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THE WAR WITH SPAIN.

STAND BY THE PRESIDENT.

SPEECH

OF

HON. MARLIN E. ²²⁻¹⁰⁰OLMSTED,
OF PENNSYLVANIA,

DELIVERED IN THE

HOUSE OF REPRESENTATIVES,

WEDNESDAY, APRIL 27, 1898.

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Mr. W. A. Smith

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SPEECH
OF
HON. MARLIN E. OLMSTED.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 10100) to provide ways and means to meet war expenditures—

Mr. OLMSTED said:

Mr. CHAIRMAN: The distinguished gentleman from Ohio [Mr. LENTZ] who has just taken his seat has informed this House and the country that a gold dollar held in front of the eye obscures everything else from sight. All the iniquities which he claims to have discovered in this war-revenue measure he attributes to that fact. I would suggest for his consideration the proposition that for properties of obscurity the honest little gold dollar is not comparable to the free silver coinage theory which proposes to impose upon the country silver dollars worth 45 cents each.

The 45-cent silver dollar held up before the optics of gentlemen upon the other side of the House seems to shut out and utterly exclude those rays of common sense which if permitted to enter would at once show the wisdom of the propositions contained in this bill. It proposes that a part of the revenue necessary for the conduct of the war with Spain shall be raised by present taxation, and the balance by the issuance of 3 per cent bonds. Against this latter proposition the gentlemen who have spoken to-night upon that side of the House have particularly urged their strenuous, vehement, and unreasonable objections.

I venture the suggestion that if this bill provided for the free coinage of silver, and made the bonds payable in silver dollars, which, at the present market price of that commodity, would be worth about 45 cents each, not one of these objections would have come from that side of the House. No, not even if the bill re-

quired the immediate issue of a thousand millions of such bonds. Why, Mr. Chairman, the silver dollar held before the eyes of the gentlemen upon that side seems so to obscure their vision that they are utterly unable to read, much less fairly interpret, the provisions of this bill.

Mr. ROBB. I should like to ask the gentleman a question.

The CHAIRMAN. Does the gentleman from Pennsylvania yield?

Mr. OLMSTED. Yes.

Mr. ROBB. I should like to ask the gentleman if he means by that statement that these bonds to be issued are to be paid in gold and in gold alone?

Mr. OLMSTED. I will answer the gentleman by referring to the arguments which have come from that side of the House to-day. The language of the act is that they shall be paid in coin. The fear which has been publicly expressed to-day and to-night upon that side of the Chamber is that the money of the United States will be kept so good, as it is to-day, that every dollar of our money will be worth a dollar in gold, and that therefore, substantially, the bonds will be paid in gold. They will be paid in dollars that are as good as gold. That is the theory, and that is the moving inducement to the gentlemen upon that side of the House to oppose this bill.

Mr. VANDIVER. I should like to know upon what authority the gentleman makes the statement that there would not be objection on this side of the House if the bonds were to be made payable in silver?

Mr. OLMSTED. That is the logical conclusion to be drawn from everything that has been said upon that side of the Chamber since this bill has been under discussion.

Mr. VANDIVER. That depends upon the logical condition of the mind that draws the conclusion. [Laughter and applause on the Democratic side.]

Mr. OLMSTED. That is the conclusion which will be drawn by every logical mind in the United States, which considers the illogical objections which the gentlemen upon that side of the Chamber have urged against the adoption of this most necessary and urgent war measure. [Applause on the Republican side.]

Gentlemen upon this side of the House are willing and anxious to bear, and bear now, all reasonable burdens of Government and all reasonable burdens incident to the great emergency now upon us; but why shall the people of this country be compelled to raise by taxation, in one year, or in two years, the enormous sums necessary to defray all the expenses of the war?

Why not raise part of the money by the immediate sale of bonds, which bonds can be paid off at a later period and by a lower rate of taxes spread over a series of years? We are fighting not only for the glory and honor of those who live and pay taxes to-day, but also for the glory and honor of those who will be living and who will be paying taxes for some years to come, and they may as well pay part of this expense, as we are now paying part of the expense of the last war.

Mr. VANDIVER. Will the gentleman yield for a suggestion?

Mr. NORTON of Ohio also rose.

Mr. OLMSTED. One at a time.

