THE FINANCIAL QUESTION.

Senator Morton's Reply to Horace Greeley—A Defence of the Senator's Financial Plan.

WASHINGTON, D. C., Dec., 1868.

HON. HORACE GREELEY, New York:—

DEAR SIR—In your letter addressed to me in the *Tribune* of the 21st inst. you undertake to answer several positions taken by me in my late speech in the Senate on the currency, but devote yourself chiefly to the establishment of the proposition that the government can and should at once resume specie payments with only $70,000,000 of gold in the Treasury and that the declaration of resumption would have the effect to bring the greenback currency to par, and to rebut the idea that more than $70,000,000 would be required with which to begin resumption you say:—

You assume that if we resume the government must "redeem the greenback currency." I think not. Our banks have repeatedly resumed after months and even years of suspension and have never been required thereupon to redeem their outstanding issues. On the contrary, the fact of their resumption has uniformly precluded all desire or disposition to exact such redemption. Yet their notes were not a legal tender, had not the federal government behind them, but were the mere promises—the long falsified promises—of private corporations. Yet we all went on receiving and paying them out without asking for specie to the extent of one dollar in twenty of the notes thus suddenly made redeemable in coin. If you think the people, who have so often shown faith in and forbearance toward private moneyed corporations, would not now evince at least equal faith in the government—that is, in themselves—you have given me no reasons for sharing your distrust.

You then enter into an argument of some length to show the superior convenience of the greenback currency over coin. You show very clearly how business would be impeded by a mere metallic currency; that the business of the country can be better developed and extended by a redeemable or convertible paper currency, and that the people could not do without the greenback currency long enough to have it run into the Treasury for redemption in gold.

Your argument is excellent to prove that after the greenback currency has been brought to par it would be preferable to gold, and but little of it would be brought to the government for redemption; but as long as the greenback currency is three cents under par that margin would make it profitable to brokers to run it into the Treasury from every part of the United States.

Again you say:—

Let us suppose the government resume to-morrow—or, if you choose, on the 1st of January at hand—who will hasten to drain the Treasury of its seventy millions of coin? Not you and I, certainly—not the great, busy, active workers and traders; for, the money in our hands being now equal to coin, we have no inducement, no motive to do so. We should go on working and trading, receiving and paying out precisely as we do now, only sending to the mint or Treasury for a little coin as change or to satisfy some other need. The fact that our money was at par with and would bring coin at will would divest us of all desire to exchange it.

But there would be a class, I am sure not a large nor a strong one, who would rush for coin, either fearing that the Treasury would, or desirous that it should, be run dry. How soon, think you, could these gamblers in national insolvency raise money enough to drain the Treasury of $70,000,000? Mind that every public officer, every pensioner, every solvent banker, every bondholder, every man in an honest, useful business, every railroad, every creditor, every one having a salary or other fixed income, would have a strong, personal interest in the success of the effort to maintain specie payments. Can you imagine that the lame ducks of Wall street, the speculators in national dishonor, are strong enough to overcome them?

Here you assume the great fact to be established that by the declaration of resumption the greenback notes will be brought to par. According to your plan the banks must resume at the same time with the government, and the $70,000,000 of gold in the Treasury would fall short of their greenback reserves $20,000,000 or $30,000,000. To make themselves strong they would have to convert their reserves into coin, which would require more than the government could furnish at the time, which would result not only in a panic among the banks, but among the people, and leave the currency in a much worse condition than it is now and most likely bring on a crisis and crash.

But then you go on to say that you would not rely only on the $70,000,000 of coin in the Treasury, but would forthwith issue a new bond to run 100 years, to be untaxable, and to draw interest at the rate of four per cent; and this bond you believe could be floated at par in gold.

This belief on your part proceeds upon the fundamental error that by a declaration of resumption the greenbacks would be suddenly brought to par, for it would be preposterous to talk about selling a four per cent bond at par in gold while the currency is still depreciated and bonds drawing six per cent interest in gold are worth less than eighty cents on the dollar.

You rely upon a legislative declaration of resumption to bring the greenback currency suddenly to par—a result which can only be effected by time and ample preparation for redemption. You rely upon sudden and spasmodic action where there should be no spasm or violence, and where the great result should be reached by gradual approaches from the adoption of measures that would command the confidence of the country without disturbing its business. If the work of redemption begins before the currency is brought to par the gold paid out would not pass into circulation, but sink back into an article of merchandise, to be sold in the market.

Again you say:—

The one thing needful for resumption is to provide some form of national obligation which the holders of greenbacks will prefer to coin—in other words, some government security which will largely sell at some rate above specie par. Whenever we have that we can resume with but ten millions of coin in the Treasury. Without it we may fail to maintain specie payment, though we begin with a coin reserve of two hundred millions.

This changes the whole character of your proposition and makes resumption look rather to contraction by funding than to redemption.

