HOUSE OF REPRESENTATIVES.

WEDNESDAY, *February 16, 1898.*

The House met at 12 o'clock m. Prayer by the Chaplain, Rev. HENRY N. COUDEN.

The Journal of yesterday's proceedings was read and approved.

ADULTERATION OF FLOUR.

Mr. TAWNEY. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution.

The Clerk read as follows:

Resolved, That the report of the Secretary of Agriculture on the adulteration of wheat flour submitted to the Committee on Ways and Means be printed for the use of members of the House, the number thereof not to exceed in cost the sum of $500.

Mr. TERRY. Mr. Speaker, I do not know but that this may take up time, and we have very little time for the consideration of the bankruptcy bill.

Mr. TAWNEY. Will the gentleman allow me to make a statement before he enters an objection? The Committee on Ways and Means are about to hear the representatives of the millers of the United States on Saturday of this week. This report covers an investigation which the Department has made during the past year as to the adulteration of flour.

Mr. TERRY. All right. Go ahead.

Mr. TAWNEY. We desire to have the report printed for the use of the committee on the hearing.

Mr. RICHARDSON. What committee, may I ask?

Mr. TAWNEY. The Committee on Ways and Means.

Mr. RICHARDSON. The Ways and Means Committee have the power to have printed all matter they desire on questions pending before that committee. That authority was given and that committee has that power now.

Mr. TAWNEY. To the extent of only $500.

Mr. RICHARDSON. This House can not give authority to go beyond $500.

Mr. TAWNEY. We do not ask that the committee shall have more than that.

Mr. RICHARDSON. Then you have that authority now.

Mr. TAWNEY. But we have other matters to print besides this. This is a report of the Secretary of Agriculture, and it is a matter of vast importance to every member of the House.

Mr. RICHARDSON. The only thing about it is, it is putting it within the power of the committee to print to an extent exceeding $500.

Mr. TAWNEY. No, it is not.

Mr. RICHARDSON. Then you have that power.

Mr. TAWNEY. We ask that the House have the printing done.

Mr. RICHARDSON. But the House can not authorize printing exceeding $500.

Mr. TAWNEY. We do not ask the House to do so. We ask the House to print a number of copies of this report costing not to exceed the sum of $500.

Mr. RICHARDSON. A question comes up in which the committee want to have printing done, and they ask the House to print it in order that the committee may be able to have other printing done, thereby giving the committee still larger opportunities of having printing done. That is not right.

Mr. TAWNEY. If the gentleman from Tennessee will consider for a moment, this is a matter that is of very great interest to all the members of the House. The gentleman will hardly insist that we should use the fund allowed under a previous order of the House for the publication of a report in which the whole House can get light on this subject; and while the House is interested in those matters that the committee consider, the House is especially interested in this, as much so as the Committee on Ways and Means.

Mr. RICHARDSON. I do not see the chairman of the Committee on Printing. I shall not object; but it is irregular.

Mr. DINGLEY. I will state to the gentleman from Tennessee that this investigation that has been made by the Secretary of Agriculture is an exceedingly important one, and the whole House should have it as a document for information. It was sent to the committee. If it had been sent to the House directly, it would have been published as a document; but to avoid delay the committee have made this request.

Mr. RICHARDSON. I would like to have the resolution read again.

Mr. TERRY. If you use further time, I shall have to call for the regular order.

Mr. TAWNEY. I hope the gentleman will not object. It simply delays the business of the committee that we are considering.

The resolution was again read.

Mr. RICHARDSON. Let it be printed as a document.

Mr. TAWNEY. Print it as a House document.

Mr. DINGLEY. That is what it should be.

Mr. TAWNEY. Let it be modified, so that it shall be printed as a House document.

Mr. RICHARDSON. And then it goes to the proper files; as it is now it would not go to the files.

Mr. TAWNEY. Certainly.

The SPEAKER. Is there objection to the proposition as amended? [After a pause.] The Chair hears none.

The resolution as amended was agreed to.

ORDER OF BUSINESS.

Mr. BERRY. Mr. Speaker, I ask unanimous consent for the present consideration of the following——

Mr. TERRY. Regular order!

Mr. BERRY (continuing). Joint resolution 115.

Mr. TERRY. I will have to ask for the regular order. There are a number of gentlemen asking the same thing, and I can not discriminate.

The SPEAKER. The regular order is demanded, which is Senate bill 1035. The Clerk will read the special order.

The Clerk read as follows:

Ordered, That the bill of the Senate S. 1035, an act to establish a uniform system of bankruptcy throughout the United States, be taken up for consideration on Wednesday next immediately after the approval of the Journal, and that general debate thereon continue during Wednesday, Thursday, and Friday, and that said bill be considered in the House as in Committee of the Whole under the five-minute rule on Saturday, the vote to be taken at 4 o'clock Saturday; that Monday be substituted for Friday and Monday night for Friday night for the consideration of business under the rule.

Mr. HENDERSON. Mr. Speaker, the gentleman from Alabama [Mr. UNDERWOOD] desires to say a word.

Mr. UNDERWOOD. Mr. Speaker, I desire to ask unanimous consent to have an amendment printed in the RECORD which I shall offer and which will be called up later on, so that everybody will understand what it is.

The SPEAKER. The gentleman from Alabama desires unanimous consent that there may be printed in the RECORD an amendment which may be considered at a subsequent period. Is there objection? [After a pause.] The Chair hears none.

The amendment proposed by the gentleman from Alabama [Mr. UNDERWOOD] is as follows:

Amend the bill (S. 1035) by striking out the following:

(1) Lines 18 and 19, on page 17.

(2) The words "an involuntary petition or" where they occur on line 3, page 18.

(3) All after the word "bankruptcy," on line 7, page 18, to "court," on line 10, page 18.

(4) The word "corporations" where it occurs on line 16, page 19.

(5) All after the word "acts," on line 19, page 19, down to "(21)," on line 22, page 19.

(6) All after the word "act," on line 24, page 19, down to "(22)," on line 1, page 20.

(7) The word "corporations" where it occurs in lines 21 and 22, on page 20.

(8) All of section 2, on pages 21, 22, 23, and 24.

(9) Lines 15, 16, 17, 18, and 19, on page 24.

(10) All after the word "court," on line 6, page 27, down to the word "with," on line 8, page 27.

(11) All after the word "petition," on line 8, page 27, to the words "a schedule," on line 9, page 27.

(12) The words "or against a person," on line 19, page 28.

(13) The words "against him," on line 17, page 29.

(14) All after the word "persons," on line 24, page 35, down to the word "for" on line 1, page 36.

(15) All after the word "Adjudications," where it occurs on line 14, page 37, down to and including line 21, page 37.

(16) The words "The bankrupt, or," on line 22, page 37.

(17) The words "the bankrupt, or," on line 3, page 38.

(18) All after the word "trials," on line 24, page 38, down to and including line 13, page 39.

(19) All of "section 32," on page 47.

(20) Lines 8 to 25, inclusive, on page 67, and lines 1 to 12, inclusive, on page 68.

(21) The words "other than original petitioners," an line 13, page 68.

(22) The words "voluntary or involuntary," on line 17, page 68.

(23) The words "or against," on line 19, page 69.

(24) All after the word "petition," on line 6, page 72, down to "(3)," on line 7, page 72.

(25) The words "or against," on line 13, page 75.

(26) All of "section 69," on pages 76 and 77.

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that the first reading of the bill be dispensed with.

The SPEAKER. The gentleman from Iowa asks unanimous consent to dispense with the first reading of the bill. Is there objection? The Chair hears none.

Mr. HENDERSON. Of course the bill should be printed in the RECORD for the information of the House.

Mr. RICHARDSON. Mr. Speaker, how long is the bill?

The SPEAKER. It is a bill of 80 pages.

Mr. RICHARDSON. It strikes me that it is a very unusual thing to print a bill in the RECORD under these circumstances.

Mr. HENDERSON. The object is to have it in the RECORD for the information of the House.

Mr. RICHARDSON. The bill is liable to be changed in many particulars, and I never have known of a bill of that length, 80 pages, being printed in the RECORD under these circumstances. The RECORD is only 30 or 40 pages usually, and now you are going to load it down with 80 pages of the bill.

The SPEAKER. It requires unanimous consent to have it printed in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The bill is as follows:

[Omit the parts in brackets [ ].]

An act (S. 1035) to establish a uniform system of bankruptcy throughout the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That any debtor, other than a corporation, owing $200 or more, who is unable to pay his debts, may file his petition in the district court of the United States for the district or division thereof in which he resides, or if he be a resident of the District of Columbia, then in the supreme court of said District, or if he be a resident of a Territory, then in the district court of such Territory in the district in which he resides, asking for a discharge from his debts, and offering to surrender all his property for the payment of his debts, except such as is exempt by the law of his domicile from execution and liability for debts; but the petition shall not be filed in such court unless the petitioner has resided in said district or division at least six calendar months immediately preceding the filing of the petition. The petitioner shall attach to his petition as a part thereof a schedule and list of all his property, exempt and unexempt, and a schedule and list of all his creditors and the amount and nature of the debts due each, with the residence and post-office address of each, if known, and shall in his petition state his inability to pay his debts, and that the list and schedule of property and creditors is true and correct, and shall offer to surrender all his unexempt property for the payment of his debts, and shall conclude with a prayer for a full discharge from his debts and liabilities. Said petition shall be duly verified by the oath of the petitioner, and he shall deposit with the clerk of the court at the time of filing the petition the sum of $20 to pay the cost of the proceedings.]

[SEC. 2. That when said petition has been filed as aforesaid the court shall be deemed to have acquired jurisdiction of the subject-matter of said proceedings, and all the creditors of the petitioner shall be made party defendants, and the court shall immediately proceed to make an order fixing a time and place for the hearing and consideration of said petition, which time of hearing shall be not less than thirty nor more than ninety days subsequent to the date of such order. Such order shall be served by the clerk of the court on the creditors by mailing a copy thereof, at least twenty-five days before the day of said hearing, to each creditor in a proper envelope, with postage prepaid, addressed to the creditor at the post-office address specified in the schedule of creditors attached to the petition, and said order shall in the meantime be published once a week for four successive weeks prior to said hearing in a weekly or daily newspaper of general circulation in the vicinity of where the petitioner resides, to be designated by the court in the order aforesaid. When said order has been served and published as aforesaid the court shall be deemed to have acquired jurisdiction of the person of the creditors, and they shall be deemed to be parties to the proceedings.]

[SEC. 3. That the court in which said petition is filed shall be deemed to be always open and in session for the hearing, trial, and determination of any and all matters pertaining to or connected with the matter of said petition or the proceedings arising therefrom; and material issues of fact arising at any stage of the proceedings shall, on the demand of the petitioner or a creditor, be tried by a jury, and if a jury is not then in attendance the court may specially summon a jury for such trial, or the trial may be postponed until a regular petit-jury panel is in attendance. Except in the cases where a jury trial is demanded as aforesaid, all issues of fact shall be tried by the court without a jury.]

[SEC. 4. That at the time and place fixed in said order for the hearing and consideration of said petition the creditors, or any of them, may appear and answer said petition and take issue with any of the matters and facts therein alleged, and may contest the right of the petitioner to a discharge from the payment of his debts upon the following grounds, to wit:]

[First. That the petitioner has knowingly omitted or withheld some part of his property from the schedule and list appended to the petition, or that he has in any other manner concealed or withheld any of his property from the knowledge of the court or his creditors.]

[Second. That the petitioner, being insolvent, has, at any time within four months prior to the filing of said petition, conveyed, assigned, transferred, concealed, or in any manner encumbered his property, or some part thereof, with intent to hinder, delay, or defraud his creditors, or any of them.]

[Third. When the petitioner, being a banker, broker, merchant, trader, manufacturer, or miner, and being insolvent, shall have given at any time within the four months aforesaid a preference to any of his creditors, or shall within the same period have suffered any of his creditors to acquire any such preference by legal proceedings or otherwise. If upon due trial the finding is against the petitioner upon either of said grounds, he shall not be discharged. Should a discharge be refused by the court upon any of the grounds specified aforesaid, the same proceedings shall be had in the administration and distribution of the petitioner's estate as if he were discharged.]

[SEC. 5. That at the time and place set for said hearing the court shall proceed to hear, consider, and try the matter embraced in said petition and any issue made by any answer thereto; and if the court finds that the facts alleged in the petition are true, it shall adjudge the petitioner a bankrupt and shall make an order assigning and transferring all his property not exempt by the law of his domicile from execution and liability for debts to some suitable and competent person termed "assignee," with power and authority in such assignee to sell and dispose of such property and to convert the same into money, under the direction and subject to the approval of the court, and to distribute the proceeds thereof among the creditors of the bankrupt in the manner hereinafter specified.]

[SEC. 6. That said assignee shall, before entering upon the discharge of his duties, give a bond in such sum as the court in the order of assignment may direct, with satisfactory sureties, subject to the approval of the court, for the faithful performance of the trust thus conferred upon him. He shall also take and file an oath that he will honestly and diligently, and without fear or favor, duly perform and faithfully discharge all the duties of his trust. As soon as the assignee has qualified as aforesaid he shall proceed, under the direction of the court, to convert all the property of the bankrupt into money and distribute the proceeds thereof among the creditors of the bankrupt, under the direction of the court, in the manner hereinafter specified.]

[SEC. 7. That all preferences given or suffered by any merchant, broker, banker, trader, manufacturer, or miner who is insolvent within four months prior to the filing of the said petition are hereby declared illegal, null, and void as against the creditors of the petitioner; and all money or other property which has been given, transferred, or assigned by the petitioner for the purposes of making such illegal and void preference as aforesaid shall, if not exempt from execution and liability for debts, be and remain a part of the assets and estate of the said petitioner, and shall pass to the said assignee, whose duty it shall be to reclaim and recover the same by legal proceedings or otherwise for the benefit of the creditors. And all conveyances or transfers of property made by the petitioner at any time within six months prior to the filing of said petition which, by the laws of the State or Territory or District in which the property is situate, are illegal, void, or voidable as against the creditors of the petitioner are hereby declared null and void; and all liens or incumbrances upon the property of the petitioner initiated within the six months aforesaid which are void or voidable as to his creditors, by the laws of the State, Territory, or District where the property is situate, shall, for the purposes of this act, be deemed null and void as against the creditors of the petitioner; and all of the property aforesaid, unless exempt from execution or liability for debts, shall be deemed a part of the estate and assets of the petitioner, and shall pass to the assignee for the benefit of the creditors of the petitioner; and the assignee shall have full authority to institute and prosecute the necessary legal proceedings to recover and reclaim any property so transferred, assigned, or encumbered in fraud of the rights of the creditors as aforesaid.]

[SEC. 8. That as soon as the petitioner has been adjudged a bankrupt as hereinbefore specified, all creditors shall, without any other or further notice, be required within thirty days thereafter to make and file, in writing and under oath, due proof of their claims, accompanied with a statement of any and all securities held for such claims, which proofs shall be filed with the clerk of the court. Creditors holding securities shall only be entitled to an allowance of so much of their claims as exceeds the value of the securities held by them, unless, at the time of making their proof, they file a due and proper assignment of their securities, and duly surrender the same to the assignee. No claim shall be paid until it has been passed upon and allowed by the court or under its direction. The claims of creditors who have obtained undue preferences within the provisions of this act shall not be allowed unless such creditors shall first voluntarily surrender to the court and the assignee, without any legal proceedings, all property acquired by them by way of preference as aforesaid.]

[SEC. 9. That the following debts shall have preference, in the order named, over other debts in the distribution of the estate of the bankrupt, to wit:]

[First. Debts due to the servants and laborers employed by the bankrupt for labor performed or services rendered within six months prior to the filing of said petition.]

[Second. Taxes or revenues due the United States.]

[Third. Taxes due any State or Territory or the District of Columbia.]

[Fourth. Taxes due any county, parish, town, city, or village, in the order named.]

[But none of such debts shall be recognized or paid unless duly proved and allowed, as prescribed in reference to other debts and claims against the bankrupt.]

[SEC. 10. That it shall be the duty of the assignee, after he has reduced and converted the estate of the bankrupt into money, to pay the expenses and costs of the proceedings, and to distribute the surplus, under the direction of the court, among the creditors whose claims have been proved and allowed as aforesaid, in the following manner: First, the preferred creditors, in the order named; second, the other creditors in equal pro rata shares.]

[SEC. 11. That after the estate of the bankrupt has been converted into money and distributed among the creditors, as hereinbefore provided, the court shall, upon the application of the assignee or bankrupt, order a final hearing for the purpose of finally closing the proceeding and finally determining the status of the bankrupt. The court shall, by its order, fix the time and place for such final hearing, which time shall be not less than thirty nor more than ninety days subsequent to the date of such order, and notice of such final hearing shall be given to the creditors by serving upon them the said order and publishing the same, in the manner prescribed for the service and publication of the order provided for in section 2 of this act.]

[SEC. 12. That at the time and place fixed for said final hearing the court shall proceed to a final disposition and final determination of the proceedings; and if the court shall find that all the estate of the bankrupt not exempt from execution or liability for debts has been converted into money and distributed among the creditors of the bankrupt as herein prescribed, and shall find that all the costs and expenses of the proceedings have been duly paid, and shall also find that the bankrupt is not subject to have his right to a discharge from his debts denied upon any of the grounds upon which his right to such discharge may be contested, as prescribed in section 4 of this act, then, and in that case, the court shall enter a final judgment and decree, discharging and acquitting the bankrupt from all his debts and liabilities due any of the creditors described in the schedule attached to his petition, or to any of the creditors who may, at any time subsequent thereto, become a party to the proceedings. But such discharge shall not include any debts or obligations which shall have been created in consequence of his defalcation as a public officer, or as an executor, administrator, guardian, or trustee, or while acting in any other fiduciary capacity; nor any debt or obligation to any surety of the bankrupt who has paid or may pay any such fiduciary debt or any part of it, nor any debt or obligation created by the obtaining of moneys or property under false pretenses: *Provided, however,* That if it shall appear to the court, at the time of the first hearing upon the petition described in the first section of this act, that the petitioner does not possess or own property of any kind except that which is exempt by the law of his domicile from execution or liability for debts, and that he is not amenable to have his discharge denied on any of the grounds specified in section 4 of this act, and no creditor shall appear to contest the same or claim otherwise, then, and in that case, the court shall adjudge the petitioner a bankrupt, and shall enter a final judgment and decree discharging him from all his debts and liabilities in like manner and to the same extent, and subject to the same exceptions as provided upon the final hearing hereinbefore described.]

[SEC. 13. That an attorney's fee may be taxed or allowed the bankrupt or his attorney not exceeding $100 in any case. The assignee shall be entitled to a fee not exceeding $3 a day for every full day actually employed in the performance of his duty, and in no case shall he receive in the aggregate a fee in excess of $60. In case the clerk of the court is paid by a salary instead of fees he shall receive no compensation, but only his actual disbursements, for any of the work done by him in the matter of the proceedings under this act. In case he is not paid by a salary, then he shall receive the like fees for his services under this act that he would be entitled to receive for simliar services in other cases, except that for mailing to creditors the copies of the orders herein provided for he shall receive for each copy mailed a fee of 10 cents and no more. For publishing the orders herein prescribed a like fee shall be allowed the publisher as is allowed for legal notices and publications in similar cases under local law. All reasonable disbursements of the assignee necessarily incurred and expended in reclaiming, recovering, and in taking care of the estate of the bankrupt, and in converting the same into money and distributing the same among the creditors, as herein provided, shall be taxed and allowed by the court, but no other costs, fees, or expenses than those aforesaid shall be incurred or allowed in the proceedings.]

[SEC. 14. That a firm or partnership, where all the partners concur and join, or in case of dissolution for any cause on the application of any one of the firm, may, in like manner and under like conditions and limitations, institute and carry on to a final determination bankruptcy proceedings in the same manner and to the same extent, and subject to the same conditions and limitations, as is hereinbefore provided and prescribed in the case of an individual.]

[SEC. 15. That the district courts of the United States in the several States, the supreme court of the District of Columbia, and the district courts of the several Territories are hereby made courts of bankruptcy, with full jurisdiction, both at common law and in equity, to carry out this act and to try

and determine all suits and controversies necessary to a full execution thereof; and said courts shall also have full power to cause said bankrupt to be examined under oath touching any charge of concealment or illegal transfer of any property of said bankrupt, and to issue a writ of ne exeat against the bankrupt, to continue in force so long as it may be necessary to have such examination. The said courts, for the exercise of every jurisdiction conferred by this act, shall be considered as always open, and the judges of the said several courts may exercise in chambers any jurisdiction conferred on said courts by this act. That the said courts of bankruptcy shall have power to make all proper rules not inconsistent with this act for the exercise of the jurisdiction vested in them by this act.]

[SEC. 16. That if any debtor, other than a corporation, being a banker, broker, merchant, trader, or manufacturer, who owes $300 or over, and who is unable to pay his debts, shall at any time within four months of the time of the filing of the petition hereinafter mentioned assign, transfer, convey, or in any manner voluntarily encumber any of his property with the actual intent and purpose on his part to prefer or defraud any of his creditors, he shall be deemed a bankrupt and may be proceeded against in a court of bankruptcy, as hereinafter provided. A creditor or creditors having debts against such a bankrupt to the amount of $500 or more may, within four months after the act of bankruptcy has been committed, file in the court of bankruptcy in the district in which the bankrupt resides a petition, under oath, setting forth, among other things, the acts of bankruptcy aforesaid, and praying for an adjudication of bankruptcy against the bankrupt and the distribution of his estate among his creditors. When such a petition has been filed the court shall immediately, by its order, fix a time and place for a hearing and adjudication of the same, which time shall be not less than twenty-one nor more than thirty days subsequent to the date of such order, and such order shall be served by the marshal or his deputy upon the bankrupt at least twenty days before the said day of hearing by delivering a copy of the same to the bankrupt personally, or to some person of suitable age and discretion residing at the place of his usual abode. In case service of said order can not be effected as aforesaid then the order shall be served upon the bankrupt by publishing the same once a week for four successive weeks prior to the hearing in a weekly or daily newspaper of general circulation in the vicinity of where the bankrupt resides, which newspaper shall be designated by the court. When the said order has been served as aforesaid the court shall be deemed to have acquired full jurisdiction over the person and the estate of the bankrupt. If, at the time and place fixed for said hearing, the bankrupt shall fail to appear, or fail to take issue with the facts alleged in the petition, the court shall adjudge him a bankrupt, and shall assign his estate, not exempt from execution or liability for debts by the law of his domicile, to an "assignee" for distribution among the creditors, as hereinafter provided. If at the time of said hearing the bankrupt shall appear and by answer, under oath, take issue with the petition and facts therein alleged, then such issue, unless a jury trial is expressly waived by the bankrupt, shall be tried by a jury. And if the finding of the jury or of the court, if a jury trial is waived, is in favor of the bankrupt, then the petition shall be dismissed, and the petitioning creditors shall pay all costs and disbursements of the proceedings; but if the finding of the jury or the court is against the bankrupt, then he shall be adjudged a bankrupt, and all his estate not exempt from execution or liability for debts by the law of his domicile shall be assigned to an "assignee" for distribution among the creditors, as hereinafter provided, which assignee, as well as the assignee in case where there is no appearance or issue joined on the part of the bankrupt, shall qualify in the like manner, have the like power and authority over the estate of the bankrupt, and be governed by the same rules in converting the estate of the bankrupt into money and distributing the same among the creditors, as is prescribed in the foregoing provisions of this act, relating to voluntary proceedings in bankruptcy; and the provisions of section 7 of this act shall apply to the estate of the bankrupt and govern in proceedings under this section. After the estate of the bankrupt has been assigned to an assignee, as aforesaid, the creditors shall receive notice of that fact from the assignee, served upon them in the same manner as is prescribed in section 2 of this act for the service of the order therein referred to; and on being so notified the creditors shall, without any further notice, file proofs of their claims in the same manner and within the same period as is prescribed in section 8 of this act. The said bankrupt shall be entitled to obtain a discharge from his debts in the like manner, to the same extent, and subject to the same exceptions and limitations as is hereinbefore prescribed in the case of voluntary bankruptcy proceedings. In proceedings under this section the petitioning creditors, if successful, shall be entitled to have taxed and allowed an attorney fee of not more than $100 in any case, and the assignee shall be entitled to a fee of not exceeding $5 per day for every full day actually employed. The other costs and disbursements shall be the same as in case of voluntary proceedings.]

[SEC. 17. That the Supreme Court of the United States, the circuit courts of appeals of the United States, and the supreme courts of the Territories are hereby vested with appellate jurisdiction in proceedings under this act, but no appeal shall lie nor writ of error be granted in any proceeding under this act where the entire estate of the bankrupt, not exempt from execution and liability for debts, is less than $5,000.]

[SEC. 18. That there shall be kept at each place at which said courts of bankruptcy may be held, by the clerk thereof, a docket, in which shall be entered the filing of each petition and schedule and list and other papers, and a short statement of every order or decree of the court, and a copy of the decree granting or refusing a discharge; and such entries on the docket, together with the papers filed, shall constitute the record in such case. The cost of such docket shall be paid for as other record books and dockets of the district courts are paid for. That all oaths required to be administered in any proceeding under this act may be taken before and certified by any officer of the State in which they are taken, authorized by the laws thereof to administer oaths.]

CHAPTER I.

BANKRUPTS.

SECTION 1. Meaning of words and phrases.—*a* The words and phrases used in this act and in proceedings pursuant hereto shall, unless the same be inconsistent with the context, be construed as follows: (1) "A person against whom a petition has been filed" shall include a person who has filed a voluntary petition; (2) "adjudication" shall mean the date of the entry of a decree that the defendant, in a bankruptcy proceeding, is a bankrupt, or if such decree is appealed from, then the date when such decree is finally confirmed; (3) "appellate courts" shall include the circuit courts of appeals of the United States, the supreme courts of the Territories, and the Supreme Court of the United States; (4) "bankrupt" shall include a person against whom an involuntary petition or an application to set a composition aside or to revoke a discharge has been filed, or who has filed a voluntary petition, or who has been adjudged a bankrupt; (5) "clerk" shall mean the clerk of a court of bankruptcy; (6) "corporations" shall mean all bodies having any of the powers and privileges of private corporations not possessed by individuals or partnerships; (7) "court" shall mean the court of bankruptcy in which the proceedings are pending and may include the referee; (8) "courts of bankruptcy" shall include the district courts of the United States and of the Territories, the supreme court of the District of Columbia, and the United States court of the Indian Territory, and of Alaska; (9) "creditor" shall include anyone who owns a demand or claim provable in bankruptcy and his duly authorized agent, attorney, or proxy; (10) "date of bankruptcy," or "time of bankruptcy," or "commencement of proceedings," or "bankruptcy" with reference to time, shall mean the date when the petition was filed; (11) "debt" shall include any debt, demand, or claim provable in bankruptcy; (12) "defeat" shall include defraud or delay, evade, hinder, and impede, with intent to defraud; (13) "discharge" shall mean the release of a bankrupt from all of his debts which are provable in bankruptcy except such as are excepted by this act; (14) "document" shall include book, deed, and instrument in writing; (15) "holiday" shall include Christmas, the Fourth of July, the Twenty-second of February, and any day appointed by the President of the United States as a holiday or as a day of public fasting or thanksgiving; (16) "insolvent," as applied to a person, shall mean that his property is not sufficient in amount, at a fair valuation, to pay his debts, and when insolvency is to be inquired into with reference to an act of bankruptcy it shall be determined as of the date of the filing of the petition; (17) "judge" shall mean a judge of a court of bankruptcy, not including the referee; (18) "oath" shall include affirmation; (19) "officer" shall include clerk, marshal, receiver, referee, and trustee, and the imposing of a duty upon or the forbidding of an act by any officer shall include his successor and any person authorized by law to perform the duties of such officer; (20) "persons" shall include corporations, officers, partnerships, and women, and when used with reference to the commission of acts which are herein forbidden shall include persons who are participants in the forbidden acts, and the agents, officers, and members of the board of directors or trustees, or other similar controlling bodies of corporations; (21) "petition" shall mean a paper filed in a court of bankruptcy or with a clerk or deputy clerk by a debtor praying for the benefits of this act, or by creditors alleging the commission of an act of bankruptcy by a debtor therein named; (22) "referee" shall mean the referee who has jurisdiction of the case or to whom the case has been referred, or anyone acting in his stead; (23) "secrete" shall include conceal, falsify, mutilate, remove, and suppress; (24) "secured creditor" shall include a creditor who has security for his debt upon the property of the bankrupt of a nature to be assignable under this act, or who owns such a debt for which some indorser, surety, or other person secondarily liable for the bankrupt has such security upon the bankrupt's assets; (25) "States" shall include the Territories, the Indian Territory, Alaska, and the District of Columbia; (26) "transfer" shall include the sale and every other and different mode of disposing of or parting with property, or the possession of property, absolutely or conditionally, as a payment, pledge, mortgage, gift, or security and the creation of a lien on property by any means other than by compulsory process prosecuted in good faith; (27) "trustee" shall include all of the trustees of an estate; (28) "wage earner" shall mean an individual who works for wages, salary, or hire, at a rate of compensation not exceeding $1,500 per year; (29) words importing the masculine gender may be applied to and include corporations, partnerships, and women; (30) words importing the plural number may be applied to and mean only a single person or thing; (31) words importing the singular number may be applied to and mean several persons or things.

SEC. 2. Acts of bankruptcy.—*a* Acts of bankruptcy by a person shall consist of his having (1) concealed himself, departed or remained away from his place of business, residence, or domicile with intent to avoid the service of civil process and to defeat his creditors, and shall not have returned at least forty-eight hours before the filing of a petition in bankruptcy, and before the rights of creditors shall have been impaired, altered, or interfered with; (2) failed for thirty days and until a petition is filed while insolvent to secure the release of any property levied upon under process of law for $500 or over, or if such property is to be sold within such time under such process then until three days before the time fixed for such sale; (3) made a transfer of any of his property with intent to defeat his creditors and has not regained the ownership and possession of such property before the rights of creditors have been altered, impaired, or changed by reason of such transfer and at least ten days before the commencement of a proceeding in bankruptcy; (4) made an assignment for the benefit of his creditors or filed in court a written statement admitting his inability to pay his debts; (5) made, while insolvent, a transfer of any of his property or suffered any of it to be taken or levied upon by process of law or otherwise for the purpose of giving a preference, and has not regained the ownership of such property or released same from such levy before the rights of creditors shall have been altered, changed, or impaired by reason of such transfer, taking, or levy, and at least ten days before the commencement of a proceeding in bankruptcy; (6) procured or suffered a judgment to be entered against himself with intent to defeat his creditors, and suffered same to remain unpaid until ten days before the filing of a petition in bankruptcy, provided that a payment or satisfaction of such a judgment by a sale of any of the debtor's property or from the proceeds of such a sale shall not be deemed a payment of such judgment under the provisions of this section; (7) secreted any of his property to avoid its being levied upon under legal process against himself and to defeat his creditors, and has not surrendered such property to such legal process at least ten days before the filing of a petition in bankruptcy; (8) suffered while insolvent an execution from a court of record for $500 or over, or a number of executions aggregating such amount, against himself to be returned no "property found," unless the amount shown to be due by such executions shall be paid before a petition is filed.

b A petition may be filed against a person who has committed an act of bankruptcy within four months after the commission of such act. Such time shall not expire until four months after (1) the date of the recording or registering of the transfer or assignment when the act consists in having made a transfer of any of his property with intent to defeat his creditors or for the purpose of giving a preference as hereinbefore provided, or an assignment for the benefit of his creditors, if by law such recording or registering is required or permitted, or, if it is not, from the date when the beneficiary takes notorious, exclusive, or continuous possession of the property, unless the petitioning creditors have received actual notice of such transfer or assignment; or (2) the date of the return of legal process when the act consists in having secreted any of his property to avoid its being levied upon under legal process against himself and to defeat his creditors, as hereinbefore provided.

When a petition is filed by any person for the purpose of having another declared or adjudged a bankrupt, the petitioner shall file therewith, or within five days thereafter, and before any action is taken thereon, and in the same court, a bond, with at least two good and sufficient sureties who shall reside within the jurisdiction of said court, to be approved by the court or a judge thereof, in such sum as the court shall direct, conditioned for the payment to the respondent, his or her heirs, executors, administrators, or assigns, all expenses, damages occasioned by the wrongful institution of such proceedings, costs, and counsel fees to be allowed by the court. If such petition be dismissed by the court, or withdrawn by the petitioner with leave of the court, the respondent or respondents shall be allowed all damages occasioned by the wrongful institution of such proceedings, counsel fees, and costs incurred in defending against said proceedings, and the same shall be paid by the principal and sureties on said bond.

And for the purpose of ascertaining the damages, costs, and counsel fees sustained by the respondent the court shall have jurisdiction of the principal and sureties on said bond without issue of further process against them, upon the respondent filing in the court a statement of the amount of damages, costs, and counsel fees claimed by him; and the amount shall be ascertained by a jury in said court, or by the court, with the consent of the parties thereto.

SEC. 3. Who may become bankrupts.—*a* Any person who owes debts, except a corporation, shall be entitled to the benefits of this act as a voluntary bankrupt.

b Any person owing debts to the amount of $1,000 or over, if adjudged an involuntary bankrupt upon an impartial trial, shall be subject to the provisions of this act except (1) a national bank; (2) a person engaged chiefly in farming or the tillage of the soil; or (3) a wage earner.

SEC. 4. Partners.—*a* A partnership, during the continuation of the partnership business, or after its dissolution and before the final settlement thereof, may be adjudged a bankrupt.

b The creditors of the partnership shall appoint the trustee; in other respects so far as possible the estate shall be administered as herein provided for other estates.

c The court of bankruptcy which has jurisdiction of one of the partners may have jurisdiction of all the partners and of the administration of the partnership and individual property.

d The trustee shall keep separate accounts of the partnership property and of the property belonging to the individual partners.

e The expenses shall be paid from the partnership property and the individual property in such proportions as the court shall determine.

f The net proceeds of the partnership property shall be appropriated to the payment of the partnership debts and the net proceeds of the individual estate of each partner to the payment of his individual debts. Should any surplus remain of the property of any partner after paying his individual debts, such surplus shall be added to the partnership assets and be applied to the payment of the partnership debts. Should any surplus of the partnership property remain after paying the partnership debts, such surplus shall be added to the assets of the individual partners in the proportion of their respective interests in the partnership.

g The court may permit the proof of the claim of the partnership estate against the individual estates, and vice versa, and may marshal the assets of the partnership estate and individual estates so as to prevent preferences and secure the equitable distribution of the property of the several estates.

h In the event of one or more but not all of the members of a partnership being adjudged bankrupt, the partnership property shall not be administered in bankruptcy, unless by consent of the partner or partners not adjudged bankrupt; but such partner or partners not adjudged bankrupt shall settle the partnership business as expeditiously as its nature will permit and account for the interest of the partner or partners adjudged bankrupt.

SEC. 5. Exemptions of bankrupts.—*a* This act shall not affect the allowance to bankrupts of the exemptions which are prescribed by the State laws in force at the time of the filing of the petition in the State wherein they have had their domicile for the six months or the greater portion thereof immediately preceding the filing of the petition.

SEC. 6. Duties of bankrupts.—*a* The bankrupt shall (1) attend the first meeting of his creditors, if notified by any of them to do so, and the hearing upon his application for a discharge, if filed; (2) comply with all lawful orders of the court; (3) examine the correctness of all proofs of claims filed against his estate; (4) execute and deliver such papers as shall be ordered by the court; (5) execute to his trustee transfers of all his property in foreign countries; (6) immediately inform his trustee of any attempt, by his creditors or other persons, to evade the provisions of this act coming to his knowledge; (7) in case of any person having to his knowledge proved a false claim against his estate, disclose that fact immediately to his trustee; (8) prepare, make oath to, and file in court within ten days, unless further time is granted, after the adjudication, if an involuntary bankrupt, and with the petition if a voluntary bankrupt, a schedule of his property, showing the amount and kind of property, the location thereof, its money value in detail, and a list of his creditors, showing their residences, if known, if unknown, that fact to be stated, the amounts due each of them, the consideration thereof, the security held by them, if any, and a claim for such exemptions as he may be entitled to, all in triplicate, one copy of each for the clerk, one for the referee, and one for the trustee; and (9) when present at the first meeting of his creditors, and at such other times as the court shall order, submit to an examination concerning the conducting of his business, the cause of his bankruptcy, his dealings with his creditors and other persons, the amount, kind, and whereabouts of his property, and, in addition, all matters which may affect the administration and settlement of his estate; but no testimony given by him shall be offered in evidence against him in any criminal proceeding.

SEC. 7. Death or insanity of bankrupts.—*a* The death or insanity of a bankrupt shall not abate the proceedings, but the same shall be conducted and concluded in the same manner, as far as possible, as though he had not died or become insane: *Provided*, That in case of death the widow and children shall be entitled to all rights of dower and allowance fixed by the laws of the State of the bankrupt's residence.

SEC. 8. Protection and detention of bankrupts.—*a* A bankrupt shall be exempt from apprehension upon civil process, except upon a warrant from a court of bankruptcy, (1) unless the same is founded upon some debt or claim from which his discharge in bankruptcy would not be a release; and (2) when in attendance upon such a court, or at the first meeting of his creditors, or when actually engaged in the performance of a duty enjoined by this act or prescribed by order of court.

b The judge may, at any time after the filing of a petition by or against a person, and before the expiration of four months after he has been adjudged a bankrupt, upon affidavit of any party in interest that such bankrupt is about to leave the district to avoid examination, and that his departure will defeat the proceedings therein, issue a warrant to the marshal directing him to bring such bankrupt forthwith before the court. If upon hearing the evidence it shall appear to the judge that the allegations of such affidavit are true and that it is necessary, he shall order such marshal to keep such bankrupt in custody, but not imprison him, until he shall be released or give bail conditioned for his appearance, from time to time, as required by the court, and for his obedience to all lawful orders.

SEC. 9. Extradition of bankrupts.—*a* Whenever a warrant for the apprehension of a bankrupt shall have been issued, and he shall have been found within the jurisdiction of a court other than the one issuing the warrant, he may be extradited in the same manner in which persons under indictment are now extradited from one district within which a district court has jurisdiction to another.

SEC. 10. Suits by and against bankrupts.—*a* A suit which is founded upon a claim from which a discharge would be a release, and which is pending against a person at the time of the filing of a petition against him, shall be stayed until after an adjudication or the dismissal of the petition; if such person is adjudged a bankrupt, such action may be further stayed until twelve months after the date of such adjudication, or, if within that time such person applies for a discharge, then until the question of such discharge is determined.

b The court may order the trustee to enter his appearance and defend any pending suit against the bankrupt.

c A trustee may, with the approval of the court, be permitted to prosecute as trustee any suit commenced by the bankrupt prior to the adjudication, with like force and effect as though it had been commenced by him.

d Suits shall not be brought by or against a trustee of a bankrupt estate subsequent to two years after the estate has been closed.

SEC. 11. Compositions, when confirmed.—*a* A bankrupt may offer terms of composition to his creditors after, but not before, he has been examined in open court or at a meeting of his creditors and filed in court the schedule of his property and list of his creditors, required to be filed by bankrupts.

b An application for the confirmation of a composition may be filed in the court of bankruptcy after, but not before, it has been accepted in writing by a majority in number of all creditors whose claims have been allowed, which number must represent a majority in amount of such claims, and the consideration to be paid by the bankrupt to his creditors, and the money necessary to pay all debts which have priority and the cost of the proceedings, have been deposited in such place as shall be designated by and subject to the order of the judge.

c A date and place, with reference to the convenience of the parties in interest, shall be fixed for the hearing upon each application for the confirmation of a composition and such objections as may be made to its confirmation.

d The judge shall confirm a composition if satisfied that (1) it is for the best interests of the creditors; (2) the bankrupt has not been guilty of any of the acts or failed to perform any of the duties which would be a bar to his discharge; and (3) the offer and its acceptance are in good faith and have not been made or procured except as herein provided or by any means, promises, or acts herein forbidden.

e Upon the confirmation of a composition, the consideration shall be distributed as the judge shall direct, and the case dismissed. Whenever a composition is not confirmed, the estate shall be administered in bankruptcy as herein provided.

SEC. 12. Compositions, when set aside.—*a* The judge may, upon the application of parties in interest filed at any time within six months after a composition has been confirmed, set the same aside and reinstate the case if it shall be made to appear upon a trial that fraud was practiced in the procuring of such composition, and that the knowledge thereof has come to the petitioners since the confirmation of such composition.

SEC. 13. Discharges, when granted.—*a* Any person may, after the expiration of two months and within the next four months subsequent to being adjudged a bankrupt, file an application for a discharge in the court of bankruptcy in which the proceedings are pending; if it shall be made to appear to the judge that the bankrupt was unavoidably prevented from filing it within such time, it may be filed within but not after the expiration of the next six months.

b The judge shall hear the application for a discharge, and such pleas as may be made in opposition thereto by parties in interest, at such time as his convenience will permit and as will give parties in interest a reasonable opportunity to be heard, and discharge the applicant unless he has (1) been convicted of having committed an offense punishable by imprisonment as herein provided; (2) given a preference as herein defined, and within six months prior to the filing of the petition against him, which has not been surrendered to the trustee; (3) obtained property upon credit which has not been paid for or restored at the time the petition is filed against him upon a materially false statement in writing made by him to any person for the purpose of obtaining credit or of being communicated to the trade or to the person from whom he obtained such property on credit; (4) made a transfer of any of his property which any creditor who has proved his claim in the proceedings might at the time of the filing of the petition have impeached as fraudulent if he had then been a judgment creditor, unless such property shall have been surrendered to the trustee; or, (5) with fraudulent intent and in contemplation of bankruptcy, destroyed or neglected to keep books of account or records from which his true condition might be ascertained; or (6) made a substantially false valuation, as a bankrupt, of any of the property of his estate in his schedule of property, or intentionally omitted therefrom any of the property of his estate, or from the list of his creditors any person to whom he is indebted in a substantial amount, or included therein any person to whom he is not indebted, or included therein a creditor for an amount substantially more than the true indebtedness, or (7) secreted or conveyed any of his property to avoid its being administered in bankruptcy, or any document relating to his property in contemplation of bankruptcy, or (8) transferred any property otherwise than in the ordinary course of his business, in contemplation of bankruptcy, or (9) in case of any person having, to his knowledge, after he has become a bankrupt, proved a false claim against his estate, failed to disclose that fact, within one month after coming to a knowledge thereof, to his trustee.

c The confirmation of a composition shall discharge the bankrupt from his debts, other than those agreed to be paid by the terms of the composition and those not affected by a discharge.

