bearer $5, value received.' There—I want the $5 which you promise to pay." "But we do not pay," rejoined the teller; "the banks have suspended payment." "On, stopped payment! Then let me tell you what to do. Take the sledge-hammer out of the hand that hangs over your door, and in its place put a razor."

My friends, if Congress should be moved by this clamor to disgrace the country by issuing more notes, the condition of whose existence is to be dishonored, may we not take a hint from this anecdote? What business will the king of birds—the eagle, whose flight is above that of all the other fowls of the air—have on an escutcheon which this policy will disgrace in the eyes of the world? Let his image then be blotted out—obliterate also the stars of heaven; efface the stripes of morning light which should be the promise of a day of glory and honor, and, instead of those emblems, let the limner draw on the broad sheet the image of a razor huge enough to be wielded by the Giant Despair—a gentleman with whom, if this demand for more paper money be granted, we are destined to scrape a closer acquaintance than we have enjoyed yet—and on the enormous blade let the words be inscribed in staring letters, "Warranted to Shave"—and let the two supporters of this majestic implement—the two razor-bearers—be Morton of Indiana, and Kelley of Pennsylvania, or perhaps Butler of Massachusetts may sustain the charge alone.

THE OFFICERS.

(Read at the close of Mr. Bryant's speech.)

PRESIDENT, WILLIAM CULLEN BRYANT.

VICE-PRESIDENTS.

Alexander T. Stewart,	Wm. F. Havemeyer,
Cornelius Vanderbilt,	John Jacob Astor,
Peter Cooper,	Stuart Brown,
Moses Taylor,	William Butler Duncan,
William H. Aspinwall,	August Belmont,
William B. Astor,	Robert Lennox Kennedy,
James Brown,	J. Pierpont Morgan,
Whitelaw Reid,	James Gordon Bennett,
Robert H. Robertson,	James Lenox,
Noah Davis,	Morris K. Jesup,
John Taylor Johnston,	John Q. Jones,
Charles P. Kirkland,	Charles A. Dana,
Erastus Brooks,	S. L. M. Barlow,
Charles P. Daly,	J. M. Bundy,
John D. Jones,	Henry E. Davies,
John K. Porter,	Jonathan Sturgis,
Charles F. Allen,	Dorman B. Eaton,
Charles H. Marshall,	Henry Grinnell,
Cornelius K. Garrison,	Parke Godwin,
Henry Siebert,	Robert L. Stuart,
James Boorman Johnson,	Frederick D. Tappen,
Royal Phelps,	William Libby,
Samuel J. Tilden,	Isaac N. Phelps,
Charles Day,	John Hoey,
Henry Bergh,	Chas. Donohue,
John R. Brady,	Wm. B. Dinsmore,
Benj. Aymar,	Wm. H. Guion,
James Winslow,	Charles Lanier,
John J. Cisco,	Lloyd Aspinwall,
Hiram Barney,	Edward Cooper,
S. D. Babcock,	David Dows,
Geo. B. De Forest,	Charles C. Dodge,
Abraham R. Lawrence,	James F. De Peyster,
Nicholas L. Corl,	Jennings S. Cox,
D. Willis James,	George Jones,
George Law,	Manton Marble,
Richard Kelly,	Grosvenor P. Lowrey,
Ferdinand Motz,	William Orton,
Adam Norrie,	John A. Stuart,
Oswald Ottendorfer,	George Cabot Ward,
Sinclair Tousey,	George Ticknor Curtis,
Allen Campbell,	Russell Sage,
Marshall O. Roberts,	Chauncey Vibbard,
Elwood Walter,	John Wheeler,
Elijah Ward,	Benj. H. Field,
Beverhout Thompson,	Isaac Lewis Peet,
F. A. P. Barnard,	Samuel W. Harned,
Robert Colgate,	Willard Parker,
H. I. Cammann,	Daniel H. Arnold,
Walton H. Peckham,	Philip Hissinger,
Edwards Pierrepont,	James D. DeForest,
Frederick DePeyster,	William L. Jenkins,
James M. McLean,	A. A. Low,
Samuel Sloan,	Jackson S. Schultz,
Thomas L. Thorneill,	Salem H. Wales,
John C. Green,	E. L. Godkin,
Thomas S. Moore,	Benj. G. Arnold,
James Emott,	Robt. H. Strahan,
Daniel F. Appleton,	Jesse Seligman,
E. W. Stoughton,	George Walker,
Washington R. Vermilye,	Geo. W. Quintard,
Joseph Seligman,	John E. Parsons,
Theodore Roosevelt,	Howard Potter,
Wm. Whitewright, jr.,	William Armstrong,
George C. Collins,	William Dowd,
James M. Constable,	Shepard Gandy,
L. Delmonico,	William M. Evarts,
J. Warren Goodard,	George A. Fellows,
Jonathan Edgar,	John G. Dale,
Hugh J. Hastings,	O. D. Munn,
Wilson G. Hunt,	Shepherd Knapp,
Emerson Foot,	John H. Morris,
Peter Moller,	Parker Handy,
Adrian Iselin,	Cyrus H. McCormick,
John C. Hamilton,	Charles H. Isham,
Charles P. Leverich,	Abram S. Hewitt,
Solon Humphreys,	Rufus Hatch,
John McKeon,	Luther K. Marsh,
Fletcher Harper,	Robert H. McCurdy,
William K. Marten,	George Shea,
William H. Lee,	Luther B. Wyman,
Benjamin H. Hutton,	A. A. Sulover,
George N. Miller,	John A. C. Gray,
Henry E. Howland,	Isaac Sherman,
H. F. Spaulding,	Henry Oelrich,
Henry L. Pierson,	D. W. Russell,
William R. Travers,	Wm. S. Opdyke,
Arthur B. Graves,	Robert B. Roosevelt,
Fletcher Westray,	Wheeler H. Peckham,
Samuel B. Ruggles,	Alexander Shaler,
Charles L. Tiffany,	Wm. C. Prime,
J. D. Vermilye,	Roswell Skeel,
Wm. M. Prescott,	George W. McLean,
Otis D. Swan,	Daniel Huntington,
George Watson, jr.,	H. G. Chapman,
H. A. Hurlburt,	George W. Dowd,
Wm. H. Fogg,	Clark Bell,
Frederick Chauncey,	J. B. Cornell,
George D. Arthur,	Samuel Boardman,
George S. Coe,	Eugene McLean,
A. E. Beach,	Joseph Park, jr.,
Joseph H. Choate,	Isaac Bernheimer,
John W. Bigelow,	Daniel Le Roy,
Edward Mitchell,	Paul N. Spofford,
Erastus C. Benedict,	Richard M. Upjohn,
William Bradford,	B. L. Solomon,
Charles A. Peabody,	John Paton,
Elliot F. Shepard,	James Brice,
James W. Beekman,	Henry R. Remsen,
M. C. D. Borden,	D. Jackson Stuart,
James S. Warren,	Isaac H. Bailey,
Waldron Peil,	James Low,
John S. Dickenson,	Harry M. Morris,
Alexander S. Webb,	John Bonner,
Burr W. Griswold,	Henry M. Day,
Lemuel Smith,	William Wood,
John T. Agnew,	H. H. Baxster,
John Carnochan,	James H. Banker,
Andrew T. Bates,	William E. Curtis,
Charles Dennis,	William Barney,
William Allen Butler,	Joseph Stuart,
Charles Duggin,	John E. Burrill,
Walter S. Gurnee,	James A. Garland,
Richard Butler,	Sidney Webster,
William R. Garrison,	C. Godfrey Gunther,
Oscar Zilcoffer,	Thomas H. Rodman,
John R. Garland,	Enoch L. Fancher,
Joseph W. Patterson,	John K. Hackett,
George A. Halsey,	Edward La Montaigne,
C. P. Raymond,	David M. Stone,
Robert Bonner,	Charles Lanson,
Henry G. Stebbins,	Charles Watrous,
Nathan Chandler,	Loring Andrews,
Henry A. Smythe,	Franklin Edson,
H. A. Smalley,	John Sherwood,
Henry Dwight Sedgwick,	Francis C. Barlow,
Josiah M. Fiske,	E. Cayius,
Alexander Stuart,	Charles Lassalle.

