and I respected that opinion.

By Mr. COX:

Q. Have you stated in that connection the law or laws which authorizes you, as Secretary of the Treasury, to sell gold?—A. I understand the law as giving me that authority.

Q. What is the law which authorizes you to sell gold for any purpose?—A. I have not the statutes before me.

Q. Could not you refer to the law by date so that I can consult it?—A. I could not at this moment. I have examined the act so as to satisfy myself that there is lawful authority for the sale of gold.

Q. Will you furnish to the committee a reference to that authority?—A. I will do so. (Statutes XII, chapters 33 and 142.)

By Mr. JONES:

Q. You stated in answer to the chairman that the President had never ordered sales of gold. In this letter of the 12th of September he makes a suggestion as regards your policy, and says, "I would move on;" has it been his habit to make suggestions on this subject, or has he ever done so in other letters to you?—A. I think these two letters to which I have referred are the only letters in which he has made suggestions to me about the financial policy of the government. I ought to say that when he was here I consulted him not in reference to every step, but we frequently conversed together.

Q. What did you understand by the term "move on"?—A. I understood by it that he would then advise no changes in our programme for the month of September.

Q. That he would go on in the same way you did for the month of August?—A. No.

By the CHAIRMAN:

Q. Has there been any correspondence between the Treasury Department and General Butterfield, other than what you have already mentioned, touching gold transactions or gold certificates?—A. I understand there was a correspondence between General Butterfield and Judge Richardson, the Assistant Secretary, in reference to the amount of gold

certificates outstanding held by the banks of the country, but I have not read that correspondence.

Q. Please furnish the committee with a copy of that correspondence?—A. I will do so.

Q. Have you any knowledge of a check of ten thousand dollars of General Butterfield which is alleged to have been carried in the accounts of the sub-treasury?—No, sir; I have not.

By Mr. LYNCH:

Q. What connection has the certification of checks by the banks with any operations of the government or the Treasury Department?—A. As far as the business of the sub-treasury is concerned, especially in New York, where my attention has been more particularly directed, I have endeavored to prevent the custom absolutely. I think formerly they have been received; that there has been a disposition on the part of the sub-treasurers to use them as a matter of convenience. I think the orders I have issued have broken up that practice entirely.

Q. State whether the general certification of checks by the banks of the country, which appears to be disapproved by the department, has any connection whatever with the operations of the Treasury, or whether it only concerns the general business of the country.—A. I think it should be said, as far as I know, that it concerns almost exclusively, if not entirely so, the general business of the country, and not at all the business of the Treasury Department. I understand that there is a practice among the internal revenue officers of receiving checks in payment of taxes. I have no knowledge as to how far it extends.

Q. Let me ask you whether, so far as the government is concerned in its operations, it has not the power to protect itself entirely in regard to these certified checks without any legislation upon the subject?—A. I consider it unlawful for any agent of the Treasury Department to receive a certified check on account of the government.

Q. Then no legislation is necessary to protect the government?—A. No, sir; I do not understand that there is.

By the CHAIRMAN:

Q. If the national banks should certify checks to a very great extent might they not ultimately come back on the Treasury through the guarantees we are compelled to give them, and thus indirectly affect the government finances?—A. There is a possibility of that, but in the first place their circulation is protected by a deposit of bonds, and the banks that are made depositories of government funds by the deposits of collectors of internal revenue or disbursing officers are required also to make a deposit of government bonds, and we intend to keep the deposits in each bank at an amount less than the amount of bonds in the hands of the Treasurer of the United States as security for such deposits. It does, however, sometimes happen in the course of business, when the receipts from internal revenue are large, that the deposits in a particular bank may exceed the amount of securities in possession of the government. We endeavor to avoid that, and to require that the security shall always be ample.

By Mr. LYNCH:

Q. Do you communicate through the telegraph any cipher?—A. I think two communications were made in the cipher of the company on the 25th of September in regard to the bids. The cipher would be understood by the operator. There was no cipher used on the 24th.

Q. It has been testified before the committee that the purpose of the



department to sell gold was known in New York some time before it came from the sub-treasury. Is there a government telegraph operator?—A. No, sir; so far as I know the department has no facilities in respect to the telegraph beyond those which every individual has.

By the CHAIRMAN:

Q. Do you know of any officer of the government of the United States who was interested, directly or indirectly, or concerned in the speculative movement in gold in September last?—A. I do not. The only person on whom any suspicion rests in my mind is General Butterfield.

Mr. Cox presented the following letter as giving the data on which he had asked certain questions of the witness:

THE ARLINGTON,  
*Washington, D. C., Monday, a. m., January 31, 1870.*

MY DEAR SIR: As you are the only member from the city of New York of the Committee on Banking and Currency, before which I was examined Saturday, I address a note to you to make a request in your official capacity, as being the only representative from my home on that committee. I respectfully ask, before your committee closes its labors, that the following gentlemen may be summoned before you, viz: Hon. G. S. Boutwell, esq., of the Treasury, Hon. W. A. Richardson, late Assistant Secretary of the Treasury, and General Spinner, United States Treasurer.

I desire these gentlemen to be asked fully whether they have any knowledge, or reason to believe, that I had at any time, from themselves or their subordinates, any information or advice of their intended policy or purchases or sales of bonds or gold, that would have given me any notice in advance of the public, to make purchases or sales for my own advantage; also, whether I ever attempted, by letter or otherwise, to influence, in any manner, such purchases or sales or their policy; also, what was the character of my administration of the office of assistant treasurer for efficiency, integrity, or otherwise, and how I discharged my duties.

I ask Judge Richardson to be summoned, because he was the acting Secretary for a month during Mr. Boutwell's absence, in order that the whole time may be covered; and I ask General Spinner to be recalled for the reason that he must have abundant opportunities to estimate and know with regard to these questions. Evidence on this point is called for by many considerations of justice and fairness to myself; also, because I have been examined touching other officials and witnesses.

If not improper, I respectfully request that this letter may be made part of the record of the committee.

Very respectfully, your obedient servant,

DAN'L BUTTERFIELD.

Hon. S. S. Cox, of New York.

Purchase of bonds by the Secretary of

Date.	On what account.	Act of—			Act of March 3, 1865.
		February 25, 1862.	Mar. 3, 1864: 5-20s.	June 30, 1864.	May and November.
1869.					
May 12	Sinking fund.....	\$300,000		\$700,000	
19	do.....	46,000	\$70,000	50,000	\$130,000
20	do.....	70,000			
26	do.....	635,000		265,000	100,000
June 2	do.....	255,000		35,000	95,000
9	do.....				
16	do.....				
16	do.....			1,000	
23	do.....	90,000			
26	do.....	225,000			140,000
July 1	do.....	40,000		20,000	
3	Special purchase.....	74,000		40,000	55,000
9	do.....	307,000		225,000	140,000
14	do.....			470,000	
15	Sinking fund.....				
21	Special purchase.....	95,000	5,000	802,000	411,500
28	do.....	535,000	130,000	208,000	72,000
29	Sinking fund.....	461,000	35,000	65,000	20,000
Aug. 4	Special purchase.....	505,500	105,000	544,150	179,800
11	do.....	144,000	3,000	414,300	67,000
12	Sinking fund.....	149,000	32,000	48,000	235,000
18	Special purchase.....	455,800	255,000	350,700	129,500
25	do.....	266,750		255,000	860,000
26	Sinking fund.....	272,000		164,000	110,000
Sept. 1	Special purchase.....	258,500		640,500	314,000
8	do.....	480,000		316,000	125,000
10	Sinking fund.....	68,000		227,700	59,050
15	Special purchase.....	238,100		159,650	21,300
22	do.....	11,000	10,000	187,150	227,400
23	Sinking fund.....	117,500		392,000	153,000
25	Special purchase.....	185,950		109,000	146,200
29	do.....	240,200	400	636,450	81,250
Oct. 6	do.....	83,000		114,000	123,500
7	Sinking fund.....	12,000		58,000	2,000
13	Special purchase.....	51,000		85,300	4,100
29	do.....	50,000		123,000	
21	Sinking fund.....				
27	Special purchase.....	6,000	1,000	38,000	5,000
Nov. 3	do.....	132,000		288,800	50,400
4	Sinking fund.....	190,000		115,000	2,000
4	Special purchase.....	46,500		23,000	17,000
5	Sinking fund, (interest purchase).....	110,000	15,000	70,000	6,300
5	Special fund, (interest purchase).....	110,000		165,000	58,000
10	Special purchase.....	605,000		18,000	
17	Sinking fund.....	33,300		48,100	12,000
17	Special purchase.....	264,000		293,500	275,000
24	do.....	617,000		319,100	106,000
Dec. 1	do.....	437,700	2,000	543,200	80,000
2	Sinking fund.....	74,250		449,100	28,000
8	Special purchase.....	1,015,500	25,000	211,250	237,450
15	do.....	219,750		246,600	133,000
16	Sinking fund.....	149,500	1,000	220,000	186,000
22	Special purchase.....	272,100		401,150	78,300
29	do.....	158,550		290,100	329,550
30	Sinking fund.....	25,000		327,000	68,000
	Total.....	11,192,550	749,400	11,773,400	5,070,600

the Treasury to December 31, 1869.

Act of March 3, 1865.			Total.	Amount paid.	Average each purchase.	Total average.	Rate of gold on day of purchase.	Average price in coin.	Total average in coin.
Consols.	1867s.	1866s.							
			\$1,000,000	\$1,155,070 00	115.50	115.50	138½	83.56	83.56
	\$704,000		1,000,000	1,163,512 10	116.85	116.18	141½	82.43	82.99½
			70,000	81,718 00	116.74	116.20	144½	80.93	82.93
			1,000,000	1,133,581 50	115.35	115.92	140½	82.03	82.63
875,000	415,000	\$125,000	1,000,000	1,104,058 90	116.40	116.04	139½	83.52	82.85
100,000	820,000	80,000	1,000,000	1,161,967 00	116.19	116.07	139	83.59	83.00
	1,000,000		1,000,000	1,152,950 00	115.29	115.94	137½	83.92	83.15
			1,000						
15,000	1,515,000		1,620,000	1,870,402 50	115.45	115.83	137½	84.19	83.37
271,000	264,000	100,000	1,000,000	1,158,228 25	115.82	115.83	137½	84.23	83.47
275,000	665,000		1,000,000	1,158,098 75	115.81	115.82	137½	84.23	83.55
260,000	2,571,000		3,000,000	3,496,474 00	116.55	116.00	136½	85.15	83.93
868,000	1,425,500	34,500	3,000,000	3,518,044 00	117.27	116.24	136½	86.15	84.35
1,713,000	617,000	200,000	3,000,000	3,607,622 90	120.25	116.88	137½	87.53	84.86
210,000	790,000		1,000,000	1,201,850 00	120.18	117.05	136½	87.89	85.01
1,118,000	396,000	171,000	3,000,000	3,600,028 89	120.00	117.44	135	88.89	85.53
1,295,000	200,000	500,000	3,000,000	3,604,859 00	120.16	117.76	136½	88.19	85.84
313,500	61,000	44,500	1,000,000	1,201,570 55	120.15	117.85	135½	88.43	85.93
542,550	97,000	26,000	2,000,000	2,431,136 80	121.55	118.11	135½	89.46	86.18
1,032,700	161,500	177,500	2,000,000	2,422,038 27	121.10	118.30	135½	89.37	86.39
200,000	336,000		1,000,000	1,198,931 70	119.89	118.35	134½	88.89	86.47
475,000	303,000	31,000	2,000,000	2,378,781 81	118.94	118.39	133	89.43	86.64
412,300	190,450	15,500	2,000,000	2,389,539 01	119.47	118.45	133½	89.66	86.81
429,000	4,000	21,000	1,000,000	1,196,247 80	119.62	118.48	133½	89.44	86.88
188,000	580,000	19,000	2,000,000	2,401,991 00	120.10	118.56	133½	90.22	87.06
771,000	262,000	46,000	2,000,000	2,356,000 00	117.80	118.53	130	86.62	87.03
423,500	208,750	13,000	1,000,000	1,183,972 53	118.40	118.52	135½	87.62	87.05
1,041,550	491,400	48,000	2,000,000	2,369,639 55	118.48	118.52	136	87.12	87.05
1,274,659	261,800	28,000	2,000,000	2,337,657 62	116.88	118.45	137½	84.93	86.96
147,100	120,000	73,500	1,000,000	1,165,548 50	116.53	118.41	141½	82.44	86.86
1,252,200	1,214,150	92,500	3,000,000	3,537,158 16	117.90	118.38	133.42	88.37	86.95
1,605,500	424,700	11,500	3,000,000	3,473,533 12	115.78	118.23	130.50	88.72	87.05
681,500	979,500	18,500	2,000,000	2,319,139 18	115.95	118.15	130	89.19	87.13
231,000	672,000	25,000	1,000,000	1,150,945 10	115.99	118.11	131½	88.37	87.15
23,300	96,200	34,000	153,500	178,187 69	116.08	118.10	131½	88.44	87.16
683,500	1,169,600	3,500	2,000,000	2,318,883 53	115.94	118.03	130½	89.01	87.22
196,000	1,611,000	20,000	2,000,000	2,314,079 00	115.70	117.95	130½	88.91	87.23
1,000,000			1,000,000	1,152,000 00	115.20	117.91	130½	88.53	87.30
950,000	1,000,000		2,000,000	2,292,600 00	114.63	117.80	130½	88.09	87.32
1,522,150	4,150	2,500	2,000,000	2,257,255 21	112.86	117.65	127½	88.60	87.36
276,250	404,750	12,000	1,000,000	1,129,090 29	112.90	117.58	127	88.89	87.39
723,950	148,050	41,500	1,000,000	1,126,843 74	112.68	117.50	127	88.72	87.41
			433,000	492,158 94	113.66	117.48	126½	89.94	87.42
100,000			201,300	227,580 43	113.06	117.47	126½	89.46	87.43
415,000	827,000	135,000	2,000,000	2,259,000 00	112.95	117.34	127½	88.85	87.47
394,100	472,500	40,000	2,000,000	2,256,513 69	112.82	117.21	127½	88.75	87.51
660,900	309,000	197,000	1,000,000	1,129,039 02	112.90	117.15	127½	88.81	87.52
1,420,100	432,700	114,500	3,000,000	3,382,483 67	112.75	116.98	126½	89.21	87.59
833,100	40,000	64,000	2,000,000	2,206,992 21	110.35	116.80	121½	90.64	87.67
263,050	151,100	34,500	1,000,000	1,102,659 61	110.26	116.72	122½	90.10	87.70
388,000	113,800	9,000	2,000,000	2,248,236 56	112.41	116.61	123½	90.93	87.73
1,274,200	125,950	500	2,000,000	2,239,710 90	111.98	116.50	121½	91.98	87.88
436,200	7,300		1,000,000	1,118,412 34	111.84	116.45	121½	92.05	87.93
1,170,350	7,600	500	2,000,000	2,215,985 83	110.79	116.31	121½	91.94	88.03
1,077,550	140,250	4,000	2,000,000	2,230,427 12	111.02	116.19	120	92.52	88.13
360,000	220,000		1,000,000	1,110,507 80	111.05	116.14	119½	92.93	88.18
31,368,650	25,090,700	2,613,500	88,478,800	102,754,943 98					

The following papers are referred to in the testimony of Mr. Boutwell:

*Sales of coin and average price paid for the same to December 31, 1869.*

Date.	Amount sold.	Amount realized.	Average.	Total average.
1869.				
April 29 .....	\$1,000,000	\$1,340,125 00	\$34.01	\$34.01
May 6 .....	1,000,000	1,361,925 00	36.19	35.10
May 13 .....	1,000,000	1,384,100 00	38.41	36.20
May 20 .....	1,000,000	1,418,225 00	43.82	38.11
May 24 .....	1,000,000	1,421,110 00	42.11	38.91
May 27 .....	1,000,000	1,388,630 00	38.86	38.90
May 31 .....	1,000,000	1,355,470 00	38.55	38.85
June 3 .....	1,000,000	1,382,647 50	38.26	38.78
June 7 .....	1,000,000	1,386,512 50	38.65	38.76
June 10 .....	1,000,000	1,359,491 25	38.95	38.78
June 14 .....	1,000,000	1,391,835 25	39.18	38.82
June 17 .....	1,000,000	1,378,775 62	37.88	38.74
June 21 .....	1,000,000	1,367,600 00	36.76	38.58
June 24 .....	1,000,000	1,366,795 00	36.68	38.45
June 28 .....	1,000,000	1,375,003 75	37.50	38.39
July 8 .....	1,000,000	1,355,350 00	35.53	38.21
July 22 .....	1,000,000	1,352,359 37	35.24	37.45
August 5 .....	1,000,000	1,361,300 00	36.13	37.93
August 19 .....	1,000,000	1,330,720 00	33.07	37.67
September 2 .....	1,000,000	1,336,600 60	33.66	37.97
September 16 .....	500,000	681,480 60	36.29	37.44
September 17 .....	500,000	682,130 00	36.42	37.42
September 25 .....	2,000,000	2,668,350 00	33.42	37.07
September 28 .....	897,000	1,170,490 50	30.49	36.82
September 30 .....	1,000,000	1,304,630 15	30.46	36.57
October 1 .....	1,000,000	1,299,408 85	29.94	36.31
October 5 .....	1,000,000	1,299,414 37	29.94	36.08
October 8 .....	1,000,000	1,312,030 75	31.20	35.90
October 12 .....	1,000,000	1,302,632 00	30.26	35.71
October 14 .....	1,000,000	1,300,279 50	30.03	35.60
October 15 .....	1,000,000	1,300,195 00	30.02	35.31
October 19 .....	1,000,000	1,300,211 60	30.02	35.17
October 22 .....	1,000,000	1,311,300 00	31.13	35.07
October 26 .....	1,000,000	1,309,543 25	30.05	34.90
October 28 .....	1,000,000	1,288,580 25	28.86	34.73
October 29 .....	1,000,000	1,285,101 00	28.51	34.56
November 2 .....	1,000,000	1,275,233 75	27.52	34.36
November 5 .....	1,000,000	1,267,603 00	26.76	34.08
November 9 .....	1,000,000	1,270,992 25	27.10	33.98
November 11 .....	1,000,000	1,265,644 00	26.56	33.86
November 12 .....	1,000,000	1,265,782 50	26.58	33.62
November 16 .....	1,000,000	1,270,739 50	27.07	33.46
November 19 .....	1,000,000	1,265,359 20	26.53	33.30
November 23 .....	1,000,000	1,265,468 75	26.55	33.15
November 25 .....	1,000,000	1,252,150 75	25.21	32.97
November 26 .....	1,000,000	1,245,795 25	24.58	32.79
December 3 .....	1,000,000	1,221,030 00	22.10	32.56
December 7 .....	1,000,000	1,227,849 00	22.78	32.36
December 9 .....	1,000,000	1,235,853 80	23.58	32.17
December 10 .....	1,000,000	1,228,211 50	22.82	31.90
December 14 .....	1,000,000	1,321,907 50	32.19	31.80
December 17 .....	482,000	584,944 30	21.36	31.70
December 23 .....	1,600,000	1,204,840 31	20.48	31.48
December 28 .....	1,000,000	1,200,557 00	20.05	31.27
December 31 .....	20,000	24,003 00	20.01	31.27
Total .....	53,399,000	70,095,326 82		

CORRESPONDENCE BETWEEN THE TREASURY DEPARTMENT AND THE ASSISTANT TREASURER AT NEW YORK IN REGARD TO GOLD AND GOLD CERTIFICATES.

1. From acting Assistant Treasurer to Comptroller of Currency, August 30, 1869, asking copy of circular to national banks, of August 25, 1869.
2. From same to same, September 10, 1869, inclosing bank statements of coin assets, &c.
3. From Comptroller of Currency to Assistant Treasurer, New York, September 20, 1869, inclosing coin accounts of national banks.
4. From same to same, September 21, 1869, exhibiting items counted as specie in national banks.
5. From Assistant Treasurer Butterfield to Assistant Secretary Richardson, August 18, 1869, in regard to prevention of fraud in gold certificates.

6. From Assistant Secretary Richardson responsive to Assistant Treasurer Butterfield, August 19, 1869.
7. From Assistant Treasurer Butterfield to Assistant Secretary Richardson, August 20, 1869, statement of gold certificates agrees with Treasury records except as to \$15,000.
8. From Assistant Secretary Richardson to Assistant Treasurer Butterfield, August 21, 1869, number of coin certificates held by national banks.
9. From Assistant Treasurer Butterfield to Assistant Secretary Richardson, responsive, August 23, 1869.
10. From Jay Gould to Secretary Treasury, August 30, 1869, in regard to the Secretary's financial policy.
11. From same to same, September 20, 1869, suggesting forty-five per centum as price of gold.
12. From United States Treasurer Spinner to Secretary Treasury, September 28, 1869, with statement of amount of gold certificates.
13. Report of committee, gold coin and bullion in sub-treasury New York, December, 2, 1869.

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No. 1.

UNITED STATES TREASURY,  
New York, August 30, 1869.

SIR: Will you please cause to be forwarded to me ten of your circular letters to national banks bearing date August 25, 1869, and accompanying forms of statement to be rendered September 8, 1869, of coin, &c., on hand, and oblige, very respectfully,

W. G. WHITE,  
Acting Assistant Treasurer.

Hon. H. R. HULBURD,  
Comptroller of Currency, Washington, D. C.

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No. 2.

UNITED STATES TREASURY,  
New York, September 10, 1869.

SIR: I beg to inclose herewith the statements of some of the city banks, not national, as to the items making up their coin assets, on the morning of September 8, 1869.

The Gold Exchange and others, whose statements are inclosed, express a desire to be furnished with the statement of the general result. I should wish to have given them all the information you furnish.

Very respectfully,

W. G. WHITE,  
Acting Assistant Treasurer.

Hon. H. R. HULBURD,  
Comptroller of the Currency, Washington, D. C.

NOTE.—The statement hereto appended, marked A, is a copy of the consolidation of the original detailed statements.

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A.

Statement exhibiting the items embraced in the coin or specie account of the thirteen State banks of New York City, at the commencement of business on the morning of Wednesday, September 8, 1869.

Gold coin.....	\$263, 645 00	
Gold bars.....	.....	
	—————	\$263, 645 00
Silver coin.....	124, 054 59	
Silverbars.....	.....	
	—————	124, 054 59

## GOLD CERTIFICATES.

Tens.....		
Twenties.....	\$9,150	
Hundreds.....	122,200	
Five hundreds.....	93,000	
Thousands.....	216,000	
Five thousands.....	360,000	
Ten thousands.....	60,000	
		\$865,380 00
Checks payable in gold.....		45,491 31
Coupons payable in gold.....		55 50
Other items counted as specie :		
Description.....		2,855 21
Total.....		<u>1,301,481 61</u>

Cashier.

To COMPTROLLER OF CURRENCY, *Washington, D. C.*

No. 3.

TREASURY DEPARTMENT,  
OFFICE OF COMPTROLLER OF CURRENCY,  
*Washington, September 20, 1869.*

SIR: I inclose herewith statement exhibiting the items of the coin accounts of the national banks of the United States on the morning of the 8th instant, and will tomorrow send you a detailed statement showing the different items of specie held by the banks of the several States and Territories.

Very respectfully,

H. R. HULBURD, *Comptroller.*

General DAN'L BUTTERFIELD,  
*Assistant Treasurer United States, New York City.*

NOTE.—Statement appended marked B, with supplement marked C.

## B.

*Statement exhibiting the items embraced in the coin or specie account of the national banks of the United States, at the commencement of business on the morning of Wednesday, September 8, 1839.*

Gold coin.....	\$5,489,572 57	
Gold bars.....	43,919 36	
		\$5,533,491 93
Silver coin.....	545,815 97	
Silver bars.....	20,340 34	
		566,156 31

## GOLD CERTIFICATES.

Tens.....		
Twenties.....	\$34,700	
Hundreds.....	366,300	
Five hundreds.....	283,500	
Thousands.....	1,034,000	
Five thousands.....	8,390,000	
Ten thousands.....	380,000	
		10,488,500
Checks payable in gold.....		339,354 33
Coupons payable in gold.....		183,576 25
Other items counted as specie :		
Description.....		37,062 64
Total.....		<u>17,148,141 46</u>

Cashier.

To COMPTROLLER OF CURRENCY, *Washington, D. C.*

TREASURY DEPARTMENT,  
OFFICE OF COMPTROLLER OF THE CURRENCY,  
*Washington, August 25, 1869.*

SIR: Will you do me the favor to fill up the form furnished herewith, so as to exhibit a detailed statement of the items of which your coin or specie account is composed? The information is desired for general or statistical purposes, and not with any reference to the condition of the banks in this respect.

In order that the returns may be simultaneous, you are requested to make the statement at the commencement of business on the morning of Wednesday, September 8, 1869. Please mail the return promptly on that day.

Very respectfully, yours,

H. R. HULBURD,  
*Comptroller of the Currency.*

To ———, Esq., *Cashier* — *National Bank.*

C. (Supplementary to Exhibit B.)

*Statement exhibiting the items embraced in the coin or specie account of the national banks of the city of New York, at the commencement of business on the morning of Wednesday, September 8, 1869.*

Gold coin.....	\$2,395,254 50	
Gold bars.....	39,845 78	
		\$2,435,100 28
Silver coin.....	217,372 54	
Silver bars.....	16,822 84	
		234,195 38

GOLD CERTIFICATES.

Tens.....		
Twenties.....	\$33,860	
Hundreds.....	354,200	
Five hundreds.....	280,000	
Thousands.....	998,000	
Five thousands.....	8,250,000	
Ten thousands.....	380,000	
		10,296,060 00
Checks payable in gold.....		205,187 24
Coupons payable in gold.....		48,638 50
Other items counted as specie:		
Description.....		7,413 94
Total.....		13,226,595 34

—————, *Cashier.*

To COMPTROLLER OF CURRENCY, *Washington, D. C.*

TREASURY DEPARTMENT,  
OFFICE OF COMPTROLLER OF THE CURRENCY,  
*Washington, August 25, 1869.*

SIR: Will you do me the favor to fill up the form furnished herewith, so as to exhibit a detailed statement of the items of which your coin or specie account is composed? The information is desired for general or statistical purposes, and not with any reference to the condition of the banks in this respect.

In order that the returns may be simultaneous, you are requested to make the statement at the commencement of business on the morning of Wednesday, September 8, 1869. Please mail the return promptly on that day.

Very respectfully, yours,

H. R. HULBURD,  
*Comptroller of the Currency.*

To ———, Esq., *Cashier* — *National Bank.*

No. 4.

TREASURY DEPARTMENT,  
OFFICE OF COMPTROLLER OF THE CURRENCY,  
September 21, 1869.

SIR: I inclose you herewith a statement exhibiting the items counted as specie held by the national banks of the several States and Territories, on the morning of the 8th instant, which will, I hope, be satisfactory.

Very respectfully,

H. R. HULBURD, *Comptroller.*

General DANIEL BUTTERFIELD,  
*Assistant Treasurer United States, New York City.*

NOTE.—The statement accompanying the above was a large, bulky one, exhibiting the State and Territorial distribution of the items forming the aggregates of the consolidated statement A for the whole United States.

No. 5.

UNITED STATES TREASURY,  
*New York, August 18, 1869.*

DEAR SIR: I have labored under much apprehension with regard to gold certificates, ever since I have taken charge of this treasury. I am trying to bring the matter to such a system, as far as we are concerned here, that any attempt at any fraud in connection with gold certificates may be immediately detected. I see no reason to prevent fraudulent gold certificates being kept concealed and unknown to government in any of our banks, should the bank officers have failed to detect them and received them as good. Again, if at any time there should have been an over-issue it could not be detected short of calling in and canceling all outstanding certificates. While such things may not have occurred, and I have no positive idea that they have, still it is a portion of my duty to exercise every possible precaution in the premises.

My attention is more particularly called to the matter, from the fact that the original design of canceling all gold certificates upon their return to the treasury and not reissuing them, has been departed from—why, I do not know—and again, that my record here shows outstanding only \$33,164,940 of gold certificates.

We have in our own cash for daily use, and in readiness for interest payments, the sum of .....	\$10,122,980
The banks report last week (gold) .....	24,154,499
There is usually with brokers and dealers, merchants, &c., say .....	1,000,000

35,277,479

If the statement is true that the banks hold their specie all in certificates, then there is good reason for apprehension. I would respectfully suggest that the national bank examiners in New York, Boston, Philadelphia, and Baltimore, on a given day, say next Saturday, as that is bank statement day, be directed to visit all the banks on that day and run over their specie items, taking a brief record of the amount held in gold and the amount held in certificates, the latter record to be taken so as to show the number of notes and denominations. This record taken on the same day, simultaneously at the points named, would develop any irregularity if such a thing exists. It might be done without an examination, possibly by sending a circular to the banks, directing them to make a specific return as above, at a given time.

It would be better here in New York to have an examiner familiar with gold certificates.

I trust that I may not be considered as going beyond the line of my duty by the suggestion.

I am, very respectfully, your obedient servant,

DANIEL BUTTERFIELD,  
*Assistant Treasurer.*

Hon. WILLIAM A. RICHARDSON,  
*Acting Secretary of the Treasury, Washington, D. C.*



No. 6.

TREASURY DEPARTMENT, *August 19, 1869.*

SIR: The subject of your letter of the 18th instant, in relation to the possibility of frauds in the issue of gold certificates, had been somewhat considered before the receipt of your letter. It was for the purpose of guarding against such cases that the numbers of gold certificates redeemed elsewhere were forwarded to you, that the fact of their cancellation might be noted on your books. As all these certificates are numbered and recorded both in your office and here, is not that a sufficient guarantee against duplicates ever being redeemed? If you think it is not, we will take such other measures as on consideration you may deem best.

I think there is very little probability that all that which the banks represent as coin in their reports, is composed of gold certificates.

Most banks undoubtedly have some gold, and they often reckon matured coupons as specie, I think.

Yours, respectfully,

WM. A. RICHARDSON,  
*Acting Secretary.*

No. 7.

UNITED STATES TREASURY,  
*New York, August 20, 1869.*

SIR: In reply to your letter of the 19th instant in regard to gold certificates, we have checked up by records here with the statements furnished from your office of our issue, and have thus far been able to make everything apparently straight, with the exception of \$15,000. The cause of our being unable to make this compare will be furnished in detail by my cashier, who has been directed to prepare a letter giving detailed information upon the subject. You ask me whether the numbering and recording of the certificates, both in your office and here, is not a sufficient guarantee against duplicates over being redeemed? While this, possibly, might be a sufficient guarantee, a still better precaution would be furnished by as definite a knowledge as possible of the fact as to the existence or non-existence of a greater amount of gold certificates than our records would show to be properly issued.

I am still of the opinion that the best course to pursue with regard to the subject is to have the various treasuries and the national banks furnish, on a given day, to be fixed sufficiently in advance to make the statement simultaneous, a detailed account of their gold balance, giving the amount in gold coin, and checks for gold on other banks, and their gold certificates, the denominations and numbers.

These statements aggregated would undoubtedly show any unauthorized or counterfeit issue of gold certificates in existence. A careful comparison of the record of denominations and numbers of gold certificates outstanding with this return would make me feel more comfortable upon the subject.

I am, sir, your obedient servant,

DANIEL BUTTERFIELD,  
*Assistant Treasurer.*

Hon. WM. A. RICHARDSON,  
*Acting Secretary of the Treasury, Washington, D. C.*

No. 8.

TREASURY DEPARTMENT, *August 21, 1869.*

SIR: I have consulted the Comptroller of the Currency in relation to obtaining from the national banks the number of coin certificates held by them, and he is quite willing to undertake to obtain the information you desire. In your letter of yesterday on the subject you seem to incline to think it best to obtain a "detailed account of their gold balances, giving the amount in gold coin and checks for gold on other banks, their gold certificates, denomination and number." This would complicate the inquiry somewhat. Would it not be sufficient for all the purposes you mention to ask simply for information in regard to gold certificates?

Yours, respectfully,

W. A. RICHARDSON,  
*Acting Secretary.*

Hon. DANIEL BUTTERFIELD,  
*Assistant Treasurer U. S., New York.*

No. 9.

UNITED STATES TREASURY,  
New York, August 23, 1869.

MY DEAR SIR: Yours of 21st in relation to gold certificates, &c., received. I think that it would be better to ask for the statement entire. If the gold certificates are all correct and right, we would not like it to appear that we had any idea or suspicion to the contrary. If it is the custom of the banks to count checks upon each other as gold, it is desirable to know that fact, and to what extent it exists, it being a question having much to do with the gold resources of the country, and one that I suppose the Secretary would be glad to be well advised about.

The President asked me, when here, what amount of gold I supposed there was in the country. I could give him no idea, for the reason that the banks probably count their gold in this way. Should you ask for a statement of the gold certificates alone, it might give rise to rumors or alarms that would be used for speculative purposes, or to malign the Secretary or the officers of the treasury at Washington. I desire no other information than the specific information with regard to "gold certificates," but it seems to me much better to make the circular and inquiry broad enough to prevent its call from being used for malicious purposes. Say that they should be requested to report as follows, viz:

GOLD, viz:	
Gold coin or bars.....	\$
Gold checks on other banks.....	\$
Gold certificates.....	\$
<hr/>	
Total.....	\$
Of the gold certificates there are in—	
10's.....	\$
20's.....	\$
50's.....	\$
100's.....	\$
1000's.....	\$
5000's.....	\$
<hr/>	
Total.....	\$

This report would, it seems to me, be more likely to avoid confusion and error than to cause it. My purposes and wishes will be fully served by a complete return of the gold certificates. The quicker I get it the better I shall be pleased and made to feel comfortable, if it is found correct.

I am, very respectfully, your obedient servant,

DANIEL BUTTERFIELD,  
Assistant Treasurer.

HON. WILLIAM A. RICHARDSON,  
Acting Secretary of the Treasury, Washington, D. C.

General SPINNER:

Can you ascertain from all the assistant treasurers the amount, &c., of gold certificates held by them at the opening of business on the morning of Wednesday, September 8? Mr. Hulburd will to-day issue a circular to the banks for the same information from them.

WM. A. RICHARDSON, Acting Secretary.

TREASURY OF THE UNITED STATES, August 27, 1869.

Respectfully returned to the Secretary with the information that circular has been addressed to the assistant treasurers and United States depositaries to procure the information desired.

F. E. SPINNER, Treasurer United States.

No. 10.

OFFICE OF THE ERIE RAILWAY COMPANY,  
President's Office, New York, August 30, 1869.

MY DEAR SIR: If the New York Times correctly reflects your financial policy during the next three or four months, viz: to unloose the currency balance at the treasury,

or keep it at the lowest possible figure, and also to refrain during the same period from selling or putting gold on the market, thus preventing a depression of the premium at a season of the year when the bulk of our agricultural products have to be marketed, then I think the country peculiarly fortunate in having a financial head who can take a broad view of the situation and who realizes the importance of settling the large balance of trade against us by the extent of our agricultural and mineral products instead of bonds and gold. You no doubt fully appreciate the fact that in the export of breadstuffs to European markets we have on our side high-priced labor and long rail transportation to compete with the cheap labor and water transportation of the great grain-producing countries of the Black and Mediterranean seas, and it is only by making gold high and scarce that the difference is equalized, and we are enabled to compete in the London and Liverpool markets. It is not merely the agricultural and producing classes all over the country, north, west and south, that are enriched by your policy of furnishing a foreign market for the surplus products of the country, at good and remunerative prices, but as well the manufacturing and commercial interest. When the former classes are prosperous they buy and consume liberally; thus bringing prosperity and wealth to the latter interests. This policy will also greatly benefit the vast railway interests—which can only prosper when the general business of the country is prosperous.

I sincerely believe that when the fruits of your policy come to be practically realized, all classes, the poor as well as the rich, will accord your services a generous appreciation.

With many apologies for thus troubling you, I remain, yours, respectfully,

JAY GOULD.

HON. GEO. S. BOUTWELL,  
*Secretary of the Treasury, Washington, D. C.*

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No. 11.

ERIE RAILWAY COMPANY,  
*President's Office, New York, September 20, 1869.*

MY DEAR SIR: On the subject of the price of gold and its effect upon the producing interests of the West, permit me to say that during the months of September of the past two years the price has averaged about 45. Gold must range this year at about that premium to enable the export of the surplus crops of wheat and corn. We have to compete with the grain-producing countries bordering on the Black and Mediterranean seas, and it requires a premium of over 40 per cent. on gold to equalize our high-priced labor and long rail transportation to the seaboard with their cheap labor and water transportation. As a practical proof of this proposition, there are now afloat for London and Liverpool, from Greek ports alone, three hundred cargoes of corn, averaging 300 tons per cargo; while here, the great trunk lines of rail between New York, the seaboard, and the West, are suffering for remunerative freights. My theory is to let gold go to a price that we can export our surplus products to pay our foreign debts, and the moment we turn the balance of trade in our favor gold will decline from natural causes. In my judgment, the government cannot afford to sell gold during the next three months, while the crops are being marketed, and if such a policy were announced it would immediately cause a high export of breadstuffs and an active fall trade.

Yours, respectfully,

JAY GOULD.

HON. GEO. S. BOUTWELL,  
*Secretary Treasury, Washington, D. C.*

P. S.—In addition to the above, if gold were put upon the market, government bonds would decline to at least 15, leaving the purchases made by the government in the past few months open to criticism as showing a loss.

J. G.

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No. 12.

TREASURY OF THE UNITED STATES,  
*Washington, September 28, 1869.*

SIR: I send herewith a statement of the amount of gold certificates on hand at the opening of business on the morning of Wednesday, September 8, 1869, in the offices of the Treasurer, assistant treasurers, and depositaries.

The last of the reports upon which the statement is based was received from the depository at Mobile yesterday; otherwise the statement would have been furnished sooner.

Very respectfully,

F. E. SPINNER,  
Treasurer United States.

Hon. G. S. BOUTWELL, *Secretary of the Treasury.*

NOTE.—This statement, marked D, was, so far as known, never furnished to General Butterfield, nor did he call attention to the omission, so far as the department is aware.

D.

*Statement of the number, denomination, and amount of gold certificates on hand at the opening of business on the morning of Wednesday, the 8th of September, 1869, in the offices of the Treasurer, assistant treasurers, and depositories of the United States.*

	Denominations.						Amount.
	\$20.	\$100.	\$500.	\$1,000.	\$5000.	\$10,000.	
Treasurer United States, Washington, D. C . . . . .	1	3					\$320
<i>Assistant treasurers United States.</i>							
F. Haven, jr., Boston, Mass. . . . .	9	40	8	3	67		346, 180
Daniel Butterfield, New York, N. Y. . . . .	580	1, 964	207	347	72		1, 018, 500
George M. Eyster, Philadelphia, Pa. . . . .	4	198	160	92	1		196, 880
A. G. Edwards, St. Louis, Mo. . . . .							
J. D. Geddings, Charleston, S. C. . . . .							
Charles Clinton, New Orleans, La. . . . .		1	2				1, 100
C. N. Felton, San Francisco, Cal. . . . .							
<i>Designated depositories.</i>							
Samuel J. Holley, Buffalo, N. Y. . . . .	69	28					4, 180
John L. Thomas, jr., Baltimore, Md. . . . .	67	133	40	49	40	3	312, 649
James E. McLean, Chicago, Ills. . . . .	5	6	1	12			13, 200
R. H. Stephenson, Cincinnati, Ohio. . . . .							
James P. Luse, Louisville, Ky. . . . .							
William Miller, Mobile, Ala. . . . .							
Joseph Cushman, Olympia, Wash. Ter. . . . .							
Henry Warren, Oregon City, Oregon. . . . .							
Thomas Steel, Pittsburg, Pa. . . . .							
	735	2, 373	418	503	180	3	1, 894, 000

James P. Luse, depository at Louisville, Ky., reports three of \$1,000 each sent to assistant treasurer, New York, on September 4, 1869.

No. 13.

*Report of the committee on the examination of the gold coin and bullion in the sub-treasury and assay office, New York, December 2, 1869.*

UNITED STATES SUB-TREASURY,  
New York, December 2, 1869.

SIR: In compliance with instructions conveyed in your letter of the 20th ultimo, to the Hon. Chas. J. Folger, assistant treasurer United States, appointing a committee to count such money or bullion as might be desired by him, we have the honor to report that owing to the absence of General Butterfield from the city we were unable to commence the count until the afternoon of Tuesday, the 23d ultimo.

At that time Frederick D. Tappen, president of the Gallatin National Bank of this city, having been chosen by both General Butterfield and Judge Folger as a member of the committee to represent their interest, the work was begun by taking up the bullion in the assay office, and the silver coin, and odd lots of gold coin in this office, the only key and combination of the lock on the door of the assay office vault, and all the keys and combinations to one door to each of the two vaults in this office, being taken possession of by the committee, and kept throughout the entire examination, so

that no person could obtain access to any one of the vaults, except in the presence of one, a member of the committee. All the gold and silver coin, in its transmission from the vaults to the weighing room, and during the process of weighing, and on its return to the vaults, was at all times kept in immediate view by at least one of the committee.

The gold coin was found in compartments in the vaults, containing each \$500,000 in bags of \$5,000 each. The process of ascertaining the amount of each bag was by counting one or more bags from each compartment, and proving the balance of the bags in said compartment by actual and careful weight, as against the counted bags. When any variation occurred in the weight the contents of such bag was carefully counted, and when completed all were returned to the vault, placed in the compartment in the presence of a custom-house officer, one from the naval office, and one or more members of the committee, who made a record of the number of bags returned to the compartment, which, when filled with \$500,000, was securely locked and placed under the seal of the United States Treasury. The silver coin was treated in like manner, locked up in various compartments, and sealed in the presence of the committee.