SEC. 14. Discharges, when revoked.—*a* The judge may, upon the application of parties in interest who have not been guilty of undue laches, filed at any time within one year after a discharge shall have been granted, revoke it upon a trial if it shall be made to appear that fraud contributing to the discharge was practiced in its procurement, and that the knowledge thereof has come to the petitioners since the granting of the discharge.

SEC. 15. Codebtors of bankrupts.—*a* The liability of a person who is a codebtor with, or guarantor or in any manner a surety for, a bankrupt shall not be altered by the discharge of such bankrupt.

SEC. 16. Debts not affected by a discharge.—*a* A discharge in bankruptcy shall release a bankrupt from all of his provable debts, except such as (1) are due as a tax levied by the United States, the State, county, district, or municipality in which he resides; (2) are judgments in actions for frauds or willful and malicious injuries to the person or property of another; (3) have not been duly scheduled in time for proof and allowance, with the name of the creditor if known to the bankrupt, unless such creditor had notice or actual knowledge of the proceedings in bankruptcy; or (4) were created by his fraud, embezzlement, or defalcation while acting as an officer or serving in any fiduciary capacity.

CHAPTER II.

COURTS.

SEC. 17. Jurisdiction of courts of bankruptcy.—*a* Courts of bankruptcy are hereby invested, within their respective territorial limits as now established or as they may be hereafter changed, with such jurisdiction at law and in equity as will enable them to exercise original jurisdiction in bankruptcy proceedings, in vacation in chambers and during their respective terms, as they are now or may be hereafter held, to (1) adjudge persons bankrupt who have done business, resided, or had their domicile within their respective territorial jurisdictions for the preceding six months, or the greater portion thereof, or who do not do business, reside, or have their domicile within the United States, but have property within their jurisdictions, or who have been adjudged bankrupts by courts of competent jurisdiction without the United States and have property within their jurisdictions; (2) allow claims, disallow claims, reconsider allowed or disallowed claims, and allow or disallow them against bankrupt estates; (3) appoint receivers or the marshals

upon applications of parties in interest, to take charge of the property of bankrupts after the filing of the petition and until it is dismissed or the trustee is qualified; (4) arraign, try, and punish bankrupts, officers, and other persons, and the agents, officers, members of the board of directors or trustees, or other similar controlling bodies, of corporations for violations of this act, in accordance with the laws of procedure of the United States now in force, or such as may be hereafter enacted, regulating trials for the alleged violation of laws of the United States; (5) authorize the business of bankrupts to be conducted for limited periods by receivers, the marshals, or trustees, if necessary in the best interests of the estates; (6) bring in and substitute parties when necessary to final and conclusive determination of proceedings and matters in controversy; (7) cause the estates of bankrupts to be collected, reduced to money, and distributed, and determine controversies in relation thereto; (8) confirm or reject compositions between debtors and their creditors and set aside compositions and reinstate the cases; (9) consider and confirm, modify or overrule, or return with instructions for further proceedings, records and findings certified to them by referees; (10) determine all claims of bankrupts to their exemptions; (11) discharge or refuse to discharge bankrupts and set aside discharges and reinstate the cases; (12) enforce obedience by bankrupts and other persons to all lawful orders, by fine or imprisonment, or fine and imprisonment; (13) extradite bankrupts from their respective districts to other districts; (14) make such orders, issue such process, and enter such judgments as may be necessary for the enforcement of the provisions of this act; (15) punish persons for contempts committed before referees; (16) pursuant to complaints of creditors, remove trustees for cause upon hearings and after notices to them; (17) tax costs and render judgments therefor against the unsuccessful party, or the successful party for cause, or in part against each of the parties, and against estates, in proceedings in bankruptcy; and (18) transfer cases to other courts of bankruptcy. Nothing in this section contained shall be construed to deprive a court of bankruptcy of any power it would possess were certain specific powers not herein enumerated.

SEC. 18. Process, pleadings, and adjudications.—*a* Upon the filing of a petition for involuntary bankruptcy, service thereof, with a writ of subpoena, shall be made upon the person therein named as defendant in the same manner that service of such process is now had upon the commencement of a suit in equity in the courts of the United States, except that it shall be returnable within fifteen days, unless the judge shall for cause fix a longer time; but in case personal service can not be made, then notice shall be given by publication in the same manner and for the same time as provided by law for notice by publication in suits in equity in courts of the United States.

b The bankrupt, or any creditor, may appear and plead to the petition within ten days after the return day, or within such further time as the court may allow.

c All pleadings setting up matters of fact shall be verified under oath.

d If the bankrupt, or any of his creditors, shall appear, within the time limited, and controvert the facts alleged in the petition, the judge shall determine, as soon as may be, the issues presented by the pleadings, with or without the intervention of a jury, and make the adjudication or dismiss the petition.

e If on the last day within which pleadings may be filed none are filed by the bankrupt or any of his creditors, the judge shall on the next day, if present, or as soon thereafter as practicable, make the adjudication or dismiss the petition.

f If the judge is absent from the district, or the division of the district in which the petition is pending, on the next day after the last day on which pleadings may be filed, and none have been filed by the bankrupt or any of his creditors, the clerk shall forthwith refer the case to the referee.

g Upon the filing of a voluntary petition the judge shall hear the petition and make the adjudication or dismiss the petition. If the judge is absent from the district, or the division of the district in which the petition is filed at the time of the filing, the clerk shall forthwith refer the case to the referee.

SEC. 19. Jury trials.—*a* A person against whom an involuntary petition has been filed shall be entitled to have a trial by jury, in respect to any act of bankruptcy alleged in such petition to have been committed, upon filing a written application therefor at or before the time within which an answer may be filed. If such application is not filed within such time, a trial by jury shall be deemed to have been waived.

b If a jury is not in attendance upon the court, one may be specially summoned for the trial, or the case may be postponed, or, if the case is pending in one of the district courts within the jurisdiction of a circuit court of the United States, it may be certified for trial to the circuit court sitting at the same place, or by consent of parties when sitting at any other place in the same district, if such circuit court has or is to have a jury first in attendance.

c The right to submit matters in controversy, or an alleged offense under this act, to a jury shall be determined and enjoyed, except as provided by this act, according to the United States laws now in force or such as may be hereafter enacted in relation to trials by jury.

SEC. 20. Oaths, affirmations.—*a* Oaths required by this act, except upon hearings in court, may be administered by (1) referees; (2) officers authorized to administer oaths in proceedings before the courts of the United States, or under the laws of the State where the same are to be taken; and (3) diplomatic or consular officers of the United States in any foreign country.

b Any person conscientiously opposed to taking an oath may, in lieu thereof, affirm. Any person who shall affirm falsely shall be punished as for the making of a false oath.

SEC. 21. Evidence.—*a* A court of bankruptcy may, upon application of any officer, bankrupt, or creditor, by order require any designated person, who is a competent witness under the laws of the State in which the proceedings are pending, to appear in court or before a referee or the judge of any State court, to be examined concerning the acts, conduct, or property of a bankrupt whose estate is in process of administration under this act.

b The right to take depositions in proceedings under this act shall be determined and enjoyed according to the United States laws now in force, or such as may be hereafter enacted relating to the taking of depositions, except as herein provided.

c Notice of the taking of depositions shall be filed with the referee in every case. When depositions are to be taken in opposition to the allowance of a claim notice shall also be served upon the claimant, and when in opposition to a discharge notice shall also be served upon the bankrupt.

d Certified copies of proceedings before a referee or of papers, when issued by the clerk or referee, shall be admitted as evidence with like force and effect as certified copies of the records of district courts of the United States are now or may hereafter be admitted as evidence.

e A certified copy of the order approving the bond of a trustee shall constitute conclusive evidence of the vesting in him of the title to the property of the bankrupt, and if recorded shall impart the same notice that a deed from the bankrupt to the trustee if recorded would have imparted had not bankruptcy proceedings intervened.

f A certified copy of an order confirming or setting aside a composition or granting or setting aside a discharge, not revoked, shall be evidence of the jurisdiction of the court, the regularity of the proceedings, and of the fact that the order was made.

g A certified copy of an order confirming a composition shall constitute evidence of the revesting of the title of his property in the bankrupt, and if recorded shall impart the same notice that a deed from the trustee to the bankrupt if recorded would impart.

SEC. 22. Reference of cases after adjudication.—*a* After a person has been adjudged a bankrupt the judge may cause the trustee to proceed with the administration of the estate, or refer it (1) generally to the referee or specially with only limited authority to act in the premises or to consider and report upon specified issues; or (2) to any referee within the territorial jurisdiction of the court, if the convenience of parties in interest will be served thereby, or for cause, or if the bankrupt does not do business, reside, or have his domicile in the district.

b The judge may at any time, for the convenience of parties or for cause, transfer a case from one referee to another.

SEC. 23. Jurisdiction of United States and State courts.—*a* The United States circuit courts shall have jurisdiction of all controversies at law and in equity, as distinguished from proceedings in bankruptcy, between trustees as such and adverse claimants concerning the property acquired or claimed by the trustees, in the same manner and to the same extent only as though bankruptcy proceedings had not been instituted and such controversies had been between the bankrupts and such adverse claimants.

b Suits by the trustee shall only be brought or prosecuted in the courts where the bankrupt, whose estate is being administered by such trustee, might have brought or prosecuted them if proceedings in bankruptcy had not been instituted, unless by consent of the proposed defendant.

c The United States circuit courts shall have concurrent jurisdiction with the courts of bankruptcy, within their respective territorial limits, of the offenses enumerated in this act.

SEC. 24. Jurisdiction of appellate courts.—*a* The Supreme Court of the United States, the circuit courts of appeals of the United States, and the supreme courts of the Territories, in vacation in chambers and during their respective terms, as now or as they may be hereafter held, are hereby invested with appellate jurisdiction of controversies arising in bankruptcy proceedings from the courts of bankruptcy from which they have appellate jurisdiction in other cases. The Supreme Court of the United States shall exercise a like jurisdiction from courts of bankruptcy not within any organized circuit of the United States and from the supreme court of the District of Columbia.

SEC. 25. Appeals and writs of error.—*a* Controversies involving in amount $500 and over, adjudications upon petitions, the granting or refusal of applications for the removal of cases, and the granting and dismissals of petitions for discharges may be taken from courts of bankruptcy, within ten days after the granting of the order or the entry of the judgment complained of, unless further time be granted by the judge, to their respective appellate tribunals, by appeal or writ of error, pursuant to the provisions of the United States laws now in force or such as may be hereafter enacted relating to appeals or writs of error, except that the same shall be returnable within ten days, unless further time be granted by the appellate court.

b Trustees shall not be required to give bonds when they take appeals or sue out writs of error.

c Controversies may be certified to the Supreme Court of the United States from other courts of the United States, and the former court may exercise jurisdiction thereof and issue writs of certiorari pursuant to the provisions of the United States laws now in force or such as may be hereafter enacted.

SEC. 26. Arbitration of controversies.—*a* The trustee may, pursuant to the direction of the court, submit to arbitration any controversy arising in the settlement of the estate.

b Three arbitrators shall be chosen by mutual consent or one by the trustee, one by the other party to the controversy, and the third by the two so chosen, or if they fail to agree in five days after their appointment the court shall appoint the third arbitrator.

c The written finding of the arbitrators, or a majority of them, as to the issues presented, may be filed in court and shall have like force and effect as the verdict of a jury.

SEC. 27. Compromises.—*a* The trustee may, with the approval of the court, compromise any controversy arising in the administration of the estate upon such terms as he may deem for the best interests of the estate.

SEC. 28. Designation of newspapers.—*a* Courts of bankruptcy shall by order designate a newspaper published within their respective territorial districts, and in the county in which the bankrupt resides or the major part of his property is situated, in which notices required to be published by this act and orders which the court may direct to be published shall be inserted. Any court may in a particular case, for the convenience of parties in interest, designate some additional newspaper in which notices and orders in such case shall be published.

SEC. 29. Offenses.—*a* A person shall be punished, by imprisonment for a period not to exceed five years, upon conviction of the offense of having knowingly and fraudulently appropriated to his own use, embezzled, spent or unlawfully transferred any property or secreted or destroyed any document belonging to a bankrupt estate which came into his charge as trustee.

b A person shall be punished by imprisonment for a period not to exceed two years, upon conviction of the offense of having knowingly and fraudulently (1) falsely accounted for or failed to account for any of his property, after petition filed and before adjudication, or falsely accounted while a bankrupt for any of the property belonging to his estate by fictitious losses or expenses; (2) concealed while a bankrupt, or after his discharge, from his trustee any of the property belonging to his estate in bankruptcy; (3) made a false oath in, or in relation to, any proceeding in bankruptcy; (4) obtained in contemplation of bankruptcy any property with intent not to pay for the same or with intent to use the same to prefer a creditor or increase his estate in bankruptcy; (5) presented any false or substantially exaggerated claim for proof against the estate of a bankrupt, or used or offered to use any such claim in composition personally or by agent, proxy, or attorney, or as agent, proxy, or attorney; (6) received any property from a bankrupt after the filing of the petition and before the adjudication, with intent to defeat this act; (7) received any property or the promise of the same, or paid or promised to pay any property as a consideration unlawfully to act or forbear to act in any proceeding in bankruptcy.

c A person shall be punished by fine, not to exceed $500, and forfeit his office, and the same shall thereupon become vacant, upon conviction of the offense of having knowingly (1) acted as a referee in a case in which he is directly or indirectly interested; (2) purchased, while a referee, directly or indirectly, any property of the estate in bankruptcy of which he is referee; or (3) refused, while a referee or trustee, to permit a reasonable opportunity for the inspection of the accounts relating to the affairs of, and the papers and records of, estates in his charge by parties in interest.

d A person shall not be prosecuted for any offense arising under this act unless the indictment is found or the information is filed in court within one year after the commission of the offense.

SEC. 30. Rules, forms, and orders.—*a* All necessary rules, forms, and orders as to procedure and for carrying this act into force and effect shall be prescribed, and may be amended from time to time, by the Supreme Court of the United States.

SEC. 31. Computation of time.—*a* Whenever time is enumerated by days in this act, or in any proceeding in bankruptcy, the number of days shall be

computed by excluding the first and including the last, unless the last fall on a Sunday or holiday, in which event the day last included shall be the next day thereafter which is not a Sunday or a legal holiday.

SEC. 32. Transfer of cases.—*a* In the event petitions are filed against the same person, or against different members of a partnership, in different courts of bankruptcy each of which has jurisdiction, the cases shall be transferred, by order of the courts relinquishing jurisdiction, to and be consolidated by the one of such courts which can proceed with the same for the greatest convenience of parties in interest.

CHAPTER III.

OFFICERS.

SEC. 33. Creation of two offices.—*a* The offices of referee and trustee are hereby created.

SEC. 34. Appointment, removal, and districts of referees.—*a* Courts of bankruptcy shall, within the territorial limits of which they respectively have jurisdiction, (1) appoint referees, each for a term of two years, and may, in their discretion, remove them because their services are not needed or for other cause; and (2) designate, and from time to time change, the limits of the districts of referees, so that each county, where the services of a referee are needed, may constitute at least one district.

SEC. 35. Qualifications of referees.—*a* Individuals shall not be eligible to appointment as referees unless they are respectively (1) competent to perform the duties of that office; (2) not holding any office of profit or emolument under the laws of the United States or of any State other than commissioners of deeds, justices of the peace, masters in chancery, or notaries public; (3) not related by consanguinity or affinity, within the third degree as determined by the common law, to any of the judges of the courts of bankruptcy or circuit courts of the United States, or of the justices or judges of the appellate courts of the districts wherein they may be appointed; and (4) residents of, or have their offices in, the territorial districts for which they are to be appointed.

SEC. 36. Oaths of office of referees.—*a* Referees shall take the same oath of office as that prescribed for judges of United States courts.

SEC. 37. Number of referees.—*a* Such number of referees shall be appointed as may be necessary to assist in expeditiously transacting the bankruptcy business pending in the various courts of bankruptcy.

SEC. 38. Jurisdiction of referees.—*a* Referees respectively are hereby invested, subject always to a review by the judge, within the limits of their districts as established from time to time, with jurisdiction to (1) consider all petitions referred to them by the clerks and make the adjudications or dismiss the petitions; (2) exercise the powers vested in courts of bankruptcy for the administering of oaths to and the examination of persons as witnesses and for requiring the production of documents in proceedings before them, except the power of commitment; (3) exercise the powers of the judge for the taking possession and releasing of the property of the bankrupt in the event of the issuance by the clerk of a certificate showing the absence of the judge from the judicial district, or the division of the district, or his sickness, or inability to act; (4) perform such part of the duties, except as to questions arising out of the applications of bankrupts for compositions or discharges, as are by this act conferred on courts of bankruptcy, and as shall be prescribed by rules or orders of the courts of bankruptcy of their respective districts, except as herein otherwise provided; and (5) upon the application of the trustee during the examination of the bankrupts, or other proceedings, authorize the employment of stenographers at the expense of the estates at a compensation not to exceed 10 cents per folio for reporting and transcribing the proceedings.

SEC. 39. Duties of referees.—*a* Referees shall respectively (1) declare dividends and prepare and deliver to trustees dividend sheets showing the dividends declared and to whom payable; (2) examine all schedules of property and lists of creditors filed by bankrupts and cause such as are incomplete or defective to be amended; (3) furnish such information concerning the estates in process of administration before them as may be requested by the parties in interest; (4) give notices to creditors as herein provided; (5) make up records embodying the evidence, or the substance thereof, as agreed upon by the parties in all contested matters arising before them, whenever requested to do so by either of the parties thereto, together with their findings therein, and transmit them to the judges; (6) prepare and file the schedules of property and lists of creditors required to be filed by the bankrupts, or cause the same to be done, when the bankrupts fail, refuse, or neglect to do so; (7) safely keep, perfect, and transmit to the clerks the records, herein required to be kept by them, when the cases are concluded; (8) transmit to the clerks such papers as may be on file before them whenever the same are needed in any proceedings in courts, and in like manner secure the return of such papers after they have been used, or, if it be impracticable to transmit the original papers, transmit certified copies thereof by mail; (9) upon application of any party in interest, preserve the evidence taken or the substance thereof as agreed upon by the parties before them when a stenographer is not in attendance; and (10) whenever their respective offices are in the same cities or towns where the courts of bankruptcy convene, call upon and receive from the clerks all papers filed in courts of bankruptcy which have been referred to them.

b Referees shall not respectively (1) act in cases in which they are directly or indirectly interested; (2) practice as attorneys and counselors at law in any bankruptcy proceedings; or (3) purchase, directly or indirectly, any property of an estate in bankruptcy.

SEC. 40. Compensation of referees.—*a* Referees shall respectively receive as full compensation for their services, payable after they are rendered, a fee of $10 deposited with the clerk at the time the petition is filed in each case, except when a fee is not required from a voluntary bankrupt, and from estates which have been administered before them 1 per cent commissions on sums to be paid as dividends and commissions, or one-half of 1 per cent on the amount to be paid to creditors upon the confirmation of a composition.

b Whenever a case is transferred from one referee to another the judge shall determine the proportion in which the fee and commissions therefor shall be divided between the referees.

c In the event of the reference of a case being revoked before it is concluded, and when the case is specially referred, the judge shall determine what part of the fee and commissions shall be paid to the referee.

SEC. 41. Contempts before referees.—*a* A person shall not, in proceedings before a referee, (1) disobey or resist any lawful order, process, or writ; (2) misbehave during a hearing or so near the place thereof as to obstruct the same, or in any official transaction; (3) neglect to produce, after having been ordered to do so, any pertinent document; or (4) refuse to appear after having been subpœnaed, or, upon appearing, refuse to take the oath as a witness, or, after having taken the oath, refuse to be examined according to law: *Provided*, That no person shall be required to attend as a witness before a referee at a place outside of the State of his residence, and more than 100 miles from such place of residence, and only in case his lawful mileage and fee for one day's attendance shall be first paid or tendered to him.

b The referee shall certify the facts to the judge, if any person shall do any of the things forbidden in this section. The judge shall thereupon, in a summary manner, hear the evidence as to the acts complained of, and, if it is such as to warrant him in so doing, punish such person in the same manner and to the same extent as for a contempt committed before the court of bankruptcy, or commit such person upon the same conditions as if the doing of the forbidden act had occurred with reference to the process of, or in the presence of, the court.

SEC. 42. Records of referees.—*a* The records of all proceedings in each case before a referee shall be kept as nearly as may be in the same manner as records are now kept in equity cases in circuit courts of the United States.

b A record of the proceedings in each case shall be kept in a separate book or books, and shall, together with the papers on file, constitute the records of the case.

c The book or books containing a record of the proceedings shall, when the case is concluded before the referee, be certified to by him, and, together with such papers as are on file before him, be transmitted to the court of bankruptcy and shall there remain as a part of the records of the court.

SEC. 43. Referee's absence or disability.—*a* Whenever the office of a referee is vacant, or its occupant is absent or disqualified to act, the judge may act, or may appoint another referee, or another referee holding an appointment under the same court may, by order of the judge, temporarily fill the vacancy.

SEC. 44. Appointment of trustees.—*a* The creditors of a bankrupt estate at their first meeting after the adjudication or after a vacancy has occurred in the office of trustee, or after an estate has been reopened, or after a composition has been set aside or a discharge revoked, if there is a vacancy in the office of trustee, shall appoint one trustee or three trustees of such estate. If the creditors do not appoint a trustee or trustees as herein provided, the court shall do so.

SEC. 45. Qualifications of trustees.—*a* Trustees may be (1) individuals who are respectively competent to perform the duties of that office, and reside or have an office in the judicial district within which they are appointed, or (2) corporations authorized by their charters or by law to act in such capacity and having an office in the judicial district within which they are appointed.

SEC. 46. Death or removal of trustees.—*a* The death or removal of a trustee shall not abate any suit or proceeding which he is prosecuting or defending at the time of his death or removal, but the same may be proceeded with or defended by his joint trustee or successor in the same manner as though the same had been commenced or was being defended by such joint trustee alone or by such successor.

SEC. 47. Duties of trustees.—*a* Trustees shall respectively (1) account for and pay over to the estates under their control all interest received by them upon property of such estates; (2) collect and reduce to money the property of the estates for which they are trustees, under the direction of the court, and close up the estate as expeditiously as is compatible with the best interests of the parties in interest; (3) deposit all money received by them in one of the designated depositories; (4) disburse money only by check or draft on the depositories in which it has been deposited; (5) furnish such information concerning the estates of which they are trustees and their administration as may be requested by parties in interest; (6) keep regular accounts showing all amounts received and from what sources and all amounts expended and on what accounts; (7) lay before the final meeting of the creditors detailed statements of the administration of the estates; (8) make final reports and file final accounts with the courts fifteen days before the days fixed for the final meetings of the creditors; (9) pay dividends within ten days after they are declared by the referees; (10) report to the courts, in writing, the condition of the estates and the amounts of money on hand, and such other details as may be required by the courts, within the first month after their appointment and every two months thereafter, unless otherwise ordered by the courts; and (11) set apart the bankrupt's exemptions and report the items and estimated value thereof to the court as soon as practicable after their appointment.

b Whenever three trustees have been appointed for one estate, the concurrence of at least two of them shall be necessary to the validity of their every act concerning the administration of the estate.

SEC. 48. Compensation of trustees.—*a* Trustees shall respectively receive, as full compensation for their services, payable after they are rendered, a fee of $5 deposited with the clerk at the time the petition is filed in each case, except when a fee is not required from a voluntary bankrupt, and from estates which they have administered, such commissions on sums to be paid as dividends and commissions as may be allowed by the courts, not to exceed 3 per cent on the first $5,000 or less, 2 per cent on the second $5,000 or part thereof, and 1 per cent on such sums in excess of $10,000.

b In the event of an estate being administered by three trustees instead of one trustee or by successive trustees, the court shall apportion the fees and commissions between them according to the services actually rendered, so that there shall not be paid to trustees for the administering of any estate a greater amount than herein prescribed.

c The court may, in its discretion, withhold all compensation from any trustee who has been removed for cause.

SEC. 49. Accounts and papers of trustees.—*a* The accounts and papers of trustees shall be open to the inspection of officers and all parties in interest.

SEC. 50. Bonds of referees and trustees.—*a* Referees, before assuming the duties of their offices, and within such time as the district courts of the United States having jurisdiction shall prescribe, shall respectively qualify by entering into bond to the United States in such sum as shall be fixed by such courts, not to exceed $5,000, with such sureties as shall be approved by such courts, conditioned for the faithful performance of their official duties.

b Trustees, before entering upon the performance of their official duties, and within ten days after their appointment, or within such further time, not to exceed five days, as the court may permit, shall respectively qualify by entering into bond to the United States, with such sureties as shall be approved by the courts, conditioned for the faithful performance of their official duties.

c The creditors of a bankrupt estate, at their first meeting after the adjudication, or after a vacancy has occurred in the office of trustee, or after an estate has been reopened, or after a composition has been set aside or a discharge revoked, if there is a vacancy in the office of trustee, shall fix the amount of the bond of the trustee; they may at any time increase the amount of the bond. If the creditors do not fix the amount of the bond of the trustee as herein provided, the court shall do so.

d The court shall require evidence as to the actual value of the property of sureties.

e There shall be at least two sureties upon each bond.

f The actual value of the property of the sureties, over and above their liabilities and exemptions, on each bond shall equal at least the amount of such bond.

g Corporations organized for the purpose of becoming sureties upon bonds, or authorized by law to do so, may be accepted as sureties upon the bonds of referees and trustees whenever the courts are satisfied that the rights of all parties in interest will be thereby amply protected.

h Bonds of referees, trustees, and designated depositories shall be filed of record in the office of the clerk of the court and may be sued upon in the name of the United States for the use of any person injured by a breach of their conditions.

i Trustees shall not be liable, personally or on their bonds, to the United

States, for any penalties or forfeitures incurred by the bankrupts under this act, of whose estates they are respectively trustees.

j Joint trustees may give joint or several bonds.

k If any referee or trustee shall fail to give bond, as herein provided and within the time limited, he shall be deemed to have declined his appointment, and such failure shall create a vacancy in his office.

l Suits upon referees' bonds shall not be brought subsequent to two years after the alleged breach of the bond.

m Suits upon trustees' bonds shall not be brought subsequent to two years after the estate has been closed.

SEC. 51. Duties of clerks.—*a* Clerks shall respectively (1) account for, as for other fees received by them, the clerk's fee paid in each case and such other fees as may be received for certified copies of records which may be prepared for persons other than officers; (2) collect the fees of the clerk, referee, and trustee in each case instituted before filing the petition, except the petition of a proposed voluntary bankrupt which is accompanied by an affidavit stating that the petitioner is without, and can not obtain, the money with which to pay such fees; (3) deliver to the referees upon application all papers which may be referred to them, or, if the offices of such referees are not in the same cities or towns as the offices of such clerks, transmit such papers by mail, and in like manner return papers which were received from such referees after they have been used; (4) and within ten days after each case has been closed pay to the referee, if the case was referred, the fee collected for him, and to the trustee the fee collected for him, at the time of filing the petition.

SEC. 52. Compensation of clerks and marshals.—*a* Clerks shall respectively receive, as full compensation for their services to each estate, a filing fee of $10, except when a fee is not required from a voluntary bankrupt.

b Marshals shall respectively receive from the estate where an adjudication in bankruptcy is made, except as herein otherwise provided, for the performance of their services in proceedings in bankruptcy, the same fees, and account for them in the same way, as they are entitled to receive for the performance of the same or similar services in other cases in accordance with laws now in force, or such as may be hereafter enacted, fixing the compensation of marshals.

SEC. 53. Duties of Attorney-General.—*a* The Attorney-General shall annually lay before Congress statistical tables showing for the whole country, and by States, the number of cases during the year of voluntary and involuntary bankruptcy; the amount of the property of the estates; the dividends paid and the expenses of administering such estates; and such other like information as he may deem important.

SEC. 54. Statistics of bankruptcy proceedings.—*a* Officers shall furnish in writing and transmit by mail such information as is within their knowledge and as may be shown by the records and papers in their possession to the Attorney-General, for statistical purposes, within ten days after being requested by him to do so.

CHAPTER IV.

CREDITORS.

SEC. 55. Meetings of creditors.—*a* The court shall cause the first meeting of the creditors of a bankrupt to be held, not less than ten nor more than thirty days after the adjudication, at the county seat of the county in which the bankrupt has done business, resided, or had his domicile; or if that place would be manifestly inconvenient as a place of meeting for the parties in interest, or if the bankrupt is one who does not do business, reside, or have his domicile within the United States, the court shall fix a place for the meeting which is the most convenient for parties in interest. If such meeting should by any mischance not be held within such time, the court shall fix the date, as soon as may be thereafter, when it shall be held.

b At the first meeting of creditors the judge or referee shall preside, and, before proceeding with the other business, may allow or disallow the claims of creditors there presented, and may publicly examine the bankrupt or cause him to be examined at the instance of any creditor.

c The creditors shall at each meeting take such steps as may be pertinent and necessary for the promotion of the best interests of the estate and the enforcement of this act.

d A meeting of creditors, subsequent to the first one, may be held at any time and place when all of the creditors who have secured the allowance of their claims sign a written consent to hold a meeting at such time and place.

e The court shall call a meeting of creditors whenever one-fourth or more in number of those who have proven their claims shall file a written request to that effect; if such request is signed by a majority of such creditors, which number represents a majority in amount of such claims and contains a request for such meeting to be held at a designated place, the court shall call such meeting at such place within thirty days after the date of the filing of the request.

f Whenever the affairs of the estate are ready to be closed a final meeting of creditors shall be ordered.

SEC. 56. Voters at meetings of creditors.—*a* Creditors shall pass upon matters submitted to them at their meetings by a majority vote in number and amount of claims of all creditors whose claims have been allowed and are present, except as herein otherwise provided.

b Creditors holding claims which are secured or have priority shall not, in respect to such claims, be entitled to vote at creditors' meetings, nor shall such claims be counted in computing either the number of creditors or the amount of their claims, unless the amounts of such claims exceed the values of such securities or priorities, and then only for such excess.

SEC. 57. Proof and allowance of claims.—*a* Proof of claims shall consist of a statement under oath, in writing, signed by a creditor setting forth the claim, the consideration therefor, and whether any, and if so, what, securities are held therefor, and whether any, and if so, what, payments have been made thereon, and that the sum claimed is justly owing from the bankrupt to the creditor.

b Whenever a claim is founded upon an instrument of writing such instrument, unless lost or destroyed, shall be filed with the proof of claim. If such instrument is lost or destroyed, a statement of such fact and of the circumstances of such loss or destruction shall be filed under oath with the claim. After the claim is allowed or disallowed, such instrument may be withdrawn by permission of the court upon leaving a copy thereof on file with the claim.

c Claims after being proved may, for the purpose of allowance, be filed by the claimants in the court where the proceedings are pending or before the referee if the case has been referred.

d Claims which have been duly proved shall be allowed, upon receipt by or upon presentation to the court, unless objection to their allowance shall be made by parties in interest, or their consideration be continued for cause by the court upon its own motion.

e Claims of secured creditors and those who have priority may be allowed to enable such creditors to participate in the proceedings at creditors' meetings held prior to the determination of the value of their securities or priorities, but shall be allowed for such sums only as to the courts seem to be owing over and above the value of their securities or priorities.

f Objections to claims shall be heard and determined as soon as the convenience of the court and the best interests of the estates and the claimants will permit.

g The claims of creditors who have received preferences shall not be allowed unless such creditors shall surrender their preferences.

h The value of securities held by secured creditors shall be determined by converting the same into money according to the terms of the agreement pursuant to which such securities were delivered to such creditors or by such creditors and the trustee, by agreement, arbitration, compromise, or litigation, as the court may direct, and the amount of such value shall be credited upon such claims, and a dividend shall be paid only on the unpaid balance.

i Whenever a creditor whose claim against a bankrupt estate is secured by the individual undertaking of any person fails to prove such claim, such person may do so in the creditor's name, and if he discharge such undertaking in whole or in part he shall be subrogated to that extent to the rights of the creditor.

j Debts owing to the United States, a State, a county, a district, or a municipality as a penalty or forfeiture shall not be allowed, except for the amount of the pecuniary loss sustained by the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby and such interest as may have accrued thereon according to law.

k Claims which have been allowed may be reconsidered for cause and reallowed or rejected in whole or in part, according to the equities of the case, before but not after the estate has been closed.

l Whenever a claim shall have been reconsidered and rejected, in whole or in part, upon which a dividend has been paid, the trustee may recover from the creditor the amount of the dividend received upon the claim if rejected in whole, or the proportional part thereof if rejected only in part.

m The claim of any estate which is being administered in bankruptcy against any like estate may be proved by the trustee and allowed by the court in the same manner and upon like terms as the claims of other creditors.

n Claims shall not be proved against a bankrupt estate subsequent to one year after the adjudication; or if they are liquidated by litigation and the final judgment therein is rendered within thirty days before or after the expiration of such time, then within sixty days after the rendition of such judgment: *Provided*, That the right of infants and insane persons without guardians, without notice of the proceedings, may continue six months longer.

SEC. 58. Notices to creditors.—*a* Creditors shall have at least ten days' notice by mail, to their respective addresses as they appear in the list of creditors of the bankrupt, or as afterwards filed with the papers in the case by the creditors, unless they waive notice in writing, of (1) all examinations of the bankrupt; (2) all hearings upon applications for the confirmation of compositions or the discharge of bankrupts; (3) all meetings of creditors; (4) all proposed sales of property; (5) the declaration and time of payment of dividends; (6) the filing of the final accounts of the trustee, and the time when and the place where they will be examined and passed upon; (7) the proposed compromise of any controversy, and (8) the proposed dismissal of the proceedings.

b Notice to creditors of the first meeting shall be published at least once and may be published such number of additional times as the court may direct; the last publication shall be at least one week prior to the date fixed for the meeting. Other notices may be published as the court shall direct.

c All notices shall be given by the referee, unless otherwise ordered by the judge.

SEC. 59. Who may file and dismiss petitions.—*a* Any qualified person may file a petition to be adjudged a voluntary bankrupt.

b Three or more creditors who have provable claims against any person which amount in the aggregate, in excess of the value of securities held by them, if any, to $500 or over, or if all of the creditors of such person are less than twelve in number, then one of such creditors whose claim equals such amount may file a petition to have him adjudged a bankrupt.

c Petitions shall be filed in duplicate, one copy for the clerk and one for service on the bankrupt.

d If it be averred in the petition that the creditors of the bankrupt are less than twelve in number, and less than three creditors have joined as petitioners therein, and the answer avers the existence of a larger number of creditors, there shall be filed with the answer a list under oath of all the creditors, with their addresses, and thereupon the court shall cause all such creditors to be notified of the pendency of such petition and shall delay the hearing upon such petition for a reasonable time, to the end that parties in interest shall have an opportunity to be heard; if upon such hearing it shall appear that a sufficient number have joined in such petition or if prior to or during such hearing a sufficient number shall join therein, the case may be proceeded with, but otherwise it shall be dismissed.

e In computing the number of creditors of a bankrupt for the purpose of determining how many creditors must join in the petition, such creditors as were employed by him at the time of the filing of the petition or are related to him by consanguinity or affinity within the third degree, as determined by the common law, and have not joined in the petition, shall not be counted.

f Creditors other than original petitioners may at any time enter their appearance and join in the petition, or file an answer and be heard in opposition to the prayer of the petition.

g A voluntary or involuntary petition shall not be dismissed by the petitioner or petitioners or for want of prosecution or by consent of parties until after notice to the creditors.

SEC. 60. Preferred creditors.—*a* A person shall be deemed to have given a preference if, being insolvent or in contemplation of insolvency or bankruptcy, he has procured or suffered a judgment to be entered against himself in favor of any person, or made a transfer of any of his property with intent to (1) defeat the operation of this act, or (2) enable any one of his creditors to obtain a greater percentage of his debt than any other of such creditors of the same class.

b If a bankrupt shall have given a preference within four months before the filing of a petition, or after the filing of the petition and before the adjudication, and the person receiving it, or to be benefited thereby, or his agent acting therein, shall have had reasonable cause to believe that it was intended thereby to give a preference, it shall be voidable by the trustee, and he may recover the property or its value from such person.

c If a creditor has been preferred, and afterwards in good faith gives the debtor further credit without security of any kind for property which becomes a part of the debtor's estate, the amount of such new credit remaining unpaid at the time of the adjudication in bankruptcy may be set off against the amount which would otherwise be recoverable from him.

d If a debtor shall, directly or indirectly, in contemplation of the filing of a petition by or against him, pay money or transfer property to an attorney and counselor at law, solicitor in equity, or proctor in admiralty for services rendered or to be rendered in excess of a reasonable amount, such excess may be recovered by the trustee in the event of such debtor being adjudged a bankrupt.

CHAPTER V.

ESTATES.

SEC. 61. Depositories for money.—*a* Courts of bankruptcy shall designate, by order, banking institutions as depositories for the money of bankrupt estates, as convenient as may be to the residences of trustees, and shall require bonds to the United States, subject to their approval, to be given by

such banking institutions, and may from time to time as occasion may require, by like order, increase the number of depositories or the amount of any bond or change such depositories.

SEC. 62. Expenses of administering estates.—*a* The actual and necessary expenses incurred by officers in the administration of estates shall, except where other provisions are made for their payment, be reported in detail, under oath, and examined and approved or disapproved by the court. If approved, they shall be paid or allowed out of the estates in which they were incurred.

SEC. 63. Debts which may be proved.—*a* Debts of the bankrupt may be proved and allowed against his estate which are (1) a fixed liability, as evidenced by a judgment or an instrument in writing, absolutely owing at the time of the filing of the petition against him, whether then payable or not, with any interest thereon which would have been recoverable at that date or with a rebate of interest upon such as were not then payable and did not bear interest; (2) due as costs taxable against an involuntary bankrupt who was at the time of the filing of the petition against him plaintiff in a cause of action which would pass to the trustee and which the trustee declines to prosecute after notice; (3) founded upon a claim for taxable costs incurred in good faith by a creditor before the filing of the petition in an action to recover a provable debt; (4) founded upon an open account, or upon a contract express or implied; and (5) founded upon provable debts reduced to judgments after the filing of the petition and before the consideration of the bankrupt's application for a discharge, less costs incurred and interest accrued after the filing of the petition and up to the time of the entry of such judgments.

b Unliquidated claims against the bankrupt may, pursuant to application to the court, be liquidated in such manner as it shall direct, and may thereafter be proved and allowed against his estate.

SEC. 64. Debts which have priority.—*a* The court shall order the trustee to pay all taxes legally due and owing by the bankrupt to the United States, State, county, district, or municipality in advance of the payment of dividends to creditors, and upon filing the receipts of the proper public officers for such payment he shall be credited with the amount thereof, and in case any question arises as to the amount or legality of any such tax the same shall be heard and determined by the court.

b The debts to have priority, except as herein provided, and to be paid in full out of bankrupt estates, and the order of payment, shall be (1) the actual and necessary cost of preserving the estate subsequent to filing the petition; (2) the filing fees paid by creditors in involuntary cases; (3) the cost of administration, including the fees and mileage payable to witnesses as now or hereafter provided by the laws of the United States, and one reasonable attorney's fee, for the professional services actual rendered, irrespective of the number of attorneys employed, to the petitioning creditors in involuntary cases, to the bankrupt in involuntary cases while performing the duties herein prescribed, and to the bankrupt in voluntary cases, as the court may allow; (4) wages due to workmen, clerks, or servants which have been earned within three months before the date of the commencement of proceedings, not to exceed $300 to each claimant; and (5) debts owing to any person who by the laws of the States or the United States is entitled to priority.

c In the event of the confirmation of the composition being set aside, or a discharge revoked, the property acquired by the bankrupt in addition to his estate at the time the composition was confirmed or the adjudication was made shall be applied to the payment in full of the claims of creditors for property sold to him on credit, in good faith, while such composition or discharge was in force, and the residue, if any, shall be applied to the payment of the debts which were owing at the time of the adjudication.

SEC. 65. Declaration and payment of dividends.—*a* Dividends of an equal per cent shall be declared and paid on all allowed claims, except such as have priority or are secured.

b The first dividend shall be declared within thirty days after the adjudication, if the money of the estate in excess of the amount necessary to pay the debts which have priority and such claims as have not been, but probably will be, allowed equals 5 per cent or more of such allowed claims. Dividends subsequent to the first shall be declared upon like terms as the first and as often as the amount shall equal 10 per cent or more and upon closing the estate. Dividends may be declared oftener and in smaller proportions if the judge shall so order.

c The rights of creditors who have received dividends, or in whose favor final dividends have been declared, shall not be affected by the proof and allowance of claims subsequent to the date of such payment or declarations of dividends; but the creditors proving and securing the allowance of such claims shall be paid dividends equal in amount to those already received by the other creditors if the estate equals so much before such other creditors are paid any further dividends.

d Whenever a person shall have been adjudged a bankrupt by a court without the United States and also by a court of bankruptcy, creditors residing within the United States shall first be paid a dividend equal to that received in the court without the United States by other creditors before creditors who have received a dividend in such court shall be paid any amounts.

e A claimant shall not be entitled to collect from a bankrupt estate any greater amount than shall accrue pursuant to the provisions of this act.