SECRETARIES.

Theodore F. Allen,	Cyrus Butler,
Cyrus Clark,	F. B. Carpenter,
Henry E. Davies, jr.,	D. Colden Murray,
Bernard Casserly,	A. Foster Higgins,
Bradley Martin,	John McGinnis, jr.,
J. B. M. Grosvenor,	Joseph LaRocque,
Sigismund Kaufmann,	Adolph Rush,
Charles G. Judson,	Emil Justh,
James T. Kilbreth,	A. N. Beadleston,
Cephas Brainard,	Alfred Wagstaff,
George G. Williams,	Henry H. Rice,
Charles Wager Hull,	Henry A. Oakley.

ONLY ONE WAY TO REDEEM PROMISES.

Speech of Mr. Elliot C. Cowdin.

MR. PRESIDENT AND FELLOW-CITIZENS: Before submitting to the meeting the resolutions of the Committee, I beg leave to make a few observations which must necessarily be very general in their character. I shall speak as a business man to business men, who have assembled to deal with the subject under consideration in a spirit of sincerity and frankness.

We stand in the presence of great embarrassments in all branches of business and unusual distress among the working classes. How differently their conditions may have been sometimes regarded by theorists, both capital and labor in this country have now come to a halt on common ground. The present occasion affords me no opportunity to refer to the causes of this state of affairs except in the most summary manner. They spring mainly from reckless speculations, overtrading, high prices, lavish expenditures, a redundancy of irredeemable paper money, and mortgaging to an unparalleled extent the doubtful earnings of the future to meet the extravagant outlays of the present. If you say that our embarrassments are only the natural results of the recent civil war, I reply that this is only pointing to the main source whence the causes already mentioned sprang.