## ASSAY OFFICE.

The committee found in the vault of the assay office an amount of gold bars, valued at .....	\$4,225,201 90
Silver bars, valued at .....	\$13,872 80
Gold bars, valued at .....	248,351 12
Total .....	<u>262,223 92</u>
On which last amount there has been advanced by the assistant treasurer, in gold coin .....	149,000 00
Total .....	<u>4,374,201 90</u>

## SUB-TREASURY.

The committee found in the vaults of this office :

Gold coin .....	\$74,960,000
Silver coin .....	43,100
Total .....	<u>75,003,100</u>

The following is a statement of the denominations of the gold coin, as near as it was practicable to ascertain them :

Double eagles .....	\$38,570,000
Eagles .....	5,500,000
Half-eagles .....	14,225,000
Quarter-eagles .....	9,930,000
Dollars .....	6,735,000
Total .....	<u>74,960,000</u>

Your committee found in the vault of the sub-treasury packages of legal-tender notes, which, upon being counted, were found to amount to \$10,000,000. It was represented to your committee that these notes were a special deposit with the sub-treasurer, to be used only by direction of the Secretary of the Treasury. These notes were placed under the seal of the Treasury Department, Washington.

The following are the denominations of said notes :

1000s .....	7,000,000
500s .....	3,000,000

For the balance of the assets of this office, your committee respectfully refer to the report of Messrs. Calhoun and McCartee, appointed by Judge Folger and General Butterfield to count the same.

Your committee beg to submit the foregoing report, and, in conclusion, take great pleasure in stating that, notwithstanding the magnitude of the business in the coin department of this office, it is conducted with the greatest exactness, dispatch, and fidelity, and that the members of your committee have been treated by all the officers

and employés of this office with uniform courtesy and attention, and every facilit afforded them in the proper discharge of the duties which devolved upon them in this examination.

F. D. TAPPEN.  
LEWIS D. MOORE.  
JNO. P. BIGELOW.  
S. GUTHRIE.

Hon. GEORGE S. BOUTWELL,  
*Secretary of the Treasury.*

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UNITED STATES TREASURY,  
*New York, July 31, 1869.*

SIR: You may give notice that you will receive proposals until 12 o'clock noon, on each Wednesday of the month of August, for the sale of two millions of 5-20 bonds to the government. The terms and conditions on which bonds were purchased during the month of July will be applicable to the purchase herein authorized.

This order will not interfere with or qualify the standing order for the sale of gold and the purchase of one million of bonds on alternate weeks, on account of the sinking fund.

Very respectfully,

GEO. S. BOUTWELL, *Secretary.*

General DANIEL BUTTERFIELD,  
*Assistant Treasurer United States, New York.*

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*Personal.*

UNITED STATES TREASURY,  
*New York, August 23, 1869.*

SIR: You will please continue the purchase of bonds and the sale of gold during the month of September, to the same extent and in the same manner as in August.

Yours, respectfully,

WM. A. RICHARDSON,  
*Acting Secretary.*

Gen. DANIEL BUTTERFIELD,  
*Assistant Treasurer United States, New York.*

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GROTON, *September 1, 1869.*

MY DEAR SIR: I think it will be necessary to sell four or six millions of gold during this month—the latter sum probably—and I think you had better give notice, say Sunday.

If four millions will answer I prefer the sale of the least sum. Butterfield writes me a second letter about funds, and I have telegraphed you this morning to reinforce him.

Yours, truly,

GEO. S. BOUTWELL.

Hon. WM. A. RICHARDSON,  
*Ac'g Sec. Treas'y.*

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UNITED STATES TREASURY,  
*New York, September 2, 1869.*

DEAR SIR: I have not had sufficient leisure to write concerning my advertisement for bonds for this month. Do not know that I should have thought of doing so but for the fact that the newspapers have been talking of my order being an error. I presume it is correct, or I should have heard to the contrary.

I inclose the two letters which marked out my course. These brought it simply to the continuation of the sinking fund purchases on alternate Thursdays, and the weekly purchase on Wednesdays of two millions.

If any error has been committed I should be glad to be advised of it and to correct it.

The low condition of my currency balance has aided in buying the bonds favorably and cheaply, as it has been presumed that government would be compelled to cease purchases.

I am, very respectfully, yours, &c.,

DANIEL BUTTERFIELD.

Hon. GEO. S. BOUTWELL,  
*Secretary of Treasury, Washington, D. C.*

NEW YORK, *September 22, 1869.*

SIR: There is a panic in Wall street, engineered by a bear combination. They have withdrawn currency to such an extent that it is impossible to do ordinary business. The Erie Company requires eight hundred thousand dollars in currency to disburse to the employés between New York and Cincinnati each month. Much of it in Ohio, where an exciting political contest is going on, and where we have about ten thousand employed, and the trouble is charged on the administration. Unless some instant relief can be furnished by the government, trade and business will be at a dead-lock. Representing, as I do, a corporation of this magnitude, and of the disbursements required until the heavy crops are moved, cannot you, consistently, increase your line of currency by giving to the banks some of the reserve which you have on hand? You will consider the exigencies of my corporation my excuse for troubling you with this dispatch.

JAY GOULD,  
*President Erie Railway.*

HON. GEO. S. BOUTWELL,  
*Secretary Treasury, Washington.*

UNITED STATES TREASURY,  
*New York, September 23, 1869.*

MY DEAR SIR: Messrs. Duncan, Sherman & Co., a house of the highest respectability, submit the inclosed proposition. They desire to effect an arrangement whereby they can relieve the exchange market, and aid in moving the crops. They propose that their house, the Barings, of London, will ship gold direct to me; that upon telegraphic advice from such official as you designate of the shipment of gold to me, they will deposit any required amount of security in bonds or currency in order to receive the gold prior to its arrival here. The house, which is one of the highest honor, pledge themselves in no manner to operate for a rise or fall of gold, but simply to sell exchange and buy as a ready means to relieve the merchants. They would like a telegraphic reply.

I am, very respectfully, yours, &c.,

DANIEL BUTTERFIELD,  
*Assistant Treasurer.*

HON. GEO. S. BOUTWELL, *Secretary Treasury.*

OFFICE OF DUNCAN, SHERMAN & CO., BANKERS,  
*New York, September 23, 1869.*

MY DEAR SIR: At your request I report to you in writing my inquiry of this morning, viz: "If I furnish to the Treasury evidence that I have shipped from England English sovereigns will the Treasury deliver me the gold at once, and in the meantime what security will they require?" The object of this operation would be to afford some relief to distressed merchants, who now are unable to move cotton or other exportable merchandise, because they are unable to negotiate their exchange owing to the manipulations of the operators in gold. Could I make some arrangement of this sort with you I should invest every dollar in exchange, (sterling,) which could not but cause gold to decline, increase the supply of gold in the country, and produce a most favorable impression upon the credit of the United States abroad. If you can give me a favorable answer I will at once make arrangements for availing of it.

With much respect, yours truly,

W. BUTLER DUNCAN.

D. S. BUTTERFIELD, Esq., *Assistant Treasurer.*

TREASURY DEPARTMENT, *September 24, 1869.*

SIR: General Spinner has already written you that if absolutely necessary you can use any portion of the \$5,000,000 of United States notes forwarded on Wednesday last. He has, however, sent forward to-day an additional sum of \$1,000,000 for the purpose of enabling you to make payment for to-morrow's purchase of bonds. The purchase of bonds should not exceed the sale of gold to-morrow, as we cannot afford to reduce the currency balance in the treasury.

The provision in the notice giving you the right to accept all bids for the sale of bonds in excess of four millions of dollars was introduced now with reference to the future, when it might be desirable to accept bids in excess of the amount named in the advertisement, and also for the purpose of preventing fictitious bids. This provision you can insert in the notice for the purchase of bonds hereafter.

Should the bids for gold fall below 134 you will limit the sale to two millions, and accept bonds to a corresponding amount.

I have not replied by telegram to your dispatch asking authority to anticipate interest on registered bonds, inasmuch as the books are not ready, and the sale of gold probably removes the reason for the request.

Very respectfully,

GEO. S. BOUTWELL, *Secretary.*

General DANIEL BUTTERFIELD,

*United States Assistant Treasurer, New York.*

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CORRESPONDENCE IN REGARD TO ALLEGED COMPLICITY IN THE GOLD CORNER.

1. Assistant Treasurer New York to Secretary Treasury, October 6, 1869, bonds offered, &c.
2. Secretary Treasury to Assistant Treasurer New York, October 8, 1869, leave of absence.
3. Assistant Treasurer New York to Secretary Treasury, October 11, 1869, complaining of charges of complicity, &c.
4. Secretary Treasury to Assistant Treasurer New York, October 21, 1869, Lane's letter to Gould, published in New York Sun.
5. Same to same, October 22, 1869, advising resignation.
6. Assistant Treasurer New York to Secretary Treasury, October 22, 1869, inclosing letter to the President United States, asking investigation.
7. Same to same, October 22, 1869, same subject.
8. Same to same, October 22, 1869, positively denying complicity, &c.
9. Secretary Treasury to Assistant Treasurer New York, October 24, 1869, military court of inquiry not advisable.
10. Assistant Treasurer at New York to Secretary Treasury, October 25, 1869, offering official resignation.
11. Secretary Treasury to F. T. Frelinghuysen, November 1, 1869, requesting him to act with Solicitor of the Treasury, &c.
12. Mr. Frelinghuysen to Secretary Treasury, November 2, 1869, agreeing to serve.
13. Secretary Treasury to Mr. Frelinghuysen, November 3, 1869, appointing him to act with Mr. Banfield.
14. Secretary Treasury to Messrs. Frelinghuysen and Banfield, November 3, 1869, with instructions.
15. Report of Messrs. Frelinghuysen and Banfield to Secretary Treasury, November 6, 1869.
16. Secretary Treasury to Mr. Butterfield, November 10, 1869, accepting resignation.

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No. 1.

[*Private, unofficial.*]

UNITED STATES TREASURY,  
*New York, October 6, 1869.*

MY DEAR SIR: I inclose the various slips which have come in to me to-day. Money works easier among the banks and bankers. Our offerings of bonds to-day were large. If you will examine the list sent you, you will observe that there were many offers at high prices. The accumulated interest on 6 per cents, for instance, would be, with gold at 30½, \$2 10 in currency. Some people here have the idea that these offerings are made to depress the bonds, knowing that they would be above the market and would give the impression that there was a large amount hanging over the market. Mr. Clews's reporter, you will perceive, alludes to our uneasy feeling, although there seems to be plenty of money. This latter fact is confirmed by absence of any 3 per cent. certificates coming in to-day. I fear that the work pressing upon me here, together with the anxiety and responsibility, is making such inroads upon me, that I shall have to take a furlough; perhaps, if it continues, have to resign. I mention this privately and confidentially, hoping for a better turn in my condition physically.

I leave for home considerably exhausted always, sometimes entirely so.

Very truly yours,

DANIEL BUTTERFIELD.

Hon. GEORGE S. BOUTWELL, *Secretary of the Treasury.*

Inclosed: Various slips which came in during day from H. Clews & Co., and others.



No. 2.

OCTOBER 8, 1869.

DEAR GENERAL: I regret to learn from your letter of the 6th instant that your health is impaired. My earnest desire is that you should continue in the office of assistant treasurer, unless you find it necessary to resign in order to preserve your health.

Of course, if you desire it, leave of absence will be granted.

Very truly,

GEO. S. BOUTWELL, *Secretary.*

Gen. DANIEL BUTTERFIELD,  
*United States Assistant Treasurer, New York.*

No. 3.—(Personal.)

UNITED STATES TREASURY,  
*New York, October 11, 1869.*

MY DEAR SIR: Certain attacks having been made upon me, which I have not seen, (but heard of only,) alleging, as I understand, that complicity with the gold operations has existed here in the treasury, it is my desire that in the event of these rumors making any impression upon yourself or the President, you should inform yourself (by such examination and inspection of books, clerks, records, employés, &c., here as you may think best) as to the probability of there being the slightest shadow or foundation for any truth in such statements. As to my own course privately, and unofficially, I do not propose to notice or reply to any of these attacks. My official acts and records are open always to any of the newspaper people, as I have informed them. Further than this, which I deem due to the President and yourself, I do not propose to respond to any of the assaults.

I am, very respectfully, your obedient servant,

DANIEL BUTTERFIELD,  
*Assistant Treasurer.*

Hon. GEO. S. BOUTWELL, *Secretary of the Treasury.*

No. 4.

TREASURY DEPARTMENT, *October 21, 1869.*

DEAR SIR: I have seen, as you have no doubt seen, a letter published in the New York Sun of the 20th instant, written by Frederick A. Lane to Jay Gould. Generally I am not disposed to regard newspaper statements; but the public mind is properly sensitive in reference to the management of the treasury, and I therefore feel that it is my duty to call your attention to Mr. Lane's letter.

The suspicion that any person connected with the Treasury Department is engaged in speculation is a misfortune; but if the suspicion is without foundation, it can easily be removed, or it will speedily disappear.

Mr. Lane's letter is particular in its statements, and so much in detail, that I am satisfied it must make a serious impression upon the public mind. In this view it seems to me that it cannot be passed over in silence. All previous statements affecting you in the matter of the gold speculation have been indefinite in character, and without the responsibility of a name, and I have, therefore, regarded them as unworthy of attention.

Not doubting that you will be able to relieve the public mind of any suspicion that you were concerned in the speculation as alleged by Mr. Lane, I have the honor to remain,

Very truly, yours, &c.,

GEO. S. BOUTWELL, *Secretary.*

General DANIEL BUTTERFIELD,  
*Assistant Treasurer United States, New York.*

No. 5.

OCTOBER 22, 1869.

SIR: While I sincerely desire to avoid doing or suggesting anything which shall embarrass you, I am yet constrained by a sense of duty to advise you to resign the office of assistant treasurer at New York.

This suggestion, I ought in all frankness to say, is rendered necessary on my part solely in consequence of the statements made that you were engaged in the recent speculations in gold in that city. I regret the necessity of taking this step, for I am of opinion that in the administration of the office you have been efficient, and therefore deserve the approbation of the government.

It is not to be disguised, however, that in so important a trust entire abstinence from all speculative operations depending in any way upon the action of the government should be avoided.

Very respectfully,

General DANIEL BUTTERFIELD,  
*Assistant Treasurer United States, New York.*

GEO. S. BOUTWELL, *Secretary.*

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No. 6.—(*Personal.*)

UNITED STATES TREASURY,  
*New York, October 22, 1869.*

MY DEAR SIR: I inclose correspondence to the President and yourself, which explains itself. If approved by you, I wish that you would make public the letter to the President, or authorize me by telegraph to do so. I am advised by my friends and counsel that I cannot and should not undertake a newspaper war with people as unscrupulous and unprincipled as those who assail me. That this course affords the true one for properly setting the matter straight and getting a proper refutation of these assertions, I trust that my course will meet your approval.

I am, very respectfully, your obedient servant,

DANIEL BUTTERFIELD.

Hon. GEO. S. BOUTWELL, *Secretary Treasury.*

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No. 7.

UNITED STATES TREASURY,  
*New York, October 22, 1869.*

DEAR SIR: I know of no other way that the charges and statements affecting my conduct as an officer and a gentleman can be so fully, thoroughly, and fairly investigated as by the method I have this day requested from the President and forwarded herewith through you.

Acting under the advice of friends and counsel, I have remained silent, and taken no notice of the charges and aspersions made.

The charge that I have been a party or had any interest in any combination to affect the price of or have bought any gold for such purposes, or with such parties, or authorized any person or party whatever in any way to do so, is wholly and unqualifiedly false.

The charge that I have received any pay, emolument, or profit for any service, information or assistance to any such persons or parties, is wholly and entirely false.

The charge that the gold or funds of the treasury have been sold or used in any manner other than under your directions and orders, and those of the Treasurer of the United States, all of which are public, is wholly false.

The charge that I have used my private means in speculating in gold, or authorized others to do so, is wholly false.

I cannot enter into details, item by item, of the various accusations made against me otherwise than by a proper and thorough investigation.

As I still hold my commission in the army of the United States, which commission, as well as the position I now occupy, I am unworthy to hold, if the various charges made against me are true, I sincerely trust that you may think proper to indorse my request. I am advised by my counsel and friends that this course is the true one for me to pursue. I should feel unsatisfied with any less formal and exact investigation and examination.

Such a commission would have full power to investigate and summon and compel attendance of witnesses. If composed, as I trust it may be, of officers of the highest standing and character in the army, its investigation and decision should be fully satisfactory. It will be so to me.

I am, very respectfully, your obedient servant,

DAN'L BUTTERFIELD.

I adopt this method as one certain to bring a result. Should you deem any other course preferable, I should be glad to adopt it.

Hon. GEORGE S. BOUTWELL,  
*Secretary of the Treasury.*

No. 8.—(*Personal and private.*)UNITED STATES TREASURY,  
*New York, October 22, 1869.*

MY DEAR SIR: Since sending you my letters of to-day, and upon reading retained copy and reflection thereon, while not desiring to bring my private affairs before the public, I deem it due to you to say and affirm positively that I have never owned ten thousand dollars in gold since I entered the sub-treasury. That my purchases of gold, other than those made necessary in the execution of orders from proper authority have been simply to pay little expenditures incurred for me abroad from time to time by relatives. The whole amount would not exceed twenty five hundred dollars. Also to say to you that F. A. Lane's statement referred to by you is false, and that his character is not of such a nature as to make his statements worthy of any consideration by reason of his former transactions, well understood and known in this community. Previous to the publication of his statement I had no knowledge of him or his character. What I have since learned would have justified and prevented me from allowing him to enter my office, and forbids me laying any stress or weight upon his accusations.

These things I cannot well say for public print, but I can properly say them privately to you.

I am, very respectfully, yours,

DANIEL BUTTERFIELD,  
*Assistant Treasurer.*Hon. GEORGE S. BOUTWELL,  
*Secretary of the Treasury.*

No. 9.

TREASURY DEPARTMENT, *Washington, October 24, 1869.*

MY DEAR SIR: Your letters of the 22d instant, to the President and to me, were received yesterday morning. An inquiry into the truth of the charges made against you seems to be demanded by the circumstances, but it does not appear to be practicable to proceed by a military court of inquiry.

It is the earnest desire of the President, as it is my own earnest desire, to give you an opportunity to show the facts of the case, which, we trust, will fully exonerate you.

We cannot, however, be indifferent to the duty of so conducting the investigation as to leave no room for complaint or criticism by any one. This can, I think, be best done by first putting the office into other hands.

In thus suggesting that your resignation will be accepted, I am anxious to so act as to relieve you as far as possible from embarrassment.

Mr. Banfield, who will present this letter, is possessed of my views as set forth in this communication.

I am, very respectfully, your obedient servant,

GEO. S. BOUTWELL, *Secretary.*

General DANIEL BUTTERFIELD.

No. 10.

UNITED STATES TREASURY, *New York, October 25, 1869.*

MY DEAR SIR: After an interview with Mr. Banfield, Solicitor of the Treasury, bearing your letter, I find that such an investigation as I have asked for cannot be accorded me while holding my office.

In order that your department may not be embarrassed in any examination of my transactions as assistant treasurer—and also that I may secure the investigation I have asked—I respectfully tender, through you, to the President of the United States my resignation, to take effect as soon as a successor can be appointed and receipt to me for the funds and public property for which I am accountable. Renewing my request for the formal and authoritative examination that may forever settle the truth of the charges against me,

I am, very respectfully, your obedient servant,

DANIEL BUTTERFIELD,  
*Assistant Treasurer.*Hon. GEO. S. BOUTWELL, *Secretary of the Treasury.*

No. 11.

TREASURY DEPARTMENT, *November 1, 1869.*

SIR: At the request of the President I write to ask you to aid in a service which is not likely to be agreeable to you, but which under the circumstances seems necessary.

General Butterfield very much desires that there should be an investigation of the charges made against him of participation in the recent speculations in gold at New York, before he leaves the office of assistant treasurer, his resignation being already in my hands. He asserts his entire innocence and his confidence that he shall be able to show it clearly if an opportunity is given him.

As an act of justice to him, and not in any way inconsistent with the public interests, the President desires, before General Butterfield leaves the office, that such an investigation shall be made as the circumstances permit. As testimony cannot be taken under oath, the most that can be done is to hear the statements of those persons who assert General Butterfield's complicity in the transactions referred to, and also his own statement and the statements of any other persons that he may desire to bring forward.

I do not anticipate that the examination will be protracted, and as at present advised I should not allow counsel to appear on either side.

Mr. Banfield, the Solicitor of the Treasury, has already some information upon the subject, and I desire to associate him with you in the investigation. You will find him a gentleman of ability and honor, who will act entirely in the public interest.

I anticipate that it is possible that you may not be able to reach a satisfactory conclusion. If such should be the case we shall still have done what was in our power under the circumstances to ascertain the truth, and neither General Butterfield nor his friends will have reason to complain of the department or of the President as to the result.

I trust you will be able to give us your aid in this matter, and also to name an early day when you can enter upon the investigation.

Very respectfully,

GEO. S. BOUTWELL, *Secretary.*

Hon. F. T. FRELINGHUYSEN,  
*Newark, New Jersey.*

No. 12.

NEWARK, NEW JERSEY, *November 2, 1869.*

It being the request of the President and yourself that I should be associated with Mr. Banfield in the investigation of General Butterfield's alleged complicity in the recent gold speculations, I cannot decline, and I will meet the Solicitor of the Treasury, in New York, at such early day and at such place as he may indicate.

Very respectfully,

FRED'K T. FRELINGHUYSEN.

Hon. GEO. S. BOUTWELL,  
*Secretary of the Treasury.*

Inclosed: Telegram of October 23, 1869, to Secretary, from Fred. A. Lane, proffering testimony in investigation.

No. 13.

TREASURY DEPARTMENT, *November 3, 1869.*

MY DEAR SIR: I am much gratified that you have accepted the duty of making the investigation referred to in my letter of the 1st instant.

Mr. Banfield will leave here to-morrow afternoon, and will be at the Fifth Avenue Hotel Friday morning, where he will be pleased to meet you.

I am, very truly,

GEO. S. BOUTWELL.

Hon. FREDERICK T. FRELINGHUYSEN,  
*Newark, New Jersey.*

No. 14.

TREASURY DEPARTMENT, *November 3, 1869.*

GENTLEMEN: By direction of the President you are hereby authorized and requested to inquire into such charges as may be preferred before you against General Daniel

Butterfield, relative to an alleged participation by him in the recent gold speculations in the city of New York, and you will also hear and consider his own statement and any statements or evidence submitted or introduced by him in his behalf.

Under the circumstances you will be under the necessity of receiving such statements without the solemnity of an oath; but you will endeavor as far as practicable to be governed in the inquiry by the ordinary rules of practice in the courts of law.

As at present advised I do not think it will be necessary to allow either party to introduce counsel, believing that your own judgment and familiarity with modes of proceeding will enable you with equal certainty and greater facility to reach just conclusions.

It is desirable that the investigations should be brought to a conclusion as speedily as is consistent with the object in view.

The only persons who have preferred charges against General Butterfield to the department, or indicated a desire to offer testimony implicating him in the transactions referred to, are Frederick A. Lane and Timothy C. Dwight, esq., both of whom are, I believe, residents of New York. Should they not present themselves, I desire that they should be notified that you are prepared to hear what may be offered by them in reference to the matters committed to you.

Very respectfully, your obedient servant,

GEO. S. BOUTWELL, *Secretary.*

HON. F. T. FRELINGHUYSEN and  
E. C. BANFIELD, Esq.

No. 15.

NEW YORK, *November 6, 1869.*

SIR: The undersigned, appointed by you, at the request of the President, to investigate the alleged complicity of General Daniel Butterfield, assistant treasurer of the United States, in the recent gold speculations in New York, respectfully report, that on the 5th instant we waited upon General Butterfield, at his office in this city, and informed him that we had been appointed to conduct an investigation in reference to the matter above referred to, and we told him at the same time the manner in which the investigation would be conducted, namely: that not having the power we could not take testimony under oath, or compel the attendance of witnesses, and could not try the question by affidavits; that we would hear such allegations as might be made in reference to his participation in those speculations, and would also hear such answer as he desired to make to such charges, and also hear statements from other persons either to maintain or disprove the charges, if any, brought against him; that from the nature of the investigation we had concluded not to permit counsel for either party, but that each party could be present during the investigation; that it would be our purpose not to give publicity to our proceedings, but at the same time, from their very nature, they would to a greater or less degree become known to the public; that all the statements would be taken down in writing, and be required to be signed by those making them, after which we would make report to your department whether in our opinion he had or had not participated in those speculations; and we then desired to know of General Butterfield whether he was prepared to submit to this investigation, and when we should proceed with it.

General Butterfield then informed us that he desired to take until this morning to give us an answer to our inquiry. We waited upon him this morning, when he said that while he was very desirous of having a suitable investigation in order that any cloud might be removed from his official conduct, yet from the nature of the case he felt that it would be injustice to himself to submit to an investigation where the charges against him were not verified by oath, and where the tribunal investigating had no power to compel the attendance of witnesses; that a portion of his reply to any charges would be of such a character, affecting the credibility of witnesses, that witnesses would be unwilling to volunteer their statements, and that he would be reluctant to go into such an inquiry as that proposed in his present condition of health without the aid of counsel, and without further reflection, and as at present advised he felt unwilling to enter upon an investigation of this nature.

As our duty in reference to this matter, as we understand it, is based on General Butterfield's voluntarily submitting his case to us, we have taken no further action in the premises.

We are, very respectfully,

FRED'K FRELINGHUYSEN.  
E. C. BANFIELD.

HON. GEORGE S. BOUTWELL,  
*Secretary of the Treasury, Washington, D. C.*

No. 16.

TREASURY DEPARTMENT, *November 10, 1869.*

SIR: Your letter of the 25th ultimo, tendering your resignation as assistant treasurer at New York, was duly received, and I am now directed by the President to inform you that your resignation is accepted, to take effect when your successor is duly qualified. Hon. Chas. J. Folger has been appointed to the office, and he will probably enter upon the discharge of its duties without unnecessary delay.

In thus accepting your resignation I am able to say that you have shown great energy and industry in the office, and I am satisfied that the changes introduced by you will tend to accuracy and safety in the management of its affairs.

Very respectfully,

GEO. S. BOUTWELL, *Secretary.*

General DANIEL BUTTERFIELD,  
*Assistant Treasurer United States, New York.*

WASHINGTON, *February 2, 1870.*

E. C. BARTLETT sworn and examined:

To the CHAIRMAN:

I am private secretary to the Secretary of the Treasury; I have held that position since the 15th of March last.

Question. Do you recollect writing a dispatch, at the dictation of the Secretary, near noon of the 24th September, to General Butterfield, assistant treasurer at New York?—Answer. Yes; I wrote two dispatches, both the same, one to be sent by the Western Union Telegraph Company, and the other to be sent by the Franklin Telegraph Company; one left the office at 11:42 a. m., and the other at 11:45 a. m.; I marked the time on the dispatches.

Q. Was any person present when you wrote the dispatches?—A. No one but the Secretary.

Q. Are you a short-hand writer to the Secretary?—A. I am.

Q. The Secretary dictated to you, and you wrote it down?—A. Yes, sir.

Q. Did you take a copy of those dispatches before they were sent?—A. I gave them to the messenger, and he took a press copy in the usual way.

Q. How long a time after the dispatch was written was it before it was sent to the office?—A. I think about two minutes; it would not be much over that, because I told the messenger to hurry.

Q. Did you seal the dispatches up in an envelope?—A. No, sir.

Q. You delivered the dispatches open to the messenger?—A. Yes; I gave it to the messenger, Johnson, to have it copied.

Q. Which one did you send first?—A. I think I sent the one to the Franklin telegraph office first; the two offices are on Fifteenth street, immediately opposite the Treasury; they are about three or four doors from each other.

Q. Have you any other direct knowledge of your own in regard to sending the dispatches, except what you have now given?—A. No, sir.

(Witness afterward appeared before the committee and corrected his testimony as follows:)

On subsequent reference to the press copies of the dispatches above referred to, I find I was mistaken in supposing that the first was taken to the Franklin telegraph office; it was taken to the Western Union office; the time at which the dispatches left the Secretary's office was written by me on the press copies, instead of on the original dispatches.

WASHINGTON, *February 2, 1870.*

HENRY JOHNSON sworn and examined:

To the CHAIRMAN:

I am messenger to Secretary Boutwell; my duties are to carry messages from the Secretary's office to other rooms in the building, and outside; I was on that duty in the month of September last; I remember having carried a dispatch on the 24th of September last; Mr. Bartlett gave me that dispatch; it was on the usual printed form.

Question. Was it in an envelope?—Answer. No, sir.

Q. What instructions did you receive?—A. I received no particular instructions, except to take it immediately to the press office and have a copy taken thereof, and then to take it to the telegraph office; the press office is on the other side of the hall from the Secretary's room; a man named Bell copied it, and I stood by his side while it was being copied; I do not suppose I was in the room one minute; I then took the telegram and gave the press copy to another messenger at the door, (Burrill Nickson,) and took the telegram proper immediately to the telegraph office, and delivered it to the operator.

Q. From the time you received this dispatch from Mr. Bartlett until you reached the telegraph office, how long was it?—A. I do not suppose it was more than from three to five minutes; I first went to the Franklin telegraph office, and then came back and carried the other telegram to the Western Union office; I delivered the dispatch in the Franklin office to the gentleman who is behind the counter, Mr. Garland, I believe; from the time I received it I carried it with the face down, and handed it to him over the counter.

Q. Did you read it yourself?—A. No, sir.

Q. Did you say anything to him at the time of delivering it?—A. Not a word.

Q. Did he say anything in response?—A. No, sir.

Q. What did you do on your return from the Franklin office?—A. I had scarcely got back before Mr. Boutwell's bell sounded again, and I went in, and another dispatch was given me to bring to the Western Union office; I took the same course with it, and delivered it at the office of the Western Union Telegraph Company, which is situated some doors from the Franklin office; I delivered that dispatch to a lady who is now present in the committee room.

Q. Did you read the contents of that dispatch?—A. I did not.

Q. Did you say anything to the person to whom you delivered it?—A. Not a word.

Q. How long a time intervened from your receipt of the first dispatch until you delivered the last?—A. I should not suppose five minutes.

Q. Did you show either of those dispatches to any person on the way?—A. Not to a solitary person; I had not a word with any one between the Secretary's office and the telegraph office; I do not recollect that Mr. Bartlett gave me any particular instructions; we always act upon the supposition that telegrams are to be acted on immediately; we have general orders to have the utmost dispatch in delivering a telegram; I have been accustomed to deliver such telegrams; in that instance I delivered the dispatch with the accustomed promptness and rapidity, no more and no less.

(Witness afterward appeared before the committee and corrected his testimony as follows:)

On referring to the copies of the dispatches on file in the department,

I find I must have been mistaken in saying the dispatch was first taken to the Franklin office; the indorsements show that it was first sent to the Western Union.

WASHINGTON, *February 2, 1870.*

BURRILL NICKSON sworn and examined.

To the CHAIRMAN:

I am a messenger in the office of the Secretary of the Treasury. I am stationed at the door of the Secretary's office. I was acting in that capacity in the month of September last. I remember receiving a dispatch that came from the room of the Secretary of the Treasury on the 24th of September, near noon. It was given to me by Mr. Johnson, the messenger. I have no knowledge of its contents. I took the press copy to the Secretary's room, and put it in a bakset where private papers are generally kept. I did not read its contents. I do not recollect that I took any other message about that time. That is my ordinary business.

Question. Did you let any one see the paper that you carried?—  
Answer. No, sir.

Q. Did you meet any one who requested to see it?—A. I did not.

WASHINGTON, *February 2, 1870.*

E. CARRIE COOK sworn and examined.

To the CHAIRMAN:

My present residence is at 669 New Jersey avenue. I am a telegraph operator. I was employed as a telegraph operator on the 24th September last in the office of the Western Union Telegraph Company on Fifteenth street. I recollect receiving a dispatch from the Secretary of the Treasury to General Butterfield near noon of that day. I think the dispatch was delivered to me by one of those gentlemen who has given his evidence. I do not know his name. I knew him to be a messenger who had often brought messages from the Secretary of the Treasury.

Question. State, as near as you recollect, what the contents of that dispatch were?—Answer. It was a dispatch to General Butterfield, at New York, authorizing him to sell \$4,000,000 of gold and to buy \$4,000,000 of bonds, as far as I recollect.

Q. Do you recollect the time of day at which the message was received?—A. I think it was a little before noon.

By Mr. Cox:

Q. Did the message come in a sealed envelope?—A. I think not; as far as I recollect, it came open. That is the usual way in which they come from the Treasury. Occasionally they come in envelopes.

By the CHAIRMAN:

Q. Was it in cipher?—A. No, sir; it was written out distinctly.

Q. Did you send it over the wires?—A. I did.

Q. How soon after you received it did you commence sending it?—  
A. If I recollect distinctly, I broke in on a wire as soon as I could to send the message, as we are authorized to do with very important messages.



Q. How long did you require to transmit it?—A. About one minute and a half, or two minutes.

Q. Was anybody else in the office at the time?—A. No, sir.

Q. You were the only person who saw it after it was delivered at the office?—A. The only one.

Q. Was there any person inside the office who could have seen it?—A. No one.

Q. Did any one come in with the messenger?—A. As far as I recollect, he came alone; and I do not think that there was any other customer in the office at the time.

Q. Did you send a duplicate of that message to any person?—A. No, sir; I do not think that I did.

Q. Did you communicate the substance of that message to any person, except as you sent it over the wires?—A. I did not.

Q. Did any person on that occasion ask you any question about the message and its contents?—A. No, sir.

Q. Do you recollect whether you sent any other messages about that time relating to the sale of gold?—A. I think I did send several for different parties in the usual course of business.

(Witness was requested to send to the committee a memorandum of other dispatches sent by her that morning relating to gold.)

Q. During that whole period of several days did you send a good many messages on that subject?—A. I did, in the ordinary course of business.

Q. Did you send the dispatch directly to New York?—A. I did not; I sent it to the main office, corner Pennsylvania avenue and Fourteenth street.

Q. Why did you not send it directly to New York?—A. I endeavored to do so, but could not get possession of the through wire, and so sent it to the main office.

Q. State, to the best of your recollection, how long it was after you received the message before it went over the wire?—A. I am fully confident that it was five minutes.

Q. Are you fully confident of it from your own recollection, or from the marks on the original?—A. From my own recollection.

Q. What were you doing during that five minutes?—A. Walking from one instrument to another, trying to get it off.

Q. Did you get it off as soon as possible under the circumstances?—A. I did.

Q. What do you do with the office copies of messages sent over your wire?—A. I send them to the main office on Fourteenth street. They remain in the office every night, locked up, and are sent to the main office every morning.

Q. Was there any mark on the dispatch which you received made at the Treasury, or made before you received it, indicating time?—A. There was not, if this is a correct copy, as furnished by Mr. Tinker.

Q. Is the entry 11.45 your entry?—A. It is my entry.

Q. Do you know how the clock in your office compared that day with the clock in the Treasury?—A. I do not.

Q. Do you know how the clock in your office compared with the clock in the main office?—A. I cannot say.

Q. What was the habit, at that time, as to adjusting these clocks?—A. The order is to get observatory time at 12 o'clock, over all the wires every day; but the clock which I had in my office at the time was not a correct time-keeper. I timed it every morning by my watch, and I

often timed messages by my watch; but that morning I timed the message by the clock.

Q. Is your city wire, over which you sent this message to the main office, connected with Willard's Hotel?—A. It is not.

Q. Is it connected with any other place except the main office?—A. It was connected at that time with the Post Office, and, I think, with the Metropolitan Hotel.

Q. Could an operator tell, by the ear, in either of those offices, what you were sending to the main office?—A. Yes, sir. Every operator can read what is going over the wires. I can read all the messages passing from the South to New York.

Q. Do you know whether the message, sent from the main office, was sent over the Bankers' and Brokers' wire?—A. It was.

Q. Have you been accustomed to work over the Bankers' and Brokers' wire?—A. I have. I send all the bank business and all Jay Cooke's business by it.

Q. Do you know what connections that brokers' wire has between Washington and New York?—A. I believe it has connections in Philadelphia and Baltimore.

WASHINGTON, February 2, 1870.

J. G. GARLAND sworn and examined.

To the CHAIRMAN:

I reside in Washington city. I am manager of the Franklin telegraph office here. That is an opposition line to the Western Union. The two lines are in no way connected. I was an operator in the Franklin telegraph office on the 24th September last. I recollect having received on that day a dispatch to be transmitted from the Secretary of the Treasury to General Butterfield, assistant treasurer at New York. I sent the dispatch myself, and I think I remember the wording of it.

Witness subsequently furnished the committee with the following copy of the telegram referred to:

[Telegram.—By Franklin line.]

TREASURY DEPARTMENT, September 24, 1869.

General DANIEL BUTTERFIELD,  
Assistant Treasurer U. S., New York:

Sell four millions (4,000,000) gold to-morrow and buy four millions (4,000,000) bonds.

GEO. S. BOUTWELL,  
Secretary of the Treasury.

Chg. to dep't.—G. S. B.

"This telegram was handed in to me by Mr. Johnson, one of the Secretary's messengers, at 11.38 a. m., and New York gave "O. K." to it at 11.40 a. m.

"Respectfully, &c.,

"J. G. GARLAND."

I have had that telegram brought to my mind before on account of reports that I saw in the newspapers. I took the dispatch myself right out of the hands of the messenger of the Secretary of the Treasury, and I forwarded it myself to New York, all inside of the space of one minute.

Q. Who gave you the dispatch?—A. This young man, (indicating the witness, Henry Johnson.)

Q. Has he been in the habit of bringing messages from the Treasury to your office?—A. Yes, sir.

Q. Did he say anything when he delivered the dispatch to you?—A. Not that I am aware of.

Q. Did you say anything to him?—A. I think not.

Q. Was there anybody in the office at the time besides yourself?—A. I think there was no one there but my assistant.

Q. Did you show the dispatch to your assistant, before you sent it?—A. No, sir. I did not show it to any one. I took it right out of the hands of the messenger, and sent it myself.

Q. Did he make any inquiry in reference to its contents?—A. No, sir. My desk is quite close to where I was when I took the dispatch from the messenger. I immediately put the number on my number book, sat down at the instrument, called New York, and sent the message.

Q. You sent no intervening message?—A. No, sir.

Q. Did you send any message to any person other than General Butterfield in reference to that message?—A. No, sir.

Q. Did you during that day communicate to any person the fact of having sent such a message?—A. No, sir. Mr. Boutwell does his business generally through our office, and I take great pride in doing it. I have always issued strict instructions to the messenger who takes a dispatch from Mr. Butterfield or Mr. Folger to the Secretary to wait at the Secretary's door and get an answer.

Q. What is the name of your operator who received this dispatch of the 24th of September at the other end of the line?—A. That I do not know; but I know that the manager of the office, in all cases, either takes these messages himself or follows the messenger boy, who takes them right to the door of Mr. Folger.

Q. How long has your line been in the habit of sending dispatches for the Treasury Department?—A. Only since Mr. Boutwell's administration commenced. We never could get in before that.

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WASHINGTON, D. C., *February 2, 1870.*

CHARLES CALLENDER sworn and examined.

By the CHAIRMAN:

Question. State your residence and occupation.—Answer. My residence is at 45 Fulton street, Newark, N. J. My occupation is that of examiner of national banks under the Comptroller of the Currency.

Q. How long have you held that office?—A. Four years, I think, in January.

Q. You were acting in that capacity in the month of September last.—A. Yes, sir.

Q. State whether you made any examination of the Tenth National Bank during the month of September.—A. No, sir, I did not.

Q. State whether you were familiar with the affairs of that bank during that month or any part of it.—A. I was, so far as a general observation of the affairs of all the banks in the city.

Q. Was that bank distressed in making its settlements any time during that month?—A. The only day that it was distressed was on Saturday, the 25th of September, after the black Friday.

Q. What was that distress?—A. On Friday the bank had had a severe run, consequent upon the gold panic, and on Saturday morning

it came up largely indebted to the clearing-house. The bank did not meet its indebtedness as promptly as it ought to have done. It was not paid up to two o'clock. I do not recollect the exact amount of indebtedness. They were straining every nerve to pay the drain upon them over their counter, and I supposed that had left them without means to pay their indebtedness to the clearing-house.

Q. How much were they short?—A. They were short about \$152,000 at two o'clock.

Q. Were they short by any more than that amount at any time during the day?—A. They had arranged during the day all but that amount of balance. That was all the balance they were reported as deficient.