Your first argument was that greenbacks were so much more convenient and desirable than gold that they would not be presented for redemption. But here you state that we cannot safely resume even with $200,000,000 of gold in the Treasury, and that the one thing needful for resumption is to provide a new bond, which the holders of greenbacks would prefer to coin, which will sell at a premium above specie par, and that when we have got such a bond we can safely resume with $10,000,000 of gold in the Treasury. Here you would seem to make resumption impossible by requiring in advance a national security which will largely sell at some rate above specie par, which the holders of greenbacks will prefer to coin, and which you have before said should bear interest at the rate of four or five per cent. Such a bond could not be sold even at par until after resumption is firmly established, much less in advance, as a means of bringing it about.

With such a bond, which the holders of greenbacks would prefer to coin, the greenbacks would be funded, and it would result in large and sudden contraction, which would be in hostility to your first proposition that the people need the greenbacks and will keep them. Your policy, like that of the Secretary of the Treasury, resolves itself finally into contraction, and if, to the evils of immediate resumption you add the calamities of large contraction you will make short work of the business of the country.

Again you say:—

The gist of resumption is a general fall of twenty-five to forty per cent in prices and a consequent appreciation of debts. Make the process as gradual as you will, it involves distress to many and at least apparent loss to all. We shall all be worth fewer dollars than now, because our dollars will mean more after resumption than they now do. Wages must fall; property sell cheaper or be unsalable; the sheriff and the constable will be after a good many of us. We must suffer, anyhow; but I prefer to take the plunge at once and be done with it.

If sudden resumption will involve the great decline in prices which you say it will it would be a vast calamity to the majority of the people of the United States. It would certainly bankrupt or suspend three-fourths of the business men of the country at once. It would produce a suffering and desolation of which we have no record in this or any other country. Hundreds of thousands now living in comfort would be reduced to poverty. Business would be destroyed, the poor left without employment, the people unable to pay their taxes and the government itself threatened with bankruptcy and dishonor, and yet you say you want to make the plunge at once. If the private indebtedness of the people to each other on the 1st of February, 1869, amount to $8,000,000,000, the capacity of the debtors to pay, by your lowest estimate, would be diminished to the extent of $2,000,000,000. You may be ready to make the plunge, but the great body of the people are not. Your plan would suit admirably that class of people who are not in debt and have plenty of capital or who have fixed incomes, which would be greatly improved in value by the large decline in prices of every other kind of property. Your plan would enrich the creditors by the destruction of the debtors; for, as you say, the sheriff and constable would be after "many of us;" our property would be sold for a song and a large balance of debt be left against our future earnings. And all this suffering and destitution, I put, according to your own statement, is what would be the effect of immediate resumption.

Again you say:—

I would resume to-morrow on our seventy millions of coin and provide further means of maintaining specie payments next day. But if we are not to resume forthwith, then I would use at least fifty millions of the coin in the Treasury to buy up and cancel interest-bearing bonds, and thus appreciate that credit, those securities, which are our ultimate resources for maintaining specie payments. You do not doubt that the market value of our bonds left unpaid would be decidedly enhanced by thus buying up and destroying sixty millions of them, and I think you must see that this would render it possible to negotiate new loans on better terms than we could now do.

This is equivalent to a declaration that if you cannot have immediate resumption you will postpone it indefinitely. If resumption is the desirable thing you describe would it not be better to have it at the end of two years and a half than to put it off for twelve or fifteen years? Your proposal to approach it by investing the surplus gold in the purchase of bonds, with the view of appreciating the value of the rest of them, would be like a proposition to go from New York to Boston by way of the Sandwich Islands. It would be a long way round.

Again you say:—

I object to your prospective resumption that it dooms all business to thirty months more of painful uncertainty. We tried your plan (in substance) once, by directing the Secretary to cancel and destroy $4,000,000 of greenbacks per month after a certain day. That would have brought us slowly but surely to resumption had it been persevered in. But so soon as the shoe began to pinch Congress ordered it to be taken off. Who can say that it will not do so again if your scheme be adopted? You seem to think that we can come to resumption so gently that we shall hardly feel it. He extricated to discard that error.

Not so; for by fixing a time for resumption and making the necessary preparation all painful uncertainty would be ended and the country would have a definite financial policy. The danger that the act would be repealed is one to which all the legislation of Congress is liable. The contraction of $4,000,000 of greenbacks per month is not a case in point, but does go to prove that you cannot bring about resumption by contraction, for while contraction was going on the currency grew worse. It seems difficult to make many people understand the simple truth that the way to bring the greenbacks up to par is by preparing to redeem or pay them according to the promise on their face. They insist on climbing up by some other way.

Now, sir, in contrast to your plan, which would be so merciless, if it were possible, I will present you with another:—

First—That Congress shall by law fix a time, say first of July, 1871, to begin the redemption of the greenback notes. By fixing a time so far in the future people would be advised of the change, adjust their business and make their contracts accordingly. Before that time nearly all the existing indebtedness among the people will have been paid. By an estimate which has been approved by some who were well versed in the business of the country three-fourths of the existing indebtedness among the people will be discharged within twelve months from the 1st of January, 1869; three-fourths of the remaining one-fourth will be discharged within the next twelve months, and that by the 1st of July, 1871, there will not be in existence and unpaid to exceed four per cent of the existing indebtedness, and thus the debtor class will almost entirely escape from the oppression and disasters with which your plan would overwhelm them, arising from the sudden decline in the prices of all kinds of property.