We have met to consider the means of relief from our difficulties. From what quarter and in what form can relief be obtained? The teachings of the last 13 years make it quite natural that people should turn to the Federal Government for aid. During a long series of great events our business and financial classes have been trained to lean on the Government. These events having passed into history, is it not time that we resumed the policy of better days, when merchants, bankers, and all industrial classes relied chiefly upon themselves for success?

NO MORE PAPER—REDEEM OLD PLEDGES.

What the country now asks of the Government is to proclaim immediately that it does not intend to do one thing, and that it does intend to do another thing. We ask Congress, in the first place, to declare that it will not still further aggravate the financial embarrassments of the nation by swelling to any extent and in any mode and under any pretext the existing volume of irredeemable paper currency. In the second place, we ask Congress to take prompt steps for fulfilling the promise it gave to the country in the law of March 18, 1869, wherein it was enacted in express words that "the United States solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin."

This is not the fit occasion to go into any discussion of the abstract qualities of paper currency. It has long been used more or less by all commercial countries. To a limited extent, and when convertible into coin, it is a convenient and safe instrument of exchange. But when it can be issued in quantities not only restricted and is not certainly redeemable in coin on the call of the holder, then it is a delusion and a snare to all who are compelled to use it, from the millionaire in his palace to the starveling in his hovel. The fallacy which confounds all sound distinctions on the subject is, that a paper promise to pay money, when made by a government, is itself money. Nobody ever dreamed that such a promise when made by an individual was money. Pray, by what process is such a promise by government, especially if such a promise is broken every day in the year, converted into money?

The legal-tender notes were issued in 1862. Their author was Secretary Chase. When he became Chief-Justice he declared that they were a war measure, resorted to in order to raise the means to save the life of the nation, and that the law authorizing their issue was in some particulars unconstitutional. Mr. Spaulding of Buffalo, who reported the bill from the Committee on Ways and Means and carried it through the House, has since said: "I consider that it was a forced loan. As a war measure, passed during the war and continued during the war, as long as the exigency lasted I believe it was necessary and proper to carry on the war, and was therefore constitutional. I am equally clear that as a peace measure it is unconstitutional."

Now, gentlemen, I ask you as men of business, shall such a measure, resorted to amid the extremest perils of war to save the Union, be engrafted upon the permanent policy of the nation in a season of profound peace? Let Congress, then, issue no more paper promises of this sort, but rather move forward to the work of redeeming its solemn pledge of 1869, and thereby save the Treasury from the charge of practical repudiation.

TENDENCIES OF IRREDEEMABLE PAPER.

A great nation that relies upon irredeemable paper currency is at the mercy of every other great nation whose circulating medium is convertible into gold and silver, which civilized nations through all time have regarded as money. Irredeemable paper invariably gravitates toward depreciation, and thus produces ruinous fluctuations in business circles. And the more plentiful it becomes, the lower it depreciates, and the more violent are the fluctuations. It raises the price of all commodities, and thereby impoverishes laboring men. It stimulates to the wildest speculations, and so raises up a horde of reckless adventurers. It renders a fixed standard of values an impossibility, and hence those engaged in legitimate business must either stand still and rust or go forward at the risk of being ruined. When the value of this miscalled money widely fluctuates day after day no merchant or manufacturer is safe who makes contracts on time, except for gold, or even gives credit to his customers, because through these fluctuations the value of the currency may have seriously changed between the time of entering into the obligations and the day when they are to be performed. So eminent an authority as Daniel Webster has said of an irredeemable fluctuating currency that "it is one of the greatest of political evils;" that "it was against industry, frugality and economy, and fosters the evil spirits of extravagance and speculation; and that of all the contrivances for cheating the laboring classes of mankind none has been more effectual." When the National Government itself issues such irredeemable paper, all history shows that the evil consequences are not abated, but rather aggravated. We need not prove this by referring to the assignats of France during the first revolution. We need only call to mind the Continental money which became dust in the hands of the heroes who achieved our independence; and the greenbacks of to-day are of fluctuating value because the Treasury does not pay them in coin according to the terms of the promise. Paper money, like our legal-tenders, is always liable to become redundant, because its amount depends solely upon the will of the Government and its ability to employ engravers and printers. Payment cannot be enforced against the Government as it can against an individual, and, therefore though the legal tenders are nominally due on demand, it lies with the Government to say whether they shall ever be paid, and hence, practically, they are never due. The currency of our National banks is in much the same category. The bills are not payable in coin, but only in legal tenders, which the Government may redeem in coin when it pleases or give the holder in lieu thereof another irredeemable promise to pay.

SOUND BUSINESS MEN WANT NO MORE PAPER.