The CHAIRMAN. The gentleman yields to the gentleman from Missouri.

Mr. VANDIVER. I would just simply say that we adhere to the principle that we are responsible for this war; that it is on us, and that we propose going on the principle that we pay as we go; and if we can not pay as we go, we will quit going.

Mr. OLMSTED. If we were to enact a revenue bill based upon the principles advocated by you and others upon your side of the House, we would have to quit very soon. We would have to quit before we got to going at all. At the very outset of the war we would find ourselves unable to pay and therefore unable to go; unable to go on with what we have already begun; unable to pay for the ships; unable to pay for the guns; unable to pay for ammunition; unable to pay for fortifications; unable to pay the soldiers who are already volunteering in response to the President's call. This country, instead of going forward to glorious victory, would be compelled ingloriously and at once to surrender all for which its land and naval forces have already been called into action.

Some gentlemen upon that side of the Chamber seem determined to destroy the credit of the Government by compelling the use of

fiat money to bring about that result. They have opposed every reasonable method which has been suggested for the raising of the sinews of war. The gentleman from South Dakota, I think it was, who endeavored this evening to make it appear that this bill is framed in the interest of the rich as against the poor. He stated boldly that it imposed a tax upon the beer of the poor man and none whatever upon the wine of the rich man. The rich will drink more of the beer and pay more of the beer tax than will the poor. The tax, however, will fall upon the brewer and not upon the consumer. A glass of beer will still be sold for 5 cents.

The silver dollar in front of his eye so obscured and shortened his visual range that he seemed absolutely unable to read that provision found on page 41, wherein wines of every kind are directly and distinctly taxed to an amount equal to \$1.90, as against \$2 upon beer; and he utterly forgets that wines are already taxed ten times as heavily as beer. Why, even water—mineral water, the table water of the rich—is taxed at a higher rate than beer.

And who, let me ask, will pay the stamp tax imposed in Schedule A upon bonds and debentures, certificates of stock in corporations, and on all transfers of shares of stock in corporations? Who will pay the stamp tax upon bank checks, drafts, certificates of deposit, bills of exchange, letters of credit, brokers' notes, memoranda of sales of stocks upon exchanges, notes of hand, etc.? And who will pay the tax upon telegraphic and telephonic messages, the tax upon corporate mortgages, warehouse receipts, and all the other various items found in Schedule A, which, according to the estimate of the distinguished chairman of the Ways and Means Committee, will produce more revenue than any other section in the bill?

These taxes will be paid by persons of wealth, or at least by persons who are well to do. They are not the character of taxes which will fall upon the toiler in the mines, nor in the workshop, nor upon the railroad, nor at the plow. The bulk of these taxes will be paid by people of means.

The gentleman from Ohio also endeavors to make it appear, contrary to the fact, that champagne is treated more tenderly than beer. If he will offer an amendment providing that every man who drinks a bottle of champagne shall pay a war tax of \$1, I will

support it, and in that particular will give him credit for the greater degree of patriotism, because I think that he will pay a great deal more of the champagne tax than I will.

One gentleman who spoke this evening opposed a tax of 1 cent on telegraph messages, because it might happen that some poor man sending a telegram to his dying mother might have to pay that cent. Statistics show that nine-tenths of all the people of the United States do not send telegraphic messages at all, or at least very rarely. The other tenth who do send them are merchants, brokers, bankers, corporations, and business men generally. And the same is true of express packages. No form of tax that could be devised would fall more lightly upon the poor than the taxes proposed in this bill upon the business of express companies, telegraph companies, and long-distance telephone companies.

Gentlemen with the silver dollar before their eyes are unable to see the advantages of this form of taxation. They oppose the proposition to raise part of the war revenues from such sources and part from bonds, and what do they propose instead? Why, a tax on income. I am not here at such a time to object to such a tax if it could be collected. But the Supreme Court of the United States has already declared it to be unconstitutional.

Gentlemen upon the other side have clamored for war in season and out of season. They endeavored to force the country into war when we were without ships, without guns, without ammunition, and without adequate coast defenses. They endeavored to force us into war without first exhausting the diplomatic means which modern civilization requires shall first be exhausted in an effort to avert armed hostilities. They endeavored to drive the country into war at such a time, upon such pretext, and in such manner as would have condemned our action in the eyes of nations other than Spain and have embroiled us in difficulties with them.