Q. How much cash had they on hand at any time?—A. I cannot say. I had made no examination of it.

Q. What assistance, if any, did you give the bank in settling this balance?—A. I found the bank debtor to the clearing-house at two o'clock, and I put myself in communication with the bank clearing-house committee, of which Mr. J. D. Vermilyea, president of the Merchants' Bank, was chairman. I had nothing to do about looking into the matters of the bank. There was a special committee in the bank examining it. That committee was sent on by the Secretary of the Treasury. I had been absent from the city attending the funeral of my mother-in-law. I left town Thursday afternoon, and advised Mr. Knox, deputy comptroller of the currency, who was in New York at that time. I asked him to write to the Comptroller, and say to him that I was obliged to leave, owing to the death of my mother-in-law. I came from the funeral on Friday night, and found the difficulty in New York. I went to the clearing-house to see if they had cleared their balance, and I found there was a deficiency of \$152,000. Mr. Dickinson, president of the bank, stated that while he held certified checks on other banks for a larger amount than that, he was unable to collect these checks because of the banks refusing to pay him greenbacks upon them under an arrangement with the clearing-house that one bank shall not present to other banks certified checks for greenbacks, but that the checks shall be settled by the clearing-house and not over the counter. I said to the clearing-house committee, that if they would give me fifteen minutes I thought I could arrange that balance and prevent the failure of the bank. They asked me how. I told them that I would arrange so that I could draw these checks. Then I went to one bank, which I knew was a large creditor and which had plenty of greenbacks, and asked them to take these certified checks and let me have \$152,000 for them, in order to pay the balance of the Tenth National Bank. This was the Bank of New York, which is in the same building with the clearing-house. This was done, of course, with the consent of the president of the Tenth National Bank, after a little hesitation. I urged him to it so as to prevent the failure of the bank, because I said to him that it was all in the plan to have one bank fail and to follow it with the failure of another.

Q. In what plan?—A. There was a combination there to break some of our national banks. It had its origin in a purpose to seize that opportunity to make confusion and to bring about a financial crisis.

Q. Did you understand that that combination was the same as the gold combination?—A. No, sir. It was an opposition to the gold combination. It was not strictly an opposition to the gold combination, but it was another combination formed in the exigencies of the moment. Certain parties who were in favor of the State bank system, and certain parties who were largely interested, I think, in the Gold Exchange Bank,

and other State organizations, and certain capitalists who were bears in stocks, seized the opportunity of the crisis in gold to undertake to make a crisis in stocks.

Q. State all your reasons for believing that such a combination existed.—A. I became satisfied that the movement to send on a special commission to examine certain national banks in New York had its origin in one clique that desired to break this gold conspiracy, and in another clique that was desirous of "bearing" stocks; and, I think, they moved together. I cannot give you the names composing these cliques. I have tried very assiduously to ascertain definitely the names, and I have not been able to reach satisfactorily to myself the names of all the parties concerned. I should not wish to give any names to the detriment of other parties; but I was satisfied from the manner in which they manipulated the thing that there was that determination, from the fact that the committee which went on to New York said to me confidentially, that they had instructions to examine the Tenth National Bank, and then they mentioned other banks. I knew what that meant. I thought it was reaching further than merely the gold clique.

Q. From whom did they report that they had instructions?—A. From the Secretary of the Treasury and the Comptroller of the Currency. That was said to me in conversation, and nobody else knew it. I knew that the influence which brought them there to examine the Tenth National Bank meant a great deal more than mere opposition to the gold clique. I had to form my conclusions hastily. Everything is done in a hurry in New York City, and especially in such an exciting time as that. When I raised this money for the assistance of the Tenth National Bank I did it with a full conviction in my own mind that the failure of that bank would be followed by raids on other banks, and that the determination was to effect a general crash and a distrust of our national banking system; and subsequent developments in the matter of the Gold Exchange Bank confirmed me in that opinion. I was invited by the clearing-house committee to meet with them when they were discussing the matter. They had their counsel present. There seemed to be an apathy on the part of all the State bank officials in regard to the matter. I could not understand it. The superintendent of the State bank department of Albany (Mr. Schuyler, I think his name was) was sent for by the committee at my suggestion. The Gold Exchange Bank had been placed in the hands of a receiver by the court, and there was no power, seemingly, to get at the books of the bank to ascertain whether it was solvent or not. In the course of settlement with the Gold Exchange Bank it became an element of necessity almost for the clearing-house committee to understand what the condition of the bank was. They were fearful of attachment. They brought their counsel, Judge Emott, there, and he decided that there was no power to examine the books of the Gold Exchange Bank, so as to have an intelligible exhibit. I suggested then that it was perfectly proper for them to send for the superintendent of the State bank department at Albany, and that he certainly had the power. He was telegraphed for, and came down by the steamer that night. That was the Wednesday or Thursday of the week immediately following this black Friday. When he came in to the clearing-house committee next morning he decided that he had no power to examine that bank. It had been placed in the hands of a receiver by the court, and he doubted his authority to go in and examine whether the bank was solvent or not. It was a matter of great surprise to me because I knew that by our law it could be done. Judge Emott

was of the opinion that he had the authority. All the subsequent developments convinced me that the opposition to the national banking system had united at the time, thinking that it was a good opportunity to make a raid, and that the gold panic was really seized upon by other parties than those immediately interested in gold. As it always is in New York City you cannot get up a skirmish in one thing but all other interests are involved more or less before you get through. I went to the Bank of New York and arranged with Mr. James H. Banker, the vice president, to pay the balance due the clearing-house by the Tenth National Bank, \$152,000, he taking certified checks on other banks, which the Tenth National Bank had received that day in payment of loans which it had called in. This was on Saturday, I then went to the Tenth National Bank and found a large crowd outside and inside, and a good deal of excitement, and I found that the bank was very low in greenbacks. I asked them for whatever they had in the shape of securities. They gave me certain certified checks on other banks, on which those banks had refused to pay greenbacks. I went with those certified checks to the banks and got greenbacks for them. As soon as I presented the checks, the greenbacks were paid without any question. They said: "Oh, yes, we will pay them to you." If any bank had not paid them I should have protested such bank. I made a report to the Comptroller of the Currency.

Q. Why would not the clearing-house receive the certified checks which the Tenth National Bank held against other banks?—A. By the rules of the clearing-house it cannot receive anything in payment for balances but legal-tender notes or clearing-house certificates.

Q. Will not a certified check of a national bank get a clearing-house certificate?—A. No, sir.

By Mr. SMITH:

Q. They are used in the clearing-house to determine balances?—A. Oh, yes. They send all their certified checks there in the morning, but the balance due the clearing-house must be paid in greenbacks.

By the CHAIRMAN:

Q. And in this case, the Tenth National Bank was unable to pay its balance except in certified checks?—A. The bank was unable to pay its balance in greenbacks. The rules of the clearing-house forbid banks presenting certified checks to other banks for payment over the counter, and the clearing-house itself would not receive them. But I went with those certified checks to those other banks, and demanded greenbacks, and got them. I paid the balance due to the clearing-house by the Tenth National Bank, and furnished over \$100,000 to the bank with which to meet the run at its counter, and to enable it to pay everything on demand.

Q. Have you, since that time, examined the bank, to see whether it lost anything by those transactions?—A. Yes; I looked over their affairs, cash items and loans, and I know that there are some things in abeyance now unsettled, but nothing that invalidates the capital of the bank in the least. The bank has a surplus, and I am satisfied that its stock to-day is worth 105. It is selling at 107.

Q. Did the bank violate the law, during those days, in any respect, so far as you know?—A. I think not. The committee that was examining the bank during those two days, Friday and Saturday, would be competent to tell; I cannot tell.

Q. From your own knowledge and information, formally and inform-

ally, you cannot say whether the bank did or not?—A. I think it did not. That bank, of all other banks in New York City, had been examined by myself, and pretty thoroughly overhauled on violations of law.

Q. At what time?—A. In April last. That was my last previous examination; I made four or five reports, which are on file.

Q. You said, in your testimony a little while ago, that you regarded the movement which led to the appointment of these examiners as one hostile to the national banks. What do you know about the immediate causes that led to the appointment of these examiners? At whose instance, and on whose complaints, as far as you know, were they appointed?—A. It is a general knowledge. I cannot specify names; but I have my information from several bank presidents. The primary movement was made by parties who were largely short of gold, and were opposed to the clique generally. They said: "Here, we cannot break this clique; it is too powerful, as a gold clique, for us to break it; but there is one thing we can do. If we can get a special committee from Washington to examine that bank, we can perhaps prevent its certifying checks for them, and thus prevent their banking facilities for carrying gold, and that will break the clique." As soon as this special committee makes its appearance in New York City, these parties go right to work and tell other parties, and they get up an excitement in the stock board by saying that a select committee of investigation of three is in such a bank, and that that bank has got to fail. Away go stocks. People sell out. They say that if a bank is going to fail, it is going to make trouble. They let their stocks go, and then these people who have money and who understand it all, buy these stocks low.

Q. Do you now think that there was anything in the condition of the Tenth National Bank which required a special examination?—A. No more than any other broker's bank. Indeed, I suppose, and am quite convinced, that the transactions of the gold clique were carried on as much through other banks as through the Tenth National Bank.

Q. What relations, if any, do you understand the gold clique had to the Tenth National Bank?—A. They were supposed, by the public, to own a controlling interest in the stock. That is, the Erie railroad was supposed to own half a million of stock of the Tenth National Bank. I knew that they had parted with a large portion of their interest to other parties.

Q. Friendly or unfriendly to them?—A. Friendly, of course.

Q. Did the fact of their parting with a portion of their interest change the fact of their having really a controlling influence in it?—A. No, sir; except that they did not have a majority of the direction of the Tenth National Bank at that time.

Q. To what extent, or in what respect, did the gold clique get help from the Tenth National Bank?—A. I do not think they got any, beyond what other firms got.

Q. To what extent did the Tenth National Bank certify checks for any member of the clique, so far as you know?—A. I have not the figures before me. They certified very largely. But the Tenth National Bank would not have certified checks for the gold clique, except to the amount that other banks had certified checks previously, and that those checks had been deposited in the Tenth National Bank. Every certified check multiplies itself.

Q. Would you regard 24,000,000 of certification, by that bank, on Thursday, as an undue amount?—A. Yes, sir; but still it has been larger in other banks of less capital, at times of great stock excitement.

By Mr. BURCHARD:

Q. When you say that every certified check multiplies itself, do you mean to say that, if the First National Bank, for instance, certifies a check for \$100,000, and that check is taken to the Tenth National Bank, and deposited, that it is thereby doubled?—A. Yes. It is doubled in the clearing-house accounts, and it may go in the same way through a dozen banks, so that in the clearing-house it would represent \$1,200,000.

Q. Did you come on to Washington on any of those days?—A. I did.

Q. Did you have any conversation with the authorities at the treasury, in reference to the appointment of the commission?—A. No, sir. The appointment was made entirely without my knowledge. I was away when it was made, and knew nothing about it. They went on Thursday night, and I left New York the same night, on my way to within fifteen miles of Albany. This commission made its appearance at the bank on Friday morning, and I knew nothing about it till Saturday morning, when I returned.

Q. Do you know whether the commission completed its examination or not?—A. They assured me, at one o'clock on Saturday, that they had completed it.

Q. Do you know the reason why they were recalled from their general work of examining national banks?—A. They were not sent as a general examining committee. They were sent with specific instructions.

Q. But they had also instructions wider than that bank alone?—A. Yes. I do not know the reason why they were recalled. I came to Washington Saturday night, telegraphing to the Secretary and Comptroller of the Currency that I would like to see them on Sunday. When I saw Mr. Boutwell in the morning, he said to me, before I said anything: "We recalled that committee last night. They will make no further examination." I spent Sunday in Washington, and went back Sunday night. I do not know what reason led them to recall the committee, except that they were satisfied that I could attend to the duties. I have received assurances, both from the Secretary and the Comptroller of the Currency, that they did not deem it prudent to have the committee remain. They had recalled them before I came on to Washington.

By Mr. SMITH:

Q. Did either of them say what induced them to recall the committee?—A. I do not think they did. I simply said to them, and I think they agreed with me in a measure, that in a time of excitement like that, it would break almost any bank to have it known outside that a special committee had been sent to examine its affairs. It would be magnified at once as denoting weakness.

By the CHAIRMAN:

Q. Have you ever been directed since to make an examination of that bank?—A. No, sir.

Q. Have you known anything of its transactions since which led you to suppose that it should be examined?—A. No, sir; I know enough of its transactions to know that its business is very limited. I was in the bank every day, more or less, for a week after that affair, and when they wanted to open brokers' accounts and to go on in the same way, I said: "No, gentlemen, it is not safe." And I counseled the general declining of all these accounts, and tried to make arrangements for transferring the bank to a location where it would do a legitimate commercial business. In that I have succeeded. There has been an entire transformation in the board of direction, and they have secured rooms in a building up



town—the New York Life Insurance building. They will move there on the 1st of March, and the bank will be a commercial bank. It has not done any brokerage business since the panic. I know that you could not offer any inducement to the present direction of that bank to stay there and do brokerage business.

Q. Do the national banks generally do a brokerage business?—A. No, sir; not generally. A few of them do.

Q. Did you have any knowledge of an arrangement between the president or any other officer of that bank and any of the clique brokers during that week, that the bank was to certify checks for them to an unlimited or to a very large amount?—A. No, sir; I have no such knowledge. Indeed, I did not suppose that Mr. Dickinson could have said anything of the kind. I had thought that I had satisfactory assurances from the president of the bank that the law would be observed.

Q. Have you now any knowledge, with the affairs all passed, that there was any such arrangement as that?—A. No, sir; I have not. I know that Mr. Dickinson claimed that he of his own accord notified these parties that he could not certify their checks, but that finally he gave as a reason that there were examiners at the bank.

Q. Do you know of any officer of the government of the United States who was directly or indirectly interested in or connected with the gold movement in New York in September last?—A. I have never supposed, from all the observation and inquiry I could make, that there was more than one, and I do not know of my own knowledge that there was any. Of course it was a matter of public comment that General Butterfield, the assistant treasurer, was involved.

Q. Is that the one to whom your supposition refers?—A. Yes, sir.

By Mr. PACKER:

Q. State whether the Tenth National Bank did give certified checks that day without having other checks certified to the same amount deposited.—A. I could not say that from personal knowledge. If I had spent the entire day with the bank I could answer the question.

Q. Did you make any examination subsequently for the purpose of ascertaining?—A. So far as I was able to I did. It is impossible to tell in a broker's bank, unless you are there right straight along through the day, whether the bank certifies to checks beyond the amount deposited or not, for the reason that at 3 o'clock, for instance, you can only ascertain the results of the entire day's transactions, and you are not able to ascertain definitely whether at any particular hour in the day checks have been certified beyond the amount deposited or not. This could be done by making an examination every fifteen minutes during the day, but no person would be very likely to make any over certifications that day while the examiner was present.

Q. At the time you went to raise the hundred and odd thousand dollars for the Tenth National Bank, upon whose certified check did you raise that money?—A. There were various certified checks of parties who had paid their loans. The bank had call loans, and the parties came in and paid them by certified checks on the different banks of the city. I could not now give you the names. I was indignant at the position which some of the banks assumed on that day, and I state frankly to the committee, that the enforcing the rule of the clearing-house made for the ordinary transaction of business, in an exigency which involved the failure of one of their number, I considered an outrage; and I said that if there was a national bank which certified a check for which they were not ready to pay the greenbacks, and the fact came to my knowledge, I

would send it to Washington for such action of the department as might be considered proper. I believe that when a bank certifies checks it should be able to pay in greenbacks, should they be demanded.

By Mr. SMITH :

Q. Give the names of any banks in New York whose action at this time was intended to break down or injure the national banks.—A. It was a wide-spread feeling there. In the first place there are State banks which are desirous of accomplishing such a purpose, and I regard the whole action at Albany, in the facilities they furnish for starting new State banks, as being intended for that purpose.

Q. I speak now of individuals or banks in connection with the gold panic.—A. I could not give you the names of parties from personal knowledge; I only speak of the development of general facts. I could refer, for instance, to the Gold Exchange Bank.

Q. Who were largely interested in that bank?—A. Mr. Benedict, and Lockwood & Co. Lockwood & Co. subsequently failed. They were supposed to have been strengthened by the Gold Exchange Bank to the extent of its ability. The failure of the Gold Exchange Bank was caused by its favoritism to some of these parties, or others of their friends. Their rule was not to pay out anything until all the transactions were settled; but for the purpose of assisting their favorites they paid out balances to particular parties. Then other parties failed, and the failure of the bank was the consequence.

Q. Do you know what representations were made to the Secretary of the Treasury and Comptroller, which induced the appointment of these parties to make an examination of the Tenth National Bank?—A. No, sir; I would give considerable to know that. I do not know who made the application. I would like very well to have the committee know. I have no feeling about it, but I think the effect would be of some value. I do not think there would ever have been an opportunity afforded to this "bull" party in gold if there had not been first a "bear" party who had been selling gold short on the strength of the expected crops; it is so every year. Gold was unusually and rapidly depressed in price by the merchants, bankers, and others, who sold short. In my judgment, and in the judgment of the best men of New York City with whom I have conversed, and whose opinions I would regard as most valuable, the short interest was nearly sixty millions at the time this party came in to take advantage of this opportunity.

By the CHAIRMAN :

Q. About what time did they begin to operate?—A. About the 15th or 20th of August. Finding the magnitude of the short interest, and knowing that the banks held only ten or twelve millions, they said, "We can easily buy that; the government is not going to sell, and these fellows cannot get their sixty or seventy millions of gold." That was the only inducement for these parties to keep on buying. I want to say further, that this movement was a fight between gold gamblers. I think it was six of one and half a dozen of the other; that the parties who sold short in anticipation of the cotton crop should have no more sympathy than the other parties. I do not think it was possible for any administration of the finances to prevent the result that followed, and it will come again just as sure as the sun rises and sets.

Q. Do you know of any legislative remedy for it?—A. I think there is a partial remedy that would prevent any very extended operations. Gold is only wanted for the payment of duties and for shipment abroad. If a merchant wanted to pay his duties on goods, I think he could go to

the collector of the port or the proper authority and obtain a certificate of the amount of duties, which could be taken to the assistant treasurer, and the assistant treasurer authorized to furnish the amount of gold at the market price for that day. I think the government could fix the market price of gold for each day through the customs receipts, and that this would prevent piracy upon the mercantile community.

Q. If they paid their customs duties in gold would they not be at the mercy of the rate if the street fixed the market rate?—A. I do not see how the street could fix the market rate if there was no demand for the purchase of gold.

Q. Could not they themselves combine to push down gold or push it up?—A. Possibly, and yet you could not easily form a combination among importers to that extent.

By Mr. SMITH:

Q. Would any such plan as that prevent short sales of gold?—A. I do not think it would fully, and yet it would in a great measure, because they sell their gold short upon a speculative idea. The greatest cause of the evil, however, is perhaps in the system of clearances at the Gold Exchange Bank. If legislation could require the actual delivery of gold, and break up this system of exchanges or clearances, it would do much to check the evil. I have tried all I could through the associate banks to prevent its reorganization. Mere boys in the gold-room are permitted to transact business to very large amounts, acting, of course, for others.

By Mr. PACKER:

Q. What is it that produces the short sales of gold to which you have referred, and what interest do the importers themselves take in that operation?—A. Many of the importers held large balances of gold during all that stringency, and did not sell even at the enhanced price. The banks could not sell, because they held it under deposit, and might at any time be called upon to pay it out. I think the foreign bankers did more to induce the rise in the price of gold than the importers. The time was when the banks controlled the money movement. They do not to-day. Foreign capital and outside capital are larger to-day than the banking capital.

Q. Did the importers unite to put down the price of gold when they desired to make heavy payments for importations?—A. To some extent, I think, they did.

WASHINGTON, D. C., *February 2, 1870.*

RUSSELL A. HILLS sworn and examined.

By the CHAIRMAN:

Question. State your residence and occupation.—Answer. I reside in New York, and am a broker.

Q. Were you a broker in September last?—A. Yes, sir.

Q. State to the committee whether you have any knowledge of a combination formed in the city of New York, in September last, for the purpose of advancing the price of gold?—A. I knew that there was such a combination formed.

Q. How did you know it?—A. By receiving orders from Fisk and Gould to buy gold.

Q. Did you receive orders from anybody else?—A. From Smith, Gould, Martin & Co.

Q. Did the mere fact of your receiving orders from them show you that there was a combination?—A. No; but I knew it from my experience in business, and from my seeing them together in the office of William Heath & Co., the firm that I was in at the time.

Q. Did you receive any order from those parties for the purchase, sale, or loan of gold during the panic week of September?—A. Yes.

Q. From whom did you receive the order?—A. From Mr. Fisk.

Q. From any other person?—A. No; from Mr. Fisk alone.

Q. Did you act in that matter for yourself, or for some others?—A. I acted for the firm of William Heath & Co.

Q. Did you receive any orders from Mr. Smith, of the firm of Smith, Gould, Martin & Co.?—A. Not during that week. I had received orders from them previous to that week.

Q. State what the orders, which you received from Mr. Fisk during those days, were.—A. I received an order on Thursday morning to buy a million at 41. On Wednesday the orders came to me through Mr. Heath, in the gold-room. They were to buy three millions at 37½. I gave the orders to different brokers. The limit was subsequently raised from 37½ to 40½.

Q. Raised by whom?—A. By Mr. Heath, coming from those parties who were in our office at that time.

Q. Did you execute those orders?—A. I bought some of the gold; not all. I think I bought about seven millions.

Q. From whom?—A. From one or two hundred different parties.

Q. In large or in small lots?—A. In all sorts of lots—from ten thousand to two hundred thousand.

Q. Were your orders limited as to the amount you were to buy?—A. Not at 40½. My orders were "to hold the market" at 40½.

Q. What do you understand by an order to hold the market?—A. Not to let it go below 40½.

Q. What does that imply?—A. It is an unlimited order to buy, I presume.

Q. Why do people give an order of that sort?—A. In order, as we term it, "to bull the market"—to put up the price.

Q. What assurance had you that your principals could back you in such an unlimited order as that? Did they say anything about it?—A. No, sir; I presume they controlled a good deal of money.

Q. Did you hear Heath say anything about the resources, or about banks that would stand by them?—A. He spoke of the Tenth National Bank.

Q. What did Heath say in regard to that?—A. He told me that the Tenth National Bank had agreed to certify to an unlimited extent that day. That is the way I understood it. There was some question raised as to margin, and he stated that to me. A short time afterward one of the officers of the bank came into the office of William Heath & Co. and said that it was impossible for the bank to certify, as there were three bank examiners in there to prevent it. I understood him to be the president of the bank. I will not say positively that he was the president, but I knew him to be an official of the bank. Mr. Fisk and Mr. Gould were in the office at the time.

Q. What response was made by any of those parties to that remark?—A. I did not hear the conversation myself. It was told to me by Mr. Heath. I saw the man come in.

Q. When Mr. Heath told you this, did he make any expression in reference to it, as though it had disconcerted their plans?—A. He seemed rather embarrassed about it.

Q. Did he tell you that the bank had agreed previously to certify to an unlimited amount?—A. Yes.

Q. And that that news which the officers of the bank brought down was a partial breaking up of the old arrangement?—A. Yes, sir.

Q. Do you know of any orders given by any of these parties to the clique besides the orders given to you or to the firm of William Heath & Co.?—A. Yes. I heard Mr. Fisk give an order to Albert Speyers.

Q. What was that order?—A. I heard him tell him to go to the gold room and raise the price of gold to 55. It was then 50.

Q. When was that?—A. That was, I think, after 10 o'clock on Friday morning.

Q. Do you know whether Mr. Speyers executed that order?—A. He left the office to do it, and when I went over to the gold-room the price was 55.

Q. Do you know any other brokers who were buyers of gold for any of those parties commonly known as the clique party?—A. E. K. Willard was a prominent buyer for them. In fact, he managed a good deal of their purchases. Quinen and Enos and Mr. Belden were also buyers for them.

Q. What reason have you to believe that these parties whom you have mentioned were clique brokers?—A. Because it was the general impression. I knew them to be large lenders of gold.

Q. Did you ever hear any of these men say that they were carrying gold or doing business for any of the clique?—A. Yes, sir. I was told by Mr. Heath that Mr. Carver was carrying about twelve millions of gold for them.

Q. Did you hear Mr. Carver himself say anything about it?—A. No, sir. I am not personally acquainted with him.

Q. Who was present besides yourself and Speyers and Fisk, in the office of Heath & Co., when Fisk gave the orders to Speyers?—A. Nobody. I came over to tell Mr. Fisk the state of the market. I told him that the market was strong at 50 bid. Speyers then came in and Fisk gave Speyers an order to go out and raise the market to 55, not saying how much to buy.

Q. Do you understand that to be an order to buy to an unlimited amount?—A. To buy all gold offered under 55.

Q. Was there any other conversation between Speyers and Fisk?—A. I did not hear any other.

Q. Did you have any conversation with Mr. Belden on the 23d or 24th in reference to the movement in gold?—A. No, sir. On the 22d when I was buying this gold Mr. Belden came up and asked me how much gold I had bought. I told him I could not tell him, as I had not figured it up.

Q. Did you see Mr. Belden in conversation with Fisk or Gould during any of these days?—A. Yes, sir; on the morning of Friday.

Q. Did you have any difficulty in clearing all the gold which you bought and sold and loaned?—A. No, sir. I loaned all that gold.

Q. Did you clear it through the clearing-house?—A. Yes, sir.

Q. Were your transactions of Friday all cleared?—A. No; they were settled ex-clearing-house.

Q. What does that expression mean?—A. The Gold Exchange Bank could not clear, and the contracts were settled between members outside privately. They were all settled on the basis of 35. That was a compromise.

Q. By whose order did you make these compromises?—A. Smith, Gould, Martin & Co.

Q. Had you some of your orders for settlement from Fisk?—A. No; none from Fisk; they were from Mr. Smith.

Q. Did Mr. Smith settle Fisk's orders too?—A. Yes, sir.

Q. Have you any knowledge that any officer of the United States government was interested in or concerned in the gold movement of September last?—A. No, sir; I have not any knowledge of it.

Q. At what time on Friday did gold break down?—A. About 12 o'clock, I think.

Q. What is your understanding of the cause of that breakdown?—A. The first thing that broke gold was very heavy sales by Mr. James Brown. He sold about seven millions at 60 to Speyers. It struck the market at the time that these sales were extraordinary, and that they must be for some important account.

Q. How long after that sale did the news appear on the street that the Treasury was going to sell?—A. A very short time after. At the time I heard it, it was current in the gold-room.

Q. Had you any intimation from any source that the Treasury was going to sell before the formal news was declared in the street?—A. No, sir.

Q. Do you know anybody who did have such news previous to the sales of Mr. Brown?—A. I do not.

Q. Do you believe that anybody in New York on the street had that news previous to the date of the official announcement?—A. I cannot say that I do.

By Mr. PACKER :

Q. Do you know any person in the Gold Exchange who had the news?—A. No, sir.

By Mr. COX :

Q. You had no litigation about that matter?—A. No, sir.

By the CHAIRMAN :

Q. What were you doing on Friday—buying or selling?—A. I only bought \$100,000 of gold on Friday for Mr. Fisk at 45. We were left with that gold on hand. We sold no gold on Friday—we loaned gold.

Q. Whose gold?—A. Smith, Gould & Martin's, and Mr. Fisk's.

Q. How much did you loan?—A. About ten millions.

By Mr. BURCHARD :

Q. Then your orders were all from Fisk?—A. No; from Fisk, and from Smith, Gould, Martin & Co. I purchased for them on Wednesday.

Q. Did you purchase any on Thursday?—A. Yes.

Q. And on Friday you loaned?—A. On Friday we bought \$100,000 for Fisk at 45.

Q. Did you settle that on Fisk's order, or the order of Smith, Gould, Martin & Co.?—A. Mr. Smith ordered the settlement of all of them.

Q. And you made the settlements?—A. I did.

By Mr. SMITH :

Q. At what rate did you loan on Friday?—A. All the way from one per cent. to what we call "flat;" neither the borrower nor the lender receiving any premium.

By the CHAIRMAN :

Q. What is the object of lending gold in that way?—A. The demand for it occasions it. Sometimes gold is worth a premium for borrowing it.

By Mr. BURCHARD :

Q. On that order to hold the market, why did you only get \$100,000 for Fisk?—A. That order to hold the market was on Wednesday, at 40½. This purchase of \$100,000, at 45, was on Friday.

By the CHAIRMAN :

Q. Were you ordered by Fisk to purchase just \$100,000?—A. Yes. He told me to go into the market, and put the market up to 145 by bidding for \$100,000. This was a few minutes after 9 o'clock, just at the opening.

By Mr. JONES :

Q. Do you recollect at what hour on Friday it was distinctly understood in the Gold Board, or among business men in Wall street, that the government was going to sell gold?—A. I think about 12 o'clock on Friday.

Q. How was that understood?—A. By general rumor through the crowd.

Q. That, I suppose, was not understood at the time Mr. Brown was selling seven millions?—A. No, sir, not until afterward. The news of the government sale came very soon after that sale of Mr. Brown—a very short time afterward, about 12 o'clock.

Q. How low did gold go on that day?—A. It fell to 32.

Q. I suppose it fell almost immediately?—A. Yes, sir.

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WASHINGTON, *February 3, 1870.*

CHARLES E. QUINCEY sworn and examined.

To the CHAIRMAN :

I reside in Brooklyn, and am a clerk for William Heath & Co., stock-brokers, New York City. I was serving in that capacity during the month of September last. My special duties were having the management of the in-door business of the office. I oversee the general management of the office.

Q. And the books among other things?—A. Yes, sir.

Q. Are you familiar with the business operations of the firm during the month of September last?—A. Yes, sir.

Q. What business did the firm transact during the days known as the days of panic during September last?—A. Buying and selling stocks and gold, more particularly gold during that week.

Q. For whom did they buy gold?—A. They bought gold for Smith, Gould, Martin & Co., principally, and for James Fisk, jr., and E. K. Willard. I remember that one lot of gold was bought for Mr. Willard. We have regular out-of-town customers and city customers, but their business was small.

Q. What was the total amount of gold purchased or sold or loaned by your firm during those days?—A. From the 7th September to the 24th September, inclusive, we bought and borrowed and received for account of the several parties I have mentioned \$14,015,000 gold, the currency price of which would be, without charges, \$19,264,168.

Q. Did you sell for those parties at that time?—A. We sold gold for Jay Gould. On his personal account, we sold \$3,845,000 from September 11 to the 18th inclusive. We sold and delivered, and settled for Smith, Gould, Martin & Co., the balance of the gold.

Q. What was the highest rate that you paid for gold that you purchased for any of those parties?—A. Forty-four and one-eighth.

Q. Were all those transactions to which you have referred settled in the ordinary way by the clearing department?—A. All our gold purchases were received in that way, and our deliveries were made through the clearing-house. To facilitate the purchase we employed other brokers to execute the order for us which we received from Smith, Gould, Martin & Co., and from Fisk, and the orders to sell gold that we received from Gould.

Q. And were all the settlements through these brokers made in the ordinary way?—A. All the settlements on the purchases, and so far as the sales were concerned. We settled a large amount of gold at the rate of 35.

Q. How do you use the word "settled?" In the sense of compromise?—A. Yes, sir. We sold back to the parties. They bought the gold from us in settlement of their differences at the rate of 35, which was the rate established by Smith, Gould, Martin & Co. for settlements.

Q. What was the rate at which the gold was bought originally?—A. The gold was bought at lower figures and was made up to higher figures; the parties gave their checks for the differences.

Q. What amount did you settle in that way?—A. Between nine and ten millions. I think the amount was about \$9,800,000.

Q. What would have been the difference, as related to loss and gain to your firm in settling, if it had settled in the regular way on an exact basis of the transactions?—A. The parties to whom we had gold loaned were given the opportunity of purchasing the gold back of us at that rate, or of waiting until the Gold Exchange Bank cleared. When it cleared, all the gold that was left was cleared by Smith, Gould, Martin & Co., or by us on their account.

Q. Suppose the transactions could have been cleared directly without any break or difficulty, what would have been the difference in the loss and gain between the two modes of settlement?—A. It is impossible to tell, because gold varied between 30 and 35, and many of our settlements were made when gold was 32. That would make three per cent. on the gold, and that on the whole amount of ten millions would have been 8300,000.

Q. By whose orders were those compromise settlements made?—A. Smith, Gould, Martin & Co.'s.

Q. Were they made in your office?—A. Yes, sir.

Q. How many people, do you think, came in there to settle in that way?—A. I could tell you definitely if I could see our list. We have a list of all the parties who accepted our settlements. I should say from twenty-five to thirty.

Q. Who were those people in the main?—A. There were a number of German bankers and of English bankers, such as Matthew Morgan & Son, Kamlah, Sauer & Co., Hallgarten & Co., and many others.

Q. Did anybody else besides Smith, Gould, Martin & Co. give orders for settlements of that kind?—A. No, sir; I think the orders came entirely from them.

Q. And the gold which you did thus settle was purchased for Fisk and Willard and Gould?—A. Yes. There was but one item of \$500,000 bought for Willard, and that was at 37½.

Q. How was it that Smith, Gould, Martin & Co. gave orders for settling Fisk's and Willard's and Gould's account in that way? Did you accept an order from them as good for all the other parties?—A. Yes, sir; we concluded that it was one and the same thing.



Q. What led you to think that?—A. I cannot say, except that the orders appeared to be given in such a way as to lead us to believe that they were one and the same thing.

Q. You understood really that they were operating as one family?—A. Yes, sir; so far as the entire movement was concerned.

Q. Did they ever do anything or say anything that contradicted that notion?—A. No, sir.

Q. Did they ratify all the settlements that you made?—A. They ratified them in this way: That Smith, Gould, Martin & Co. accepted and gave us the terms on which to settle with parties. That was a ratification or settlement of the entire account.

Q. Did you transact business on these days for William Belden & Co.?—A. No, sir.

Q. Did you transact any for Mr. Woodward?—A. My impression is that we did to the extent of two millions. But that gold was taken from us by Marvin & Co. before the 24th.

Q. Do you know on what day it was taken?—A. It was between the 22d and the 24th; I think the 22d or 23d.

Q. Did you have transactions during those days with Albert Speyers?—A. We received from Albert Speyers \$740,000 gold by order of Smith, Gould, Martin & Co. We had a large amount of money over, and they asked how much gold we could carry for them. We consented to receive \$740,000 at 40 from Albert Speyers, which we did on the 23d.

Q. Was that gold which he had purchased on the order of Smith?—A. I cannot tell that. We simply had an order to receive it from Albert Speyers at that rate, which we did. How it was purchased I cannot say.

Q. Was that settled for in the usual way?—A. Yes.

Q. Did you see Albert Speyers during any of those days in your back office?—A. I saw Albert Speyers on the day we received the gold, for I negotiated with him the receiving of the gold. That was on the 23d. It was a verbal transaction between us, and my impression is that we cleared it through the clearing-house and paid at the clearing-house for it.

Q. Which one of the firm of Smith, Gould, Martin & Co. gave you the order?—A. Mr. Smith.

Q. Did you see Mr. Speyers during the 24th?—A. Yes; he came into our office several times.

Q. Who was present when he was there?—A. I can only answer that on impressions, because I was transacting business in another office, and they occupied that day our private office without asking the privilege of doing so. We had two doorways, and they came in and occupied the private office.

Q. When you say "they," what persons do you mean?—A. Mr. Fisk and Mr. Gould; and my impression is that Mr. Belden was there.

Q. Did you hear any conversation on that day between any of these gentlemen and Mr. Speyers?—A. No, sir.

Q. What was Mr. Belden doing there, as you understood?—A. I cannot tell. I never did know Mr. Belden's relations in the transaction. I presume he was a broker for the pool, the same as we, and that he came there perhaps to get orders to buy or to sell, or to make business.

Q. What persons composed the pool, as you understand it?—A. It is impossible for me to say. I do not know who did compose the pool, but, inferring from the orders given, I should say the firm of Smith, Gould, Martin & Co., and Fisk and Gould.

Q. Do you recollect the time when Fisk and Gould and Belden left

the office that day to go out of Wall street?—A. Yes. I think Mr. Fisk and Mr. Gould left about half-past one.

Q. Was there any appearance of danger about the office about that time; anything that threatened their personal safety, as far as you know?—A. No, sir, I do not know of any. They left by the private entrance door.

Q. At what time did gold break down that day?—Between 11 and 12 that day.

Q. Did it break down before the news of the Treasury order to sell gold came?—A. I think it was the reception of that news that broke it.

Q. Did you hear that news before the break?—A. No, sir.

Q. Do you know of any messages having been sent that day from any person in your back office to the sub-treasurer?—A. No, sir.

Q. Do you know of any message having been received?—A. No, sir.

Q. Do you know of any messengers having come or gone between the two places?—A. No, sir.

Q. Do you know of any officer of the United States having been interested or concerned in this movement in gold?—A. No, sir. We acted entirely as brokers in the transaction, and we had full reliance on the ability of Fisk and Gould to protect us in any event.

To Mr. BURCHARD :

We had a stock indicator in the front office in the front of the building, and it also indicated the fluctuation of gold.

By Mr. PACKER :

Q. What amount of J. Fisk's purchases of gold did your firm sell?—A. All of it; \$3,025,000.

Q. Up to what time was that?—A. Up to the 23d of September.

Q. Did you make settlements of Fisk's purchases by direction of Mr. Smith?—A. Yes, sir. I cannot tell how it came about, but I know that Mr. Smith agreed to settle and did settle. He must have done so, I presume, by some arrangement of Mr. Fisk. With parties who did not accept the settlement at 35 they agreed to settle the first day that the clearing-house would be opened, and there was \$225,000 left to that time. It was cleared through the clearing-house at the price of gold that day.

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WASHINGTON, D. C., *February 3, 1870.*

JACOB D. VERMILYE sworn and examined.

By the CHAIRMAN :

Question. State your residence and occupation?—Answer. I reside in New York City; am a banker; am president of the Merchants' National Bank; am chairman of the clearing-house committee, the executive committee of the clearing-house.

Q. Please state whether you are familiar with the general history of the so-called gold panic of September last?—A. I am acquainted with it so far as connected with the clearing-house.

Q. State what the effect was upon the operations of the clearing-house?—A. On the morning of Saturday, the 25th of September, the Gold Exchange Bank was debited to the clearing-house to the amount of \$1,886,000. This amount they paid us in gold. They could not pay it in currency.

Q. What gold was that?—A. I suppose it was gold which they had received the day before from depositors who had sold gold; they were to receive currency, but the operations of the Gold Exchange Bank that day were so confused that they could not make the clearing. They undertook to draw a line, and say such a man had fulfilled his contract and such a man had not, and the consequence was they did not receive the currency in payment for the gold which was to be delivered to the purchasers. For this gold they gave their checks to the various banks without having the currency on hand. The consequence was, they had run in debt to the associated banks to the amount of one million eight hundred and eighty-six thousand dollars. They paid us the gold during Saturday. In this connection I would say that it is customary in the New York clearing-house for the debtor banks to pay before 1 o'clock, and by two o'clock we pay the creditor banks. But here was a bulk of gold which we could not pay out to the other banks; we had given our receipt to the Gold Exchange Bank that we had this gold and would return it. To obtain currency in order to make settlement, I had to borrow it at the different banks. So I went out and used the gold in this way: I let the bank of Commerce have \$500,000, the bank of America \$500,000, our own bank, the Merchants' National \$300,000, and other banks smaller amounts, until the whole \$1,886,000 had been taken.

Q. Was that gold actually delivered to these banks?—A. Oh, yes; I delivered it myself.

Q. I thought you were responsible for its safe return?—A. That was the reason we placed it in these banks, where we knew we could get it. I made arrangements with these banks to carry it and return it when we were called upon for it. But for that we would have been, or *might* have been, thrown into as bad a fix as the Gold Exchange Bank was.

Q. Had the Gold Exchange Bank no currency to give you?—A. If they had they would not give it. They may have thought that if they could compel us to carry the gold for them until they could make arrangements with their dealers, it would be so much help to them. That, however, was only a portion of the gold we received. On the 27th of September, the Monday after the panic, the Gold Exchange Bank came in creditor at our clearing-house to the extent of \$233,000. We used that credit in taking up that much of the gold which we had before loaned out. That settled so much, reducing the total amount to \$1,653,000, the balance of the first day's gold received from the Gold Exchange Bank. September 28, Tuesday, the Gold Exchange Bank came in indebted to the clearing-house \$2,443,000. We discovered this before we got through with our clearing, and immediately gave orders to the manager to stop, and not deliver any more exchange to any bank. I went down to the Gold Exchange Bank and insisted upon a settlement, and after some parley they gave me what turned out to amount to about \$2,569,000; of that there was a round million in gold, the balance was in demand loans, the value of which I did not know until I got them to the bank. I took the gold and box of securities and was glad to get off with them safely. The bank was not yet in the hands of the receiver. We collected the loans as fast as we could, until eventually we realized \$2,600,000 out of them and the gold. The first day's gold they took up when Mr. Jordan was appointed receiver; he was the second receiver. In the course of two days they took up about \$1,853,000. I went around to the different banks where I had placed the gold, gave them the greenbacks which the banks had given me, and got back the gold which I had loaned them. In regard to the \$2,443,000 indebtedness to the Gold Exchange Bank, the million of gold I had obtained from them I used

precisely as I did the first \$1,800,000. I gave it to certain banks to carry, and thus paid so much of the debts of the creditor banks of the Gold Exchange Bank, and the balance I reclaimed on those banks which had created this credit. I drew drafts on the banks, on each for its relative proportion which its debt bore to this \$1,443,000, and that is the way we settled that day. We finally completed the settlement by paying the banks which we reclaimed on in installments. On the 30th of September we paid 33 per cent.; on the 1st of October 8 per cent.; on the 4th of October 27 per cent.; on the 7th of October 4 per cent.; on the 11th of October 20 per cent.; on the 15th of October 8 per cent., which completed the settlement.

Q. Does your clearing-house still continue to do business for the Gold Exchange Bank?—A. No, sir. They are nominally members of the clearing-house. We have never stricken them off; but we have given orders, if they present themselves, that they shall not be received until we can call the committee together, when we probably should throw them out altogether. I understand that they do not now pretend to do a banking business at all; only a clearing-house business. They keep their account with the Metropolitan National Bank, having made such arrangement that their depositors can have the responsibility of the Metropolitan Bank.