In my judgment the sentiment of the sound business men of the country is opposed to the indefinite continuance of this state of the finances; opposed, utterly opposed, to the issue of any more legal tenders or other paper currency by the Federal Government. It is an act of banking, and banking is not one of the legitimate functions of that Government. And I believe the sentiment of the same class is hostile to a system of free banking unless one of its fundamental conditions is that the bills of the banks shall be always convertible into coin on the demand of the holder. In that case the holder of the bills of such banks, having power to command coin at will, the bills might be even preferable to the coin, because more convenient to use. Is it not true that Congress began to take steps toward a return to specie payment? Certainly we should go forward cautiously with the purpose of making the return permanent. If Congress were to provide for beginning early and continuing gradually to reduce the legal tenders, might not everything like a serious pressure or panic be avoided? To go to the root of the matter, why should there be any more delicacy about requesting the Government or a bank to pay their notes in something better than another of their promises, than there is in calling on an individual to pay his notes? The legal tenders were due 12 years ago. Is it not about time for Congress to devise some mode which looks toward their payment, in whole or in part, at some period or another? Every day of delay is really a day of repudiation, though we may hesitate to call it by so harsh a name. But for Congress to delay another day without preparing the way for payment by and by, is to the last degree reprehensible. The capacity of the country to supply gold and silver from its own mines surpasses that of any other nation; and yet by using Government paper as legal tenders, and employing an irredeemable bank currency to transact business, we have drived the precious metals out of circulation. May we not bring the products of our mines to our aid for resuming and maintaining specie payments? Resumption would not interfere with loans for legitimate business. Unquestionably the volume of currency is now sufficient to enable anybody who can give ample security for loans, to borrow all he needs for genuine business purposes. Let those who call for more paper currency bear this fact in mind. Let our citizens cultivate a spirit of self-reliance, incur no unnecessary obligations, and develop and put into the markets of the world the vast resources of the country. But I will occupy no more of your time except in presenting for your consideration the following preamble and resolutions:

THE RESOLUTIONS.

Whereas, A promise to pay money, whether emanating from an individual or a Government, is not itself money; and

Whereas, An increase of so-called paper money by our Government at this time, with the understanding that it is not to be redeemed with coin when duly demanded, would produce alarm and consternation, imperil the entire credit system throughout the land, and cause all prudent men to make future contracts only in gold at the present standard of weight and fineness; would be injurious and humiliating to the Government itself, because it would lower its standard at home and its credit abroad; would be injurious and demoralizing to everybody who has occasion to buy or sell, to borrow or lend, because its inevitable fluctuations would destroy the accuracy of the fixed standard for measuring values; would be injurious to inconsiderate men, because by affording unnatural facilities for speculation it would tempt them to burden themselves with debt in order to embark in hazardous schemes; would be injurious to stable business men, because these fluctuations and speculations would tend to deter them from engaging in the legitimate branches of trade, commerce, and manufactures; and moreover, would deprive them, in a measure, of the use of their fair share of the money and capital of the country; and finally, would be injurious to the agricultural, industrial, and laboring classes, because, as all history, and especially our recent experience has taught them, it would enhance the price of those commodities which they need for daily use, without conferring upon them compensating benefits; and

Whereas, In the judgment of this meeting the existing volume of the currency is sufficiently large for carrying on the legitimate business of the country, and a return to specie payments at the earliest practicable day is alike the dictate of good faith and of sound policy; therefore,

Resolved, That in the opinion of the business men of the City of New-York here assembled it would be unjust, unwise, and highly prejudicial to the interests of the whole American people for Congress, in this era of profound peace, to swell the present volume of currency by providing for an additional issue of United States legal tender notes, or any other kind of irredeemable paper money whatever.

Resolved, That if it be deemed expedient by Congress to establish a system of free banking, or to authorize a further issue of National bank notes, we insist that the honor and credit of the Government, as well as the safety and prosperity of our citizens, require that the system be based on solid foundations, and guarded from abuse by stringent restrictions; that the existing provision of law requiring a reserve of 25 per cent be maintained, and that one of the fundamental and irrevocable provisions of the system shall be an efficient mode of redemption in coin.

Resolved, That the prompt action of Congress in avowing as the settled policy of the Government that no more currency of any kind not redeemable in coin shall be issued, will tend to allay present anxiety, restore confidence, and give new life and prosperity to commerce and the general business of the country.

FORCED LOANS WITHOUT WAR.

Speech of Mr. A. A. Low.

FELLOW-CITIZENS: The object of this meeting and of the resolutions that have been read, as I know, is by our presence and by our words to emphasize and enforce the sentiments which have already been urged by memorial and petition to Congress; to declare our hostility to the exercise of doubtful powers, tending to the derangement of business throughout the country, and to the demoralization of the public mind; to resist the reënactment of "war measures" in a time of profound peace, and the continued issue of irredeemable paper money which bears the character of a "forced loan."

