National Republican

WASHINGTON CITY, D. C.

THURSDAY MORNING ..... JANUARY 13, 1870.

Office Cor. 10th and D, near Penna. Av.

W. A. McGARAGH ..... Editor and Proprietor

We cannot undertake to return rejected communications. Contributors will therefore preserve copies.

All communications, whether on business or publication, should be addressed to W. A. McGarah, Proprietor National Republican, Washington, D. C.

WASHINGTON—ITS FUTURE.

The agitation of the International Exhibition question, and the removal of the capital have turned public attention upon this city to an unusual degree. The newspapers discuss Represent states and future prospects, and the correspondents make it the theme of an endless variety of opinion and criticism. This is all right, for good must come out of these discussions. If it shall appear that there are public evils here, and damaging obstacles which work against our interests, and block the wheels of our material progress, let them be exposed; and then, if there is enterprise, public spirit, nerve, will, power, here—as we know there is—let it be invoked and brush the evils out of the way.

This capital belongs to the whole country, and the Federal Government holds supreme jurisdiction over it. It is true, it delegates as little power to its citizens; but somehow, it so manages as to neutralize the effect of such that is attempted to be done for our improvement and prosperity. It ought to take more interest in the local affairs of the District. If our Representatives are ashamed of the capital, why don't they turn their attention a small portion of the time to the causes which excites this feeling, and go to work at once to remove them. Aye, this is the grand question which is even now knocking at the doors of Senators and Representatives. It appeals to them to give some little time to Washington interests, and to use means which lie within their reach to improve and vitalize their own capital.

Notwithstanding all that unfriendly criticism has said to its disadvantage, the elements of greatness are here, and the Government itself is all powerful to develop and build up a great and beautiful metropolis of which all may be proud. Let us begin now, while the subject of the International Exhibition is up for discussion, public approval, and support. Let the fact be constantly remembered that the seat of the National Government is here; that it is common ground, and must be taken care of. Let some national pride be manifested on this account. It ought to be the national centre of art, intelligence and literature; the grand stage for noble emulation in law, philosophy, science, poetry and wealth. In these things we see the glory of the capital. And when it is appreciated as it should be, they will arise to shed lustre and fame upon this much-abused metropolis of the great republic. What American would not feel proud and exult in view of this? And whose imagination does not rise at the grand prospect?

Here is a city whose name goes back to the Father of his country—Washington! And here are located the capital buildings, which stand in proud and majestic forms, the pride and glory of the nation. Here the executive officers dwell, who hold in their charge the vast interests of this great republic. Here is the centre of political power. The patronage of the Government is dispensed, while its influence permeates all classes of society. There is wealth, culture and refinement here. They may all be used to minister to our prosperity and progress. Our possibilities are grand. Our sovereignty may be attained. Shall it be?

The New State Department Building.—The commission appointed to examine and select plans for the new State Department building, consisting of Secretaries Fish, Belknap, and Boutwell, the Supervising Architect Mullett, Edward Clark, architect in charge of the Capitol extension, and General Michler, met on Monday afternoon at the State Department, and after a long consultation determined to adopt the plans submitted by Mr. Mullett, and to accept as the site for the new building Scott square, bounded by Fifteenth, H and I streets and Vermont avenue.

The building proposed will have a front of two hundred feet by eighty-five feet deep, and will be three stories high, with attic and basement, and the style is the French renaissance, with Mansard roof. The central portion projects, and is crowned with a bold pavilion, carried up to a height of ninety-five feet; to the main cornice the heights will be fifty-five feet, and to the top of the attic story seventy-five feet. The corners of the building will be flanked by pavilions, and the centre and corner are connected by a loggia, which is also carried around on the front.

A terrace balcony will extend along the main front by the side of rooms for the Secretary on the second floor. There will be about fifty rooms in the building, besides the attic, which will be fitted up for the files of the Department, and the basement will be used for the heating apparatus and storage of fuel. There will be two halls in the building—one length wise with stairs and entry, and the other crossways. An octagonal rotunda occupies the centre, and around this will be grouped the water-closets, bathrooms, &c. The building will be entirely fire-proof, with tiled floors, and doors and windows finished with natural woods. It has not been determined of what material the new building will be constructed, but it is probable that granite will be selected.

