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THE WAR WITH SPAIN.

SPEECH

of

HON. SETH W. BROWN,

IN THE

HOUSE OF REPRESENTATIVES.

FRIDAY, APRIL 29, 1898.

WASHINGTON. 1898. A. C. D. C.

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SPEECH

OF

HON. SETH W. BROWN.

On the bill (H. R. 18109) to provide ways and means to meet war expenditures. Mr. BROWN said:

Mr. CHAIRMAN: I am placed under obligations to my distinguished colleague from Ohio [Mr. Grosvenor] for his kindness in yielding to me a portion of his time, which he could so well occupy in closing this most interesting debate.

Mr. Chairman, I will attempt to very briefly review some of the more important provisions of this bill and perhaps add some observations on the necessity for its prompt passage.

More money is needed by the Government. This bill proposes to raise more money. It is a resort to what in times past we called war taxes. It is a bill to produce war money. It is made absolutely necessary by present conditions. The ordinary income of the Government is not sufficient to meet the demand now made for funds to carry on the war in which the nation has become involved.

If the war had not come, there would now be no necessity for a measure of this nature. Under the tariff law passed at the extra session of the present Congress last year, the income of the Government had already become about equal to its peace expenditures. In fact, during the months of February and March of the present year our revenues exceeded our expenditures by the sum of about \$3,000,000, and it is as good as certain that if peace conditions had continued we would now be in the early days of a period wherein our revenues would equal and, indeed, exceed our expenditures. The tariff act of July 24, 1897, has already justified the hopes of its friends. As a measure for producing revenue needed for all the wants of the Government in time of peace, that act is already an established and undisputed success.

But the tariff act of last year was not designed to raise funds necessary to meet both peace and war expenses. At the time it became a law, last summer, it was hoped that the trouble between this country and Spain would pass by without resort to the firing of a hostile shot. Now all conditions are changed. We are in the beginning of a war, the end of which no man can see.

What is the necessity of raising additional money? We hear it said there is a Treasury balance in each which is sufficient. This is not so. It is true there is an apparent cash balance in the Treasury of over \$200,000,000, but many deductions must be made from this amount. There must be taken from this sum the gold reserve of \$100,000,000. After deducting this amount and other sums which must be taken therefrom, there is actually in the Treasury now as an available cash balance less than \$60,000,000, and from this amount there must be subtracted the sum of \$50,000,000 heretofore appropriated by a single act; and, further, there has already been created—properly, no doubt—a deficiency of perhaps \$35,000,000. So, as a matter of fact, there is substantially no cash on hand with which to continue the war.

Do we stop to consider the immense cost of war? It has been stated here in this debate that a single shot from some of our guns costs \$1,600. The war preparations so far have cost the Government about \$25,000,000 a month.

It is safe to say that the war expenses of the Government may be reasonably expected to reach \$1,000,000 a day. If the war shall continue a year, though we may hope it will end in less than three months, we shall be put to a war expense of, say, \$365,000,000. This money must be raised, or at least the measures by which it can be raised must be enacted by Congress, so that, whether we shall remain in session or adjourn, the Administration may be clothed with power to precure all the funds needed to meet all calls.

We call this an internal-revenue bill, and so it is. It produces money from internal sources. It taxes our own goods. It is not levied and collected on foreign imports. It is internal, not external. It opens sources of revenue not resorted to in ordinary times. It is an extraordinary measure for an extraordinary occasion. It is a kind of taxation which would not be favored, at

least for the raising of so much money, in a time of peace. The expenses of war alone justify the raising of so much money from these internal sources.

It is expected that this measure, as it now stands, will produce about \$100,000.0 0 a year, or, as it is more definitely figured, \$95,000,000. The precise amount which will be produced can only be determined after the act has rone into operation.

It is provided in this bill that there shall be an increase of tax on formented liquous. From this product it is expected \$33,000,000 will be obtained. An increase of the tax on tobacco from 6 cours to 12 cours a pound, it is calculated, will produce \$15,000,000. The limit ase to 51 a the usual on cirars and ciparettes, it is estimated, will put into the Treasury \$5,000,000. Then the tax of \$1.5000 could put into the Treasury \$5,000,000. Then the tax of \$1.5000 cach dealer in telegrap and cigars is restored, and this, it is believed, will ald \$5,000,000 more. There is also restored the nodes we stamp tax, which it is figured will add to the income produced by this bill an additional \$5000,000.