If we were not so familiar with the daily utterances of certain of our Senators and Representatives in the halls of Congress, it would be hard to believe that in about ten years so marked a change in the opinions of our public men could have taken place as that to which the debate in Congress, from day to day and week to week, bears witness. When we recall the circumstances under which the first bill authorizing the issue of $150,000,000 of legal tender notes was passed, first by a bare majority of the Committee of Ways and Means, and then by the House of Representatives and the Senate of the United States, in obedience to the stern law of necessity, and not through choice; with what evident reluctance the Secretary of the Treasury gave his approval to so extreme a measure; how it was "unofficially" sustained by the Attorney-General, and only sanctioned by the people as the means of sustaining the life of the nation;—I say, when we recall the language of wise and prudent statesmen in those dark days of civil war, and contrast it with what is now so openly said in favor of inflation, of increased issues of paper money, we discern the greatness of the change a few years have wrought. It is significant of this change, that what was then almost universally regarded as an evil has come to be considered by many as a great good, and what Mr. Sumner styled the "Medicine of the Constitution" is used as the daily bread of the people. The antidote of the war has become the bane of our peaceful life.

VIEWS OF STATESMEN AT THE TIME OF THE ISSUE.

Mr. President, it has seemed to me that it will be profitable to print a few extracts from the speeches of prominent public men of both parties to show how the unwelcome proposition to issue United States notes and make them legal tender was greeted when it was first forced upon the attention of Congress by a great national exigency. I know the importance of time and will endeavor to be brief.

The bill referred to was introduced by Mr. E. G. Spaulding of our own State, from whose financial history of the war I copy. In the debate that followed, Mr. Pendleton, speaking in opposition to the constitutionality, as well as the expediency of the legal tender clause, said:

I affirm again the statement I have made that a proposition of this kind has never been recommended to either House of Congress, by any department of the Government, from its organization. The report of the Secretary of the Treasury, made at the opening of the session contains no such recommendation. * * *

The gentleman (Mr. Spaulding) spoke at large in reference to the sovereign power of the Government. He told us that this power was not prohibited in the Constitution. He told us that in times of great emergency everything may be done except that which is prohibited; and he read an argument from the Attorney-General, which concludes, as it began, with the proposition that such a power is not prohibited in Congress.

Sir, I repudiate this whole idea. I think it has no solid foundation in the Constitution. When I come to examine the powers of Congress, according to the principles of interpretation to which I adhere, I look to the grants of the Constitution. I find no grant of this power in direct terms, or, as I think, by fair implication. It is not an accidental omission; it is not an omission through inadvertency. It was intentionally left out of the Constitution. * * * Let gentlemen heed this lesson of wisdom. Let them, if need be, tax the energies and wealth of the country sufficiently to restore the credit of the Government. Let them borrow whatever money in addition may be necessary—borrow to the full extent that may be necessary, and let us adhere rigidly, firmly, consistently, persistently, and to the end, to the principle of refusing to surrender that currency which the Constitution has given us, and in the maintenance of which this Government has never, as yet, for one moment wavered.

Mr. Morrill of Vermont said:

I have not had time to prepare an elaborate speech; but the subject of issuing $150,000,000 of paper currency, and making it a legal tender by the Government, at a single bound—the precursor, as I fear, of a prolific brood of promises, no one of which is to be redeemed in the constitutional standard of the country—could not but arrest my attention, and, having strong convictions of the impolicy of the measure, I should feel that I utterly failed to discharge my duty if I did not attempt to find a stronger prop for my country to lean upon than this bill—a measure not blessed by one sound precedent and damned by all. * * * It is an experiment to inject by a Governmental force pump, into the arteries of commerce a new currency when the arteries are already filled.

Mr. Bingham said:

Nothing ever was a legal tender under the Constitution in discharge of debt but by express provision of an act of Congress. That (the power to regulate commerce) confers on Congress the power to declare what should be received in payment of debt. It is not restricted to gold and silver, but the Government may issue Treasury notes *redeemable* in gold and silver, and declare them a legal tender in payment of debts. He denied that this bill would "impair the obligation of contracts."

Mr. Horton of Ohio said:

This fair fabric of our untarnished faith and unbounded wealth and credit ought not to be destroyed, simply because our leaders—men that we have faith in—have become alarmed and have told us that there is a necessity for it. When there is danger, Mr. Chairman, then is the time to be cool and look about you, and to see that you take no false step. Now is that time, and if you take this step it is a step downward, and you will find that to regain the high eminence from which we shall have descended is a labor very difficult to accomplish.