The gentleman from Ohio [Mr. LESTER] in particular demanded instant war and scurrilously and outrageously abused and vilified President McKinley and charged him with the basest motives in his endeavors to avert war and to maintain peace with honor. Now how was he to pay the expense? Why, by reen-

acting a statute that has already been declared invalid and under which not a dollar of revenue has been or can be raised.

But, gentlemen say, the Supreme Court of the United States was wrong in its decision. The Constitution of the United States provides that Congress may not levy direct taxes except in proportion to the population. Gentlemen say that that is unfair, because the population in Pennsylvania may be wealthier per capita than the population in some other States. Their quarrel is with the Constitution. Congress has no power to set that instrument aside.

The Supreme Court held, among other things in the income-tax cases, that a tax upon the incomes derived from land, for instance, is practically a direct tax upon the land and therefore prohibited by the Constitution. The gentleman from Texas [Mr. BAILEY], the Democratic leader, spent nearly an hour yesterday in an endeavor to show that when rent has reached the pocket of the land owner, it is no longer land or real estate, but is money, and therefore may be taxed.

Similar sophistry was indulged in by learned counsel in the famous Passenger Cases, reported in 7 Howard. The tax in question was imposed nominally upon the passengers, but the court held that it was a tax upon the vessel. Mr. Justice Grier, who delivered the opinion, said:

We have to deal with things as we find them, and we can not change them by changing their names. Can a State levy a duty on vessels engaged in commerce, and not owned by her own citizens, by changing its name from a "duty on tonnage" to a tax on the master, or an impost upon imports by calling it a charge on the owner or supercargo, and justify this evasion of a great principle by producing a dictionary or a dictum to prove that a ship captain is not a vessel nor a supercargo an import?

Many years ago the State of California levied a tax upon bills of lading for the shipment of gold or silver out of the State. The Supreme Court of the United States held in *Almy vs. State of California* (24 Howard, 169), that although nominally upon the bill of lading, it was in substance a tax upon the thing exported and therefore void. Chief Justice Taney, who delivered the opinion, said:

A tax or duty on a bill of lading, although differing in form from a duty on the article shipped, is in substance the same thing.

In the more recent case of the Philadelphia and Southern Mail

Steamship Company vs. Commonwealth of Pennsylvania (122 U. S., 326) the same court decided that a tax upon gross receipts derived from interstate or international commerce was a tax upon the commerce itself. In *Commonwealth of Pennsylvania vs. Western Union Telegraph Company*, a case which I had the honor to argue, Chief Justice Fuller delivered his first opinion after appointment to the bench in support of the proposition that a tax upon receipts derived from interstate telegraph messages was, in effect, a tax upon the messages themselves.

In the famous case of the State tax on foreign-held bonds, reported in 15 Wallace, at page 300, reversing the supreme court of Pennsylvania, the Supreme Court of the United States held that a tax of 5 per cent imposed upon the interest upon corporate bonds was in substance a tax upon the bonds themselves, and therefore invalid as applied to bonds held by nonresidents. Upon this point the decision of the court in the income tax was in harmony with its previous rulings and with common sense.

If you tax a man upon the rent derived from his farm because so derived, or if you tax him upon all the wheat raised upon a certain farm because raised upon that farm, you will have difficulty in convincing him that his farm has not been made the subject of taxation. The gentleman from Texas admitted that income derived from the interest upon a municipal bond is a tax upon the bond itself. How, then, can he argue that income which consists of rent from a farm is not a tax upon the farm itself?

But, we are told, there have been changes on the Supreme Bench, which now contains two justices who did not participate in the former decision, and that possibly upon a rehearing under a new statute the court might come to a different conclusion. They propose, therefore, to reenact that tax and rest the success of our armies and navies upon the hazard that the immutable principles of law may be changed, or that the Supreme Court may change its mind. They propose to say to our brave soldiers and sailors, "Go ahead and fight, and we will pay you when the Supreme Court of the United States reverses itself."

There is no assurance and, indeed, no prospect of any such reversal, and it would in any event take the greater part of a year to get a test case into that court for its decision. That is the way

the gentleman from Missouri intends that we shall "pay as we go."