SEC. 66. Unclaimed dividends.—*a* Dividends which remain unclaimed for six months after the final dividend has been declared shall be paid by the trustee into court.

b Dividends remaining unclaimed for one year shall, under the direction of the court, be distributed to the creditors whose claims have been allowed but not paid in full, and after such claims have been paid in full the balance shall be paid to the bankrupt: *Provided*, That in case unclaimed dividends belong to minors such minors may have one year after arriving at majority to claim such dividends.

SEC. 67. Liens.—*a* Claims which for want of record or for other reasons would not have been valid liens as against the claims of the creditors of the bankrupt shall not be liens against his estate.

b Whenever a creditor is prevented from enforcing his rights as against a lien created, or attempted to be created, by his debtor, who afterwards becomes a bankrupt, the trustee of the estate of such bankrupt shall be subrogated to and may enforce such rights of such creditor for the benefit of the estate.

c A lien created by or obtained in or pursuant to any suit or proceeding at law or in equity, including an attachment upon mesne process or a judgment by confession, which was begun against a person within four months before the filing of a petition in bankruptcy by or against such person shall be dissolved by the adjudication of such person to be a bankrupt if (1) it appears that said lien was obtained and permitted while the defendant was insolvent and in contemplation of bankruptcy and with a view to work a preference, or (2) the party or parties to be benefited thereby had reasonable cause to believe the defendant was insolvent and in contemplation of bankruptcy, or (3) that such lien was sought and permitted in fraud of the provisions of this act; or if the dissolution of such lien would militate against the best interests of the estate of such person the same shall not be dissolved, but the trustee of the estate of such person, for the benefit of the estate, shall be subrogated to the rights of the holder of such lien and empowered to perfect and enforce the same in his name as trustee with like force and effect as such holder might have done had not bankruptcy proceedings intervened.

d Liens given or accepted in good faith and not in contemplation of or in fraud upon this act, and for a present consideration, which have been recorded according to law, if record thereof was necessary in order to impart notice, shall not be affected by this act.

SEC. 68. Set-offs and counterclaims.—*a* In all cases of mutual debts or mutual credits between the estate of a bankrupt and a creditor the account shall be stated and one debt shall be set off against the other, and the balance only shall be allowed or paid.

b A set-off or counterclaim shall not be allowed in favor of any debtor of the bankrupt which (1) is not provable against the estate, or (2) was purchased by or transferred to him after the filing of the petition, or within four months before such filing, with a view to such use and with knowledge or notice that such bankrupt was insolvent, or had committed an act of bankruptcy.

SEC. 69. Possession of property.—*a* A judge may, upon satisfactory proof, by affidavit, that a bankrupt against whom an involuntary petition has been filed and is pending has committed an act of bankruptcy, or has neglected or is neglecting, or is about to so neglect his property that it has thereby deteriorated, or is thereby deteriorating, or is about thereby to deteriorate in value, issue a warrant to the marshal to seize and hold it subject to further orders. Before such warrant is issued the petitioners applying therefor shall enter into a bond in such an amount as the judge shall fix, with such sureties as he shall approve, conditioned to indemnify such bankrupt for such damages as he shall sustain in the event such seizure shall prove to have been wrongfully obtained. Such property shall be released, if such bankrupt shall give bond in a sum which shall be fixed by the judge, with such sureties as he shall approve, conditioned to turn over such property, or pay the value thereof in money to the trustee, in the event he is adjudged a bankrupt pursuant to such petition.

SEC. 70. Title to property.—*a* The trustee of the estate of a bankrupt, upon his appointment and qualification, and his successor or successors, if he shall have one or more, upon his or their appointment and qualification, shall in turn be vested by operation of law with the title of the bankrupt, as of the date he was adjudged a bankrupt, except in so far as it is to property which is exempt, to all (1) documents relating to his property; (2) interests in patents, patent rights, copyrights, and trade-marks; (3) powers which he might have exercised for his own benefit, but not those which he might have exercised for some other person; (4) property transferred by him in fraud of his creditors; (5) property which prior to the filing of the petition he could by any means have transferred or which might have been levied upon and sold under judicial process against him: *Provided*, That when any bankrupt shall have any insurance policy which has a cash surrender value payable to himself, his estate, or personal representatives, he may, within thirty days after the cash surrender value has been ascertained and stated to the trustee by the company issuing the same, pay or secure to the trustee the sum so ascertained and stated, and continue to hold, own, and carry such policy free from the claims of the creditors participating in the distribution of his estate under the bankruptcy proceedings, otherwise the policy shall pass to the trustee as assets; and (6) rights of action arising upon contracts or from the unlawful taking or detention of, or injury to, his property.

b All real and personal property belonging to bankrupt estates shall be appraised by three disinterested appraisers; they shall be appointed by, and report to, the court. Real and personal property shall, when practicable, be sold subject to the approval of the court; it shall not be sold otherwise than subject to the approval of the court for less than 75 per cent of its appraised value.

c The title to property of a bankrupt estate which has been sold, as herein provided, shall be conveyed to the purchaser by the trustee.

d Whenever a composition shall be set aside, or discharge revoked, the trustee shall, upon his appointment and qualification, be vested as herein provided with the title to all of the property of the bankrupt as of the date of the final decree setting aside the composition or revoking the discharge.

e The trustee may avoid any transfer by the bankrupt of his property which any creditor of such bankrupt might have avoided, and may recover the property so transferred, or its value, from the person to whom it was transferred, unless he was a bona fide holder for value prior to the date of the adjudication. Such property may be recovered or its value collected from whoever may have received it, except a bona fide holder for value.

f Upon the confirmation of a composition offered by a bankrupt, the title to his property shall thereupon revest in him.

THE TIME WHEN THIS ACT SHALL GO INTO EFFECT.

g This act shall go into effect upon (1) its passage, as to the promulgation of rules, forms, and orders and the appointment of referees, and the designation of the districts in which they shall respectively have jurisdiction; and (2) the expiration of six months after its passage, as to all its other provisions, except that no cognizance shall be taken, pursuant to its provisions, of the acts of persons so far as they constitute acts of bankruptcy or offenses as herein defined, prior to the date when the act shall go into full force and effect.

h Proceedings commenced under State insolvency laws before this act shall go into full force and effect shall not be affected by it.

Mr. HENDERSON. Mr. Speaker, in opening the debate on the bankruptcy bill, it is proper to say that there are many members who desire to be heard, and being permitted to control the time in favor of the bill, I do not wish to be unreasonable in the consumption of time in presenting my views. I therefore request members not to interrupt me during my remarks. It may be that questions will arise in the minds of gentlemen that will be fully considered by me before I close, so that their questions may not be necessary.

After I conclude my observations, I shall be very glad to entertain any questions, and will frankly answer them, so far as I am able.

THE PROVISIONS OF THE BILL.

Mr. Speaker, my first aim will be to give attention to the provisions of the bill recommended by the Committee on the Judiciary, so that the House may know what is proposed by the bill before we enter into the general treatment of a national bankruptcy law.

BANKRUPT LAW NOT COMPLICATED.

To those of you who may consider this subject of bankruptcy legislation as complicated, I wish to say that it is not only not complicated, but that it is in fact very simple.

Let me illustrate, in brief, the simplicity of the subject as I shall treat it.

Bankruptcy legislation is part of the history of every civilized

country. It is provided for in express terms in our Federal Constitution. It is the embodiment of the rules of equity as applied to the affairs of dishonest and financially unfortunate men and their creditors. Our bill in the shortest possible way defines the duties and makes secure the rights of all parties to bankruptcy proceedings. Men fail just as certainly as men die, and in consequence a bankruptcy law is just as necessary as probate laws.

There has been a very general demand for action by Congress, and the protests against such action have, for the most part, emanated from one source. I anticipate with confidence that as the result of the passage of our bill hundreds of thousands of men who are now prostrate beneath burdens which they can not themselves remove will be rescued without practical detriment to their creditors; that hereafter untold sums will be annually saved to creditors of bankrupt estates which are now needlessly spent in useless strife to determine which of them shall be paid in full and which shall receive nothing; and that will prevent large numbers of men from committing frauds, as they now do, because such frauds seem to them proper in the performance of their sacred duties to their dependents.

I will now enter upon the consideration of the pending bill, and will first consider

PROCEEDINGS IN BANKRUPTCY.

The proceedings in bankruptcy are simple, easily understood, and the costs in connection therewith will be very small. In brief, they are as follows:

COURTS OF BANKRUPTCY.

Courts of bankruptcy are the district courts of the United States and of the Territories, the supreme court of the District of Columbia, and the United States court of the Indian Territory and of Alaska.

Original jurisdiction at law and in equity is to be exercised by courts of bankruptcy in the administration of the bankruptcy act.

Bankruptcy proceedings will be conducted in term time and during vacation; that is, such courts will always be open for the dispatch of bankruptcy business. This provision of the law will prevent the long delays between terms of court which are now experienced under the provision of the State insolvency laws.

Appeals may be taken from final decisions of courts of bankruptcy to the appellate courts.

JURISDICTION AND DUTIES OF REFEREES.

Referees shall be appointed by courts of bankruptcy, each for a term of two years, and may be removed.

The boundaries of their districts will be designated and may be changed by courts of bankruptcy.

It is contemplated that there will be at least one referee's district in each county.

The qualifications of referees are that they shall be competent to act in that capacity; that they are persons who are not holding any office of profit or emolument other than commissioner of deeds, justice of the peace, master in chancery, or notary public, and who are not related by consanguinity or affinity within the third degree to any of the judges of the courts of bankruptcy or circuit courts of the United States or judges of the appellate courts. They must be residents of or have their offices in the district for which appointed.

The oath of office taken by judges of United States courts must be taken by referees before they enter upon the performance of their duties.

A bond in such sum as shall be fixed by the court, not to exceed $5,000, with good surety, shall be given by referees before assuming the duties of office.

Suits upon referees' bonds shall not be brought subsequent to two years after the alleged breach of the bond.

There is no limit to the number of referees which may be appointed. The number will be such as shall prove necessary in order to expeditiously transact the bankruptcy business. It is altogether probable that the number will be very large in the beginning and that as the accumulation of bankruptcy business is disposed of the number will be gradually reduced.

The jurisdiction of referees is to be exercised, subject always to a review by the judge. Such reviews can be secured upon application of the aggrieved party and without the giving of a bond.

Uncontested involuntary petitions and voluntary petitions may be acted upon by them in the absence of the judge from the district in which the proceedings are pending.

The hearing of contested petitions in involuntary cases, and of petitions for discharges, and questions relating to the confirmation of settlements between the bankrupt and his creditors can not be heard before a referee, but must be considered in court. In general terms, all other matters relating to the administration of the estate may be conducted before the referee.

Cases may be referred from one referee to another by order of the court, when the convenience of parties will be best served thereby.

The fees and commissions of referees will not be paid to them until the cases in which earned have been closed and the records have been properly returned to court.

The commissions payable to referees will be computed not upon the income or outgo of the estates administered before them, but upon the money actually paid to creditors in dividends.

It is thought that the above provisions as to the payment of the compensation of referees will interest them in the prompt administration of bankruptcy estates.

Contempts committed before referees shall be reported to the court, and the offender shall be treated in like manner as though such contempts had been committed before the court.

In the absence of a referee another referee may be appointed to perform his duties.

Referees shall be fined not to exceed $500 and forfeit their office if convicted of having knowingly acted as referees in any case in which they were interested, or purchased while acting as referees, directly or indirectly, any property of estates being administered before them.

STATE COURTS.

The jurisdiction of State courts to try controversies between the trustees of bankrupt estates and parties claiming adverse interest is not in any way interfered with.

Suits by the trustee shall only be brought in the courts where the bankrupt might have brought them except for the misfortune of his bankruptcy, unless by the consent of the proposed defendant.

Under the last bankruptcy law the litigation incident to the settlement of estates was conducted almost wholly in United States courts. The result was great inconvenience and much expense to a majority of the people interested in such litigation as principals, witnesses, and attorneys. Such will not be the effect under this bill. It is proper that such should not be the case, speaking generally, in behalf of the administration of justice. Let me illustrate:

If A and B live in different counties of the same State, and have a transaction on credit, and A desires to sue B in relation thereto, he must, speaking in general terms, go to the home county of B and bring suit in the court there or secure personal service on him in some other county. If it happens that B lives at a distance from the meeting place of a United States court and A should become a bankrupt, it might prove a great hardship upon B to be sued by A's trustee in such court.

It is not thought that A's misfortune in becoming a bankrupt should be visited upon B, who is blameless in the matter. Hence it is provided that the courts, which otherwise would have jurisdiction of the controversy had not bankruptcy proceedings intervened, shall not be ousted of their jurisdiction.

UNITED STATES CIRCUIT COURTS.

Whenever a debtor against whom an involuntary petition has been filed demands that the question as to whether or not he has committed an act of bankruptcy shall be tried by a jury, such trial may be had in a United States circuit court, if such case is pending in any one of the district courts of the United States within the jurisdiction of the circuit court of the United States, and such a case may be certified for trial to the circuit court sitting at the same place as the district court, or by the consent of parties while sitting at any other place in the same district, in the event such circuit court has, or is to have, a jury first in attendance.

The United States circuit courts shall have jurisdiction of all controversies at law and in equity, as distinguished from proceedings in bankruptcy, between trustees as such, and adverse claimants concerning property rights, in the same manner and to the same extent only as though bankruptcy proceedings had not been instituted, but such controversies had been between such bankrupts before the adjudication and such adverse claimants.

Persons accused of having committed offenses under the bankruptcy act may be tried in the United States circuit courts.

VOLUNTARY BANKRUPTCY.

If a debtor, not a corporation, who owes debts desires the benefit of the act, he may file his petition under oath voluntarily.

The payment of any fees can be avoided by a proposed voluntary bankrupt, provided he accompanies his petition by an affidavit stating that he is without and can not obtain the money with which to pay such fees.

A schedule of the petitioner's property shall be filed with the petition under oath by him, showing the amount and kind of property, the location thereof, its money value in detail, and a list of his creditors, the amounts due each of them, the consideration therefor, and the security held by them, if any, and a claim for his exemptions. Such schedule shall be filed in triplicate, one copy for the clerk, one for the referee, and one for the trustee.

The judge, if present, shall consider the petition of a voluntary bankrupt and make the adjudication or dismiss the petition. If he is absent from the district or the division of the district in which the petition is filed at the time it is filed, the clerk shall forthwith refer it to the referee.

Referees shall consider the petitions referred to them and make adjudications or dismiss the petitions.

It has been suggested that debtors may unnecessarily become voluntary bankrupts. It is not reasonable to believe that they will do so. The voluntary petitioner must surrender all of his property over and above the amount of exemptions allowed by the laws of the State in which he lives. His creditors will select the trustee to represent them in the marshaling and distribution of such property as the debtor may have.

If any fraudulent conveyances have been made, the trustee will be empowered to secure the cancellation of such conveyances and, upon recovering the property, to distribute it to the creditors. If such debtor has been guilty of wrongdoing of any kind, the trustee will in all probability unearth it and secure to the creditors their rights, whatever they may be.

If it should come to the knowledge of the trustee that the bankrupt had been guilty of any frauds or wrongdoing punishable by the act, no doubt the bankrupt would in due course be charged and tried. In view of all which it seems extremely improbable that any debtor who can possibly avoid it will become a voluntary bankrupt.

After the entry of the adjudication that the petitioner is a bankrupt, there is no distinction as between bankrupts—that is, it is immaterial to the bankrupt and to the creditors whether the petition was filed by the bankrupt or by his creditors, as the rights of both voluntary and involuntary bankrupts are identical and their estates are administered under the same provisions of the bill.

INVOLUNTARY BANKRUPTCY.

A debtor (not a national bank, a person engaged chiefly in farming or the tilling of the soil, or a wage earner) who owes more than $1,000 may be proceeded against in involuntary bankruptcy.

Petitions by creditors in involuntary bankruptcy shall be filed in duplicate, one copy for the clerk and one for service on the bankrupt.

The petition must allege the commission of one or more acts of bankruptcy on the part of the defendant.

Speaking generally, it may be said that acts of bankruptcy mean acts on the part of a debtor which are dishonest or show an inability or unwillingness to pay matured obligations or to protect his property from being carried away by creditors in preferences.

To those who believe in the enactment of a comprehensive bankruptcy law it seems reasonable that if a debtor acts dishonestly, or becomes hopelessly insolvent, his creditors ought to collectively have an opportunity to at least secure a percentage of their claims, either as the result of an administration under the provisions of a bankruptcy law or as a matter of settlement. They point out that it would be no greater hardship on the debtor to have his creditors proceed against him collectively in bankruptcy than to have them proceed individually against him in suits at law or in equity.

With reference to the rights of the creditor, speaking in a financial sense, it is immaterial whether the debtor has acted dishonestly or become insolvent and defaulted on payment due, as the probable result to him in either case will be the loss of a part of his claim.

In order that the debtor may be placed at no greater disadvantage in a bankruptcy proceeding than in an ordinary suit, very careful restrictions have been placed upon the institution of bankruptcy proceedings.

Under the last bankruptcy law the institution of proceedings in bankruptcy frequently proved a very great detriment to the defendant when he was finally adjudged a bankrupt. That is to say, the title of the trustee related back to the time of the commencement of the proceedings. The result of this provision was that the trustee might recover property which was sold during the pendency of the proceedings and before the defendant was declared by the bankruptcy court to be a bankrupt. The same is true of the present British bankruptcy law.

This possible hardship has been avoided under the provisions of our bill by providing that the title of the bankrupt shall vest in the trustee not as of the date of the filing of the proceedings, but as of the date of the adjudication. The result of all which is that the defendant in a bankruptcy proceeding is in no worse position than the defendant in any proceeding at law or in equity.

The petition, with a writ of subpœna, will be served on the defendant in the same manner that service of petitions is now had upon the commencement of suits in equity in courts of the United States, except that it shall be returned within fifteen days, unless the judge extends the time.

The defendant or any creditor may appear in the bankruptcy court and plead to the petition within ten days after the return day, or within such additional time as may be allowed by the judge.

If the answer sets up matters of fact, it must be verified.

There shall be filed with the answer a list of creditors, under oath, whenever the petition is filed by less than three creditors and it alleges that there are not more than twelve creditors, and the answer alleges that there are more than twelve creditors.

The defendant in bankruptcy proceedings shall be entitled, upon application, to have a trial by jury.

Appeals may be taken by involuntary bankrupts from the adjudication against them within ten days after the entry of the judgment, or within such further time as may be granted by the judge. Such appeals will be taken in accordance with the provisions of law now in force upon that subject, or such as may be hereafter enacted.

The involuntary bankrupt, after having been finally adjudged such, must, within ten days thereafter, unless further time is granted, prepare, make oath to, and file in court a schedule of his property in detail and a list of his creditors, with their addresses, and claim such exemptions as he considers himself entitled to, all in triplicate, so that there may be one copy for the clerk, one for the referee, and one for the trustee.

After the adjudication there are no distinctions between bankrupts. That is, a bankrupt is a bankrupt without distinction growing out of the initiative proceedings. So, too, with regard to the administrations of the estate and the rights of creditors.

THE BANKRUPT.

After the final adjudication the bankrupt must attend the first meeting of his creditors, if notified by any of them to do so.

When present at the first meeting of his creditors, and at such other times as the court shall order, the bankrupt must submit to an examination concerning the conduct of his business, the cause of his bankruptcy, his dealings with his creditors and other persons, the amount and whereabouts of his property, and, in addition, as to all matters which may affect the administration of his estate.

In general terms, the bankrupt must, with reference to the estate, give such assistance as he can in its administration, to the end that it may be marshaled and distributed among his creditors promptly and at small cost.

A bankrupt will not be permitted to apply for a discharge until the expiration of two months after the date when he was finally adjudged a bankrupt.

The reason for not permitting the application to be filed earlier is that it is thought the creditors ought to have at least that time in which to cause an investigation of his affairs to be made and to determine whether or not they ought to oppose his application for a discharge and have grounds for so doing. The petition for a discharge may be filed after the expiration of two months subsequent to the adjudication, and at any time during the next four months; that is to say, during the last four of the first six months immediately subsequent to the date of the final adjudication.

If it transpires that the application for a discharge is not made within such time by the bankrupt, and he can prove to the satisfaction of the judge that he was unavoidably prevented from making the application during such time, then such application may be made within the next six months; that is, during the last six of the first twelve months subsequent to the date of the final adjudication. But an application for a discharge can not be filed after the expiration of twelve months subsequent to the date of the final adjudication.

Ten days' notice of the filing of an application for a discharge shall be given by mail to the creditors, so that they may, if they desire, be present either to oppose or support such application.

The application for a discharge and such pleas as may be made in opposition thereto by parties in interest will be heard by the judge at such time as may be most convenient for all parties.

A discharge will be granted unless it shall be made to appear, speaking in general terms, that the defendant has been guilty of some act of dishonesty or has been guilty of the perpetration of frauds with reference to his property.

Although a discharge in bankruptcy may be granted, still it will not operate as against taxes or judgments which have been rendered in actions for the commission of frauds or the willful or malicious injury to persons or property, or as against such debts as have not been properly scheduled unless the bankruptcy was known to the creditor, or such claims as were created by his wrongdoing while acting as an officer or in a fiduciary capacity.

Discharges may be revoked which have been fraudulently obtained upon applications made within one year after they were granted.

Codebtors of a bankrupt are not affected by his discharge.

A debtor shall be deemed to have given a preference if, being insolvent or in contemplation of insolvency, he has suffered a judgment to be entered against himself in favor of any person or made a transfer of any of his property with an intent to defeat the operation of this act or enable one of his creditors to obtain a greater percentage of his claim than any other of such creditors of the same class.

Claims that arise out of a contract, for which security was given at the time it was made, in good faith, shall not be affected by the act.

Debts which shall have priority are the actual costs of preserving the estate, the filing fees paid by creditors, the cost of administration, wages due workmen, clerks, or servants which have been earned within three months, not to exceed $300 each, and debts owing to any person who by the laws of the States or the United States is entitled to priority.

Corporations can not become voluntary bankrupts, but may be proceeded against in involuntary bankruptcy.

Partnerships may be proceeded against in bankruptcy in the same manner as individuals.

The exemptions of the bankrupt will be allowed as prescribed by the State laws in force at the time of the filing of the petition in the State wherein he had his domicile for six months, or the greater portion thereof, immediately preceding the filing of the petition.

It has been suggested that since the exemption as provided by each of the States is different from those provided by every other State, a law which does not interfere with them may be unconstitutional because not uniform. There are two replies to this suggestion: The first is that the last bankruptcy law recognized the validity of the exemption of the State laws as of a certain date and notwithstanding such provision was held to be constitutional by the courts.

The second reply is, that the proposed law does not undertake to confirm, or to in any sense enact, the laws as in force in the several States, but simply refuses to interfere with such laws or to make any provision for providing other exemptions for bankrupts. If the law should be criticised in this, that it does not provide a uniform exemption different from the States or undertake to exercise any control over State legislation upon that subject, the reply is that it is not necessary for it to do so as a legal proposition, and that it is impracticable for it to do so as a matter of policy.

The needs of the poor man in each of the States is different from the needs of poor men similarly situated in other States—that is to say, in order for an insolvent debtor to protect his family from want in, say, Florida, he must have household belongings of quite a different character than would be necessary if he was a resident of, say, Maine or Oregon. If it would undertake to provide a uniform exemption in money value, the same difficulties would be encountered.

That is to say, the amount that would be necessary to provide the modest belongings which the insolvent debtor should have for the needed protection of his family in, say, Connecticut, would be very much less than would be required for the same debtor to make like provision if he were a citizen of Montana or Texas.

In view of all which it has been thought advisable by the committee not to endeavor to utilize the bankruptcy law as a means of correcting State legislation on this important subject. Those who may fear that the bill on this account is unconstitutional may calm their fears, as there is not the slightest danger in this respect.

Bankrupts may be punished by imprisonment not to exceed two years upon having been tried and convicted of having knowingly and fraudulently failed to account properly for their property; having concealed their property from the trustee, or committed perjury, or obtained property in contemplation of bankruptcy with intent not to pay for it.

THE CREDITORS.

A petition in involuntary bankruptcy can only be filed by three or more creditors who have provable claims against the defendant which aggregate, in excess of the value of securities held by them, if any, to $500 or over. But if all the creditors are less than twelve in number, then one of them, whose claim equals such amount, may file the petition.

The petition shall be verified.

Petitioning creditors shall pay at the time of filing the petition to the clerk the clerk's fee of $10, the referee's fee of $10, and the trustee's fee of $5. These fees have priority and shall be returned to the petitioning creditors from the assets of the estate.

At the time of filing the petition, or within five days thereafter, the petitioning creditors shall file a bond conditioned for the payment to the defendant or his legal representatives of expenses and damages occasioned by the wrongful institution of such proceedings, together with costs and counsel fees to be allowed by the court.

In computing the number of creditors for the purpose of determining how many of them must join in a petition, such as were employed by the defendant or are related to him by consanguinity or affinity within the third degree and have not joined in the petition shall not be counted.

Creditors other than original petitioners may at any time join in the petition or appear and oppose it.

Petitions shall not be dismissed for want of prosecution or by consent of parties until after at least ten days' notice by mail to creditors.

The first meeting of the creditors of a bankrupt estate shall be held not less than ten days nor more than thirty days after the adjudication. It shall be held at the county seat of the county in which the bankrupt has done business, resided, or had his domicile, or, for the convenience of parties, a more convenient place may be fixed by the court. If it happens that such meeting is not held within that time, it shall be held at an early date thereafter.

The creditors shall have at least ten days' notice by mail of all meetings of creditors.

The notice to creditors of the first meeting shall be published at least once, and may be published such number of additional times as the court may direct. The last publication shall be at least one week prior to the date fixed for the meeting.

The judge or referee shall preside at the first meeting of creditors.

The trustee shall be elected at the first meeting of the creditors. One or three trustees, as the creditors may prefer, shall be elected for each estate. The creditors will in like manner fill the office of trustee whenever it is vacant from any cause.

The creditors shall at each meeting take such steps as may be pertinent and necessary for the promotion of the best interests of the estate.

If it is believed by the petitioning creditors at the time of the filing of the petition that the defendant has committed an act of bankruptcy and that he is neglecting his property so that it is becoming deteriorated or that the defendant is about to make away with his property to their detriment, they may apply to the court for a writ of seizure against the property of the defendant.

The court must be satisfied by evidence that the fears of the petitioning creditors are well founded before issuing such a writ. The court will also require before awarding the writ that the petitioning creditors enter into bond with ample sureties for the indemnifying of the defendant for such damages as he will sustain in the event such seizure shall prove to have been wrongfully obtained.

The defendant may, if he desires, in the event his property is seized pending the proceeding and before the adjudication, give a forthcoming bond for the return of the property, or the payment of its money value, in the event he is adjudged a bankrupt.

It will be noted that the above provisions protect the creditors of an estate from its being spirited away, and on the other hand give the debtor ample opportunity to protect his property interests in the event he desires to contest the charge that he is a bankrupt.

At creditors' meetings matters shall be passed upon by a majority vote in number of creditors and a majority in amount of the claims held by them.

The proof of claims will be an inexpensive proceeding, but if it transpires that fraudulent claims have been allowed, they may be reconsidered and rejected.

Creditors may be punished by imprisonment not to exceed two years upon being convicted, after a fair trial, of having knowingly and fraudulently presented any false claims against a bankrupt estate, or having received property in consideration of acting unlawfully in any bankruptcy proceedings.

SETTLEMENTS BETWEEN DEBTORS AND THEIR CREDITORS.

After the filing of a petition in bankruptcy, either voluntarily by a debtor or by his creditors, a settlement may be reached as between the debtor and his creditors, and be confirmed by the courts, so that it will be binding upon all of them.

A proposed settlement will not be considered by the court until after the debtor has been examined in open court or at a meeting of creditors; until after the debtor has filed a schedule of his property and a list of his creditors; until after the debtor has obtained the written acceptance of the proposed settlement by a majority in number of the creditors, including those who hold claims in excess of one-half of the amount of all claims which have been proven, and until after the debtor has deposited in court or as the judge may direct the money necessary to pay all debts which have priority, and the costs of the proceedings; and has also so deposited the consideration which is to be paid to the creditors in settlements.

These requirements, which are made as conditions precedent to a consideration of a proposition to have the settlement confirmed, were justified by the fact that he who makes them is a bankrupt, and hence must show his ability to comply with such proposed settlements before the matter will be finally determined in the best interests of all parties. After these preliminary conditions have been complied with, a time and place will be fixed for the hearing upon application for the confirmation of the settlement.

Ten days' notice by mail must be given to creditors of the time fixed for the hearing upon the application for the confirmation of a settlement.

Upon the hearing of the application for the confirmation of the settlement, all parties in interest will have an opportunity to be heard; and if it appears that the confirmation would be in the best interests of the creditors, and the bankrupt has not been guilty of any fraudulent acts or failed to perform any of the duties which would be a bar to his discharge, and the offer and its acceptance

are in good faith and have not been procured by fraudulent means, the settlement will be confirmed.

After the confirmation of a settlement between a debtor and his creditors the court will cause the consideration theretofore deposited for the settlement to be distributed to the creditors and the case will be dismissed.

A settlement will be set aside which was obtained by fraudulent means upon application made within six months after it was confirmed.

It is confidently anticipated that under these provisions for settlements there will be a greater number of cases compromised quickly and at trivial costs than will be administered under the provisions of the law.

THE TRUSTEE.

The trustees shall be individuals who are competent to perform their duties, or they may be corporations authorized to act in that capacity.

The death or removal of the trustee shall not in any way affect the administration of an estate, but the successor shall proceed therewith as if he had been the original appointee.

The trustees will not be permitted to receive interest upon moneys belonging to estates for their own benefit, but are required to account for it.

Trustees must collect the estate and convert it into money and pay the same out in dividends to the creditors under direction of the court.

The trustee may, under the direction of the court, submit to arbitration any controversy arising in the settlement of estates, thus saving time and expense.

The trustee may also, with the approval of the court, compromise any controversy arising in the administration of the estate. Another arm of this law for securing speed and saving expense.

The commissions, which, together with the fee, are to constitute his entire compensation, will not be computed upon the estimated value of the estate, nor in part upon the expenses which may be incurred in its administration, but the computation will be made upon the actual amount which is realized for and paid to creditors in dividends. It may be anticipated with reasonable certainty that these provisions will interest this officer in the prompt and economical administration of the estate.

The fact that the trustee is to be chosen by the creditors of each estate will prevent one of the abuses which grew to very considerable proportions in the administration of the last bankruptcy law, i. e., that of having a standing assignee.

There may be one or three trustees chosen by the creditors for each estate. In the event three are chosen, they will together only receive the compensation payable to one trustee. Where three trustees are acting for one estate, they will determine upon the various steps of the administration by an affirmative vote of at least two of them, i. e., as between them a majority will rule.

The bankruptcy courts may, pursuant to the complaints of creditors, remove trustees for cause upon hearings and after notices to them.

A trustee may be fined not to exceed $500 and forfeit his office upon conviction of having knowingly refused to permit a reasonable opportunity for the inspection of accounts relating to the affairs of an estate in his charge or of having embezzled property belonging to an estate in his charge.

THE ESTATE.

The trustee shall collect and reduce to money the property of the estate, under the direction of the court, as expeditiously as possible.

The court may authorize the business of bankrupt estates to be continued for limited periods for the best interests of the estate. All controversies in relation to the estate are to be determined as soon as possible.

The actual and necessary expenses in the administration of estates shall be reported in detail under oath, and shall not be paid until examined and approved by the court.

The money of bankrupt estates shall be deposited in such banking institutions as may have been selected by the court and as shall have given bonds for their safe keeping.

Information concerning estates shall be furnished by the trustee upon application of parties in interest.

The condition of the estate shall be reported to the court by the trustee within the first month after the appointment of such trustee and every two months thereafter.

The first dividend shall be declared within thirty days after the adjudication if the surplus money realized up to that time equals 5 per cent or more upon the allowed claims. Thereafter dividends will be declared as often as the money in the hands of the trustee equals at least 10 per cent. Dividends may be paid oftener and in smaller amounts, if directed by the judge.

Estates will be closed as expeditiously as possible in the best interests of creditors.

The property of the bankrupt consisting of documents, interests in patents, patent rights, copyrights, and trade-marks will become a part of the estate, and the title thereto will vest in the trustee as of the date of the final adjudication.

The powers of the bankrupt, which he might have exercised for his own benefit, may be exercised by the trustee for the benefit of the estate.

Property which may have been transferred in fraud of creditors may be recovered by the trustee for the benefit of the estate.

Property of every kind and description which prior to the filing of the petition might by any means have been transferred by the bankrupt, or which might have been levied upon and sold under judicial process against him, will vest in the trustee. Rights of action arising upon contracts to which the bankrupt was a party, or from the unlawful detaining or detention or injury to the property of the bankrupt, may be prosecuted by the trustee for the benefit of the estate.

All personal property belonging to bankrupt estates shall be appraised by disinterested appraisers. Property of the estate shall be sold by the trustee only, subject to the approval of the court.

IN GENERAL TERMS.

It may be said that under the provisions of this bill the honest bankrupt will be treated with consideration, and within a reasonable time be discharged; that the dishonest bankrupt will be explicitly charged with his wrongdoing, deliberately tried, and humanely punished; that the estate, considering the nature of the property of which it consists, will be as quickly reduced to cash as possible and distributed to the creditors; that creditors will have an opportunity at each stage of the proceedings to be heard in favor of or in opposition to any proposed proceeding; that the claims of creditors will be carefully scrutinized and such as are just will be promptly allowed, at trivial expense, and such as are unjust will be rejected; that inexpensive compromises will be substituted for expensive litigation, and, all in all, that the misfortunes of men as relating to bankruptcy will be assuaged as far as possible.

The bill favorably reported by your Committee on the Judiciary will, if finally passed, constitute—

A law which will enable judges to be just and juries to be merciful.

A law which will draw the line between honest and dishonest debtors, and grant to the former an honorable discharge, and to the latter a term in the penitentiary.

A law under which any creditor will secure not a cent more nor a cent less than is due him.

A law which will so protect the honest debtor that he can not be coerced into giving a preference or paying an unjust claim by the threats of being attached.

A law which will enable every honest debtor to have at all times the assistance and advice of all of his creditors without the fear that in an attempt to take advantage of one another they will wreck him financially.

A law which will enable debtors to be honest and induce creditors to be humane.

A law which will redound to the best interests of the whole people.

Having given attention briefly to the provisions of the bill, I will ask the indulgence of the House to consider some other questions connected with this proposed legislation.

A BANKRUPT LAW IS NEEDED.

Never in the history of the country has there been a greater need than now for the passage of a general bankrupt law. From the Bureau of Statistics I gather the following facts:

The total failures from 1879 (the first year after the repeal of the bankruptcy act of 1867) to 1897 were in numbers 199,828. The total liabilities for the same period were $2,991,950,609.

Let us look at it for a single year in the United States. From the same source I learn the following:

The total failures for 1897 were 13,351.

The total liabilities for the same period were $154,332,071.

In round numbers, here is an army of 200,000 men who have failed in business since 1879. What kind of men, as a rule, constitute this army? The great bulk of them were active, earnest, eneregtic business men, struggling to get to the front in the battle of life. Some, perhaps, started with insufficient capital; others with insufficient experience; others were swept away before financial crises against which only the very strongest could stand.

Is it not better for these men and their families that they should turn over whatever property they have above their exemptions to their creditors and make a fresh start in life? With the experience they have had they would doubtless be more apt to attain success. Is it not better for the creditors, the men who loan and sell, to take their pro rata share of whatever property these debtors may have and let them reenter the active fields of business life and again become borrowers and purchasers from those who have money to loan and goods to sell? In the main neither class has anything to gain by holding in fetters, so to speak, this vast army of our American citizens.

Many of these unfortunates are forced to do business in the name of wife or friend. Over their stores are flying false colors; the creditor is a terror to them. They are forced, in order to provide food and clothing for their families, to work, as it were, in the night to avoid their pursuers.

Is this a good thing for our country? Is it not better for the creditors to divide among them fairly what these poor follows have and let them once more hold up their heads among their fellow-men and join their energies to those of the rest of the community for the common welfare?

I earnestly believe that it is best to do so, and hence bespeak your cooperation in the enactment of a fair law, under which they may secure such relief as was provided for honest men by the Constitution.

IS THERE A DEMAND IN THE COUNTRY FOR BANKRUPTCY LEGISLATION?

This question, I believe, can not be truthfully answered except in the affirmative. In the last Congress substantially the present bill was passed by a majority of 76 through the House of Representatives. This in itself, happening a little over a year ago, ought to indicate pretty clearly the sentiment of the country. This vote came from the immediate representatives of the people and at the first session of Congress succeeding their election.

At the extraordinary session of this Congress, called for a specific purpose, namely, to provide more revenues for the country, the United States Senate passed a bankruptcy bill. It will be remembered by the members of this House how persistently the majority were urged to take up the question and pass a bankruptcy bill through the House.

So strongly was it urged that in my absence at home, confined to a sick room, that absence was given on this floor as a reason why it would not be taken up, as I had had charge of this legislation in the last Congress, and it was expected that I would again be appointed chairman of the committee that would have charge of the legislation in this Congress.

When able to return to my seat here, I encountered pressure for legislation at the extraordinary session exceeding anything in my personal experience. I found that a petition signed by thirty-seven leading members on the Democratic side of the House, including the leader, had been presented to the Committee on Rules asking for action in the matter of bankruptcy legislation, pledging themselves as follows:

The undersigned Democratic members of the House, believing that a bankruptcy bill should be passed during the present special session of Congress, hereby request the Committee on Rules to report a rule giving to the House the opportunity of passing such a bill as will be just alike to both debtors and creditors, and we pledge ourselves to make an honest effort toward securing the passage of such a bill.

In addition to this, many members of Congress on both sides of the House urged me to yield to the pressure and bring in a bill at the extraordinary session. Committees waited upon me from Minnesota, Texas, and other sections of the country, urging action at that time, and letters to the same effect poured in upon me from every part of the country.

I resisted action at the extraordinary session for two reasons: First, because, as is well remembered, the majority on this floor were committed to the policy of sending to the Senate only the legislation which we had been called together by the President to enact; and, secondly, because I was opposed to calling up a bill before the House that had not been fully considered and matured by the law committee of the House, especially as I knew that the Senate bill sent to us had never been considered by any committee of either House.

So earnestly was I pressed at the extraordinary session that on the first day of this session, December 6, I introduced a bankruptcy bill, and the Committee on the Judiciary worked constantly in subcommittee and full committee until every section had been considered, many amendments made, and the bill was reported on the 16th day of December to the House.

Then followed the holiday recess, and now, appropriation bills not being ready, I have sought the floor at the earliest opportunity for the consideration of this important measure, and I was pleased to note that the setting aside of four days for its consideration was granted by the House by unanimous consent, not an objection being heard from any part of the Hall.

The press of the country, East and West, North and South, have urged this legislation, and with an army of 200,000 debtors, nearly three thousand million dollars of liabilities, with the business still struggling to regain a healthful condition from the financial crisis that has only recently swept the country from ocean to ocean and lake to gulf, it does seem to me that the demand for this legislation is great and that all patriotic Representatives should join together to give us as perfect a law as possible.

It will be remembered that at the extraordinary session the majority were again and again challenged to take up this legislation. We were even taunted with being afraid to do so.

Mr. Speaker, the bill is now here for our consideration, and I appeal to the gentlemen who urged it at the extraordinary session to join with us in this great work and prove by their acts and votes the sincerity of their position at the extraordinary session of this Congress.

Mr. LIVINGSTON. Will the gentleman permit me?

Mr. HENDERSON. I made a request not to be interrupted until the conclusion of my remarks; but I will hear you.

Mr. LIVINGSTON. There is no politics in this matter?

Mr. HENDERSON. None at all.

Mr. LIVINGSTON. I think we can join with you, with one amendment to the bill. I want to ask the gentleman——

Mr. HENDERSON. Let me finish my remarks, and then I will answer any question by the gentleman from Georgia.

Mr. LIVINGSTON. Very well; then recognize me at the conclusion of your remarks.

Mr. HENDERSON. In addition to the foregoing I may properly mention the fact as reported in the public press that a caucus of the Democratic side of the House recommended the passage of "a just and wise bankrupt law."

Again, President Harrison, in a message to Congress, said:

The enactment of a national bankrupt law of a character to be a permanent part of our general legislation is desirable. It should be simple in its methods and inexpensive in its administration.

The Wisconsin legislature, at its last session, passed resolutions urging the passage of such a law, and the archives of Congress are crowded with petitions to the same end that have been coming to us for years.

"EAST VERSUS WEST."

Those opposed to the enactment of a bankruptcy law are trying to create a sentiment against such legislation in the West by representing that this legislation is in the interest of the East alone, and I believe that some impression has been made against this legislation by the use of this argument. A more unjust argument could not be used. It is wholly without foundation in fact.

Why should the East be any more interested in the bankruptcy law than the West? The answer of the enemies of bankruptcy legislation is, that when a debtor fails in the West the creditor in the West is nearer to the debtor than the Eastern creditor, and therefore can get in ahead of his brother creditor in the East, because he is nearer to the place of failure.