Second—By fixing a definite period when the greenback note will be redeemed a fixed value will be given to it, which will constantly appreciate as the period fixed for redemption approaches, and it will be at par at or before that time, provided the government is making the necessary preparations for its redemption. It will be much better for the business of the country for it to reach par by gradual appreciation than to come up to it by a sudden jerk, as you propose. The whole process should be gradual, so that the transition which the country must make from one condition to the other shall be made with as little disturbance as possible.

Third—By fixing a time for redemption so far in the future government can, without sudden strain and without great sacrifice, get ready for it. To bring about the gradual appreciation of the greenback notes the gold must visibly accumulate in the Treasury as the time goes on. The Hon. John J. Cisco said in a letter some two years ago that the presence in the Treasury of a gold surplus of seventy or eighty millions gave strength to the currency, although not set apart by law for its redemption, from the probability that it might be so appropriated in the future. Should Congress refuse to reserve the present surplus gold in the Treasury and that which is to accrue for the redemption of the currency, but empower the Secretary of the Treasury, before the time arrives for redemption, to obtain the necessary gold by the sale of our bonds, it would probably bring up the notes to par at that time, if he was known to have made the preparation; but their appreciation would not be so gradual or so certain as if the gold was visibly accumulating while the intermediate time was passing.

That it would be necessary to have in the Treasury an amount equal to the greenback currency, to begin redemption, I do not believe. Redemption could safely begin with $200,000,000 of gold in the Treasury under the provisions of my bill, but certainly not with $70,000,000. In this work confidence is everything, and is a plant of slow growth and can only be produced by the obvious employment of the necessary measures of preparation. If the people are satisfied that the Treasury has gold enough to redeem all the notes that will probably be presented, but few will be presented; but if not, then there will be a rush for the gold to sell it in the market again at a profit, and this is the precise principle upon which specie paying banks have been sustained.

Fixing resumption at a reasonable time in the future which the government and the people may work to, and the making of needful preparations, to be known and understood by all, are indispensable to any plan of resumption which would avoid the hardships which you admit would attend the adoption of yours. By the method I have suggested there will be an actual inflation of the currency at the time of resumption to the extent that the whole amount of gold and silver in the country that would enter into the circulation would exceed the amount of greenbacks that would be presented for redemption, and this would do much to prevent the hardships that might otherwise occur.

I am sorry that in the conclusion of your letter you thought it necessary to introduce a matter which is foreign to the subject in controversy and seems to be intended to be personal and severe. That I may not appear to misrepresent you I quote what you say:—

But for the infamously dishonest proposition that the five-twenties might justly be paid off in greenbacks, and the powerful names whereby that villany was upheld, we might have resumed and commenced funding our five-twenties at a lower interest long ago. It does not become even a quasi and repentant supporter of that criminal blunder to insinuate distrust of my sincerity in urging speedy resumption, nor to talk of my suggesting "how not to do it." This country is to-day many millions poorer and much farther from perfect solvency by reason of that wretched device of copperhead rascality, the greenback theory, and of the countenance lent to it by men whose patriotism and sense of obligation to the nation's creditors should have kept them out of this slough, if their integrity did not suffice. When this countenance shall have been wholly withdrawn and apologized for we shall be very near to resumption. I am, respectfully, yours,

HORACE GREELEY.

NEW YORK, December 21, 1868.

In a speech in the Senate last summer I argued that under the statutes creating the legal tender notes and five-twenty bonds the government had the right to use the old or existing notes in payment of those bonds. This argument I prefaced with the declaration that the first duty of the government was to return to specie payments, which would render this question unimportant, and denying the right of the government to issue new notes with which to pay those bonds. What was called the Pendleton theory, that the government has the right to print new notes with which to pay the five-twenty bonds, I have always condemned. If this position is what you call the "greenback theory," the "infamously dishonest proposition," the "criminal blunder," you need not put me down as a repentant supporter. You have no evidence of my repentance.