Gentlemen who voted freely to issue 4 per cent bonds in time of peace will now vote against 3 per cent bonds to meet the exigencies of war unless they are made payable in silver. How would that work? Who would buy the bonds, and what would we get for them? If you want an example of the free-silver theory as applied to government indebtedness, turn to Mexico. Upon every Mexican bond held by a nonresident that Government has to pay in interest the equivalent of \$12 in silver upon every hundred of principal.

We propose to borrow money at 3 per cent, and to do it by making it payable, principal and interest, in money which shall be kept as good as gold. We propose to make this a popular loan. The bonds are to be for \$25, or multiples thereof, so that all the people may be taken into the partnership and have an interest in the Government and in the war.

The silver question before the eye of the opposition so blinds their judgment to all the dictates of patriotism, statesmanship, or even common business sense that they oppose this proposition and propose to destroy the credit of the Government, make its bonds utterly unsalable, and prevent it from raising the necessary funds by making them payable in silver or else defeating the issue entirely. And this they call paying as we go.

Mr. Chairman, this country, after four years of hardship and distress, was fairly entered upon a course of unexampled prosperity. I was not one of those who sought to drive our people from the downy bed of prosperity to the "flinty and steel couch of war"—war, with its sad concomitants of debt, taxation, devastation, and death. I was one of those who voted and who labored in season and out of season to sustain the President in his patriotic efforts to accomplish, without recourse to arms, all that humanity and a just regard for the dignity and honor of our flag required should be accomplished.

I voted for the House Cuban resolution because it left still an opportunity for an honorable, peaceful solution, which I hoped, almost against hope, might yet be accomplished. I voted against the Senate resolution because it would have closed the door ut-

terly to further diplomatic negotiations, and because it proposed to recognize as an independent government, entitled to a place and standing among the nations and governments of the earth, the present so-called republican government in Cuba.

I was opposed to such recognition because there is no stable and fixed government there to be recognized; because President McKinley had advised against such recognition; because, in my judgment, the power of recognition is vested by the Constitution in the President and not in Congress, and because such recognition would substantially have placed the Army and Navy and Treasury of the United States at the service of a handful of men over in New York known as the Cuban junta. Should we now recognize that as an existing government? Then, in accordance with international law, when our armies land upon Cuban soil or our navies are in Cuban waters, they must fight under the Cuban flag and be under the direction of Cuban officers.

Our own gallant commander, Major-General Miles, the hero of a hundred battles, with Brooke and Merritt and Lee and Wheeler, or whosoever may command our forces in Cuba, must serve under direction of Gomez, who, brave though he may be, has never in his life handled as many as a thousand men in one engagement. I opposed such recognition because, if treated as an independent government, the ten or a dozen men who control the affairs of Cuba might at any time conclude on their own account a treaty of peace with any other nation or even with Spain herself, whereby the United States would be left entirely out in the cold and be placed in a very equivocal condition, diplomatically and otherwise.

Even France, when she recognized our independence in the war of the Revolution, insisted upon a previous agreement that we would not make peace with England without her consent. And yet it was proposed absolutely and without condition to recognize and treat as an independent sovereignty a government which Consul-General Lee testified before the Senate committee was nothing "except the skeleton form of a government—a movable capital," a capital which, according to the testimony of a Cuban officer, consisted of three houses and eight inhabitants, the controlling spirits of that government residing in the city of New York.

This testimony of General Lee was given April 12, 1898, before the Senate committee. It ought to have put an end at once to any thought of such recognition. But the gallant general was too popular. His reception by the country upon his return from Cuba was too much in the nature of an ovation. His name was even suggested as a possible Democratic nominee for the Presidency.

That did not suit William J. Bryan and the free silverites, and so it happened that at a banquet held in this city on the evening of the 13th of April, at which leading Senators and Members were present, Mr. Bryan declared that that government ought to be recognized, and after a speech by my friend the gentleman from Arkansas [Mr. DINSMORE], and upon a motion put by him, it was unanimously resolved that those present at the banquet, representing, as it was claimed, 6,000,000 voters who supported Bryan and the free-silver cause, should insist upon the Senate resolution, and thus some Senators who otherwise would have opposed it were brought to its support.