The weakness of this argument lies first in overlooking the fact that the farther away the creditor may be the sharper will be his watchfulness. He will have his collection agents or attorneys near the debtor with a watchful eye upon his interests and will exercise greater vigilance than the nearer creditor will. In addition to this, the difference between location of creditors is destroyed by the wonderful facilities that now exist for sending telegrams and for speedy modes of travel between all parts of the country. The Eastern creditor can send a telegram to his attorneys which will put him on the ground as quickly as the nearer creditor.

But this all suggests another thought. The very fact that under State laws and without a national bankruptcy law which provides for the creditors sharing estates equitably, the very argument suggests a struggle, a speedy and merciless effort to be first on the ground to strike the failing and even the solvent but hard-pressed debtor.

The very argument shows the danger under State laws to the debtor, to the man struggling to get ahead in business. The man first on the ground, fearing that another creditor may come along and get the start of him, will not wait to investigate sufficiently, will not first make sure whether or not the debtor may not be able to pull through, but will strike at once, and strike mercilessly, in order to get the first grip at the throat of the debtor who is suspected of insolvency.

The very argument itself, when looked squarely in the face, is proof of the fact that the debtor in the West is interested in having a law that will not make him, as it were, the prey of contending creditors.

But there is another answer to this argument. Does the creditor's interests lie in being able to get the first grip upon the failing debtor? Is that his true interest, or does his true interest lie in stimulating healthful business and keeping the Western purchasers at work and saving them from financial ruin? Clearly the interests of all creditors lie in the successful operation in business of the men to whom they sell in the West.

No business can be a success that is carried on upon the theory of striking the man who is struggling, but the true interest of the wholesaler, the jobber, the banker—all creditors, both great and small—lies in keeping up a healthful business among debtors. To this end a national bankruptcy law will tend, for nothing is to be gained by haste and cruelty in treating the honest debtor, but much may be gained by creditors East and West, North and South, being interested in keeping the debtor upon his feet until he can rally from the storm that may be striking him and continue to be a successful business man.

The underlying spirit of this argument against a bankruptcy law is sectionalism. Men forget that we are members of a great common country, and that any proposition that will build up and strengthen confidence throughout the entire country will very

much bless the entire country. The spirit of fair play and nationalism is better than the spirit of getting the start of your fellowman and sectionalism.

Is the bill under discussion an Eastern product? By no means. What was known as the Lowell bill, prepared by Judge Lowell, of Massachusetts, after being canvassed by commercial bodies throughout the entire country, was discarded, and thereafter there were held two sessions of the national convention of the representatives of the commercial bodies of the United States, one being held in St. Louis and one in Minneapolis. This convention settled upon a bill substantially, in its leading features, the same as that now under discussion. It was very largely the product of Western brains. It has been advocated by Western men, Western conventions, Western journals, and Western commercial organizations.

Substantially this bill was reported from the Judiciary Committee in the last Congress, with the East largely in the minority on that committee.

The Committee on the Judiciary of the present Congress, consisting of seventeen members, has reported to the House this bill with but four dissenting votes. How is that committee now constituted?

From the East we have Mr. RAY of New York, Mr. MCCALL of Massachusetts, Mr. PARKER of New Jersey, and Mr. ALEXANDER of New York, making four from the East. From the West we have Mr. HENDERSON of Iowa, Mr. BRODERICK of Kansas, Mr. UPDEGRAFF of Iowa, Mr. CONNOLLY of Illinois, Mr. JENKINS of Wisconsin, and Mr. OVERSTREET of Indiana, making six from the West. From the South and Southwest we have Mr. MILLER of West Virginia, Mr. TERRY of Arkansas, Mr. DE ARMOND of Missouri, Mr. LANHAM of Texas, Mr. ELLIOTT of South Carolina, Mr. UNDERWOOD of Alabama, and Mr. SMITH of Kentucky, making seven from the South.

Of the seventeen members of the Judiciary Committee, four are from the East. Have these four dominated your Committee on the Judiciary? This will not be claimed on this floor. Every man from the East and West and three from the South and Southwest voted to report this bill favorably to the House, and I am proud to say that sectionalism, or sectional lines, did not enter the mind, so far as I was able to judge, of any member of that committee.

The East had four on the committee and thirteen were from other sections of the country, and I make bold to say that the West, in its representation, has not in the past or present hesitated to fight when the interests of its people were at stake, and we have moved fearlessly on the lines proposed by this bill, believing that the great interests of our people would be best subserved by its enactment into law.

As bearing upon this question of sectionalism, it may be well to analyze the vote cast in the Fifty-fourth Congress in the House of Representatives by which the bankruptcy bill was passed by the large majority of 76.

Here is a summary of the vote:

	Yea.	Nay.	Not voting.
Eastern States	18	0	8
Middle States	49	4	27
Southern States	28	39	37
Western States	55	33	40
Pacific States	7	5	4
Total	157	81	116

In all of the sections named a majority was given in favor of the bankruptcy bill excepting in the Southern States, where there was only a small majority of 11 against the bill, and I can not but believe that as our Southern friends investigate this matter they will realize that if there is any part of this country interested in the passage of a bankruptcy law it is our Southern friends, and a clean balance sheet to the section of the country that was but recently the theater of a great war will be, in my opinion, an advantage not only to that section, but to the entire nation.

But my real purpose in calling attention to these votes is to show that the appeal made in certain quarters, that this is a matter in which the East is controlling and is alone interested, is without just foundation.

Credit is not sectional; it is national. Morality knows no East, no West, no North, and no South, but it, too, is national.

CREDIT.

In every civilized country and every age known to history, credit has been absolutely necessary to all great enterprises; and with the advance of civilization and the growth of interstate and foreign commerce it has become indispensable to smaller enterprises. Without credit no nation, no State, and no man can be strong. Destroy a man's credit and you destroy the possibility of his making a success of business.

An essential element of gaining credit is to give confidence. The man who lends cash or goods to another looks quite as much to the character, the integrity of the man to whom he lends and the laws under which he lives as to his ability to repay or return the loan.

Any system of laws which encourages the borrower to employ methods that will defeat the creditor is a bad system of law, both for debtor and creditor. Any system of laws which will encourage the debtor to do his best, and will subject him the least to being driven to the wall in moments of distress, and which will insure to the lender fair treatment in the division of the assets of the debtor among the lenders, will be best for the borrower and lender.

A law which will enable the debtor voluntarily to surrender, when he alone pleases, his assets for division among his creditors does not go far enough, for those who give him credit, and have with it given him capital, should also be clothed with the power, if the debtor commits a wrong or becomes hopelessly insolvent, to go into court and compel a surrender of the debtor's assets for fair distribution among his creditors.

The latter system of laws will give confidence to those who have money to loan or goods to sell, and when you give that class confidence, you put them in a position where they will also give credit. A bankrupt law which enables the honest debtor to turn out all of his assets when insolvent and divide them equally among his creditors, and which enables the creditor to compel the dishonest and insolvent debtor to surrender his assets for equitable distribution, a law which prevents the selfish, merciless creditor from driving a debtor to the wall, impelled by selfish motives to get ahead of brother creditors and without regard to the business life of the debtor, is a law that will insure the greatest stability and safety in business, and will secure to those doing business the greatest amount of confidence and credit from those who are able to give credit.

After all, the talk about the debtor and creditor classes is deceiving, since there are scarcely any debtors who are not also creditors, and scarcely any creditors but who are also debtors. If we undertook to pass legislation solely and entirely in the interest of debtors, and really succeeded, it would, while benefiting debtors in their capacity as such, at the same time injure them in their capacity as creditors.

The reverse of the proposition would also be true; that is, if we were to pass legislation which would promote alone the interest of the creditor class, while it would benefit creditors in their capacity as such, it would injure them in their capacity as debtors.

Clearly, then, a comprehensive bankruptcy law providing for both voluntary and involuntary bankruptcy, national in its character, patriotic, fair, and unselfish in its aims, can not but be best for all of the citizens of the United States.

COSTS AND EXPENSES CUT TO A MINIMUM—EXPENSES OF ADMINISTERING THE LAST AND THE PROPOSED BANKRUPTCY LAW COMPARED.

One of the chief sources of discontent with the last bankruptcy law was the enormous expenses of administering estates under its provisions. Not only were large amounts paid from estates to officers, but these amounts were paid in a way that encouraged delays in the enforcement of the law.

A comparison is made of the fees paid to the register, assignee, and clerk under the old law, and to the referee, trustee, and clerk under the new law we recommend, as follows:

REGISTER'S FEES UNDER THE LAST BANKRUPTCY LAW.

Under the provisions of the last bankruptcy law the register received fees as follows:

For filing and entry of the general order of reference, and for office rent, stationery, and other incidental expenses of proceedings	$5.00
When the proceedings are conducted in some other city or town, for each day employed in going, attending, and returning	5.00
Also in such case traveling and incidental expenses of himself and of any clerk or other officer attending him, which expenses and fees shall be appropriated among the cases, as provided in section 5 of the act or section 5125 of the Revised Statutes.	
For each day's service while actually employed under a special order of the court, not exceeding	5.00
For every affidavit, except proof of debt, for each oath and certifying the same	.25
For examining petition and schedules and certifying to their correctness	3.00
For every warrant in bankruptcy, or other process	2.00
For each day in which a general meeting of creditors is held, and attending same	3.00
For notification to assignee of his appointment	.50
For assignment of bankrupt's effects	1.00
For every bond with sureties	1.00
For every application for a general meeting of creditors	1.00
For every summons or subpœna	.10
For taking depositions	.20
For certifying proof of debt as satisfactory	.25
For copies of depositions and other papers, each folio	.10
For each notice which the register may be required to send or to serve	.15
For mileage in making personal service, the same as allowed the marshal.	
For inserting notice in newspaper	.50
For each order for a general dividend	3.00
For computation of dividends	3.00
In addition thereto, for each creditor	.10

For every judicial order	$1.00
For every discharge where there is no opposition	2.00
For auditing the accounts of assignees	1.00
And for each additional hour after the first hour	1.00
For every certificate of question to the district court or judge	1.00
For preparing such certificate, each folio	.20
For each folio of memorandum sent to the clerk	.10
For countersigning each check of assignee	.10
For filing every paper not previously filed by the clerk, and marking and identifying every exhibit	.10

FEES OF THE REFEREES AS PROVIDED BY THE PROPOSED LAW.

The referee will receive as full compensation for his services, payable after they are rendered, a ten-dollar filing fee and 1 per cent commissions on sums to be paid as dividends and commissions, and one-half of 1 per cent on the amounts to be paid to creditors on compositions.

ASSIGNEE'S FEES UNDER THE LAST BANKRUPTCY LAW.

Under the provisions of the last bankruptcy law the assignee was entitled to an allowance for his services in each case on all moneys received and paid out by him therein, for any sum not exceeding $1,000, 5 per cent thereon; for any larger sum, not exceeding $5,000, 2½ per cent on the excess over $1,000; and for any larger sum, 1 per cent on the excess over $5,000. In addition, allowances were made as follows:

For serving or sending notices to creditors or publishing the same	$0.15
For each hour employed in making inventory of bankrupt's property or verifying marshal's inventory	1.00
For each folio of inventory made by assignee	.20
For services in designating the exempt property of a bankrupt and filing report thereon	5.00
For attending a general meeting of creditors	3.00
For every deed for real estate sold	2.00
For drawing and filing each monthly report	1.00
For drawing and filing each quarterly report, not exceeding four, unless specially allowed	5.00
For each general account submitted to a creditors' meeting, not exceeding two, unless specially allowed	10.00
For all services in paying a general dividend or executing an order of final distribution and making report thereon, including all disbursements	5.00
In addition, for each creditor to whom a dividend is paid	.25

FEES OF THE TRUSTEE AS PROVIDED BY THE PROPOSED LAW.

The trustee shall receive as full compensation for his services after they are rendered a $5 filing fee and such commission on sums to be paid in dividends and commissions as may be allowed by the court, not to exceed 3 per cent on the first $5,000 or less, 2 per cent on the second $5,000 or part thereof, and 1 per cent on such sums in excess of $10,000.

CLERK'S FEES UNDER THE LAST LAW.

Under the last bankruptcy law the clerk of the bankruptcy court received fees as follows:

For issuing and entering every process, commission, summons, capias, execution, warrant, attachment, or other writ	$1.00
For issuing a writ of summons or subpœna	.25
For filing and entering paper	.10
For administering an oath or affirmation, except to a juror	.10
For taking an acknowledgment	.25
For taking and certifying depositions to file, for each folio of 100 words	.20
For a copy of such deposition furnished to a party on request, for each folio	.10
For entering any return, rule, order, continuance, judgment, decree, or recognizance, or drawing any bond, or making any record, certificate, return, or report, for each folio	.15
For a copy of any entry or record, or of any paper on file, for each folio	.10
For making dockets and indexes, issuing venire, taxing costs, and all other services, or the trial or argument of a cause where issue is joined and testimony given	3.00
For making dockets and indexes, taxing costs, and all other services in a cause where issue is joined but no testimony is given	2.00
For making dockets and indexes, taxing costs, and other services in a cause which is dismissed or discontinued, or where judgment or decree is made or rendered without issue	1.00
For making dockets and taxing costs in cases removed by writ of error or appeal	1.00
For affixing the seal of the court to any instrument, when required	.20
For every search for any particular mortgage judgment, or other lien	.15
For searching the records of the court for judgments, decrees, or other instruments constituting a general lien on real estate, and certifying the result of such search, for each person against whom such search is required to be made	.15
For receiving, keeping, and paying out money, in pursuance of statute or order or court, 1 per cent on the amount so received, kept, and paid.	
For traveling from the office of the clerk, where he is required to reside, to the place of holding any court required by law to be held, 5 cents a mile for going and 5 cents for returning, and $5 a day for his attendance on the court while actually in session.	
For entering memoranda or minutes of register, each folio	.10
For sending notice to creditors by mail, each	.15
For inserting notice in newspaper	.50
For taxing the costs in each case	1.00
For each folio of taxed bill	.10

FEES OF THE CLERK AS PROVIDED BY THE PROPOSED LAW.

The clerk shall receive as full compensation for his services in each case $10.

MESSENGER'S FEES.

Under the last bankruptcy law the marshal received fees as such, and also as messenger. Those received in the latter capacity were as follows:

Before any dividend is ordered the assignee shall pay out of the estate to the messenger the following fees, and no more:

For service of warrant	$2.00
For each written note to creditor named in the schedule	.10
For all necessary travel, at the rate of 5 cents a mile each way.	

For custody of property, publication of notices, and other services, his actual and necessary expenses, upon returning the same in specific items and making oath that they have been actually incurred and paid by him, and are just and reasonable, the same to be taxed or adjusted by the court, and the oath of the messenger shall not be conclusive as to the necessity of such expenses.

For cause shown, and upon hearing thereon, such further allowance may be made as the court, in its discretion, may determine.

There are no messengers and no messengers' fees under the proposed new law.

THE COSTS AND EXPENSES UNDER THE PROPOSED LAW.

The costs of administering estates under the bill we recommend are very reasonable in amount, and are to be so computed and paid that every officer financially interested in the estates will in effect be employed to not only secure prompt results, but as large dividends as possible—that is to say, the referee and trustee will not receive any compensation from an estate until its administration is concluded, and the commissions they receive will be computed not upon the total outgo of the estates, but on the amount actually paid in dividends and commissions. The clerk will receive but a single fee, which will be paid to him in advance, and he therefore will be anxious to have the estate administered as quickly as possible, as he can not have any interest in delays in the administration or in piling up expenses.

The expenses are limited by the bill we recommend to those which are actual and necessary, and it is required that they shall be reported in detail under oath to the court.

It must be borne in mind that marshals and district attorneys are now salaried officers, under a recent law of Congress, so that every temptation is removed from these officers, who may in any way become connected with the execution of the bankrupt law, to charge exorbitant fees or to delay the work.

Stenographers are allowed, upon the application of the trustee during the examination of the bankrupt, or other proceedings at the expense of the estates, a compensation of 10 cents per folio for reporting and transcribing the proceedings. This is necessary, and certainly a reasonable allowance.

All expense accounts must be rendered under oath and approved by the court. One reasonable attorney's fee will be allowed for the professional services actually rendered, irrespective of the number of attorneys employed, to the petitioning creditors in involuntary cases, to the bankrupt in involuntary cases while performing the duties herein prescribed, and to the bankrupt in voluntary cases. No exorbitant charges can be made under these provisions. If several attorneys are employed, only one fee will be allowed to all. Here again this bill carefully guards the interests of the estate.

If we have committed an error it is by making the expenses of administering the law too low. Indeed, many complaints have reached the committee asserting that we do not make sufficiently liberal allowance for officers in the execution of the law. We believe, however, that time will demonstrate the wisdom of the provisions of this bill. It is true we have cut expenses down to a minimum, and when applied to the estates it will be found that we have not failed to take advantage of the experience of the past under former laws.

It should also be observed that neither the referee nor trustee receives any compensation until the estate is closed. Thus every precaution is taken to secure prompt action on the part of every-one connected with the administration of the estate.

When these facts are considered, and it is also borne in mind that in the case of a failure everything is closed up, practically by one suit, instead of a separate suit for each creditor, frequently employing several lawyers, it must be apparent that the expenses will be much less to the creditors than under the present system.

The law proposed will not in any way interfere with the solvent, honest debtor, excepting to strengthen his credit and advance his interests.

Such a law will not disturb honest men, but it will be a terror to the rogue and the sharper.

It will strengthen the honest, but it will teach the dishonest that "the way of the transgressor is hard."

That completes my observations, and I will now hear from my friend from Georgia [Mr. LIVINGSTON].

Mr. LIVINGSTON. The great objection to this bill is the involuntary clause, and I want to ask the chairman if he will not agree to accept this amendment: "That no man can be placed in bankruptcy except on a petition signed by two-thirds of his creditors representing two-thirds of the indebtedness."

Mr. HENDERSON. I understand my friend's question. This bill, in my opinion, as we have amended it, strengthening what is known as the Mahon amendment incorporated in the House last session, I believe goes far enough, if not too far, in restraining creditors from moving, having to give bonds with sureties, in the discretion of the court, to become responsible for costs, attorneys' fees, and damages before they can move.

That is provided for in the bill, and any man that wants more than that is going a great deal farther than I can go with him. I

will be frank with my friend. I do not believe in a bankruptcy law which says that the man who procures the goods alone shall say what shall be done with them.

If I am a merchant doing business, and you sell me $100,000 worth of goods and in two or three years' run I reduce the stock to $50,000, should it be left to me to go on, feed my family, and support them on the remaining $50,000? No. You would say, "Mr. HENDERSON, you are making a failure; you are insolvent; we ought not to permit you to go on in this hopeless way. Step into the court and divide with me and the other creditors what remains of your depleted stock."

So I answer my friend in all candor, so far as I am individually concerned. After years of practice under the old bankruptcy law, after years of study of this whole question, I feel it to be my duty in the interests both of the creditor and debtor to oppose a measure that did not possess the involuntary features as well as the voluntary. Now, is there any other question?

Mr. SULZER. This bill provides for no preferences.

Mr. HENDERSON. It provides for no preferences; but you will find that where a person loans money for a perfected consideration, and the loan is given in good faith, without any fraud and without any knowledge of bankruptcy, that will be protected.

Mr. SULZER. Do you not think there ought to be a provision in this bill giving a preference to employees for wages?

Mr. HENDERSON. They have a preference. There is not a wise provision that humanity can suggest, I think, but what has been incorporated in this bill.

Mr. BARHAM. I should like to ask the gentleman a question. I am for this bill——

Mr. HENDERSON. I am very glad to hear it.

Mr. BARHAM. But I wish to make an inquiry in regard to a provision which I find on page 78 of the bill, in these words:

That when any bankrupt shall have any insurance policy which has a cash surrender value payable to himself, his estate, or personal representatives, he may, within thirty days after the cash surrender value has been ascertained and stated to the trustee by the company issuing the same, pay or secure to the trustee the sum so ascertained and stated, and continue to hold, own, and carry such policy free from the claims of the creditors participating in the distribution of his estate under the bankruptcy proceedings; otherwise the policy shall pass to the trustee as assets.

Now, I do not know that there is any State in the Union except California which exempts insurance policies from execution, but in our State there is such exemption.

Mr. HENDERSON. What is the gentleman's question? We do not want to consume the time allotted to general debate by matters which more properly should come up in the five-minute debate.

Mr. BARHAM. There seems to be a conflict here. You propose in this bill to subject to execution property which in California is exempt.

Mr. HENDERSON. I do not know about the California law. But the purpose of the provision which the gentleman has read, which is known as "the Smith amendment," having been offered by Mr. SMITH of Kentucky, a member of the committee, was this: That where a man who becomes insolvent is carrying life insurance, not for the benefit of his wife or children, but life insurance which belongs to his estate, its present cash value, if it can be ascertained, shall be paid or secured, but without subjecting the man to the necessity of reinsuring at an older age than that at which the policy was taken.

Our bill proceeds upon the presumption that in such cases the policy ought to go into the man's estate and belong to his creditors; but the provision is so worded that if, for instance, the policy was taken at the age of 21 and the man is now 51, he should be allowed to carry the policy at the existing rate and not at the rate of the later age.

Mr. BARHAM. But in California a life insurance policy is exempt from execution; in this bill you make it subject to the payment of the man's debts.

Mr. HENDERSON. I know we do. The gentleman has the correct idea of our bill. Now, is there any other question which any gentleman wishes to ask?

Mr. OTJEN. As I understand, the involuntary provisions of this bill do not apply to mechanics and farmers?

Mr. HENDERSON. No, sir.

Mr. POWERS. As I understand the statement of the gentleman, any person who is a wage earner—such as a farmer or mechanic—may take the benefit of the voluntary feature of this bill——

Mr. HENDERSON. Yes, sir.

Mr. POWERS. Another person can not be adjudged an involuntary bankrupt unless he owes $1,000.

Mr. HENDERSON. There is such a limitation in the bill. I believe the amount is $1,000.

Several MEMBERS. One thousand dollars.

Mr. POWERS. Will the gentleman from Iowa inform the House why the limitation was fixed at so large an amount? Why is it required that, in order to be proceeded against as an involuntary bankrupt, the person must be indebted to the amount of $1,000? I think in the original bill—the Torrey bill—the limitation was $300.

Mr. HENDERSON. I do not remember as to that. I know that our provision is very liberal. We intended it to be liberal.

Mr. GAINES. I did not catch the gentleman's reply to the question of the gentleman from Georgia as to the involuntary feature of the bill not applying except when two-thirds of the creditors join in the application.

Mr. HENDERSON. I said I thought we had gone quite far enough in that respect, as I think gentlemen will agree when they observe the provisions we make about bonds.

Mr. MOODY. Does the gentleman think that the allowance of one day for the consideration of this bill under the five-minute rule will give us sufficient time for the proper consideration of the details of the measure?

Mr. HENDERSON. I can not say as to that. But I think we ought to go on now with the general debate. We can take up that other question later and arrange it by conference with gentlemen on both sides.

Mr. MOODY. I think members of the House would be glad to be assured that there is to be sufficient opportunity for the consideration of this bill in detail.

Mr. HENDERSON. Judging from the applications which have been made to the gentleman from Arkansas [Mr. TERRY] and myself, the general debate might occupy four days; certainly we shall need three days.

Mr. MAHON. As I understand, under this bill you can not force any farmer into involuntary bankruptcy.

Mr. HENDERSON. That is the provision of the bill.

Mr. MAHON. Does the gentleman think that we ought to pass a bill——

Mr. HENDERSON. Now, my friend must see that the question he is going to ask is not a legitimate question at this time. I know the gentleman thinks there ought to be some limitation in that matter; but that is a question to be settled when the bill comes to be considered under the five-minute rule.

Mr. MAHON. I wish to make this suggestion: It seems to me that the time allowed for general debate should not be consumed by permitting every gentleman to speak an hour. I hope the gentlemen having control of the time will remember that there are many members who wish to say something, but who do not ask to occupy an hour.

Mr. HENDERSON. You are talking about the division of the time for general discussion. Mr. Speaker, I make the request that all parties be allowed to print remarks upon the bill for five days after we close the consideration of it.

Mr. MOODY. Is that request for the extension of remarks that are made upon the floor?

Mr. HENDERSON. No, for all.

Mr. MOODY. Would that include the extension of remarks made upon the floor?

Mr. HENDERSON. Oh, yes.

Mr. DINGLEY. It is understood that the remarks shall relate to this bill.

Mr. HENDERSON. Oh, yes; to the subject of bankruptcy.

The SPEAKER pro tempore. The gentleman from Iowa asks unanimous consent that five days be given from the closing of the debate upon this bill in which to print remarks, the remarks to be upon the bill.

Mr. MAHON. One moment. I should like to ask the gentleman a question, and then perhaps I shall not object. We should like to get an opportunity to say something about this bill——

Mr. HENDERSON. Mr. Speaker, I yield the floor to the other side, if there is to be objection.

Mr. FLEMING. Will the gentleman allow me to ask him one question?

Mr. HENDERSON. I am not going to have this taken out of the time of those in charge of the bill, and therefore I yield the floor, first asking the Chair how much time I have consumed, together with these interruptions which do not relate to that and ought not to come out of our time.

The SPEAKER pro tempore. One hour and sixteen minutes have been consumed by the gentleman from Iowa. The gentleman from Arkansas [Mr. TERRY] is recognized.

Mr. TERRY. Mr. Speaker, in view of the wide range of a measure like this, the time allowed for its consideration is very limited. We on this side wanted more time. We have done the best we could in getting the time that has been allowed.

I have already delivered two speeches upon the floor of this House in opposition to measures like this, for forcing debtors into bankruptcy. Consequently I shall yield nearly my entire time to members in opposition, who have heretofore had no opportunity to discuss a measure similar to this. The discussion on this side will be opened by the gentleman from Alabama [Mr. UNDERWOOD] for an hour.

I reserve the balance of my time.

Mr. UNDERWOOD. Mr. Speaker, when we enter upon the consideration of the bill now before the House, we should endeavor to determine what kind of a bankrupt law our constituents desire enacted, if any.

A number of propositions have been offered. We now have two before the House—one known as the Nelson bill, in which the involuntary features are limited to cases of actual fraud, and the other the Torrey-Henderson bill, in which the causes for involuntary bankruptcy are far-reaching. We find that the members have many and varied views on the question and that the positions taken are not along party lines. Some desire a purely voluntary bill, while others prefer voluntary and involuntary provisions combined; some desire that corporations should be admitted to the bankrupt courts, while others want them excluded.

My own position is that we should enact a purely voluntary bill to relieve the honest debtors of the country from the burdens that a financial panic has placed on them, and limit its existence to three or four years; but in order to secure the passage of a bankrupt bill I am willing to vote for the Nelson bill as a matter of compromise, as the involuntary features of that bill are limited to cases of actual fraud; but I can not consent to the adoption of the Torrey-Henderson bill, which practically creates a new system for the collection of debts in the Federal courts, and the provisions of which, in my judgment, would prove dangerous to the commercial interests of our people.

A comparison of the bankrupt laws of the Continent of Europe with our own is not a just one. In those countries they do not have a dual judiciary; there is no question there of transferring the forum in which the creditor must pursue his debtor from the State to the Federal courts, as we have.

The people have always jealously guarded their right to trial in their State courts, where they can be tried before judges selected by them, and have dreaded the unbridled power of the Federal judiciary, and I can not, therefore, surrender the rights of the people I have the honor to represent by voting for a bill that will so greatly increase the power of the Federal courts over them.

In considering the history of bankruptcy legislation in this country we find that there have been but three bankrupt bills enacted into law since the foundation of the Government. The first was passed in 1800 and repealed in 1803; the second became a law in 1841 and was repealed in 1843 by the same Congress that passed it, and the third was passed in 1867 and, after repeated efforts, repealed in 1878. None of these laws were enacted to create a permanent system of bankruptcy or a new system for the collection of debts, but were all passed after periods of great financial depression and distress throughout the entire land; after panics had swept down great numbers of business men, as a cyclone levels the trees in the forest, through no fault of their own, but because they found themselves facing the unforeseen danger and had no opportunity to get out of the way of it. As soon as the storm had passed and the débris had been removed, as soon as the country had returned to prosperity and useful citizens had been given a new opportunity to renew their business life, the laws were repealed, clearly showing that the people desired them merely as a matter of relief in times of great distress, and not as permanent laws for the collection of debts.

I say to-day that the only real sentiment in this country that favors bankrupt legislation is that which seeks to allow those citizens who have been ruined in the last few years by the financial disasters that have come upon us to regain their commercial usefulness and once more become active factors in the business world.

Under the Bland-Allison law $2,000,000 a month was coined and sent from the mints to carry messages of prosperity to the people. When that law was repealed and the Sherman law was enacted, the amount was increased to four millions a month. With what result? Money was becoming more plentiful every day, and necessarily there was less demand for it. It sought investment and prices were advancing, but when these laws were repealed, instead of an increased supply of debt-paying money going to the people each month, the supply was cut off and an actual contraction of the currency followed. With what result? Money became scarcer; it took more property to buy it, and property went down, and has been going down ever since. Where is the man in the South or West who owned a farm, factory, or business house in 1890 that can get to-day more than 50 per cent of what it was valued at then? If a man's assets then were double his liabilities, he was solvent. To-day that same man, with interest, taxes, and the shrinkage in the value of his property is insolvent and a financial wreck.

We all recognize that that class of men who invest their money in bonds and clip their coupons are not our most useful citizens. It is true they take no risks and pay their debts—barring their taxes. Our best citizens are those men who invest their money in the development of our country's resources, who build the railroads, open the mines, start the furnaces, factories, and foundries, who build our ships and send the American flag to the far countries beyond the sea, to carry forth the products of American labor and return laden with the profits of American commerce. These are the true citizens of the Republic; these are the men who give employment to labor and capital alike, who have made us the greatest nation on the globe. These are the men who have suffered most by reason of the contraction of the currency and falling prices; and these are the men for whose benefit the sentiment has grown up that a bankrupt law should be passed, that we may strike the shackles of debt from their hands and make them once more enterprising and useful citizens.

For that reason I am in favor of a purely voluntary bill, that shall be placed on the statute books to remain there a few years, and after this class of citizens have had the opportunity to take the benefit of it, that it may then be wiped from the statute books. I am in favor of no law remaining a permanency on the statute books, to allow a man to contract debts with the knowledge that if he does not choose to pay them those debts will not hang over his head in the future. Such a law puts a premium on men engaging in wild speculation. It puts a premium on men being reckless in their business, if not dishonest.

As I have already stated, the main objection that I have to an involuntary bill is this: Under our system of government we have always deemed it best that the local courts—the State courts—should be the tribunals in which the principal law business of the country should be adjudicated. If this bill is enacted into law, you make the Federal courts of the land the courts for the collection of debts; you make the humble citizen who lives 100 or 200 miles from the place where the Federal court is located come at the summons and behest of his creditor, at great expense, to try his litigation in that court, when he might have had the right of a fair trial at home, and before a judge and jury who knew him.

There is not a member of the Judiciary Committee who does not know that to-day there is hardly a State in this country that is not knocking at our doors demanding relief by way of more judges or more courts because of the crowded condition of the dockets of the Federal courts. They are unable to try the cases that are now on the dockets of those courts. Do you propose to crowd additional cases upon them, to double the amount of business to come before them? You will do so if you pass this bill, and if you do, you must double the number of Federal judges in this country. The collection of debts in State courts will be a thing of the past, and the Federal judiciary will become more dominant and powerful than ever heretofore.

Then, again, I say that there are fewer failures when you do not have this system of involuntary assignment, this Torrey system of wiping out debts. Even if you do have preferences in some States, the statistics show that in those States where you allow preferences there are fewer failures than in those States that have adopted this Torrey system of involuntary assignments. I will not enter into a full comparison of them, but I will give you two instances that are good examples. Take the States of Massachusetts and New York, States whose commercial conditions and interests are the same and which offer a fair comparison. What do we find? In the State of Massachusetts they have the voluntary and involuntary insolvency laws, which grant a complete discharge to the debtor.

In New York they have no voluntary and involuntary laws like the Torrey bill. What do the statistics show? The statistics compiled for eighteen years show that the failures in Massachusetts have been 1.35 per cent. In New York they have been 1 per cent, showing a much less proportion of failures in New York. Now, these are two of the greatest States in this country. We will now take two Southern States for a similar comparison. In Georgia they have laws similar to those in Massachusetts. In Alabama they have no such laws. What is the result? In Georgia the failures are shown to be 1.57 per cent, and in Alabama 1.37 per cent. More than that, there are five States which bound Georgia. Georgia is the only one of these five States that has these voluntary and involuntary assignments similar to the Torrey bill. Not one of these four States which touch it has had as many failures as they have had in Georgia, as shown by these statistics. So, I say that the statistics bear out the proposition that there are more failures, and will be more failures, where you adopt such a law as is proposed in this bill than where it does not exist.

Mr. LINNEY. Will the gentleman allow me to ask him a question?

Mr. UNDERWOOD. Certainly.

Mr. LINNEY. I see there are eight causes of involuntary bankruptcy set forth in this bill. I notice also that a man may be declared bankrupt after a notice returned within fifteen days. Now, I want to know whether you have investigated the question and can answer what is the shortest period after the issuance of a notice in which a man may be declared an involuntary bankrupt under this bill.

Mr. UNDERWOOD. I think it is twenty-five days.

Mr. LINNEY. No; it is served within fifteen days, and returnable, and then the answer must be put in within ten days. Now,

as there is no minimum time fixed in which he is to be served, may it not be served in one day, and in that way a man be declared to be a bankrupt in eleven days?

Mr. UNDERWOOD. With his consent, yes.

Mr. LINNEY. Or without his consent?

Mr. RAY of New York. Will my colleague permit me to correct a statement? He [Mr. LINNEY] stated that this bill would permit a man to be declared a bankrupt in ten days without his consent. Now, that is not possible under this bill.

Mr. LINNEY. Eleven days.

Mr. RAY of New York. It is not possible unless a man concedes himself to be a bankrupt; he is entitled to have a jury summoned and have that question tried by a jury.

Mr. LINNEY. Within the discretion of the judge, my friend.

Mr. RAY of New York. I beg your pardon.

Mr. LINNEY. Suppose he does not answer?

Mr. RAY of New York. Then what right has he to object? If he does not answer he concedes his bankruptcy.

Mr. LINNEY. That is where he concedes his bankruptcy. But suppose a case where he fails to answer. Then he may be adjudicated within eleven days to be a bankrupt.

Mr. RAY of New York. But, if instead of being a bankrupt, it is shown that he is not——

Mr. UNDERWOOD. My time is limited, and I can not yield further to my colleague.

Mr. RAY of New York. I beg your pardon, but I did not want that impression to go to the House.

Mr. UNDERWOOD. Now, Mr. Chairman, the specific grounds I have for opposing the bill I will try to hurry through rapidly. In the first place, there are several grounds which are set out here that will prevent the debtor from being discharged—nine are given. But there are only three that I desire to call the attention of the House to. The first is as follows:

> Given a preference as herein defined, and within six months prior to the filing of the petition against him, which has not been surrendered to the trustee.

Now, I want to ask you what business man in this country will not, in the usual course of business, from time to time make mortgages or otherwise incumber his property without any intention or expectation of becoming insolvent, and yet within six months thereafter he may encounter some financial disaster that will send him to the bankrupt court; and then, because he has pledged or incumbered in good faith some of his property, he must be deprived of the right of his discharge in the bankruptcy court. If that be done, how many innocent men would you prevent from getting a discharge?

Mr. MAHON. Under the old law a preference given within six months from the time that he became a bankrupt was declared void and the property returned to the estate; and I suggest an amendment of that kind, the same as we had in the act of 1878.

Mr. UNDERWOOD. That may be done; but I am referring to this bill as it is. The next point is this:

> Obtained property upon credit which has not been paid for or restored at the time the petition is filed against him upon a materially false statement in writing made by him to any person for the purpose of obtaining credit or of being communicated to the trade or to the person from whom he obtained such property on credit.

Mr. ALEXANDER. From what page is the gentleman reading?

Mr. UNDERWOOD. I am reading from page 32 of the bill.

Now, that seems fair on the face of it, "obtained property on a materially false statement." That sounds like a fair proposition. But what does it refer to? It seems to cover such cases as this: When the agents of Dun or Bradstreet call on business men for a statement of their financial standing, to severely punish them if they give an overvaluation by depriving them of the right to a discharge in bankruptcy after you have taken all their property. Do you know of any merchant who does not value what he has higher than you or I would?

If you have a house, you value your house much higher than I would. It is human nature; and yet, when Dun's or Bradstreet's man comes round to a merchant and asks what is the value of his property in the store, and he says "$10,000," and it turns out afterwards, when they come to assess the value of his property, that its value is a few thousand dollars less than he said it was, then he is to be deprived of the benefits of this act. And again, let me call your attention——

Mr. BARTLETT. In what way?

Mr. UNDERWOOD. Not permitted to be discharged.

> Transferred any property otherwise than in the ordinary course of his business in contemplation of bankruptcy.

What does that mean?

> Transfers any property otherwise than in the ordinary course of his business in contemplation of bankruptcy.

Is it not a drag-net clause to prevent an honest debtor from getting his discharge if a creditor wants to prevent him from doing so? What is the ordinary course of your business or my business? You may think that you are transferring your property in the ordinary course of your business, and I may think that you are not; and yet, because of this difference of opinion, your creditor may prevent your obtaining your discharge. I say it is a harsh feature, and no bill should be passed that contained it.

Mr. RAY of New York. What section is that?

Mr. UNDERWOOD. That is section 8, on page 33.

There is another very unjust provision in this bill, that which allows a debtor a full discharge from his obligations to those who have become his sureties and yet holds the sureties bound to the creditor.

This class of obligations does not stand on the same footing as ordinary commercial transactions where the parties on both sides are dealing for a consideration and at arm's length; but in cases of the persons who become accommodating sureties no consideration passes. It is the impulse of a generous heart to help a friend in distress, and it is a dastardly law, a return to barbarism, that will sanction and make respectable the act of the debtor who turns and rends the friend who risked his own to help him.

Mr. DALZELL. Will the gentleman allow me a question?

Mr. UNDERWOOD. Certainly.

Mr. DALZELL. Is there no provision in the bill that would authorize the surety to go into the bankrupt court as against the bankrupt?

Mr. UNDERWOOD. He can come in and take his pro rata, but the creditor has already taken his pro rata on the note or bond, and both of them can not do it.

Another objection that I have to this bill is the corporation features in it. I say that it is the most dangerous bill that has ever been proposed in this respect. What do they say a corporation means? What is the definition that this bill gives? On page 18 it says, "Corporations shall mean all bodies having any of the powers and privileges of private corporations not possessed by individuals or partnerships." Does not that extend to municipal corporations? Has not a municipal corporation powers and privileges not possessed by individuals and partners? Does not a municipal corporation own; can not it convey its property in its corporate name? Individuals and partnerships have no such powers or privileges. Then, if it applies to municipal corporations, do you want the trustee of a bankrupt court to take charge of your town, collect your taxes, and distribute its assets?

Mr. RAY of New York. Will the gentleman permit me? I ask you as a lawyer, as a member of the Judiciary Committee, if you intend to create the impression that this bill would permit a town or a village or a city or any municipal corporation to be thrown into bankruptcy?

Mr. UNDERWOOD. I do not intend to create any impression. I do not know how the courts will construe this provision. The members of this House can say what will be the result when you say that a "corporation shall mean all bodies having any of the powers and privileges of private corporations not possessed by individuals or partnerships."

Under the definition, I am willing to try the case; and if a municipal corporation has not powers and privileges not possessed by individuals and partnerships, I will give it up.

I will go on. It also unquestionably applies to the great railroad corporations of this country. What is the effect? It is true the corporation can not go into bankruptcy itself—there is no voluntary feature of bankruptcy for a corporation; but the bill provides that when "suffered while insolvent an execution from a court of record for $500 or over or a number of executions aggregating that amount against himself to be returned 'no property found,' unless the amount shown to be due by such execution shall be paid before a petition is filed," such debtor may be put into the bankruptcy court.

Now, is there any difficulty, if a railroad corporation or any other corporation wants to go into the bankrupt court, for it to get some one to have issued an execution and return made of no property found, and then put the corporation into the bankrupt court? What is the result? Take one of the transcontinental railroads that run across the country. The time comes when unsecured creditors are pressing it and it can not stand up against the pressure. Its stockholders go to an unsecured creditor who holds a debt to the amount of $500, and he puts it into the bankrupt court. What do they do? What is the first process? Why, the judge of the court calls a meeting of the creditors.

Who are the creditors? The owners of the corporation. The stockholders and bondholders of one of these great corporations are all the same; therefore he calls the owners of the corporation into court. To do what? To select a trustee. Instead of being put into the hands of a receiver, where the unsecured creditors can come in before the judge and be heard as to whether or not a man is a good receiver or a bad one, or who is the man to properly protect their property, these bondholders, who are the great majority of the debtors of the corporation, go before that court and, because they own a majority of the stock, elect the trustee to take care of their property.

In other words, it is an opportunity that, whenever the corporations desire, they can take advantage of this law, have themselves thrown into a bankrupt court, and then appoint their own trustee to take care of their property. I say it is an iniquitous proposition. Any law that facilitates these great railroad corporations going into the hands of a receiver or a trustee is against the interests of the people of this country. We know that every time these corporations go into the hands of a receiver they are reorganized and come out with more stock and more bonds placed on the railroad. What is the result? The men who reorganize them first get their rake-out, and then the people along the railroad who raise the wheat, raise the cotton, and pay the freight have to pay higher rates of freight in order to pay for the increased interest charges on additional stocks and bonds that have been issued under the reorganization plan.

Mr. LOVE. Will the gentleman allow me to ask him a question for information? Is there not in this bill a clause providing that the trustee shall not be related to or in any way connected with the creditor?