Mr. Kellogg of Illinois said:

If this question came up in ordinary times, I am frank to confess that I might, perhaps, have had some doubt of its constitutionality, sufficient to induce me to oppose it. I mean by that only to say that, in time of peace, when the integrity of the Government is not threatened, I would be more careful and cautious, and if I doubted the constitutionality of the measure I would not vote for it. But, Sir, in this our extremity, while we are struggling to perpetuate our Government, I am willing to go to the very verge of the Constitution. * * * I treat this, Mr. Chairman, as *emphatically and clearly a war measure.*

Mr. Stevens, in closing the debate on the part of the Committee of Ways and Means, said:

Mr. Chairman, this bill is a measure of necessity, not of choice. No one would willingly issue paper money not redeemable on demand, and make it a legal tender. It is never desirable to depart from the circulating medium which, by the common consent of civilized nations, forms the standard value. But it is not a fearful measure, and when rendered necessary by exigencies, it ought to produce no alarm.

Mr. Lovejoy of Illinois said:

I will now simply say in regard to the question of constitutionality that there has not been a respectable argument advanced in defense of the constitutionality of this bill, and, inasmuch as great talent and eminent ability have been brought to bear upon it, I take it that no respectable argument can be made in vindication of the constitutionality of this bill. I would admit the plea of necessity, if I believed it, and I think it is more manly to confess, as Jefferson did, than it is to attempt to torture the Constitution into the support of a measure which everybody must see to be unconstitutional.

FEATURES OF AND OPINIONS CONCERNING THE BILL.

The bill finally passed the House by a vote of 93 to 59, after a protracted debate and a most determined opposition by prominent and influential Republicans as well as Democrats.

The following is one clause of the bill:

And provided, further, that the amount of the two kinds of notes together (including $50,000,000 authorized by the act of July 17, 1861) shall at no time exceed the sum of $150,000,000. And they were to be exchangeable for 6 per cent bonds of the United States, bearing interest for twenty years. They were also to be receivable for duties on imports, but in this respect the bill was afterward amended.

Mr. Geo. Dawson, in writing to *The Albany Evening Journal*, said:

This has been an exciting day. * * * It was not strange that members of the same political family differed on a question of really doubtful expediency; and but for the necessities of Government, I doubt whether the "legal tender" principle would have received a dozen votes in the House.

When the bill reached the Senate Chamber, Mr. Fessenden, Chairman of the Finance Committee, opened the debate on the bill in a long speech, in the course of which he said:

Can it be said that a measure like the one now pending before the Senate and the country is a measure of a day or an hour? Why, Sir, what does it propose? It proposes something utterly unknown in this Government from its foundation, a resort to a measure of doubtful constitutionality, to say the least of it, which has always been denounced as ruinous to the credit of any Government which has recourse to it; a measure, too, about which opinions in the community are divided, as perhaps they never have been divided upon any other subject; a measure which, when it has been tried by other countries, as it often has been, has always proved a disastrous failure. * * * We have had a war with England since our Government was formed, and, if I am rightly informed, at that day the stocks of the Government went down to sixty per cent, and pay was taken for them in such currency as could be received—itself depreciated; and yet it did not occur, as a serious question, to the men of that day, to put forth, under the Constitution, irredeemable paper, made a legal tender, for the payment of debts. To be sure the country then was poor; it is now rich, comparatively. The country had not then the resources that we have, and perhaps it would have had the more excuse for adopting such a course.

Referring again to the measure, he further said, and it has been defended, as I have stated, simply and solely upon the ground that it is to be a single measure, standing by itself and not to be repeated.

The ground upon which this clause making these notes a legal tender is put I have already stated. It is put upon the ground of absolute, overwhelming necessity; that the Government has arrived at that point when it must have funds, &c. * * * Next, in my judgment, it is a confession of bankruptcy. We begin and go out to the country with the declaration that we are unable to pay or borrow at the present time, and such a confession is not calculated to increase our credit. Again, say what you will, nobody can deny that it is bad faith. If it be necessary for the salvation of the Government, all considerations of this kind must yield; but, to make the best of it, it is bad faith, and encourages bad morality, both in public and private. * * * Again, Sir, necessarily, as a result, in my judgment, it must inflict a stain upon the national honor. Again, Sir, a stronger objection than all that I have to this proposition—I am stating the objections which everybody must entertain, because I suppose these facts are palpable—is that the loss is to fall most heavily upon the poor by reason of the inflation.

Judge Collamer argued:

That the measure was unconstitutional, and that even if it was a necessity he could not vote for it. To him the oath he had taken to support the Constitution was recorded in heaven as well as upon earth, and there is no necessity that in his estimation would justify him in a breach of it.

Mr. Cowan argued at length:

That Congress had no power to emit bills of credit, make anything but gold and silver coin a tender in payment of debts, or pass any law impairing the obligation of contracts. They are powers which belong neither to the United States nor to the States, and they ought to belong to no Government anywhere. He had supposed that this question could never enter the American Senate; that the day had gone by when it was open to discussion, if it ever was open since the Constitution was formed. Surely, if anything in the world is settled—settled by the fathers, by cotemporary history, painful experience, and the total absence of all precedent for the exercise of these powers—it is that they were not delegated nor intended to be delegated.

