

The Outlook

A·Family·Paper

Volume 54

Saturday, 19 December, 1896

Number 25



IN Congress last week the exciting topic was, of course, the attitude of the United States toward Cuba. After the report of the assassination of Maceo was received the resolutions introduced and the speeches made assumed a more and more belligerent character. Senator Cameron's demand for the recognition of the independence of Cuba, and even Senator Cullom's resolution declaring "the extinction of the Spanish title" essential to the welfare of the people of the United States, paled away in the presence of Senator Call's pronunciamento that the Government which permitted the assassination of Maceo was "an outcast from the family of nations and from the pale of civilization and public law." It was notable, however, that the real leaders in both branches of Congress, and especially the members of the House Committee on Foreign Relations, were in favor of conservative action. In regard to tariff matters the event of the week was Senator Allen's unexpected resolution taking the Dingley Bill from the calendar and bringing it before the Senate for consideration. This was not a part of the Republican programme, but the Republican members, with two exceptions (Perkins, of Kansas, and Carter, of Montana), felt constrained to vote for it, and it was carried with the aid of the Populists. The bolting Republicans joined with the Democrats in opposing it. The discussion of the week revealed the fact that the manufacturers desired the passage of the bill, not for its own sake, but to prevent heavy importations under the present low duties before the next Congress could frame an entirely new measure establishing much higher ones. Senator Aldrich is reported to have told a delegation of manufacturers who urged the passage of the Dingley Bill for this reason that "only two things" need be done to secure it. "One thing is to change the Senate rules so that the bill can be brought to a vote, and the other is to furnish us with seven more Republican Senators." The Republican majority of the Ways and Means Committee of the House, recognizing the improbability of tariff legislation at this session, has divided among its members the work of preparing a bill which shall facilitate the action of the new Congress in the extra session expected in March. The most important action of Congress affecting finances was the prompt passage of the Pension Appropriation Bill by the House. The bill appropriates \$140,000,000, or about the same amount as last year. The sum total of pensions since the war now exceeds \$2,000,000,000. The most important action of Congress affecting moral interests was the passage by the House of the bill prohibiting the sale of liquors in the Capitol. Only seven members were found ready to record themselves against it. Despite all its defeats, the temperance agitation continues to make progress.

Senator Wolcott, of Colorado, has introduced into the

Republican Senate caucus the following resolution, which was adopted without objection:

"Resolved, That a special committee of five members of this caucus be appointed to recommend some plan whereby legislation may be had at this session of Congress looking to an international conference with leading commercial nations of the world for the promotion of bimetallism."

This indicates that the Republican party intends to stand by its platform. "Platforms," says the New York "Evening Post," "after the election are about the most rubbishy stuff that can be conceived of. Nobody expects that they will be regarded after the votes are counted, unless they have been a part of the issue on which the battle was fought." This seems to us a grossly immoral position. A platform is a pledge made by a party to the public. The public elects the party in order to have this pledge carried into execution. To dismiss the pledge as "rubbishy stuff" as soon as the party comes into power seems to us an act of the grossest dishonor, and fatal to confidence in popular elections. How can the people have their will carried out in National affairs if the party which has triumphed at the polls is to be free to disregard its promises to the people? In the late election three parties asked for the suffrages of the American people. One promised free silver coinage; one promised gold monometallism; one promised to do all in its power to secure international bimetallism. The votes of the American people were practically divided between the first and the third parties; the second had scarcely votes enough to count. It can hardly be doubtful that if the issue had been sharply drawn between gold monometallism and free silver coinage the latter would have carried the election by a decisive popular majority. The election of Mr. McKinley clearly means a popular vote in favor of bimetallism by international action. The Republican party has pledged itself to promote an international agreement for bimetallism. The first duty of the Republican party is to endeavor to secure such an international agreement. Nor is it by any means clear, on the one hand, that it is impracticable to secure the co-operation of France and Germany, nor, on the other, that it is necessary to wait for the co-operation of England.

The bill for the restriction of immigration which passed the House at the last session has now the right of way in the Senate. Last week Senator Gibson, of Maryland, made an effort to postpone its discussion until after the first of January, but his motion received only thirteen favorable votes. It is a striking fact that the opposition to the bill comes chiefly from the Southern States. The reason, of course, is that the Southern States are sparsely populated, and are in the same stage of economic development as were the Northern when public sentiment at the North was rather disposed to encourage immigration than to discourage it. In case the bulk of the immigrants went to the South or to the unsettled parts of the West, this opposition should receive great weight. But, as the Immi-

gration Restriction League has again and again pointed out, the immigrants—especially the illiterate immigrants whom the pending act would exclude—settle chiefly in the cities of the East. Of the Russian, Austrian, and Italian immigrants, who furnish most of the illiteracy, only seven per cent. settle in States south of Mason and Dixon's line or west of the Missouri; of several hundred illiterate immigrants examined at this port, eighty-nine per cent. expected to remain in the Atlantic States. The fact that public sentiment in the States chiefly affected is strongly in favor of the present measure indicates that it will pass with but few amendments.