We speak of some of these tax is as being restored, meaning by this that these sources of revenue were fermenly resorted to by the Government. They were attenwards removed, and now we propose to restore them. There is also a tax imposed by this bill on chewing gruin, in neval waters, wines, heverages of all sorts not otherwise taxed on for internal revenue laws, and proprietary mediciness, which, it is estimated, will add \$5,000,000 more. To these sums is added an ancreased to image on vessels in the foreign trade, which it is believed will increase the aggregate by the sum of \$2,500,000, bringing the whole up to \$05,700,000 for one year of the kind of internal taxation.

It is to be noticed of the products taxed by this bill, that they are what are do ignated as articles of voluntary consumption—that is, they are articles which men may consume or not, as they lake. No max is him sed on bread. Here are taxes collected from liptors, to be so, and creates, and other things, which people may consume or not, as they wish. The prices of the necessities of life are not to be raised by a lything in this bill. And it is further a be observed that the large it most \$40,000,000,000, to be derived from providers relating to adhesive stamps, will be a sum that can be paid by those whell we the ability to pay, as a gen-

eral rule. Men who give bank checks have funds to check upon. Those who purchase drafts are able to pay for the required stamps. Those who sell lands and execute deeds therefor are presumed to be able to pay for the stamps required for their written conveyances; and so on through the long list of papers which will now require adhesive stamps. Those who will be put to the expense are those, as a general rule, who will be able to pay.

But if we are to have war expenses in the sum of at least \$1,000,000 a day or \$365,000,000 a year, and if this bill shall produce \$95,000,000 a year, it will still be utterly insufficient to raise all the money needed to go ahead with the war. What then? Something still further is needed.

On the other side of the House it is proposed that we shall raise a large sum of money by what is called an income tax. It is proposed that we impose a tax on all incomes over a specified sum. There is much to be said in favor of an income tax, which falls upon those who actually have large incomes of money, and who, of all our people, may be presumed to be prepared to pay the proposed tax with the least injury or inconvenience to themselves.

This proposition is an old one. It has been talked about in Congress and out of Congress for a long time, and the people of the country are familiar with the arguments one way and the other, and with the history of legislation along this line. In 1894 Congress passed an income-tax law. What was the result? The Supreme Court of the United States decided that the law was unconstitutional. There is no occasion here to enter into a consideration of the grounds on which the Supreme Court made this decision. It is enough for us to know now that such a decision was made, and that it stands unreversed and apparently not questioned by the great body of the legal profession in this country. The court said squarely and directly that the provisions of the act of 1894 were contrary to the clear and explicit provisions of the Constitution, and this decision ended that law. It is on our statute books to-day, but it is a dead letter.

It is difficult to see on what safe ground gentlemen can place themselves in proposing that we put into this bill a provision taxing incomes. Men may say that it is fair to tax incomes and that they would be glad to see these incomes pay a large part of the financial burthens of war; but if this can not be done under the Constitution, what is the use to talk about it? It is claimed that provise us taxing incomes might be so framed as to meet the constitutional objections to the income tax, but this is a matter of very grave doubt; and being so, could we afford at this time to experiment upon a further trial of the effort to tax incomes? Would it be safe now, when money must be immediately raised, to attend to raise it, or any large part of it, in a way which our highest court has said is absolutely contrary to the Constitution of the United States?

At bost, this effort would be laring us another lawsuit. We would awain go to the Supreme Court. There would be people ready at an hour's notice to make a test question on which the Supreme Court would again be called upon to pass judgment on the constitutionality of the provision. In short, we would again and almost analyse of the provision. In short, we would again and almost analyse in the matter of money needed to carry on the work is this a time to try further experiments in this direction, and especially is in the time to put such a provision in the present bills. Cortainly we ought to so exact this bill that it will be free trained by question of doubt. It should not contain the germ of a laws of the should be clear and plain, and such that it can be immediately put into operation, without the possibility that anybody wall carry it to the Supreme Court to question whether it is in harmony with the Constitution.

If it should be regarded as the duty of Congress to attempt to pass an act raising meney from incomes, why should not this be by a bill separate from all other bills, so that if it should fall it would not involve any other provisions in its fall, but would accome by itself and affect nothing else? Clearly, it is a mistake to try to put an income-tax provision into this bill.

What else is proposed on the other side of this House? It is said that we ought to raise some of these war moneys by the issue of salver certificate on what is called the seigniorage. What is this proposition? We have in the Treasury to-day about 110,000,000 came is on silver. We paid for it about \$100,000,000. Seigniorage is the profit which the Government derives by the coining of this bullion in the room y.

Silver bullion which costs the Government less than \$1 is coined into \$1. The difference between the cost of the bullion and the dollar coined therefrom is called the seigniorage. This profit which the Government makes, which is the amount of difference between the cost of the silver bullion and the amount of the coined money, is the seigniorage. But there is no seigniorage, there is no profit derived in this way, until the bullion is coined; and therefore there is now no profit and nothing on which to issue the proposed silver certificates. This profit, we are not to forget, is not ours until the bullion is actually coined; but even if we had authority to issue right now silver certificates on the difference between the cost of this bullion and the amount of the money which it would produce if coined, we still have the fact that the amount of these certificates, the amount thus raised, would not be sufficient to carry on the war a month.