And Mr. Sumner said:

But while recognizing the existence of the discretion, in the last resort, under the law of necessity, the question still remains if this necessity now exists? And now, as I close, I shall not cease to be frank. Is it necessary to incur all the unquestionable evils of inconvertible paper forced into circulation by act of Congress: to suffer the stain upon our national faith; to bear the stigma of a seeming repudiation; to lose, for the present, that credit which, in itself, is a treasury, and to teach debtors every where that contracts may be varied at the will of the stronger? Surely there is much in these inquiries which may make us pause. * * * *And we need all and our fates against any proposition like the present except as a temporary expedient, rendered imperative by the exigency of the hour.*

On the motion to strike out the legal-tender clause in the bill, the vote stood 17 to 21; but the bill itself passed by a vote of 30 to 7.

Mr. Swinton, in a letter of Feb. 13, said:

But the overwhelming necessity existing for the measure is a stronger argument than anything offered against the bill.

A WAR MEASURE, RESULTING FROM NECESSITY.

And thus it was, that what in ordinary times would have been forbidden by common sense was yielded to the logic of an inexorable necessity; to the logic of a bankrupt treasury; to the demand for pay of 500,000 men in the field; to the needs of an army and navy requiring food and clothing and costly armaments; indeed, to all the urgencies of a state of war, even then necessitating an expenditure of $1,500,000 to $2,000,000 per day. This expenditure subsequently swelled to the enormous sum (in 1864) of more than $3,000,000 per day. It was under such circumstances that Congress was led to exercise an *implied* power—deemed necessary and proper to fulfill other powers—and to adopt a measure of which one of its members said: "It may be expedient as a remedy for an existing political disorder, but it is death if rested on for a permanent existence." The author of the bill, in a letter to Mr. McCulloch in 1868, writes: "As a war measure, passed during war, continuing during the war, and as long as the exigency lasted, I believe it was necessary and proper to successfully carry on the war, and was therefore constitutional. I am equally clear that as a peace measure it is unconstitutional."

Mr. President, I never questioned the wisdom of Congress in passing the legal-tender bill as a "war measure." The people of our country approved it as a dernier resort to save life, as they now deprecate such a resort, because there is no sufficient warrant for it. After the first struggle was over, the descent from virtue became more easy. In six months from the date of the passage of the first bill authorizing the issue of legal tender notes, the Secretary of the Treasury needed a second $159,000,000, and this sum was quickly granted; the liberty of conversion into six per cent bonds being still retained. In March, 1863, another bill, styled "The $900,000,000 Act," was passed, wherein it was provided "that the holders of United States notes issued under former acts shall present the same for the purpose of exchanging them for bonds, as therein provided, on or before the first of July, 1863, and thereafter the right to exchange the same shall cease and determine."

THE LIMIT OF $356,000,000.

There is not time to pursue the course of legislation to the close of the war, but observe that, first, the right to use legal tender notes in payment for duties was disallowed, and then the right to convert into 6 per cent bonds was abrogated. And now there remains to us the promise pure and simple to pay whenever it suits the convenience of Government. The promise has been strengthened somewhat by a "solemn pledge." But our trust in the value of the promise, and in the worth of the pledge, has been weakened by other action. The end of the war there were outstanding of legal tender notes $400,000,000. Of these, under the authority of Congress, and during the administration of Mr. McCulloch as Secretary of the Treasury, $44,000,000 were retired, and I believe it may safely be stated were not only retired but canceled. These $44,000,000, according to general belief, have again come into existence, and $26,000,000 have been issued without warrant of law. It is now sought to legalize this issue. We are met here to protest against such action. It is not reasonable, it is not just, to inflict upon the country a repetition of laws that had their origin in the hours of the nation's agony, and, when life and strength are restored, to present again and again the intoxicating draught.

I have reproduced the words of honored statesmen of other days—when there was much tribulation in the land—to show with what reluctance they abandoned the plain, express, and direct powers granted by the Constitution, and yielded the convictions of their understanding to the pressure of a necessity "that knows no law." Now all things are changed. The war is ended. The armies of the Union, at one time numbering a million of men, have long since been dissolved; the navy, in like manner, has been reduced; the public Treasury is full; six per cent United States bonds are worth more than par in gold; and yet, when *all* the conditions that justified the first issue of legal tenders are changed, it is proposed to project into the financial system of the country another dose of poison (good enough as a medicine) to unsettle the reason of our citizens, one by one, and finally to embark, them all a second, time on a sea of inflation, not to say of commercial ruin. What a return for a people's patriotism! What a reward for the bloodshed and the treasure given to save the Government and the Union!

INACTION BETTER THAN INFLATION.