In his recent report Mr. James H. Eckels, Comptroller of the Currency, argues at length in favor of his position, commented on by us last week, that the Government should cease to issue paper money. He declares that the policy of having the Treasury a bank of issue, as it is by the issuing of Treasury notes, without attaching to it other banking powers, violates the laws of all successful government financiering. If we are to preserve the Treasury as a bank of issue, it should also be, if we understand him aright, a bank of deposit, and governed by the principles belonging to such an institution. It ought not to embarrass the business world by locking up vast sums, resulting at times in an artificial stringency and at others in a sudden plethora. Mr. Eckels believes that the direct issue and redemption of Treasury bank-notes by the Government is a foolish system, and says that it is a practice abandoned as a controlling policy by every great government save the United States. When tolerated elsewhere, it is only for the issuance of notes in very limited quantities. Until our Civil War our present policy had no advocates in this country, and was then accepted only because of an urgent necessity. As a matter of principle it was admitted to be wrong by those who fathered it. "Its friends protested against the continuance of Treasury issues beyond the war period, and with equal emphasis promised at an early date their payment and cancellation." He insists that our legal-tender Treasury notes have always been a disturbing element in business, and their current redemption is a continuing weakness and anxiety to the Treasury. They compel the Treasury to carry a gold reserve which their use makes the basis of supply for all places and all people. Nor are they without expense to the Government. It has been argued in behalf of continuing their issue and compulsory reissue, that to cancel them meant dangerously to contract the currency, but Mr. Eckels asserts that this argument has now given way to one which assumes that they are a non-interest-bearing debt. Figures are then adduced showing the cost to the United States of maintaining the legal tenders and the difference in such cost if the notes had been converted into four per cent. bonds—a difference of nearly \$340,000,000. If the \$346,000,000 of the old legal tenders had been funded into four per cent. bonds in 1879, the principal and interest would have amounted in 1907 to nearly \$742,000,000. The principal and interest of the bonds sold "for resumption purposes and upon the gold reserve" will amount in 1925 to \$1,081,562,000. The Comptroller suggests amendments to the National Bank Act, putting certain specified limitations on bank officials, and providing for increasing the number of banks by the organization of smaller ones in small towns, and by permitting branch banks in towns where no National bank is established, and where the population does not exceed a thousand inhabitants. We dissent from the first portion of Comptroller Eckels's report, for we believe that it is the function of the Government to issue all currency, whether gold, silver, or paper,

leaving the banks to get the currency from the Government. We agree with the close of Comptroller Eckels's report, only we should go further, by allowing National banks to establish branches anywhere under proper supervision.

Some weeks ago Secretary Olney issued an order of far-reaching effect upon our consular service. The order abolished many of the fees against which shippers and importers have long protested. It is needless to say that the lucrative attractions of many consulates were at the same time swept away. This is particularly true in Great Britain, where it is said the loss to consular officials will aggregate over \$200,000. Henceforth no oath will be required for the verification of merchandise on the free list or subject to specific duty only. The verification by oath of invoices of merchandise subject to *ad valorem* duty may be required when the consular officer has ground to suspect fraudulent undervaluation, but shall not be required in any other case. Lastly, consular officers are prohibited from receiving the whole or any part of the fees charged for administering oaths. Most of the consular offices have been brought by President Cleveland under the civil service rules, which apply to all positions with salaries not exceeding \$2,500 nor falling below \$1,000. Vacancies in these offices will henceforth be filled by the transfer or promotion from some other position in the service of the Department of State, or by the appointment of a person found upon examination to be qualified for the position. The examination will be conducted by a board of three civil service commissioners appointed by the Secretary of State. It may be added that our consular offices with salaries above \$2,500 are, for the entire world, only sixty-two in number. It will thus be seen that the consular service has been taken almost entirely out of politics. This is another splendid step in advance. Mr. Cleveland well deserves a nation's gratitude for his work in Civil Service Reform, and President McKinley's as well, for the latter will have 30,000 fewer places to fill; but by earlier action in this instance the outgoing President might have saved himself the reproach of providing permanent offices for present Democratic holders.

Our navy now ranks in coast-defense beyond those of Great Britain, France, Germany, Russia, Austria, or Italy; in battle-ships, third; in cruisers, third; but sixth in torpedo craft. We are not surprised, therefore, that Mr. Herbert, the Secretary of the Navy, in his annual report, recommends the construction of three light-draught battle-ships and twelve torpedo-boats. Battle-ships that could enter the harbors of Savannah, Brunswick, Key West, Tampa, Pensacola, and the mouth of the Mississippi at all times would have an immense advantage over the battle-ships of foreign nations, few, if any, of which could enter these ports. In torpedo-boats we are conspicuously deficient. The most interesting feature of the report is a review of the upbuilding of the new navy during this administration. It is to be hoped that it is all in the line of protection for our citizens, and not for jingoistic display. The enlargement of our navy under Secretary Herbert may thus be summarized: In July, 1893, we had thirty vessels, with 62,000 tonnage; last July we had forty vessels, with 122,000 tonnage; and by next spring we shall probably have 150,000 tonnage. In July, 1893, about 6,400 men and 1,200 apprentices were serving in the navy; in July, 1896, there were 8,100 men and nearly 1,400 apprentices. The Naval Militia, which was authorized some years ago as an experiment, has developed so gratifyingly that it now bears nearly the same relation to our navy as the National Guard in the different States does to the army. In ship-building contracts an