The plan proposed for locating the offices of the President and the Executive Department in the new State Department building has been abandoned.

Cigar Box Labels.—Commissioner Delano has decided that the interest of the service require that the labels on cigar boxes shall be uniform, and will shortly issue an order prescribing the size, form and style in which they must be printed as well as the manner in which they must be affixed to the box. At present every conceivable design is used, and, in many instances, the manufacturers impose upon the public by imitating the Government stamp representing the cigars are imported. In some instances the labels were printed in such fine type, and so ingeniously affixed, that it was impossible to detect them. The labels are required by section 85 of the revenue law, and sets forth that the manufacturer has in all respects complied with the requirements of law.

Paving Pennsylvania Avenue.—The bill of Senator Cole, providing for the appointment of a board of commissioners to examine and determine the best style or kind of pavement to be used on Pennsylvania avenue, which passed the Senate last session, we believe is now before the House Committee on the District of Columbia for its action. In view of the pressing necessity for the improvement of this magnificent thoroughfare we sincerely hope that the bill referred to will be speedily and favorably acted upon, and the work pushed forward without unnecessary delay.

Hurrah for Kansas!—That State is the Far West knows how to recognise the claims of our soldiers. The dispatch received last night from Topeka, and published in this morning's Republican, states that all the officers of the House are either crippled soldiers, soldiers' widows or soldiers' orphans. The State also has faith in woman's rights, and true to its faith, its Legislature elects a lady as enrolling clerk.

The Suez canal is said to be the latest form of a Pass direct.

MR. SUMNER ON THE FINANCES.

In the Senate yesterday Mr. Sumner introduced the following bill, which he proceeded to explain in a speech which will be found below:

A Bill to authorize the refunding and consolidation of the national debt, to extend banking facilities, and to establish specie payments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of refunding the debt of the United States and reducing the interest thereon, the Secretary of the Treasury be, and he is hereby, authorized to issue, on the credit of the United States, coupon or registered bonds, of such denominations not less than fifty dollars as he may think proper, to an amount not exceeding $600,000,000, redeemable in coin at the pleasure of the Government, at any time after ten years, and payable in coin at forty years from date, and bearing interest, at the rate of five per cent. per annum, payable semi-annually in coin; and the bonds thus authorized may be disposed of at the discretion of the Secretary, under such regulations as he shall prescribe, either in the United States or elsewhere, at not less than their par value, in coin; or they may be exchanged for any of the outstanding bonds of an equal aggregate par value hereto[illegible] issued under the act of February 25, 1862, and known as the five-twenty bonds of 1862, and for no other purpose; and the proceeds of so much thereof as may be disposed of for coin shall be placed in the Treasury, to be used for the redemption of such five per cent. bonds at par as may not be offered in exchange, or to replace such amount of coin as may have been used for that purpose.

Sec. 2. *And be it further enacted*, That the Secretary of the Treasury be, and he is hereby, authorized to issue on the credit of the United States, coupons or registered bonds to the amount of $300,000,000, of such denomination not less than fifty dollars as he may think proper, redeemable in coin at the pleasure of the Government at any time after fifteen years, and payable in coin at fifty years from date, and bearing interest not exceeding four and one half per cent. per annum, payable semi-annually in coin; and the bonds authorized by this section may be disposed of under such regulations as the Secretary shall prescribe, in the United States or elsewhere, at not less than par, for coin; or they may be exchanged at par for any of the outstanding obligations of the Government bearing a higher rate of interest; and the proceeds of such bonds as may be sold for coin shall be deposited in the Treasury, to be used for the redemption of such obligations as by the terms of issue may be or may become redeemable or payable, or to replace such coin as may have been used for that purpose.