Q. What is the average daily transactions of the New York clearing-house?—A. From eighty to one hundred millions of dollars.

Q. Was it not larger than usual during those days of the panic?—A. My impression is that on that heavy day the amount was one hundred and forty-one millions; not quite double the usual amount. We scarcely ever went below eighty millions.

Q. What is the usual percentage of balances, compared with the total amount of clearances?—A. It rarely exceeds three million dollars to be actually paid over on settlement.

Q. Not quite four per cent.?—A. No, sir.

Q. Was the percentage greater, or less, than usual, during those days of the panic?—A. I cannot answer that to a certainty. My impression is that it was somewhat greater.

Q. State whether you regard the Gold Exchange Bank as a necessary instrument of trade?—A. I regard it as an unmitigated evil. My reason is this: a man not worth a hundred dollars may go and buy gold to the extent of one or two hundred thousand dollars. If gold goes up he is all right; if it goes down even one-half of one per cent., he cannot afford to pay the loss. I think it fosters a spirit of reckless speculation among irresponsible parties.

Q. Is your bank clearing-house an incorporated body?—A. No, sir; it is a voluntary association.

Q. Can its transactions be enforced in a court of law?—A. We have never had that question tested. Perhaps you will understand our mode of doing business better when I tell you that we do not become responsible as a clearing-house for anything except merely for the moving of the balances. If currency is paid to us we pay it over to the party to whom it is due; if it is not paid to us, we are not liable. The banks creating this liability, the amount of which should be paid us, are the losers.

Q. Is the clearing-house a bank organization, like the other banks of New York—a national bank?—A. No, sir.

Q. Then no such corporation exists in law as the New York clearing-house?—A. No, sir.

Q. It never sued anybody?—A. No, sir.

Q. And was never sued?—A. No, sir. We are not in a position to test that question at all. In case of any trouble, such legal remedies must apply, not to us, but to the banks that create the trouble; we merely operate a machine. Were we to pass exchange, should any bank exchange be ten thousand dollars short, for instance, the bank would not come to the clearing-house, but directly to the bank in error.

Q. Suppose a bank should do to an individual what the Gold Exchange Bank did to the clearing-house, rendering it impossible to make a clearance, what relief would the individual have had?—A. There is a great difference between that case and ours. We exchange entirely as between banks; that case refers to individuals; the cases are in no way alike. In the panic of 1857 we had precisely that condition of affairs; a dozen banks, perhaps, were unable to respond; but they arranged the matter by paying over to the committee securities, as this Gold Exchange Bank did to us; and the committee used enough of them to pay the banks who were creditors of the banks which were in debt.

Q. Did you have any difficulty in making clearances with any national bank?—A. We had a difficulty with the Tenth National Bank.

Q. Please state what it was.—A. The trouble was of short duration. On the morning of September 27, the Tenth National was in debt to the clearing-house \$723,900, which was settled without any reclamation.

Q. What do you mean by reclamation?—A. When a bank does not respond to the banks to which it is indebted, the banks which created this debt are held responsible, and we turn around and draw on them for the amount, so far as they have incurred the debt, so as to enable us to settle. In the case of the Tenth National Bank, as I said, we settled without having reclamation.

Q. How was the difficulty settled?—A. At 10½ o'clock, before the exchanges were delivered to the bank, I went down there and stated to them that their debt was \$723,000, and that we would not deliver their exchanges until they gave us something to cover that; they paid me \$400,000 in what is called three per cent. clearing-house certificates, which they were holding as reserves; they gave me call loans enough to cover the difference between four hundred thousand and seven hundred and twenty-three thousand dollars, and about twenty-five to thirty thousand dollars in excess. I sent word immediately to the parties, and they paid me, I think, about one hundred and thirty thousand dollars.

By Mr. COBURN:

Q. Were any of those call loans against James Fisk, jr., or Jay Gould, or any of the parties connected with the gold clique that got up this panic?—A. I do not know who were connected with that clique, any further than by general suppositions and street rumors.

By the CHAIRMAN:

Q. Were they against banks or brokers?—A. My impression is, though I may be wrong, that they were against brokers, mostly.

Q. Do you recollect the names of any of them?—A. No, sir. I was about to add, that the regular hour for paying in at the clearing-house was half-past one; at twenty minutes past two the Tenth National yet owed one hundred and ninety-three thousand dollars; but by three o'clock the whole amount was made up, and that ended the whole thing.

Q. State whether any officer of the government rendered you any assistance.—A. My understanding was that Mr. Callender was the means of raising this deficiency of \$150,000.

Q. What was the matter with the Tenth National Bank that day?—

A. They had been certifying pretty largely the day before ; then a committee from Washington came on to examine into the condition of its affairs, and the public got wind of it, and that created a good deal of excitement, and many demands were made over their counter, and many banks became uneasy and refused to recognize their certified checks, which made it necessary for the Tenth National to pay out a great deal of cash.

Q. Did the Tenth National violate any law in the course of those transactions ?—A. That I cannot answer.

Q. Did they violate any ordinary banking custom ?—A. I am not able to answer that either.

Q. Do you know whether they over-certified ?—A. I cannot say.

Q. State whether or not you consider the present custom of certifying the checks of other banks is an unsafe one ?—A. I think if it were confined to the strict letter of the law there would be no danger.

Q. Do you think the letter of the law is frequently violated in the present method of banking ?—A. I can only guess as to that.

Q. What would be the effect upon business of forbidding the certification of checks except upon the actual deposit of money ?—A. It would interfere very much with the transaction of business.

Q. I mean the checks of other banks ; suppose that every national bank was forbidden the certification of its checks on the deposit of the checks of other banks, and the certification of checks confined to the actual deposits of currency ?—A. I do not believe it would be possible to carry on our business. For instance, our clearing-house shows daily from eighty to one hundred millions of dollars in clearances. A very large part of that arises from the operations of the government, the sale of bonds, &c. Without the use of certified checks it would be impossible to transact this business ; the currency is not there ; that, and the gold united, would not carry on a single day's operations. We have only thirty millions of gold, and between thirty and thirty-five millions of legal tenders, which are the only things that can be used ; national bank notes are not used in the settlement of balances at the clearing-house.

Q. Do you regard it as possible to confine the certification of checks to a safe and legitimate business ?—A. I should think it might be ; it always has been until within the last six or seven years.

By Mr. COBURN :

Q. By what means could the certification of checks be confined to a proper and legitimate business ? What measures could you recommend to insure that result ?—A. The present law, it seems to me, would be sufficient, if it were but properly and rigidly enforced, and banks allowed to certify only on certified checks of other banks, or in case the party wanting to draw shall deposit government bonds, or other ample security. It is not to be supposed that many of the banks would loan money which they would be unable to settle for at the clearing-house. As to abolishing the use of certified checks, I do not think that would be found at all practicable ; I think any law compelling it would cramp the operations of trade so severely that it would have to be repealed.

Q. Suppose that one bank certifies a check when it has no deposits ; this certified check is taken to another bank, and there made a deposit, and another check obtained upon it, and this process is repeated indefinitely ; is it not possible for a large number of fraudulent certificates to creep into the business of all the banks, and many of them be perfectly innocent ?—A. Your supposition is that the bank certifies in direct con-

travention of the law; that might possibly occur, to be sure, but it would be against the bank's own immediate interests.

Q. But if one bank should do so, would another bank have any means of knowing it?—A. No, sir.

Q. In other words, banks have not, from day to day, any check against the fraudulent certifications of other banks around them?—A. No. We cannot know the truth of what a bank certifies; but we can judge somewhat from next morning's clearance.

Q. A bank might certify a man's check for \$5,000 when he had not the money in the bank, nor any security; and if the man failed to pay it, the bank might; in such a case would there be any way of knowing whether that bank certified to the truth or not?—A. Certainly not. Such cases have occurred on a smaller scale.

Q. Suppose a man says to a bank, "just put me down as having half a million of dollars, and certify a check for me," when he has no money in the bank to back that check, and the bank should certify, would you deem that a legitimate and proper transaction?—A. If the party in that case should deposit security, and the bank should certify it, I should say that was a legitimate transaction. But if the bank should do it merely to evade the law, without a deposit or security, not intending to be responsible, I should say it was entirely wrong.

By Mr. COBURN:

Q. What is the character of the bulk of these transactions when they run up to ninety or one hundred millions; is it all real business, or mainly speculative transactions?—A. My impression is that a large portion of it consists of speculative transactions.

Q. Does or does not this practice of certifying checks facilitate and encourage speculative transactions?—A. I think it cannot be so considered. If a party is speculating to the extent of half a million or a million dollars a day he cannot get his check certified without giving full value for that certification; of course there are cases where wild, loose speculation is done that I know nothing about.

Q. State whether you regard the extraordinary rise in gold last September as natural or artificial.—A. Oh, artificial.

Q. What do you think would have been the price of gold in September but for that artificial interference?—A. Not far from from 25 per cent., I should think; the general, natural tendency was downward.

Q. Do you know of any considerable losses having been suffered in consequence of the gold panic?—A. I do not know personally. I understand, of course, that losses were suffered.

Q. State in what way the gold panic was detrimental to business.—A. In mercantile transactions it is quite customary for the merchant who buys his goods for gold to borrow gold to pay his obligations, or, rather, to use the gold, and when his obligation falls due he buys that gold and returns it. A derangement in the currency like that of September last necessarily had its effect; as gold went up merchants became frightened; they were notified by the parties who had loaned them gold that their margins had disappeared, and were called upon to return the gold or put up more margin; the consequence was many of them had to buy at very high rates.

By Mr. SMITH:

Q. What reason have you for thinking that but for this unnatural interference gold would have been about 25 per cent. in September?—A. I cannot give the origin of my impressions. I have a general idea that the premium would have been not far from that figure.

Q. It has been a matter of curiosity to me what it is that fixes and determines the price of gold; why and how gold should be worth *so* much now and *so* much at another time.—A. That matter is governed principally by the wants of trade; at certain seasons of the year gold will command higher prices than at others, because there is more demand for it. If there is a short crop of cotton, or of wheat, you will readily see that it will enhance the price of exchange, and gold will advance; it will require the shipping of gold in place of these to cover our foreign exchange.

Q. You have stated it as your opinion that the Gold Exchange clearing-house is an unmitigated evil; that it promotes speculation; state whether the bank clearing-house is open to the same objection.—A. There is no speculation connected with that operation; it is merely a place to balance accounts; no money transactions except the settlement of the day's business. In former days each bank had to go round with a pouch and exchange and settle directly with each other bank with which it did business. The bank clearing-house consolidates this whole matter.

Q. Have you any knowledge of any officer of the United States government being concerned or interested, directly or indirectly, in the gold operations of September last?—A. I have not.

WASHINGTON, *February 3, 1870.*

H. R. HULBURD sworn and examined.

By the CHAIRMAN:

Question. State your official position.—Answer. I am Comptroller of the Currency.

Q. Were you conversant with the affairs of the Tenth National Bank, New York, during the month of September last?—A. Not particularly during that month.

Q. Had you been previously?—A. For ~~a~~ year or more prior to that I had been watching the course of that bank.

Q. Please state the condition of that bank at the last regular examination prior to September 24, of last year.—A. To do that I should have to refer to the examiner's report. This bank was considered peculiarly a brokers' bank, and was managed, to a great extent, in such a manner as to facilitate their operations, particularly in the matter of certification. This examination was made after the act was passed prohibiting certification except upon actual credits. This bank would arrange with its brokers that they should deposit therein early in the day checks on some other bank. These checks were not to be presented for certification, but were to answer as deposits until 3 o'clock, when they were to be taken up, the account having been made up by this amount over the amount certified. The examiner mentions several cases illustrating the operation of this manner of doing business. For instance, he says: "On Thursday last," that is, the 17th of April, 1869, "Mr. Josephus's account was not made good, and just before 3 o'clock these checks were presented at the Continental; there being no funds, the Tenth National still hold them, pending a settlement. He proposes to pay \$8,000 cash, the balance his own notes, \$1,000 payable each month; his facilities for payment, of course, depending upon his success in business." The examiner continues:

Finding how the plan had operated in this case, I proposed to test it a little further, if still continued, and accordingly took (among others) from the *cash* of the receiving



teller, at 11 o'clock, the following checks for which credits had been made to the parties drawing the checks on other banks, and certificates to large amounts already made:

Hoyt & Gardner, on Bank of Commonwealth.....	\$100,000
Quinan & Enos, on Shoe and Leather Bank.....	100,000
W. H. Granben, on Mechanics' Banking Association.....	100,000
Jesse W. Benedict, on American Exchange Bank.....	80,000

And others, amounting to \$1,570,000 on various banks. In but *three* cases out of *fifteen* were the checks good. Some offered in exchange checks for the *same amount*, by the *same parties*, on the Tenth National. Some offered to certify and pay through exchanges. Some replied, "They might be made good by 3 o'clock;" &c., &c. The first three I protested, sending Llewellyn in a carriage, with a notary and one of the clerks of the bank. This of course created an excitement on the street and in the several banks they visited. Not desiring in this first instance to damage individual credit, or to have it prove detrimental in any way to the national system, but rather to make it a note of warning to both banks and brokers, I withheld the notices, and inclose the same herewith to you, together with protests, copies of checks, &c. \* \* \* I inclose the names and amounts for which credits were thus made, and upon which certifications were based:

A. W. Shepherd.....	\$100,000	Fitch & Bowen.....	\$100,000
Hoyt & Gardner.....	100,000	Quinan & Enos.....	100,000
E. F. Rook.....	100,000	Dzondi & Co.....	100,000
Reed, Leo & Cartent.....	100,000	H. L. Horton & Co.....	60,000
C. Benedict.....	80,000	W. F. Livermore & Co.....	50,000
M. Mitchell.....	50,000	Suydam & Co.....	50,000
W. J. Hale & Co.....	40,000	A. Frank & Bro.....	30,000
T. C. Markham & Co.....	30,000	Fearing & Hazelton.....	25,000
W. H. Messinger & Co.....	25,000	J. & W. Seligman & Co.....	500,000

making a total of \$1,640,000.

The check of J. W. Benedict, indorsed by C. Benedict, on the American Exchange Bank, was dated in *March*, (no day,) and pronounced by that bank a *forgery*. A. Frank & Bro. are the same parties who, some months since, failed to make good their account, and who now owe the bank \$26,807 55 for the same, on an extension for several months—ability to pay predicated on success in "business," with these certifications as capital.

Q. As I understand the matter, on this plan, a man draws a check and puts it into the bank, and then uses the bank's credit to do his own business with.—A. That is it exactly.

(The witness here exhibited to the committee the notices, protests, and other papers in connection with the matter set forth above.)

By the CHAIRMAN:

Q. How long before the September panic did this examination take place?—A. It was made about the middle of April.

Q. Did you, as the Chief of the Currency Bureau, consider that condition of the bank a satisfactory one?—A. No, sir.

Q. What steps, if any, did you take in reference to that matter after the receipt of the report?—A. I instructed the examiner to watch carefully, and if the practice was continued, and if any violation of the law could be proved, to report to me at once. There is some difficulty when matters are not satisfactory in establishing a positive violation of the law.

Q. State to the committee what led to the appointment of a board of special examiners to be sent to New York on the night of the 23d of September?—A. The Secretary of the Treasury informed me that he had received information from New York to the effect that the Tenth National Bank was engaged in a scheme to lock up greenbacks, and he requested me to designate a man from my office, to join two others, one appointed by himself and one by the Treasurer, to go to New York to examine the bank. I appointed a man for that purpose, and, at the request of the Secretary, commissioned the other two as examiners, and sent them on for that purpose. That is all I know about it.

Q. Had you any other reason for their appointment than you have stated?—A. No, sir.

Q. Were you ever shown the letters of complaint to the Secretary?—  
No, sir.

Q. What was the impression made on your mind on the receipt of their report as to the conduct of that bank during the days of the panic? Did you regard its course as in accordance with the law?—A. No, sir; not strictly. My opinion, however, was that, if the examiners had not been in the bank on that day, Friday, the certifications of the bank would have been much greater than they were. I gathered that from the report made by the examiners, to the effect that parties who came with their checks to be certified were turned away, with a whispered statement, that government examiners were in there, and that they could not do it.

Q. I believe you recommended in your annual report that some legislation be had restricting the practice of certifying checks, did you not?—  
A. I did last year and the year before, and at the last session of Congress a law was enacted upon the subject, which was intended to have a restraining influence.

Q. State to the committee whether that law is, in your judgment, effective for the purpose which it is designed.—A. Not as fully as I could wish. I think, however, that it has had a good effect, and that certifications are not carried to the same extent that they were before. Where they are the bank has better security for them.

Q. Do you recommend any additional legislation?—A. I do not.

Q. What is your judgment as to the propriety of forbidding the certification of checks where there are no deposits of money, but only deposits of other certified checks?—A. I do not think that the law would permit such certification now. I am inclined to think that it is done, but it is difficult to get at the facts; there are so many ways of evading the law.

By Mr. BURCHARD:

Q. As I understand, there is evidence to show that there were many millions of certified checks deposited in the Tenth National Bank on Thursday, and that millions of certification were issued upon them?—  
A. My idea was that certification should be restricted to the actual money in the bank to the credit of the depositor.

By the CHAIRMAN:

Q. Have you knowledge, or satisfactory ground for believing, that there was any combination in the city of New York or elsewhere to disturb or break down the national banking system during the period of the gold panic?—A. I know of nothing to that effect; I was not there, however, and was not able to judge.

Q. Did you ever have any information lodged with you as an officer of the government to the effect that such a plan was in operation?—A. I had statements from the examiner, Mr. Callender, that he believed such a scheme was on foot.

Q. Did you see sufficient reason to lead you to suppose that that was so?—A. I cannot say positively. I had reason to believe at one time during the last year that a movement was on foot to carry the national banks back to the New York State banking system. I received notice from several banks that they had reconverted themselves to State banks; and those notices were all on the same printed forms, evidently prepared for the purpose, and used by some banks in Albany, Troy, and New York; and I was advised that there was a general movement on foot, and that it would result in the transfer of all the old banks in New York

City to the State banking system ; but as to the particular movement in September, I have no means of judging.

Q. Was any effort made during the time that those examiners were on duty as such to procure their recall?—A. No, sir.

Q. Were they recalled before they completed their examination?—A. Not before they completed their examination of the Tenth National Bank.

Q. Have you any knowledge that any officer of the government of the United States was concerned or interested in the gold movement in September?—A. No, sir.

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WASHINGTON, *February 4, 1870.*

C. A. TINKER sworn and examined.

To the CHAIRMAN :

I reside in Washington, D. C. I am manager of the Western Union telegraph line, for the city of Washington. I was so employed on the 24th of September last. On that day I saw a message from the Secretary of the Treasury to General Butterfield, assistant treasurer at New York, directing him to sell gold and purchase bonds ; my attention was called to it, in order that it might be hurried over the line. It was not brought to the main office, corner of the avenue and Fourteenth street, but to the branch office, 450 Fifteenth street. I was at that time in the operating room of the main office.

Question. Have you any means of stating precisely at what time you first had knowledge of that dispatch?—Answer. It would be impossible for me to state simply by recollection, because I am often in and out of the operating room. This day, however, I happened to be in this room. Since yesterday, anticipating that you would call upon me in regard to that dispatch, I have examined it to see what were the time marks upon it. I find that it was received at the branch office on Fifteenth street at 11.45 a. m. My instructions to the operator at that office are, when a dispatch of importance is received, and she has not the use of the wire to New York, if that is the point of destination, to send it immediately to the main office, where we have wires working constantly. Miss Cook, the operator, held it about five minutes, and then sent it to the main office, from which it was sent through immediately to New York. The marks upon the dispatch show that it was in the main office three minutes.

Q. What is the difference of time between New York and Washington?—A. About twelve minutes.

Q. Was there anybody in the main office beside yourself when the dispatch was received from the branch office?—A. Yes, sir ; there were twelve or fifteen operators there at the time.

Q. Did any other person except yourself know of the dispatch being received?—A. The operator who received the dispatch, a Mr. Kerbey, knew of it ; and the operator who sent it to New York, named Burns, knew of it.

Q. Did you get any response from New York indicating its receipt?—A. The proper response would be "O. K.," from the operator receiving it ; and I find that response recorded.

Q. Did the message "O. K." bear date, so as to show at what time it was received?—A. The time marks would be placed upon the dispatch by the operator here.

Q. Do you know whether the clock at the branch office agreed with

the clock at your office that day?—A. I suppose it did. We have the time at 12 m. from the Observatory, which time is given to all our branch offices.

Q. Is there anything in the branch office which would show whether the dispatch was sent from there, or from your office, directly to New York?—A. Yes; the number will show that.

Q. Would the operator certainly know, in sending the message, whether it was to go direct to New York direct, or through your office?—A. Certainly; it would be sent on different wires.

Q. Aside from the operator who received the dispatch in your office, and the one who sent it to New York, was there any other person, besides yourself, who knew of its existence there?—A. Yes, sir. Under our system, the messenger boy takes the dispatch and passes it to the number clerk, who records its number; and the operator checks it from the number. The message would, therefore, have passed through the hands of the messenger boy and of the number clerk, who is also a boy; but I think neither of them would have been likely to read it.

Q. Did you give this message any special attention, so as to know that it was sent promptly?—A. Yes, sir; I did.

Q. Have any brokers any special arrangement in regard to telegraphing? Is there what is called a brokers' wire?—A. We give for the use of brokers one wire between here and New York, which also connects with the brokers' offices in Philadelphia and Baltimore. There are three offices in New York connected with this wire, so that the brokers here have direct communication with the gold board, the stock board—the main office in New York—and with the brokers' offices in the other cities to which I have referred.

Q. Was any dispatch sent over the brokers' wire concerning the sale of Treasury gold within fifteen minutes before or after this dispatch?—A. I cannot answer from my own knowledge; if anything of that kind were sent from the main office the records would show it. The brokers' wire has two termini in Washington, one at the main office and one on Fifteenth street.

Q. If Miss Cook had sent the dispatch directly to New York, would she have sent it over the brokers' wire?—A. Yes, sir, over the same wire we would have sent it by.

Q. And she could have sent it over that wire instead of sending it to the main office?—A. My inference is, that that wire was occupied at the moment, so that she could not get the message in. If another office, perhaps in Baltimore, for instance, were using the wire to communicate with New York, it would prevent her sending the message at the moment.

Q. State, as the manager of this line, what records were made in New York of the receipt of this dispatch, and the disposition made of it?—A. Anticipating the question of the committee, I telegraphed to the manager of the Wall street office, New York, asking by what operator the message was received, and the time of its receipt; also the time of its delivery, and by whom receipted for on the message-book, to which she replies as follows:

Washington message of September 24 received by Miss S. F. Turner, at 12.09, our time; receipted at 12.10, by General Butterfield.

M. E. LEWIS, *Manager.*

Q. Now, allowing for the difference of time between Washington and New York, how many minutes actually elapsed from the time the message was sent until it reached General Butterfield?—A. From the branch office to the main office was five minutes; through the main office three

minutes; time occupied in sending it, perhaps, one minute. And the record is that it was delivered to General Butterfield within one minute of the time of its receipt in New York. I do not know the distance from the telegraph office to the sub-treasury; but they must be very near each other. This would leave four minutes unaccounted for; which, I think, is to be explained by the difference in clocks.

Q. What is the name of the messenger who carried the dispatch from the New York office to General Butterfield?—A. I do not know; he was a messenger of the Wall street office. The message was delivered to him sealed, and he would have had no opportunity of learning its contents; certainly not within the one minute's time within which it was delivered to General Butterfield.

The witness subsequently furnished to the committee the following copies of the dispatch, as received at the branch office on Fifteenth street, and as copied at the main office and sent to New York:

[By telegram.]

7 W.

11.45, SEPTEMBER 24, 1869.

To DANIEL BUTTERFIELD,  
*Assistant Treasurer United States, New York.*

Sell four millions (4,000,000) gold to-morrow, and buy four millions (4,000,000) bonds.  
GEO. S. BOUTWELL,  
*Secretary of the Treasury.*

Charge to Department.  
10 F. S. 40. Paid,

Co. & K.—11.55.

I certify the within to be a true copy of original telegram on file in this office.

CHAS. A. TINKER,  
*Manager W. U. Tely'h, Washington, D. C.*

7 F. S. 23. Dx.

WASHINGTON, 24, 1869.

(Received at corner Fourteenth street and Pennsylvania avenue, 11.50 a. m.)

To DANIEL BUTTERFIELD,  
*Assistant Treasurer United States, New York.*

Sell four millions (4,000,000) gold to-morrow, and buy four millions (4,000,000) bonds.  
GEO. S. BOUTWELL,  
*Secretary Treasury.*

Co. & K.

10 F. S. 40. Paid.

I certify the foregoing to be a true copy of telegram on file in this office.

CHAS. A. TINKER,  
*Manager W. U. Tely'h, Washington, D. C.*

WASHINGTON, February 5, 1870.

C. A. TINKER recalled and re-examined.

By the CHAIRMAN:

Question. Have you the general charge of the Western Union Telegraph Company's office in Washington?—Answer. Yes, sir; I have.

Q. Have you in your possession, or under your control, or are there in the possession of the telegraph company which employs you, any telegrams which were sent over the wires from Washington to New York, on Friday, the 24th of September, 1869, which were filed with you for

transmission between the hours of 11.15 a. m. and 12.15 p. m., in relation to the purchase or sale of gold, other than the dispatch of Secretary Boutwell to General Butterfield, which has already been produced before this committee?—A. We have.

By the CHAIRMAN :

Q. The committee desire you to produce them.—A. I cannot comply with the request of the committee, under my present instructions. I will lay the request before the company for instructions, and give a final decision in an hour or two.

Q. You stated in your former dispatch the offices in Washington, New York, Baltimore, and Philadelphia, with which this brokers' wire connected, over which the dispatch from the Secretary of the Treasury to General Butterfield passed. State whether an operator in any of these offices would understand a dispatch sent over that wire?—A. If he or she were a sound operator it would be possible.

Q. During the eight or ten minutes' delay between the time this dispatch was brought to the branch office on Fifteenth street and the time it was brought to the main office, could it have been sent from that office to New York without coming through your office?—A. It could, but by no one except Miss Cook.

Q. Could she have sent it to New York without its coming through the main office?—A. She could have sent it direct. It would only have been heard at the instrument at the main office, without passing through that instrument.

Q. State whether, during that ten minutes, you heard that dispatch go over the wires from Miss Cook's office to New York?—A. I can only state from my memory that I did not. I was out and in the operating room, and if such a dispatch was sent, I may have heard it without being able to remember it now.

Q. Have you any knowledge or belief that any person in your office heard that dispatch go over the wires before you sent it, at the time you have testified?—A. I have no knowledge that any one did.

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WASHINGTON, *February 7, 1870.*

C. A. TINKER recalled.

(Witness laid before the committee a dispatch, received by him from the executive committee of the Western Union Telegraph Company.

Witness also presented the dispatches called for by the committee which were received at the Western Union Telegraph Company in this city between the hours of 10.15 a. m. and 12.15 p. m. on the 24th of September.)

By the CHAIRMAN :

Q. Are these six dispatches that you have produced before the committee all the dispatches that were sent over your wires or delivered at either of your offices (the main and the branch offices) during that period, relating to the sale or purchase of gold?—A. They are.

Q. Are two of these six the same dispatches that have hitherto been laid before the committee by the Secretary of the Treasury, the first directing the sale of gold, and the second giving later instructions concerning that sale?—A. They are.

On motion of Mr. Judd it was resolved that, as the four remaining

dispatches were of a private nature, and wholly immaterial to the subject-matter of the investigation, they be returned to the witness and be not introduced as part of the testimony.

WASHINGTON, February 5, 1870.

FORD C. BARKSDALE sworn and examined.

By the CHAIRMAN :

Question. Please state your residence and occupation.—Answer. I reside in New York; I am a journalist.

Q. State to the committee what your relation to the press was in September last.—A. I was one of the editors of the Sun; I remained so up to a few days since, when, for the purpose of being able to contribute to more papers, I resigned.

Q. Are you acquainted with Mr. Corbin?—A. I “interviewed” Mr. Corbin, Mr. Gould, and others, and made the “*exposé*,” as it was called, in the Sun.

Q. Do you know General Butterfield?—A. Yes, sir.

Q. How long have you known Mr. Corbin?—A. Since the first day of October last.

Q. How long have you known General Butterfield?—A. Since about the 10th of October.

Q. What do you know of your own knowledge with respect to this gold panic and the causes which produced it?—A. I have had the story from Mr. Catherwood, Mr. Fisk, Mr. Gould, Mr. Corbin, Mr. Butterfield, and others. I have no knowledge of my own.

Q. You know that there was a combination to put up the price of gold in September?—A. Yes, sir; from interviews which I have had with the leading parties connected with it.

Q. State anything you know in reference to the appointment of General Butterfield as sub-treasurer, in connection with speculations in gold, if you know anything about it, either through General Butterfield, Mr. Corbin, or Mr. Catherwood.—A. Colonel Catherwood’s statement to me was that he was spoken to for the place of sub-treasurer, prior to the time that General Butterfield was; that the programme was made out for what he was to do in case he got the appointment, but that he declined to fill the entire bill.

Q. State what you understand by the entire bill.—A. It was to give inside news from the Treasury Department to these parties, so that they could make money.

Q. Who is Mr. Catherwood?—A. He is the step-son-in-law of Mr. Corbin.

Q. Relate what you know in relation to the appointment of General Butterfield as sub-treasurer.—A. On Mr. Catherwood’s declining, General Butterfield was proposed and pushed by Corbin, Gould, and Dick Schell, as I suppose. I only know positively that Gould and Corbin put him forward, and that he was nominated.

Q. Give the committee the sources of your information about him.—A. Mr. Catherwood and General Butterfield.

By Mr. JONES :

Q. You say Mr. Catherwood told you that a proposition was made to him to take the position of sub-treasurer, but that he declined to fill the bill. Did he tell you what persons had proposed to him that he should

be appointed?—A. He did not state any one positively, except Corbin and Gould. They were referred to directly by Catherwood. He made objections to certain things, and through their influence he was withdrawn.

By Mr. Cox :

Q. State what other information you received from any of these parties in relation to this subject of the appointment of General Butterfield.—A. My information was from Mr. Gould; also from Mr. Butterfield. When Butterfield was nominated, Catherwood says, he agreed that he would give them such information as from time to time came into his hands, by which prior information they could make money. General Butterfield told me that these parties did not come to the sub-treasury, nor to him, at all; but that their operations were based upon information coming to them from Mr. Corbin; which, they stated, he got from Butterfield in consequence of securing his nomination.

Q. This information, then, comes from Butterfield as well as from Catherwood?—A. Both from Butterfield and Catherwood.

Q. Can you state when these interviews were had?—A. The interview with General Butterfield occurred three days before the article appeared in the New York Times, which was called the defense of General Butterfield.

Q. Were you the author of that article?—A. Yes, sir.

Q. Will you send the article to the committee?—A. I will.

Q. Who authorized you to write that article?—A. General Butterfield; though I suspect that in writing it I went a little too far. It was not intended as a defense of General Butterfield, but as a defense of President Grant.

Q. The facts therein stated came through General Butterfield?—A. All the facts except the supposed defense of Corbin. That was done for the purpose of drawing out certain documents said to be in possession of other parties, and it had that effect. All the other facts contained in the article came to me through General Butterfield.

Q. The article charges, I believe, that sixty thousand dollars worth of paintings and statuary were sent to the White House, and that when General Grant discovered them he had them reboxed, in the night, and sent back to New York. Did General Butterfield tell you that fact?—A. He told me that such a thing was done; that while they were repairing the White House, in September, these goods were put into the house as a present to the President, as was supposed.

By Mr. JONES:

Q. Did he tell you by whom they were presented?—A. By the "ring;" he said "Dent" was in possession of the White House at that time; he said I do not know whether General Dent, or who; he said they had been placed in position on the walls, in corners, and niches, &c.; but that when the President came home and saw them there he asked Dent if it was generally known that he was there; Dent said it was not; and the President ordered them to be immediately repacked and sent back to New York.

Q. How did General Butterfield say he knew all this?—A. I do not know what he said; he did not mention the name of any one as his informant; he simply said such a thing was done.

By Mr. BURCHARD:

Q. And he asked you to write an article for publication stating these things?—A. I do not know that he then asked me to write an article.



I was then preparing an article on a larger scale, for the purpose of making the exposure. That article, however, I have never written. The thing got pretty warm in New York City against Butterfield, and rather lively against Corbin, so I did not write it, as I intended.

Q. Have you ever received any consideration for withholding any of the facts which you learned in relation to this matter?—A. No, sir; the real object I had in withholding what I learned, at least some of the things I learned, has been that I intended to write a drama on the thing.

Q. Have you ever received any money, either through Corbin, Butterfield, or any other person, in consideration of writing or withholding any information you obtained in reference to this gold movement?—A. I have received money from other parties for other purposes, but I never received any money from Corbin or Fisk.

Q. Have you answered my question fully?—A. I cannot say that I ever received any money from Mr. Butterfield for writing on this subject. I received money on two different occasions from Mr. Butterfield for writing for him.

Q. For writing either in relation to the gold panic or in relation to the treasury?—A. Not in relation to the treasury. I received a hundred dollars after I wrote that article in the New York Times, for writing it.

Q. From whom?—A. From General Butterfield; under the express stipulation that it was for defending General Grant from complicity in the gold movement. General Butterfield said that, so far as he himself was concerned, he would rather have given any amount of money than to have had it written.

Q. Have you ever seen any letters written by Corbin to Butterfield in relation to the sub-treasury?—A. No, sir.

Q. Have you stated fully the interview you have had on this subject?—A. I think Mr. Catherwood, instead of asking the position of sub-treasurer for himself, was desirous that Mr. Eno should be appointed.

Q. Did they state to you that Mr. Butterfield was ready to do their work?—A. They told me that he had "gone back on them;" that he had not done what he promised to do.

Q. Did you hear of these facts previous to his appointment?—A. My information previous to his appointment is too indefinite to enable me to state anything on the subject.

Q. State the particulars of your interview with Corbin on the 1st of October?—A. I have that in my pocket in print.

By Mr. BURCHARD :

Q. When was it that the conversation occurred in which Mr. Catherwood told you about this arrangement with General Butterfield, and the proposition they made to him?—A. I think it was on Monday night, October 4, at Mr. Catherwood's own house—at least it was the night of the great freshet.

By the CHAIRMAN :

Q. Did Mr. Catherwood say that the position of assistant treasurer of New York had been tendered him?—A. He said he could have had it.

Q. Who told him he could have had it?—A. I do not know.

Q. Did he say any officer of the United States government had tendered it to him?—A. No, sir; I do not think he did.

Q. Did he say any officer of the United States government had told him it could be or would be tendered him?—A. I do not think he did. Catherwood is a very careful talker.

Q. Did he allude to any person or persons as being the ones who told him he could have it?—A. Yes; he referred to Corbin. He also stated that he had been deceived by some person in reference to the same thing; that the person had not allowed him to know that Mr. Butterfield had been substituted until long after his appointment.

Q. You mean that Catherwood didn't know that he could have been appointed until long after Butterfield was appointed?—A. That was as I understood it.

Q. And after Butterfield was appointed, Catherwood understood that he could have had it?—A. That is as I understood it.

By Mr. Cox:

Q. State all the information you have in reference to the appointment of Butterfield; whether you obtained it from Butterfield, Catherwood, or Corbin.—A. I think I have stated it all. Catherwood, after this interview on the evening of the freshet, before referred to, said that Corbin's deceiving him in respect to that matter had cost him sixty thousand dollars. How, he didn't tell me. He said that if Corbin had not got weak-kneed on the gold question the thing would have succeeded.

Q. Did Catherwood say he was interested at all in this gold panic, or movement?—A. He said he was not; that they kept it a secret from him.

Q. Did he state that he knew who were interested, or give you any hints as to who were interested?—A. Catherwood said that if the management of the gold ring had been left to him, as was at first suggested, it would have been a success; that the reason it failed was, that Corbin got weak-kneed. I am not positive that he used Corbin's name, but he referred to the one who had the management of the affair, and that was Corbin.

Q. Was that all that Mr. Catherwood said to you about this business?—A. No, sir. The next most important interview, I think, was ten days ago, at Mr. Catherwood's office, No. 74 Broadway. His brother, William L. Catherwood, asked me why I had never mentioned the real originator of the gold ring? He did not mention the name.

Q. Did he at any time mention his name?—A. He did not.

Q. Do you know who it was?—A. I think I do. In reply to his question why I had not mentioned the real name of the originator of the gold movement, I told him that certain parties had commenced using so much venom on the subject that I would have no more to do with it, and therefore stopped the *exposé* all around before one-tenth of it had come out. In further conversation in reference to this subject Mr. Catherwood said that the man to whom he referred was very wealthy; that he held the republican party of New York State in his hands; that the proposition to Mr. Catherwood about being appointed sub-treasurer first came through him and to the gold ring in writing. That document Mr. William Catherwood considered so important that he suggested to his brother, Robert L., that he should take it to a notary public and have it certified to, which was done. The name of the person who originated the gold ring has never been mentioned, and I do not know it, although I guessed the names of a good many persons, right there.

Q. You say there was a letter written and authenticated before a notary public?—A. Yes, sir.

Q. With reference to this gold panic?—A. Whether it was in reference to the gold panic only, or to the appointment of the ring, I do not know. This was before the panic.

By the CHAIRMAN:

Q. Did you ever see the letter?—A. No, sir. W. L. Catherwood told

me that the clerk of that house took it and had it certified before a notary public. Robert Catherwood told me the same thing.

Q. Who was the notary public?—A. I do not know that. The important thing in that letter I understood was the nomination of Butterfield and his appointment.

By Mr. Cox:

Q. Have you any knowledge of any government officer being connected with this movement?—A. No more than that General Butterfield told me, I believe, that half a million dollars gold was bought for General Porter, and that General Porter refused to accept it. I gave the substance of that in the Times afterward.

Q. Had you any conversation or communication with Mr. Gould in reference to it; and if so, what information did you get from him?—A. The substance of the information that I got from him was published in the New York Sun on the 2d of October.

Q. Had you interviews with Mr. Gould and Mr. Fisk together?—A. Yes; twenty or thirty of them, I presume.

Q. That article of the 2d October was written by you for the Sun?—A. Yes; everything about it was written by me.

By the CHAIRMAN:

Q. You were asked a little while ago whether you had received any money from several parties, naming them, and I think you answered in the negative from several of them, but that you omitted the name of Mr. Gould. I ask you if you ever received any compensation from Mr. Gould for any services done by you for him in the way of writing on any of these subjects?—A. No, sir.

Q. Did you ever receive any money from him?—A. Yes, sir; I asked him once for the loan of one hundred dollars, and he gave it to me.

Q. Was that in the way of compensation for your services?—A. No, sir.

Q. When did you receive this money from Mr. Gould?—A. After I had stopped writing.

By Mr. Cox:

Q. Did you receive any money from Mr. Fisk?—A. No, sir.

Q. Locate your interviews with Mr. Gould, if you can, and state what they were.—A. The first interview that I had with Mr. Gould was on the morning of the 1st October following the printing of my report of my first interview with Mr. Corbin on the 30th of September. They sent a messenger to the Sun office for one of the managers of the paper, and Mr. Dana sent me. It was to take into consideration Mr. Corbin's note to Mr. Fisk denying that he had any such conversation as was stated in my report of the interview. Mr. Fisk, Mr. Gould, and Mr. Crouch, of the Herald, were sitting together, and Mr. Fisk showed me the note.

Q. What was the substance of the note?—A. That he, Corbin, had not spoken of Mr. Fisk in any way derogatory to him, as was published in the Sun. I repeated that Corbin had said so. They said then that it was a question of veracity between Corbin and me. I replied that there was no question of veracity at all, but that Mr. Corbin had said all I had printed, and a great deal more that was too nonsensical to print—that he was a good Methodist, his being a long time in the Methodist church, his not associating with such men, &c. The note was to the effect to assure Mr. Fisk that in his conversation with the Sun reporter yesterday what he had said belittling or derogatory to him was not true. That was two or three mornings following the black Friday.

Q. Detail any conversations that you had with Mr. Corbin in reference to this gold business, and locate them.—A. Mr. Gould and Mr. Fisk asked me if I would go and see Mr. Corbin again about his denying this, and I said I would, and Mr. Crouch, of the Herald, said that if I went he would go, too. I left the Erie office and went up and saw Corbin again.

By Mr. JONES :

Q. Did Corbin ever tell you anything about this gold conspiracy?—A. He denied that he had any connection whatever with it, or with Messrs. Fisk and Gould. He said he had never sold a dollar of gold, had never been in the gold-room, and had never speculated in gold; that all he had ever done in that way was to have the coupons of his bonds sold. After I had been to Corbin's, I went back and saw Gould and Fisk, and they said they were satisfied since I had left, that what I had said yesterday as to what Corbin had said was true. When I first went to Corbin's house on the 30th of September, he sent word back that he was engaged on particular business and asked me to call again at 12 o'clock. When I went back at 12 o'clock, Mr. Fisk was there, and Mr. Crouch, of the Herald, was outside.