Mr. UNDERWOOD. I believe there is such a provision; but what difference does it make whether or not the trustee is related or connected? He may be no relation of the stockholders or the bondholders of a company; but if he is elected as their trustee, he is very likely after he is elected to be their trustee. That is what I am complaining of, that the trustee will be under their management and control.

Again, take the ordinary small corporation. There is in the bill a provision that the creditors may meet and a majority of them may say on what terms a settlement of the debts shall be made. Now, I know numbers of small corporations where the directors and stockholders are its principal creditors. They have made advances to the corporation; they control the largest amount of the outstanding indebtedness. What is the result? Owning the majority of the debts, they put the corporation into the hands of a trustee; the corporation offers terms of composition to the creditors, a majority of whom are its officers and directors, and when the other creditors come into the room to determine the question, these directors or owners, being a majority, dictate on what terms the other creditors shall be paid and on what terms they can get back the assets that they have in the corporation.

Mr. WALKER of Virginia. Is not that subject to ratification by the court? May not the court approve or disapprove?

Mr. UNDERWOOD. The appointment of a trustee is not subject to ratification by the court; the other proceeding is. But it is a very unsafe position for the other creditors to occupy when they must continually fall back on the court for the protection of their interests, with the assets in the hands of a trustee whose interests are adverse to their own.

For these reasons, gentlemen, I say that every provision in this bill relating to corporations should be stricken from it. There is no reason why any corporation should be included in the bill. There is reason why you should pass bankrupt legislation for the ordinary debtor. It is proper that the shackles should be stricken from his hands in order to give him freedom that he may launch his boat once more upon the commercial seas, not only for his own benefit, but for the benefit of the community in which he lives. But when the assets of a corporation have been disposed of it is dead.

Can you resurrect the old shell that lies there empty and lifeless? What good does it do to a community to allow such a proceeding? Why not let the corporation die after you have distributed the assets? Why should corporations be included in these provisions unless for the purpose of giving them extended powers and privileges which they ought not to possess? [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. TERRY. I yield fifteen minutes to the gentleman from Colorado [Mr. BELL].

Mr. BELL. Mr. Speaker, it can hardly be contended, it seems to me, that the Constitutional Convention when it authorized Congress to "establish uniform laws on the subject of bankruptcies throughout the United States" had in view such a drastic national machine for the collection of debts as we have before us. The dominant thought of that Convention was to formulate a Government the stable corner stones of which should be free and independent manhood, the States retaining control over debtor and creditor so far as concerned mere property rights.

At that time in our history men were the sacred objects of national care, leaving the possessions of men to the mercy of State legislatures. However, this provision of the Constitution was not promulgated as a rendezvous for culpable or fraudulent debtors, but rather to save from despair such honest and helpless unfortunates as was Antonio, whose ships all went down at sea, leaving him subject to the revenge of the merciless Shylock, who gloried in losing his money that he might become master of the destiny and life of his debtor.

Out of the same stem grows the policy of exemptions and of homesteads under our State statutes. The object of both Governments is to protect the pride, the independence, the manhood of the citizen overtaken by inevitable misfortune, not only for his benefit, but for the benefit of his family, for the benefit of the State, and for the benefit of the United States. Voluntary bankruptcy, therefore, is the humane mandate that directs creditors to take all of the debtor's possessions and then emancipate the debtor from their coils, giving him his future. While this saves the future independence and pride of the family and the courage and manhood of the debtor, it rarely injures the creditor, as the debtor never could rise under the burden sufficiently to pay off the debt.

The language of the Constitution, the general reserved rights of the State, and the very spirit pervading the Convention while passing this act render it morally certain that the great aim was to give debtors their future freedom upon condition that they would yield up all of their possessions. This is the only just or justifiable reason underlying this measure.

The committee reporting this bill asks this question of itself: "Is a bankruptcy law needed?" The committee answers its own question in part as follows:

> From the Bureau of Statistics we learn that the total number of failures in the United States from 1879, when a former law was repealed, to 1895, both inclusive, amounts to 171,389 bankrupts. This vast number constitutes an army of men crippled financially, most of them active, aggressive, honest men who met with misfortune in the struggle of life, and who, if relieved from the burden of debt, would reenter the struggle with fresh hope and vigor.

That is the voice of your committee; that is the argument which is invulnerable when you take up the question of voluntary bankruptcy. But your committee, unfortunately, uses this invulnerable evidence in favor of voluntary bankruptcy to visit upon the commercial world the most drastic, the most merciless, the most piratic statute that has ever stood upon the American statute books. You may go back to the law of 1800, and it is mild in comparison with this. You may go back to the statute of 1841, and it is mild in comparison with this. You may go back to the statute of 1867, and it is mild in comparison with this. That is true, notwithstanding the fact that every State legislature in this Union has been progressing in the other direction.

But a short time ago men's bodies were sold into slavery for debt. As civilization advanced, this was changed to imprisonment for debt. With further light, this was reduced to attachment of goods and chattels for debts. Now most of the States prohibit the attachment until after judgment is obtained, except for a few acts of fraud.

This bill goes back to the harsher days of the Republic and outlines eight separate acts of the debtor, any one of which shall justify the creditor in throwing him into involuntary bankruptcy.

Under the law of 1867 there were but five acts for which he could be forced into bankruptcy, and all of these based on actual fraud.

Two of those added in this bill are based on misfortune alone, without any taint of fraud or turpitude on the part of the debtor. This is greed run mad.

Our State legislation, proceeding in a more merciful way, says these abuses must stop; that there must be but a few reasons why one may attach the property of a citizen unless he first gets a judgment, and I wish to say now that this bill, when it passes, will repeal every attachment law in your State, will repeal every law of insolvency whenever the aid of this statute is invoked. When this statute is invoked there is no local attachment, there is no local insolvency law, and I want to say to you that there are eight causes or reasons given in this bill for declaring a man a bankrupt, and I defy any man under the sun to owe the requisite amount who can not be thrown into bankruptcy. It is impossible for him to escape. You can put him into bankruptcy for any one of those eight causes, and there is no escape for him. I want you to bear in mind that he will not have the same opportunity as he has to-day.

Suppose that my friend from Iowa owes $500 and this law goes into effect. You go to your local bank and say to that institution, "I want to borrow $500." The bank says, "Nay." "Why not?" "Because you can not give any special security over any other creditor in this country. Any security that you give is liable to be overturned by a bankruptcy court which may take possession of your effects." Your local banker can not extend credit to you safely. No local merchant can extend credit to you safely; and the object of this bill is to reach out the cold tentacles from the great wholesale centers of this country with a harsh national measure for the collection of debts under such circumstances that there can be no local preferences, no local arrangement, no condition whatever that would allow a local creditor to have any advantage over a foreign creditor.

Now, are you willing to admit that? I say that I am in favor of a voluntary bankruptcy law, and I am in favor of an involuntary provision, if you will make it for actual fraud, and for actual fraud alone. I am in favor of the foreign creditor being on an equality

with the local creditor, when practicable. But if a merchant is unable to realize on his collections he must frequently give a preference to a local banker or wholesale merchant. He usually pulls through, to the benefit of all creditors. This cold, merciless bill would say to him, "Give no preference or you shall land in the bankruptcy court."

Mr. RAY of New York. May I interrupt the gentleman?

Mr. BELL. Now, my friend, I shall have to get you to excuse me, *because* I have only the grace of a few minutes. If anybody will extend my time, I shall be glad to be interrupted, but I have only a few minutes.

Mr. RAY of New York. I wanted to ask you just one question.

Mr. BELL. Well, ask the question rapidly.

Mr. RAY of New York. Have you read this bill?

Mr. BELL. Yes; to my sorrow and regret, my friend, and I hope you have read it to no purpose, because I do not believe that this House will ever visit such a law as this upon the American people.

Mr. SIMPSON of Kansas. Ask the gentleman from New York if he has read it.

Mr. BELL (to Mr. RAY of New York). Now, have you read the bill?

Mr. RAY of New York. I will say that I helped to frame it.

Mr. BELL. Well, I am more sorry for you.

Mr. SIMPSON of Kansas. The bill ought to be defeated, then.

Mr. BELL. Yes; that is another reason that it should be defeated. [Laughter.]

Now, our friends make the entire argument, and it is an ingenious argument for this bill, upon the fact that we have a great number of worthy citizens in this country loaded down with debt who ought to be relieved of that burden.

Now, we all agree upon that score, and I should be willing at this moment to say that we should enact a bankruptcy law that would permit every man who is a bankrupt at this time to take advantage of the bill and let the future take care of itself. That would relieve this great horde of men whom the committee says owe two and a half billions of money at this moment, men who are now hopelessly in debt and who want relief. But when they get that relief, they must take with it one of the most drastic measures that was ever visited upon the American people for the purpose of collecting debts. There is a door opened for a failing debtor at every corner of the jail. The debtor can not move without a penalty of jail imprisonment. He has no more opportunity under the provisions of this bill than he had in the Dark Ages.

We are advancing in our State legislatures. What was a cause for attachment a few years ago has been swept away as too drastic. What were causes of imprisonment a few years ago with an increasing civilization have been swept away. But this bill has gone backward. It has in severity gone behind the bill of 1841; it has gone behind the bill of 1800; it has gone beyond anything that this Government has ever seen in the way of a harness in a bankruptcy bill. If I had the time, I should like to read some of the provisions for which a man can be thrown into bankruptcy. I defy any man under the sun to be involved in debt, I care not how honest he may be, who can not be thrown into bankruptcy by any jack-leg lawyer in the United States. It is impossible for him to escape if he owes debts and is unable to pay at the time any creditor wants to throw him into bankruptcy. I believe that is the object of this bill.

If the committee had contented itself with bringing in a bill for this unfortunate class whose condition it exposes as an unanswerable argument in favor of voluntary bankruptcy, the spirit of the Constitution would have been fully met. This bill, however, hitches on to voluntary bankruptcy a most severe national collection régime which will tear down the insolvent and attachment laws of the States, remove collections from the local to the United States courts, and will place a master over every retail merchant in the country, and will destroy his local credit.

The Torrey bill was not gotten up by or for the unfortunate and burdened debtor, but by and for the great wholesale merchants, to enable them to more easily and certainly collect their debts, even if they have to throw their customers into bankruptcy to accomplish this purpose; to prevent retail merchants from securing their banks or local friend for special help.

Had the committee provided for voluntary bankruptcy and then enacted that when a debtor is guilty of such actual fraud as is usually a ground for attachment under State statutes that, upon the judgment of the court after a full hearing, he should be declared a bankrupt, the spirit of the Constitution would not be transgressed.

But nine-tenths of this bill is devoted to the interest of the creditor, and its provisions are most strenuous against the debtors, that its framers feign to serve.

Mr. HENDERSON. I yield one hour to my colleague on the committee, the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker, inasmuch as I have promised to yield so much of my time as I do not consume to one of my colleagues, I shall be glad, both on his account and my own, if I can be exempted from all unnecessary interruption in the delivery of what I have to say.

After the very able and elaborate analysis of the provisions of this bill by the gentleman from Iowa [Mr. HENDERSON], the chairman of the Committee on the Judiciary, I may well pretermit any extended and specific discussion of its details. I wish to say at the outset that I have bestowed upon it, as a member of the committee reporting it, the very best thought and most careful research of which I am capable. I believe that it will have the effect to promote commercial morality, to upbuild credit, and to uplift many of our unfortunate people, if it shall become a law.

Mr. Speaker, the Constitution of our country confers upon Congress "the power to establish uniform laws on the subject of bankruptcy throughout the United States." It inhibits any State from passing any laws "impairing the obligation of contracts."

The prescience of the framers of this great instrument, the sagacity that enabled them to anticipate and provide for both normal and emergent conditions, the enduring nature of our organic law and its remarkable adaptability to the uses and necessities of popular government, have continued for more than a century, and will continue while our Republic stands, to elicit the approval of every American citizen and to challenge the admiration of the world.

Verily, the work of the fathers is imperishable. Were it possible for them to revisit incarnate the country so richly blessed by their patriotic efforts, they would stand in amazement not only at the prodigious progress and development which are so abundantly in evidence, but they would have occasion to wonder and be thankful that to them were given the wisdom and foresight which qualified them to make such suitable provision for those who were to come after them.

Every citizen must know that in all his civic relations and transactions with his fellow-man he is subject to the Constitution and must act in all his affairs in contemplation and with full knowledge of its provisions and what may lawfully be done under and by virtue of its authority. All commerce and all business are carried on, all credit is extended, and all debts are made and contracted, with notice of its existence, its supreme function, and the lawful exercise of the powers it confers.

No creditor can be heard to say that the debt due him shall never be diminished, nor under certain conditions absolutely discharged, if Congress shall otherwise enact. It was, I think, never considered by the authors of the Constitution that adjustments determined under statutes of bankruptcy, dispositions of property, distributions of estates, abridgments of obligations, acquittances, partial or complete, of preexisting debts, would necessarily involve dishonesty, repudiation, or moral turpitude in those taking advantage of and seeking relief under such laws.

They foresaw that periods of depression, industrial collapse, commercial paralysis, financial stringency, yea, human extremity, would inevitably come to pass, when relief from burdens too grievous to be borne should be afforded.

They did not contemplate nor intend that such laws, enacted in pursuance of the Constitution, should be so used and administered as to operate a fraud upon either creditor or debtor. On the contrary, it is but reasonable to suppose that they had a just regard for the relative rights of each.

During the existence of our Government, and at long intervals, three different laws on the subject of bankruptcy have been enacted and in turn repealed. Two of them were of very brief duration. It is not contended that these laws were either of general popularity or free from imperfection and harshness. Time will not permit a full historic treatment of these laws, the exigencies which called them into existence, nor the causes which brought about their public condemnation and repeal. Suffice it to say that these things have afforded us a caveat of which we have not been unmindful, and in the preparation of our bill we have endeavored to profit by past experience and to avoid, as far as possible, all just grounds of adverse criticism.

I may be allowed to remark that we have approached and conducted our deliberations with a supreme sense of the importance of the legislation proposed and a conscious and avowed purpose and faithful desire to attain wise and just conclusions. It is and has been our earnest wish to submit for final enactment that which will stand the test of candid public investigation, of judicial scrutiny, of future practical administration and experience and commend itself to enlightened judgment as worthy of a permanent place in the laws of our country.

It affords me—and I address specially now gentlemen upon this side of the Chamber—profound pleasure to declare that no word of sectionalism or partisanship has escaped the lips of any member of the Committee on the Judiciary during our consultations and in the consideration of this measure, nor has there been exhibited anywhere the slightest purpose, within my observation, to attach to it any mere party significance.

While we hail from different and widely separated States of the

Union, represent different constituencies, and are of different political affiliations, still we have met and acted upon a common level and without reference to party alignment, disagreeing where we could not unite, not as Republicans and Democrats, but diverging only in such opinions as are entertained by earnest men of positive convictions seeking the common good of our common country.

I support the Henderson bill—and it is just that it should be so designated—as freely as I would if it bore the name of my old friend, Judge Culberson, who served for so many years with such conspicuous distinction on the Committee on the Judiciary and with such acceptability both to the House and to the country, and who, great lawyer as he is, supported it in a former Congress as it was originally introduced in this. As a lawyer, and upon nonpartisan legal questions, the names of political parties do not appear in my lexicon. I would rather be the best lawyer in the United States than to be President under the auspices of any political organization. [Applause.]

In our judgment, the time has come when the conditions imperatively demand and the people anxiously expect the passage of a bankruptcy law. In my own opinion, the closing years of this century find the American people differently situated from what they have ever been in the past. Hard times have never been more aggravated than they now are; the great body of our people never profited less "in that wherein they labor" than they now do; toil never before went more unrequited and without adequate recompense than it now does; the products of brawn and the fruits of the soil are more depreciated than ever before; a dollar was never so difficult to obtain as it now is; its purchasing power was never so magnified as it has now become, while its debt-paying power remains only the same as when times were better; appreciated money has had the logical effect to increase the quantum of debt and decrease the capacity to discharge it. It were easier to have paid $1,000 a few years ago than it is to pay $500 now; the struggle to live is fiercer and severer now than ever it was.

Failures aggregating liabilities of approximately $3,000,000,000—think of it, gentlemen; three thousand millions of dollars!—have occurred within less than a score of years. In the débris of such failures may be seen "broken counters" by the thousands in every populous State of the Union which tell the sad story of blasted hopes, blighted homes, and broken hearts.

Stagnation and sorrow, grief and gloom, strain and suffering, privation and poverty, and all the concomitants of disappointment and distress afflict multitudes of our people. The pangs are keener and the humiliation harder to be endured because of the contrast between the times as they now are and as they once were with them. "A sorrow's crown of sorrow is remembering happier things." Then the rush of greed has not been stayed; the gentle sensibilities, the tender humanities have become parched and shriveled by its withering touch. Evil, avaricious motives in getting and solicitations to covin in losing have wrought their frightful havoc and pressed their victims to the very verge of desperation.

Many and many of our people who were once buoyant, energetic, and prosperous men of business, whose "words were as good as their bonds," are now loaded down with hopeless, helpless debt, from the burdens of which they can never expect to be extricated except through legislative relief. In multiplied instances their unhappy situation can not justly be ascribed to mere improvident speculation, nor culpable mismanagement, nor reckless indiscretion and disregard of usual business methods, but may rather be attributed to the general environment, phenomenal shrinkage in values, abnormal monetary conditions, unforeseen inability to make collections, circumstances exceptionally hostile, massing of demands at unexpected times and from unexpected quarters, absence of reenforcement usually available, and universal dislocation.

In these days of sudden inflation and abrupt collapse, of booms and boomerangs, of artificial manipulation and control of the old rules of supply and demand, of blending seedtime and harvest and fixing the prices of the products of the soil before the seeds sprout in the ground, of restricting the monetary supply and barricading the mints of the Government against the ancient coin of the realm, of "barring every door with gold and opening but to golden keys," it is no wonder that the best-laid calculations, most careful prognostications, and ordinary sources of the best judgment are unreliable and come to naught, and it is no wonder that disasters which no human prudence could anticipate and calamities which no possible caution could avert have come in whole battalions and wrought irreparable ruin.

There is no incentive to accumulate property when one knows that the unremitting efforts and aggregated business rewards of a lifetime can not meet and cancel the liabilities in which he is involved. Energy and thrift and economy all fall prostrate and palsied in the presence of such a dilemma, while the attendant temptations to evasions, concealments, subterfuges, and crooked methods are a standing menace to open and moral conduct and manly independence in the management of business affairs.

In such a case the inevitable tendency is to humiliation or degradation. I would adorn my own poor observations in this connection by quoting the splendid language of that great statesman, Henry Clay, who, more than fifty years ago, when discussing proposed bankruptcy legislation, used these words:

> The Declaration of American Independence, which announced our existence as a nation, solemnly proclaims as a self-evident truth that the right of any individual person to life, liberty, and the pursuit of happiness is inalienable. Does the wretched bankrupt, sunk down and overwhelmed by perhaps unmerited misfortune, against which no human foresight or prudence could guard, enjoy the benefit of this maxim?
>
> He is not, indeed, deprived of life, but he drags out a miserable and lingering existence, without one cheering hope. The humanity of progressive civilization has exempted his person from incarceration in the dark cells of a public jail; but the liberty which is granted to him enables him only to see more distinctly in the light of heaven and intensely to feel the misery of his condition. Stripped of all motives to human exertion, with the incubus of an immovable mass of debt upon him, surrounded by a family sharing, without being able to alleviate, his sorrows and sufferings, he is mocked by the privilege of the pursuit of happiness, pronounced to be inalienable in the most memorable declaration of human rights that was ever promulgated to the world. Let us, sir, make that guaranty substantial, practical, available, by fulfilling the duty imposed upon us in the power delegated in the Constitution to pass this law.

Mr. Speaker, how pitiable it is to see a man formerly prosperous in business and comfortable, industrious and contented, able to provide suitably for himself and his dependents, reduced to want and idleness and deprivation of all he once enjoyed! How crushing it is, moreover, when he realizes, as he sometimes does, that the better and stronger and more operative years of his life are past and gone; that he can not retrace the journey and utilize a second time the opportunities that once were his.

He appreciates most acutely the truth of the dismal philosophy of that Mohammedan caliph, Omar, I think it was, who said, "Four things come not back—the spoken word, the sped arrow, the past life, and the neglected opportunity." In the retrospect, his discomfiture is but intensified when he perceives how and where his troubles might have been avoided, and recognizes too late, and after the fact, the shortcomings which have marked his career.

I can imagine such a man, worried and wretched by day, insomnolent and restless at night, racking his brain, straining to its utmost tension every ingenuity at his command for the betterment of his condition, desiring to do right, willing if he could to pay what he owes, having just conceptions of all his obligations and a full consciousness of all his duties, and yet, turn as he will, think as he may, see as he can, there are no signs of promise, and only rayless darkness and "woe, irrelievable woe," are all that confront him.

In the morning he wishes it were evening, and in the evening he says, "Would God it were morning." Debt, the gloomy specter, is the last thing to tell him "Good night" and the first thing, in derision, to bid him "Good morning." His pride, his self-respect, his reputation among his fellows, his duty to his family that he be not "worse than an infidel, and deny not the faith," are all aroused, challenge his painful solicitude, and banish his peace; fortune gone, his "torch wasted that it can no longer burn," claims against him that he can not satisfy, debts which he can never by any possibility discharge, with tribulations innumerable and immeasurable pushing and pressing his endurance to the uttermost limit, with all the mien and manner of a wounded spirit which can not sustain his infirmity, "dragging at each remove a lengthening chain," wrecked and stranded, with sorrows unspeakable—oh, Mr. Speaker, such a man is entitled to the ready and cordial commiseration of all humanity, the sympathy of all civilization, the benediction of every generous heart, and every prompt and adequate relief that the law can give him.

"When I think of the many thousands of such care-encumbered," debt-emburdened men, I feel it to be my representative duty to plead their cause and invoke in their behalf every constitutional and legislative succor and solace that the polity of my Government affords. I would have go forth from the Congress of the United States to all such, the royal proclamation that gladdened the hearts of ancient Israel:

> Proclaim liberty throughout the land unto all the inhabitants thereof. * * * And if thy brother be waxen poor, and fallen in decay with thee, then shalt thou relieve him * * * that he may live with thee. * * * Thou shalt not compel him to serve as a bond servant.

I would have the command issue and send forth the greeting and assurance:

> Blow ye the trumpet, blow
> The gladly solemn sound;
> Let all the people know,
> To all the country's bound,
> The year of Jubilee is come.
> * * *
> Ye weary spirits, rest;
> Ye mournful souls, be glad.

[Applause.]

We have provided in our bill that every honest individual debtor may claim and enjoy the privileges and benefits of voluntary bankruptcy. And we have gone so far as to declare, in similitude of the laws of the States, that if he be too poor to pay the costs of

the proceeding his plaint shall not on that account be denied, but shall nevertheless be heard. We say to him that if you come into court with clean hands, and in good faith submit to your creditors your cessionem bonorum for pro rata distribution among them, you shall be discharged from your debts and "go hence without day," protected in all your exemptions by the laws of the State of your residence.

We have provided for the expeditious and comparatively inexpensive administration of business in the courts of bankruptcy, and sought to prevent the waste and consumption of estates in unnecessary costs. We have provided for referees convenient to the parties interested, and brought to the very doors of those desiring the benefits conferred, full opportunity for invoking them.

Thus far, I apprehend from the expressions I have heard in this Chamber and elsewhere, there is no essential disagreement between other gentlemen and myself, there being, I believe, a general sentiment in favor of voluntary bankruptcy. This desideratum can not, I think, be accomplished as an independent proposition. I come now to discuss the other feature of the bill, and I shall be indeed grateful for your earnest and patient attention.

We have not only provided amply and generously for voluntary bankruptcy, but we have deemed it both proper and necessary to include also in the bill what we regard as reasonable and appropriate provisions for involuntary bankruptcy, and have carefully defined the causes which upon petition filed and bond given will be sufficient to bring into court a reluctant and fraudulent debtor and compel the surrender of his available assets to be ratably and equitably applied and proportionately shared by all his creditors.

In our judgment no mere one-sided measure would meet public expectation, be possible of enactment, nor properly respond to prevailing conditions. In my own humble opinion, it may be well doubted if such would be entirely in keeping with the "uniformity" *contemplated* by the Constitution. We have considered the relative rights of both debtor and creditor. The bill is intended on the one hand, to relieve honest, helpless misfortune, to afford good men overwhelmed by debt, a straight way out of their difficulties, and on the other hand, to protect the deserving creditor in all his reasonable rights and to reach out and preclude wrongful and covinous conduct on the part of the crafty and unscrupulous debtor.

We believe that the creditor has rights which the debtor ought to respect; that a creditor is not necessarily a cruel and inexorable monster; that neither his interest, his cupidity, nor his inclination normally seeks to oppress or crush or destroy his debtor; that credit is indispensable to the commercial world; that inducements to its extension ought to be offered rather than that arbitrary restraints and shackles should be put upon it; that unnecessary impediments thrown in the way of the just assertion of its right to collect debts will withdraw it from the field where such obstructions are permitted and dry up the very springs from which flows the stream of business activity; that statutory promptings to loose and light estimates of contractual obligations to the creditor tend to public demoralization; that no discredit should be cast by law upon the virtue, the dignity, and the binding nature of an honest debt; and that no well-meaning, fair-dealing creditor should be held in social, moral, or legal quarantine, nor treated as an alien enemy in his own land. We have felt that the respective claims of both these great classes of our citizens deserved our attention and should neither be ignored nor obscured. They are each of our own people and civilly "bone of our bone and flesh of our flesh."

We have avoided all unreasonable harshness and severity in those proceedings which are denominated involuntary and have provided complete indemnity against the wrongful institution of such proceedings. We have preserved inviolate the time-honored right of trial by jury where issue shall be joined on alleged acts of bankruptcy, and have included in such acts only such delinquencies as are expressly or by necessary implication tainted with fraud. Mere insolvency, if integrity remain, will be no cause for enforced bankruptcy under this bill. An upright debtor will be immune from vindictive assault.

I affirm with all possible emphasis that no honest, straightforward man need apprehend any harm to himself in consequence of what is denounced as an act of bankruptcy and defined as a cause for the institution of involuntary proceedings. It may be safely stated that the causes thus defined are far less rigorous and sweeping than those which authorize the issuance of writs of attachment and other extraordinary process under the laws of the States. It is well known that insolvency laws and those for the collection of debts vary in the different States, are oftentimes contradictory, and disclose an utter lack of uniformity.

Preferences may be allowed in one State which are interdicted in another. These things, it is believed, are not only sufficient to produce, but not infrequently actually provoke, a discrimination in the extension of credit as well as an inequality in its operations, involving a higher price for the same article in one State than is charged to the people of another State, contingent upon the risk taken by the wholesale dealer being greater under the laws of one State that those of another.

With the same rules for the collection of debts applying uniformly to all the States, it is fair to presume that credit would become less variable and better systematized in its action, and that the same article of merchandise could be bought for practically the same price, plus the cost of transportation, all over the Union.

It does not follow that all creditors are necessarily extraterritorial of the State where debts are contracted to be paid; and the fact that those residing in the immediate vicinity or in the same State with the debtor are afforded special facilities for the security and collection of their claims, to the exclusion of others equally binding and meritorious, and that in the race of diligence the local creditor is permitted to absorb the entire property of the debtor and leave others, both within and without the State, wholly remediless, is obstructive of the flow of credit, hazardous to its extension, pernicious in its influence, and positively detrimental to the debtor.

I am one of those who believe that an honest debt, fairly contracted for value received, is of moral and legal obligation, without reference to where the creditor resides. "Pay what thou owest," when possible, is as obligatory on the payor, whether the payee reside in the same neighborhood or a thousand miles distant. A promissory note made, executed, and delivered for food and raiment, for goods and chattels, for wares and merchandise, at just valuation, is, both in conscience and in law, of equal strength and dignity to a similar note given for the loan of money.

It is sometimes suggested that credit is occasionally extended through personal sympathy and with a motive to enable an embarrassed tradesman to tide over his temporary trouble, and that the duty to pay a debt thus incurred is of higher ethical obligation than others, however honestly contracted, in the usual channels of business, and that in such cases preferences ought not to be discouraged nor prohibited.

It may be replied that cases of this kind are exceptional; that it is a rare thing in these days that money is loaned without promise and expectation of current interest, as well as ultimate payment of the principal; and besides, the law can not enter the domain of mere moral as contradistinguished from legal duty, take cognizance of superrefinements in casuistry, nor allow the gratitude of the debtor and his friendliness or special favoritism to a particular creditor to destroy the force of what is due to other creditors, nor to exhaust the means at hand in the full extinguishment of one debt which ought to be ratably applied to the proportionate satisfaction of all.

When a commercial man is obviously failing and notoriously unable to meet his business engagements, it may well be doubted if credit then extended him is to his own actual and eventual benefit, or that such credit, even in the estimation of the debtor, should take higher rank in the scale of obligation than that previously furnished by others. Should sympathy so dispense its benefactions as to work an injustice to others, or be suffered to obtain an advantage for itself at the expense of others? I assert as a postulate of sound morality that justice and generosity have their appropriate functions, and the one must end before the other begins.

A successful mercantile career involves the thought and care of a lifetime, requires sound commercial intelligence, painstaking estimates of loss and gain, diligent study of the markets, close attention, correct, economic and systematic business habits, and unceasing prudence.

A good merchant is both convenient to a community and useful as a citizen, and his fitting survival in business is beneficial and desirable. His purchases are openly made. He pays for his merchandise at the time it is bought, or upon current demand, and conducts a safe, honorable, and reliable business. He is entitled to consideration and reasonable protection against evil practices and dishonest compassings in derogation of his trade.

There are some who, without experience or preliminary study and preparation, with no aptitude for commercial pursuits, and with inadequate capital, venture into the mercantile field. They rent a house, hire clerks, procure delivery vehicles, buy oftentimes beyond their capacity to pay, advertise their wares, and set themselves up for business in competition with the veteran and experienced merchant.

They frequently run a brief career. They wait in vain for desirable customers or, impatient at the delay in their appearance, sell at hazard, "on time," to those rejected by others more cautious, or finally to all comers alike for what cash they can get, without reference to profit upon the original investment.

In the meantime expenses go on in cumulo, their obligations mature, their paper goes to protest, they collapse; and then, in some places, comes the preferential deed of trust, the sale by the trustee at or below cost, and usually far below cost, the precipitation upon public or private vendue of the same articles usually kept by the permanent and orderly merchant in the next block or

the next door. The wires grow hot with messages from outside creditors whose goods have been recently obtained, have just arrived, or are then in transitu. The preferred creditor—sometimes real, often fictitious—smiles serenely and pockets the proceeds of the sale, while others having just claims, both within and without the State, lament deeply and pocket their loss.

The adventurer, if dishonest with what he has saved from the wreckage, seeks other fields and pastures new, repeats his wickedness if he can, and continues his course of fraud. If, on the other hand, he intended no wrong, he discovers himself stripped of every resource and still hopelessly in debt to those who by his own conduct have been prevented from sharing any portion of his assets.

Whether at the inception of such experimentation, evil design was intended by the one, or reckless indifference to consequences and utter ignorance of business methods and total disregard of commercial proprieties characterized the conduct of the other, in neither event, ought he to be allowed to make "fish of one of his creditors and flesh of another;" nor would it seem to add to the rectitude of Paul when he becomes the beneficiary of the robbery of Peter.

If, as the result of uniform laws for the collection of debts and the denunciation of preferences, credit should be withheld from dishonest and incapable adventurers, no public injury will result and full and merited opportunity for the survival of the fittest engaged in mercantile pursuits will be afforded, and in addition honest methods and prudential management will be stimulated and conserved.

Now, Mr. Speaker, I have gone rapidly over some of the salient features of this bill, and submitted some of the main reasons which induce me to support it. We have endeavored to view and treat these and cognate questions in all their practical bearings, and to so construct the bill as to meet the requirements of the entire situation, to conform to sound principles and usages of business and well-established rules of justice.

I believe its passage is dictated and commended by sound public policy; that in the case of the creditor it will afford every facility for the protection and enforcement of his rights that he can reasonably demand; that in the case of the deserving debtor it will "raise the fallen and cheer the faint;" that by its aid thousands of good men will be lifted from "the mire and clay" of despair, endowed with renascent strength, and with "new songs in their mouths" and fresh hope in their hearts will resume the walks of business activity, of profitable enterprise, and of useful citizenship.

I thank the House for the kindly attention I have received. [Applause.]

Mr. Speaker, I yield the rest of my hour to my colleague, the gentleman from Texas [Mr. BURKE].

The SPEAKER pro tempore. The gentleman from Texas is recognized for six minutes.

Mr. HENDERSON. I add to that fourteen minutes, making twenty in all.

Mr. BAILEY. I am very glad to see that arrangement is agreed to; but I desire it understood that gentlemen who intend to oppose the bill shall be permitted to have their time added to in the same way.

Mr. HENDERSON. It is no addition at all. We are keeping track of the time on both sides.

Mr. BAILEY. It is only to save the trouble of a gentleman occupying the floor for ten minutes yielded to him by one member who is entitled to time, and then occupying the time of another who may desire to yield additional time.

Mr. HENDERSON. I want to say to my friend that it is all kept track of.

Mr. BAILEY. I perfectly understand that, and I want it understood that two gentlemen may yield to one at the same time, and that one amount of time may be added to the other.

Mr. BURKE. Mr. Speaker, I should like to ask, what time have I now, under this arrangement?

The SPEAKER pro tempore. The gentleman is recognized for twenty minutes, six minutes in the time of the gentleman from Texas [Mr. LANHAM] and fourteen minutes yielded to him by the gentleman from Iowa [Mr. HENDERSON].

Mr. BURKE. Mr. Speaker, the time that has been allotted to me is so limited that I shall find it absolutely impossible to pursue the line of argument that I had intended to pursue in presenting my views to the House this afternoon. I feel, Mr. Speaker, that it should be a subject of congratulation not only to this House, but to the country as well, that we have presented before us for discussion to-day a subject that is absolutely free from all political bias or partisan feeling, and one, too, that for a long time has enlisted the attention not only of Congress, but also of almost every section of our common country. A subject, sir, in the discussion of which no constitutional objection can be raised as to the right of Congress to pass such a law.

The constitutional right of Congress to enact bankruptcy legislation can not be questioned or assailed, and in looking at that clause of the Constitution which confers this right alone on Congress, I have been impressed with its peculiar phraseology. It declares that—

> Congress shall have power to establish "uniform laws on the subject of bankruptcies throughout the United States."

We should not be unmindful of the fact that the convention which framed this Constitution was composed of the very best and ablest men in this country at that time; men who were familiar, or at least should be presumed to have been familiar with the laws under which they had been living, and they must have known at the time that the laws of England recognized both the voluntary and involuntary features of bankuptcy, for they had tribunals, one known as the "insolvent court," and the other as the "bankruptcy court." One feature authorized a voluntary surrender of assets, and the other contemplated an involuntary surrender of assets.

I think, Mr. Speaker, that the clause of our Constitution just referred to shows conclusively that the framers of that instrument clearly understood that there were in existence in England at the time laws covering both the voluntary and involuntary features on the subject of bankruptcies. Any other conclusion would be unjust to the recognized learning and ability of these great men who framed our Constitution. We hear objections urged by some against any kind of bankrupt legislation, but a majority of those opposing this bill predicate their opposition solely on the involuntary features contained in it.

I wish, Mr. Speaker, to present a few practical thoughts on this subject of involuntary bankruptcy as proposed by the bill now before the House. In the first place, I wish to suggest to gentlemen that there are creditors in this country as well as debtors, and I do not think that the Congress of the United States should legislate in favor of the one as against the other. Both have rights, and these rights should be protected and guarded, and any law providing for voluntary bankruptcy alone could not protect the interest of the creditor, any more than the rights of the debtor could be protected under the provisions of a bill providing alone for involuntary bankruptcy. Clearly, in justice to both classes, and under the provisions of the Constitution to which I have referred, Congress should enact legislation covering both phases of this question.

Under the provisions of the bill now before the House there are eight grounds for involuntary bankruptcy, and I challenge any gentleman on the floor of this House to read these grounds over carefully and tell us what objection you have to urge against either, or point out, if you can, a single ground that is more objectionable than that now existing in the statutes of your own State regulating and governing the issuance and levy of a writ of attachment. Under the laws ordinarily governing attachment proceedings the property of a debtor is seized, and in some States the first attaching creditor gets all, while others whose demands are equally as meritorious get nothing, and the debtor is left in the "slough of despond," as it were, with claims and judgments hanging over him from which he can never extricate himself.

Under the provisions of this bill his assets are distributed in equal proportions among all his creditors alike; and when this is done he can receive his discharge, which is legal in every State in this Union, and he can, if he so chooses, enter again into the race for financial independence. Mr. Speaker, no man should want, or if he does so want, no law should permit him to have a perpetual mortgage on the energies of his fellowman. But I was just referring to the laws regulating attachment proceedings in the States of this Union, and suggesting a comparison of the provisions of this bill relating to involuntary bankruptcy with these laws.

A little investigation, sir, of these State laws might be entertaining as well as instructive, and in this connection I wish to say that I was somewhat surprised at the speech of my distinguished friend from Colorado [Mr. BELL], just delivered, in which he expressed his disapproval of the involuntary features of this bill, and especially the grounds for involuntary bankruptcy, when the statutes of his own State provide twelve specific grounds for the issuance of writs of attachment, four more than this bill requires for involuntary bankruptcy.

Mr. BELL. I would like you to state what statute you have.

Mr. BURKE. I have Hubbel's Legal Directory for 1898, just issued last month.

Mr. BELL. I wish to say to the gentleman you will find no such cases of attachment as you speak of.

Mr. BURKE. I will read the statutes if the gentleman so desires. There are twelve specific grounds given.

Mr. BELL. I do not know what you are reading from, but you will not find any cases of attachment based upon the ground of the unfortunate condition of the debtor. They are all with reference to fraud.

Mr. BURKE. An inspection of the laws of Colorado on this

subject will show that this is a distinction without a difference, Mr. Speaker.

Mr. BELL. It is a very great difference from this bill.

Mr. BURKE. I assert, and challenge any gentleman to contradict the assertion, that in many States of this Union to-day—in a majority of the States of this Union to-day—by statutory enactment more grounds exist for the issuance of a writ of attachment than there are in the involuntary features of this bill.

Mr. BARTLETT. What State in the Union permits the issuance of a writ of attachment against a man who permits his paper to remain thirty days unpaid, and declare him an insolvent?

Mr. BURKE. I cite the gentleman to the laws of his own State. In that State there are seven distinct grounds for the issuance of a writ of attachment.

Mr. BELL. Do you regard the issuance of a writ of attachment the same as throwing a man into general bankruptcy?

Mr. BURKE. In answering the gentleman, I will say that the issuance of a writ of attachment against a debtor, while in one sense amounts to bankruptcy, in another it is infinitely worse, in that it takes his property, applying the proceeds to a partial payment of his debts, leaves him submerged, as it were, with judgments over him unsatisfied, and beyond the hope of relief for the future. Whereas, if the laws of bankruptcy were invoked, his assets would be ratably distributed, judgments against him satisfied, and he would receive his discharge.

I have heard much said, Mr. Speaker, about State courts giving relief by way of damages to debtors whose property had been wrongfully seized under attachment proceedings. I wish to say that after an experience and observation of twenty-five years in the courts of my country, I am prepared to say that such damages are rarely given, and in ninety-nine cases out of one hundred, when a debtor's property has been seized under a writ of attachment, he is left a financial wreck. I can not at this moment recall a single case in which I have known pecuniary compensation to be paid a debtor for the unlawful issuance and levy of a writ of attachment. And in those States where a preference is obtained by the first attaching creditor, he is stimulated by this fact to take his chances and have the attachment levied. In my State the first attaching creditor gets it all.

Mr. BELL. In my State he does not.

Mr. BURKE. Yes, but I expect that the debtor usually pays from 5 to 10 cents on the dollar, and then has a judgment hanging over him for the balance of his life. Whereas, under this law, if the involuntary features are sought to be enforced against him, he gets his discharge and is absolutely free.

Mr. WILLIAMS of Mississippi. Will the gentleman permit me a question?

Mr. BURKE. Certainly, my friend from Mississippi can always ask me a question.

Mr. WILLIAMS of Mississippi. Do you not think the machinery now provided by the States for the collection of debts is sufficient? Do you think additional machinery through the instrumentality of this bill is necessary or wise?

Mr. BURKE. Ordinarily the machinery now provided may be sufficient to serve some purposes in this direction, but in many, if not a majority, of the States to-day a debtor can execute a trust deed for the purpose of securing one or more of his creditors, and those secured are usually closely related to him by ties of affinity or consanguinity. Can anyone stand up here and defend a law of this character and at the same time condemn the provisions of this pending bill? In the State of Mississippi, from whence my distinguished friend comes, there are eleven grounds for issuing a writ of attachment.

Mr. WILLIAMS of Mississippi. The people of Mississippi are satisfied with that as a mode of collecting debts.

Mr. BURKE. In the State of Missouri there are fourteen grounds for issuing a writ of attachment.

Mr. BLAND. Suppose a writ of attachment is issued in Missouri, how will this bill interfere with it?

Mr. WILLIAMS of Mississippi. It destroys it.

Mr. BLAND. Do you propose by this bill to destroy our laws?

Mr. BURKE. If any citizen of Missouri is absolutely insolvent and unable to pay his just debts the laws of this country ought to take hold of his estate and divide it equally among his creditors, if he or they so desire, and then give him another chance in the race for life.

Mr. BLAND. Are you not willing to leave that to the legislature of Missouri?

Mr. BURKE. Sometimes legislatures do not do their duty.

Mr. BLAND. As a Democrat, are you willing to override the State law?