Sec. 3. *And be it further enacted*, That the Secretary of the Treasury be, and he is hereby, authorized to issue on the credit of the United States, from time to time, coupon or registered bonds of such denomination not less than fifty dollars as he may think proper, to the amount of $500,000,000, redeemable in coin at the pleasure of the Government at any time after twenty years, and payable in coin at sixty years from date, and bearing interest at the rate of five per cent. per annum, payable semi-annually in coin; and such bonds may be disposed of at the discretion of the Secretary, either in the United States or elsewhere, at not less than their par value for coin, or for United States notes, national bank notes, or fractional currency; or may be exchanged for any of the obligations of the United States, of whatever character, that may be outstanding at the date of the issue of such bonds. And if in the opinion of the Secretary of the Treasury it is thought advisable to issue a larger amount of four per cent. bonds for any of the purposes herein, or for a longer term than would be otherwise authorized by this section of this act, such further issues are hereby authorized: *Provided*, That there shall be no increase in the aggregate debt of the United States in consequence of any issues authorized by this act.

Sec. 4. *And be it further enacted*, That the bonds authorized by this act shall be exempt from all taxation by or under national, state or municipal authority. Nor shall there be any tax upon, or abatement from, the interest or income thereof.

Sec. 5. *And be it further enacted*, That the present limit of $300,000,000 as the aggregate amount of issues of circulating notes by national banks be, and the same is hereby, extended, so that the aggregate amount issued and to be issued may amount to, but shall not exceed, $400,000,000, and the additional issue hereby authorized shall be so distributed, if demanded, as to give to each State and Territory its just proportion of the whole amount of circulating notes according to population, subject to all the provisions of law authorizing national banks, in so far as such provisions are not modified by this act: *Provided*, That for each dollar of additional currency issued under the provisions of this act there shall be withdrawn and canceled one dollar of legal tender issues.

Sec. 6. *And be it further enacted*, That the Secretary of the Treasury shall require the national banks, to whom may be awarded any part or portion of the additional circulating notes authorized by the 5th section of this act, to deposit before the delivery thereof any such notes, with the Treasurer of the United States, as security for such circulation, registered bonds of the description, subject to be issued by the third section of this act, in the proportion of not less than $100 of bonds for each and every $90 of notes to be delivered; and the Secretary of the Treasury shall require from existing national banks, in substitution of the bonds already deposited with the Treasurer of the United States as security for their circulating notes, a deposit of registered bonds authorized by the third section of this act to an amount not less than 110 of bonds of every $90 of notes that has been or may hereafter be delivered to such banks, excepting of such amounts as have been canceled. And if any national bank shall not furnish to the Treasurer of the United States, bonds as required by this notice, the Secretary of the Treasury shall be notified by the Secretary of the Treasury of his readiness to deliver such bonds, it shall be the duty of the Treasurer, so long as such delinquency exists, to retain from the interest as it may become due and payable on the bonds belonging to such delinquent banks on deposit with him, as security for circulating notes, so much of such interest as shall be in excess of four per cent. per annum on the amount of such bonds, which excess shall be placed to the credit of the sinking fund of the United States; and all claims thereto on the part of such delinquent banks shall cease and determine from that date; and the percentage of currency delivered or to be delivered to any bank shall in no case exceed eighty per cent. of the face value of the bonds deposited with the Treasurer as security therefor.

Sec. 7. *And be it further enacted*, That whenever the premium on gold shall fall to or within five per cent. it shall be the duty of the Secretary of the Treasury to give public notice that the outstanding United States notes or other legal-tender issues of the Government so thereafter be received at par for custom duties; and the interest on the issues known as three per cent. legal-tender certificates shall cease from and after the date of such notice; and all such legal-tender obligations, when so received, shall not again be uttered, but shall forthwith be canceled and destroyed; and so much of the act of February 25, 1862, and of all subsequent acts, as renders or declares any of the issues of the United States, other than coin, a legal tender be, and the same are hereby, repealed; and it shall be lawful for any person or persons, after the first day of January, 1871,

Sec. 8. *And be it further enacted*, That all the provisions of existing laws in relation to forms, inscriptions, devices, dies, and paper, and the printing, attestation, sealing, signing, and counterfeiting, so may be applicable, shall apply to the bonds this act, and to the issue of a sum not exceeding one per cent. of the amount of bonds issued under this act is hereby appropriated to pay the expense of preparing and issuing the same and disposing thereof.