Your statement that but for the talk of paying the five-twenties in greenbacks the government would have resumed specie payments and commenced funding our five-twenties at a lower rate of interest long ago is absurd. It is absolutely refuted by the quotations of our stocks, both at home and abroad. The six per cents of 1881, as they are called, that were issued and sold before the passage of the statutes creating the legal tender notes, and which nobody pretended should be paid in anything but coin, and about which there has never been a question, have never been rated more than four cents higher than the five-twenties; and this was because the law creating them reserved no right on the part of the government to pay them before they fall due in 1881 and cannot be funded as the others may. The fact is, our bondholders understand perfectly well that, whatever may be the law of the question, the bonds or any considerable part of them cannot be paid in coin while the currency remains depreciated; that it is folly to talk about paying the bonds in gold if the government cannot procure gold enough wherewith to redeem the greenbacks; that the redemption of the notes and a return to specie payments is a necessary condition precedent to the payment of the bonds in gold; and they look much more to the return to specie payments and the establishment of our finances upon a solid basis than to the mere form of the contract as to how they shall be paid. Gold payments should begin with the debt that is due, which is the currency, and not by shaving bonds that will not be due for fourteen years. The currency lies at the foundation of the whole financial structure, and if it be unsound the structure above must be insecure and dangerous. When it becomes good by being made convertible into gold the national debt may be funded, by which one-third of the present volume of interest can be saved, and the nation will carry the burden with an ever-increasing ease until its final discharge shall come. I am very respectfully yours,

O. P. MORTON.

Resumption of Specie Payment—Letters from Mr. David Wilder and Treasurer Spinner.

The following letter to the editor of the Boston *Transcript* explains itself:—

STATE HOUSE, BOSTON, Dec. 26, 1868.

TO THE EDITOR OF THE BOSTON TRANSCRIPT:—

I find in your paper this evening a letter upon the subject of resumption of specie payments, addressed to me by Hon. F. E. Spinner, United States Treasurer, in which I am credited with having been for many years Treasurer of this commonwealth. My father, whose name I bear, was Treasurer from 1837 to 1842, and it was during that period that my connection with the department commenced. This continued until 1849, when the office of State Auditor was created. I took charge of this and remained until 1854; having meantime become historically conversant with the transactions in the Treasury back to the commencement of the present century, in making a statistical article published by I. Smith Homans, in one of the early numbers of the Bankers' Magazine. I also prepared an analysis and made a new arrangement of the accounts in the Treasury from 1831 to 1849, which was published in my report as Auditor at the close of the latter year, and have now in preparation a similar analysis for ten years, from 1858 to 1867, for the use of our present Treasurer, Mr. Jacob H. Loud. It has been my purpose to understand as well as I could the principles which have been recognized by those who have managed our State finances, because I have felt that it was here, if anywhere, that these would be sound. And it is something in our favor that we are able to say that for sixty years, since the defalcation of Treasurer Skinner, there has never been a dollar lost to the Commonwealth, nor any delay in the payment of its obligations, nor any trouble with the banks where our funds have been kept on deposit. During more than forty of these sixty years we have had in New England what has been known as the Suffolk Bank system of redemption, founded upon the idea that all bank notes should be made equal to specie funds at the commercial centre toward which they naturally flow, and where they are worth most. I remember, as many of your readers cannot, the establishment of this system, and how it has made less and less specie necessary in the settlement of our balances. When the clearing house was established, not only was there still less call for coin, but bank notes were superceded by checks, showing that but little, comparatively, of what is called money, is needed to carry on our immense and constantly increasing business. All this long experience has shown conclusively that it is not specie, or any particular form of currency, that we need to enable us to resume, so much as that all paper should be measured by specie, or, in other words, represent commodities at specie prices. It is this expression to which Mr. Spinner objects, he claiming that paper cannot be measured by specie which we do not possess. I have assumed, as I believe, properly, in my treatment of this question, that the country bank which has funds in the city toward which its notes flow for redemption does not need specie at home. The bank in the city which can supply that which will purchase exchange on London or Paris does not need coin, nor is coin paid when the bill is presented abroad. The five millions of gold brought home from France by Andrew Jackson was all due them for goods purchased there on credit, and much of this gold went back in the original packages to pay these same debts, involving double transportation, risk and loss of interest. It seems to us, who look at this question practically, that too much stress is laid upon the necessity for a certain proportion between the amount of specie on hand and notes in circulation, and that we fail to see how much of all our business is transacted without reference to gold except as a standard, having a well known and considerably uniform relation to labor, by which its own cost is determined. Let us suppose that my proposition to call the legal tenders seventy-five cents on the dollar in gold is adopted and all these notes placed on compound interest, at that price, in the hands of the present holders. No one will pretend that they are worth more than that, or that this change would increase or diminish their purchasing power beyond the accrued interest. It is estimated that besides the currency obligations of the government, there are private currency debts to the extent of at least $3,000,000,000, and all these would be increased in amount practically at least one-third by any mode of resumption other than the one I have proposed, and which the creditors stigmatise as repudiation. I understand by repudiation that we give creditors less than has been promised, and this is what I have never proposed to do. I objected to the passage of the Legal Tender act, because I knew it would change the monetary standard as absolutely as if we should debase our coins or reduce their weight, and thus defraud creditors, as we had no right to do. I object now, on the same principle, to any change in the standard without provision for all the contracts existing at the time payable in currency or in the debased coinage called legal tenders, because it will defraud the debtor by compelling him to pay more than he has agreed. He does not pay more dollars in number, but he is called upon to pay the same number worth a much higher price. This is both unjust and unconstitutional, and I confess my surprise that so many intelligent writers on this subject have failed to see that it is just as much repudiation for a creditor to exact more than is due to him as it is for the debtor to pay less than he owes. Let us find the true specie value of all our currency liabilities and then say that these shall be brought to the specie standard, and that all contracts in future shall be made by that standard, as they were formerly here and are now abroad, without requiring any considerable amount of specie in their payment, this being made by all the various forms of currency which represent and act as titles to the commodities which we exchange, as deeds and shares of stock do for real estate or fixed property. The instant effect of resumption would be to reduce the prices of all property to the gold standard, and thus diminish the paying power of all debtors, unless, as I have suggested, the prices (not the value) of their liabilities are simultaneously reduced in the same proportion. Make this reduction and resumption may be secured at once, safely and equitably for all parties; fail to do this and resumption is not possible at present, for the debtors who owe in currency control too many votes; and they will never pay in gold, however much the creditors may desire it. Before leaving this subject I wish to suggest to your readers who are interested in it that one great necessity of our country, and in fact of the whole world, is a truly national free banking system, founded upon the single condition that the banker who receives notes from the government for circulation shall give the most ample security in addition to and not as part of his working capital, that there shall never be any failure to make the notes as good as gold at the commercial centre toward which they naturally flow, and there should also be a reasonable annual tax paid into the public treasury on the circulation, and then the bankers should be left in entire freedom. Legislation cannot determine where banks shall be located, nor how many we shall have, neither can we say how much capital, how many notes or how much specie there is required by our growing commerce. But we can say that if notes are issued they shall be as good as gold, and that a portion of the profit on their circulation shall return to us. And this we may safely estimate would soon amount to $40,000,000 per annum on the notes required for our use, as, after the withdrawal of legal tenders by funding, we should want nearly or quite $1,000,000,000, on which we could collect four per cent.