Mr. BURKE. As a Democrat, I am in favor of this bill, and my people favor it. While I would guard as jealously as anyone the rights of each State in this Union, I have never permitted my respect for State rights to force upon me the conviction that the enactments of State legislatures are always right. They are sometimes wrong. But, Mr. Speaker, when I was interrupted I was referring to the grounds for attachment in some of the States of this Union. I find the following number of grounds in the States named:

State	Grounds	State	Grounds
Alabama	7	Missouri	14
Arkansas	8	Nevada	9
Colorado	12	North Dakota	8
Florida	9	Ohio	9
Georgia	7	Tennessee	8
Illinois	9	Texas	12
Iowa	12	Virginia	6
Kansas	11	Washington	9
Kentucky	8	Wisconsin	7
Maryland	8	Wyoming	9
Mississippi	11		

In the States of Maine, Vermont, Massachusetts, and Connecticut attachments are issued and levied on a debtor's property without either an affidavit or bond filed. Except in the State of Connecticut, a cost bond must be given, payable to some "substantial citizen of the State."

Mr. CLARK of Missouri. Will the gentleman allow me to ask him a question?

Mr. BURKE. Certainly.

Mr. CLARK of Missouri. Does not that demonstrate that New England has not kept up with the procession in the matter of progress? [Laughter.]

Mr. BURKE. Well, I will leave that to my friend from Missouri, and he can put his own construction upon it. I am not criticising New England; I am here speaking in advocacy of the bill before the House and endeavoring to show that it is not harsher in its provisions than are the laws of many States governing the seizure of a debtor's property under writs of attachment.

It does not answer the arguments in support of this bill to say that there are harsh creditors and poor, depressed, honest debtors. We find all these, Mr. Speaker, in the enforcement of attachment proceedings under State laws, and no one has ever suggested opposition to attachment laws, or their repeal, based on either the poverty of the debtor class or the harshness of the creditor class. But in candor I submit that if a debtor is guilty of violating either of the eight grounds set out in the involuntary feature of the proposed bill, his property ought to be taken by the strong arm of the law and distributed ratably among his creditors. Every lawyer in this House knows with what zeal and energy the attaching creditor usually pursues his debtor, and, as I suggested a moment ago to the gentleman from Colorado [Mr. BELL], wherever the statutes of a State permit the first attaching creditor to receive his full amount, you will find him pursuing the debtor with even more zeal and determination than ever before.

Mr. BLAND. If it will not interrupt the gentleman too much, I would like to ask him a question.

Mr. BURKE. Proceed.

Mr. BLAND. I would like to ask if the legislature of Colorado is not better able to take care of its citizens than we are? Why should Congress undertake to overturn the laws of that State?

Mr. BURKE. I will answer my friend by saying that in the passage of this bill it is not proposed to overturn the laws of any State, but to carry into practical effect by Congress the plain provisions of the Constitution of this country.

Mr. BLAND. The policy of a Democratic House to overturn State legislation may be questioned.

Mr. WILLIAMS of Mississippi. Congress has the right to enact the free coinage of silver as well as of gold, but it does not do it.

Mr. BURKE. If we had our way we might do it; but that is not an answer to the argument. I say the Constitution of the United States permits this legislation, and it can not be challenged on that ground.

Mr. Speaker, the passage of this bill will in my judgment greatly strengthen credit throughout all the States. That the passage of a bankrupt law is demanded, I believe nearly all will concede. I can understand, sir, how gentlemen who say they are opposed to all bankrupt legislation can vote, not only against this, but against any bill on this subject, but for gentlemen to declare themselves in favor of such legislation, and then vote against this bill without offering us a better one is to my mind suggestive that they too are opposed to all legislation on this subject. A close reading of the provisions of this bill will convince all I think who favor such legislation, that its provisions for both voluntary and involuntary bankruptcy have been carefully drawn and the rights of both debtor and creditor closely guarded.

Under its provisions farmers and wage earners can not be forced into involuntary bankruptcy, while both of the classes if they owe much as $1,000 may avail themselves of the benefits of the clause relating to voluntary bankruptcy. I lived in the South at the time the last bankruptcy law was enacted, and when it was in force, and I know the prejudice that then existed, both against the law and the manner in which it was enforced, and to that I will address myself for a few moments.

Mr. Speaker, that law was enacted immediately after the close of the civil war, when desolation and gloom hung as a funeral

pall over that entire section. At that time the country was not permeated and cut up with railways as it is to-day, and Federal courts were looked upon by the people as courts almost of foreign jurisdiction. In my own State a party, if forced into the Federal court, would have to travel by private conveyance from 150 to 300 miles, in some instances, before reaching the place where the court was held.

No such conditions exist in that State to-day. There can hardly be found a county now, outside of the frontier, through which railways do not pass, and we now have three Federal courts in the State, each holding a session at five different places in each district, thus making fifteen points at which courts are held. Not only that, under the old law there was only one register for the district; under this proposed bill a referee can be appointed in every county in the district, thus bringing the courts right to the very doors of the people, and the suggestion will no longer obtain that the Federal court is one of foreign jurisdiction, for they can have a court in every county of the judicial district where the law is being enforced.

The SPEAKER. The time of the gentleman has expired.

Mr. LOVE. I hope additional time will be given to the gentleman.

Mr. BURKE. I thank my friend, but I will conclude with only one further thought, regretting that I have not had the time to discuss this subject on the lines I had marked out in my own mind.

Mr. Speaker, human slavery is no more galling than financial bondage. Over thirty years ago this Government struck down the one, and in striking it down incurred nearly $3,000,000,000 of indebtedness and deluged this land in blood. We have to-day, approximately, 400,000 progressive, intelligent, and industrious men who are bowed down under the yoke of financial bondage. It costs not one dollar to remove that yoke from their necks; neither will there be shed one drop of blood.

Let Congress then rise equal to the emergency and declare by the passage of this bill that this financial bondage shall cease in this land. [Applause.]

Mr. TERRY. I yield thirty-five minutes to the gentleman from Texas [Mr. HENRY], ten minutes to be taken out of the time of my colleague on the committee, the gentleman from Kentucky [Mr. SMITH], and ten out of the reserved time of the gentleman from Alabama [Mr. UNDERWOOD].

Mr. HENRY of Texas. Mr. Speaker, at no period in our history of more than a hundred years has there been a more pressing necessity for a national bankrupt law. The unfortunate conditions of thousands of good and patriotic citizens imperatively demand such a measure. A national act of this kind alone can bring partial relief and heal up the wounds of those wrecked amid the misfortunes and adversities of the last decade.

To-day in every hamlet and in every section of this Republic there are honest and worthy citizens who are entitled to this consideration, and whose future existence would contribute to the national prosperity and grandeur of our country.

The time is now fully ripe when we should vitalize the constitutional power for passing a uniform bankrupt law and supplement that provision of the Constitution with legislation perfectly executing both the language and the spirit of the framers of our organic law.

Let us for a moment trace the history of the constitutional warrant for a national bankrupt act. The debates and history throw very meager light upon the origin of this power. It is always becoming, when we undertake to legislate, to ascertain the exact limits of our authority.

The Philadelphia convention met on the second Monday of May, 1787, but did not really begin work until the 25th of May, 1787. We do not find any reference to a bankrupt law in any sort of form until the 29th of August, 1787, when it was moved and seconded to commit the sixteenth article, together with the following proposition:

> To establish uniform laws upon the subject of bankruptcies and respecting the damages arising on the protest of foreign bills of exchange.

Which passed in the affirmative.

The next trace of this subject is found in the proceedings of the convention on September 1, 1787, when the eminent John Rutledge, of South Carolina, reported that the following provision should be added:

> To establish uniform laws on the subject of bankruptcies.

Then no more do we run across this subject until the 12th day of September, 1787, when the committee of revision brought in a complete draft of the Constitution and invested Congress with the exclusive attribute, to wit:

> To establish uniform laws on the subject of bankruptcies throughout the United States. (Article I, section 8, Constitution of United States.)

This is all of the constitutional history telling of the surrender of this power from the sovereign States to the Federal Government, and now for more than a hundred years it has been recognized by legislation and judicial tribunals that Congress has plenary power over the subject of bankruptcies. It has long since been determined by that august tribunal, the Supreme Court of the United States, that when Congress chooses to legislate upon this subject, its action is supreme and removes the matter from the legislative domain of the States. Chief Justice Marshall, in the case of Sturges *vs.* Crowninshield (4 Wheat., 122), vigorously and clearly marks the line between Federal and State domain on the question. His opinion has been steadfastly adhered to through the century.

It is absolutely essential to get a clear conception of the term with which we are dealing before we can proceed with the proper intelligence. There has been much controversy about the meaning of the word "bankruptcies" as used in the Constitution. When our Constitution was adopted there existed in England two separate and distinct systems of laws growing out of the relation of debtor and creditor, namely, "insolvency laws" and "bankrupt laws." Some have contended that the constitutional provision was intended to apply to "bankruptcy laws," and to exclude an application to the "insolvency laws."

But the courts have held that both the "insolvent" and "bankrupt" laws were included within our constitutional phrase, and now this doctrine is thoroughly rooted in our jurisprudence. The Supreme Court said long ago:

> The word "bankruptcy" is employed in the Constitution and in the plural, and as a part of the expression "the subject of bankruptcies." The ideas attached to this word in this connection are numerous and complicated; they form a subject of extensive and complicated legislation. Of this subject Congress has general jurisdiction, and the true inquiry is, To what limits is that jurisdiction restricted? I hold it extends to all cases where the law causes to be distributed the property of the debtor among his creditors. This is the least limit. Its greatest is a discharge of the debtor from his contracts. And all intermediate legislation affecting substance and form further the great end of the subject—distribution and discharge—and are in the competency and discretion of Congress. (Justice Catron, In re Klein, 1 How. (U. S.), 227.)

It is firmly established that the Constitution gives Congress power to pass measures to relieve and protect honest debtors and to shield and preserve the rights of creditors. Therefore we see that there is warrant for Congress dealing with all the relations of debtor and creditor by passing proper bankrupt laws.

But, considering the history of all bankrupt laws in all countries and in all times, the spirit and genius of our organic law and the sentiments and surroundings that animated and inspired the fathers who wrote the Constitution, I believe it was intended that bankrupt laws should come primarily as relief measures to unfortunate citizens who have been wrecked and destroyed in the vicissitudes of commerce and business transactions, with the secondary accompanying preservation and protection of the just rights and interests of their honest creditors.

My firm conviction is that a bankrupt law should always come to relieve oppressed debtors with accompanying protection to the rights of honest creditors.

This I conceive to be the true legal meaning of the term. It certainly should always be a relief measure and never one primarily for facilitating the collection of debts.

One class of citizens in this country desire the passage of a bankrupt law for the purpose of transforming the Government into a great debt-collecting agency. The other class want the law for the purpose of relieving the great army of unfortunate and ruined citizens already staggering under a mountain of debt.

I align myself with the latter now and forever and give heed to their conditions and need.

Whenever I move it will be for alleviating their burdens, and not for the purpose of giving a great horde of creditors a governmental machine for the convenience of collecting their debts from the present and future generations. The bankrupt act must come to aid the thousands of debtors who have already fallen by the wayside. This I believe to be the spirit and object of the constitutional clause. I am certainly within constitutional bounds thus far, even if I do not go farther with those who so zealously desire to use this clause of the Constitution as a protecting Ægis for the greedy cormorants and creditor classes.

We may admit that the Constitution authorizes Congress to pass uniform laws for the collection of debts, and still I maintain that the authority ought not to be exercised. The better policy and the humane course will be to only make provision for relieving the already burdened and crushed debtors and relegate to the States the duty of passing wise and efficient collection laws. Yield collection measures to the sovereign States and reserve to the Federal Government the province of passing the bankrupt laws for alleviating the debtor class, with a strict regard for the rights of creditors.

Why, the "Lex Potelia," enacted more than three hundred years before Christ appeared was solely for the benefit of the debtor class. It permitted a citizen to secure his freedom by resigning his property when he made oath that his property was worth as much as his debts. [Applause.]

The legislation of Julius Cæsar, establishing the law of "cessio bonorum," sprang into being for the benefit of the debtors of the

country and not as a measure for the convenience of the creditors—not to provide for the collection of debts. So it is throughout history. I am, therefore, constrained to believe and say that just such sentiments filled and inspired the fathers when they wrote the bankruptcy clause in the Constitution. The oppressed debtors were uppermost in their minds. They desired to provide a way for the debtor to strike the shackles of debt from his limbs and yet not do violence to the honest creditor.

It seems to me that this is the humane policy and just view of the subject, and my conduct shall be measured by deeply grounded opinions to that effect. I shall never admit that bankruptcy legislation should be inspired and put into effect by the creditor classes.

HISTORY OF BANKRUPTCY LEGISLATION.

Three times in the history of our constitutional Government has Congress enacted bankrupt laws. Three different parties have undertaken to pass satisfactory laws on this subject. The Federalist, Whig, and Republican parties have to their credit a bankrupt act. Each one of these measures contained provisions for involuntary bankruptcy. All of them were similar in this respect. And each one became exceedingly obnoxious for this reason.

In 1800 the Federalist party placed upon the statutes a bankrupt law containing a provision that it should continue in force for five years. But on August 19, 1803, it was repealed on account of its involuntary features. They were used by the creditor classes as an engine of oppression against the debtor classes. They cruelly outraged and harassed debtors, and the law was promptly repealed by almost a unanimous vote in Congress. It was discontinued because it was not a relief measure, but was used to grind unmercifully the unfortunates who owed money.

Again, in 1841, the Whig party passed a bankrupt law. It, too, contained an involuntary feature. It was passed to relieve those who had suffered from the financial panic of 1837. But it also became the means of outraging and crushing men who happened to owe money. It, too, met a speedy repeal, in a little more than thirteen months after its passage, on the 3d day of March, 1843. It took effect in February, 1842.

In 1867 the Republican party enacted a bankrupt measure. This law came into being to relieve the distresses and financial conditions of those who had suffered from the ravages of the civil war. But this act contained the deadly involuntary feature. It carried within itself the fatal conditions that made it a machine to pillage and plunder all debtors. It became extremely obnoxious in a few short months. Frauds, outrages, and cruelties were so numerous under it, extravagances and wastes were so easy for designing officials, and its involuntary provisions so fruitful of oppression and robbery that it soon became intolerable.

It was repealed in 1878 by a vote of 205 to 40 in the House. Twice before the House had passed an act repealing it. This law became especially odious on account of its involuntary clauses. In 1873 President Grant in a message urged its repeal, and especially the elimination of the involuntary clauses. He then presented unanswerable views against an involuntary law that apply with much greater force to the present times and conditions. This is his language:

I have become impressed with the belief that the act approved March 2, 1867, entitled "An act to establish a uniform system of bankruptcy throughout the United States," is productive of more evil than good at this time. Many considerations might be urged for its total repeal, but if this is not considered advisable, I think it will not be seriously questioned that those portions of said act providing for what is called involuntary bankruptcy operate to increase the financial embarrassments of the country.

Careful and prudent men very often become involved in debt in the transaction of their business, and though they may possess ample property if it could be made available for that purpose to meet all their liabilities, yet, on account of the extraordinary scarcity of money, they may be unable to meet all their pecuniary obligations as they become due, in consequence of which they are liable to be prostrated in their business by proceedings in bankruptcy at the instance of unrelenting creditors.

People are now so easily alarmed as to monetary matters that the mere filing of a petition in bankruptcy by an unfriendly creditor will necessarily embarrass, and oftentimes accomplish the financial ruin of a responsible business man. Those who otherwise might make lawful and just arrangements to relieve themselves from difficulties produced by the present stringency in money are prevented by their constant exposure to attack and disappointment by proceedings against them in bankruptcy; and besides, the law is made use of in many cases by obdurate creditors to frighten or force debtors into a compliance with their wishes and into acts of injustice to other creditors and to themselves. I recommend that so much of said act as provides for involuntary bankruptcy on account of the suspension of payment be repealed.

All these enactments opened the avenue for the ever-watchful creditors to unjustly harass and oppress the men who became indebted to them. The involuntary features prohibited the very thing the framers of the Constitution were trying to accomplish, to wit, the relief of honest debtors. No involuntary national bankrupt law can ever be just. In the very nature of things they will be abused in the Federal courts. If the involuntary portions of the act of 1867 had been omitted, my judgment is that to-day that measure would be standing as a part of our national jurisprudence. And I affirm this because the debates in Congress indicate that the repeal was brought about solely on account of that part of the law.

THE NELSON SENATE BILL.

Let us now consider some of the bills proposed to Congress. The Senate has sent over to this body a bill substituted for the famous Torrey bill. The Senate bill is denominated the Nelson bill.

The gist of the bill is embraced in one central idea, namely, that it is designed to relieve the thousands of bankrupts of the country, although it contains some soft involuntary features. The very gravamen, we might say, of the whole measure is contained in sections 1 and 2. Section 1 reads as follows:

That any debtor, other than a corporation, owing $200 or more who is unable to pay his debts may file his petition in the district court of the United States for the district or division thereof in which he resides, or if he be a resident of the District of Columbia, then in the supreme court of said District, or if he be a resident of a Territory, then in the district court of such Territory in the district in which he resides, asking for a discharge from his debts, and offering to surrender all his property for the payment of his debts, except such as is exempt by the law of his domicile from execution and liability for debts; but the petition shall not be filed in such court unless the petitioner has resided in said district or division at least six calendar months immediately preceding the filing of the petition.

The petitioner shall attach to his petition as a part thereof a schedule and list of all his property, exempt and unexempt, and a schedule and list of all his creditors and the amount and nature of the debts due each, with the residence and post-office address of each, if known, and shall in his petition state his inability to pay his debts, and that the list and schedule of property and creditors is true and correct, and shall offer to surrender all his unexempt property for the payment of his debts, and shall conclude with a prayer for a full discharge from his debts and liabilities. Said petition shall be duly verified by the oath of the petitioner, and he shall deposit with the clerk of the court at the time of filing the petition the sum of $20 to pay the cost of the proceedings.

In my judgment this section in connection with the clause providing for the bankrupt's discharge contains the quintessence of a true bankrupt measure. The other sections of the measure introduced by Senator NELSON and passed by the Senate relate to matters of form and procedure.

Taking a bird's-eye view of this act, it in substance simply provides that a man may surrender his property in good faith and receive an acquittance of his debts. It contains all that any good and complete bankrupt measure ought to embrace. To give a brief analysis of a perfect bankrupt law I would say: Let it contain provisions for an honest surrender of the bankrupt's property; a just distribution thereof among his creditors, and a certificate of discharge from his debts, and you have "in a nutshell" everything necessary to be embraced in such a law. Section 12 of the Nelson bill provides for the discharge. It is as follows:

That at the time and place fixed for said final hearing the court shall proceed to a final disposition and final determination of the proceedings; and if the court shall find that all the estate of the bankrupt not exempt from execution or liability for debts has been converted into money and distributed among the creditors of the bankrupt as herein prescribed, and shall find that all the costs and expenses of the proceedings have been duly paid, and shall also find that the bankrupt is not subject to have his right to a discharge from his debts denied upon any of the grounds upon which his right to such discharge may be contested, as prescribed in section 4 of this act, then and in that case the court shall enter a final judgment and decree, discharging and acquitting the bankrupt from all his debts and liabilities due any of the creditors described in the schedule attached to his petition, or to any of the creditors who may, at any time subsequent thereto, become a party to the proceedings. But such discharge shall not include any debts or obligations which shall have been created in consequence of his defalcation as a public officer, or as an executor, administrator, guardian, or trustee, or while acting in any other fiduciary capacity, nor any debt or obligation to any surety of the bankrupt who has paid or may pay any such fiduciary debt or any part of it, nor any debt or obligation created by the obtaining of moneys or property under false pretenses: *Provided, however*, That if it shall appear to the court, at the time of the first hearing upon the petition described in the first section of this act, that the petitioner does not possess or own property of any kind except that which is exempt by the law of his domicile from execution or liability for debts, and that he is not amenable to have his discharge denied on any of the grounds specified in section 4 of this act, and no creditor shall appear to contest the same or claim otherwise, then and in that case the court shall adjudge the petitioner a bankrupt, and shall enter a final judgment and decree discharging him from all his debts and liabilities in like manner and to the same extent and subject to the same exceptions as provided upon the final hearing hereinbefore described.

In this measure there is no harshness or injustice to anyone. It provides for unburdening thousands of men and robs no man of anything, because the debtors who will seek refuge under this law can never pay all they owe. It only gives them another opportunity in life. They may commence anew under its provisions, and few creditors will lose by it. Many will profit by it; and the energy and resources of many crushed and struggling debtors will be quickened and renewed. It will redound to our material national prosperity in many sections of the country.

The pressing need is to help those already lying prostrate, and not to facilitate the collection of future debts. Such a measure is demanded by the great majority of all the people; the contrary legislation only by those clamoring for payment. To whose rescue shall we come? Let us build up our country by renewing the energies of those in distress and not further retard it by extending Government aid to those grinding on the resources and muscles of the toilers. [Applause.]

VOLUNTARY AND INVOLUNTARY LAWS.

A very serious question presents itself when we come to consider whether we shall enact a voluntary or an involuntary bankrupt law. The divergence between these measures is very great.

When a person volunteers to go into bankruptcy, it is presumed

that he will not injure himself. But when we arm his fellow-man with governmental authority to seize his person and estate we assault all that is involved in this existence. It may mean the sweeping away of the accumulations of a lifetime. It may mean the unjust paralysis of an honest and thrifty business career. Therefore I lay it down as a fundamental principle of right that we ought never to pass a law putting it in the power of one man to maliciously oppress and wreck his fellow-man. A voluntary bankrupt law does not make it possible. An involuntary measure makes it possible and constantly invites it.

When a man is willing to voluntarily go into court and place his property in its hands, no harm can come to anyone but himself, and no one has a right to object to it. But when you propose to take from him his property and arrest him in the pursuit of his occupation and to question and assail his standing in business, you have undertaken a delicate and dangerous matter. The circumstances and causes should be clearly and sharply defined. They should be surrounded with safeguards, pains, and penalties shielding the debtor from an unjust suit.

In my State, Texas, before you can attach, garnish, or sequestrate the property of a person you must make oath of good faith and swear to specific grounds for your writ. Then you must give bond in double the amount of your debt to cover damages in case you are improperly and unjustly proceeding. So I would have it in a bankrupt law. The reason is greater for it. If a creditor willfully swears falsely against his debtor in a bankrupt proceeding, make it certain that he shall be punished for perjury. Then require him to give an iron-clad bond to respond in damages, both exemplary and actual, in case his proceeding is falsely and wrongfully brought. Make it dangerous for a creditor to separate his debtor from his occupation and property unless he is clearly right. It should be a serious and hazardous step to segregate a man from his worldly possessions. It involves the honesty, diligence, and accumulation of a lifetime and may mean distress and want thereafter.

In the Nelson bill we find this involuntary feature:

SEC. 16. That if any debtor, other than a corporation, being a banker, broker, merchant, trader, or manufacturer, who owes $500 or over, and who is unable to pay his debts, shall, at any time within four months of the time of the filing of the petition hereinafter mentioned, assign, transfer, convey, or in any manner voluntarily encumber any of his property with the actual intent and purpose on his part to prefer or defraud any of his creditors, he shall be deemed a bankrupt, and may be proceeded against in a court of bankruptcy, as hereinafter provided. A creditor or creditors having debts against such a bankrupt to the amount of $500 or more may, within four months after the act of bankruptcy has been committed, file in the court of bankruptcy in the district in which the bankrupt resides a petition, under oath, setting forth, among other things, the acts of bankruptcy aforesaid, and praying for an adjudication of bankruptcy against the bankrupt and the distribution of his estate among his creditors. When such a petition has been filed the court shall immediately, by its order, fix a time and place for a hearing and adjudication of the same, which time shall not be less than twenty-one nor more than thirty days subsequent to the date of such order, and such order shall be served by the marshal or his deputy upon the bankrupt at least twenty days before the said day of hearing by delivering a copy of the same to the bankrupt personally, or to some person of suitable age and discretion residing at the place of his usual abode.

This should be so amended as to require a positive oath as to the grounds and good faith. In case of a false oath the affiant should be punished as for perjury. It involves the same questions as under the extraordinary writs of attachment, garnishment, and sequestration, and should be placed upon precisely the same legal plane. It ought to be amended so as to require a good and sufficient bond from the creditor, requiring him to respond in exemplary and actual damages in case he has unjustly brought his suit.

Even with these amendments it is utterly abhorrent to me for an involuntary bankrupt law to permit a creditor to bring his suit except upon two grounds. I might then agree that the creditor could take the initiative if the debtor (1) is disposing of his property with fraudulent intent or (2) is secreting himself to avoid legal process. These amendments could not injure anyone. They may save many debtors. But I would much prefer to relegate these collection features to the respective States. They properly belong to collection laws, and the State laws can be made to operate much more honestly to all parties in this sort of a case.

I would not, in the State or Federal court, deprive the creditor of any right, nor would I place any obstacle in the way of his properly collecting any just debt. But at the same time each and every right of the debtor must be guarded and preserved. I will never favor a law that discriminates against either. Class legislation should be adhorred as a demon seeking the destruction of our Republic. No bankruptcy law with involuntary provisions has ever proved satisfactory. No such law will ever be satisfactory. The American people will not tolerate it. It can never become a part of our permanent jurisprudence. It will go the ways of the involuntary laws of 1800, 1841, and 1867. Its immediate repeal will be immediately demanded.

The solid, patriotic sentiment of the nation calls for an inexpensive and speedy voluntary bankrupt act that will unfetter thousands of good men. The money centers, wholesale establishments, and greedy creditors call for a drastic involuntary Federal collection law, without a single thought of relieving the army of bankrupts scattered throughout the land. The Nelson bill meets the condition of the first class; the Henderson substitute bill alone satisfies the latter classes; the former is not unjust to any; the latter is inevitably unjust to many.

HENDERSON SUBSTITUTE BILL.

The House Judiciary Committee has reported a substitute for the Nelson bill sent over by the Senate. This substitute is known as the Henderson bill. It should be known as the Torrey bill, for that it is in disguise. It has all the material vicious features of the Torrey bill. It is principally designed to aid the creditors, furnish them a law to serve as a national collecting agency, and to outrage and crush people who owe debts. Its principal features are intended to bind hand and foot the debtors of the country and place them in the vise-like grip of the greedy cormorants of the country.

Its most deadly and insidious feature is to enlarge the jurisdiction of the Federal courts and give them power and control of all the business and commercial transactions of the nation in all matters amounting to $500 and over. Its central idea is to expand the jurisdiction of Federal courts and not to enact a bankrupt law. It is a scheme to throw commercial and corporate affairs in the Federal court.

In 1887 and 1888 Congress trimmed down the jurisdiction of the Federal courts by changing the amount in controversy from $500 to $2,000. This substitute is an effort to restore that jurisdiction. The Henderson bill should be entitled "An act to repeal the acts of March 3, 1887, and August 13, 1888," and not "An act to establish a uniform system of bankruptcy throughout the Union."

And I now most solemnly affirm that this substitute very largely destroys the effect and purpose of the acts of 1887 and 1888, fixing the jurisdiction of the circuit courts of the United States at $2,000 and over, because much the greater per cent (perhaps over 80 per cent) of the suits in the Federal courts are about commercial dealings and transactions, and under this substitute a creditor on almost any $500 transaction can put a debtor in the Federal court. It will only be a matter of dispute and allegation in order to go into the bankrupt court.

Instead of restoring jurisdiction to circuit courts I would trim it down much more and make the amount in controversy $5,000. I would reform it materially and divest these courts of much of their power. I would have Congress to repeat the commandment "Thou shalt not" in many cases to the Federal courts, and not strengthen their arms still more to oppress private individuals. As certain as you pass this substitute, so certain will you take power away from the local State courts and confer it upon the United States circuit and district courts in a large majority of the litigated business transactions in this country.

Among the reasons already stated, I am for many additional reasons opposed to the Henderson bill:

First. It has eight insidious and oppressive grounds for putting a person into involuntary bankruptcy. (Section 2.)

Second. It virtually compels a person to give evidence against himself and to cringe at the foot of a Federal judge at the beck and call of a creditor about the minutest details of his business affairs. (Section 6.)

Third. It provides for throwing a debtor into the custody of a United States marshal when any creditor deems himself aggrieved. This amounts to imprisonment for debt, pure and simple. (Section 8b.)

Fourth. Section 13 makes it almost impossible to secure a discharge and imposes additional burdens for the benefit of the creditor than those declared in section 2, thus making section 2 uncandid and unfair.

Fifth. The jurisdiction of the Federal courts is very greatly enlarged by this act, and a man in business may be taken out of his local State court with his property and completely surrendered to the Federal courts about all his matters of conscience and business affairs. The State laws, decisions, and rules of property may be abolished in this way. (Sections 17 and 29.)

Sixth. There it not a clear provision for trial by jury in many phases of the bankruptcy proceedings. (Section 18d et seq.)

Seventh. Section 29b effectively compels a person to testify against himself, when taken in connection with section 6.

All these provisions of the substitute bill are at variance with the spirit and genius of our Government. The fathers never dreamed that the liberty of a citizen and his private business affairs should be so toyed with and administered. The measure overturns too many of our principles of home rule and democratic government. Its plain intent and purport are to furnish the moneyed class and creditors a better method of collecting their debts and squeezing their debtors. It is to put the person and property of the business men and merchants of the States in the hands of money owners, where they can take them into possession at any time and not have to encounter an honest law suit in a

State court according to State insolvency and collection laws. [Applause.]

For these reasons and others I can not support the substitute bill. A just and equitable bankrupt measure, fair alike to both debtor and creditor, would receive my support. I would vote for the Nelson bill.

Therefore I believe that we should follow in the wake of all civilized countries and pass a just and equitable bankrupt law. The following countries have bankrupt laws:

Country.	Population.	Country.	Population.
Argentina	3,500,000	Liberia	1,050,000
Austria-Hungary	41,284,966	Mexico	11,601,347
Belgium	6,093,798	Netherlands	4,548,596
Bolivia	1,434,800	Norway	1,999,176
Brazil	14,002,335	Paraguay	460,000
Costa Rica	214,000	Portugal	4,708,178
Denmark	2,172,205	Roumania	5,376,000
England	29,001,018	Russia	114,648,678
France	38,218,903	Scotland	4,033,103
Germany	49,422,928	Spain	17,550,245
Guatemala	1,460,017	Sweden	4,774,409
Haiti	1,377,000	Turkey	10,233,491
Honduras	381,938	Uruguay	648,297
Ireland	4,706,162	Wales	1,518,914
Italy	30,947,306		

THE EXPEDIENCY AND NECESSITY OF BANKRUPTCY LEGISLATION.

Mr. Speaker, I now come to the question of expediency and necessity of a uniform bankrupt law. The broken fortunes and suffering humanity throughout this broad land testify to the crying need of bankruptcy legislation. Go in any direction in the Union, go to the remotest parts of the States, go where you please, and you will be confronted with meritorious cases demanding relief. You will find good and loyal citizens weighed down with debt that can only be relieved by such an act. The Federal Government must act or they are hopelessly involved and their career in business is forever ended. The States can not pass bankrupt measures. This principle of law is thoroughly established. It is decided and forever settled by the Supreme Court that relief in such cases can come only through Congress.

The court holds that bankrupt laws by the States impair the obligation of contracts and contravene the Constitution of the United States. This is settled in many cases, to wit: Sturges *vs.* Crowinshield, 4 Wheat., 122; McMillan *vs.* McNeil, 4 Wheat., 209; Ogden *vs.* Saunders, 12 Wheat., 213; Dred Scott *vs.* Sanford, 19 How., 393; and many others. There has never been such a distressing need for bankrupt laws, and the people of this whole nation have never been as sorely involved financially. From 1879 to 1896, inclusive, there have been in the United States 187,667 commercial failures.

The liabilities of those concerned in those failures amounted to the colossal sum of $2,837,457,727. These are purely commercial and business failures. They have been reported to the commercial agencies, such as Dun and Bradstreet. They do not touch cases of thousands and thousands of insolvents throughout this land everywhere. These statistics are collected by the commercial agencies and are only intended to cover mercantile transactions. This is a very important point, and should not be forgotten in this discussion. There are thousands of small failures and all sorts of cases of insolvencies that never find their way to the mercantile reports.

Throughout the South, West, and Middle States there are innumerable failures never heard of beyond the confines of their own localities. Men in the stock business have gone to the wall all over this country since 1878. Those engaged in the mining business are found stranded along the business highways. Real-estate men, small traders, those following various occupations too numerous to mention go to make up a great army of insolvents and would swell the commercial statistics to gigantic proportions. Add these to the figures that I have definitely stated and you have over 200,000 broken and ruined individuals, and their liabilities will run beyond $3,000,000,000.

Wherever you go you can find their wrecks. Are they entitled to any recognition from this great Republic? Are we to lift the mountain of indebtedness from this enormous army of Americans and give them another chance in the race of life? Are we to say that they are all dishonest and unworthy and turn a deaf ear to their appeals? Mr. Speaker, I say these are the men entitled to the bankrupt law, and not those demanding the infamous Torrey bill to still further pauperize the country.

Just think of this condition. We have only about $1,600,000,000 of money in this country, and yet these 200,000 men owe more than $3,000,000,000. How are they to pay it? No one expects it. Think of the other indebtedness that must be paid every year with America's scant volume of money. We have State debts, county debts, municipal debts, school-tax debts, mortgage debts, and all sorts of private debts and obligations to pay every year. With this small volume of money in existence, and that congested in the money centers, there is no hope for the bankrupts unless Congress will extend them a helping hand.

The need for the measure is more pressing in the South and West than anywhere else. I shall now demonstrate this. I do not put it this way to make it a sectional question. I do it because it is just to relieve one section of this grand empire when it does not injure the rights of any other section. We should pass such a measure to relieve the South and West because they need it worse than any other section and it injures no other part of the country. To aid the South and West in this dire extremity is not to do so at the expense of the North and East. It is for the prosperity of the whole country that I advocate this legislation.

According to population and wealth, I assert that the South and West since 1879 have suffered more than any other section of the country. I now append a carefully prepared table showing the commercial failures in each State since 1879 up to and including 1895. They demonstrate the assertion I have just made.

The number of commercial failures and the aggregate liabilities in dollars of those who have failed from 1879 to 1895, inclusive, and together with the totals for all of the States and Territories, are shown as follows:

State and Territory.	Number of failures.	Liabilities.
Alabama	2,114	$28,324,741
Arkansas	2,185	21,302,868
California	9,291	96,861,570
Colorado	2,589	29,195,439
Connecticut	2,811	30,083,836
Dakota	1,080	10,261,199
Delaware	440	5,332,902
Florida	951	8,395,629
Georgia	3,401	42,863,766
Illinois	8,674	132,810,396
Indiana	3,699	45,909,755
Iowa	4,366	43,539,132
Kansas	4,020	30,692,0[illegible]5
Kentucky	4,099	52,226,764
Louisiana	2,855	51,306,224
Maine	1,641	25,319,443
Maryland	2,422	39,121,404
Massachusetts	10,858	214,483,460
Michigan	3,739	53,706,733
Minnesota	3,932	57,878,311
Mississippi	2,671	28,616,817
Missouri	4,906	69,227,480
Montana	562	7,452,014
Nebraska	3,417	20,171,418
Nevada	289	2,879,967
New Hampshire	939	6,479,131
New Jersey	2,489	38,858,596
New York	21,938	643,910,228
North Carolina	2,255	20,103,941
Ohio	9,090	131,443,373
Oregon	2,232	16,598,510
Pennsylvania	14,941	249,211,307
Rhode Island	2,109	43,877,161
South Carolina	1,490	17,246,557
Tennessee	4,143	44,182,893
Texas	6,826	71,420,029
Vermont	686	10,410,894
Virginia	3,051	33,614,479
Washington	2,093	17,672,231
West Virginia	1,025	6,640,706
Wisconsin	3,011	45,644,072
Alaska		
Arizona		
District of Columbia		
Idaho		
Indian Territory	2,966	26,608,529
New Mexico		
Oklahoma		
Utah		
Wyoming		
Grand total	168,296	2,571,986,050

This indicates a great paralysis of business and commercial affairs in the South and West. The money of the nation is not circulating there. It has gone elsewhere. The people in these magnificent regions are oppressed and must have some panacea for their conditions. This Nelson bill will bring partial relief.

Let us divide the United States into Eastern, Middle, Southern, Western, and Pacific States and Territories and analyze our status from that standpoint. I have carefully prepared a table giving the number of failures and the total amount of liabilities according to that division.

These are not the statistics of all insolvents, but simply the commercial statistics. It again demonstrates that the South and West are the greatest sufferers from business disasters. Here the great stock interest—sheep, cattle, and horses—and mining interests are centered. We have no statistics as to their failures and misfortunes, but we know that they are enormous. The Nelson bill would release these people. This Henderson substitute patent debt-collecting machine would send them down deeper into the abyss of indebtedness. It is simply a sugar-coated edition of the Torrey bill. Here are the figures showing the conditions of the geographical divisions of the country.

RECAPITULATION.

	Number of failures.	Liabilities.
EASTERN STATES.		
1879	970	$15,577,282
1880	723	6,460,117
1881	772	11,071,156
1882	772	13,491,400
1883	1,197	37,861,897
1884	1,375	17,223,831
1885	1,261	12,430,433
1886	1,110	18,259,558
1887	1,144	17,834,419
1888	1,191	13,032,255
1889	1,364	34,343,869
1890	1,169	27,774,625
1891	1,187	19,388,878
1892	1,100	12,535,162
1893	2,015	31,545,025
1894	1,607	22,860,292
1895	1,305	18,965,817
1896	1,749	25,595,446
Total	22,011	356,251,462
MIDDLE STATES.		
1879	2,290	35,534,191
1880	1,472	33,953,292
1881	1,372	32,924,538
1882	1,667	41,385,652
1883	2,136	57,108,534
1884	2,592	112,856,060
1885	2,498	45,865,840
1886	2,271	35,368,988
1887	2,345	69,980,438
1888	2,603	39,630,076
1889	2,542	48,920,238
1890	2,843	75,892,388
1891	3,005	67,241,719
1892	2,407	31,509,730
1893	3,942	152,534,119
1894	3,973	60,457,993
1895	3,896	65,030,802
1896	4,870	79,945,050
Total	48,724	1,086,139,748
SOUTHERN STATES.		
1879	1,076	15,876,703
1880	835	8,813,442
1881	1,439	16,469,412
1882	1,618	20,998,123
1883	1,844	19,785,607
1884	2,291	28,318,751
1885	2,346	28,814,068
1886	2,349	23,201,508
1887	2,224	23,707,961
1888	2,446	21,422,120
1889	2,206	19,771,940
1890	2,153	27,742,918
1891	3,105	45,510,537
1892	2,583	25,318,030
1893	3,002	41,036,383
1894	2,914	31,784,136
1895	2,635	27,723,775
1896	2,886	37,194,598
Total	39,652	463,490,002
WESTERN STATES.		
1879	1,698	21,207,519
1880	1,171	11,519,419
1881	1,504	15,594,732
1882	1,950	19,019,175
1883	2,961	46,878,403
1884	3,369	54,872,983
1885	3,302	28,047,097
1886	3,091	29,842,621
1887	2,948	33,969,509
1888	3,228	35,554,219
1889	3,465	37,190,088
1890	3,614	50,573,284
1891	3,587	48,631,656
1892	3,063	38,159,978
1893	5,690	104,651,639
1894	3,881	44,646,874
1895	4,016	52,247,746
1896	4,711	74,156,825
Total	57,159	744,763,767
PACIFIC STATES AND TERRITORIES.		
1879	714	$9,953,358
1880	534	5,005,730
1881	495	5,096,094
1882	731	6,653,214
1883	1,046	11,239,731
1884	1,341	13,071,996
1885	1,230	9,062,883
1886	1,013	7,971,450
1887	973	22,068,703
1888	1,211	14,191,303
1889	1,305	8,558,202
1890	1,128	7,873,750
1891	1,389	9,095,848
1892	1,191	8,511,367
1893	1,593	16,982,723
1894	1,510	13,043,561
1895	1,345	9,227,920
1896	1,372	9,204,915
Total	20,121	186,81[illegible] 748
Grand total	187,667	2,837,457,727

This table shows the failures in the country for the year 1896. These figures show that the South and West are still the sufferers from business reverses. And the depression in those sections is annually increasing. Here the mortgages are piling up, the army of the unemployed are ever increasing, and the solid business interests rapidly decaying, and private indebtedness accumulating more. The wealth and power are concentrated in New York and the other money centers of the North and East. We are upon the blighting gold standard and have no money to speak of in the South and West.

I take a statement from the report of the Comptroller of the Currency showing that the capital and wealth are in the East and North almost entirely, that the South and West have but a small quantum thereof.

THE BANK CREDIT POWER OF THE UNION IN 1896.

Population, aggregate capital, surplus, undivided profits, and individual deposits of all banks, by States and Territories, with average per capita—Unequal facilities in sections affected by the free-silver movement.

[Compiled from the report of the Comptroller of the Currency.]