Mr. President, the resolution now before the meeting, to which I have been asked to speak, however limited in its scope, has been prepared by the Committee with a view of keeping the discussion this evening within a narrow compass. Were it not so, the inconveniences, losses, perplexities and evils resulting from the use of an irredeemable paper currency, to which it would otherwise be natural to refer, have so often and so ably been set forth, and are so familiar to the merchants of this city, that they do not need to be repeated by me. They are no greater now than they have been during the last ten years. The danger is that they will be magnified rather than diminished; and not a little of the danger grows out of an impatient cry for early action on the part of Congress in apparent disregard of the character of that action—whether it be to fix the limit of legal tender issues at $356,000,000, $400,000,000, or some other sum. I have no sympathy with this outcry. Unless we can have the right kind of action it is better not to have any action at all. We have had enough of limitations, of promises and pledges; and if those hitherto given are to be disregarded by Congress, and any issue of greenbacks whatever, beyond the $356,000,000 already existing, is to be authorized, all sense of security will vanish; and there will lie before us only one vast wilderness of uncertainty, in which faith and hope will alike be lost.

If the merchants of New-York, standing by the gates of entrance through which so large a part of the foreign commerce of the country flows, are not alive to the vast importance of a sound currency, redeemable in gold or silver, where can just views be expected to prevail? It is here that we are brought in direct contact with the hard money systems of other countries; it is here that the values of all goods imported from Europe and Asia have to be adjusted and readjusted to the unceasing fluctuations of a depreciated currency, while the losses and uncertainties first felt here are continued and extended through all the channels of trade and commerce to the remotest borders of the republic. Neither the merchant nor the tradesman can work successfully with poor money any more or any better than the artisan can work with poor tools. If we are to compete on equal terms in foreign markets with the manufacturers of other lands we must have at home money of the best quality, in aid of enterprise and skill. While it may be the paramount aim of this meeting to resist any further issues of legal-tender notes, it is surely not less a duty to remonstrate against further delay in the work of redemption, commenced, indeed, soon after the war, but discontinued long ago. The objections to a new issue, in a lesser degree, lie against every other, and there will be no sense of security, no stable grounds upon which to found new undertakings, till Congress adopts a policy in regard to the national finances that will bear the test of experience and harmonize with the teachings of common sense, and the practice of the foremost nations of the world.

As I do not believe that the dullness of trade which everywhere pervades the country is wholly or mainly due to the inaction of Congress, however desirable early action may be, if it is in the right direction, I have no sympathy whatever with that part of the resolution which demands an immediate decision of a question of such vast import as that which occupies the attention of both Houses of Congress at the present time. It is a question that concerns us not a little as merchants, but far more as men, as American citizens assembled here, not merely to urge upon Congress the enactment of just and reasonable laws, but such as will be conducive to the honor of our country and the preservation of its high renown. What we should ask, and all that we should ask, is such action on the part of Congress as will tend to exalt the character and promote the highest good of our people; to advance the best interests of the community, and at the same time improve and strengthen its moral tone.

And for such action we can afford to wait till the people at large understand better than now what concerns their truest welfare. Truth and the right will finally prevail. It is to the truth and the right, as we have lately seen, that all classes of our citizens yield sincerest homage—whether it be paid to the good when living, or to their memory when dead. For this let us contend now and always; for this let us wait, however we may suffer and at whatever cost. Time is constantly working in favor of the right, and therefore let us wait—contending for the right "firmly, patiently, consistently, and persistently" to the very end.

A LIE AS A STANDARD OF VALUE.

Speech of Edward Atkinson.

The word I bring from Massachusetts is this. We are rejoiced to see that the time has come when the discussion of the great fiscal questions, on which the welfare of the people so much depends, can call together such an assemblage as the one before me. It is time, indeed, that the rule of rectitude and probity should be applied to the dealings of the Government with the people; without which, as we who are merchants and manufacturers so well know, no commerce, either among men or between nations—not even social order—can possibly exist. The Government itself is to-day the great example of dishonesty and of useless and vicious insolvency; hence it is no wonder that its agents, its spies, its informers, attempt to cast obloquy upon those except for whom the utter anarchy of mutual distrust would prevail. Were not the merchants, the traders, the people far better and more honest than the laws their rulers made for them, the nation itself would cease to exist. At the door of those misguided or depraved legislators who have enacted base statutes, lies the responsibility of most of the real frauds that exist, as well as of the disgrace of false charges made against honest men. The employment by Government of spies in the administration of its affairs is always an evidence of weakness, and the degree of their employment always measures that of its imbecility and rottenness. What we demand of legislators is that they shall apply the same simple rule of equity to the transactions of the nation that we apply to our doings with each other. It needs only the plain, ordinary, and true course that an honest and upright merchant would take,—that he could not help taking,—to rescue this country from the oppressions and dangers that are upon us.

In the dark time of civil war, when the fate of the nation was at stake, many acts were done for which, in time of peace, there could be no justification; among them was the Legal Tender act, whereby the Government levied a forced loan. The danger of this step was well understood by those who gave it