But our first business is to resume, and that, with due respect to the views of Mr. Spinner, I believe can be done safely, honestly and at once.

DAVID WILDER.

Another Letter from Mr. Spinner.

TREASURY OF THE UNITED STATES,
WASHINGTON, Dec. 26, 1868.

DEAR SIR—There are so many good things and true in your letter of the 24th instant, just now received, that I should perhaps let pass what I do not approve, and thus end our friendly controversy, as I, for the want of time to continue it, had intended to have done, when last I wrote you, but I cannot refrain from saying just one word more.

You say that you "have never been able to see how we could ask that contracts made with dollars worth only seventy-five cents or less should be paid with those worth one hundred, any more than all should that those made with the dollar at one hundred should be paid with those worth only fifty." And you add:—"In either case there is a gross wrong, the difference being that when you take half from the creditor you still leave half, and do not ruin him; while if you add one-third to the obligations of the debtor you break him down, because upon an average this is more in addition to his liabilities."

To this my answer is, though trite, 'tis true, "two wrongs can never make a right."

Because a class of creditors had an injustice done them some years since by a class of debtors is not a good reason why a class of debtors should now do another act of injustice to a class of creditors. This proposition, as a general rule, would seem so plain as scarce to require another word. But when it is seen that the very persons that suffered by the first wrong may be the same persons on whom it is now proposed to put a new injustice, the wrong becomes more clearly apparent to all. The creditor of that day may have, by the very wrong action that you complain of, become the debtor of to-day, and *vice versa*.

Any two given men, having business relations then and now, may have reversed their several conditions of debtor and creditor since. The injured party then may, if your theory be carried out, become the injured part again now; and the other party, benefited equally by the first wrong, would be again benefited.

Because a wrong was done from the direst necessity some years since is a mighty bad reason why another wrong should now be perpetrated from mere wantonness.

There is a single other consideration to which I desire to invite your attention. In your close scrutiny of the mere financial view of the question you seem to some extent to have overlooked the morality that is involved, and to have entirely lost sight of the political bearing that the manner of settling this question will have upon the future of the country.

The money that is now represented by the national debt was loaned to the government at a time when it was in great peril. But for the timely and thus received our government would have gone out of existence. Most of the loans were made to the government from patriotic motives; many put their all into them to save the life of the nation. Others, perhaps not so patriotic, saw the straits the government was in. They saw the nation's danger and their own. They took the risks. Had the government failed their whole investment would have been a total loss. Now, that their money thus saved it, is it right in that government thus saved to turn on its saviours and say, "Your gains are too great; we will compound the debt?"

Do this, and let the government's needs or dangers be ever so great in the future no one will be found who will then lend it a single collar, either from patriotic motives, or at any rate of interest whatever. Everybody would say the government failed to keep its faith in the past, what assurance is there for the present or the future? And not a few would probably say a government that does not keep faith with its own citizens is not worth saving. If the government is faithless what hope is there for the people? The morality of a government may be assumed to be about the average morality of the people that are governed by it. Lower the standard of the one and the other sinks with it. Although I agree with you in many of your views it is due to candor and frankness that I should say to you that I dissent *in toto* from all you say in regard to class or sectional interests. These should be thrown entirely out of the discussion of the finance question.