State and Territory.	Population June 1, 1896. *a*	Aggregate credit power, 1896.	Average per capita.	Free-silver vote, 1896.	Populist vote, 1894.
New England:				*Per cent.*	*Per cent.*
Maine	669,000	$95,864,085	$143.29	27.22	4.95
New Hampshire	393,000	84,526,263	215.08	25.45	.82
Vermont	334,000	52,660,095	157.66	15.94	....
Massachusetts	2,600,000	887,749,827	341.44	26.33	3.59
Rhode Island	391,000	145,304,110	371.62	24.16	.71
Connecticut	835,000	235,685,671	282.25	32.53	1.09
Total	5,222,000	1,501,790,051	287.58	25.27	1.86
Middle:					
New York	6,691,000	$2,001,552,506	$299.15	38.63	1.06
New Jersey	1,821,000	152,024,811	83.48	35.80	1.81
Pennsylvania	6,014,000	672,441,271	111.81	36.27	1.89
Delaware	182,000	11,980,719	65.82	43.23	....
Maryland	1,120,000	116,432,536	103.96	41.75	0.51
District of Columbia	284,000	27,789,545	97.85	....	....
Total	16,112,000	2,982,221,388	185.09	39.13	1.05
Southern:					
Virginia	1,765,000	45,235,885	25.63	52.20	4.83
West Virginia	852,000	26,760,258	31.40	46.83	0.79
North Carolina	1,745,000	16,787,621	9.62	52.69	18.10
South Carolina	1,242,000	15,769,162	12.70	85.29	74.91
Georgia	2,020,000	20,381,555	10.09	57.74	37.93
Florida	490,000	8,146,929	16.62	65.66	17.14
Alabama	1,660,000	12,231,713	7.37	55.06	30.33
Mississippi	1,370,000	14,490,934	10.57	80.46	21.03
Louisiana	1,228,000	36,364,792	29.61	76.37	12.53
Texas	2,550,000	63,311,227	24.83	53.99	41.78
Arkansas	1,325,000	6,433,235	4.86	74.27	7.75
Kentucky	2,010,000	81,498,358	40.54	48.86	5.42
Tennessee	1,915,000	36,969,379	19.31	50.82	12.25
Total	20,172,000	384,401,048	19.05	61.55	21.90
Central:					
Missouri	3,020,000	176,863,763	58.56	53.95	8.51
Ohio	3,987,000	255,988,085	64.21	46.82	6.77
Indiana	2,340,000	83,990,477	35.89	48.02	4.72
Illinois	4,305,000	308,040,811	71.55	42.56	7.43
Michigan	2,396,000	139,766,152	58.33	43.59	7.19
Wisconsin	1,986,000	94,212,445	47.44	36.99	6.88
Iowa	2,087,000	122,287,165	58.59	42.90	8.27
Minnesota	1,717,000	104,009,961	60.57	40.88	19.45
Kansas	1,350,000	52,173,001	38.65	51.13	37.02
Nebraska	1,532,000	54,867,361	35.81	51.81	31.99
Total	24,720,000	1,392,199,221	56.31	45.86	13.77
Western:					
Nevada	44,000	1,015,016	23.07	78.30	26.64
Oregon	360,000	15,113,258	41.98	48.02	27.12
Colorado	595,000	40,420,587	67.93	83.70	45.89
Utah	275,000	11,539,907	41.96	82.70	2.38
Idaho	135,000	3,260,860	24.15	78.10	31.75
Montana	230,000	23,615,782	102.67	80.86	30.94
Wyoming	95,000	3,990,213	42.00	48.67	15.18
New Mexico	177,000	3,320,612	18.76	52.58	5.25
North Dakota	340,000	10,830,396	31.85	43.86	40.15
South Dakota	560,000	12,449,111	22.23	49.70	35.68
Washington	575,000	16,161,297	28.00	55.16	33.68
Arizona	69,000	2,345,339	33.99	43.16	21.78
California	1,432,000	288,176,610	201.24	45.19	20.51
Oklahoma	150,000	1,287,734	8.58	51.08	33.17
Indian Territory	205,000	1,408,091	6.87	....	....
Total	5,242,000	434,874,813	82.95	60.04	26.44
Grand total	71,468,000	6,695,486,521	93.69	45.72	11.60

a Estimated by the Government actuary.

It will be seen that New England, with only 5,222,000 population, has a greater bank power than the Central States, which contain 24,720,000 people. Each inhabitant of New England has a per capita of $287.58 in bank power to depend upon for loans. The people of the Central States have a per capita of only $56.31 available for loans. The Inter-Mountain States and Territories, with about the same population as New England, can count upon $82.95 per capita, but the largest part of that amount is located in the States of California, Montana, and Colorado, leaving the average in the rest of the section at less than $22 per capita. Taking from the same section the three States named, it will be seen that the total amount of bank power in the remaining localities is only $82,661,834. The 20,172,000 people in the South fare worst of all, for the average per capita of loanable capital is only $19.05.

The 16,112,000 inhabitants of the Middle States are not as strong in bank

power as New England, for the per capita is only $185.09, although the aggregate is enormous, being $2,982,221,388. Over two thousand millions of dollars of this is in New York State alone. Outside of New York State the section does not show over $85 per capita. The total bank power of the Middle States exceeds by $700,000,000 the aggregate bank power of the Central, the South, and the Inter-Mountain States combined.

This shows that the South and West have suffered most distressingly from the business failures since 1879 and that now their capacity and energy are restricted by lack of money and capital. We not only need to lift up our bankrupts, but we must bring money into our midst in some sort of way and induce a more equal distribution throughout the States. We have suffered more in the past and are doomed to further suffering in the future, according to this authenticated distribution of wealth and capital.

A GREATER QUANTITY OF MONEY IS NECESSARY.

We need more money. It should be gold and silver money—the money of the Constitution. It should be distributed throughout this nation amongst all the States. The gold standard will never do it. It will take the free and unlimited and independent coinage of both gold and silver at the ratio of 16 to 1, and by the eternal gods the patriotic American people will have it. [Loud applause.] The gold standard has seen its last victory. The mask is now torn from its hideous features, and in 1900 it will die the deserved death of the unrighteous at the hands of the Democratic hosts led by the intrepid Bryan. [Applause on the Democratic side.]

The people of America will return to the frugal government of the fathers—low taxes, equal rights to all, relief to the suffering, and the gold and silver coinage that their fathers instituted and wrote in living letters in the Constitution.

Mr. Speaker, I would not legislate for any one section of this country to militate against another section. I would have our laws as broad as our Republic. But when I see one part of my native land suffering from unjust conditions and nefarious legislation, I would protect that section with the strong right arm of this great legislative body. Turn to the South and West and you behold a great and magnificent empire, as beautiful as the vale of Cashmere, bankrupt and despoiled from financial reverses and the blight of the gold standard. While the merchant princes and banking satraps of the money centers are clothed in purple and piling up their wealth mountain high, we are permitting the fairest section of our country to suffer and languish.

With the undaunted spirit of our fathers who constructed this incomparable Republic, let us enter upon a career of just laws to all the people and drive the money changers from their high places by restoring our financial system to its pristine purity and proportions that blessed us before the British gold standard cursed our land and common people. [Applause.]

Let the free sovereigns of this nation by their ballots return a verdict that will go sounding down the ages as a solemn declaration that Mr. Gage and his cohorts can not with their accursed gold-standard scheme chain the great masses of honest toilers to the mighty corporations and monopolies who are now in control of the Government. [Prolonged applause.]

Mr. TERRY. I now yield to my colleague [Mr. MCRAE] such time as he may desire.

Mr. MCRAE. Mr. Speaker, I am unable to support either of these bills—the bill passed by the Senate or the one proposed by the House committee. I am unalterably opposed to both of them. I do not believe that either would be a benefit to the country at large, and under no circumstances and conditions would I consent to vote for the bill which has been reported by the Judiciary Committee as an amendment in the nature of a substitute.

I will not undertake to analyze the measure in detail. I will leave that task to members of the committee, who are more familiar with it and more able to discharge that duty than I am. I regard it simply as a national collection law, by which the solvent traders and business men in the South and West will be put into bankruptcy. It is utterly impossible, if you retain and give force and effect to the exemption laws of the several States of this Union, as these bills do, to make a bill just and uniform in the sense that it ought to be, for the exemptions of the different States run from $300 to $6,000. I believe that the question of settlement with creditors and the collection of debts should remain where it is and where it has rested for almost all the time since the birth of this Government—with the States, with the debtors and creditors themselves.

I am convinced that it is utterly impossible ever to get what some of our friends seem to earnestly desire—a bankruptcy law with nothing but a voluntary feature. Such a measure might be of benefit to some parts of the country, but it has never been looked upon with favor by the Congress of the United States; and I do not believe that in the present condition of the country the creditors will ever consent to any such measure. I regard the pending measure as a menace to the honest traders, and will place them at the mercy of dishonest and reckless competitors and greedy creditors.

I want to call attention to what I think has produced that deplorable condition which has been so eloquently described by my beloved friend from Texas, Judge LANHAM. And let me say in passing that in all my experience here I have never heard a stronger and abler appeal for the passage of a bankrupt bill than that made by him. No one could listen to him without a feeling of sympathy for the unfortunate debtors. He has correctly described this condition, but I think has mistaken the remedy.

When we come to consider the possibilities of outrage and wrong under a measure of this kind as it must be necessarily administered by the Federal courts, when we come to consider the many opportunities afforded to the scheming rascal to rob widows and orphans and honest men, it will be found that there are two sides to this question of wiping out the honest debts that men have contracted and starting them again only to repeat their frauds.

Let us be careful not to aid in defrauding worthy creditors. There are many honest men in this country burdened with debt and borne down by mortgages who ought to be relieved; but I believe in nine out of ten of such cases the debtor will be able to compromise with his creditor without the dissipation of a large part of his estate and without the sacrifice of his integrity. And, on the other hand, we have the dishonest, unscrupulous rascal who will conceal his assets and then take advantage of a bankrupt law and be relieved of his debts, and who makes more money out of bankrupting than he can in business.

That is the man that you must watch. And you must protect, or at least not oppress, the struggling trader who can pay out if let alone—that class of people who to-day are not utterly bankrupt, but who could not stand an hour with this bill upon the statute books without committing some act of bankruptcy. If you put this dangerous and extraordinary power into the hands of the Federal courts, that now control through their receivers one-third of the railroads of this country, you imperil the business of nearly every small country merchant.

I predict that if you pass this bill two-thirds of the merchants who are in business in the South to-day will be adjudged bankrupts in less than two years after it becomes a law. You ought to consider not only the hopelessly insolvent, but also those who are struggling now to maintain their credit and pay their debts. We must not, in an effort to relieve a few, break others.

Let us rather do something to enable the people to pay their debts. They ask for more money to pay debts, and you answer, "We will remit the debt, but contract the volume of money and take what property you have for your debtors."

If there ever was a time in the world when it would appear fitting for this Administration to pass a bankruptcy law, it is now. By the passage of the Dingley law they have closed, in a large measure, the doors of trade, piled up a deficiency, and contracted the currency so that it makes it almost impossible for the nation to extend its trade or the individual to prosper in business.

Falling prices and the gold standard destroy prosperity and bring bankruptcy; but a bankruptcy law and relief from debts will not restore prosperity. The people want a larger volume of redemption money and more opportunities for business. They want to increase the ability of the people to pay their debts by enabling them to engage in legitimate and honest business. What hope is there for the men you propose to release by this legislation when those in business are growing poorer?

I assert as a sound proposition that the smaller the supply of real money in proportion to the debts and taxes to be paid and labor to be employed and trade to be carried on with it, the greater will be the value of every dollar, the lower the price of labor and commodities, and the harder to pay debts.

I want it understood that money is bought with and sold for property, and its value is determined by the amount of it in circulation and the demand for it—in other words, by the law of supply and demand. But as money is a medium of exchange, a standard of value, and a solvent of debt, functions not possessed by any commodity, and without which the people can not sell what they produce, can not obtain what they want, and can not pay their taxes and debts, there is a constant and almost unlimited demand for it. In other words, there has never been and there is not likely to ever be any such thing as a redundancy of redemption or real money.

The dangers of inflation as commonly understood does not and can not apply to gold and silver, although it may to credit money, such as Treasury notes, bank notes, and all forms of paper which must ultimately be redeemed in real money. There never was and never will be too much gold and silver money in this or any other civilized country, unless in the future we reach what has never been attained by any people in any age, a condition when the wants of all are fully satisfied.

TAXES AND DEBTS.

According to the census of 1890, the people of the United States paid in taxes that year, and presumably about the same annually:

To the General Government	$461,154,680
To the States	116,157,040
To the counties	113,525,493
To the towns and cities	329,635,200
Total	1,040,473,013

The money of the United States, according to the latest statement, is only about the sum of $1,500,000,000, and more than one-third of that is credit money. One-third of all the money of the United States has to go annually for the Federal taxes and an equal amount for municipal, county, and State taxes, which leaves less than $600,000,000 to pay debts and carry on the commerce of 75,000,000 people, which is equal to that of Great Britain, France, and Germany combined. And yet this Administration and this House would destroy silver and retire the greenbacks and leave nothing but gold for redemption money and bank bills for circulation, and then undertake to satisfy the people with a bankrupt bill.

It is estimated that of all kinds of debts we owe $35,000,000,000, and according to the last census we only had about $70,000,000,000 of property. For every dollar's worth of property we owe 50 cents. If we continue upon the gold standard and the dollars increase in purchasing power as they have since 1873 the middle of the twentieth century will find our debts equal to all the property which we own.

With all these debts and taxes upon our people is it possible to revive business and restore prices unless the money of final payment is increased? Ours is a debt-paying people, who want and intend to pay their honest debts according to contract, and I protest in their name against this method of payment. The large majority of them believe that the only way to get rid of an honest debt is to pay it and demand such laws as will enable them to do so.

It now requires nearly all of the annual products of all the mines of the world to meet the annual gold interest charge to Europe. How, then, can we expect to increase our basic money without the free coinage of silver? When may we expect release from European thraldom? The history of the world shows that no other Government than that of the United States ever went from the bimetallic standard to the single gold standard before it passed from the position of a debtor to that of a creditor nation. This Government did not do so by the consent of the people, but by treachery and Treasury construction.

At a time like this, when silver-using Asia and Mexico on one side and gold-using Europe on the other are eager for the products of our mines, our mills, and our farms, when the wants of civilization are expanding and multiplying, the refusal to widen the basis of business is unreasonable if not criminal. The people of this Government have not finished their mission and are not yet ready to go into bankruptcy and wind up their affairs. They do not want their estates administered upon. I beg you to consider what you do.

The opposition to bimetallism never came from any political convention of American citizens and has never been approved by the people of this country at the ballot box, but is the result of a treacherous, cunningly devised scheme on the part of officials not responsible to the people.

If some one who is familiar with all the inside facts of the origin and growth of the Treasury discretion from 1861 to 1898, by which the option to demand gold was given to the bondholders, breaks the seal of secrecy, the people may acquire some knowledge of how we passed from bimetallism to the gold standard, from prosperity to bankruptcy. To the broad-minded, aggressive American citizens the proposition to more firmly establish the gold standard for the United States and prevent the free coinage of silver has every feature of a deliberate conspiracy to degrade American manhood and undermine our institutions.

You can not meet this condition and prevent the property from passing from the possession of its owners into the hands of the few by passing bankruptcy laws. No country can be prosperous by simply relieving the men who happen to be involved in debt. You must make it possible for every man who is willing to labor to get an honest day's pay for an honest day's work before you talk about helping the people. How is it now? You find from two to four men in search of every job, farm products below the cost of production, and strikes in every part of the country where there is any business to strike for. The track of the single gold standard in this country is strewn with commercial wrecks. Its cold-blooded policy has brought distress and discontent to the industrial classes in all sections. Give the people a chance to save their homes, give them a fair chance for work, and they will either compromise or pay their debts.

Do not depress them with debts forced upon them by the gold standard and then disgrace them with the brand of bankruptcy. I beg of you seriously to consider well before you take this step. Instead of bankruptcy open the doors of the mints to the free coinage of silver.

Let debtors and the Government have the right to pay debts in silver and take from the banks the right to issue currency, and the path of progress is easy for both the Government and the people.

Mr. Speaker, in conclusion I want to call attention to a statement made by the Speaker of this House [Mr. REED] on the stump during the last campaign at Wichita, Kans., with reference to the money question. He said he wanted money that would be good "when dynasties fall, when kings are overthrown, and when republics go to pieces," and gold, he said, is that money.

I want to suggest to him that, as patriotic lovers of American institutions, we should concern ourselves more about the survival of the Republic than about the money which is to survive it. [Applause on the Democratic side.] If you go on under the single gold standard for many years you will find that this Republic has gone to pieces, and then the great mass of the people will care but little about the currency or the coin we used while it existed.

It is the preservation of popular government that the Democratic party should stand for, and, instead of talking of settlement by bankruptcy, hold out to the people some hope that they may relieve themselves from debt in the only honest way to get rid of debt, which is to pay or compromise. If you will give them the chance, and if you will broaden their opportunity for trade and will allow the free and independent coinage of silver, the next decade will find them practically out of debt and this Government free from the thraldom of Europe and the money kings of Wall street. [Applause on the Democratic side.]

Mr. TERRY. Mr. Speaker, I yield fifteen minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, the consideration of a bankruptcy bill, the fact that one is pending in this House and that we are discussing it, indicates that serious business disturbances prevail and are working mischief to traders throughout this country.

Bankruptcy bills are demanded and their passage is justifiable only when protracted business depression has crippled commerce and beggared a large number of those engaged in active business. When, as a result of these evil conditions—when falling prices, diminished consumption, and consequent stagnation renders it impossible for merchants and traders to stem the tide—it is deemed in the line of sound public policy to give them absolution by relieving them of their obligations, allowing them to again engage in business. Such are the circumstances demanding and such the objects justifying bankruptcy legislation.

I believe there is necessity for the enactment of a bankruptcy law in this country, and that the necessity is urgent, and I regret that the committee has not reported a bill which I can support. I believe that the most important problem with which modern civilization has to deal is the problem of debt. I am almost persuaded it is an insoluble problem.

I do not believe that bankruptcy laws or any of the remedies that have been proposed, except the payment of existing debts and the adjustment of national finances solely with reference to the attainment of that single end, will solve it. The value of money as a measure of the creditor's claim against property must be reduced. We must restore what has been abstracted from the debt-paying power of products and property by legislation.

Eighty years ago probably $10,000,000,000 would have paid the fixed interest-bearing debt of civilized nations, and half as much more would have discharged the interest-bearing debts of individuals and private corporations secured by mortgages.

The national debts then existing were entailed largely by the Napoleonic wars. Prior to this century national bonded debts had been comparatively small and had not been regarded as necessarily permanent. During the years that have followed, nations, municipalities, corporations, and individuals have gone on and on, and on, borrowing, and borrowing, and borrowing, until the whole world is plastered over with mortgages.

Mr. Speaker, the century about to close will be mentioned by history as the usurers' millennium. It began with the Napoleonic wars and enormous issues of national bonds. These bonds when issued represented depreciated paper currency. By legislation and indefensible governmental policies they were converted into specie obligations. Afterwards enormous sums of interest paid to their holders were greedily borrowed by corporations engaged in building railroads, telegraphs, and other modern utilities. Thus, instead of discharging its debts, the world has been steadily augmenting them for nearly a century. What is called the "money center" is the creation of this system.

The "money centers" indicate the place of residence of the bondholders and money lenders. They obtain, year after year, by reinvesting the interest on their holdings, a firmer grip on all classes and upon every form of property. Their fifteen-billion mortgage on mankind—the estimated interest-bearing debts of the world eighty years ago—has grown to colossal proportions.

By some it is estimated at one hundred billions, by others at one hundred and fifty billions.

Think of it! One hundred billions invested at compound interest. Is it any wonder that the bondholders are gradually adding to their holdings the railroads, coal mines, forests, quarries, steamships, telegraphs, electric-light plants, waterworks plants, etc.? The mortgages are ripening into title deeds.

Mr. Speaker, under existing conditions this process of absorption must go on. By allowing the bondholders to control the financial policies and monetary affairs of nations those in authority have willed that it shall go on.

Another inevitable consequence of existing conditions is the concentration of the currency at the money centers. This cripples the commerce of localities and impairs the prosperity of individuals, regardless of whether they are heavily in debt or not. At every recurring payment of interest a tentacle is thrust into every little neighborhood throughout Christendom, and enormous sums of interest are thus carried to these money centers.

The consequent loss of money from the channels of trade compels rich neighborhoods, as well as poor ones, to go into the money market and borrow "money to move crops." There is hardly a neighborhood west of the Alleghany Mountains so rich that it does not have to do this. There is no other means of restoring to the circulation what is lost to it by the exactions of an ever-increasing burden of fixed interest-bearing debts.

Again I call attention to the fact that this octopus is growing continually. Its exactions are increasing, and every year brings, not promise of escape from its exactions, but the certainty that next year they will be larger.

Mr. Speaker, this may be called a discussion of the money question. So it is, but it is also a discussion of the bankruptcy question. The agony of commerce is reflected in the demand for the enactment of a bankruptcy law. I believe, sir, that the enactment of a law providing a means of giving to honest insolvent debtors absolution would ameliorate as to a few individuals, for a limited period, the evils which affect commerce and are beggaring all classes, but the difficulty can not be permanently solved except by removing the conditions which created it.

The world's available supply of full legal-tender metallic money has been reduced one-half. This has reduced the price and debt-paying power of property one-half. The bondholders are taking possession of the world by foreclosing their liens upon property. Bankruptcy legislation will not stay their conquering march.

Recurring again to the effect of piling up money in the money centers, let us examine its consequences. At regular intervals it impounds an enormous portion of the circulating medium in the banks. Frequently we hear it said that the fact that so much money is in the banks of New York, London, and other great cities is an evidence of the abundance of money. A glut of money at a few great cities does not indicate that money is abundant.

It is evidence that money awaits a fall in prices to tempt it to investment. It is an evidence that the money monopolists have collected the interest and dividends on their holdings; that traders are discouraged and will not borrow it; that it will remain in the banks until prices of property fall to a lower level. Then the borrowers will again embark in trade and the philosophers of the bourse will declare that an era of prosperity is dawning.

The redundancy of money in the New York banks at this time means that at the prices at which property is now held, ruinously low as they are, traders are not buying. It means that, until prices go lower, trade will languish. Falling prices mean a larger number of bankrupts and, therefore, since, as long as the gold standard remains in force in this country, prices will continue to fall, a bankruptcy law is absolutely necessary, for nearly all active traders—those who create wealth as well as those who as merchants and traders distribute it—are borrowers.

The private corporations engaged in legitimate business are generally in debt. So is the individual who is in business. If his business is small, his debts are small. If he is in business on a large scale, his debts are large.

Generally when first he engages in business his assets in property largely exceed his debts, but with property continually declining in value, and debts growing larger by the addition of the interest to principal, there comes a time when this decline in value wipes out his capital, and then his creditors take what is left.

Mr. Speaker, it is in this view of the subject that I regard the problem of debt with such gloomy forebodings. This bill is professedly intended to ameliorate the misfortunes of certain classes of insolvents. It is only a temporary measure. It deals with only a small portion of the burden that rests upon our people. At best it could afford relief to a small number of the unfortunates.

Again, I express regret that the committee has reported a bill which I can not support. Ostensibly a bill to relieve insolvents, it is in fact a measure which, if enacted into law, would also place in the hands of insistent and avaricious creditors a machine with which to crush debtors. I believe this machine would be used to crush thousands who are not insolvent, who do not desire to resort to the remedy offered—bankruptcy legislation—who hope to stem the tide and escape ruin, and who ought not to be subjected to the danger that would from the hour of the passage of this measure confront every hard-pressed debtor in the country.

Mr. Speaker, I am in favor of a bankruptcy law providing for the relief of insolvent debtors through voluntary bankruptcy. I would vote for the Senate bill, for I believe it comes as near my ideal as any that is likely to meet the approval of Congress. I am unalterably opposed to the bill now under consideration.

Mr. Speaker, no bankruptcy law heretofore on the statute books was an effective means for the collection of debts by judicial process. Under the bankruptcy law in force twenty-odd years ago the assets of bankrupts were invariably sequestrated without paying any considerable amount of his indebtedness. I assume that under this law only a small part of the debts of insolvents would be discharged. This would result irrespective of whether it provide for only voluntary or for voluntary and involuntary bankruptcy.

The old bankruptcy law was, in many cases, held as a club over the heads of men who were in fact solvent, and who, had they been allowed a free hand, probably could have conquered their difficulties. But the bankruptcy court was used as a menace to compel them to secure certain creditors. To avoid persecution under this law concessions had to be made to this and that creditor, with the certainty that to enter upon this path would finally lead to the ruin of the debtor and large losses to his creditors.

It is within the knowledge of gentlemen on this floor who practiced in the bankruptcy courts under the old law that solvent debtors were frequently pushed over the precipice of bankruptcy by the exactions of their creditors, but not one will attempt to justify the involuntary feature of the pending bill upon the theory that experience under the old law affords ground to believe that the involuntary feature would in fact prove a successful agency for the collection of the debts of insolvents. I say that it would be used to coerce solvent debtors into giving preferences to their more rapacious creditors and thus lead to the ruin of thousands who otherwise might save fortunes from complete shipwreck.

Mr. Speaker, I believe we should refer the matter of the collection of debts to the State tribunals, and simply enact a voluntary bankruptcy law. Suppose you put an involuntary feature in the law, will that give the creditor who only wants to collect what is due him by process of law, a remedy better than that which he has now? I say it would give him next to no remedy at all.

If the existing laws for the collection of debts are sufficient, then what is the mischief we seek to remedy? The answer is simple. There are in this country thousands of hopelessly insolvent debtors. Existing laws afford no means of absolving these insolvents from obligations they are powerless to meet. Sound public policy demands the enactment of a bankruptcy law for the relief of these insolvent debtors. The passage of a voluntary bankruptcy law is therefore necessary. There is no necessity for the enactment of a bankrupt law for the benefit of creditors. Existing laws for the collection of debts are ample. If in any of the States they are not, they should be amended.

Mr. Speaker, I am in favor of a bankruptcy law, to be enforced for a limited period, for relief of the debtors who, without dishonesty, but in consequence of misfortune, bad management, or from any other cause, have fallen so far into debt that they can not pay their obligations, but I am not willing to place in the hands of the more rapacious class of creditors and unscrupulous collection agencies and lawyers a club to be used alike upon the solvent and insolvent.

I am in favor of a bankruptcy law for the benefit of insolvent debtors, but not of a measure that would be used to force solvent debtors into insolvency. I believe such would be the effect of this law. I believe the involuntary feature would be used as an engine of oppression. I do not believe that in a single instance where it forced the sequestration of an estate it would result in the collection of a debt.

I do not believe that that class of creditors who demand it expect that it would result in the collection of debts from insolvents. Many of them do know it would be a club more effective than the process of the State or Federal courts invoked under the ordinary statutes of the country. They do know that by using this law merely as a scare crow, avoiding, if possible, pushing matters to extremities, they could obtain advantages not obtainable by resort to ordinary measures before State tribunals. They used the old bankrupt law in that way, and they would use this law in that way.

Mr. Speaker, I do not believe any lawyer on this floor will attempt to prove that in cases of bankruptcy, voluntary or involuntary, under the old bankrupt law, the creditors were successful in obtaining any considerable portion of what was due them. The assets were sequestrated and the proceeds went to the fee fiends. I know it is said that under this law the fee fiend will be squelched.

I have not investigated the debates in Congress when the old law was under consideration, but I venture to say that it was said then

that the costs in bankruptcy cases would be small. We all know they were scandalously excessive. Providence bestows blessings upon the world—saves us from many perils—and science nowadays ameliorates suffering. We have antiseptics and drugs for mitigating the tortures of surgery, divers vaccines for the prevention of deadly maladies, but only God Almighty can find a way to relieve us from pillage by the fee fiend.

Legislation has heretofore been powerless to stay his depredations, and I await success in that direction before I can concur in the opinion that the author of this bill has found a way to do it. Under this law, as under every law, his bills will be made large enough to anger the public and rob the litigant. [Applause.]

Mr. HENDERSON. I yield fifteen minutes to the gentleman from Massachusetts [Mr. MOODY].

Mr. COCHRAN of Missouri. I ask leave to extend my remarks in the RECORD.

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that general leave to print be given all members of the House, on the subject of the bankruptcy bill, for five days.

Mr. MOODY. I will ask the gentleman from Iowa [Mr. HENDERSON] to modify that so that it will give those who want to speak leave to print.

Mr. UNDERWOOD. Does that give the right to extend remarks in the RECORD?

Mr. HENDERSON. Certainly.

Mr. KELLEY. Does that give leave to members to print who have not had an opportunity to speak?

Mr. HENDERSON. My object is, if any member gets shut out from the general debate, he can have a chance to print his remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa [Mr. HENDERSON]? [After a pause.] The Chair hears none.

Mr. HENDERSON. Now, Mr. Speaker, I yielded to the gentleman from Massachusetts [Mr. MOODY], but I do not care to press him to go on just now.

Mr. MOODY. I am ready to go on if the House desires.

Mr. HENDERSON. I move that the House adjourn.

Mr. TERRY. Mr. Speaker, we have a great pressure on each side for time, and I would suggest that we adjourn until 11 o'clock in the morning. That will give us more time.

Mr. HENDERSON. Let us adjourn regularly to-night, and we will confer about that to-morrow.

Mr. SULZER. Let us not adjourn until 6 o'clock to-night.

Mr. HENDERSON. We shall have very few here at 11 o'clock to-morrow forenoon. Look at the empty seats now.

The SPEAKER pro tempore (Mr. PAYNE). The Chair would suggest to the gentleman from Arkansas [Mr. TERRY] that an adjournment until 11 o'clock can not be had without unanimous consent.

Mr. TERRY. Well, then, Mr. Speaker, I ask unanimous consent that when the House adjourns it adjourn until to-morrow at 11 o'clock.

Mr. MORRIS, Mr. SIMPKINS of Massachusetts, and Mr. MAHANY objected.

Mr. HENDERSON. At the request of the gentleman from New York, I withdraw the motion to adjourn.

JAMES F. WILSON.

Mr. ODELL, from the Committee on Accounts, presented the following resolution.

The Clerk read as follows:

Resolved, That the Clerk of the House of Representatives is hereby authorized to pay to the heirs of James F. Wilson, late a messenger on the soldiers' roll of the House of Representatives, a sum equal to six months' salary and funeral expenses not exceeding $250; the same to be immediately available.

The following amendments were recommended by the committee:

Strike out, in line 4, after the word "Representatives," the words "a sum equal to six months' salary and" and insert the word "the."

After the word "expenses," in the fifth line, insert the word "incurred."

After the word "exceeding," in the fifth line, strike out the word "two" and insert "one."

Mr. DALZELL. I would like to ask whether this is the customary resolution?

Mr. ODELL. It is; but we have amended it so that it provides only for the funeral expenses. Ordinarily we allow six months' salary where the widow survives.

The SPEAKER pro tempore. This is to come out of the contingent fund of the House?

Mr. ODELL. Yes.

The amendments recommended by the committee were agreed to, and the resolution was adopted.

PENSION CLERK.

Mr. ODELL, from the Committee on Accounts, also presented for consideration the following joint resolution.

The Clerk read as follows:

Joint resolution (H. Res. 129) authorizing the Secretary of the Interior to detail from that Department an additional clerk to act as assistant clerk to the Committee on Invalid Pensions of the House of Representatives.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior be, and is hereby, authorized, if in his opinion the public interests will not suffer thereby, upon the request of the House Committee on Invalid Pensions, to detail from that Department an examiner or clerk skilled in pension laws and the examination of papers in pension claims, in addition to the one authorized by joint resolution approved February 1, 1884, to act as assistant clerk to the House Committee on Invalid Pensions.

Mr. DOCKERY. Was this asked for by the Committee on Invalid Pensions?

Mr. ODELL. Yes; it is at the request of the chairman of the Committee on Invalid Pensions, who introduced the joint resolution.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution? The Chair hears none.

The resolution was adopted.

MARY E. HORTON.

Mr. ODELL, from the Committee on Accounts, also presented the following resolution.

The Clerk read as follows:

Resolved, That the Clerk of the House of Representatives be directed to pay, out of the contingent fund of the House, to Mary E. Horton, widow of Dana P. Horton, deceased, late disbursing clerk in the House of Representatives, a sum equal to his salary for six months, and that he be further directed to pay, out of the contingent fund of the House, the expenses of the funeral of the said Dana P. Horton, said expenses not to exceed the sum of $131.25.

The resolution was adopted.

On motion of Mr. ODELL, a motion to reconsider the votes whereby the three resolutions presented by him were adopted was laid on the table.

ANNULMENT OF CONTRACT.

Mr. HOOKER, from the Committee on Rivers and Harbors, asked unanimous consent for the consideration of resolution No. 186.

The SPEAKER pro tempore. The Clerk will report.

Mr. DOCKERY. I reserve the right to object.

The Clerk read as follows:

Whereas the proposals and specifications of the Secretary of War for bids for the improvement and development of a "deep-water harbor at San Pedro, Cal.," differ materially from other proposals for bids and specifications prepared by the War Department for work on other public works of like character, in that they provide for the annulment of the contract in said case under conditions that are new and without precedent: Therefore,

Be it resolved, That the Secretary of War be, and he is hereby, directed to inform the House of the reason or reasons of the insertion of paragraph No. 72 in said proposals and specifications, which reads as follows: "Annulment of contract. If no appropriation is made by Congress for this work for the fiscal year ending June 30, 1899, any contract entered into under these specifications shall be annulled."

The following amendment recommended by the committee was read, as follows:

After the word "annulled," in the eighth line, insert the following:

"And also furnish all other information that he may have relating to the establishment of a deep-water harbor in southern California."

Mr. HOOKER. This resolution of inquiry was presented by the gentleman from California [Mr. BARLOW], where the harbor is located. There was a provision introduced into the specifications which he claims was new, and he wants to know why it was inserted, and the committee thought it was advisable to call on the Secretary of War for such other information as he had.

Mr. DOCKERY. I notice a very important amendment to this resolution. I do not know whether the gentleman from California [Mr. BARLOW] is present, but it seems that amendment raises a question of some importance. I do not think I care to give unanimous consent to the consideration of the resolution at this time with the amendment.

The original proposition of the resolution seems very pertinent. It is stated that the San Pedro contract includes a provision not in any former contract. In that case it is proper to call upon the Secretary of War for information. But I do not know that we desire any further information on the general question, because, if I remember rightly, a board of five engineers was appointed under authority of law to examine the proposed work at the harbors of Santa Monica and San Pedro, and by a vote of 4 to 1 they decided in favor of San Pedro. It is a question whether the amendment to the resolution would not open up that question again.

Mr. TERRY. Mr. Speaker, this is a matter of too much importance to consider hurriedly just at the hour of adjournment.

The SPEAKER pro tempore. The Chair would suggest that this is simply a resolution of inquiry and would be a privileged question.

Mr. SHAFROTH. Mr. Speaker, it seems to me that in the absence of the California delegation the matter ought to go over.

Mr. HOOKER. I am perfectly willing that it should go over.

Mr. DOCKERY. Has this resolution been referred to the Committee on Rivers and Harbors and reported back?

Mr. HOOKER. Unanimously.

Mr. DOCKERY. Inasmuch as so few members are present, I think the matter had better go over.

Mr. MAGUIRE (having entered the Hall). I should like to have the matter stand over until my colleague [Mr. BARLOW] is here in the morning.

Mr. HENDERSON. If it stands over until morning, it will have to stand over until evening.

The SPEAKER pro tempore. This is a privileged motion and can be called up at any time.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. PLATT, one of its clerks, announced that the Senate had passed bills of the following titles; in which the concurrence of the House was requested:

S. 2495. An act for the relief of Margaret Kennedy;

S. 3627. An act to create a board of local inspectors of steam vessels for the customs district of Alaska; and

S. 1754. An act to acquire by purchase or condemnation land and water rights at the Great Falls of the Potomac.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. 3627. An act to create a board of local inspectors of steam vessels for the customs district of Alaska—to the Committee on Merchant Marine and Fisheries.

S. 1754. An act to acquire by purchase or condemnation land and water rights at the Great Falls of the Potomac—to the Committee on the District of Columbia.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 3580. An act to amend the law relating to navigation.

Mr. HAGER, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles; when the Speaker signed the same:

H. R. 7559. An act making Rockland, Me., a subport of entry.

H. R. 4847. An act for the relief of Judson Jones.

FREE ZONE OF MEXICO.

Mr. GROSVENOR. I ask unanimous consent for the present consideration of the resolution which I send to the desk.

The Clerk read as follows:

Resolved by the House of Representatives, That the Secretary of the Treasury be, and he is, requested to inform the House whether frauds upon the customs of the United States have been and are being committed through the Free Zone of Mexico or by reason of the existence of the same and the existing laws and regulations; and if so, that said Secretary report what, if any, changes in law or regulations are necessary to protect the revenues of the United States against such frauds.

Mr. GROSVENOR. I was directed by the Committee on Ways and Means to ask for the immediate consideration of this resolution. It relates to certain facts which are involved in the passage of a resolution asked for by one of the Representatives from Texas. It is a mere inquiry as to the present condition of laws and regulations on this subject as affecting our trade and commerce.

The SPEAKER pro tempore. Is there objection to the present consideration of this resolution?

Mr. STEPHENS of Texas. At present I object, until we can understand what the resolution means.

Mr. GROSVENOR. It is an inquiry suggested by a gentleman from Texas who desires the passage of a resolution repealing the existing condition called the Free Zone. This is our inquiry to the Secretary of the Treasury as to the effect of present conditions upon our income.

Mr. STEPHENS of Texas. The gentleman does not ask for the present consideration of the resolution?

Mr. GROSVENOR. I do.

Mr. STEPHENS of Texas. If it is a mere resolution of inquiry, I withdraw my objection.

There being no objection, the House proceeded to the consideration of the resolution; and it was adopted.

DESTRUCTION OF BATTLE SHIP MAINE.

Mr. BOUTELLE of Maine. I am directed by the Committee on Naval Affairs to ask the consideration of the resolution which I send to the Clerk's desk.

The Clerk read as follows:

Resolved, That the House of Representatives has learned with profound sorrow of the great calamity which has caused the destruction of the United States battle ship *Maine* and the appalling loss of more than 250 lives and the wounding of many others of the gallant defenders of our flag, and that the House expresses its sympathy for the injured and its sincere condolence with the families of those who have lost their lives in the service of the nation.

Mr. BOUTELLE of Maine. I ask for the adoption of that resolution.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. BAILEY. Before that request is granted, I wish to ask the chairman of the Committee on Naval Affairs whether his committee is in possession of any information indicating how this disaster occurred?

Mr. BOUTELLE of Maine. I regret to say that up to the present time no information has been received by us upon which a conclusion could be justly based. My own impression can hardly be of value; but I will state that so far as I have been able to learn anything about the matter, my mind is inclined to the belief that the occurrence was accidental.

Mr. BAILEY. I have no objection to the resolution.

There being no objection, the resolution was considered and adopted.

And then, on motion of Mr. HENDERSON (at 5 o'clock and 5 minutes p. m.), the House adjourned.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, the following executive communications were taken from the Speaker's table and referred as follows:

A letter from the Acting Secretary of the Interior, transmitting certain petitions and communications with recommendations in regard to the education of white and negro children in the Indian Territory—to the Committee on Indian Affairs, and ordered to be printed.

A letter from the Secretary of the Navy, inclosing a bid of the Sheffield Business Men's Association, of Sheffield, Ala., for a United States armor plant—to the Committee on Naval Affairs, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions of the following titles were severally reported from committees, delivered to the Clerk, and referred to the several Calendars therein named, as follows:

Mr. SNOVER, from the Committee on Agriculture, to which was referred the bill of the House (H. R. 6894) to provide rules and regulations governing the importation of trees, plants, shrubs, vines, grafts, cuttings, and buds, commonly known as nursery stock, and fruits into the United States, and rules and regulations for the inspection of trees, plants, shrubs, vines, grafts, cuttings, and buds, commonly known as nursery stock, grown within the United States, which become subjects of interstate commerce or exportation, reported the same with amendment, accompanied by a report (No. 456); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. RICHARDSON, from the Committee on the District of Columbia, to which was referred the joint resolution of the Senate (S. R. 91) authorizing the Public Printer to use certain Government telegraph poles, reported the same without amendment, accompanied by a report (No. 457); which said joint resolution and report were referred to the House Calendar.

Mr. LOW, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill of the House (H. R. 7490) to provide an American register for the steamer *Leelanaw*, reported the same without amendment, accompanied by a report (No. 459); which said bill and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions of the following titles were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House as follows:

Mr. BRUMM, from the Committee on Claims, to which was referred the bill of the House (H. R. 4825) for the relief of the legal representatives of George McDougall, deceased, reported the same without amendment, accompanied by a report (No. 458); which said bill and report were referred to the Private Calendar.

Mr. FITZGERALD, from the Committee on War Claims, to which was referred the bill of the Senate (S. 1559) for the relief of Martha H. Bagwell, executrix of Sally Hardmond, deceased, reported the same without amendment, accompanied by a report (No. 460); which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS INTRODUCED.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. FERGUSSON: A bill (H. R. 8226) to make certain grants of land to the Territory of New Mexico, and for other purposes—to the Committee on the Public Lands.

By Mr. BREWER: A bill (H. R. 8227) to amend an act entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," passed August 15, 1894, and to reduce penalties under internal-revenue laws—to the Committee on Ways and Means.

By Mr. BROUSSARD: A bill (H. R. 8228) for the establishment

of a light-house at the mouth of Oyster Bayou, near the Louisiana coast, in the Gulf of Mexico—to the Committee on Interstate and Foreign Commerce.

By Mr. ALDRICH (by request): A bill (H. R. 8229) to improve the form of United States notes and retire the outstanding greenbacks—to the Committee on Banking and Currency.

By Mr. TATE: A bill (H. R. 8230) to create the northern division of the northern district of Georgia for judicial purposes, and to fix the time and place for holding court therein—to the Committee on the Judiciary.

Also, a bill (H. R. 8231) to create the northeastern division of the northern district of Georgia for judicial purposes, and to fix the time for holding court therein—to the Committee on the Judiciary.