Sec. 9. *And be it further enacted*, That all acts or parts of acts inconsistent with this act be, and the same are hereby, repealed.

Mr. Sumner. I have already during this session introduced a bill providing for the extension of the national banking system and the withdrawal of greenbacks in proportion to the new bank notes issued, thus preparing the way for specie payments. The more I reflect upon this simple proposition the more I am satisfied of its value. It promises to be as efficacious as it is unquestionably simple. But it does not pretend to deal with the whole financial problem.

The bill which I now introduce is more comprehensive in character. While embodying the original proposition of substituting bank notes for greenbacks, it provides for the refunding and consolidation of the national debt in such a way as to make it easy to bear, while it brings the existing currency to a par with coin. In making this attempt I am moved by the desire to do something for the business interests of the country, which suffer inconceivably from the derangement of the currency. Whether at home or abroad it is the same. At home values are uncertain; abroad commerce is disturbed and out of gear. Political reconstruction is not enough. There must be financial reconstruction also. The peace which we covet must enter into our finances. The reconciliation which we long for must embrace the disordered business of the country.

In any measure having this object there are two things which must not be forgotten: first, the preservation of the national credit, and secondly, the reduction of existing taxation. Happily there is a universal prevailing sentiment for the national credit, showing itself in a fixed determination that it shall be maintained at all hazards. Nobody can exaggerate the value of this determination, which is the corner-stone of financial reconstruction. On the reduction of taxation there is at present more difference of opinion; but I cannot doubt that here, too, there will be a speedy harmony. The country is uneasy under the heavy burden. Willingly, gladly, patriotically it submitted to this burden, while the republic was in peril, but now there is a yearning for relief. War taxes should not be peace taxes; and so long as the present system continues there is a constant and painful memento of war, while business halts in chains and life bends under the load.

The national credit being safe, relief from the pressure of existing taxation is the first practical object in our finances. But so entirely natural and consistent is this object that it harmonizes with all other proper objects, especially with the refunding of the national debt, and with specie payments. As the people feel easy in their affairs they will be ready for the work of reconstruction. Therefore, do I say, as an essential stage to what we all desire, "*Down with the taxes.*"

The proper reduction of taxation involves two other things: first, the reduction of the present annual interest on the national debt, thus affording immense relief, and, secondly, the spread or extension of the national debt over succeeding generations, for whom, as well as for ourselves, it was incurred. The practical value of the first is apparent on the simple statement. The second may be less apparent, as it opens a question of policy on both sides of which much has been already said.

Nobody doubts the brilliancy of the movement to pay off the national debt—calling to mind the charge of the six hundred horsemen riding into the jaws of death, so that the beholder exclaimed in memorable words, "It is beautiful; but it is not war." In other words, it was a feat of hardihood and immolation, abnormal, eccentric, and beyond even the terrible requirements of battle. In similar spirit might a beholder, witnessing the present sacrifice of our people in the redemption of a debt so large a part of which justly belongs to posterity, exclaim, "It is beautiful; but it is not business." Unquestionably business requires that we should meet existing obligations according to their letter and spirit; but it does not require payment in advance, nor payment of obligations resting upon others. To do this is beautiful, but beyond the line of business.

President Lincoln, in one of his earliest proclamations or emancipation, before he had determined upon the great proclamation, contemplated compensation to slave-masters, and in order to commend this large expenditure went into an elaborate calculation to show how easy it would be if proportioned upon the giant shoulders of posterity. Dismissing the idea of payment by the existing generation, he proceeded to exhibit the growing capacity of the country—how from the beginning there had been a decennial increase in population of 36.50 per cent.—how during a period of seventy years the ratio had never been two per cent. below or two per cent. above this average, thus attesting the inflexibility of this law of increase. Assuming its continuance, he proceeded to show that in 1870 our population would be 42,323,341, in 1880 it would be 58,067,216, in 1890 it would be 79,677,872, and in 1900 it would be 109,368,815, while in 1930 it would amount to 351,589,914. Nobody has impeached these estimates. There they stand in that Presidential message as colossal mile-stones of the republic.