It was hoped that the signal failure that attended the efforts of one of the candidates in the late political campaign to array the West against the East on this very question, and the verdict then rendered by the West on the issue then made and decided, had settled it, at least to the satisfaction of the East, forever. Right is right and wrong is wrong, whether done by the creditor or the debtor, and it matters not whether the one or the other happens to have his home either at the East or in the great West.

The whole country has one destiny. All should be jealous of its good name at home and abroad. Therefore, let us be just and keep faith with all without regard to localities. In haste, respectfully yours,

F. E. SPINNER.

DAVID WILDER, Esq., Boston, Mass.

THE LEGAL TENDER QUESTION.

An Ohio Jurist Gives an Opinion on the Subject.

[From the Cincinnati Gazette, Dec. 28.]

We publish below a letter from Judge Nash, of Gallipolis, maintaining that if the Supreme Court shall decide the paper tender act illegal all debts will have to be paid at their face in coin; also, that Congress had power to make notes a legal tender, and that if the court decides otherwise it will be a political and not a legal decision, and entitled to no respect, but will be a cause for reorganizing the court. This would be an earnest and radical treatment of the case.

GALLIPOLIS, Dec. 23, 1868.

TO THE EDITOR OF THE CINCINNATI GAZETTE:—

I see in an editorial in the *Gazette* an allusion to the constitutionality of the act making Treasury notes a legal tender. You seem to suppose that if the court decides said act to be unconstitutional such decision can do little or no mischief, since it will not affect contracts made since the passage of that law, and refer to the opinion of counsel who argued against the law as an authority. If the counsel made any such admission he is clearly mistaken.

All agreements are to pay so many dollars, and nothing but what is a legal tender can discharge such a contract. "By the term money" says Judge Hitchcock (in Morris vs. Edwards, 1 Ohio Rep., 204), "we generally understand that which is the lawful currency of a country, that which may be tendered and must be received in discharge of a subsisting debt." Hence a contract to pay $2,000 in current bank notes in the city of Cincinnati is a contract to pay money if the bank notes are not tendered at the time. (Vide Smith vs. Goddard, 1 Ohio (Rep., 178.) A note payable in current funds of the State of Ohio is a note payable in money. (Sweetland vs. Creigts, 15 Ohio Rep., 118. White vs. Richmond, 11 Ohio Rep., 5.) Our laws, says the Court, recognize nothing as current funds of the State of Ohio but gold and silver coin and bank notes issued by banks incorporated by the State and which are by law required to be of equal value with gold and silver coin of the same denomination. Hence a note for a dollar or a dollar in bank notes is for a sum certain. (11 Ohio Rep., 7.) These cases settle the law for Ohio. The two cases just cited originated in a state of things like the present, when Cincinnati bank notes were below par or not worth as much as gold and silver coin. The effort was made to limit the recovery to the gold value of the bank paper at date of note. The Court held that the word dollars called for such dollars as were legal tender for debts, and there could be no deduction.

But the contracts now made are promises to pay so many dollars without referring to Treasury notes. But these cases show, and they only follow the law as everywhere recognized, that a note promising to pay so many dollars in greenbacks would be payable only in coin if the Legal Tender act is unconstitutional.

The reason of this rule is plain. The word dollar means such a coin as is by the law of the United States declared to be a dollar. Treasury and bank notes are promises to pay dollars, and not bank notes or Treasury notes. The States can make nothing but the legal coin of the United States a legal tender for debts; hence if the Legal Tender act is void as to Treasury notes, then there is nothing else but coin which is a legal tender, and no creditor can be compelled to receive in payment of his debt any thing but what is a legal tender, and that is coin and only coin. If the Legal Tender act is void he cannot be compelled to receive Treasury notes in payment, and there is then nothing but gold and silver coin which he can be compelled to receive.

It will thus be seen that a decision holding the Legal Tender act void makes every outstanding debt payable in coin, and I need not say what widespread ruin would follow the rigid enforcement of such a decision. A contract promising to deliver at a certain day Treasury notes calling for the payment of so many dollars could alone avoid the effect of such a decision. In that case a failure to deliver would be a breach of covenant, for which damages only could be recovered, and the damages would be limited to the value of the Treasury notes as compared to coin on the day they should have been delivered.

I cannot have any doubt as to the power of Congress to pass the Legal Tender act. The State courts have all decided in favor of its validity, save the rebel court of Kentucky, I believe. If the United States Supreme Court now decide the act unconstitutional it will be a political decision, like that in the Dred Scott case, and entitled to no respect, nor should it be followed by the State courts until the reorganized Supreme Court should have an opportunity to reconsider the question. I cannot believe that the present court will make any such decision, though we have, to some extent, politicians instead of lawyers on the bench.

One word on the resumption of specie payment. The less Congress does this session the better. The first step, however, must come from Congress; it must make greenbacks equivalent to coin. At present they are not. Greenbacks will not pay Custom House duties. The importer must take paper for his goods imported, and he must pay the duties in coin; hence he is forced into the market to buy coin, and he must pay for it whatever the holder of coin demands. As long as this state of the law continues there can be no resumption, because the law makes coin worth more than paper; hence paper would be used not for the purposes of business, but to obtain coin and thereby make a profit.