By Mr. BURCHARD :

Q. Do you know that Mr. Fisk saw Mr. Corbin on that occasion?—A. That was proved beyond all doubt. Mr. Corbin so stated himself to me. Mr. Crouch went with Mr. Fisk to the house. Mr. Fisk was in the back room when my card was sent in, and said, "Corbin, look out for those men." So Corbin sent word to me to come back at 4 o'clock. At 4 o'clock, when I had my real interview with Corbin, he said that Fisk had not been in the house since a certain time in the summer, when he was there to inquire about General Grant going up to Fall River and Newport, and offered him a passage in one of his boats.

By Mr. JONES :

Q. Did Mr. Fisk or Mr. Gould ever tell you what connection there had been between Mr. Corbin and themselves?—A. They said he was a joint sharer with them.

Q. Did they tell you that he was to operate with the administration to effect their purposes?—A. Yes, sir; that he had it all fixed with the administration; that they invested their own money and advanced him \$25,000 and had put up a check of \$100,000 more on deposit; and that the object of Mr. Fisk's interview with him that day when I was to call again, was to demand that he should pay for the loss he sustained on his share. I also saw a note written in the office to Mr. Corbin, demanding that he should make an immediate settlement, or that the case would be put in the hands of their lawyers to be enforced.

Q. Did they tell you what Mr. Corbin was to do, or what parties he was to approach?—A. Yes; they said that he had approached General Grant, and that General Grant's family had shared in this matter.

Q. Who said that?—A. Mr. Fisk.

Q. State what Mr. Fisk or Mr. Gould said to you in regard to that matter, as to what Mr. Corbin's professions or promises had been to them, what he was to do, and how he should do it, and whether the President or any of his family had been interested in the results of the whole thing?—A. I do not think that General Grant alone was mentioned; it was always his family that was mentioned.

Q. State what Mr. Fisk told you.—A. That is all stated in these articles.

By the CHAIRMAN:

Q. I understood you to say that you were present at an interview between Mr. Fisk and Mr. Corbin, after the breakdown of gold?—A. No, sir; I never saw Mr. Fisk in Mr. Corbin's house. I say that when I went back to Mr. Corbin's on Thursday, the 30th September, having been already there in the morning, Mr. Fisk's carriage was outside, and Mr. Crouch, of the Herald, was sitting in it.

Q. Did you see Fisk and Corbin together that day?—A. No, sir.

Q. How do you know that they were together?—A. Mr. Fisk told me so, and Mr. Crouch told me so, and Mr. Corbin told me so the next day.

Q. What do you say as to the truth of this statement, which refers to the Saturday after the panic, "He, Corbin, went down to Washington on Saturday night, as I afterward heard, and came back on Monday night, spending the day, Sunday, in Washington; I have never seen him from that day to this;" if that is testified to by J. Fisk, jr., under oath, what do you say of it as to its being true or false?—A. That is a statement under misapprehension of one week's time.

Q. Is the statement true or false?—A. Here are a dozen different affidavits to the contrary. There must be a mistake in the time. The day when I went there, and when Fisk was in the back room of Mr. Corbin's house, according to Mr. Crouch's testimony and Mr. Fisk's testimony, was on the 30th of September.

By Mr. Cox:

Q. Do I understand you to say that you never saw any letter written by any of these parties with reference either to the appointment of General Butterfield, or to the combination to raise the price of gold?—A. No, sir; I stated it in reference to the appointment of Mr. Butterfield.

Q. Have you ever seen any letters written by either of those parties with reference to the raising of the price of gold?—A. Yes, sir. I saw Mr. Gould's letter to General Grant, which was delivered at the pier of the Fall River boat, the night when the President was going there. Mr. Gould showed me the letter, stating about three hundred ships being on the sea to carry grain to England. This was the time when President Grant was not accompanied by either of them.

By the CHAIRMAN:

Q. Did you see the letter delivered to President Grant?—A. No, sir.

Q. Who showed you the letter?—A. Mr. Jay Gould.

Q. Did he say that he had delivered it?—A. He said that Mr. Fisk had delivered it.

Q. Was what you saw a copy or the original?—A. I do not know; it was in Gould's handwriting.

Q. Do you yourself know that he delivered any letter to General Grant?—A. Nothing but from what Mr. Fisk says, and Mr. Gould says, and I think that General Grant himself says so.

Q. I ask you whether you know that Mr. Gould delivered any letter to General Grant?—A. I do not know, but I think they all testify so.

By Mr. Cox:

Q. What was the substance of the letter?—A. The substance of it was to show that if gold was sold out of the treasury it would ruin the business not only of the Erie company, but of the agriculturalists of the country, as, if gold went down, no grain could be exported abroad.

Q. It was an expression of that theory?—A. Yes, sir.

By the CHAIRMAN :

Q. Was there any reference to personal interests in the rise of gold?—  
A. No, sir.

Q. Was there any reference to a combination to put gold up?—A. I think not.

By Mr. COX :

Q. Are there any other letters from any of the parties that you can recall?—A. No, sir; I do not think of any. Mr. Fisk does not believe there are any other letters.

Q. Have you any knowledge from your conversation with either of those parties, or otherwise, as to any officer of the government being interested in that gold movement?—A. They said that General Butterfield was interested in it before his appointment.

By the CHAIRMAN :

Q. Have you yourself any knowledge that General Butterfield was engaged in the gold movement?—A. No, sir.

By Mr. COX :

Q. Did you talk with Mr. Corbin as to his relations with the gold movement as affecting the President and his household?—A. No, sir; no more than as I have printed in my account of the two interviews.

By Mr. JONES :

Q. Do you know of any of the family of any officer connected with the government that was interested in that gold movement?—A. No, sir.

Q. Have you any reason to believe that gold was purchased for any person in the family of the President, or for any other officer of the government, during that time of speculation?—A. I have not reason enough to believe that any was purchased for the family of the President; I have not sufficient evidence to convince me of that.

Q. I understood you to say a while ago, in answer to a question of mine, that Mr. Gould told you that Mr. Corbin knew the ropes, and that the family of the President was interested?—A. If you ask me whether they said so, I will say, yes; but if you ask me whether I have reason to believe it, I cannot say that I have.

Q. If you have any reason to believe it, from the conversation you have had with Gould and Fisk, I want to know what the reason is?—A. I believe that Mr. Corbin represented that Mrs. Grant had a part in it.

Q. Why do you believe that?—A. From his acceptance of the check to divide it.

Q. Have you any other reason for believing it?—A. That is the best reason, except their word.

Q. Did Mr. Gould tell you positively that Mr. Corbin told him so?—A. Yes; and Mr. Fisk. They never told me any further than, as has been published, that Mr. Corbin represented that he would divide that money, and that he also received the check for a hundred thousand dollar on deposit, and afterward returned it; that it was placed to his credit, and that he refused to take it up.

Q. Did Gould tell you that Corbin said to him that he would divide this twenty-five thousand dollars?—A. That he would divide it, or that he had divided it.

Q. With whom?—A. The President's family, I think he said.

Q. Are you sure about that?—A. Yes, sir; I am pretty sure about that; both Fisk and Gould said so.

Q. Did he designate what members of the President's family?—A. No, sir; no member was mentioned—but always the family.

Q. Do you recollect when Mr. Gould told you this?—A. I think on the 3d of October; part of it he told me immediately after my returning from my second interview with Mr. Corbin. Mr. Gould and Mr. Fisk were together. We went to the comptroller's room, and then they confessed about the ring being up.

Q. They both told you the same thing?—A. Yes; they made the confession that the ring was up, and that Mr. Corbin was equally in with them. When they found that Corbin had gone back on them, they said, "We will make a clean breast of it," and that, as I was on hand, I could have everything exclusively for the Sun. I wrote everything that was written on the subject for about a week, and the other papers copied it. I wrote all the affidavits.

Q. You say that Corbin never admitted to you that any of this was true?—A. He denied that he ever had any transactions with those men, or that they visited him.

By Mr. SMITH:

Q. You stated, I think, that you suspended the publication of these matters.—A. I stopped giving the particulars.

Q. Why?—A. Because I thought that it was hurting parties that were innocent.

Q. What parties?—A. I thought that it was hurting General Grant, and that it was hurting Mr. Butterfield.

Q. And you thought that both were innocent?—A. I knew that one was innocent; I knew that General Grant was innocent.

Q. How did you know it?—A. I knew it from the absence of all proof; I worked to get what proofs there were, and I do not know but that I got all of them; and there were none to show his connection with the matter.

By Mr. COX:

Q. When you speak of General Grant being innocent, do you mean to include his family likewise?—A. No, sir; I cannot say his family, for I have General Butterfield's word that some members of his family were implicated in receiving this amount of goods that I have spoken of, which was intended as a bribe—I mean the sixty thousand dollars' worth of adornments for the White House.

Q. You confine it to them?—A. Yes.

Q. Tell us who the parties are to whom you refer.—A. I refer to one of the Messrs. Dent.

Q. Did Butterfield say that Dent received these goods?—A. He said he had received them, and that Mr. Dent had supervised putting them in the house, and knew all about them.

Q. That he knew why they came?—A. That he knew that they were presents; of course he could not tell the motive of the presents.

Q. And that this man, Dent, had accepted the presents?—A. I do not know that he accepted them; but I believe that he supervised their being regulated in the White House.

By Mr. JONES:

Q. State how Mr. Butterfield happened to say that to you.—A. He said it to me in the sub-treasury, three or four days before my article came out in the Times.

Q. What did he say?—A. In speaking of names that I had not mentioned, he said, "I see you have left out Mr. Dent's name;" and General

Butterfield suggested that I should put in an interrogatory form, "Who received the sixty thousand dollars' worth of statuary, paintings, and other gewgaws that were sent to adorn the White House?" He went on to say that when General Grant came home in the evening—when he went there from some watering-place to hold a cabinet meeting—he discovered them, and ordered them to be boxed up and sent back; and he suggested that I should ask whether Mr. Dent did do it. That is about what Mr. Butterfield said on that point—that about sixty thousand dollars' worth of goods had been sent to the White House and returned.

By the CHAIRMAN:

Q. Did he say by whom they were sent?—A. He did not.

By Mr. JONES:

Q. I thought you said a while ago that they were sent by the gold ring.—A. No; I did not say so.

By the CHAIRMAN:

Q. Did he say to whom they were directed in Washington?—A. No, sir.

Q. Did he say when they were sent?—A. It was when the White House was being repaired, and when General Grant was on his summer trip.

Q. During the absence of General Grant and his family?—A. Yes, sir.

Q. Did he say to whom they were addressed?—A. No, sir.

Q. Did he say who, if anybody, received them?—A. No, sir.

Q. Did he say that he knew that such goods had been sent?—A. I should say he did.

Q. I understood you to testify that what General Butterfield said upon that point was put in the form of an interrogatory to you.—A. Why he spoke of it in that way was, that I should mention it, if at all, not as coming directly from him, but as coming in the form of an interrogatory.

Q. And that was understood by you to be an affirmation that it was so?—A. Yes, sir; most certainly.

By Mr. COX:

Q. Did you gather from that conversation who the parties were who sent those goods to the White House?—A. No, not any names; the gold ring generally was mentioned, and other parties who were after certain appointments at the time—quite a large combination.

Q. What appointments were they after?—A. I do not know; they were after some favors.

Q. I understand you to say that money was raised in New York by a combination, for the purpose of buying this sixty thousand dollars' worth of property to be sent to the White House—a combination of parties in the gold ring, and of parties seeking appointments; is that what I understand you to swear?—A. I will not say that; I do not know that it is safe for me to say that these parties were seeking appointments, or that they were in the gold ring; but this money was made up by people who were in the gold ring and also by others; that it was not intended as a gold ring bid at all, but to get general favors. My general impression was, that it was to further this idea of preventing gold being sold out of the treasury.

By Mr. JONES:

Q. Did you understand General Butterfield to indicate to you by that conversation that an attempt had been made to influence the adminis-



tration of General Grant, through his family, to yield to that speculation in gold?—A. I cannot answer more directly that an attempt was made to influence him. I do not know whether this thing was intended to influence him.

Q. How did you understand General Butterfield in the matter?—A. I understood General Butterfield to mean that it was to buy a favor or favors from General Grant—to curry favor with him.

By the CHAIRMAN:

Q. Do you mean to say that you understand it yourself, or that you understood General Butterfield to mean that?—A. I understand and I think he meant it.

Q. Do you understand that they were sent for that reason, or do you understand that Mr. Butterfield said so; which is the statement that you wish to make?—A. I say that I understand that it was for that reason, and that I think General Butterfield meant to convey that idea too.

Q. You say that you understand that these goods were sent in order to purchase favor with the administration; state to the committee upon what ground you base your opinion?—A. I do not think that men would give away \$60,000 for nothing. I do not know anything about it except what General Butterfield told me, and I think that General Butterfield's impression was the same as mine.

Q. Did he say that his impression was so?—A. No, sir; General Butterfield did not give his opinion upon it.

By Mr. SMITH:

Q. What was the occasion of that interview between General Butterfield and you; was it sought by him or by you?—A. It was sought by me. I had a dozen interviews with him.

Q. What was the object of your visit?—A. To get all the information I could as to the gold ring, for the purpose of publishing it. Mr. Butterfield sat down one day and gave me a good deal, that was not published, as to how Mr. Corbin had got into favor with the President; how he got into the family; how he got into courtship; as to the first business transactions of Butterfield and Corbin; how Corbin was under the salary of the Butterfields for years; and how the thing had all got mixed up. I kept the statement, intending some day to have my story after the gold excitement was all over.

By Mr. JONES:

Q. Did General Butterfield ever express an opinion to you as to whether the administration had anything to do with this gold movement?—A. General Butterfield pledged his life and honor that the administration never knew anything about it, except that he informed Mr. Boutwell some ten days before black Friday that such a thing was being put up. It appears that Mr. Boutwell did know of it some ten days before the thing burst.

By the CHAIRMAN:

Q. You say it appears so?—A. General Butterfield said that he had an interview with Governor Boutwell at the St. Nicholas, when Mr. Boutwell was coming on to Washington.

Q. And that is the ground of your statement that it appeared so?—A. It appeared so to me from Mr. Butterfield's statement.

Q. Is there any other ground of fact on which it appears to you that Governor Boutwell did know?—A. No, sir; except that after his being

told this by General Butterfield, he received dispatches from these parties urging him to keep in the same direction.

Q. Do you know it?—A. Yes. I think the dispatches were repeated back, and I know that he wrote a letter to Mr. Gould.

By Mr. JONES:

Q. Have you any reason to believe that there was any understanding between the gold ring in New York that sent these goods to the White House and any member of the President's family, that the articles were to be sent?—A. No, sir; I do not think that the President's family knew what they were for. I do not think that the President's family (speaking of himself, wife, and children) knew that they were there until he saw them, and then he ordered them away.

By Mr. COX:

Q. Have you any reason to believe from anything that you heard from Butterfield or from Corbin, that Corbin had anything to do with sending on that property?—A. I do not know.

By Mr. SMITH:

Q. This letter of Secretary Boutwell's—to whom was it written?—A. To Jay Gould. It was written from Mr. Boutwell's house, in Massachusetts. It was a very evasive letter, an unimportant letter. I could see that it evaded what Mr. Gould wanted.

Q. Did it communicate any information as to the purpose of the government?—A. No, sir.

By Mr. COX:

Q. Did you learn from Mr. Butterfield, or from Mr. Corbin, or from other parties, anything with reference to Mr. Corbin's help in the appointment of General Butterfield?—A. That is a thing that I have not kept in mind much; but I am under the impression that Mr. Butterfield said that Mr. Corbin had helped him in obtaining his appointment.

Q. With any purpose aside from ordinary friendship?—A. No, sir; he did not state for what.

Q. For no motive, whatever, in the way of speculation?—A. I have not heard any authoritative motive.

Q. What did you mean by saying that Mr. Butterfield gave you an account of the relations between Mr. Corbin and Mr. Butterfield's family, and all that?—A. The point of it was that at that time the newspapers were charging that he was in with Mr. Corbin, and he could not come out and deny that he was, because he did not want to go back on an old friend; and then he went on and told me how they had been mixed up and related. He had sent up word to Mr. Corbin by a particular friend to say, "If you have used my name to put up this ring, I will keep my hand down and say nothing;" and day after day, when these charges came out upon Mr. Butterfield, he would say, "You see how my relations are;" and he spoke of Mr. Frank Dent having attended Mr. Corbin's school in St. Louis in 1835.

By Mr. JONES:

Q. How often were you in Mr. Corbin's house?—A. Four times.

Q. Did you ever see Mrs. Corbin during your visits?—A. No, sir; I cannot swear that I ever saw her.

Q. What is Mr. Gould's character in New York as a man of veracity; do you believe him to be a man of truth?—A. I have no reason to disbelieve him.

Q. What do you think of Mr. Corbin, from what you know of him?—

A. I think he is the worst and most consummate old hypocrite I ever saw.

By Mr. COX :

Q. Did you ever tell Mr. Corbin that if you were put on the stand your testimony would compromise Mrs. Grant, or anything like that?—  
A. No, sir.

By Mr. JONES :

Q. What do you think of Mr. Fisk; is he a man of veracity; what is his reputation in the community?—A. He may have a pretty rough reputation among some people, but they are mostly his enemies.

Q. What is his general reputation as a man of veracity; is he regarded as a man of truth, or not?—A. A good many whom I know do say that he is not a man of truth, but, as before said, they are his enemies who say so. I believe he tells the truth in this affair.

Q. As to the greater number that you know, what do they say?—A. I do not believe that I ever heard the greater number that I know express any opinion upon the subject. I would take his word.

By Mr. PACKER :

Q. You say that Butterfield told you that five hundred thousand dollars in gold were bought for General Porter; did he state that from his own knowledge, or that he heard of it publicly?—A. He stated that he saw the letters.

Q. What did he state as to the reply of General Porter?—A. That he repudiated the whole transaction.

By Mr. JONES :

Q. Did Mr. Butterfield ever tell you, or intimate to you, that Gould had purchased gold for him?—A. No, sir; but both Mr. Gould and Mr. Fisk alleged that Butterfield was interested in it, and I saw their demands to him to put up his part of the pool.

By the CHAIRMAN :

Q. Have you seen Mr. Fisk since you were summoned to appear before this committee?—A. Yes, sir; I saw him last evening in New York.

Q. Did you have any conversation with him as to the substance of his testimony before this committee?—A. No, sir; I had previously; he told me that all that he stated was published in the papers.

Q. Did you have any conversation with him in regard to your own testimony?—A. I told him that I was going to tell what I knew as far as I was asked.

Q. Did you say in general what you would state?—A. No, sir.

Q. Was there anything in your conversation that gave a basis to the dispatch which I will read to you: "New York, February 4. Reporter New York Times, Washington. Ford C. Barksdale, a reporter for the Sun, goes to Washington to-night to testify before the Committee on Currency and Banking. Look out for him. His testimony will be full and racy. He will stop at the Ebbitt house. James Fisk, jr."—A. No, sir; that is all Mr. Fisk's composition and idea. On the contrary, I do not think that I have given any racy testimony.

By Mr. PACKER :

Q. How did you come to have this conversation with him?—A. I go to the Opera House on Erie matters about twice a day, and I was there yesterday with two ladies. I had been trying to get up an article in reference to the Erie railroad; it is nothing unusual for me to be there three or four times a day.

By the CHAIRMAN :

Q. Are you on terms of personal intimacy with Mr. J. Fisk, jr.?—A. I do not know what you call personal intimacy; I am acquainted with him.

By Mr. PACKER :

Q. How did he know that you were coming here to testify?—A. I told him that I was coming; I also sent word down to Mr. Catherwood that I had been summoned, and asking him if he was going to Washington.

By Mr. COX :

Q. How did you happen to communicate with Catherwood about it?—A. I am at his office every day.

By the CHAIRMAN :

Q. How did you come to suppose that you and Catherwood would be summoned together?—A. Because we both had been held on so long.

Q. Who held you on?—A. I was informed that my name was given in here as one of the first witnesses; I was informed by letter from here at least fifteen days ago, that my name was handed in.

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WASHINGTON, D. C., *February 5, 1870.*

ROBERT P. BROWN sworn and examined.

To the CHAIRMAN :

I reside on Staten Island, New York; I am an officer of the United States Treasury—a detective police officer. I have been employed in the sub-treasury in New York since 1866. I did not hold that office in September last. I was at that time a messenger in the sub-treasury. My duties were to carry messages, to keep order in the building, to direct strangers to the different departments, and to keep people in a line when they came for their interest. I recollect carrying messages during the forenoon of the 24th of September from the office of General Butterfield, the assistant treasurer. I was carrying them to Morton, Bliss & Co., H. W. Perkins, John Garland, J. W. Seligman, Mr. Fahnestock at Jay Cooke's, and, I think, one to Smith, Gould, Martin & Co.

Q. Did you take any message to J. Fisk, jr.?—A. Not on that day.

Q. Did you take messages to any of these parties the day before the break down in gold?—A. Yes, sir; to almost all of the said parties.

Q. Had you been in the habit for a long time of taking such messages?—A. Yes, sir, every day; sometimes two or three times a day.

Q. Were these messages in writing, or were they verbal messages?—A. They were in writing, done up in an envelope, and generally marked either "private" or "personal."

Q. How do you happen to recollect the names of all these persons?—A. Because I have been in the habit of doing General Butterfield's business, and I made daily visits to all of these parties, and had done so for a long time before.

Q. Did you bring any messages in return?—A. I did most of the time. I sometimes brought back verbal messages.

Q. Do you recollect any verbal message that you were ordered to deliver that day from the sub-treasurer to anybody else?—No, sir.

Q. Do you recollect any verbal message that you were ordered to

bring back during that day, or the day before, from any of those persons whom you have named?—A. Yes, sir; one or two.

Q. State them?—A. When I gave the letter they would send word back to say that it was all right. That was the general message.

Q. Do you recollect anything else that was sent back as an answer aside from that?—A. No, sir.

Q. Were any of those messages on open slips of paper?—A. No, sir.

Q. Did you know anything about the contents of those messages?—A. I cannot say as to that day, but on several occasions, when I have taken messages to two or three of these persons, they would call the boy to give them the gold rates.

Q. Did that occur on the day of the breakdown in gold?—A. Yes, sir, in one case; that was in H. W. Perkins's. I saw Mr. Perkins put it down in his own handwriting, put it into an envelope, and hand it to me.

Q. When did you carry messages from General Butterfield to Mr. Fisk?—A. I should say it was a week or two before the 24th.

Q. Did you carry back any message in return?—A. Generally to state that it was all right; that he would attend to it.

By Mr. Cox:

Q. Do you know Mr. Gould?—A. Not personally.

Q. Did you carry any message to him from Butterfield?—A. I carried it to the firm of Smith, Gould, Martin & Co.

Q. But to Mr. Gould himself personally?—A. I cannot say positively, but I think I brought a message to Mr. Gould.

To the CHAIRMAN:

I cannot say whether I was in the building or not at the time the dispatch came in with that order to sell gold. I had gone out between 11 and 11½ o'clock with a message to Mr. Perkins, and another to J. W. Seligman & Co., and when I came back there was quite a party in the room, and I understood that a dispatch had arrived from Washington. I was out between five and ten minutes; not more than that, I should say.

WASHINGTON, *February 7, 1870.*

AUGUSTUS L. BROWN sworn and examined.

To the CHAIRMAN:

I reside in the city of New York. I am an attorney at law. I am a member of the firm of Brown, Hall & Vanderpoel. I was appointed in the month of September last temporary receiver of the Gold Exchange Bank. I think my appointment was on the Friday following the gold panic, which would be the 28th of September. I held my position about two weeks; my duties were, under the statutes, to take possession of the property of the institution and to hold it, to await the order of the court. I was temporary receiver, pending the hearing on an application for a receiver. I was custodian of the assets of the bank, with all the powers of receiver. I would have been authorized to go in and receive all the assets of the bank and retain them, subject to the order of the court.

Question. What did you do in pursuance of the order of the court, under the statutes relating to your duties?—Answer. I immediately, on having the order served on me, filed my bond to the amount of \$10,000. That was

the amount fixed in the order. It is very usual not to require a bond in the case of a temporary receiver, but still in this case it was required. I then immediately went to the institution, served the order on the officers, and gave notice to all the clerks in charge that they were only to look to me, and as soon as possible, on the same day, went to work with half a dozen assistants and made an inventory of all the property of the bank.

Q. What did you find in the way of assets?—A. I took one or two of the bank officials and two or three outside parties and made an inventory of everything that was in the safe. There was a considerable amount of gold and of gold certificates and of currency, and there were some obligations of various kinds, in the safe. I made and filed an inventory. I have not a copy of it. It is on file in the office of the clerk of the supreme court.

Q. What else did you do?—A. I retained possession of the property. I gave notice to all the parties who I could ascertain had money or property of the institution that they must account to me. I called upon the officers of the clearing-house, where it was said there was a large balance of several hundred thousand dollars due to the Gold Exchange Bank, and I required them to furnish me with a statement of the amount. I called upon one banking institution where the Gold Exchange Bank had funds on hand and procured that amount. I was unwilling to leave the amount in the safe, which would have compelled me to remain all the time, and I had this inventory made. I took a portion of the gold the next day and deposited it in the sub-treasury, taking for it the certificate of Mr. Butterfield, the assistant treasurer. The gold certificates, to a very large amount—some two or three hundred thousand dollars—I deposited with the United States Trust Company, and I put the currency and a portion of the coin in the Broadway Bank. My object was to divide the property, and therefore I put it into three different places.

Q. Did you make any payments to the creditors of the bank?—A. Not a dollar. I did not feel myself authorized to do so. The order under which I was appointed was for the Gold Exchange Bank to show cause on a certain day why a permanent receiver should not be appointed, and meanwhile restraining the bank from acting, and appointing me ad interim receiver. Soon after I was under weigh the question arose whether or not the bank would be able to extricate itself, and the services of an expert, Mr. Jordan, were secured. He was, I think, the cashier of the Fourth National Bank, which was largely a creditor of the Gold Exchange Bank, and therefore felt a great interest in extricating it. Mr. Jordan came there and, at the request of the officers of the Gold Exchange Bank, and with the consent of the plaintiff in the suit wherein I had been appointed, I permitted him full and free access to all the books and papers in the institution. I staid there in person, or by some of my associates, by day and sometimes during the greater part of the night, and all Sunday, so as to enable them, if possible, to get an insight into the affairs of the institution, the object being, if they were able to do so, to make application to have another order drawn relieving me and placing Mr. Jordan as receiver, for the purpose of enabling him to make settlements of these gold difficulties. I had no authority to do it under the order appointing me, and it finally resulted in that way.

(Witness identifies copies of the following papers: A copy of the order appointing him, marked A; a copy of the inventory taken by him, marked B; a copy of the order substituting Mr. Jordan in his place, marked C; Mr. Jordan's receipt to him, marked D; and the

order discharging himself from the receivership and canceling his bond, marked E.)

Q. State any preliminary conversations that were had with you before your appointment as receiver by any of the parties concerned.—A. I never knew of my appointment, and had no idea of it until the morning, when I understood the order had been made, when Mr. Sterling, one of the plaintiffs' attorneys, of the firm of Field & Shearman, called upon me and stated that I was appointed receiver. It was with some hesitation that I accepted it. That was the morning when I took possession.

Q. What amount of compensation did you receive for your services?—A. It was fixed by the court at \$15,000.

Q. Was there any other allowance made to you for attorneys' or counsel's fees?—A. By the order, which I had no part in fixing, there was an allowance of \$5,000 made to my partner, Mr. Vanderpoel, as my counsel, to guide me in my course.

Q. Did you have during that time the services of counsel?—A. Continuously, by day and night. He was frequently with me through the night. I was often at the bank until late hours.

Q. What was allowed for counsel's fees to the parties in the case?—A. I think they were each allowed \$5,000.

Q. What service did the counsel for the bank and the counsel on the other side render?—A. The preparation and service of papers, attendance on various adjournments of the case, for it was adjourned on various occasions from time to time; then there were negotiations continually by day and night.

Q. Did you ever act as receiver before that time in any case?—A. Never.

Q. Were you consulted in regard to the compensation that was allowed to you?—A. On the evening when it was fixed I was consulted, and my ideas were somewhat larger than the compensation fixed. The bank officers suggested one sum, and I suggested another, and Mr. Vanderpoel, representing myself, and these gentlemen, after meeting together, finally agreed to fix it at \$15,000. I suppose that I could very properly have got more by way of a percentage. I had actually in my hands, of currency, about seven or eight hundred thousand dollars. I had claimed possession of a large amount of money that was in the clearing house, and which I was negotiating to receive. Upon the system of percentage as allowed in such cases, I presume that my compensation should be at least \$25,000. That may seem extraordinary for so short a time, but it was the only receivership I ever had in my life, and I do not propose to step out of my professional affairs to take a receivership at a trifling compensation.

Q. Who were the plaintiffs in the petition for the receivership?—A. There were four or five actions. The first was brought by Mr. Osborne, and then other bills were filed, and other suits seemed to pour in. There came in three or four afterward, and in each of them the judge continued my appointment—lapped it over; in other words, I was made receiver in each case. I understand that there were applications to make special receivers, but the judge refused to do so.

Q. Were the plaintiffs in these cases paid the amounts which they claimed to be due to them?—A. I really do not know any more than what the order expresses. I complied with the order.

Q. Do you know whether that order was the result of an actual agreement between the parties?—A. That I cannot say. I was very careful in scrutinizing the order for my own protection. I found that it was consented to by the bank and by all the parties.

Q. Have you any knowledge that any of the parties concerned claimed about that time, or immediately subsequent, that they had not been consulted, and that they had not consented, and that that agreement did not represent the facts?—A. No, sir; the point seemed to be this: The trouble seemed to be to enable the Gold Exchange Bank to settle these gold contracts. I had no authority to do that under my order, and the Gold Exchange Bank desired to get a receiver with power who might go and adjust these cases. You will find that the order appointing Mr. Jordan authorizes him to go on and settle those accounts, so as to enable the bank to resume business.

Q. Do you know whether there was actually a hearing before any court previously to the issuing of the order appointing Mr. Jordan?—A. I do not know anything about that. I suppose the parties attended from time to time. They sent me notices of adjournments from time to time.

Q. Was the court sitting in chambers?—A. It was what they call special term at chambers. The judge sits a month. A particular judge is designated for a month, and comes on the first Monday in the month, and sits till the first Monday in the next month. The judges are designated a year ahead.

Q. So that it is really an open court?—A. Entirely. It could not be an order out of court; it would have to be a court order. It is a special term order. A judge has no authority to make such an order out of court. It might be done, but it would have to be entered as a court order.

Q. Did you see the judge during the days that you were receiver?—A. Never once.

Q. Were any suits brought against you as receiver?—A. There were not. There was a good deal of trouble during that time. They were issuing attachments against the bank, and there were people trying to replevy property of the bank, and all the papers were served on me, but I was not a part defendant in any suit.

Q. Did you bring any suit, as receiver, against any party?—A. I did not.

Q. Were efforts made on the part of creditors of the bank to get pay from you?—A. Yes, sir; very often they came to ask whether they could have their accounts settled—these gold differences.

Q. Did you have any transactions with Messrs. Fisk and Gould, in reference to the bank, during that time?—A. Never once. I do not think I saw them during the time. I know them very well.

Q. Had you any transactions with their attorneys or agents, or any one else acting for them, during that period?—A. No, sir; I was perfectly aware of my position, and was careful to keep myself strictly to my duties.

Q. Do you know of any officer of the government of the United States being interested in, or directly or indirectly concerned in, the movement in gold in the month of September last?—A. None at all. I know nothing at all about it.

By Mr. JONES:

Q. Was Mr. Jordan appointed receiver at the suggestion of any particular class of persons?—A. I think he was rather the representative of the Gold Exchange Bank. He seemed to be in full accord with the officers of that institution. It required, in order to arrange the differences, that some financial man should go into the market and borrow gold. Mr. Jordan was, in effect, one of their own men. I afforded him every facil-



ity that I could, first taking care to get it in writing from all the parties interested.

By Mr. COBURN :

Q. Repeat your statement about the compensation allowed to you.—

A. The first suggestion of the bank was \$10,000, and I suggested a rather larger sum. The statute, I suppose, would have given me more; it would have given me a percentage, and that percentage might go up to five per cent.

Q. Not for a temporary receiver?—A. There is no difference in that respect, so far as fees are concerned.

Q. If a receiver did not see fit to continue, would he still be entitled to the same fees as if he had gone on for a year?—A. I do not mean to say that, but I mean to say that, technically, I might have insisted upon a percentage. If a man is appointed an executor or trustee of an estate to-day, and enters upon the duties, and is to-morrow removed, or changed in any way, I take it that he would be, technically, entitled to the same statutory fees as if he had gone on with it. I received the whole of the funds of the institution and paid them over, under the order of the court.

By the CHAIRMAN :

Q. Paid them to your successor?—A. Yes; and I paid portions of them out to the creditors.

Q. Did you make the disbursements ordered in the decree appointing your successor, or did he make them?—A. I made them.

Q. That is, you paid yourself and the attorneys and others under the order?—A. I not only paid those different fees, but I know of seventy thousand odd dollars which I paid under the order of the court to one party, and there was another item of over \$200,000 which I paid.

Q. In other words, you turned over to your successor all the money that you had received, less the amounts which the order appointing him directed you to deliver?—A. Exactly; and it is expressly so stated in the receipt.

WASHINGTON, D. C., *February 8, 1870.*

J. A. KERBEY sworn and examined.

To the CHAIRMAN :

I am a telegraph operator. I reside in the city of Washington. I was a telegraph operator in the month of September last, in the employment of the Western Union Telegraph Company. I was engaged in the main office in this city, on Fourteenth street and the avenue.

Q. State whether you transmitted a dispatch, near noon, on the 24th September, from Secretary Boutwell to General Butterfield, assistant treasurer at New York?—A. I received such a dispatch from what we call the city line, and handed it over to the clerk to re-check it, and had it put on what is called the brokers' wire, which works into the brokers' office at New York; and I saw the message sent.

Q. What is your custom on the receipt of a message, in reference to noting time?—A. The rule is to put down the exact time when the message commences; but the custom about this thing is: For instance, if I sit down to receive what we call a pile of messages, I commence at a certain hour and allow a minute for each message, not looking at the clock for each. The time does not vary probably five minutes in an hour in that way.

Q. How nearly can you testify to the accuracy of your marks generally?—A. The only way would be by comparing other business that was done at the same time.

Q. To what person did you deliver the message to be re-checked?—A. When I received the message from the city line I was sitting opposite the operator who was working on the brokers' wire. There had been a number of messages about the price of gold, and I said here was a message that would knock that thing—or some expression of that kind. The moment I received it I called the attention of the clerk to it, and he took it to number it on the book. Mr. Tinker was walking about at the same time, and I told him that I had just received a very important message from Mr. Boutwell. He and several others of us saw the message put right through.

Q. How long do you suppose it was from the moment you began to receive the message until it was transmitted over the New York wire?—A. It was probably two minutes from the time I commenced to receive it till it was finished, and then, I suppose, it took one or two minutes to get it re-checked. Then it was put on the top of some other business and sent right ahead. I suppose it was probably five minutes altogether.

Q. Who is the operator that sent it to New York?—A. Mr. P. H. Burns.

Q. Did you see him send it?—A. Yes. He went right on sending what messages he had there till this one was ready to be sent.

Q. From the moment you had the telegraph in your possession till the moment you saw it sent could any person in that office have sent the same news without your knowing it?—A. Oh, yes; it could have been done. There are about twenty wires working to New York. I showed the message to several operators there and talked about it. Several of them knew of it.

Q. If it were sent, it was not more than a minute before the time that it was regularly transmitted?—A. Not more than a minute.

Q. Have you any knowledge that it was sent surreptitiously?—A. No, sir.

Q. Do you believe that it was?—A. I do not.

Q. Were any operators near enough to your instrument to hear the news as you received it?—A. I do not recollect any except the man who was working the brokers' wire right opposite me. He could have heard it if he had listened, but he was working with New York at the time, and it is not probable that he paid attention to my instrument.

Q. Can a man understand both instruments at the same time?—A. He cannot.

Q. Can you send a message and at the same time be sending another?—A. No, sir; I cannot do it. Some people pretend that they can, but I never saw it done. I have seen operators take and send messages at the same time. I can do that myself. I can listen to a few words of another instrument and keep on sending.

Q. Do you know how your clock at the main office compared with the clock at the branch office that day?—A. No, sir. Our clock is regulated every day at noon by having the time telegraphed from the Naval Observatory. I believe they get the "ball time" at the Treasury too.

Q. Does the brokers' wire over which that message was sent go to the gold-room at New York?—A. Yes, to the gold-room and several other places.

Q. Could the operators hear that dispatch as sent over?—A. Cer-

tainly; not only the operators, but anybody who had been an operator and who was near by.

Q. Does an operator take an oath not to divulge messages?—A. I never took such an oath, and I have been an operator twelve or fifteen years. It is a general understanding among telegraphers that nothing is to be divulged.

WASHINGTON, *February 10, 1870.*

ROBERT B. CATHERWOOD sworn and examined.

To the CHAIRMAN:

I reside at 313 East Thirtieth street, New York. My place of business is at 74 Broadway, New York. My general business is building railroads and water-works and taking contracts.

By Mr. Cox:

Question. Are you acquainted with Mr. Corbin?—Answer. I am.

Q. What relationship do you bear to him?—A. My wife was the daughter of Mr. Corbin's prior wife. He is called my father-in-law, but he is only so by marriage. He is not my wife's father.

Q. Do you know General Butterfield?—A. I do.

Q. Had you anything to do with the appointment of General Butterfield to the post of assistant treasurer at New York?—A. I had nothing to do with his appointment.

Q. Did you assist in any way or bring any influence to bear in procuring the appointment?—A. No, sir; I cannot say that I did.

Q. Did you attempt to bring any influence to bear?—A. I suggested to a friend of mine that it was the request of Mr. Corbin that General Butterfield should receive the appointment. I never had any conversation on the subject with General Butterfield.

Q. Who was that friend of yours?—A. Mr. Jay Gould. I merely suggested that it was Mr. Corbin's suggestion that General Butterfield should be appointed.

Q. Mr. Corbin was the first that suggested to you Mr. Butterfield's name?—A. Yes. In a mere casual conversation that I had with Mr. Gould I said that I had had a conversation with Mr. Corbin in reference to the matter, and that Mr. Corbin thought that General Butterfield was the most competent man after myself. I had been talked of at the time in reference to the position. I consulted with Mr. Corbin in reference to it, and declined to go any farther in the matter.

Q. What reason did you give Mr. Corbin for declining?—A. My reason was frankly that the position was too confining for me, and that I had too much other interest outside, and that, although the position was an honorable one, I did not think the compensation would justify me in surrendering my other business to take it.

Q. Whereupon Mr. Corbin suggested General Butterfield?—A. Mr. Corbin suggested General Butterfield. I went to see General Butterfield in regard to it, but he was not at home, and I left a card for him stating that Mr. Corbin wanted to see him. That is all that I know about it.

Q. Was there any conversation between yourself, Gould, and Corbin as to the object of General Butterfield's appointment aside from his official duties? Was there anything said about gold or stock operations in connection with the appointment?—A. No, sir.

Q. What was the reason that Mr. Gould gave you for General Butter-

field's appointment?—A. I do not think that Mr. Gould was in favor of General Butterfield's appointment. He was desirous of myself or some other person. Mr. Corbin had suggested it, and Mr. Gould had a great deal of confidence in Mr. Corbin's judgment and his ability to assist any friend in whom he took an interest, and of course Mr. Gould yielded to him in that respect.

Q. Did you ever write any letters in reference to that matter to the authorities here, or to any other person, to assist General Butterfield's appointment?—A. I did not.

Q. You say there was no speculation in gold or stocks ever contemplated in this arrangement for the appointment of Butterfield?—A. There was no arrangement of that kind. I afterward heard of things, but I do not know of any myself. I never had any conversation with any of them about it.

Q. After the appointment of Butterfield, did you have any conversation with Mr. Gould or Mr. Corbin or Mr. Butterfield in reference to gold speculations?—A. Not with General Butterfield; there were conversations with Gould and Corbin.

Q. Nothing in reference to putting up the price of gold?—A. No sir.

Q. Was anything said by any of those parties about General Butterfield using his official position for the purpose of helping gold speculations, either before the appointment or afterward?—A. Mr. Corbin, Mr. Gould, and myself had a conversation one day. It amounted to this, that men could operate with safety when they were acting on a certainty—that is, when they knew what they were doing. There was no understanding about anything; it was a mere casual observation.

Q. Did they propose in that conversation any mode of ascertaining what was certain about the movements of the government?—A. Never to me. I will state frankly in regard to that matter that, as soon as I declined the appointment, I suggested Mr. Amos R. Eno, and it was rejected. It was thought that General Butterfield was entitled to some consideration, and that he was a better man. From that time forward, I was never talked to or consulted in the matter.

Q. To whom did you suggest Mr. Eno's name?—A. To Mr. Corbin.

Q. Did you ever see any letters written by Mr. Corbin in reference to that matter?—A. I never did. I got a little note from Mr. Corbin myself, in which he said that he had not seen General Butterfield yet.

Q. Do you know whether Mr. Corbin wrote any letters in aid of General Butterfield's appointment?—A. I do not.

Q. Did you hear of it either from Butterfield, Corbin, or Gould?—A. Mr. Corbin told me himself that he had written to General Butterfield, and he read me a letter in reply from General Butterfield, in which General Butterfield thanked him very kindly, and hoped Mr. Corbin would exercise his influence as he had previously done; that he was under many obligations to him, and that he hoped he would be successful. That was about the tenor of the letter as Mr. Corbin read it to me.