This bill provides that the amount of money probably needed in addition to the \$100,000,000 thus raised by taxation shall be obtained by the sale of bonds. The Secretary of the Treasury is authorized to issue and sell bonds to an amount not exceeding \$500,000,000. It is proposed that these shall be disposed of so that the loan shall be a popular one. Bonds are to be issued in denominations of \$25 and multiples thereof. These bonds are lower in denomination than any ever issued in this country. That is, we propose to raise \$100,000,000, or about that sum, from the sources of taxation especially mentioned, and then we will borrow, if necessary, \$500,000,000 more. The authority to do this is placed in the hands of the Secretary of the Treasury. He is not required to issue and sell all of these bonds, and it may be assumed that he will only issue and sell such amount thereof as may be necessary to raise the money needed.

If the war should happily end in a few weeks, or a few months, these bonds will not all be issued and sold. On the other hand, if the whole amount should be needed, there will be in the hands of the Administration the power to borrow the money. Of course it is a cause of regret that the nation is put to the probable necessity of borrowing money. We have never regarded a national debt as a national blessing. The national debt in 1865, at the close of the civil war, amounted to \$2,385,000,000. This debt we proceeded to

pay off, so that in 1993 it amounted to less than \$500,000,000. We are not the friends of a national debt. We do not believe in a national debt, and when a national debt is created we believe in paying it off. The only reason for the creation of the proposed debt now is necessity, and that necessity is created by war upon which we have entered in the belief that it is just and that we could not honorably have escaped it.

What is the cause of the war for the expenses of which we impose these taxes? We have stated the cause in the preamble to the resolutions which Congress recently adopted, in which we declare that our course is made nocessary by "the abhorrent conditions which have existed for more than three years in the Island of Cula, so near our own borders." We further say in this preamble that these conditions "have shocked the moral sense of the people of the United States, have been a disgrace to Christian civilization, culminating, as they have, in the destruction of a United States battle ship, with 206 of its efficies and crew, while on a friendly visit to the harber of Havana;" and we further say that these conditions, with the results, "can not longer be endured."

I here a civil zell nation in Hunope that would have endured such coucht ons, near its own borders, as I mg as we have endured those thing, here at our doors in the unhappy Island of Cuba?

What factly refer we say as one of the propositions on which we stored or waging this wark. We say that to the people of the Island of Calla are and of right ought to be free and independent." How could we allow a lindependence. How could we in the enjoyment of our freedom and independence of any people who strive to throw off the yoke of opposition how could we do less than say that the people of the Island of Calla are and of right ought to be free and independent? Which all the earliers in the world, ought to be the first to say that are 10% dirst people for us to say it to are those who, almost within some of our shores have for more than three years vindicated in the first to be true and independent.

It was the proposed by our resolutions, as they passed the Serare that we should recognize the Republic of Cuba as the true and levelal government of that island. It seemed to me that this

was also the proper thing for us to do, and I voted accordingly. It appeared to me that it was due the builders and defenders of the Republic of Cuba that we should recognize it as the true and lawful government of the Island of Cuba; but this is not perhaps a matter of vital importance now, for, as we kave recognized the fact that the people of the Island of Cuba are and of right ought to be free and independent, we can and doubtless will at an early day recognize the independence of their republic.

And what further do we say in the declaration on which we have gone to war? We say this:

That the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said island, except for the pacification thereof, and asserts its determination, when that is accomplished, to leave the government and control of the island to its people.

And what a grand declaration this is to be made now by our great Republic. Will not this declaration win for us the respect, regard, and admiration of thoughtful men throughout the world? We have no purposes of conquest, and we declare that fact to mankind. We do not seek to permanently acquire a single square foot of foreign ground by force of arms. How else could we so grandly state the unselfish nature of our purpose? We go out with our Army and our Navy in the cause of humanity. We raise our battle flags and carry them to the front with the determination to rescue a people from conditions which we say are a disgrace to Christian civilization.

It may be that in time to come, through friendly negotiations, Cuba may become a part of the territory of the United States, but this shall not come about through conquest. Did a people ever before in the world go to war with higher or purer motives? We can not expect indemnity from Spain. Even if we could exact it, she probably could not pay it. But whether this be so or not, we declare in a solemn way that we go to drive Spain from Cuba, but not to acquire Cuba. If success shall come of our effort—and of this no man can doubt—the end of the war will find us having gained no territory by military conquest. Will not such a war, waged on such high grounds, give us a standing in the respect of the world which we have never had before, and above all will it not make us all feel that we have done that which the right demanded, without hope of reward other than the satisfaction which comes from following the high path of duty?