If Congress would simply enact that duties might be paid in Treasury notes at their value in coin, and that interests should be paid in the same at its value in coin, I do not believe coin would be worth any premium, because no one would want to buy it, the same not being used for any purpose for which Treasury notes could not be used. Paper and coin would both be equal, since both could perform the same functions. The foreign demand for coin could then alone give it a value above Treasury notes. If that demand passes certain limits, then, do what you might, specie payment would be impossible. In my opinion, this is the first step to be taken. If Congress would pass such a law at once, it would be then politic to wait and see what its effect would be.

The holders of bonds could not object, because they would be paid in what was the equivalent of coin, and that is all any one can ask. Our domestic creditors at once convert their gold coupons into Treasury notes, which is now the only domestic standard of value we have. All values in business transactions are measured by Treasury note dollars and not by coin. Time must bring about the change which all desire; but Congress must repeal its unwise legislation—unwise in its inception and equally unwise now—before a step can be taken leading to resumption. Yours, SIMEON NASH.

RAMAPO PARK.

A Suburban Park of 7,000 Acres in the Vicinity of New York.

The development of rural tastes and rural habits, fostered by the increase of railway facilities to and from our large cities, is no where so marked as in the vicinity of New York. Along the several lines of railway which diverge from the city into the adjoining counties, and into Connecticut and New Jersey, continuous villages extend for many miles. Beyond these are successions of villas and country seats with highly ornamented grounds, exhibiting much taste and refinement. In many localities large tracts of land are included in one general system of improvement, adding greatly to the beauty of the landscape and to the comfort of the residents by excluding every possibility of nuisances of any kind. Audubon Park, laid out under the auspices of the distinguished naturalist whose name it bears, was one of the pioneers in this character of improvements; and the air of neatness and social comfort which still pervades that locality, although it is fast being encroached upon by the rapid strides of the city, bears testimony to the wisdom and good taste of the designer.

Lewellyn Park, Ridgefield Park, Rutherfurd Park, Glen Park and a host of others are designs of the same nature. All of them, however, are comparatively limited in their extent; at least they are so when compared with the design just completed of the "Ramapo Reserve and Hunting Park," embracing an area of 7,000 acres, the locality of which is that portion of the Highlands of the Hudson, which, passing into Rockland county, is cloven by the Ramapo river, forming a most beautiful and picturesque scene of valley and mountain cliffs, table lands and mountain lakes. The Erie Railway passes through the gorge of the Highlands at this point, where it enters the State of New York, and a drive of five minutes from Suffern Station brings you to the entrance of the park. The principal avenue winds along the bank of the Ramapo, and to the right a succession of terraces extends to the base of the mountain, affording many fine sites for residences. At the point where the valley of the Ramapo is met by the valley of the Torne the avenue crosses the Ramapo, and after following the right bank for some distance it gradually ascends the easterly slope of the mountain, where a scene of an almost Alpine character is presented. As far as the eye can reach the rugged tops of the Ramapo Mountains rise one above the other, with the Torne in the foreground, around whose summit the clouds are gathering, while Potake Lake, three miles in extent, glistens in the sunlight at its feet.

Few would believe that within one hour's ride of New York so wild and picturesque a spot could be found. The general design of this park is somewhat peculiar. It is intended that, the price of the entire property being determined, there shall be a fund for improvement and maintenance; the whole will then be divided among a limited number of subscribers, who shall become actual residents, each selecting his site for a country seat, and with the fee simple of that also receiving, in perpetuity, the right to use the entire reserve for hunting, fishing, driving, &c. Numerous lakes, ponds and streams furnish an inexhaustible amount of fishing, while the forests which cover the mountains are filled with every kind of game. The entire scenery is as diversified as it is picturesque. The mountain streams and rills have their cascades and waterfalls; the valleys and glens are as secluded as the hills and mountains are prominent, and, besides all this, there is a deep historic interest attached to it which will always give it a peculiar charm to the patriotic. The gorge of the Ramapo was the only passage through which a hostile force could have passed northward during the occupation of New York by the British troops. The great chain across the Hudson at West Point secured the passage of the river against the fleet, but a land movement on the westerly side of the river could only be effectively opposed at this precise spot. Accordingly General Washington caused heavy intrenchments to be thrown up at the gorge, the remains of which are still religiously preserved. On the Torne Mountain he established an observatory from which all the movements of the enemy could be distinctly watched; so that the spot revives the incidents which attended the most critical period of our country's history. And it is fitting that a park of such grand proportions should preserve within its limits, surrounded with those embellishments which a true regard for nature suggests, the mementos of a struggle so fraught with heroism and so full of momentous consequences to the future.

This splendid design has been conceived and executed by General Egbert L. Viele, who has shown in it the same taste and skill which are exhibited in his plans of Central Park and Prospect Park, which add so much to the two great cities of which they are the gems.