Q. Was a proposition ever made to you to take this office with a view to assisting in speculation; and did you ever decline peremptorily because you could not assist in any such object?—A. Not so emphatically as that.

Q. Put it in your own language.—A. After I was solicited to accept this office, and had the matter under debate, I went the next day to have a conversation with Mr. Gould and Mr. Corbin, and I found that the remark was simply this: that the parties could operate in a legitimate way and make a great deal of money, and that all could be benefited by it in a legitimate manner. Nothing underhand or illegitimate. The

phrase used was "illegitimate manner." I satisfied myself that I could not fill the bill.

Q. What did this illegitimate manner consist of?—A. I felt in this way. I could not say that it was that, because I was not asked squarely to do any thing; but I took it for granted that it meant that. I did not look at it in the same light that they did, and I just declined.

Q. State more distinctly what was this legitimate thing?—A. I understood that it was buying gold and stocks and bonds on a certainty of the movements of the government in selling or not selling gold.

Q. If you can give the exact language of Gould and Corbin to that very point, please do so; and fix the date if you can.—A. It was along in the latter part of May or June, I think. I think I have got a letter in my pocket from Mr. Corbin which will give me nearly the date.

(Witness refers to a note in his possession from Mr. Corbin to himself, dated June 4, 1869, in which the following passage occurs: "Will see Mr. Gould about Jersey City railroad. Have not yet seen General Butterfield.")

WITNESS: "Jersey City railroad" is a cipher. It means the sub-treasury.

Q. Who agreed on that cipher?—A. There was no agreement about it.

Q. How did you understand it?—A. I was so intimate with Mr. Corbin that I understood it in a moment.

Q. Then Mr. Corbin never told you that when he wrote "Jersey City railroad" he meant sub-treasury?—A. No, sir; but I knew the business between Gould and him at that time.

By the CHAIRMAN:

Q. Is it not true that Mr. Gould was building a railroad in Jersey City, and that Corbin owns property over there, and that they had constant business communication about the matter?—A. It is true that Mr. Corbin owns a great deal of property in Hudson City, not Jersey City.

By Mr. Cox:

Q. You knew the business of these two parties so well that you understood "Jersey City railroad" to mean "sub-treasury"?—A. That is the impression I got of it at once.

By Mr. JONES:

Q. In after-conversation with Mr. Corbin, did you understand him to have meant that?—A. I did not ask him whether he meant sub-treasury or not.

By Mr. Cox:

Q. You say you understood the business between Gould and Corbin well enough to know that this Jersey City railroad meant the sub-treasury?—A. That is my interpretation. I may be right and I may be wrong. I do not know that Mr. Corbin ever said so before or afterward.

Q. Have you stated all that passed between Mr. Corbin and yourself, Mr. Gould and yourself, and General Butterfield and yourself, in respect to this business of the sub-treasury?—A. I think so. We had a good many conversations about that time, but, as I stated, they have passed out of my mind. I do not recollect anything else now.

Q. Was there any mode agreed upon to influence the administration to appoint General Butterfield?—A. Nothing more than that Mr. Corbin stated that General Butterfield had done a great deal of service

during the war, and he felt he was entitled to some consideration; that he had been disappointed in respect to one or two appointments of other kinds; that he was a suitable man, and had some right to ask for it; that he had been a great friend of President Grant.

Q. His military record, then, was one of the modes agreed upon to influence the President?—A. Yes, sir.

Q. Were there any other influences brought to bear upon the President, so far as you know?—A. I do not know of any other.

Q. You do not know whether influence was obtained from bankers, brokers, and other people?—A. I know nothing of that sort.

Q. Was any petition got up by Mr. Corbin for the purpose of appointing General Butterfield, so far as you know?—A. Not that I know of.

Q. Did Mr. Corbin tell you that he could assure the appointment of General Butterfield?—A. He did. He told me he had got it; that is, he told me about the time that it was arranged.

By Mr. JONES:

Q. Did he tell you that the President had agreed to give the appointment to General Butterfield, or to such person as he (Corbin) might recommend?—A. I cannot tell you exactly what he said. The President used to be at his house a good deal. He told me afterward that he had it arranged and settled; that Mr. Folger had been withdrawn.

By Mr. Cox:

Q. In any of these conversations was anything said about General Butterfield having raised a large subscription to purchase General Grant's house from him?

(Question objected to by a member of the committee. Witness directed to withdraw from the room. After consultation by the committee the witness was again called, and the following question put to him:)

Q. Were there any other influences talked of in these various conversations between these parties (Gould, Corbin, and Butterfield) for the purpose of inducing the appointment of General Butterfield to the sub-treasury? If so, what were they?—A. Mr. Corbin and myself had frequent conversations in regard to how he would carry this point. General Butterfield and myself never had any conversation at all; but Mr. Corbin and myself, and Mr. Gould and myself, particularly Mr. Corbin and myself, had conversations on the subject. I was at Mr. Corbin's house nearly every morning and evening, and we had several conversations in regard to the appointment of General Butterfield. Mr. Corbin claimed that General Butterfield was entitled, as I said before, to the position from his record; that he had done a great deal for the administration; that he had taken a very active part in getting up a subscription for a house, &c.; that he was a warm friend and advocate of the administration, and under these circumstances would be entitled to consideration and weight. Mr. Corbin likewise told me that he would see A. T. Stewart. He told me afterward that General Butterfield had seen Mr. Stewart, and that Mr. Stewart had taken an interest in his appointment.

By Mr. JONES:

Q. Subscription for what house?—A. For the house on I street, here in Washington, which was first purchased of Mr. Corbin for General Grant, and afterward for General Sherman.

By the CHAIRMAN:

Q. One of the witnesses states that, when General Butterfield was

nominated, Catherwood said that General Butterfield would give such information as from time to time came into his hands, by which prior information they could make money, and that this information came to him from General Butterfield and from Mr. Catherwood; did you ever state the substance of that to any person?—A. As I have previously stated, General Butterfield and I never had a conversation in the world personally upon that subject, and nothing of this kind, therefore, ever occurred personally between General Butterfield and myself. There was afterward some conversation in regard to operations with certain parties; that is to say, Mr. Gould, Mr. Corbin, myself, and some other associates had an understanding that we would go into some operations, such as the purchase of gold, stocks, &c., and that we would share and share alike, dividing the purchase into fourths in respect to our profits and losses.

Q. These parties were Gould, Corbin, and Catherwood—who else?—A. I do not know who the other parties were. They were to be taken care of by Mr. Gould, as I understood. They were presumed to be capitalists who were friends of his. It was all to be done through one source; that is, there was to be but one purchaser in the market, so as not to create the excitement of opposition.

Q. About what time was this conversation?—A. About the latter part of May or the first part of June.

Q. How much gold was bought in pursuance of that arrangement?—A. I do not know of a dollar's worth. I will simply state that I declined to go into this sub-treasury business from that time and afterward, for reasons which it is not necessary for me to state. I never was consulted or talked with about it.

By Mr. JUDD:

Q. Was this conversation preceding or before the time you were talked of for the sub-treasury?—A. It was about that time.

Q. Can you state whether it was preceding the time when your name was pending?—A. I do not think it was, because my name was only pending for one day. The next day I declined it.

Q. Can you tell us whether this conversation and arrangement was not preceding that one day?—A. It was not; I think it was within the next day or two afterward, or along about that time. There was no arrangement that would lead to any great excitement in the market. It was on this basis, that there would be a stability of the money market of sales of gold, &c., from which there was an assurance that we could operate with safety.

By the CHAIRMAN:

Q. Did you ever express to any one your belief that General Butterfield would give prior information to parties who would combine to buy gold?—A. I never did.

Q. Then was the statement I just referred to true or false?—A. I have no recollection of making any remarks to anybody on the subject. I have studiously avoided talking about this matter from beginning to end.

Q. Did you ever have any conversation upon the subject of these occurrences with a Mr. Barksdale?—A. No, sir. Mr. Barksdale was, I believe, a reporter for the Sun at that time, and the only conversation was this: He came to my house the day I was to have started for Washington, but was unable to get off in consequence of the freshet. He sent up his card as Mr. Barksdale. The name, as I read it, was similar to that of an

architect who was constructing a house for me, and whose card I supposed it was. I found, however, on seeing him that it was this reporter for the Sun, who said he had come around at the request of Mr. Dana, of the Sun. I asked him if he would step into the library. I commenced talking about the weather and various matters, when he, seeing that I was driving away from the subject he had come to talk about, said he had come to ask me something about the affairs of Mr. Corbin, &c. I said to him, that with all due respect to him, Mr. Dana, and to the press generally, I wished him to understand that I had nothing to say to him or to any outside party about the matter; that if he had come to talk about gold, or about Mr. Gould, he might stay there till noon; that he never would get any reply from me in any shape or form; neither did he while he remained in my house. After staying for half an hour, he remarked as he went out, that if Mr. Corbin had acted as I had done there would have been no trouble about the matter, and that he hoped I would treat other reporters in the way I had treated him. I told him I had no other information to give, and I gave him no other information whatever. He has since called at my office frequently. My office is right opposite that of the Cuban Junta, for which, as I understand, he is the reporter. In these visits he has had several conversations with my brothers, but I have never conveyed to him any information whatever.

Q. Are you known as Colonel Catherwood?—A. No, sir; I am not. I have three brothers who were colonels in the war.

By Mr. Cox:

Q. Are you the gentleman who has charge of the Brooklyn water-works as engineer?—A. No; I had charge of the water-works at Indianapolis, and of building a railroad in Brooklyn.

Q. Did you ever state to Mr. Barksdale that you were spoken to for the sub-treasury prior to the appointment of Butterfield, but that you declined to fill the entire bill?—A. I may have said in conversation with my brothers that I was solicited to apply for the appointment of sub-treasury before General Butterfield was appointed, but as for telling Mr. Barksdale or anybody that any such arrangement was proposed, nothing of that kind ever passed my lips.

Q. Did you state that General Butterfield had ever entered into any such arrangements?—A. No; that is unqualifiedly a mistake. Mr. Barksdale came into my office the other day and told my brother that General Butterfield was down upon me; that he had vilified me in the most abusive manner. My brother was thunderstruck at hearing that such should be the case; and when he told me what remarks Barksdale had said General Butterfield had made, I said it was very strange in General Butterfield to talk in that way about me, when I had sustained him to the fullest extent. I had, however, said in a conversation with General Butterfield that he was a great fool to resign; that he should have fought it through to the end. That is the only conversation I had with General Butterfield on this subject.

By Mr. Cox:

Q. I do not understand your statement about this arrangement in which the profits were to be divided into four parts; do I understand that that arrangement was made between yourself, Mr. Corbin, and Mr. Gould?—A. Yes; the arrangement was made verbally, although Mr. Corbin asked to have it put in writing.

Q. At what time was that?—A. It was early in June. The matter was settled about the appointment of General Butterfield before his



appointment was made; that is to say, Mr. Corbin gave me to understand so. So far as any participation on the part of President Grant in these matters is concerned, I never opened my lips to him on the subject, or he to me, and I have no idea that he knew anything more about this affair than you gentlemen sitting here.

Q. You were to get one-fourth?—A. Yes; and Mr. Corbin was to get one-fourth; Jay Gould was to get one-fourth, and some of his friends the other fourth. Who his friends were I do not know.

Q. Was it mentioned that the other fourth was to be given to the friends of Jay Gould? what was done in pursuance of that agreement or arrangement? did you have any conference with Mr. Corbin or other parties in reference to it?—A. I had several conferences with Mr. Corbin, but they resulted in nothing. Mr. Corbin stated that there was nothing done; that the arrangement was a failure all round; that there had not been a dollar of gold bought at all. This was along in the latter part of June and July. I told Mr. Corbin I thought it was a little strange; that I had heard reports that these parties were speculating in gold and stocks, and that I thought there was something going on; but Mr. Corbin replied that nothing was going on at all.

Q. Did you ever have any conversation with Mr. Corbin about the profits he received from operations in gold?—A. I have since this blow up. I went to see him, and told him what Mr. Gould had said to me about it, and his reasons for leaving me out of the arrangement; what his losses were, &c. I knew nothing about the transaction, except what I heard outside, from the time General Butterfield was appointed, and have never consulted with him (Butterfield) except the one conversation before referred to.

By Mr. JONES:

Q. Did Mr. Corbin ever tell you that he had purchased gold for the President's wife, or any of his family?—A. I cannot say that he did tell me in those plain words.

Q. Did he ever intimate it to you?—A. He intimated to me that he had made a purchase of some bonds.

Q. For whom?—A. I think he said for himself and Mrs. Grant.

Q. What do you mean by "intimated?"—A. He said in plain English that he had bought bonds. He said nothing about gold.

Q. Did he give you any reason why he had purchased these bonds for Mrs. Grant?—A. He told me that Mrs. Grant or the President had a few thousand dollars, the balance, I believe, of the sale of their house, or something of that kind, and that she got him to use it in what way he thought best; that he had a notion to put it into real estate at Hudson City, but finally purchased some securities for her, as he would for anybody else. That was his reply to me; nothing else.

Q. Do you know anything in reference to the letter that was written by Mr. Corbin to the President while he was at Washington, Pennsylvania?—A. I know he told me he had written a letter, but I never saw it.

Q. Do you know, of your own knowledge, of any officer of the government in Washington, New York, or elsewhere, having been interested, directly or indirectly, in the purchase or sale of gold in connection with the panic in September last?—A. I do not.

By Mr. JONES:

Q. Have you any reason to believe any such transaction took place in regard to any of the officers of the government or their families?

(Question objected to by a member of the committee on the ground

that the witness may give any facts within his knowledge, but may not make statements from hearsay. Objection sustained by the committee.)

By the CHAIRMAN:

Q. Have you any knowledge of your own that any member of the family of any officer of the government was interested in the purchase or sale of gold in September last?—A. Outside of Mr. Corbin I have no such knowledge.

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WASHINGTON, *February 10, 1870.*

HORACE PORTER sworn and examined.

By the CHAIRMAN:

Question. State your position.—Answer. I am now serving as private secretary to the President.

Q. Were you serving in that capacity in September last?—A. I was.

Q. State to the committee whether you received a letter from Mr. Corbin while you were at Washington, Pennsylvania, toward the middle of September last?—A. I did, about the 18th or 19th or 20th of September.

Q. State the circumstances of the reception of that letter, and the substance of it, as nearly as you recollect; and state in the same connection whether, to your knowledge, General Grant received a letter by the same messenger; and state whatever you know concerning both letters.—A. While we were stopping at Washington, Pennsylvania, the President and I were engaged one morning playing a game of croquet in the yard. I was told that there was a gentleman there who wanted to see me, and I sent him word to wait till we had finished the game. I then walked into the parlor, the President taking a seat on the porch near the window. A gentleman in the room handed me a letter, which I opened. It was to this effect:

NEW YORK, (I forget the date.)

The bearer has a letter, which he desires to deliver to the President. Please afford him an opportunity of doing so.

A. R. CORBIN.

I called to the President, and he stepped into the parlor, and a letter was handed to him by this messenger. The President walked out, I think, on the stoop reading it, and in a few minutes I walked out in another direction. When I returned the messenger was still sitting in the parlor alone. He addressed a few words to me about the weather. A few moments afterward the President returned, and this gentleman arose, hesitated a moment, and said, "Any reply?" or "Anything further?" The President said, "No answer," and the messenger started off, got into a buggy and drove away. I said to the President, "Who is that man?" He said, "I do not know; why?" I said, "I merely asked on account of the peculiarity of the letter of introduction which he brought to me; his name is not mentioned in it." He said, "Letter of introduction from whom?" I replied, "From Mr. Corbin, of New York." He said, "Is that messenger from New York?" I said, "He appears to be." He seemed quite surprised and silent for a few moments, and then, and in some subsequent conversation, he gave me the impression that he supposed this man was a messenger from the post office, who had merely brought the mail up. It had been custom-

ary for the postmaster himself, or one of his clerks, to bring the mail to the President, and deliver it in person.

Q. In what the President said to the messenger, did you understand that the messenger asked anything in regard to the contents of the letter?—A. No, sir.

Q. Is the letter which you received in existence?—A. It is not; it was an ordinary note, which I tore up the moment afterward.

Q. Do you know whether the letter addressed to the President is in existence or not?—A. My understanding is that it is not; it was destroyed at the time.

Q. State what is the habit of the President in that respect; whether he is in the habit of destroying letters addressed to him or not.—A. He destroys a great many, all that are not of importance for the files.

Q. Do you keep his files?—A. Yes, sir.

Q. If that letter were in existence would you have knowledge of it?—A. It would be in my custody, in all probability.

Q. Have you any knowledge of the contents of the letter addressed to the President?—A. It has been a frequent matter of conversation between the President, myself, and Mrs. Grant, and they have spoken of it. I did not read the letter myself.

Q. What was said about the time of its reception concerning the letter and proposed response to it?—A. I heard nothing said at that time.

Q. Have you stated substantially all the contents of your letter from Mr. Corbin?—A. Verbatim, as nearly as I can recollect.

Q. Was there any allusion in it to gold, or to speculations in gold?—A. None, whatever; it was merely a letter of introduction.

Q. How soon after the reception of these letters did yourself and the President and party leave for this city?—A. We left, I think, on the 21st; and I should suppose that this was about two days before we left.

Q. Did you receive, while there at Washington, Pennsylvania, any communication from either Jay Gould or Fisk in regard to gold; if so, state what?—A. Yes; I received a letter in this way: A few days after we reached Washington, Pennsylvania, I received a package of mail matter from Mr. Corbin, at whose house we had been staying at New York, and who had been directed to forward to us any mail that might arrive after we left. In the package was a half sheet of note paper, not sealed, which read, as nearly as I recollect, in these words: "Purchased to-day \$500,000 of gold, at such a price, (which I now forget,) which will be placed to the credit of General Porter." This was dated about the 13th or 14th of September. I do not think that the place was mentioned. It was not addressed to any person, and was signed "Jay Gould."

By Mr. COX:

Q. Was there any explanation of it at all?—A. No, sir.

Q. Was there no letter from Mr. Corbin, or anybody else, explaining it?—A. No, sir.

Q. To whom was it directed?—A. It was not directed to any one. It was just a memorandum signed "Jay Gould."

Q. Is that in existence?—A. It is not, to the best of my recollection. I intended to keep it, and put it in a trunk, but in traveling about a couple of months afterward I made search for it, and I have since made thorough search for it, and could not find it.

By the CHAIRMAN:

Q. State what response, if any, you made to that communication?—

A. As much as I was annoyed at the idea of being drawn into a cor-

respondence on such a subject, I feared that if gold had been purchased for me in New York my silence might be taken for consent. I wrote to Mr. Gould that I had never authorized any one to buy gold for me, and I requested that no such purchase should be made on my account. I am an officer of the government, and cannot enter into any speculations whatever.

By Mr. Cox :

Q. Is that the same telegram that was in the papers under your name?—  
A. I saw various versions of it, generally given as telegrams, but there was no telegram; it was a letter, and the communication that I received was a letter or a memorandum. My reply was addressed to Jay Gould, and sealed.

By the CHAIRMAN :

Q. Was the substance of that communication to you, and of your response, published in the papers subsequently to that time?—A. Yes. I did not see a verbatim copy, that I recollect, in any of the papers, but the substance of it was published.

Q. Did you receive any response to that letter of yours?—A. I never heard of the subject since.

Q. Was that the conclusion of any correspondence on the subject?—  
A. That was the conclusion of the correspondence.

Q. Had you ever authorized Jay Gould, or any other person connected with him, to purchase gold or stock for you?—A. Never.

Q. Were you ever told by Mr. Corbin that he had purchased gold or stock for you through Jay Gould and Fisk?—A. Never. Mr. Corbin never made any allusion to me that induced me to believe that he was connected with any speculations.

Q. Were you with the President at Long Branch?—A. Yes, sir.

Q. Do you recollect that an interview occurred between the President and J. Fisk, jr., at Long Branch?—A. I have no knowledge of any such interview, although it may have taken place without my knowledge, as for a week or so I was staying at a cottage with a friend of mine, while the President was staying at the Stetson House.

Q. State to the committee whether you have any knowledge of a letter being sent either to yourself or to the President, or to you for the President, from Mr. Corbin, shortly before the breakdown in gold or shortly after—a letter having some reference to the question of whether he was engaged in speculation or not.—A. But one letter was received from Mr. Corbin after we returned to Washington City from Washington, Pennsylvania, and probably the only one that has been received since. That was received on Saturday morning, the 25th of September.

Q. What was the substance of that letter, if you know it?—A. I only know it from hearsay. It was saying that he was not engaged in any speculation. I did not read the letter.

Q. Do you know whether Mr. Corbin visited Washington on Sunday, the 26th of September, the Sunday after the breakdown in gold?—A. He did.

Q. Did you hear any conversation between him and the President in reference to gold? if so, state to the committee what it was.—A. Yes. I was present at breakfast when he came down to breakfast. Mr. Corbin, after the ordinary conversation, started to speak upon that subject and commenced in this way: "There has been trouble since in New York. A great many people are ruined. The bulls and the bears have both suffered very severely." The President turned round and said, "I

am not at all sorry to hear it, and I have no sympathy with gold gamblers." I think that that stopped the conversation, at least at that time.

Q. Did you hear anything further said upon that subject between those parties?—A. Nothing at all that I recollect.

Q. Have you any knowledge that any officer of the government of the United States, either at Washington or New York, was interested in, or engaged in, the gold movement of September, 1869?—A. I have not.

By Mr. PACKER:

Q. Did you mail that letter to Jay Gould?—A. I did.

By Mr. COX:

Q. Have you made any search for the letter which came to the President at Washington, Pa?—A. No, sir; my recollection is that it was destroyed at the time. The question of search has never been mentioned.

By Mr. JONES:

Q. Did Mr. Jay Gould ever intimate to you in any way in the summer that he would buy gold for you?—A. I saw Jay Gould twice or probably three times in my life, and only once when he spoke on the subject of gold operations. That was at Mr. Corbin's house.

Q. I wish to know whether he ever made a proposition to buy gold for you, or intimated that he would do so?—A. We spent a couple of days with Mr. Corbin on our way to Washington, Pennsylvania, from here. Probably the day before we left, or a couple of evenings before we left, the President, Mr. Corbin, Mr. Gould, and myself, were sitting in the room. Persons going out, Mr. Gould and I were left alone in the room for a few moments. He had been talking before about business matters, about his railroad, describing the operations of it in quite an interesting manner. He then spoke of his large operations in New York, and how he purchased and sold a great many things. After some conversation of that nature he said: "I purchase and sell immense sums of gold in New York, and I have means of knowing just when gold is going up and when it is going down, and I sell when it is going down and buy when it is going up. Do you ever purchase or sell gold or stocks?" I said I never did so. He said, "You had better let me get you some gold; gold is going to rise before long, and suppose I purchase some for you." I said, "Mr. Gould, I have neither the inclination nor the means of purchasing gold; and if I had, I am an officer of the government and cannot enter into anything that looks like speculation. It may be perfectly proper for you to do it, but it would be a manifest impropriety for me to do it?" We were then interrupted by somebody coming in. I think he said that he could guarantee me against all loss, or something of that nature. After I made this answer to him there was nothing further said. The only impression left on my mind was, not one of any gold combination, but that it was a proposition of a gentleman of large means to do me a kindness, which he might have thought proper, but which I, as an officer of the government, thought to be manifestly improper.

Q. Did he say in that conversation that he had purchased gold for anybody in connection with the President or Mr. Corbin?—A. No, sir; he did not mention such a thing. He said nothing to lead me to believe that he was connected with any other person.

Q. Have you detailed the full conversation as you recollect it?—A. Yes; that is all that occurred on the subject.

By Mr. COX:

Q. Have you had any conversation with Mr. Gould since about it?—

A. I have never seen him since.

By Mr. JONES:

Q. You spoke of a conversation between the President, Gould, Corbin, and yourself. What was the subject of that conversation?—A. I think the conversation was carried on principally by Mr. Corbin. He was advocating the policy of letting gold be high so as to send grain abroad and finally pave the way for lower gold.

Q. Was Mr. Gould advocating the same theory or policy?—A. I do not recollect that while I was in the room he joined in the conversation. He may have made some remarks.

Q. Did the President seem to assent to or differ from Mr. Corbin?—

A. As is his usual custom, he made no reply at all.

Q. You spoke in reference to the letter received by the President at Washington, Pennsylvania, and you said that that letter was destroyed and that it was afterward the subject of several conversations between yourself and the President and Mrs. Grant. What were their expressions in relation to that letter?—A. The substance of the remarks was to this effect: The letter would have been like hundreds of other letters received by the President, if it had not been for the fact that it was sent by a special messenger from New York to Washington, Pennsylvania, the messenger having to take a carriage and ride some twenty-eight miles from Pittsburg. This letter, sent in that way, urging a certain policy on the administration, taken in connection with some rumors that had got into the newspapers at that time, as to Mr. Corbin having become a great bull in gold, excited the President's suspicions, and he believed that Mr. Corbin must have a peculiar interest in those speculations; that he was not actuated simply by a desire to see a certain policy carried out for the benefit of the administration. Feeling in that way, he suggested to Mrs. Grant what to say in a letter that she was writing to Mrs. Corbin.

By the CHAIRMAN:

Q. What did he suggest?—A. He suggested to her to say that rumors had reached her that Mr. Corbin was connected with speculators in New York, and that she hoped that if this was so, he would disengage himself from them at once; that he (the President) was very much distressed at such rumors. She wrote a letter that evening, which I did not see. That, I think, was the night after the messenger arrived, and while we were still at Washington, Pennsylvania.

By Mr. JONES:

Q. In that conversation, did you hear Mrs. Grant say that any gold had been bought for her, or that any propositions had been made to buy gold for her?—A. No, sir; I frequently heard her say that there was none.

Q. How did she happen to say that there was none?—A. She said it in the general discussion of this matter, and from it having come out in the newspapers.

Q. She said that she had never authorized any one to purchase gold for her, and that no one had ever made a proposition to purchase for her?—A. Yes.

By Mr. JUDD:

Q. This statement of Mrs. Grant was based on something charged against her in the newspapers?—A. Yes, sir.

By Mr. JONES :

Q. You say that that letter sent to the President, at Washington, Pennsylvania, was destroyed?—A. No; I said that it was my understanding that it was. I did not see it destroyed.

Q. How did you arrive at that understanding?—A. The President said it had been destroyed.

Q. Did he say why?—A. No, sir; I mentioned in my previous testimony that it is customary for him to destroy letters that do not go on file.

By Mr. Cox :

Q. Do you know whether any furniture, statuary, or gew-gaws, for furnishing the White House, was sent to the White House during the summer, unauthorized?—A. There were some things sent there unauthorized, but through a mistake, which I will explain: Brown & Spalding, who are large jewelers under the Metropolitan Hotel, in New York, were to send over some ornaments for the White House. Mr. Spalding himself was here, and Mrs. Grant ordered some statuettes. He mistook the order to be for statuary, and he came with a quantity of statues. The President came down into the vestibule in the morning, and found a number of men opening large boxes and taking out statues. He inquired about it, and was told they had been ordered. He said it was a mistake, and he told the men to box them up again and not to open more. They were taken back to New York, and Mr. Spalding sent some bronzes for the mantel-pieces, which were paid for by the Commissioner of Public Buildings, out of the appropriation, and which are now in the White House. This was when the White House was being furnished last summer. That is all that I know on that subject. Mr. Spalding brought the statuary himself, instead of statuettes, and it was to him that General Grant addressed these remarks.

By Mr. PACKER :

Q. Was this order for statuettes made under an appropriation of Congress?—A. It was; and after consultation, as I understood, with the Commissioner of Public Buildings.

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WASHINGTON, *February 12, 1870.*

MOWRY S. SMITH sworn and examined :

To the CHAIRMAN :

I reside in New York City. My occupation is telegraphing. I am connected with the Franklin Telegraph line. I have charge of the company's office, at 11 Broad Street, New York. I was in charge of that office on the 24th of September last. I had general oversight of the business. I was familiar with the doings of the office, and its records during that day. I know of a dispatch having been received over the wires on that day, from Secretary Boutwell, addressed to General Butterfield, assistant treasurer. That dispatch was received at 11.5 o'clock, New York time. I mean, that that was the time it was entered on the delivery register before being sent out by a messenger. That is the time marked upon it.

Question. How long after the actual receipt of the message over the wire until the time that the entry of 11.57 was marked upon it?—Answer. It would not have been two minutes. I took the message myself from the

operator to the copying-boy, and he made an impression of it in, say, two seconds. I then took it to the delivery department, and told the delivery clerk to be careful and rush that lively. Said I, "Let me see the boy that is going to take it?" He showed me the boy. When the dispatch was enveloped and ready for going out, which probably occupied about two minutes from the time it was received, the boy started with it.

Q. Who put the time down upon the message?—A. The delivery clerk, the man who is intrusted with all that business.

Q. Was the entry made from his watch or from the clock of the office?—A. From the clock, right over his head.

Q. Did you receive from the assistant treasurer any acknowledgment of its receipt?—A. I presume so. We always do have the signature of the receiver upon the boy's book. I cannot find the book of that month. I looked for it and could not find it. The book now shown me is the kind of book we use in the office for that purpose. I expect that the book is sold. We usually keep those books about sixty days and then they are carried to a store-house with old paper and stuff, and sold for waste paper; and I suppose that book must have gone with the rest of it.

Q. Do you know how your clock agreed that day with the clock in the sub-treasury?—A. No, sir.

Q. What time did you keep?—A. New York time. Benedict of Broadway keeps our clocks in order.

Q. What is the difference of time between Washington and New York?—A. I believe, twelve minutes; and the difference between New York and Boston is twelve minutes. The photograph now shown me represents the black-board in the Boston gold-room on the 24th of September, showing the quotations as furnished from New York. I had charge of that thing for nearly a year. The moment the quotation is flashed from New York it is placed upon the board. This photograph is gotten up by a man who was in charge there at the time.

Q. State whether the dispatch from the Secretary of the Treasury would have been heard by the operator in Boston without being repeated in New York?—A. No, sir; it would have to be repeated.

Q. How long does it ordinarily take a message to be sent from your office to the sub-treasury and delivered in the usual way?—A. Our messenger boys have special orders to go with that business in a tremendous hurry, and when one of them gets a message for the sub-treasury he runs the whole way. I think it should not take more than three minutes from the time the boy left the office until the message is delivered. The assistant treasurer should have got that dispatch, certainly, by twelve, or one or two minutes after twelve. There was a great crowd upon the street that day, and it was very difficult for the boy to get through, but still it should not have taken him more than five minutes.

(Witness presents a press copy of the original dispatch from Secretary Boutwell to Mr. Butterfield, which corresponds with that already in evidence.)

Q. State whether, from your knowledge of the transaction in your office, it was possible for the news of that dispatch to have gone out of your office before the dispatch was regularly delivered at the sub-treasury.—A. No, sir; I do not think it possible.

Q. What wire was that dispatch sent over?—A. We had one wire upon which we do some brokers' business, but I took the precaution during those days to take the brokers' offices off that wire, and to put their business upon a separate wire, so that they would hear nothing in their offices of what was coming or going.



Q. With what offices was the wire over which this dispatch was sent connected?—A. The dispatch went through Baltimore and Philadelphia.

Q. Was it repeated in those cities?—A. No, sir; it came directly.

Q. Could any operator anywhere on the line have heard that dispatch except at the New York and Washington offices?—A. Yes; it could have been heard at both the Baltimore and Philadelphia offices and at another little office at Lambertville, New Jersey, which we have for testing purposes, but the operator is not there generally more than five minutes a day. I know that I have hard work enough to raise him whenever I want to get him, except in the morning.

Q. What persons were in your office at the time this dispatch came?—A. None but the operators; they were there, of course.

Q. Did you, or any other person in your presence, mention the fact of the receipt of the message and the substance of it?—A. No, sir. I also took particular notice of the operator who received the dispatch. I knew him to be a very faithful man, but in case he might mention anything I kept a strict eye upon him after the dispatch went out, and he never left the table, and had no opportunity for communicating with anybody without my seeing him.

Q. Do you know at what time gold broke down in the New York gold market?—A. This photograph of the black-board in the Boston gold-room will show it; the time given is New York time.

The following is copied from the photograph referred to:

11.53.....	160
11.54.....	{ 159
	{ 155
11.56.....	{ 145
	{ 140
11.58.....	150
11.59.....	160
12.05.....	148
12.07.....	140
Down to 2.53.....	133½ closed.

Q. State to the committee what the telegraphic arrangement is for indicating the price of gold throughout the country.—A. It is telegraphed from the Gold Board in New York. So soon as a sale takes place a man stationed at a little desk touches some electric keys; that turns three indicators in the gold-room, and is also connected with, perhaps, three hundred indicators in the vicinity in brokers' offices and in telegraph offices. We have one in our own office. Every change in the price of gold is ticked out by the bell, and it tells these figures, indicating the price; they are moved by clock-work. A sale has not taken place a moment before the price is known all around. I do not know how many indicators there are in the United States, but I think there are three or four hundred in New York, and twenty or thirty in Boston.

Q. What was the behavior of the gold indicator on that day, as to the fluctuations in gold?—A. As gold advanced, of course our indicators had to creep up with it, to show us the gold quotations, but the prices jumped so rapidly that the indicators could not keep pace with the rise. Each revolution shows a difference of one-eighth, and when gold jumps two to three per cent. at a time, it takes a good many revolutions to keep up with the advance. It did better on the rise in gold than it did on the fall, for the rise was a little more gradual than the fall. At all events, the indicators did not fail until after the fall in gold. The

fall was so rapid that the indicators could not keep pace with it, and the wires were burned off by the electric current, so that we had no more gold indications for several days afterward. It took time to repair the indicators. They had put on so much battery that the wires were burned with the electric current.

Q. Have you any knowledge that any officer of the government of the United States was interested in, or in any way concerned in speculations in gold in the month of September?—A. No, sir.

By Mr. PACKER:

Q. You did not yourself deliver the message to the assistant treasurer?—A. No, sir. The supposition that I did arose out of the circumstance that my chief operator in the office saw me take the message and rush to the delivery office with it, and he thought I had gone with it to the sub-treasury, but I did not.

By the CHAIRMAN:

Q. State whether you have any knowledge that the wires of any telegraph lines between New York and Washington were tapped on that occasion, so that this dispatch, or any dispatch on that day, was surreptitiously taken possession of.—A. No, sir; I have no knowledge of the kind, and it is my impression that the thing was not done.

WASHINGTON, *February 14, 1870.*

W. HARGRAVE WHITE sworn and examined.

By the CHAIRMAN:

Q. Where do you reside?—A. Washington City.

Q. What is your occupation?—A. Bookseller.

Q. How long have you resided in Washington?—A. Twelve months.

Q. Where did you reside previously to coming here?—A. In Fredericksburg, Virginia. I was born in Fredericksburg, and lived there fifteen or twenty years.

Q. What was your occupation before you came to Washington?—A. Bookseller.

By Mr. COX:

Q. You delivered a letter to me this morning?—A. I did.

Q. State if the contents of that letter are true.

(Objected to by Mr. Judd, and objection sustained.)

Q. State in whose employment you were last fall.—A. In the employment of Coyle & Towers, booksellers.

Q. In what capacity were you there?—A. As book-keeper.

Q. Were you in the habit of going to the express office for them for packages?—A. No, sir.

Q. Did you ever receive their packages by express?—A. I did.

Q. At the store?—A. Yes.

Q. Do you recollect when the gold panic was in New York?—A. I do not recollect the date; I recollect the fact.

Q. What month was it in?—A. I think it was in October or September.

Q. Do you recollect receiving any package about that time for Coyle & Towers?—A. I do.

Q. State the circumstances connected with the reception of that package.

(Objected to by Mr. Judd, and objection sustained.)

Q. Did you see the receipt book for express packages?—A. I did.

Q. Was it the money book, as it is called?—A. Yes, sir.

Q. Is that the technical word for it?—A. I do not know.

Q. What does it contain?—A. Simply the entry of money packages.

Q. Is that the book that you signed when you received the package?—

A. Yes, sir.

Q. Did you enter your name there on receiving a package that day?—

A. I did.

Q. Did you see any other entry in that book of a money package to be delivered to any person on that day? If so, describe what you saw.

(Objected to by Mr. Judd, because the book is the best evidence, and it is not produced, and its non-production is not accounted for.

Objection sustained by the committee by a vote of 7 to 2.)

By the CHAIRMAN:

Q. You say that you receipted for a money package. From whom was it received?—A. I do not know.

Q. To whom was it addressed?—A. Coyle & Towers.

Q. What was the amount of money for which you receipted?—A. I do not recollect.

Q. What month was it in?—A. I cannot say.

Q. What year was it?—A. Last year.

Q. What was the date at which you made that entry?—A. I cannot say.

Q. What time of the day was it; morning, noon, or night?—A. Morning.

Q. What day of the week?—A. I have no recollection.

Q. Who brought the book to you?—A. The money clerk, or the express man, whose duty it was. I do not know his technical term or name.

Q. Was he a person whom you had ever seen before?—A. I cannot say certainly.

Q. Was he a person whom you have ever seen since?—A. I think not.

Q. Would you know him now if you were to see him?—A. I think not.

Q. Was he a boy or a man?—A. A man.

Q. Was he tall and had he whiskers?—A. He was tall and had whiskers. That is my recollection, but I am not positive.

Q. What company was it that that man served?—A. I cannot say whether it was Harnden's or Adams's. They are both in the same building. I did not observe the book.

Q. Did you not say in the letter which you addressed to Mr. Cox that it was Adams's express?—A. I think I did.

Q. Was that statement correct or incorrect?—A. I should rather it was not taken as testimony, because I may be mistaken as to its being Adams's or Harnden's.

Q. Did you talk to anybody in reference to that transaction?—A. I mentioned it to one or two persons that I had seen this entry.

Q. Who were they?—A. Mr. Coyle, of the firm, was one, and the other was a young man who was clerk in the establishment.

Q. Is this letter in your handwriting? (Indicating the letter to Mr. Cox.)—A. It is.

Q. Were you requested to send this letter to the committee?—A. Not specially.

Q. Were you generally? Did anybody suggest to you to write to any member of the committee?—A. It was suggested.

Q. By whom?

WITNESS. I prefer not to answer that question, for the simple reason that I do not wish to bring any one into trouble.

Witness was directed to answer the question.

A. The Rev. Mr. Pitzer.

By Mr. JUDD :

Q. Who is he ?—A. A Presbyterian minister in this city.

Q. Where were you when he suggested that to you ?—A. At his house.

Q. How came he to suggest it to you ?—A. That I cannot tell.

Q. Were you talking about it ?—A. I was not.

Q. Whom else have you talked with about the propriety of your sending such a letter ?—A. No one.

Q. When was it that Mr. Pitzer suggested it to you ?—A. Last night.

Q. Sunday night ?—A. Sunday night.

By the CHAIRMAN :

Q. Did you begin the conversation ?—A. I did not.

Q. Did he ?—A. He did.

Q. Did he suggest the contents of the letter ?—A. He did not.

Q. How did he know anything about the matters of which you have testified, so as to make a first suggestion ?—A. I had spoken of it previously.

Q. When ?—A. I do not recollect the date ; but it was about the time that the occurrence took place.

By Mr. JUDD :

Q. You had spoken of it to him ?—A. To him, as well as I recollect. I am not positive.

Q. Where was this letter written ?—A. It was written at his house ; at the house where he boards.

Q. Was he present when you wrote it ?—A. No, sir.

Q. Was he present when there was a draught made of it ?—A. No, sir.

Q. Was it submitted to him after you wrote it ?—A. Yes, sir.

Q. Did you talk over with him what should be the contents of the letter before you wrote it ?—A. No, sir. I do not exactly understand that question.

Q. Did you talk with Mr. Pitzer as to what you should write in the letter ?—A. It was his suggestion to me that I should write the letter, and the contents were my own composition entirely.

Q. Where does Mr. Pitzer live ?—A. At 604 F street.

Q. Has he charge of a congregation here ?—A. Yes.

Q. What congregation ?—A. The Central Presbyterian Church.

Q. How long has he been in charge of it ?—A. I do not know.

Q. How long have you known him ?—A. Only since I came here.

Q. Do you know where he came from here ?—A. He came from Virginia.

Q. Do you know from his statement how long he has been in Washington ?—A. I do not know.

Q. Did you say that you were going to Missouri ?—A. Yes.

Q. With whom are you going there ?—A. I am going there with a lady ; simply to take charge of her.

Q. Are you going there to reside ?—A. I am.

Q. In what part of Missouri ?—A. In the western part.

Q. How long did you say you have lived in Washington ?—A. Twelve months.

Q. Immediately preceding the time that you came here, where had you lived ?—A. In Richmond.

Q. Where were you during the war?—A. In the South, in Richmond.

Q. Were you in the service in any way?—A. Not at all.

Q. You had no connection with it?—A. None whatever.

Q. In that conversation that you had with Mr. Pitzer did he say anything of the importance of this being sent to the committee?—A. He thought it would be important.

Q. In what view?—A. I do not know exactly. He did not state.

Q. Was there not any reason given for it?—A. Not that I recollect.

Q. Did Mr. Pitzer preach yesterday?—A. Yes.

Q. Was it in the evening, or in the morning, or between services that you had this conversation with him?—A. It was after services.

Q. Can you tell us what time in the year it was that you saw this receipt book?—A. I cannot tell you positively.

Q. Was it as late as the 21th of October?—A. I have no idea of the date; not the remotest; neither as to the day of the month nor of the week.