The truth of the old saying that history repeats itself comes home to us now. History is to-day repeating one of its glowing chapters. The scenes of 1991, though on a smaller scale, are again one to d. The nation is once more aroused. Again we feel the enthusies in which a just war creates.

The flag of our Union now represents States—forty-five of them—found tog them a couly by constitutional ties, but united in the count and unpresent all their people, and this flag waves there is religible to a firm which would house rop in all the land, as the transmitted and manching column, and associated as a district and the remarkable terms of the remarkable terms arises, and more larger than the control of the form of the land there since the last them over the behold there since the last them over the behold there since the last the last the last them.

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where we have the entire this solution divides all the civil war, many of where we have a constant of the present contest. It is a solution of the present contest. It is a solution of the entire the manner paid them a consequence of the solution of the entire the first higher recognition. It was the first handle discharge of the soldier or sailer than I was a confidence, fully entitling him to appointment to by all every sition in the civil service of the United States, and where expectation in under the civil service law, and with the entire content of the proper to prescribe. On the 21st day of the first handle was a position in the House a bill to give this effect to extend the entire the civil service has a first day of the first handle was a solution. That bill is as follows:

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of the order of heads of such civil

service, without any examination or test other than such heads of Departments or officers may prescribe.

SEC. 2. That the rules made or which may hereafter be made under the provisions of an act entitled "An act to regulate and improve the civil service of the United States," approved January 16, 1883, shall not hereafter apply to nor regulate the employment or appointment of persons who now are or who shall hereafter be honorably discharged from the military or naval service of the United States, as aforesaid, to offices or positions in said civil service nor to the removal of such persons therefrom, and in so far as said act can be construed to regulate or authorize the making of rules for the employment or appointment of persons honorably discharged as aforesaid to, or their removal from, offices or positions in the public service, the same is hereby repealed, and all rules which have been, or which may hereafter be, adopted or promulgated inconsistent with this act are hereby annualled and reseinded.

The civil-service law is so harmful to the public service, keeping persons in place after they become inefficient from age or other cause, and is so at variance with sound principle, and is so unfair and unjust to those who perform good, honest, and patriotic work for the success of their party, that I would prune it down to harmless proportions, leaving it to apply only to a few of the many classes of officers which it now covers. But, failing to secure its severe modification at this time, I would now at least repeal it in the case of every honorably discharged soldier or sailor. I shall hope that this bill may receive the favorable consideration of this House. I think it is properly entitled "A bill to recognize the services of soldiers and sailors and to encourage patriotic responses to calls for volunteers."

And history repeats not only the record of the soldier who obeyed, but it reproduces in some measure the picture of the leader who commanded. Lincoln was a poor boy; so was Mc-Kinley. Lincoln studied his books, told the truth, and loved his parents; so did McKinley. Lincoln was a soldier in the only military service required when he was young and strong. He volunteered to perform service against the Indians. McKinley, in the days of his maturing manhood, enlisted in the grand Army of the Union. Lincoln served in this House: so did McKinley. Lincoln as President was confronted by new problems; so is McKinley. Lincoln was careful, prudent, hearing all things, bearing all things, weighing all things, and slow to step but sure to stand; and the same is true of McKinley.

The repetition of history goes still further. On the 4th day of July, 1861, three months after the war had been commenced in the harbor of Charleston, in his message to Congress Lincoln declared 3713

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taxation which our highest court has pronounced unconstitutional. If the Congress should be in duty bound to tax the incomes of the rich to help pay the expenses of war, let it be done or attempted in a separate bill, which, failing before a constitutional objection, would not in any manner retard the collection of revenues from sources that are clearly within the taxing power. Action prompt and sure will best support the President, and will grandly show our enemies and the whole world that in the presence of danger we here can act in harmony, as the people we represent are moving together in the service of our common country and in the cause of our common humanity.

To pass this bill promptly and wisely spend these revenues in the purchase and building of ships, and in providing armaments and munitions of war, and in paying the soldiers and sailors who will fight our battles on land and on sea, will expel Spain from this fair portion of the earth; will give strength to homeless women, starving in pens and prisons, and nourishment to children perishing on the breasts of dying mothers; will build new homes in Cuba and turn the ashes of her waste places into the rich products of her fruitful fields; will show that men who have had the strength and courage to successfully resist the vast armies sent to subjugate them will be virtuous enough and great enough to maintain their independence; and will bring to us the best indemnity for the Maine and build the loftiest monument to her heroic dead.

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