CREDIT WHERE CREDIT IS DUE.

NEW YORK, Dec. 29, 1868.

TO THE EDITOR OF THE HERALD:—

I wish to do a simple act of justice to a friend. In your paper of the 27th it is stated that George W. Childs expended $10,000 in charities, &c., on Christmas Day, and "at his request" a dinner was given to the newsboys, &c. Now, the Messrs. Drexel are owners of the Philadelphia *Ledger* and the *Ledger* Building, and Mr. Anthony Drexel and his brothers are the benevolent gentlemen whose hearts are filled with loving kindness, and who bestow so quietly the charities we delight so much to hear of. Mr. Childs, when at home, is merely the instrument. TRUTH.

THE HOLIDAYS AND THE FLORISTS.

TO THE EDITOR OF THE HERALD:—

The amount of flowers used in New York for the Christmas and New Year holidays you may safely put down at a valuation of $150,000. Christmas of late years is much more generally observed, and large quantities of live plants for rooms as well as flowers for dinner tables are presented. The plant presents I attribute more to the German element of our population. The amount of flowers for the whole year will hardly fall short of $1,000,000, and, should you include the flowering plants, will exceed that considerably.

There are from 200 to 300 families depending on the growth of plants and flowers to supply New York. The larger number in a small way are principally Germans and French. The larger growers and longest established are Scotch, English and Irish, some of whom have very extensive establishments, with thousands of feet of glass houses for forcing flowers for winter. A few of the most extensive establishments are John Henderson, Broadway, near Nineteenth street, and Flushing, Long Island; W. C. Wilson, No. 45 West Fourteenth street, and Astoria, Long Island; Andrew Bridgeman, Broadway and Eighteenth street, and Astoria, Long Island; Peter Henderson, Jersey City; James Wier, Bay Ridge, Long Island, with many others.

The most fashionable flowers for bouquets this season are tea rosebuds, lilies of the valley, violets, carnations, heliotrope, daphne odora, &c., tied in a loose bunch, with rose geranium and rose leaves for green. The stiff and formal bouquet is now seldom asked for. When you want anything extra choice, or what may be called XX, you must go in for orcheades. Those are the most rare, gorgeous and fragrant flowers of India, China, Japan, Mexico and tropical America, and are only in few collections. Those are the flowers with which the queens and princesses of the Old World adorn their hair on bridal and festive occasions. Orange blossoms are also indispensable. The Indians of Mexico and Central America hold them in the highest esteem. The peristeria elata (dove flower), pure white, of a waxy texture, has the perfect form of a dove with half expanded wings, inside the flower very fragrant, and held in great reverence by the people of Central America, under the name of santua spiritu. The oncedium papilio or butterfly flower is also a choice gem in Spanish mariposa; the cattlegas of Brazil and Venezuela are among the showiest of the family. The Lelia majales or flor de majo, of Mexico, is what Phalon is said to get his fine perfume extracted from. The next grand and most useful flower is the camelia japonica, in all its various colors. White ones are used on all occasions and form a groundwork of all large flower pieces for decorations; tuberose is a very desirable flower for purity and fragrance, and much used at funerals in forming wreaths, crosses, and other designs. In connection with the camelia this using white flowers for funerals has become so extensively in use within, I may say ten years, that it forms a large item in the flower trade of New York. As much as five hundred dollars, and sometimes more, are used at one funeral where the family has large connections.

Church decorations at Easter and other saints' days make considerable trade. The Catholics were first in decorating their churches, but now many denominations follow the custom. Many gentlemen use their own flowers from their country greenhouses, and often order flowers from the florist, not having enough from their own places to supply their desires; others sell all their flowers to meet the expenses of their country places while living in town.

At New Year we are glad to purchase flowers from anywhere to supply our orders. Many come from Philadelphia, Baltimore, Washington and Albany. South of New York Christmas is the great holiday; by New Year's they have generally some flowers to spare. The flower trade has made wonderful progress the past five years all over the Eastern and Middle States. The great American people have the innate love for the beautiful and have the means to enjoy it. The Southern States before the war were the great garden of flowers. Every new and rare flowering plant was purchased by the Southern ladies and gardened with the greatest care and attention. They still have the love but not the means to gratify so laudable and beautiful an undertaking.

ISAAC BUCHANAN,
No. 9 West Seventeenth street.

A DAY AMONG THE FLORISTS.

Floral Customs Among the Ancients and Mediæval Ages—Modern Culture of Flowers—Progress and Growth of the Trade in This City.

Flowers have been fittingly designated the smiles of the earth. And so they are, and smiles of beauty, and

"a thing of beauty
Is a joy forever"

Yes, nowers are a joy, and they always have been and always will be. They are a joy as the outer expression of all that is most beautiful on earth, and as infinitely surpassing in delicacy of formation and exquisite shades of coloring the finest fabrications of highest genius and art; they are a joy as diffusing sweet-scented odors, to which the aroma of the most entrancing perfumes is but a clumsy aspiration of the