But, happily, we were enabled to defeat that clause; and now that we must fight, we will fight in Cuban waters and upon Cuban soil under our own beautiful and glorious banner, and under the direction of our own commanders. And when we have accomplished the noble purposes for which we fight we shall be in position to make peace upon our own terms. American citizens have been confined in Spanish prisons without cause, and indignities have been heaped upon others.

Our officers and representatives have been treated with scant courtesy. The property of American citizens upon the Island of Cuba has been destroyed without compensation. Our trade has suffered. Our commerce has been injured. We have been compelled for a long time to keep men and ships constantly employed, at great expense to our Government, to prevent American citizens from aiding the Cuban insurgents, in violation of neutrality laws. Our humane efforts to feed the starving on the Island of Cuba exasperated the Spanish people.

The irritation increased until finally, on the night of the 15th of February, while our battle ship *Maine* was lying peacefully at anchor at a buoy designated by the Spanish authorities, 258 American seamen and officers, sleeping under the American flag

in a supposed friendly port, were, by the explosion of a submarine mine, hurled instantly into eternity, and the costliest and most perfect war ship the world has ever seen, the pride of the American Navy, was sent, a tangled mass of wreckage, to the bottom of the foul harbor of Havana.

With a patience for which they deserve inexpressible credit, the American people, stunned and shocked as they were by this awful crime, awaited patiently the result of a judicial investigation. But before it was received they were still further appalled by authentic reports and detailed narratives of crimes committed by or in the name of the Spanish Government upon innocent non-combatants, mostly women and children, upon the Island of Cuba, almost under the shadow of the Stars and Stripes, which for cold-blooded and hellish ingenuity of planning, success in execution, and extent of resultant suffering and death exceeded anything of which the present generation has ever heard or read.

Think of 300,000 deliberately herded together like cattle, prevented from obtaining the necessities of life, and doomed to die by slow starvation, more than 50 per cent of their number having already thus perished. The food contributed by charitable Americans or purchased by money appropriated by the American Congress, the reconcentrados were not permitted to cook, because they were not permitted to obtain the necessary fuel.

The reports of our consuls showed such a frightful state of facts that our Government, for a time, withheld them from publication until they were verified from other sources. When the report of the court of inquiry upon the *Maine* disaster was made known and the people became gradually acquainted with these further crimes against humanity, there came swelling and surging up to Congress the voice of seventy millions of indignant and outraged American citizens, demanding action. In response to the demand of the President of the United States, the Spanish order of reconcentration was nominally revoked; and yet the reconcentrados were not permitted to depart.

The Spanish Cortes pretended to appropriate a large number of pesetas (equal to \$100,000) to their support, but not a peseta ever reached them. These facts and the discovery of the De Lôme letter showed the duplicity and the insincerity of Spanish dealing

and Spanish promises. Then the President of the United States demanded that the Spanish troops should be withdrawn from Cuba and the people of that island be permitted to take care of themselves. The only reply was the recall of the Spanish minister from Washington and the discharge by the Spanish Government of the American minister at Madrid.

Thus were all negotiations ended between the two countries. The *Maine* is unavenged and unapologized for. The same revolting crimes against humanity are continued in Cuba, and every possible insult has been heaped upon our people, who have borne much and suffered long. And so it came about that both Houses of Congress unanimously declared war, and that war has existed since Spain literally threw in the face of the American people the ultimatum which the President by order of Congress had sent for her consideration.

The patriotism of the American people is stirred to the highest pitch. The different parts of the country vie with each other in patriotic offerings. It is a magnificent spectacle—that of this reunited country. Men who wore the blue and men who wore the gray in deadly combat against each other now march shoulder to shoulder against the common enemy. The services of brave and gallant generals of the late Confederacy are freely offered to the Government and I hope may be accepted.

It is the duty of the Government and the desire of the people to bring this war to a glorious and triumphant end as speedily as possible. To accomplish that purpose large sums of money are necessary and must be raised quickly. The people demand this and they will not be slow to punish those who, for the hope of gaining some slight party advantage, strive to weaken the hands of the Administration by withholding from it the financial support of which it is in such immediate and urgent need.

The CHAIRMAN. The time of the gentleman has expired.

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