By Mr. BARRETT: A bill (H. R. 8232) to provide for the collection and return of duties on bicycles brought by travelers into the United States—to the Committee on Ways and Means.

By Mr. COCHRANE of New York: A bill (H. R. 8233) to award pensions to certain persons—to the Committee on Invalid Pensions.

By Mr. BAKER of Maryland: A bill (H. R. 8272) providing for the extension of the Loudon Park National Cemetery, near Baltimore, Md.—to the Committee on Military Affairs.

By Mr. KITCHIN: A bill (H. R. 8273) to repeal the 10 per centum tax on State bank issues—to the Committee on Banking and Currency.

By Mr. MAHANY: A bill (H. R. 8276) to remove all religious edifices from the military reservations of the United States—to the Committee on Military Affairs.

By Mr. TAYLOR of Alabama: A concurrent resolution (House Con. Res. No. 19) providing for an estimate for widening the channel of Mobile Harbor and dredging an anchorage basin near the head of the channel—to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS INTRODUCED.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ALDRICH (by request): A bill (H. R. 8234) for the relief of Mrs. L. J. Harville, of Dallas County, Ala.—to the Committee on War Claims.

By Mr. ALLEN: A bill (H. R. 8235) for the relief of Francis E. Whitfield and Lucy G. Whitfield, of Alcorn County, Miss.—to the Committee on War Claims.

By Mr. BELFORD: A bill (H. R. 8236) to reimburse Mary C. Bristol, as executrix of the will of Charles P. Redmond, deceased, for money paid to the United States for certain real estate at Little Rock, Ark.—to the Committee on Claims.

By Mr. BRUMM: A bill (H. R. 8237) for the relief of the legal representatives of John Roach, deceased—to the Committee on Claims.

By Mr. CASTLE: A bill (H. R. 8238) to remove the charge of desertion against the naval record of Joseph Wellett—to the Committee on Naval Affairs.

By Mr. CLARK of Missouri: A bill (H. R. 8239) granting a pension to Benjamin Haggard—to the Committee on Invalid Pensions.

Also, a bill (H. R. 8240) for the relief of Mrs. Mary Craddock—to the Committee on Military Affairs.

By Mr. DAYTON: A bill (H. R. 8241) to carry out the findings of the Court of Claims in the case of James M. Westfall—to the Committee on War Claims.

By Mr. DOCKERY: A bill (H. R. 8242) to remove the charge of desertion from the military record of William H. Corbin—to the Committee on Military Affairs.

By Mr. DRIGGS: A bill (H. R. 8243) to pension John Connolly, father of Thomas Connolly—to the Committee on Invalid Pensions.

Also, a bill (H. R. 8244) granting a pension to John J. Grffin—to the Committee on Invalid Pensions.

Also, a bill (H. R. 8245) to increase the pension of John Hillbert—to the Committee on Invalid Pensions.

By Mr. FENTON: A bill (H. R. 8246) to increase the pension of John C. Sharp—to the Committee on Invalid Pensions.

Also, a bill (H. R. 8247) to correct the military record of John Herity, of Ironton, Ohio—to the Committee on Military Affairs.

By Mr. LOUD: A bill (H. R. 8248) for the relief of Charles Harkins—to the Committee on Military Affairs.

By Mr. McCLELLAN: A bill (H. R. 8249) to increase the pension of Edward Donnelly—to the Committee on Invalid Pensions.

By Mr. MUDD: A bill (H. R. 8250) granting a pension to Mrs. Sarah A. Aspold—to the Committee on Pensions.

By Mr. ODELL: A bill (H. R. 8251) to reimburse John Waller, former postmaster at Monticello, N. Y., for moneys expended in carrying the mails—to the Committee on Claims.

By Mr. OGDEN: A bill (H. R. 8252) for relief of estate of Phillip Poete, deceased, late of Natchitoches Parish, La.—to the Committee on War Claims.

By Mr. PRINCE: A bill (H. R. 8253) granting a pension to Jennie A. McKinley—to the Committee on Pensions.

Also, a bill (H. R. 8254) granting a pension to William Holgate—to the Committee on Invalid Pensions.

By Mr. SHAFROTH: A bill (H. R. 8255) for relief of Henry Barlow—to the Committee on Pensions.

By Mr. SHOWALTER: A bill (H. R. 8256) to correct the military record of William Daniels, late of Company F, One hundredth Pennsylvania Volunteers—to the Committee on Military Affairs.

By Mr. SOUTHARD: A bill (H. R. 8257) to correct the military record of Alonzo J. McSchooler—to the Committee on Military Affairs.

Also, a bill (H. R. 8258) to pension Clementine M. Denslow—to the Committee on Invalid Pensions.

Also, a bill (H. R. 8259) to increase pension of Hiram Henderson—to the Committee on Invalid Pensions.

By Mr. STEWART of Wisconsin: A bill (H. R. 8260) to remove the charge of desertion from the military record of Peter Guia—to the Committee on Military Affairs.

By Mr. TAYLOR of Alabama: A bill (H. R. 8261) for the relief of Hannah J. Jones, executrix of Emanuel Jones, deceased, a British subject—to the Committee on Foreign Affairs.

By Mr. WILLIAMS of Mississippi: A bill (H. R. 8262) for the relief of Margaret Champion, of Scott County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 8263) for the relief of John F. Byars, of Newton County, Miss.—to the Committee on War Claims.

By Mr. BARROWS: A bill (H. R. 8264) to remove the charge of desertion standing against the military record of Michael Sweeny—to the Committee on Military Affairs.

By Mr. CRUMP: A bill (H. R. 8265) to correct the military record of George H. Keating—to the Committee on Military Affairs.

By Mr. HUNTER: A bill (H. R. 8266) to increase the pension of Mrs. Ann Gibbons—to the Committee on Invalid Pensions.

By Mr. MADDOX: A bill (H. R. 8267) for the relief of Sarah A. Burney, of Floyd County, Ga.—to the Committee on War Claims.

Also, a bill (H. R. 8268) for the relief of Thornton Talley, of Gordon County, Ga.—to the Committee on War Claims.

Also, a bill (H. R. 8269) for the relief of Joel Cross, of Dade County, Ga.—to the Committee on War Claims.

Also, a bill (H. R. 8270) for the relief of the estate of William D. Wheeler, deceased, late of Bartow County, Ga.—to the Committee on War Claims.

Also, a bill (H. R. 8271) for the relief of Patrick Jennings, of Gordon County, Ga.—to the Committee on War Claims.

By Mr. MINOR: A bill (H. R. 8274) granting a pension to John G. Hart—to the Committee on Invalid Pensions.

Also, a bill (H. R. 8275) granting a pension to Samuel S. Wheeler—to the Committee on Invalid Pensions.

By Mr. LOVE: A bill (H. R. 8277) for the relief of John A. Brent, of Pike County, Miss.—to the Committee on War Claims.

By Mr. DOVENER: A bill (H. R. 8278) for the relief of John J. Robinson, of Endicott, Wetzel County, W. Va.—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ADAMS: Petition of the Pennsylvania Society for the Advancement of the Deaf, of Germantown, Philadelphia, Pa., in favor of the passage of the so-called anti-scalping ticket bill—to the Committee on Interstate and Foreign Commerce.

Also, resolution of the Synod of Pennsylvania of the Presbyterian Church, favoring an increase in the number of army chaplains—to the Committee on Military Affairs.

By Mr. BABCOCK: Petition of the Methodist Church of Platteville, Wis., asking for the passage of a bill to forbid the transmission by mail or interstate commerce of pictures or descriptions of prize fights—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Methodist Church of Platteville, Wis., praying for the enactment of legislation prohibiting the sale of intoxicating liquors in the Capitol and all Government buildings—to the Committee on Public Buildings and Grounds.

Also, petition of the Methodist Church of Platteville, Wis., praying for the enactment of legislation prohibiting the reproduction by the kinetoscope or other kindred devices of prize fights in the District of Columbia and the Territories—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Methodist Church of Platteville, Wis., praying for the enactment of legislation to protect State anti-cigarette laws by providing that cigarettes imported in original packages on entering any State shall become subject to its laws—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Methodist Church of Platteville, Wis.,

praying for the enactment of legislation to raise the age of consent for girls to 18 years in the District of Columbia and the Territories—to the Committee on the District of Columbia.

Also, petition of the Methodist Church of Platteville, Wis., praying for the enactment of a Sunday-rest law for the District of Columbia—to the Committee on the District of Columbia.

Also, petition of the Methodist Church of Platteville, Wis., praying for the enactment of legislation prohibiting interstate gambling by telegraph, telephone, or otherwise—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Methodist Church of Platteville, Wis., praying for the enactment of legislation to substitute voluntary arbitration for railway strikes—to the Committee on Labor.

By Mr. BAKER of Maryland: Paper to accompany House bill relating to Loudon Park National Cemetery—to the Committee on Military Affairs.

By Mr. BARRETT: Petition of the Boston Merchants' Association, of Boston, Mass., in favor of the passage of the so-called anti-scalping ticket bill—to the Committee on Interstate and Foreign Commerce.

By Mr. BARROWS: Petition of the Young People's Christian Union of Tufts College, Mass., asking for the passage of a bill to forbid the sale of intoxicating beverages in all Government buildings—to the Committee on Alcoholic Liquor Traffic.

Also, resolutions of the Boston Chamber of Commerce, on behalf of currency reform and in favor of the gold standard—to the Committee on Banking and Currency.

By Mr. BARTLETT: Petition of L. O. Stevens and other citizens of Macon, Ga., asking for the passage of a bankruptcy bill—to the Committee on the Judiciary.

By Mr. BROMWELL: Memorial of the Ohio Commandery, Military Order of the Loyal Legion, relating to Gettysburg monuments—to the Committee on the Library.

By Mr. BRUMM: Petition of citizens of Schuylkill County, Pa., praying for the restriction of immigration—to the Committee on Immigration and Naturalization.

By Mr. BURLEIGH: Papers to accompany House bill No. 6482, relating to the case of Herbert W. Leach—to the Committee on Invalid Pensions.

By Mr. BUTLER: Two petitions of citizens of Sharon Hill, Glenolden, Warwick, Norwood, and vicinity, in the State of Pennsylvania, in favor of the passage of a bill to prevent the admission of illiterate, pauper, and criminal immigrants in the United States—to the Committee on Immigration and Naturalization.

By Mr. CASTLE: Petition of the Woman's Christian Temperance Union of Fresno County, Cal., praying for the enactment of legislation to protect State anti-cigarette laws by providing that cigarettes imported in original packages on entering any State shall become subject to its laws—to the Committee on Interstate and Foreign Commerce.

By Mr. CLARK of Missouri: Protest of certain citizens of Clarksville, Mo., against the passage of a general bankruptcy bill—to the Committee on the Judiciary.

By Mr. COOPER of Wisconsin: Protest of certain citizens of Delavan, Wis., against the passage of a general bankruptcy bill—to the Committee on the Judiciary.

Also, petition of the First Congregational Church of Racine, Epworth League, Christian Endeavor Society, Methodist Episcopal Church, Congregational Church, Independant Order of Good Templars, and the Woman's Christian Temperance Union of Fort Atkinson, Wis., in favor of the passage of a bill to prohibit the sale of liquors in Government buildings—to the Committee on Alcoholic Liquor Traffic.

Also, petition of the First Congregational Church of Racine, Wis., praying for the enactment of legislation raising the age of protection for girls to 18 years in the District of Columbia and the Territories—to the Committee on the Judiciary.

Also, petition of the First Congregational Church of Racine, Wis., praying for the enactment of legislation substituting voluntary arbitration for railway strikes—to the Committee on Labor.

Also, petition of the First Congregational Church of Racine, Wis., praying for the enactment of legislation prohibiting the interstate transmission of newspaper descriptions of prize fights, etc.—to the Committee on the Judiciary.

Also, petition of the First Congregational Church of Racine, Wis., praying for the enactment of legislation prohibiting kinetoscope reproductions of prize fights in the District of Columbia and the Territories—to the Committee on the Judiciary.

Also, petition of the First Congregational Church of Racine, Wis., for the passage of a bill to forbid the interstate transmission of lottery messages and other gambling matter by telegraph—to the Committee on the Judiciary.

Also, petition of the First Congregational Church of Racine, Wis., to prohibit sectarian appropriations—to the Committee on Appropriations.

Also, petition of the First Congregational Church of Racine, Wis., praying for the enactment of legislation excluding illiterate immigrants—to the Committee on Immigration and Naturalization.

By Mr. CORLISS: Five petitions of certain labor organizations in the State of Michigan, protesting against the passage of the so-called anti-scalping law—to the Committee on Interstate and Foreign Commerce.

By Mr. CRUMP: Petition of the Longshoremen's Union of Bay City, Cigar Makers' Union of Escanaba, Longshoremen's Association of Grand Marais, Coopers' International Union of Grand Rapids, Typographical Union of Muskegon, Clerks' Protective Association of Grand Rapids, Longshoremen's Union of Marquette, and Longshoremen's Union of Tawas City, all in the State of Michigan, against the passage of the bill prohibiting ticket brokerage—to the Committee on Interstate and Foreign Commerce.

Also, petition of D. E. Storms and other citizens of Harrisville, Mich., against the annexation of Hawaii—to the Committee on Foreign Affairs.

Also, petition of the Woman's Christian Temperance Union of Vassar, Mich., and numerous citizens of West Branch, Omer, and Cass City, urging the passage of a bill to prohibit the sale of liquors in Government buildings—to the Committee on Public Buildings and Grounds.

By Mr. CURTIS of Kansas: Petition of citizens of Leavenworth, Kans., favoring the enactment of legislation to more effectually restrict immigration and prevent the admission of illiterate, pauper, and criminal classes to the United States—to the Committee on Immigration and Naturalization.

Also, protests of the Lone Star Federal Labor Union, Journeymen Barbers' Union, and Musicians Protective Union, all of Kansas City, Kans., against the passage of the so-called anti-scalping ticket bill—to the Committee on Interstate and Foreign Commerce.

By Mr. DALZELL: Three petitions of citizens of Pittsburg and vicinity, State of Pennsylvania, in favor of legislation to more effectually restrict immigration and prevent the admission of illiterate, pauper, and criminal classes to the United States—to the Committee on Immigration and Naturalization.

Also, resolutions of the Pennsylvania Society for the Advancement of the Deaf, in favor of the passage of the so-called anti-scalping ticket bill—to the Committee on Interstate and Foreign Commerce.

Also, letters of certain publishers of Philadelphia, Pa., indorsing the Loud postal-reform bill—to the Committee on the Post-Office and Post-Roads.

Also, memorial of the Board of Trade of Philadelphia, Pa., in favor of the Torrey bankruptcy bill—to the Committee on the Judiciary.

By Mr. DOVENER: Petition of U. S. G. Haddox and 47 citizens of Elkins, W. Va., in favor of the passage of a bill which will more effectually restrict immigration and prevent the admission of illiterate, pauper, and criminal classes to the United States—to the Committee on Immigration and Naturalization.

By Mr. ELLIS: Petition of the Congregational and Christian churches and societies at Forest Grove, Oreg., in favor of the passage of the Broderick bill to raise the age of protection for girls to 18 years in the District of Columbia and the Territories—to the Committee on the District of Columbia.

By Mr. FLETCHER: Petition of S. H. Davis and other citizens of Minneapolis, Minn., in favor of the passage of a bill to suppress ticket brokerage—to the Committee on Interstate and Foreign Commerce.

Also, petitions of J. S. Todd & Co., A. Schwartz, J. H. Randall, C. S. Little, F. W. Freeman, I. Gittleson, D. C. Abraham, H. L. Gillespie, R. D. Webb, R. D. Button, C. D. Green, W. G. Lewis, C. A. Bennett, A. Stewart, R. M. Faries, M. K. Swoger, and other citizens of the State of Minnesota, protesting against the passage of the so-called anti-scalpers bill—to the Committee on Interstate and Foreign Commerce.

By Mr. GRIFFIN: Petition of the Woman's Christian Temperance Union of Tomah, Wis., urging the passage of a bill to prohibit the sale of liquors in Government buildings—to the Committee on Public Buildings and Grounds.

By Mr. HAMILTON: Petition of Charles O. Harmon and others, of Marcellus, Mich., protesting against the passage of a general bankruptcy bill—to the Committee on the Judiciary.

Also, petition of John Culbertson and others, of the State of Michigan, relating to the retirement of greenbacks—to Committee on Banking and Currency.

By Mr. HANDY: Two petitions of Daniel C. Gibbs, John W. Wetherill, and 43 other citizens of Wilmington, Del., in favor of the enactment of legislation to more effectually restrict immigration and prevent the admission of illiterate, pauper, and criminal classes to the United States—to the Committee on Immigration and Naturalization.

By Mr. HENRY of Connecticut: Petition of Eugene A. Johnson and 93 other citizens of Hartford and vicinity, in the State of Connecticut, asking for the enactment of legislation which will

more effectually restrict immigration—to the Committee on Immigration and Naturalization.

By Mr. HENRY of Indiana: Petitions and papers in support of House bill No. 8191, for correcting the military record of James Wilkinson, late of Company C, Forty-fourth Regiment Indiana Infantry, and Company E, Twelfth Regiment Missouri Cavalry, and to grant him honorable discharge—to the Committee on Military Affairs.

Also, resolution of Company B, Fourth Indiana Infantry, favoring the passage of House bill No. 2876, to promote the efficiency of the militia—to the Committee on Military Affairs.

By Mr. HOOKER: Petition of the Woman's Christian Temperance Union of Jamestown, N. Y., for the passage of a bill to protect State anti-cigarette laws by providing that cigarettes imported in original packages on entering any State shall become subject to its laws—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Woman's Christian Temperance Union of East Randolph, N. Y., in favor of the enactment of legislation which will more effectually restrict immigration and prevent the admission of illiterate, pauper, and criminal classes to the United States—to the Committee on Immigration and Naturalization.

By Mr. HOWELL: Petition of citizens of Monmouth County, N. J., in favor of the passage of the anti-scalping bill—to the Committee on Interstate and Foreign Commerce.

Also, petition of business men and leading citizens of Little Silver, N. J., asking for the enactment of legislation which will more effectually restrict immigration—to the Committee on Immigration and Naturalization.

By Mr. KELLEY: Petition of citizens of Elk Point and Flandreau, S. Dak., protesting against the passage of a general bankruptcy law—to the Committee on the Judiciary.

By Mr. KERR: Resolution of the Military Order of the Loyal Legion of the United States, Commandery of Ohio, relating to monuments at the Gettysburg battlefield—to the Committee on the Library.

Also, resolution of the Ohio State Board of Commerce, in favor of the Torrey bankruptcy bill—to the Committee on the Judiciary.

By Mr. KLEBERG: Three petitions of citizens of San Patricio County, Tex., asking the Government to assume control and secure deep water at Aransas Pass Harbor, Texas—to the Committee on Rivers and Harbors.

By Mr. LOUDENSLAGER: Twelve petitions of Newport Council, No. 199, of Newport, N. J.; Millville Council, Junior Order United American Mechanics, of Millville, N. J.; William Warner, Howard Abbott, George Higgins, and F. H. Williams, favoring the passage of a bill which will more effectually restrict immigration and prevent the admission of illiterate, pauper, and criminal classes to the United States—to the Committee on Immigration and Naturalization.

Also, petition of the Woman's Christian Temperance Union of Salem, N. J., in favor of legislation to protect State anti-cigarette laws by providing that cigarettes imported in original packages on entering any State shall become subject to its laws—to the Committee on Interstate and Foreign Commerce.

Also, petitions of the Woman's Christian Temperance unions of Daretown, Elmer, and Woodstown, N. J., for the passage of a bill to forbid interstate transmission of lottery and other gambling matter by telegraph—to the Committee on Interstate and Foreign Commerce.

Also, petitions of the Woman's Christian Temperance unions of Woodstown and Daretown, N. J., Methodist Episcopal Church of Elmer, N. J., and of the Christian Endeavor societies of Shirley and Daretown, N. J., praying for the enactment of legislation prohibiting the sale of intoxicating liquors in all Government buildings—to the Committee on Public Buildings and Grounds.

Also, petitions of Woman's Christian Temperance unions of Woodstown and Daretown, N. J., and the Methodist Episcopal Church of Elmer, N. J., in favor of the passage of the Broderick bill to raise the age of protection for girls to 18 in the District of Columbia and the Territories—to the Committee on the District of Columbia.

By Mr. MAHON: Petitions of Harvey L. Miner, T. S. Nevin, Charles M. Stoner, and 215 citizens of Franklin County, Pa.; A. G. Lykens and 53 citizens of Huntingdon County, Pa., in favor of legislation to more effectually restrict immigration and prevent the admission of illiterate, pauper, and criminal classes to the United States—to the Committee on Immigration and Naturalization.

By Mr. McALEER: Petition of the Commercial Exchange of Philadelphia, Pa., in favor of sound-money currency on gold-standard basis—to the Committee on Banking and Currency.

Also, resolutions of the Grocers and Importers' Exchange of Philadelphia, Pa., favoring Senate bill No. 624, for the creation of a department of commerce and industry—to the Committee on Interstate and Foreign Commerce.

Also, resolution of Division No. 162, Order of Railway Conductors, of Philadelphia, Pa., in favor of the anti-scalping bill—to the Committee on Interstate and Foreign Commerce.

By Mr. McCALL: Petition of the Boston Merchants' Association, favoring the passage of the anti-scalping bill—to the Committee on Interstate and Foreign Commerce.

By Mr. McDOWELL: Paper to accompany House bill to correct the military record of Philip Reiss—to the Committee on Military Affairs.

By Mr. McINTIRE: Petition of William H. Powell and other citizens of Baltimore, Md., praying for the enactment of legislation which will more effectually restrict immigration and prevent the admission of illiterate, pauper, and criminal classes to the United States—to the Committee on Immigration and Naturalization.

By Mr. MINOR: Protest of 156 citizens of the State of Wisconsin, in opposition to the Lodge bill for the further restriction of immigration—to the Committee on Immigration and Naturalization.

Also, protest of certain citizens of Sturgeon Bay, Wis., against the passage of a general bankruptcy bill—to the Committee on the Judiciary.

By Mr. PITNEY: Petitions of George W. Crater, John H. West, George D. Lair, H. Shepherd, H. Van Orden, R. L. Lavacool, Fred Van Blascon, J. B. Talmage, W. J. Wolfe, and other citizens of the State of New Jersey, praying for the enactment of legislation which will more effectually restrict immigration and prevent the admission of illiterate, criminal, and pauper classes to the United States—to the Committee on Immigration and Naturalization.

Also, petitions of the Woman's Christian Temperance Union and Methodist Episcopal Church, of Madison, N. J., praying that the age of protection for girls be raised to 18 years in the District of Columbia and the Territories—to the Committee on the Judiciary.

Also, petitions of the Woman's Christian Temperance Union and Methodist Episcopal Church, of Madison, N. J., for the passage of a bill to forbid interstate transmission of lottery and other gambling matter by telegraph—to the Committee on the Judiciary.

Also, petitions of the Woman's Christian Temperance Union and Methodist Episcopal Church, of Madison, N. J., asking for the passage of a bill to forbid the sale of intoxicating beverages in all Government buildings—to the Committee on Alcoholic Liquor Traffic.

By Mr. MORRIS: Petition of Charles L. Lewis and other citizens of Duluth, Minn., for the improvement of the harbor of the Interstate Park, Dalles of the St. Croix, and the channel of the St. Croix River—to the Committee on Rivers and Harbors.

By Mr. PRINCE: Petition of Jennie A. McKinley, for widow's pension—to the Committee on Pensions.

Also, paper to accompany House bill granting a pension to William Holgate—to the Committee on Invalid Pensions.

Also, petition of Elmer E. Ellsworth Council, No. 8, Order United American Mechanics, of Galva, Ill., in favor of the restriction of immigration—to the Committee on Immigration and Naturalization.

By Mr. PUGH: Six petitions of sundry citizens of Ashland, Boyd County, Ky., asking for the further restriction of immigration—to the Committee on Immigration and Naturalization.

By Mr. ROBINSON of Indiana: Petition of Tamarack Lodge, No. 39, of Garrett, Ind., in favor of the passage of certain bills in the interest of labor—to the Committee on Labor.

By Mr. SHERMAN: Petition of the Buffalo Merchants' Exchange, of Buffalo, N. Y., in favor of the passage of House bill No. 7130 and Senate bill No. 1575, restricting the right to buy and sell railroad tickets—to the Committee on Interstate and Foreign Commerce.

By Mr. SHOWALTER: Petitions of W. E. Lawrence and 161 citizens of Beaver, Pa., Grace Lutheran Church and United Presbyterian Church of Butler, Pa., favoring the passage of a bill that will more effectually restrict immigration and prevent the admission of the illiterate, criminal, and pauper classes—to the Committee on Immigration and Naturalization.

Also, petitions of the United Presbyterian Church and Grace Lutheran Church of Butler, Pa., praying for the enactment of legislation to raise the age of consent for girls to 18 years in the District of Columbia and the Territories—to the Committee on Public Buildings and Grounds.

Also, petitions of the United Presbyterian Church and Grace Lutheran Church of Butler, Pa., praying for the enactment of a Sunday-rest law for the District of Columbia—to the Committee on the District of Columbia.

Also, petitions of the United Presbyterian Church and Grace Lutheran Church of Butler, Pa., praying for the enactment of legislation prohibiting interstate gambling by telegraph, telephone, or otherwise—to the Committee on Interstate and Foreign Commerce.

Also, petitions of the United Presbyterian Church and Grace

Lutheran Church of Butler, Pa., praying for the enactment of legislation to substitute voluntary arbitration for railway strikes—to the Committee on Labor.

Also, petitions of the United Presbyterian Church and Grace Lutheran Church of Butler, Pa., praying for the enactment of legislation to protect State anti-cigarette laws by providing that cigarettes imported in original packages on entering any State shall become subject to its laws—to the Committee on Interstate and Foreign Commerce.

Also, petitions of the United Presbyterian Church and Grace Lutheran Church, of Butler, Pa., in favor of a bill to prohibit the sale of liquor in Government buildings—to the Committee on Public Buildings and Grounds.

Also, petitions of the United Presbyterian Church and Grace Lutheran Church, of Butler, Pa., praying for the enactment of legislation prohibiting kinetoscope reproductions of prize fights in the District of Columbia and the Territories—to the Committee on Interstate and Foreign Commerce.

Also, petitions of the United Presbyterian Church and Grace Lutheran Church, of Butler, Pa., for the passage of a bill to prohibit the transmission by mail or interstate commerce of newspaper descriptions of prize fights—to the Committee on the Post-Office and Post-Roads.

By Mr. SIMPKINS of Massachusetts: Petitions of the Woman's Christian Temperance unions of Plymouth, Halifax, Wellfleet, and Duxbury, Mass., in favor of legislation to protect State anti-cigarette laws by providing that cigarettes imported in original packages on entering any State shall become subject to its laws—to the Committee on Interstate and Foreign Commerce.

Also, resolutions of the Chamber of Commerce of Boston, Mass., in favor of a monetary commission—to the Committee on Banking and Currency.

By Mr. SLAYDEN: Papers to accompany House bill for the relief of D. W. Hatch—to the Committee on War Claims.

By Mr. SNOVER: Sundry protests of labor organizations in the State of Michigan, in opposition to the so-called anti-scalping ticket bill or any similar measure—to the Committee on Interstate and Foreign Commerce.

Also, petitions of the Woman's Christian Temperance Union and Teachers' Association, of Lapeer County, Mich., favoring legislation providing that cigarettes imported in original packages on entering any State shall become subject to its laws—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Woman's Christian Temperance Union of Lapeer, Mich., for the enactment of legislation prohibiting the sale of intoxicating liquors in all Government buildings—to the Committee on Public Buildings and Grounds.

By Mr. WILLIAM A. STONE: Petitions of John Callender, George Thompson, W. H. Stepp, and other citizens of Hites, Creighton, Tarentum, Springdale, of Allegheny County, Pa., praying for the enactment of legislation which will more effectually restrict immigration and prevent the admission of the illiterate, criminal, and pauper classes to the United States—to the Committee on Immigration and Naturalization.

Also, petition of Our Young People's Christian Endeavor Union of the Fourth United Presbyterian Church of Allegheny, Pa., praying for the enactment of legislation prohibiting the sale of intoxicating liquors in all Government buildings—to the Committee on Public Buildings and Grounds.

By Mr. STRODE of Nebraska: Petitions of E. A. Smith, Paul H. Petersen, and 115 other citizens of Cass County, Nebr., praying for the enactment of legislation excluding illiterate, criminal, and pauper immigrants—to the Committee on Immigration and Naturalization.

By Mr. SULLOWAY: Petitions of the Woman's Christian Temperance unions of Raymond, Meredith, New Hampton, and Hampton Falls, N. H., in favor of the passage of a bill to protect State anti-cigarette laws by providing that cigarettes imported in original packages on entering any State shall become subject to its laws—to the Committee on Interstate and Foreign Commerce.

Also, petitions of the Woman's Christian Temperance Union of Raymond, N. H., praying for the enactment of legislation prohibiting the sale of intoxicating liquors in all Government buildings—to the Committee on Public Buildings and Grounds.

Also, petition of the Woman's Christian Temperance unions of Raymond and Haverhill, N. H., praying for the enactment of legislation prohibiting interstate gambling by telegraph, telephone, or otherwise—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Woman's Christian Temperance Union of Raymond, N. H., praying for the enactment of legislation raising the age of protection for girls to 18 years in the District of Columbia and the Territories—to the Committee on the District of Columbia.

Also, petition of the Woman's Christian Temperance unions of Raymond and Farmington, N. H., praying for the enactment of legislation substituting voluntary arbitration for railway strikes—to the Committee on Labor.

Also, petition of the Woman's Christian Temperance Union of Raymond, N. H., for the passage of a bill to further protect the first day of the week in the District of Columbia—to the Committee on the District of Columbia.

Also, petition of the Woman's Christian Temperance Union of Raymond, N. H., praying for the enactment of legislation prohibiting kinetoscope reproduction of prize fights in the District of Columbia and the Territories—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Woman's Christian Temperance Union of Hampton Falls, N. H., in support of certain bills now pending in the House—to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLER of Ohio: Petitions of 281 citizens of Canton, Ohio; also citizens of Lisbon, Summitville, Leetonia, and vicinity, in the State of Ohio, favoring the enactment of legislation to more effectually restrict immigration and prevent the admission of illiterate, pauper, and criminal classes to the United States—to the Committee on Immigration and Naturalization.

Also, petitions of the Woman's Christian Temperance Union and Friends' Church of Damascus, Ohio, for the passage of a bill forbidding the sale of liquor in all Government buildings—to the Committee on Public Buildings and Grounds.

Also, petitions of the Woman's Christian Temperance Union and Friends' Church of Damascus, Ohio, to substitute voluntary arbitration for railroad strikes—to the Committee on Labor.

Also, petitions of the Woman's Christian Temperance Union and Friends' Church of Damascus, Ohio, praying for the enactment of legislation prohibiting kinetoscope reproductions of prize fights in the District of Columbia and the Territories—to the Committee on Interstate and Foreign Commerce.

Also, petitions of the Woman's Christian Temperance Union and Friends' Church of Damascus, Ohio, favoring the passage of a Sabbath law for the national capital—to the Committee on the District of Columbia.

Also, petitions of the Woman's Christian Temperance Union and Friends' Church of Damascus, Ohio, in favor of legislation to protect State anti-cigarette laws by providing that cigarettes imported in original packages on entering any State shall become subject to its laws—to the Committee on Interstate and Foreign Commerce.

Also, petitions of the Woman's Christian Temperance Union and Friends' Church of Damascus, Ohio, praying for the enactment of legislation raising the age of protection for girls to 18 years in the District of Columbia and the Territories—to the Committee on the District of Columbia.

Also, petitions of the Woman's Christian Temperance Union and Friends' Church of Damascus, Ohio, for the passage of a bill to forbid interstate transmission of lottery and other gambling matter by telegraph—to the Committee on Interstate and Foreign Commerce.

Also, petitions of the Woman's Christian Temperance Union and Friends' Church of Damascus, Ohio, praying for the passage of a bill to prohibit interstate transmission of pictures and descriptions of prize fights—to the Committee on Interstate and Foreign Commerce.

By Mr. TONGUE: Petitions of the Woman's Christian Temperance Union of Monroe; Grand Avenue United Presbyterian Church, of Portland; Christian Church of Dayton; Second Baptist Church and First United Evangelical Church, of Portland, Oreg., for the passage of a bill to protect State anti-cigarette laws by providing that cigarettes imported in original packages on entering any State shall become subject to its laws—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Ross Society of Christian Endeavor, of Centerville, Oreg., and citizens of Oakville, Oreg., and vicinity, praying for the enactment of legislation prohibiting the sale of intoxicating liquors in all Government buildings—to the Committee on Public Buildings and Grounds.

Also, petition of the Woman's Christian Temperance Union of Monroe, Oreg., in support of certain bills now pending in the House—to the Committee on Interstate and Foreign Commerce.

Also, petition of Edgar M. Ordway, for the passage of a bill granting him a patent for his homestead—to the Committee on the Public Lands.

By Mr. VEHSLAGE: Eight petitions of citizens of Staten Island, Richmond County, N. Y., praying for the enactment of legislation which will more effectually restrict immigration and prevent the admission of the illiterate, criminal, and pauper classes to the United States—to the Committee on Immigration and Naturalization.

By Mr. VINCENT: Petitions of the Christian, Congregational, Presbyterian, Baptist, and Methodist Episcopal churches of Manhattan, Kans., urging the passage of House bill No. 479, to prohibit the sale of liquor in all Government buildings—to the Committee on Public Buildings and Grounds.

By Mr. WHEELER of Alabama: Petition of W. M. Buchanan, administrator, of Colbert County, Ala., asking reference of his claim to the Court of Claims—to the Committee on War Claims.

Also, petition of the Alabama Woman's Christian Temperance Union, of Florence, Ala., for the passage of House bill No. 479, to prohibit the sale of liquor in all Government buildings—to the Committee on Public Buildings and Grounds.

By Mr. WILLIAMS of Pennsylvania: Petitions of H. M. Evans and 43 others, W. E. Patterson and 25 others, W. A. Ross and 23 others, of the Twelfth Congressional district of Pennsylvania; George W. Wharen, E. F. Moyer, Oscar Weckkiser, C. C. Murphy, Walter Morgan, Aaron Miller, jr., Charles McGill, and many other citizens of Luzerne County, Pa., favoring the enactment of legislation to more effectually restrict immigration and prevent the admission of illiterate, pauper, and criminal classes to the United States—to the Committee on Immigration and Naturalization.

Also, resolutions of the Grocers and Importers' Exchange of Philadelphia, Pa., favoring Senate bill No. 624, for the creation of a department of commerce and industry—to the Committee on Interstate and Foreign Commerce.

Also, resolution of the Synod of Pennsylvania of the Presbyterian Church, favoring an increase in the number of Army chaplains—to the Committee on Military Affairs.

SENATE.

THURSDAY, *February 17, 1898.*

Prayer by the Chaplain, Rev. W. H. MILBURN, D. D.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on motion of Mr. BERRY, and by unanimous consent, the further reading was dispensed with.

HOUSE BILL REFERRED.

The bill (H. R. 1596) to amend the postal laws relating to use of postal cards was read twice by its title, and referred to the Committee on Post-Offices and Post-Roads.

LICENSING OF MATES.

The VICE-PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2781) to amend section 4440 of the Revised Statutes, authorizing the licensing of mates on river and ocean steamers.

The amendments of the House of Representatives were, on page 1, line 7, after the word "vessels," to insert "and second or third mate of ocean steamers;" and on page 1, line 12, after the word "steamers," to insert "and second or third mate of ocean steamers."

The VICE-PRESIDENT. The amendments will be referred to the Committee on Commerce.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. H. L. OVERSTREET, one of its clerks, announced that the House had passed a joint resolution (H. Res. 129) authorizing the Secretary of the Interior to detail from the Department an additional clerk to act as assistant clerk to the Committee on Invalid Pensions of the House of Representatives; in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7933) making appropriations for expenses of United States courts.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills; and they were thereupon signed by the Vice-President:

A bill (S. 3580) to amend the laws relating to navigation;

A bill (H. R. 4847) for the relief of Judson Jones; and

A bill (H. R. 7559) making Rockland, Me., a subport of entry.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a memorial of the executive board of the Bricklayers and Masons' International Union of America, of Cohoes, N. Y., remonstrating against the enactment of legislation allowing any individual or corporation to issue money, and praying for the repeal of all existing laws by which individuals or corporations may control the volume of money issued; which was referred to the Committee on Finance.

Mr. TURPIE presented a petition of the Studebaker Bros. Manufacturing Company, of South Bend, Ind., praying for the Government control of the levee system along the Mississippi River; which was referred to the Committee on Commerce.

He also presented a memorial of sundry members of the Populist party of Putnam County, Ind., remonstrating against the passage of the so-called Loud bill, relating to second-class mail matter; which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of the Musicians' Protective Union No. 25, American Federation of Musicians, of Terre Haute, Ind., praying for the enactment of legislation making it unlawful for men in Government employ to compete with local civilians in any capacity for emolument or hire; which was referred to the Committee on Education and Labor.

He also presented a petition of the Lawrenceburg Roller Mills Company, of Lawrenceburg, Ind., praying for the enactment of legislation to protect both the legitimate miller and the consumer by compelling the branding of all packages containing flour made from anything except wheat with the words "mixed" and "blended," etc.; which was referred to the Committee on Commerce.

Mr. HARRIS presented a petition of sundry citizens of Tescot, Kans., praying for the enactment of legislation prohibiting the sale of intoxicating liquors in all Government buildings; which was referred to the Committee on Public Buildings and Grounds.

Mr. MARTIN. I present a concurrent resolution adopted by the general assembly of the State of Virginia, in relation to a national battlefields' memorial park at or near Fredericksburg. I ask that the concurrent resolution be printed in the RECORD, and that it be referred to the Committee on Military Affairs.

There being no objection, the memorial was referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

OFFICE OF CLERK OF THE HOUSE OF DELEGATES
AND KEEPER OF THE ROLLS OF VIRGINIA,
Richmond, Va., February 12, 1898.

Concurrent resolution of the general assembly of Virginia in relation to a national battlefields' memorial park at or near Fredericksburg.

Whereas a movement has been put on foot that has aroused great interest throughout the United States to establish a national battlefields' memorial park at or near Fredericksburg, Va., embracing the territory upon which the great battles of Fredericksburg, Chancellorsville, the Wilderness, Spottsylvania Court-House, and the adjacent battles were fought; and

Whereas this section of northern Virginia was the scene of four of the most important encounters between the contending armies in the civil war that have been known in any area of the same size in the world, and that on these historic fields more men were killed in battle than England has lost, in killed, in all her wars for the past one hundred years; and

Whereas the soldiers who fought on these fields came from all parts of this country, and, therefore, every State should be interested in the preservation of these consecrated grounds; and

Whereas the splendid courage and dauntless valor of the men who were engaged on both sides in these dread conflicts should be perpetuated and made more glorious by keeping forever sacred the soil upon which they sacrificed their lives, thus, too, enabling the citizens of the Union to better realize the comprehensive truth uttered by the distinguished martyred President of the United States on the field of Gettysburg, when he said, "That we here highly resolve that these dead shall not have died in vain, that the nation, under God, have a new birth of freedom, and that government of the people, by the people, and for the people shall not perish from the earth;" and

Whereas if soldiers ever deserved the honor and memorial of a battlefields park, where their deeds of valor and duty can be forever studied and understood, the immortal territory upon which history has placed its everlasting and endearing hand should be owned by the Union and kept sacred for its own sake and for the sake of its young men, whose honor and courage are its mighty bulwarks against danger and wrong: Therefore,

Be it resolved by the house of delegates (the senate concurring), That the general assembly of Virginia earnestly memorialize the Senators and Representatives from every State in the Union in the Congress of the United States to establish the proposed battlefields park at and near Fredericksburg, Va., including the aforesaid battlefields, and connect them by proper driveways, and thus preserve and safeguard the great arena upon which these memorable battles were fought with a courage and fidelity on both sides unsurpassed in the history of the world.

The foregoing was agreed to by the general assembly of Virginia February 9, 1898.

J. BELL BIGGER,
Clerk House of Delegates and Keeper of the Rolls of Virginia.

Mr. PLATT of New York presented petitions of the Woman's Christian Temperance Union of Millville; of the Woman's Christian Temperance Union of Frankfort; of the Woman's Christian Temperance Union of Perry; of the Woman's Christian Temperance Union of Potsdam; of the Presbyterian Church of Hunter; of the Woman's Christian Temperance Union of Hunter; of the Woman's Christian Temperance Union of Clarendon, and of L. T. Ingraham, superintendent of the Presbyterian Sunday school, of Hunter, all in the State of New York, praying for the enactment of legislation to protect State anti-cigarette laws by providing that cigarettes imported in original packages on entering any State shall become subject to its laws; which were referred to the Committee on Interstate Commerce.

He also presented petitions of the congregation of the Fifteenth Street Methodist Episcopal Church; of the congregation of the Sixth Presbyterian Church; of the congregation of the Ninth Street Christian Church, and of the Chapin Auxiliary of the Woman's Christian Temperance Union, all in the city of Washington, praying for the enactment of legislation to prohibit the sale of intoxicating liquors in all Government buildings; which were referred to the Committee on Public Buildings and Grounds.

Mr. SEWELL presented a petition of the Woman's Christian Temperance Union of Mullica Hill, N. J., praying for the enactment of legislation to protect State anti-cigarette laws by providing that cigarettes imported in original packages on entering any State shall become subject to its laws; which was referred to the Committee on Interstate Commerce.

He also presented a petition of the congregation of the First Methodist Episcopal Church of Atlantic Highlands, N. J., and a