Q. You have no idea whether it was September or October?—A. No, sir.

Q. Might it not have been as early as August?—A. Oh, no, sir.

Q. Are you sure of that?—A. I think not.

Q. Are you sure of it?—A. Not certain.

Q. Might it not have been as early as July?—A. I have no idea.

Q. You are certain that it was in the last days of July, about the 24th?—A. I am not sure of the date at all.

Q. Are you as sure that it was in July as you are that it was not in October?—A. I am not certain as to what month it was at all.

Q. Might it possibly have been in June?—A. I cannot say.

Q. Can you not come any nearer to it than from June to December?—A. No, sir; from the simple fact that I was not interested in the affair at the time it occurred.

Q. It seems that you told what you saw to a good many gentlemen?—A. I told two or three persons.

Q. But you cannot tell the committee whether it was in June or December, or between those times?—A. I cannot tell what time it was.

Q. Do you mean to say that you do not recollect the month in which it was?—A. I do not recollect the month.

Q. Do you recollect the day of the week?—A. No, sir.

Q. Do you recollect the name of the man who brought it?—A. I never knew his name.

Q. Do you recollect the name of the express company?—A. I do not.

Q. Was he a white man or a black man who brought it?—A. He was white.

Q. Do you remember that?—A. Certainly.

Q. Did he have on a black coat or a white coat?—A. I do not know.

Q. If you do not recollect the color of his coat, how do you recollect the color of his face?—A. Because I know that there are no black men employed for that purpose.

Q. Then you do not know it from recollection, but because of the mode of business of the company; is that what you mean?—A. It is only in that way; as far as I know there are none but white men employed in that capacity.

Q. Can you say, from your present recollection, that the man who carried it there was not a black man?—A. I cannot.

By Mr. Cox:

Q. You have stated that this matter occurred about the time of the

gold panic—black Friday; how do you recollect that much of it?—A. Simply because that was the thing which caused me to notice the entry upon the book. If it had not been for that I should not have noticed the matter at all.

Q. You recollect the excitement about gold in New York?—A. I do.

Q. And by that means you are enabled to recollect this occurrence?—A. That is all.

Q. Was it before or after the gold panic?—A. It was after.

By Mr. JONES:

Q. Are you quite certain about that?—A. I am quite certain, so far as I can say.

By Mr. JUDD:

Q. How long after?—A. I cannot say.

Q. Have you not any idea?—A. Probably it may have been a week or ten days; something like that.

Q. What is your best recollection about it?—A. I would not undertake to fix a date.

Q. May it have been thirty days afterward?—A. Possibly.

Q. May it have been sixty days afterward?—A. I think it hardly probable that it was so long as that.

Q. Was it nearer sixty than thirty?—A. I cannot say. The only idea I have is that it was after the panic, probably eight or ten days.

Q. And it may have been thirty days?—A. It may have been thirty days.

Q. And it may have been forty-five days?—A. Possibly.

Q. And possibly sixty days?—A. Possibly, but hardly probable.

By Mr. JONES:

Q. Do you remember whether there was still excitement in Washington about the gold panic?—A. It was talked of in the papers at the time.

Q. Was it talked of in the street?—A. I do not know. My deafness prevents me conversing much.

By Mr. BURCHARD:

Q. When did you leave the employment of Coyle & Towers?—A. In December; I think the 27th. That is, the concern failed, and was closed up by the sheriff on that day.

Q. Did you receipt for any other express packages?—A. None but that one.

Q. That you receipted for in your own handwriting?—A. In my own handwriting.

By the CHAIRMAN:

Q. Did you sign your name or the firm's name?—A. My name.

By Mr. JONES:

Q. Did you take this express book into your hand?—A. I did not.

Q. How did you receipt it?—A. It lay on the counter before me, and I simply wrote my name.

Q. And you saw other entries?—A. I did.

Q. What other entries did you see?

(Objected to by Mr. Judd, and objection sustained.)

By the CHAIRMAN:

Q. How many pages of the express book did you see?—A. None other than the one which lay open.

By Mr. LYNCH:

Q. Did you say that you do not know anything about the amount of money that you receipted for?—A. I do not.

Q. You counted it to see that it was right?—A. Yes.

Q. Was it as much as one hundred dollars?—A. I cannot say.

Q. Was it one thousand dollars?—A. It was certainly not that much.

Q. And you have no recollection as to the amount?—A. I have not.

Q. But you received it, and counted it and receipted for it?—A. Yes.

By Mr. BURCHARD:

Q. Did you make any entry on the cash-book of the amount that you received?—A. Certainly.

Q. In the cash-book or in the day-book?—A. I do not recollect. It was posted up, of course.

By Mr. JONES:

Q. You say you are not certain whether it came from Adams's or Harnden's?—A. I am not positive. It was one or the other.

By the CHAIRMAN:

Q. Are they separate companies, that bring packages from a distance?—A. I do not know positively. They have been heretofore.

WASHINGTON, D. C., *February 15, 1870.*

SAMUEL M. SHOEMAKER sworn and examined.

To the CHAIRMAN:

I reside in Baltimore city. I am a manager and owner of the Adams Express Company. I have been manager of that company for twenty-six years.

Question. Do your duties, as superintendent of the Express Company, make you familiar with the affairs of the office in this city?—Answer. They do.

Q. Do you keep books of all the transactions of the company?—A. There are books kept of all transactions.

Q. Have you a book known as the money receipt book?—A. Yes.

(Witness produces the money receipt books of the company in this city, from July 22 to November 3, 1869, except those connected with the Treasury Department, and is directed to examine for an entry of a money package to Coyle & Towers, booksellers, Washington.)

Q. You have examined the books from the 24th September and you find no such entry on the books?—A. There is no such entry as Coyle & Towers on the books.

Q. From the 24th September forward, on the books that you have produced, is there any entry of a money package addressed to Mrs. U. S. Grant?—A. There is; on October 25. I was mistaken. I find it this moment.

Q. State what that entry (indicating the figures) is.—A. After careful examination I am satisfied that it is \$250.

By Mr. Cox:

Q. Append that entry to your testimony.—A. The entry is as follows:

Description.	Containing.	Where from.	Address.	Charges.	Receipt.
1 Pk .....	V 250 00	N. York ...	Mrs. U. S. Grant, White House.	.....	A. Donn.

Q. Is there any other entry on that page of a money package addressed to Coyle & Towers?—A. Yes; the entry is as follows:

Description.	Containing.	Where from.	Address.	Charges.	Receipt.
1 ".....	37 75	Balto .....	Coyle & Towers.....	" 75c	W. H. White.

Q. Who is the messenger that delivered these packages?—A. Mr. J. S. Dodge.

Q. Was not your impression at first that the figures in the entry of the package for Mrs. U. S. Grant were \$25,000, and did you not so state to the committee?—A. Yes. I would state, in explanation, that I had been looking last night for a \$25,000 entry. I have not slept much for the last two weeks on account of the sickness of my child, so that I was hardly fit to be here to-day. I am very nervous from loss of sleep, &c.

By Mr. BURCHARD:

Q. Are valuable packages besides money entered on that book?—A. Yes, sir; they are.

By Mr. JONES:

Q. Was there any other package sent to Mrs. Grant for three months after the gold panic, that you know of?—A. Not to my knowledge. I was entirely ignorant of this one until this morning.

By Mr. COX:

Q. Is Harnden's Express combined with yours?—A. Yes, sir. It was closed about the 20th of June last.

By Mr. COBURN:

Q. I see that the package is marked "free." Would you have carried \$25,000 free?—A. No, sir. All small packages to General Grant are carried free.

By Mr. PACKER:

Q. If it had been \$25,000 you would have charged regular rates?—A. Yes.

By Mr. JONES:

Q. Have you any knowledge about this particular package, except as an entry in the book?—A. No, sir.

WASHINGTON, D. C., February 15, 1870.

J. W. BURSON sworn and examined.

To the CHAIRMAN:

I reside in Washington City. I am engaged in the office of Adams's Express Company. During the months of September and October, 1869, I held the position of money clerk.

Question. What were your duties as money clerk?—Answer. To receive all moneys that came to the office; moneys and small valuable packages.

Q. Examine the entry now shown you, (as copied in the testimony of Mr. Shoemaker—the package for Mrs. U. S. Grant,) and state whether



you yourself made that entry?—A. I did not make the entry. It was made by Mr. J. M. Croyeau.

Q. Are you familiar with the signature in the column of receipts?—A. I do not recollect ever to have seen it before.

Q. State to the committee, from your knowledge of this book, what these rulings, under the head of "containing," indicate?—A. The first column is intended for dollars, and the other column for cents.

Q. What do those figures in that entry indicate?—A. That entry is one package, value \$250, from New York, marked, Mrs. U. S. Grant. That ∞ is not a free mark. It is the regular paid mark. There is nothing in the entry to indicate whether it was free, or whether the charge was paid in New York.

Q. State whether you have any recollection of that package?—A. I have not.

By Mr. COX:

Q. Is there any record of whom that package came from?—A. No, sir.

Q. Would your books or way-bills show whom it came from?—A. The way-bills probably would.

Q. What person goes out with that book and delivers those packages?—A. J. S. Dodge. He is in the employment of the company.

By Mr. JONES:

Q. Have you knowledge of any other package sent to Mrs. Grant?—A. No particular knowledge.

Q. Have you any knowledge at all?—A. I have seen small packages going to Mrs. Grant at different times; no packages of any note, to my knowledge.

By Mr. JUDD:

Q. Were these books kept under your supervision?—A. Yes.

Q. They were in your custody?—A. Yes.

Q. You know the character of the books, and what the figures entered on them represent?—A. I do.

Q. You have no doubt at all, that this entry means a package valued at \$250?—A. None whatever.

Q. Is there anything to indicate that this was a money package?—A. No, sir; on the contrary, I suppose it was not.

By Mr. JONES:

Q. Why do you suppose that it was not?—A. Because it is marked "V," for valued. Packages other than money packages are so marked.

Q. Are money packages always indicated by the absence of that mark "V"?—A. Yes, sir.



## VIEWS OF THE MINORITY.

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Mr. Cox, from the minority, presented the following:

The minority of the committee, while reserving the right freely to comment upon the majority report, substantially concur with it in its clear, able, and succinct statement of the immediate "causes" which produced the famous gold panic of Friday, September 24th, last.

We forbear comment on the social, political, and economic causes, incident to our peculiar currency, or to our two currencies—which afforded the opportunity to gold speculation. No one doubts that if the constitutional currency of coin had remained to us, such panics would have been and would now be impossible. It is a striking commentary on bad fiscal government, that it was possible for men of great audacity and unscrupulous motives, so to combine the means as to effect a rise in gold, by which to attain great gains. However plausible or wise may have been the theory upon which the "conspirators" acted, and which they succeeded in impressing upon the Executive, viz: that produce would be enhanced, the railroads fully employed in its transportation eastward, and its exportation increased; nevertheless those who worked this theory did it for their own aggrandizement. No more politic plan could be devised for momentary gain. No more dangerous scheme was ever invented for the injury of the people, if we look to the end, to the bursting of the bubble and its reaction. It is an axiom, that the cost of all such fluctuations is ultimately paid by the consumer of products.

Whatever may be its merit as a theory for transient and designing purposes, it is certain that it allured the President of the United States for a time. However much this theory may have influenced the Executive in his peculiar course, and in giving the interviews and directions about gold sales, hereafter apparent, it is equally sure that the origin of this conspiracy to raise the price of gold had in it a sinister and selfish object. Whether that object was fully accomplished or not, we do not care to know. We are investigating causes only.

### ORIGIN OF PLOT.

But while this theory seems to have been the hinge on which this gold speculation turned, it is also true that the egg of this conspiracy was laid further back. It was hatched as early as the month of May or June. If Catherwood tells the truth, the confederates were Corbin, Catherwood, and Gould. Who was most prominent is no matter. They are equally responsible for its inception. When Catherwood made his exit, if he is to be credited, it was that Butterfield should enter. The scheme had in it, as the first move, the appointment of a sub-treasurer at New York. He must be one facile to the uses of the conspiracy. How the plan was contrived, Mr. Catherwood testifies. He thus gives us its basis: "Men could operate with safety when they are acting on a *certainty*." Afterward, when developing the plot, he was asked to state more dis-

tinctly the "legitimate thing" which the "pool" was to attain. He answered:

I understood that it was buying gold and selling stocks and bonds on a certainty of the movements of the government in selling or not selling gold.

In further development of the plot he even goes so far as to say that the profits of the "pool" were divided into four parts, one-fourth to Corbin, one-fourth to himself, one-fourth to Gould, and one-fourth to —, some one for whom Gould was taking care. On this point Mr. Gould was not questioned. He is therefore silent. In this as in other matters Mr. Corbin forgets or perverts the facts. He denied any such combination, for he denied giving any aid to General Butterfield's appointment. He swears: "I frankly told Gould and Catherwood I could not recommend the latter," and again he says: "I withdrew my promise to help Butterfield." He also denies any conversation with Butterfield as to Gould. He swears that he had no communications with Butterfield at all during the movement as to the gold business. While Mr. Corbin denies generally all plans as to gold fluctuations, he finally, under pressure, confessed that he had not entire exemption from selfishness. He "had not attained perfection, but was struggling for it!"

Notwithstanding these denials, it is certain, by a letter produced by Catherwood, and written by Corbin to him, that there was a secret design to obtain control of the office of sub-treasurer of New York. It was so secret and bad that Corbin, when writing, used a cipher to convey it to his step-son-in-law, Catherwood. When they said "New Jersey railroad," they meant "New York sub-treasury." How much reliance is to be placed on Corbin's statements will hereafter further appear. Certainly, on all matters where he is not confirmed he needs it badly. In our judgment there can be no doubt that Butterfield was selected to know the "certainty" of the government movements in the sale of gold and purchase of bonds. Catherwood testifies that he was to be pressed on the President, because, 1st, he was a military man, of fair record in the war; 2d, as an old friend of the President's brother-in-law, Mr. Corbin; 3d, because he was a friend of the President, having raised the money to pay General Grant a large advance upon the house which Corbin had originally sold to Grant, upon a similar subscription. We forbear any comment upon these transactions. They are outside of our inquiry. It is enough that Butterfield succeeded to the office.

What further was done, the majority report faithfully details. We have no doubt that the clearing-house, which is a nuisance to legitimate traffic and commerce, and the Gold Exchange Bank, which was an instrument used for the certification of fabulous amounts not represented by money, (the "phantom gold," which played so conspicuous a part in the drama,) are obnoxious to the sweeping criticisms of the majority report. The clearing-house gave great facilities for gambling. Seventy millions a day was its general average, and not half of it legitimate business.

"You can," says Mr. Fisk, "make more transactions through the clearing-house with \$5,000 than with \$100,000 without it." He regards it "as an irresistible temptation." Men without means are by it enabled to deal in immense sums of gold, or phantom gold. It is well illustrated by this witness: You are a member of the board, suppose, and you say, "I will sell you gold at 21," and I say, "I will take it." You and I exchange tickets. To-morrow you have got to give me that gold; but you come to me and buy the gold, or you borrow it and give it to me. It is nothing really but a piece of paper." A million thus may settle twenty millions of transactions, or no gold at all may settle millions.

The minority concur with Mr. Low, that they "know of no legitimate

business that could not be transacted without the Gold Exchange Bank." We concur in the majority report that federal legislation in the form of taxation would be of great utility in destroying this pestiferous institution. The gambling hells of Hamburg or Monaco are not more pernicious as temptations. Their evils are few compared to those inflicted upon all our country and its business by this time and labor-saving machine to facilitate gold gambling.

When such a system is understood, honest people outside of Wall street will not wonder that gold dashed up from forty to sixty-three and a half per cent., and dropped as instantly; and this, too, when not a dollar of coin, or even gold checks, changed hands! Nor will they wonder that the "longs," or those who had the gold "cornered," were not so strong but that four millions of real gold would break them, especially when it was known that the government, who were to sell these four millions, had eighty or ninety millions behind.

#### GOVERNMENT AID.

Hence it will be seen how important it was for these speculators to know of a "certainty" what the government intended to do. If they could rely on its action being divulged to them, speculation was safe. The natural laws of trade and commercial honor would thwart any plan, unless the plotters could rely on the government; either to interfere or refrain. When the administration were known to be in favor of inflating gold on the "crop theory," it was an element in the accomplishment of the plan.

To Mr. Gould, a man of remarkable coolness and brains, was committed the management of the practical operations. He selected his agents. They were brokers of various repute. Some were, like Belden, shrewd and bold; some, like Speyers, inflammable, yet manageable. Fisk *seems* only to have been the "robustious" element; but, in fact, he was as ductile as the "woodbine" about his more vigorous colleague. He seems to us more like a vociferous lieutenant who carried the commands of his quiet captain who willed them. Corbin, who is credited by Gould and the committee with being very sagacious and wily, was relied on to keep the President to the produce theory, and to prevent Secretary Boutwell from being so influenced by the bears as to control the President. He plied his purposes by editorials to the press, and by letters to the President. The sanctity of his demeanor, and the shrewdness of his tact, led him to be trusted by Gould even, as well as by others. He professed to be anxious for the prosperity of the country, for the high price of breadstuffs, and the balance of trade in our favor, with a view to aid the then pending elections in the interest of the administration and the country. The part played by Butterfield is not so very clear. He certainly took advantage of his official position, if not to aid the scheme and help his confederates, in the end to help himself.

This is shown by the testimony of his banker, Mr. Seligman, as well as by his own evidence.

The minority of the committee are, however, so far as this inquiry is concerned, utterly careless upon which of these parties shall fall the onus and odium of this plan, or of its operation. It is of no importance for the purposes of legislation, or for the information of the public judgment, what persons gained or suffered; or whether the suits now pending for the *debris* of the disaster are just or not. What brokers played their parts, with whom, or how, and with what results, is of little public consequence. But it is of inestimable importance for the people, whose

values and prosperity suffer by these occurrences of panic in gold, to know why such terrible curses come; how, when they do come, to find the remedy for them, and how to prevent their recurrence. To this end, it is of equal importance to know that it is at any time in the power of unscrupulous men of means and audacity to so combine as to change all the relations of trade and ruin innocent people.

Such combinations produce upon business universal distrust of the future; and, as a consequence, almost an entire paralysis of trade. This was the immediate effect of this panic upon the foreign trade in which gold interests are involved and which depends on prospective obligations in gold. It is impossible to estimate these afflictive effects on foreign commerce. Merchants in the foreign trade often meet their immediate obligations by borrowing gold, believing that they can buy at a lower rate in the future. Before this September panic there was an immense amount of gold borrowed. Hence, the chief sufferers, as Mr. Opdyke testifies, were the importing merchants. Bankers and brokers were similarly though not equally affected. But the worst effects were too general and indefinite for analysis. These reached over the whole country and over the entire world of commerce. It made men think that we were a nation of gamblers; that it was not safe to deal with a people under whose policy and government it was possible for such combinations to be made. All our securities suffered, more or less, at home and abroad. But for the peculiar prudence of our merchants, who had been warned in the preceding months, the shock and disaster would have been incalculably greater. At a time when our importations required the use of a million of gold per day, and when our customs dues required the half of that sum, it may be readily inferred how such fluctuations affected all our domestic trade. In this connection it is well to remember that the jobber buys of the importer, who pays in gold; that the jobber sells for currency, and his purchaser, as well as himself, is guided by the value of gold at the time; and that profits may be lost if gold rises between the time of selling and time of payment. It will also be remembered that the tariff dues are payable in gold, and the price of the articles imported depends on the price of gold.

The minority are, therefore, more anxious to point out the sources of these terrible evils than to fix upon any man, or set of men, the stigma of conspirators against the common weal. We are willing to admit that the parties are all that imagination can paint of unscrupulous men; and yet, stopping here, there can no good result from this investigation. Whether Corbin's innocency of the plot be admitted or denied; whether as Fisk says there "never was any understanding regarding a corner in gold;" or whether he ever "had a word or not with any human being on the subject, except with Corbin;" whether, as Gould testifies, he only intended to run gold up to 37 or 40, but that it was run up without his aid or wish by "frightened bears who jumped over each others' shoulders for it;" whether Fisk was in with Gould or Butterfield, or with either of them; or Catherwood with neither; or whether Speyers played his insane part as the broker of Fisk or of Belden; all this is inconsequential compared to the inquiry: "How did the government policy affect these disasters; and how may such disasters be averted in the future?"

The minority join with their colleagues in recommending some legislation upon this subject; but they cannot fail to see how impotent all legislation will be, so long as agents of the government and their outside confederates can know with "certainty" and communicate with ease the intentions and conduct of the fiscal officers in advance of pub-

lie information ; or how, being advised of such intention and conduct in advance by a careless and unpractical system, they may adapt their plans to the exigencies of which they are advised. All such legislation is futile so long as a policy is pursued by the Secretary of the Treasury *which advises such agents and the public what to expect as to sales of gold*, so that speculations may proceed with safety. Mr. Catherwood describes our meaning when he states that the basis of their original plan was that there would be stability in the sales of gold, as an assurance for safe operations.

It is possible for such combinations to succeed even better than the one now investigated, so long as the treasury is full of gold, and so long as the head of the Treasury can dispose of it at pleasure, as upon his present plan. To remedy the evil we should have, first, no such omnipotence over the currency, markets, and interests of the people ; no such supreme control vested in any one, however honest in intention, over the results of our industries ; and, second, no scheming and untrustworthy subordinate officials, and no possibility of such appliances and approaches to the head of the government, which this investigation reveals.

There is nothing proved in this investigation so clearly as this fact : That the schemers relied and risked their fortunes absolutely upon their belief of what the government would do. Mr. Gould says that the whole speculation was based upon the belief that the government was not going to sell gold. He says that he had good reason to suppose "it was the policy of the administration to let gold work up until after the fall crops were moved, and that he never would have gone into the movement unless he had so believed." He asserts that Mr. Corbin had become very much interested in the "crop" theory ; it had become a monomania with him, and that, after various interviews with Corbin and with the President, the latter from being a "contractionist" had "changed his views ;" that the President remarked "that the government would do nothing during the fall months of the year to put down the price of gold or make money tight. On the contrary, they would do everything to facilitate the movement of breadstuffs." The President gave his reasons to Mr. Gould why he would not sell gold. He said to Mr. Corbin that Mr. Boutwell had given an order to sell, and that he countermanded it, and that afterward Mr. Boutwell acquiesced in the President's views. That Mr. Gould was right is evidenced by Mr. Boutwell's testimony hereinafter quoted. On these assurances Mr. Gould risked largely. He bought gold for Mr. Corbin on and after these assurances of the President. These assurances of the President were repeated to Mr. Gould on the third interview which he relates. Moreover, a letter was written, as Mr. Gould states, to Mr. Boutwell by the President, in reference to this matter. This is doubtless the letter on the 4th of September. It was intended as a counter-blast against the "bears," who were to dine Mr. Boutwell in New York. In pursuance of the same plan the letter of Corbin was dispatched by Fisk to the President at Washington, Pennsylvania. That letter is not described by Corbin and Gould alike. In its absence or destruction the testimony of the President was indispensable to show further what reliance was placed by the schemers on the government aid. That testimony is refused ; but of that hereafter.

Mr. Fisk confirms Gould's statement as to their implicit reliance on the administration for their succor. He testified also that Butterfield was considered "all important." "I could see," he says, "that if they had a claim on him, if he got the news first, he would give it to them."

\* \* \* "Butterfield kept sending down word to Mr. Gould that

everything was all right." So says Mr. Fisk. Mr. Corbin told him "that his (Corbin's) arrangements with General Grant were perfect." He acted, as he swears, on what Corbin and his wife told him. He swears that Corbin was in the plot because of his relation to the government officials. Unless Fisk swears to lies by the wholesale, he was most apprehensive of government interference with their plan. "I said to Gould, if we bought gold up the government would unload their gold on to us." Said he, "That is all fixed." The President was then in the city. "Corbin has got Butterfield and Grant all right. Corbin has prevailed on Grant to make it 145." To confirm Fisk, Corbin came out and said, "Mrs. Grant had an interest." Corbin said, "You need not have the least fear." This was in answer to me when I asked him whether the government would unload on us. I then said, "I want to know whether what Mr. Gould has told me is true; I want to know whether you have sent the twenty-five thousand dollars to Washington, as he states; he then told me he had sent it." For further confirmation of this part of the plan to rely on government help, we refer to the interesting extracts, marked A, from Fisk's statement. (See note, pp. 476-477.) They purport to give interviews and conversations between Fisk and Corbin, in some of which Mrs. Corbin is alleged to take part. She added her assurances of executive aid to the hesitating Fisk. These interviews, if not true altogether, have some verisimilitude, as they culminate in the dispatch of Corbin's letter to the President at Washington, Pennsylvania, and in a journey by the worthy couple, Mr. and Mrs. Corbin, in the night and in haste, to Washington, D. C. It was not till the climax had been reached, and "every man had to drag out his own corpse," (Fisk,) that this reliance on the executive assistance seems to have failed.

Whether Fisk fabricates these statements or not, it is certain that the "conspirators" relied on this aid to the last. Whether they had sufficient reason for such reliance, we do not now consider; nor is it necessary, in our view, to consider at all.

Nor does Corbin in his testimony expressly deny that this reliance was a part of the plan. While we are as ready to accept Fisk's statements as those of Corbin—and no more ready—we find in this matter that Corbin, the brother-in-law of the President, arranges frequent meetings for Gould with the President; that both upon the steamboats of Gould and Fisk and in Corbin's house, the fullest communication takes place with the President. It appears, also, that Corbin designed to present Mrs. Grant some stocks as early as July, "only to please his sister-in-law;" and, although Mr. Corbin could not see "what a little intended gift in stocks last summer had to do with gold fluctuations," the House and the people will not fail to see that it was not altogether an insignificant gratuity by a loving brother-in-law to please his sister-in-law. It had some little taint of selfishness, though it may be the designer was unconscious of it. Why Mr. Corbin should call in his wife to the last agonizing interview with these schemers, before they went to Washington on their pilgrimage, is as much of a mystery as the hasty dispatch of letters to the distant President. The mystery is only solved on the theory that the schemers relied on government aid to the very last. We are left in the dark as to how the President learned of Corbin's gold speculations, he was so far from the scene. We are at a loss to understand the violent appeals made by Corbin in the committee room to the Almighty against a member of Congress penetrating by questions into his designs as to the purchase of bonds, &c., for the President's household; and equally at a loss to understand why he appealed to the reso-



lution of this House to protect him from answering questions bearing on such designs; and still more puzzled at his prevarication and evasion in not answering the half dozen questions as to the authorship of the "Sis" letter,\* unless upon the hypothesis that all the plotters in this selfish scheme, including Corbin himself, relied on the assistance of the administration. Plain people will wonder, and poor people will be astonished, that this man Corbin should coolly take one-half million of gold to his wife's credit, as purchaser from Gould, and then again a million more—all for his wife, and all "confidentially;" confidentially, because "it would hurt him if it came out"—if he did not rely on the government help to inflate gold, so as to realize upon his patriotic crop theory. Shrewd people "upon the street," even, will be astonished that he succeeded in getting from Gould \$25,000 cash, which he deftly hid in his bank on a check requiring and receiving no signature of his, and mingling with it another \$1,000, so as to make it \$26,000, and thus conceal the transaction—unless he rendered some aid or gave some consideration. Nor will the wonder cease that, after the matter was bruited, his wife should, to use his own language, "prefer a settlement to a brilliant offer" of \$100,000 more of profits never earned by his efforts. What could that service and consideration be, unless it was in connection with the Executive, in impressing his "crop theory" of inflating gold?

There is not a particle of doubt but that Corbin was interested, and his rôle was that of procuring the aid of the President for his theory. Butterfield himself frankly states to Gould "that he knew the views and policy of the government were that they would not sell any gold until after the crops were sent to the market." Who contributed to this policy unless it was Mr. Corbin?

That this was the policy impressed upon the President by this pertinacious schemer is placed beyond the shadow of a doubt, by the correspondence between the President and the Secretary of the Treasury. The President, either from conviction of the feasibility and utility of the crop theory, or from his indifference and inattention to the designs underlying it, accepted it. He never intended that gold should go down. Gould did not expect it. In this was the realization of his plan.

*\* Extract from Corbin's testimony.*

"Q. Did you, after that, show any letter to Mr. Gould, received from any member of the President's family?—A. I did—yes. I should say that that is not the phraseology. I did not show any letter, but I read to him so and so.

"Q. What did you read to him?—A. Well, I do not know. Let me try my memory. It was a letter written to my wife—written in great distress.

"By Mr. JONES:

"Q. Written by whom?—A. It was written by 'Sis.'

"Q. Who?—A. It was written in a hurry—an affectionate letter, written in haste.

"Q. Who wrote the letter?—A. I am answering as specifically as human phraseology can do it.

"By Mr. JUDD:

"Q. Who do you mean by 'Sis'?—A. I am explaining.

"Q. You can state the name?—A. I am explaining, and cannot do it any better than I am doing it.

"Q. Will you answer that question?—A. I will. I will not evade it, nor am I capable of evasion.

"Q. Who do you mean by 'Sis'?—A. I mean just what I say. That was the signature to the letter. I am so agitated; and I wish the committee would notice I am a little excited—very weak and very nervous. I am perfectly broken down, and there is but a wreck left. A letter came there, as I was saying, signed 'Sis;' I have no doubt about it, because that is the way in which those western ladies write; they sit down and write a note and sign, 'In haste.—Sis.' I never received a letter from her, and cannot swear to the handwriting of it, but have no doubt of it."

Unconsciously, or consciously, the President in his letters to Mr. Boutwell worked in unison with the conspirators.

#### GOLD RESERVE, ETC.

It is impossible to prevent large amounts of gold from accumulating in the treasury, especially under our present system of tariffs and public debt. It is a pertinent inquiry, therefore, which the minority desire to make: how much gold should be retained in the treasury as a reserve, and in what manner should the surplus be disposed of? These are among the difficult questions which arise in the administration of the Treasury Department, in the present unfortunate and anomalous condition of the currency. It is important to know how the present system originated. The views and actions of the recent Secretary (Mr. McCulloch) in dealing with them are thus explained in his reports to Congress. In his report of December, 1866, he remarked, that in order to secure steadiness in the market while business was conducted on a paper basis, there must be power in the Treasury to prevent successful combinations to bring about fluctuations for purely speculative purposes. He thought specie payments were not to be attained by an accumulation of coin in the treasury, to be paid out at a future day in the redemption of government obligations, but rather by quickened industry, increased production, and lower prices, which alone could make us a creditor and not a debtor nation.

In his report of December, 1868, (pages 48-9,) he used the following language:

It was, and constantly has been, therefore, the aim of the Secretary so to administer the Treasury, while borrowing money and funding the temporary obligations, as to prevent a commercial crisis, and to keep the business of the country as steady as was possible on the basis of an irredeemable and constantly fluctuating currency. Whether his efforts have contributed to this end or not, he does not undertake to say; but the fact is unquestioned that a great war has been closed, large loans have been effected, heavy revenues have been collected, and some thirteen hundred millions of dollars of temporary obligations have been paid or funded, and a great debt brought into manageable shape, not only without a financial crisis, but without any disturbance to the ordinary business of the country. To accomplish these things successfully, the Secretary deemed it necessary that the Treasury should be kept constantly in a strong condition, with power to prevent the credit of the government and the great interests of the people from being placed at the mercy of adverse influences. Notwithstanding the magnitude and character of the debt, this power the Treasury has, for the last three years, possessed; and it has been the well known existence, rather than the exercise of it, which has, in repeated instances, saved the country from panic and disaster. The gold reserve, the maintenance of which has subjected the Secretary to constant and bitter criticism, has given a confidence to the holders of our securities, at home and abroad, by the constant evidence which it exhibited of the ability of the government, without depending upon purchases in the market, to pay the interest upon the public debt, and a steadiness to trade, by preventing violent fluctuations in the convertible value of the currency, which have been a more than ample compensation to the country for any loss of interest that may have been sustained thereby. If the gold in the treasury had been sold down to what was absolutely needed for the payment of the interest on the public debt, not only would the public credit have been endangered, but the currency; and, consequently, the entire business of the country would have been constantly subject to the dangerous power of speculative combinations.

From these extracts it will appear, first, that the former Secretary kept a reserve of coin, to steady business; that he regarded the loss in interest more than made up in preventing heavy losses to the country. He regarded his power to sell as indispensable to prevent combinations for fluctuations and speculations. He has also sold gold to raise currency when needed, and to save the paper currency from depreciation. Whatever we may think of this immense power, lodged in the breast of the Secretary, it must be confessed that there was great freedom from

speculation and panic under the policy of the late Secretary. His operations are well described in the following extract from his report of 1868 :

Similar complaint has also been made of the manner in which gold and bonds have been disposed of, by what has been styled "secret sales;" and yet precisely the same course has been pursued in these sales that careful and prudent men pursue who sell on their own account. The sales have been made when currency was needed, and prices were satisfactory. *It was not considered wise or prudent to advise the dealers precisely when and to what amount sales were to be made,* (no sane man operating on his own account would have done this,) but all sales of gold have been made in the open market, and of bonds by agents or the assistant treasurer in New York, in the ordinary way, with a view of obtaining the very best prices, and with the least possible disturbance of business.

From these extracts, and from other passages in his reports, it appears that Mr. McCulloch considered it to be the duty of the government, while it keeps in circulation a large volume of notes—which, although depreciated, are still the legal standard of value, and which the people are compelled to receive and use as "lawful money"—to prevent, by the use of all proper means, their notes from being depreciated or kept constantly fluctuating in value by speculative influences and combinations. Mr. McCulloch thought, also, when gold was to be sold for the purpose of supplying the treasury with currency, or of redeeming government obligations, that the sales should be made in the manner adopted by business men, with the view of obtaining full current prices.

The present Secretary entertains different views of the duty of the government in regard to its circulating notes, and he has adopted a different course in the sale of gold. He thinks that the government has nothing to do with the "money market," notwithstanding it has in circulation four hundred millions of irredeemable legal-tender notes, the appreciation or depreciation of which affects every man's business and the value of every man's property throughout the length and breadth of the country. In this remark we may except the Pacific States and the Territories, where gold is the circulating medium. These four hundred millions of paper money may be largely appreciated or depreciated in their convertible value by dealers in money; who are enriched by the very fluctuations which are so damaging to legitimate business. He thinks it also wise to notify dealers in advance of the time at which sales will be made, and the amount that will be sold, thus, when not intending it, giving to them the information they need; that thus they may make profits at the expense of the public. It will be here observed from the testimony of the present Secretary, as well as that of General Butterfield, that from a mistaken policy on the part of the Secretary—and may be upon the advice of his subordinate—this open, plausible publicity as to gold sales was adopted. How futile it was, abundantly appears when the testimony of brokers and telegraphers is read. There is not a doubt upon the minds of the minority that these open messages were in some mysterious way, not unraveled by the committee, known to certain parties in Wall street and the gold-room, and "upon the street," before their publication to the world. The fact that these messages could be known and the mode of their divulgement concealed by the apparent fairness employed, may have been one of the inducements to the formation of the plot.

Now, while we do not desire nor intend to impute improper motives to the Secretary, nor to impugn his integrity, we cannot overlook the fact that it was this policy of the Secretary, and his expected adherence to it under Executive influences, that led to the combination of speculators for advancing the price of gold, or rather to depreciate United States notes.

This much the majority should have said in tracing the origin and character of the panic, which it has been made the duty of this committee to investigate. This combination depreciated the property of the country to the extent of many millions of dollars. It gave a shock to business from which it has not yet recovered. It ruined hundreds of men who had no connections with it. It cast suspicions upon our highest officials, which is of itself a loss of credit and values to the country. It has contributed to the spread of extravagance and speculation—debauching the morals of trade, while affecting all the values of industry.

What the losses are, incident and consequent, upon this mode of selling gold under such combinations and circumstances, the eminent merchants and others who were before us have shown: Mr. Low as to foreign trade, Mr. Opdyke as to domestic trade, and others as to all our interests, have spoken.

As to the policy that should be hereafter pursued in the sales of government gold, if these sales are to be continued, it is not the duty of the committee to advise. The minority are, however, of the opinion that the power to make sales should not be left to the discretion of any officer, no matter how able and honest he may be. It should be regulated by law. The temptations to an improper use of such a power may be too strong to be resisted, and if resisted, suspicion will still inevitably attach to its exercise. Thus the usefulness of the official will be impaired, and reproach be brought upon the government.

In reflecting upon the immense strides lately taken in the aggrandizement of power in the federal government, whether it has been increased by the sword or the purse, we cannot leave this part of our subject without entering a protest as emphatic as language can utter it, against a discretionary power which affects at its will all the values of the country. It may well be doubted whether we shall ever retrace our steps to local or public freedom, so long as one federal official can collect four hundred millions of taxes per annum from the overtaxed public, and "regulate" nearly twice as many millions of paper currency, and at will traffic in gold, which is the currency of foreign, if not the standard of domestic commerce.

What amount of coin should be kept in the treasury in reserve as a preparation for unforeseen emergencies, and to give steadiness to the convertible value of the legal-tender issues, must depend upon contingencies that cannot be anticipated.

Less, however, will be required than was needed when the work of funding the floating debt was in progress. The indications are that a current reserve of \$40,000,000, in addition to the amount for which gold certificates have been issued, will be ample.

In this view the minority see a proper and logical connection between reducing our taxation and tariff. Less money in the treasury, and better money in the hands of the people, and there would be less profligacy and corruption, and less temptation for bold adventurers to take advantage of the errors of even an honest administration.

#### CONNECTION OF OFFICIALS WITH PANIC.

The public would be glad to know, in connection with this panic, that there are no charges made or sustained against the Executive or his subordinates; they would be glad to know that all suspicions are removed which these extraordinary schemes have engendered. So far as the sub-treasurer at New York is concerned, we refer to his own testimony, and concur in the general conclusions of the majority; so far as

the Secretary of the Treasury is concerned, he gave us a frank statement of what we believe to be an honest administration of a most pernicious system. So far as concerns the President, the minority were even more desirous than the majority of the committee to join in a report entirely removing all doubt, even in the minds of the most prejudiced, against the Chief Executive and his family. During the examination this was our often expressed and urgent desire. We could take no partisan or other pleasure in affixing a stain or inflicting a wound upon the Chief Executive of our country. It is no agreeable office to impugn the personal integrity of our common President. His reserved life and military renown, and the great good-will displayed toward him by the people in making him their choice, does and should, in some sort, hedge him round about. Our respect for his office, as well as for himself and friends, leads us to forbear, without the most positive evidence, to implicate him or any of his, by charge or innuendo, in a plot to trade in or tamper with the currency, or affect for selfish ends the values of the people. We hoped to join heartily with our colleagues in acquitting him of indifference to, or acquiescence in, such schemes.

This being our wish and motive, it might have been expected that our colleagues would have been cheerfully prompt to assist in carrying out the object, and this was their first design. After testimony had been taken showing that there was, as a part of the plot, a preconcerted design to influence the President in its favor; after the conferences so often repeated between the President, Fisk, Gould, and Corbin, at the house of the last and on the steamer of the others; after the dispatch of the letters by the confederates to a distant part of the land, for the eye of the President and his wife; after the President had himself, as is shown by the testimony of the Secretary of the Treasury, undertaken to intervene in this matter of gold sales, so as to keep gold up; after the President is shown to be a convert to the crop theory of the conspirators; and after the letter written by Mrs. Grant to Mrs. Corbin, (which, like the letter of Corbin to the President, was destroyed;) after all these sworn statements, pointing to the head of the government as having taken, in this, the only instance, some personal responsibility upon this subject of gold sales, and in a matter where the chief of the conspirators was his brother-in-law; and after the testimony before us, showing the origin, progress, and collapse of the scheme, it might have been expected that the committee would not dissolve without giving the Executive an opportunity of explanation. We say of *explanation*; but we do not say it as necessarily implying his inculpation; nor should the majority thus insist. But explanation was called for, of the different parts which he played, or was made to play, it may be honestly, in a drama where his wife, his sister, that sister's husband, and himself, were constantly appearing as *personæ*. One word vouchsafed from the President, one statement from his wife and his sister, would have elucidated many mysteries, and furnished us the opportunity of saying: "We, the opponents of this Executive, in all fair criticism, add our tribute to confirm the partial attestation of his friends, and we do it the more cheerfully because we are bound by our relations to the administration to challenge all its acts."

Was this opportunity furnished? Justice to the committee requires us to say that, at first, it *was*. It was left for the minority to suggest this, but it was unanimously agreed to. We did it with becoming respect. The record shows that Mr. Cox offered the following:

I move that the chairman of this committee be requested, either in writing or personally, as he may choose, to confer with the President of the United States in reference to the testimony given before the committee, which refers to him or his family;

and that in said conference he respectfully request of the President, after considering the matter, whether he desires to be heard before the committee, or otherwise, with reference to said evidence.

Shortly afterward, on the 4th of February, the honorable chairman, General Garfield, made the following report :

In pursuance of the instructions of the committee, I called upon the President of the United States, and stated to him that in some of the testimony taken before the committee personal reference was made to himself, and to some members of his family ; and that the committee had authorized me to lay before him that portion of the testimony, that he might make any suggestions or statements concerning it if he chose to do so.

The President desired me to express his thanks to the committee for their courtesy, and to say that he preferred not to see the testimony, nor to make any suggestion or statement in reference to it during the progress of the investigation.

On the presentation of this report it was suggested that the President desired to be more formal and official in his relations with the committee of Congress than the resolution seemed to indicate. Thereupon, believing that he would be glad to appear and afford us his explanations, (as his Secretary had, and as President Lincoln had to a former committee,) and still anxious that we might hear him, so that we might all join in the justification of his personal integrity, as well as of his official conduct, as to the gold sales, Mr. Cox, on the 4th of February, moved that he be summoned. It was suggested that we had not the power to reach the Executive in this way ; that his only mode of communicating with this branch of the government was by message ; that he might have contemplated that mode, and that *our* only mode of reaching him for official acts was by impeachment. Thereupon, to remove all such objections, and still feeling the necessity of hearing from the President, one of his friends on the committee, and in our judgment his wisest friend, on the motion arising on the 8th of February, to summon the President, moved to amend it "by requesting" the President to appear before the committee. This vote to amend, as the record shows, was lost.

There was the same result on the original resolution to summon. The committee could not have shown more respect to the President. Indeed, it is our own belief that he would not have refused to appear. Even though he may have doubted our power to summon him, he might have waived his right and responded.

Thus the undersigned are left for their guidance in these matters entirely to the mysterious, unexplained, conflicting, and nebulous testimony which points to, but does not enter, the inviolable chambers of the White House.

While we accord to the committee the utmost vigilance in prosecuting their researches into the conduct of the sub-treasurer and the haunts of the gold gamblers and their agents, in New York, we cannot accord to them the same thoroughness in the examination of officials in the city of Washington. Experts, brokers, bankers, merchants, litigants—men who knew and men who did not know—men who had heard things second and third hand, and men who had only theories to swear to—all appear before the committee without objection ; but some of the chief performers are behind the scenes, and no request, however respectful, brings them forth to the light. The conduct of the sub-treasurer is handled without gloves ; the testimony of the Secretary and his records are spread before us with great frankness ; the telegraph operators are called in, and the testimony of implicated and interested men in all the labyrinths of this most stupendous plot, whose leading feature, as we have shown, was its reliance on Executive aid, is exhaustively given ; but the Executive is not allowed to be heard, even to explain the mischiefs or the virtues of his own expressed policy. If it be true, as Mr. A. A. Low

testifies, that the conspiracy was a "wicked combination of men to raise the price of gold, to the injury of the common interest, basing their calculations on the policy of the government to withhold so much gold that they could manipulate the balance;" if, as he swears, the immediate "cause" of the "panic" "was a combination of men to raise the price of gold for purposes of their own—men who acted on the belief that government would continue to hoard its gold as it had been doing, depriving the country of the use of that gold;" and if this policy "made speculation a matter of easy calculation," and when the committee had already shown, by conversations and letters, that the President had been converted to that policy, we demand to know what there is in the Executive office that we should stop short outside of *its* doors in our investigations. The majority answer: "there is nothing to inculpate the President, and our duty does not call on us to call on him until that is done." But we are not assuming that the President is a criminal. The committee are not an impeaching body. The personal reflection upon him and his family was stricken from the original resolution. We are only to examine the "causes" of the great panic. As these causes were so closely associated with Executive action, it seems to us strange that the majority should assume that there is a charge of Executive complicity, so as to deny investigation of these "causes."

The majority lay great stress and give great credence to Mr. Gould. He gave it as his opinion that the President was pure and had no connection with the movement. What has that to do with our investigation of "causes?" Suppose this is Mr. Gould's opinion; or suppose Mr. Fisk (as he does) gives a different opinion. We know it is a part of the plan of these shrewd operators, in matters of this quasi-political nature, where their interests are in question, to balance or divide their opinions between parties. But are these opinions, even if shared by the committee, *pro* or *con*, a reason for calling a halt when the investigation reaches the door of the White House?

But even on Mr. Gould's statement we do not see why the President should not be called. Referring to what we have already recounted as to his testimony, and referring especially to the note at bottom of the page\* as to the two letters sent to Washington, Pennsylvania, it is

*\*Extracts from Mr. Gould's evidence.*

By the CHAIRMAN:

Q. Did I understand you to say that the letter from Mrs. Grant to Mrs. Corbin was in response to Mr. Corbin's letter to the President? How do you know it was in response to his letter to the President?—A. Mr. Corbin told me so.

Q. Did the letter itself acknowledge itself to be a response to his letter to the President?—A. So far as this expression went I considered that it did.

Q. Was there anything in the letter that Mr. Corbin sent to the President, in regard to his speculations in gold?—A. I think Chapin took two letters; one from Mr. Corbin to the President, and one from Mrs. Corbin to Mrs. Grant.

Q. But the letter to the President, I understand you to say, or the substance of it, was devoted, so far as you saw it, to discussing general questions, the general policy of the government, and that the letter of Mrs. Grant to Mrs. Corbin spoke about speculations of Mr. Corbin. How could that be a response to his letter to the President?—A. *That is a point that has occurred to me.*

Q. What do you say as to that point?—A. I think the papers had used Mr. Corbin's name and that the President probably thought he had some interest; *indeed he might have told him.*

Q. Do you know that the President had ever been informed by Mr. Corbin, by yourself or by any other person, that Mr. Corbin was speculating in gold?—A. No, sir.

Q. Do you believe he had been so informed when he was in New York, at the time of any of the interviews he had with you or Mr. Corbin?—A. There was never a word passed between the President and myself, or in my hearing, that would lead me to suppose the President knew anything about his movements, *but this letter of Mrs. Grant might look as though he did.*

asked of Mr. Gould how could the "Sis letter," requiring Corbin to stop his gold speculations, be a response to Corbin's letter to the President on the crop-inflation theory? Mr. Gould is evidently staggered, and replies: "That is a point which has occurred to me." And, again, being questioned, he is as much puzzled as the committee was to know how the President and his family, at Washington, Pennsylvania, knew of such speculations, for he says: "This letter of Mrs. Grant might look as though he did know them, though he might have learned them from newspapers, or other sources."

The minority also believe that it would elucidate the facts connected with what is called the "Sis" letter if the lady who wrote, and the lady who received it, were permitted to explain it. The letter was destroyed. It was a delicate matter to call upon the gentler sex. We did not feel as if our function was exactly that of a court of justice, which has no "respect" for the sexes in the matter of evidence. But when the committee summoned a lady, who is in the humble occupation of telegrapher, we saw no reason why, with proper regard to the wife and sister of the President, they could not at least be requested to give their testimony. The motion of Mr. Jones, of Kentucky, was especially guarded, so as to limit the action of the committee to the "taking of their testimony," not by summoning these ladies to appear in a room of the Capitol, but by their statement taken where they chose—in their houses, and in such a way as would comport with a due deference to their sex and position.

This request, like that afterward to summon General Dent, of the Executive Mansion, was refused. The minority were, therefore, without the means of thoroughly sifting such "causes" of the panic as were connected with the action of the Executive and his familiar connections.

The minority do not desire to encumber their report with a rehearsal of the points which should and could have been made clear by the testimony of those witnesses, whom the committee refused to summon.

The testimony of Catherwood, Corbin, Fisk, and Gould, in their contradictions and confusion, is only explicable in a satisfactory way, by the evidence of the rejected witnesses. To illustrate: 1st. Catherwood, if he is to be believed, says that Corbin told him there was some interest in the gold sales or purchases held by the President's family in September last. He also says that Corbin told him he had bought bonds for Mrs. Grant. Are these statements true? If not, who is to contradict them—the unreliable Corbin; or must we believe the unimpeached Catherwood? Again, Catherwood was asked whether he had reason to believe that any member of the President's household was in any way connected with the gold movement. He was going to state what Corbin told him, when he was stopped. Ah! Corbin is reliable on some points, but not on others, as it would seem. Hearsay was frequently admitted by the committee, but not on this occasion. Did not this put the committee on inquiry at the source of information? What is that source, unless it be the White House?

2. As to the letter from Mrs. Grant to Mrs. Corbin, there is not the same description of it given by Gould, who saw it, and Corbin, who showed it. Mr. Gould says it was signed by Mrs. Grant's given name: Mr. Corbin says it was signed by "Sis." It contained an admonition from the President to close his (Corbin's) speculations as quick as he could. In the absence of this letter, or after proof of its destruction, the committee, without indelicacy to the ladies, could have taken their testimony and perhaps made all clear as to the knowledge of the President and his family about these speculations.



3. This letter of Mrs. Grant's (as Gould swears) was in response to Mr. Corbin's letter to the President. If so, what was Corbin's letter, that it should call for such a response?

Corbin says it had no reference to his speculations; but it must have had reference to them; else no such answer would have been responsive. If so, both letters should have been produced, or, on evidence of their destruction, the parties most concerned should have testified to their contents and object. Yet the committee deny us the privilege to hear such parties.

Moreover, Mr. Gould thinks that Chapin took *two* letters to Washington, Pennsylvania; one to the President from Mr. Corbin, and the other to Mrs. Grant from Mrs. Corbin. Whether this be true or not, it is a matter of such doubt that the testimony of Mrs. Grant and Mrs. Corbin should have been given to dissipate or confirm the doubt. What was that other letter of Mrs. Corbin to Mrs. Grant; or was any such sent? All we know is, it had reference to Corbin's gold speculations. On this, we have no other answer, as the only party called is Corbin, and he is not questioned as to this particular letter, and if he were, he, as we have shown, is unreliable. The majority themselves discredit him more than they do Gould. In fact he says nothing about a letter from his wife to Mrs. Grant, sent to Washington, Pennsylvania, by Chapin. The committee have sealed our lips, by refusing to take such testimony as would unravel this mystery. No explanations are permitted.

After the breakdown in gold, Mr. Gould says that Corbin proffered that he and his wife should go to Washington and get the order to sell gold revoked. What passed at Washington, not only between the men but the women, is not explained. Even if Mr. Corbin is reliable, it does not explain all that transpired. Yet we are forbidden to call on the parties who know most and best of this singular journey, for this remarkable object.

4. There were various dealings in stocks, and even a tender of a portion of them by Corbin to Mrs. Grant. He says that she rejected the tender; but if he is unreliable, who is to solve the matter? When asked about this and similar designs, Mr. Corbin flares up, appeals to ALMIGHTY GOD and the resolution of Congress to protect him! Did Mrs. Grant inform the President of these insidious approaches of her brother-in-law to "please her" only, but in reality to influence the conduct of the President?

Certainly Corbin undertook, as he swears, to deceive the President, after his pretended closing of his gold transactions. What was in that letter which Corbin sent to the President about his being out of all speculations? What was his real object? What else is there in it beside his statement of it? Where is it? Mrs. Corbin had written also, inclosing the letter of her husband, saying that he had no interest in gold. What was in that letter of Mrs. Corbin's? As it was connected with this far-reaching and ruinous panic, which concerns millions of innocent families in this country, we ought to know. This is denied us. Again, it was asked Mr. Corbin: "Did your wife, *at that time*, know you had made that transaction?" referring to the gold transaction of a half million with Gould. He answers: "Only as I informed her; as Gould went out, I told her. She had no knowledge of the transaction, until I told her what I had done, and remarked that I hoped it would benefit her."

Yet another impression was afterward attempted to be created by Corbin, to wit, that he did not tell his wife about his gold speculations

till after the breakdown; all of which is important, and Mrs. Corbin only could clear it up. Besides, there were various interviews where Mrs. Corbin was present, and especially the one so graphically, if not correctly, told by Mr. Fisk,\* where wringing of hands and gnashing of teeth are depicted, and Mrs. Corbin was sent for; and for this we must rely on confused and contradictory testimony, when Mrs. Corbin could at once clarify it. There is great difference also between Corbin and Fisk as to what Corbin told Fisk, or whether he told him anything, as to Mrs. Grant's interest of \$25,000. A word from Mrs. Corbin might have set these facts in a truthful and consistent light, as well for our better understanding of these "causes," as for the vindication of the parties. But this is denied to us.

Lastly. We have before stated that the President himself, for the first

\* *Extracts from Fisk's testimony.*

I then had, one evening, another interview with Corbin. We were feeling a little nervous about the position we were then in. I said to Corbin, I hoped everything was all for the best. "But," said I, "if we should miss—if the government should sell this gold, it would certainly be a serious matter." Corbin then said to me: "I want you to talk with my wife." Mrs. Corbin came into the room. I had been introduced to Mrs. Corbin before. The thing had gone beyond the matter of mere courtesy with anybody I met there. That was the first time I had seen her in reference to this transaction. We sat down and talked the matter over quite fully. I did not cover any matters up. I took it for granted that they had bought gold, and that they had as much interest in the matter as I had. She made this remark: "I know there will be no gold sold by the government; I am quite positive there will be no gold sold; for this is a chance of a lifetime for us; you need not have any uneasiness whatever."

I started away, on the strength of that conversation, and I think it was on the morning of Thursday we left our carriage back of the post office, and when we came up to get into the carriage, as I came along up street, we stopped right below Duncan & Sherman's office. Mr. Gould says to me, "Old Corbin feels troubled and nervous about some gold; he wants a hundred thousand dollars;" and, said Mr. Gould to me, "What do you think of it?" Said I: "If he wants a hundred thousand dollars to feed out to parties in interest, he had better have it." I think this was on the afternoon of Thursday. Mr. Gould asked if that didn't look as if there might be some blow-up. I said, "If he wants that money to deal out to people, and it will help to strengthen our position in regard to this gold, we will give him one hundred or two hundred thousand." "Well," said he, "do as you please." I told him I would go and get the money, and I went immediately to Smith, Gould, Martin & Co., got a check for a hundred thousand dollars and brought it and gave it to Mr. Gould in the carriage. Mr. Gould said he would stop there when he went home that night and give it to him.\*

[As to a subsequent interview, after the breakdown, Fisk thus testifies to what he said to Mr. Corbin and his wife:] Said I, "Do you know what you have done here, you and your people?" He began to wring his hands; and "Oh," he says, "this is a horrible position; are you ruined?" I said I didn't know whether I was or not; and I asked him again if he knew what had happened. He had been crying, and said he had just heard; that he had been sure everything was all right, but that something had occurred entirely different from what he had anticipated. Said I, "That don't amount to anything; we know that gold ought not to be at thirty-one, and that it would not be but for such performances as you have had this last week; you know well it would not if you had not failed." I knew that somebody had run a saw right into us, and said I, "This whole d——d thing has turned out just as I told you it would; I consider the whole party a pack of cowards, and I expected that when we came to clear our hands they would sock it right into us." I said to him, "I don't know whether you have lied or not, and I don't know what ought to be done with you."

He was on the other side of the table, weeping and wailing, and I was gnashing my teeth! "Now," he says, "you must quiet yourself." I told him I didn't want to be quiet; I had no desire to ever be quiet again, and probably never should be quiet again. He says, "But, my dear sir, you will lose your reason." Says I, "Speyers has already lost his reason; reason has gone out of everybody but me." I continued, "Now, what are you going to do? You have got us into this thing, and what are you going to do to get out of it?" He says, "I don't know; I will go and get my wife." I said, "Get her down here." The soft talk was all over. He went up stairs and they returned, tottling into the room, looking older than Stephen Hopkins! His wife and he, both

time, took a special interest in the affairs of the treasury in reference to gold sales. About the 4th of September Mr. Boutwell was in Massachusetts, and the President in New York—both, however, at these points taking care of the government and its fiscal affairs. The President writes to Mr. Boutwell a letter in which (as Mr. Boutwell swears) “he expressed an opinion that it was undesirable to force down the price of gold. He spoke of the importance to the West of being able to move their crops.” Mr. Boutwell says he saw the President had “rather a strong opinion to that effect; \* \* \* that the sale of gold in any considerable quantity might carry down the price of it; and that if the price were to fall, the West would be embarrassed,” &c. This letter, so important, is not produced. Indeed, the most significant correspondence is wanting in this investigation.

Now, this letter proves it to be true the President was strongly imbued with the crop theory; he had been impressed by Corbin and Gould; all pretenses that he kept them, or either of them, aloof and prevented them approach upon this topic, is refuted by this letter. It was written at an opportune time to keep up gold, and, whether intended or not, it was directly in and of the capital object of the conspiracy. Besides, the President’s letter to his Secretary had its effect. Mr. Boutwell telegraphed to his assistant, Mr. Richardson: “Send no order to Butterfield as to sales of gold until you hear from me.” This was a limitation of the gold sales, to sales for the sinking fund only, for September. Mr. Boutwell swears that it was a revocation of the order to sell gold for September, confining the sales only to the sinking fund. The suggestion of the President led him, as he says, “to countermand the order,” &c.

What is still more significant is a subsequent letter which Mr. Boutwell produces.

This other letter was dated only a fortnight before the black Friday, to wit, 12th September. The President penned it just before he left upon his Pennsylvania trip. We append it as a note below.\* It is full

looked like death. He was tottling just like that. (Illustrating by a trembling movement of the body.)

Finally I said, “There is the position of the matter. We are forty miles down the Delaware, and we don’t know where we are. I don’t know but we may be rich; but it looks devilish like as if we were poor. You have got us into this scrape, and now what is going to be done?” She said she could not think this had been done with the President’s consent. She thought Boutwell had done it in violation of the strict orders of the President not to sell gold. Said I, “That don’t help matters at all. I can’t tell you where we stand.” We had sold large amounts of gold, which I was afraid would not go out. “Now, Mr. Corbin, what do you mean to do?” The old man straightened up in front of the table, and said, “I will go down to Washington and lay it at their door; I will fathom this thing.”

\* NEW YORK CITY, September 12, 1869.

DEAR SIR: I leave here to-morrow morning for Western Pennsylvania, and will not reach Washington before the middle or last of next week. Had I known before making my arrangements for starting that you would be in this city early this week, I would have remained to meet you. I am satisfied that on your arrival you will be met by the bulls and bears of Wall street, and probably by merchants, too, to induce you to sell gold or pay the November interest in advance on the one side, and to hold fast on the other. The fact is, a desperate struggle is now making, and each party want the government to help them out. I write this letter to advise you of what I think you may expect, to put you on your guard. I think, from the lights before me, I would move on without change until the present struggle is over. If you want to write me this week, my address will be Washington, Pennsylvania. I would like to hear your experience with the factions at all events, if they give you time to write. No doubt you will have a better chance to judge than I, for I have avoided general discussion of the subject.

Yours, truly,

U. S. GRANT.

Hon. GEORGE S. BOUTWELL, *Secretary of the Treasury.*

of anxiety about gold sales. It is the same letter which Corbin had when he assured Gould of the Executive aid. He refers to the struggle of bulls and bears. He warns the Secretary when he is to arrive in New York to beware—if it means anything—of the bears. That is the meaning of it. He writes, “I think, from the lights before me, I would *move on without change until the present struggle is over.*” Mr. Boutwell swears that by moving on, means, “to sell a million of gold, on alternate weeks, for the benefit of the sinking fund, during the month of September.” This never meant the sale of gold extra, like the sale of the four millions on the 24th. It meant, to keep up the price, and not to let it drop. It suited—whether he intended it or not—the designs of the conspirators. They acted on it.

This procedure of the Executive—issuing suggestions which operated as commands—issued by him while away from the capital, under the roof of Corbin, and the influence of his confederates, in the midst of the conflict of the money metropolis, and in a line of duty for the first and only time exercised—according to Mr. Boutwell, a duty reserved to the Secretary of the Treasury, or if not so reserved by law, then only because there is no law for the authorization of these sales—is so extraordinary, that we are fully justified in demanding explanations from the President himself. How can we investigate the “causes,” and leave this pre-eminent influence unrevealed? What were “the lights” before the Executive to direct his path amidst the devious ways of Wall and Broad street speculation? How much illumination was patriotic? To pursue an investigation to this point, and then suddenly dropping it to say “*from the evidence which we have, we find the President pure,*” is equivalent, under the circumstances, to saying “the President has a royal prerogative and can do no wrong, and we will not examine into his conduct at all.”

If, after this analysis, anyone still doubts the propriety of the first action of the committee in laying these matters before the President for explanation; or if any one doubts the propriety of requesting him and the other parties to give their testimony, we ask that the evidence be read and all doubt will vanish. The people, who are no respecters of persons, where the truth is to be shown, would not feel that their President was treated fairly if such statements were allowed to go on record, and no opportunity for him to be heard.

Whatever of value this examination has for future legislation, one value it has not. It has not enabled the committee with unanimity to speak fully of the connection of the highest government official with this extraordinary movement in gold. As the examination was in this regard partial, so must be the report.

In conclusion, the minority respectfully decline to give any certificates of immaculateness to any parties. The resolution under which we act does not call for or compel us to do so; and, however much it may be desirable in many views, we submit our report in that reticence to which we were enforced by the conduct of the President and the act of the majority.

The public may draw its own inferences as well from the testimony as from its absence. We have none to draw; and by this statement we frankly say that we make no insinuation or charge. Let the friends of the Executive, if he be in any way damaged by their zeal in shielding him, be held responsible for our silence.

One of the minority, Mr. Cox, desires to add for himself, in conclusion, that this investigation has no utility, unless it informs the public mind of the absolute necessity, even through temporary distress, and as the

only prevention against the recurrence of such disastrous panics, and further, as the only permanent relief for trade and commerce and business of all kinds, that we should return to gold and silver coin. If this is not taught by this investigation, then it has no lesson. The speculation, debauchery, profligacy, and extravagance incident to such a situation, will go on, until it culminates in bankruptcy and poverty.

S. S. COX,

*Representative Sixth District, New York.*

THOS. L. JONES,

*Representative Sixth District, Kentucky.*

WASHINGTON, *February 28, 1870.*



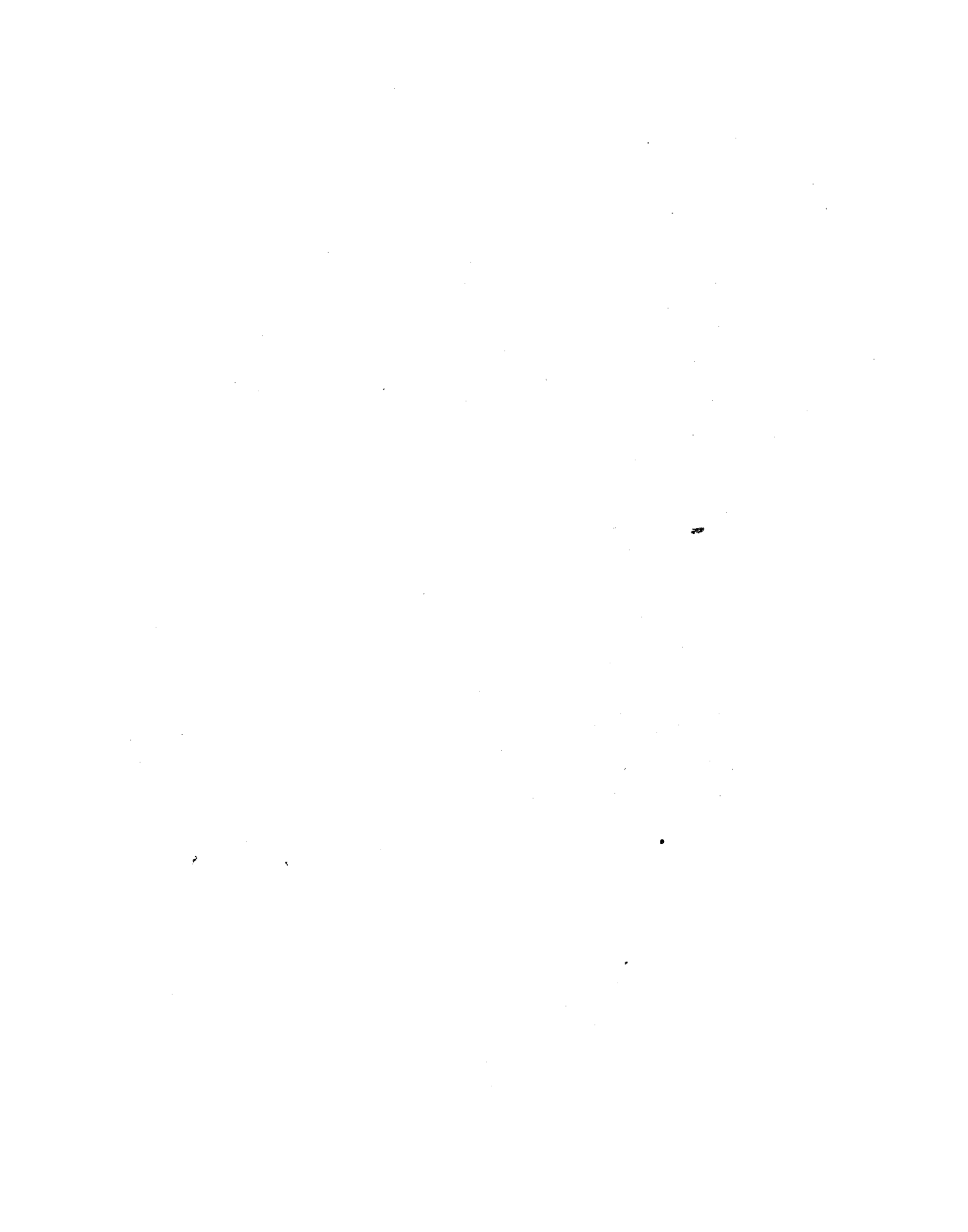
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CHARLES A. PITCHER.

MARCH 2, 1870.—Ordered to be printed and recommitted to the Committee on Patents.

MR. JENCKES, from the Committee on Patents, made the following

REPORT.

*The Committee on Patents, to whom was referred the petition of Charles A. Pitcher, for compensation for the use of a patented invention belonging to the petitioner for an improvement in machines for making brooms in the penitentiary in the District of Columbia, beg leave to report as follows :*

Upon hearing the petitioner, it was the impression of the members of the committee that the subject to be investigated properly belonged to the Committee of Claims, but, upon looking into the papers filed with the petition, it was seen that the question involved in the claim depended upon the proper construction of the statutes concerning patents, and were matters of patent law properly within the jurisdiction of the committee. They therefore concluded to give the subject of the petition a careful investigation.

It appears from the papers filed with the petition that one Spencer Rowe obtained letters patent of the United States, bearing date December 1, 1857, for a new and useful improvement in machines for making brooms, by means of which it was claimed that the wire by which the broom-corn is fastened to the broom-handle can be more firmly and securely applied than by means of any previous machine, or by any mode of manipulation before known. On the 4th day of December, 1857, the patentee assigned all his interest in the invention, as secured by the letters patent throughout the United States, to one John Fox, for the expressed consideration of two thousand dollars. This instrument of conveyance seems to have been regularly recorded in the Patent Office on the same day.

Broom making had been introduced into the penitentiary, and was carried on in a small way by the hand labor of the convicts, in the year 1857. Soon after the issuing of the patent the inventor entered into a contract with Thomas Thormley, the warden of the penitentiary in the District of Columbia, which contract was reduced to writing and executed on the 11th day of February, 1858, by which the said warden agreed to permit the said Rowe to work and carry on within the inclosure of the penitentiary, for the term of one year from the 22d day of February, 1858, a broom machine and apparatus, complete, for the manufacture of all kinds of brooms; and also agreed to let to said Rowe, during said year, such convicts as the warden might designate, not exceeding ten men, to work on the manufacture of brooms, at the rate of forty cents a day for each convict so employed. The property used for the manufacture of the brooms was to be at the risk of Rowe, as far as fire was concerned, and Rowe might remove the same at the end of the year if he paid the whole sum due for wages of the convicts. Rowe covenanted to pay forty cents per

day for the wages of the convicts; and that, if he failed to pay, the warden might seize the machinery and stock used in making brooms, and either make sale of them for the benefit of the United States or make use of the same; and, "for the more sure and effectual securing of the hire of said convicts," Rowe conveyed to the said warden all his right to the machines, and the use of them under the patent "or by any other means whatsoever," and also assigned all the tools and stock.

The petitioner avers that under the contract three double-g geared machines were placed in the penitentiary and operated until November, 1859, when the United States became the purchaser of said machines from said Rowe, and continued to operate the same until the 24th of November, 1862. He further states that about March 1, 1859, the warden of said penitentiary, acting for and in behalf of the United States, caused to be erected three other double-g geared machines, making altogether six double-g geared machines, and worked the same by convict labor until the 20th day of September, 1862, when the penitentiary was discontinued. Thormley ceased to be warden of the penitentiary early in 1859, and was succeeded by C. P. Sengstack, who was removed in April, 1861, and succeeded by H. S. King, who was warden at the time that the penitentiary was broken up in September, 1862.

The petitioner became the purchaser of the patent and of the rights of the assignee, Fox, by a conveyance dated April 2, 1861, recorded April 3, 1861, for the nominal consideration of five thousand dollars. It does not appear that Thormley, or either of the subsequent wardens of the penitentiary, had any notice of the title of Fox to the invention patented by Rowe, until the sale of Rowe's stock and machines in November, 1859, nor was any attempt made by said Fox, or by the petitioner, to enforce these rights against Rowe, or either of the wardens at any time by any legal proceedings. The petitioner made a demand upon the board of inspectors of the penitentiary on the 18th of April, 1861, which was responded to on the 5th of February, 1862, by an admission of the infringement and a statement of their inability under the law either to pay any damages or to agree upon the amount which should be paid. This conclusion was approved by the Secretary of the Interior on the 19th of May, 1862, and the subject was by him referred to Congress.

It appears that the warden, in 1860, made an attempt to purchase from Fox a license to use the machines then in the penitentiary, but failed to agree upon terms. The three additional machines were constructed about the 1st of March, 1859, and before the warden had notice that the title to the patent was held by any other person than Rowe, and while Rowe was still carrying on his business in the penitentiary.

Immediately after the action taken by the Secretary of the Interior in May, 1812, with regard to this demand, the petitioner applied to Congress for relief, and his petition was referred to the Committee on the District of Columbia of the House of Representatives, who reported, asking to be discharged therefrom, and that the petition be referred to the Committee of Claims of the House, and it was so referred. After the passage of the bill reorganizing the Court of Claims, March 3, 1863, leave to withdraw his petition was granted upon the petitioner's own application, for the purpose of presenting his claims before that court.

In June, 1863, he presented his petition to that court, setting forth his title to the patent and the use of the machine patented in the penitentiary; and claimed that there was an implied contract in such use under the circumstances, which would justify said court in taking jurisdiction of the claim, and asked "the United States to refund him the money or

the money's worth it has actually received from the use of his patent, and which in equity and good conscience belongs to him."

The court after argument declined to take jurisdiction and dismissed the petition. (Nott and Huntington Rep., p. 7.) The petitioner again, at the meeting of the 38th Congress, applied to Congress for relief. This petition was preferred in the Senate, asking that jurisdiction over his case might be conferred on the Court of Claims by special act. This petition was referred to the Committee on Claims, who reported a bill conferring jurisdiction on the Court of Claims in the premises, which passed the Senate, and in the House was referred to the Committee on the Judiciary. This committee recommended a non-concurrence in the Senate bill, and it was therefore laid upon the table of the House and lost.

The petitioner thereupon preferred another petition in the Senate, asking that Congress might examine the matter of his claim and give him relief. This petition was referred to the Committee on Claims, who made report in the first session of the 38th Congress, (June 29, 1864,) [Senate Rep. Com. No. 98, to accompany bill S. No. 338] recommending the payment of the sum of five thousand dollars for the use of the patented machines in the penitentiary, from the first day of November, 1859, to the 20th day of September, 1862. This bill passed both Houses, and the petitioner received the sum of five thousand dollars out of the treasury.

He now avers that this was not appropriated and paid upon condition that it should be accepted in full for his claim for damages for the infringement of said patent by persons in the employment of the United States, nor in full for profits made by the United States by the use of said invention, but asks that his whole claim may be inquired into, and the remainder of it allowed and paid after giving credit for the five thousand dollars already received.

The claim of the petitioner is that the United States "should account for the profits they have derived from the use of his machine." In estimating these supposed profits the petitioner assumes that he has proved that the average number of brooms which can be made on machines which the public have a right to use, is  $22\frac{1}{2}$  per day, and that 50 per day can be made on Rowe's machine; that the profit made on brooms over cost of raw material is one dollar per dozen,  $8\frac{1}{3}$  cents per broom, and that he should be allowed this profit on the excess of the number of brooms that could be produced over the number that could be produced by other machines per day, during the entire period that the machines were in use at the penitentiary, *i. e.*, from April, 1858, to September 20, 1858.

In that way he figures the profit during the period of—

Thornley's contract with Rowe, at.....	\$3,572 40
Under Warden Sengstack.....	18,274 40
Under Warden King.....	3,349 35
	<hr/>
Amounting in the whole to.....	25,196 15
	<hr/> <hr/>

This computation was presented to the Senate Committee on Claims in the 38th Congress, and they say in their report, (Senate Rep. Com. No. 98, 38th Congress, 1st session, that—

The great difficulty has been to ascertain the proper amount of damages which should be allowed. The government, as appears from the testimony of the wardens, officers of the penitentiary, and others, have received a benefit from the use of this machine in the penitentiary, for the time mentioned, of over twenty thousand dollars

over what it would have realized from manual labor and machines not patented. Your committee are of opinion that justice would demand that the memorialist should receive at least one-fourth of the profit.

We are aware a much larger amount could be recovered by law against an individual for such infringement of a patent, as the government has made in this case, but they think the government cannot be held to such liability under all the circumstances.

Upon this report, and for these reasons, the bill appropriating five thousand dollars for the use of these patented machines was passed, which sum the petitioner received, as he says, on account. The petitioner admits throughout all his correspondence with the officers of the penitentiary, and in his petition, and in the brief filed therewith, that this is not a case for the claim of vindictive or punitive damages for a willful infringement, nor one in which the actual damages as found by a jury would be trebled by the court under the law. In short, his demand is not for damages in the technical sense, but for the profits made by the use of his machine in the sense in which the word "profits" is used by the courts in their decrees in such cases. He cites the leading decisions in the Supreme Court. (*Livingston vs. Woodworth*, 15 Howard, 546. Affirmed in *Dean vs. Mason*, 20 Howard, 203.) And more recently at the present term of the Supreme Court in the case of *The Providence Rubber Company vs. Goodyear et al.* In all these cases it is declared that the profits actually made by the use of the invention, and not what might have been made by the use of it, that is, profits in the mercantile sense and not possible speculative profits, are what should be ascertained and decreed against an infringer in such cases.

Now, whatever be the method of computing profits, it is entirely clear upon the contract between Warden Thornley and Rowe, the inventor, that the United States are not liable at all for the use of the machines by Rowe, during the whole period that he carried on the manufacture of brooms at the penitentiary. These machines were his, the stock was his, the brooms were sold by him, the business was his, and the profits by it were his. He was simply a contractor for the labor of the convicts, at forty cents a day for each, and for this compensation to be paid for not more than ten convicts. He had the use of a sufficient portion of the penitentiary for the carrying on of his business as well as the labor of the convicts. And the government took no risks in his purchases, sales, profits, or losses, but had security on all his machines and stock for the payment of the forty cents per day for each convict's labor. It is clear, too, that there were no profits to be accounted for by Rowe, for he failed to perform his contract with the United States, gave up his business, and the warden foreclosed the lien given by the contract upon his machines and other property in the penitentiary. For aught that the warden knew, Rowe was still the owner of the patent referred to in his contract, and the government was carefully guarded and secured from any liability or loss by reason of anything Rowe might do. This portion of the claim may therefore be dismissed as having no foundation either in law or equity.

From the time of the purchase of Rowe's machines under the foreclosure, and the construction of the new machines by Warden Sengstack, the government were using Rowe's invention and are liable to account for the profits of such use to the owner of Rowe's patent. But the method of computing these profits adopted by the petitioner, and indirectly sanctioned by the Senate Committee on Claims of the 38th Congress, is precisely that which the Supreme Court has condemned in the cases already referred to. With the clear and pointed language of those decisions before them, it is strange that the petitioner should have so erred, or that a committee of Congress should have gone so far astray.

The best evidence of what the "actual profits" of a given business in a definite period were, is the record of such business kept by those who were carrying it on. This evidence has always been accessible in the records of the penitentiary, kept by faithful and responsible officers, and is conclusive both upon the petitioner and the government. These books have been examined by your committee and they show the following results.

This business of broom-making seems to have been commenced in a small way in the penitentiary by hand labor in 1857, the whole amount of it previous to the Rowe contract being but \$124 26, of which \$27 27 was profit. After the commencement of work under the Rowe contract the books show receipts of money paid by him for the labor of the convicts through the year 1858, and into 1859, when the payments ceased, the whole amounts of such payments as shown by the journal being less than \$2,000. After the purchase of machines under the foreclosure, a regular account is opened with the broom factory, as with the shoe factory and other industries, and this account purports to contain all the purchases and sales made in carrying on that manufacture. From April 1 to October 1, 1860, (the books showing no regular organization of the business or work in the broom factory until April 1, 1860, after the purchase of the machines in November, 1859,) the whole amount of the business was \$3,810 98, on which there was a loss of \$685 62.

From October 1, 1860, to April 1, 1861, the amount of purchases was .....	\$3, 531 87
Whole amount of sales .....	1, 988 05
	<hr/>
Showing a loss of .....	1, 543 82
From which should be deducted the value of stock on hand .....	380 10
	<hr/>
Leaving an actual loss of .....	1, 163 72
	<hr/>

During the period that King was warden the business was as follows: From April 1 to October 1, 1861, whole amount, \$5,206 01; of which there was in stock on hand October 1, \$2,115 68; giving credit for this, there was an excess above expenditures of \$710 78. From October 1, 1861, to the breaking up of the penitentiary in September, 1862, the whole amount of the business was \$9,581 96; showing an excess of income over expenditures after sale of stock on hand, of \$1,610 97.

It would seem that these books had been examined by the petitioner, or in his behalf by ex-Warden King, before making his affidavit, for King computes the number of brooms made and sold while he was warden at 74,400, from the record of the number of broom handles which the books show to have been purchased in that period. At \$2 per dozen these 6,200 dozens would have brought \$12,400; and deducting from the whole amount of business during that period \$14,787 97, the amount of stock on hand \$2,115 68, we find that the sales of brooms amounted to \$12,672 29; within \$300 of King's computation. This approximation confirms the conclusions arrived at by your committee.

The actual results of the whole business of broom-making at the penitentiary, after the termination of Rowe's contract, was as follows:

Net loss under Warden Sengstack .....	\$1, 849 34
Net gain under Warden King .....	2, 321 95
	<hr/>
Total net by the whole business .....	472 61
	<hr/>

But this account does not show all the items that should be charged against the broom factory. It shows simply the receipts and disbursements in carrying on the manufacture. There is no charge for labor, rent, insurance, interest on capital invested, superintendence, repairs, or any of the minor items which must be charged against a manufacturing business before a dividend of profits can be declared. It appears from the appropriations, as well as from the records of the penitentiary, that during this period of two years and a half the government was paying about thirteen thousand dollars a year for the salaries of the officers of the institution, and that the appropriations to cover deficiencies from 1858 to 1861, and to close its business, amounted to \$42,574 55. It failed to be a paying institution during this period by this large amount. The charge of a very small portion of the money paid for the superintendence of the institution to this broom manufacture, and a considerable portion should justly be charged to it, would consume this small balance of profits and show that although nominally profitable in detail, this industry with the others failed to make the institution profitable as a whole.

In no sense, therefore, under the patent law, as interpreted and administered by the Supreme Court, could any claim for damages or profits have accrued to the petitioner by the use of these broom machines during the period that they were in use in this penitentiary. No damages, for none were inflicted; no profits, for none were earned.

Some other curious facts appear from the papers submitted by the petitioner when compared with the records of the penitentiary. These machines are described as double-g geared, which means that they were so constructed that two men could work at one and operate one machine by treadles, like a sewing machine. One of these machines, as appears from a letter of Warden Sengstack, appended to Fox's affidavit of June 26, 1862, (petitioner's exhibit No. 14.) cost fifty dollars. The six, for the use of which profits are claimed cost, therefore, about three hundred dollars, and each was operated by two convicts, whose labor was valued at forty cents each per day. Even with this small capital it seems that Rowe, the inventor and the first contractor, failed to make it a profitable business. Yet the petitioner, on this slight basis, figures up a claim against the government of profits actually made during the administrations of Wardens Sengstack and King of \$22,623 75, when the records of the penitentiary show that the total amount of money invested in the business during that period was no more than \$22,130 82, including stock on hand at its close.

The committee have no means of ascertaining the relations between Rowe and Fox, nor the purpose of the conveyance to Fox, other than appears on the face of the instrument. But it is hardly credible that Rowe, immediately after having vested the title to his patent in Fox, should have commenced building and operating the machine patented under the eyes of his grantee without some arrangement by which he had acquired a license and authority for so doing. It is not usual for inventors to become the infringers of their own patents. And if Rowe had such license and authority from Fox for building and operating these machines at the penitentiary, they being the first and only ones, so far as the committee are informed, that were built and operated in the United States, then the purchaser of those machines would also have the right to operate them without making other payment than that required of Rowe. In such case the petitioner would have no claim upon the United States for the infringement of his patent by their officers. (*Bloomer vs. McQuewan*, 15 Howard.)



In conclusion, the committee are of opinion that the claim is not warranted by the patent laws, and has no foundation in fact; that the amount heretofore allowed and paid was so appropriated under a misconception of the law and a want of knowledge of the facts. They have been thus minute in the examination of this claim on account of the persistence and the partial unmerited success with which it has been urged upon Congress. The decision of the Court of Claims, adverse to the petitioner, is found in 1 Nott and Huntington's Report, p. 7, and the records of the penitentiary, with all the books of account and vouchers, are deposited in the Department of the Interior. The law, as applicable to this claim, is to be found in the decisions of the Supreme Court heretofore referred to, and in numerous decisions of inferior courts referred to in the reports of the cases in the Supreme Court.

The committee recommend that the petitioner's bill and accompanying papers be laid upon the table, and that this report be printed.