The increase in material resources is beyond that of population. The most recent calculation, founded on the census, shows that for the previous decade it was at the rate of eighty per cent., although other calculations have placed it as high as one hundred and twenty-six per cent. Whether one or the other, the rate of increase is enormous, and unless arrested in some way not now foreseen it must carry our national resources to a fabulous extent. What is a burden now will be scarcely a feather's weight in the early decades of the next century, when a population counted by hundreds of millions will wield resources counted by thousands of millions. On this head details are superfluous. All must see at once the irresistible conclusion.

It is much in this discussion, when we have ascertained how great will be our posterity to bear this responsibility. But this case is strengthened when it is considered that the war was for the life of the Republic, so that throughout all time, so long as the Republic endures, all that enjoy its transcendant citizenship will share the benefits. Should they not contribute to the unparalleled cost? Recent estimates, deemed to be moderate and reasonable, show an aggregate destruction of wealth or diversion of wealth-producing industry in the United States since 1861, approximating nine thousand millions of dollars, being the cost of the war, or in other words, the value of the destruction of slavery. If from this estimate be dropped the loan expenditures and loss of property in the rebel States, amounting to $2,700,000,000, we shall have $6,300,000,000 as the sum total of cost to the loyal people, of which the existing national debt represents less than half. Thus, besides precious blood beyond any calculation of arithmetic, the present generation has already contributed immensely to that result in which succeeding generations have a stake, even greater than theirs.

Assuming, then, that there is to be considerable taxation for the immediate payment of the debt, we have one economy. If to this be added another economy from the reduction of the interest, we shall be able to relieve materially all the business interests of the country. By such economies will be of infinite value to the people, as those richest will be proportionally increased. In the development of wealth next to making money is saving money.

Bearing these things in mind, financial reconstruction is relieved of its difficulties. It only remains to find the proper machinery or process. And here we encounter the propositions of the Secretary of the Treasury in his annual report, which are threefold:

1. To fund twelve hundred millions of six per cent. five twenty bonds into four and a half per cent. fifteen-twenties, twenty-[illegible]

2. To make our exports equal in value with our imports and to restore our commercial marine.

3. To do those before any attempt to reduce taxation or to resume specie payments.

Considering these propositions with the best attention I could give to them, I have been impressed by their inadequacy as a system at the present moment. I cannot easily consent to the postponement which they imply. They hand over to the future what I wish to see accomplished at once, and what I cannot doubt with a firm will can be accomplished at an early day. But beyond this capital defect, apparent on the face, I do not find in the system proposed any assurance of success. Will it work? I cannot tell. There I seek to be understood as expressing myself with proper caution; and I wish further to declare my anxiety to obtain the substituted loans at the smallest rate of interest, and also my conviction, that within a short time, at some slight present cost, this may be accomplished.

Looking at this question in the light of business, I am driven to the conclusion that twelve hundred millions of six-per-cents. cannot be refunded either now or hereafter in four or four-and-a-half-per-cents. without offering compensation in an additional running period of the bonds, which is not found in the fifteen twenties nor in the twenty-five-thirties proposed by the Secretary. With such bonds there would be a practical difficulty in the way of any such refunding to any considerable amount from the inability to command a sufficient amount of coin under the "option of coin," which must accompany the offer, nor is there any final applicable to the purchase of coin in open market, were such a course desirable. Obviously, to induce the voluntary relinquishment of bonds at a high rate of interest for other bonds at a less rate, the holders must be offered something preferable to the coin tendered as an alternative.

The time has passed when holders can be menanced with payment in greenbacks. Whatever we do must be in coin or in some bond which will be taken rather than coin. The attempt at too low a rate of interest would cause the coin to be taken rather than the bond, if we had the article at command, and would end in a deluge of coin, sweeping away the premium on gold. A return to specie payments, thus precipitated, would be of doubtful value, if not illusive, without other and sustaining measures?

In the suggestion that our exports must be augmented, and our commercial marine restored, I sympathize cordially; but I do not see how this can be accomplished so long as the present taxation is maintained, exercising such a depressing influence on all industry, making the necessaries of life dearer, adding to the cost of raw material, and generally enhancing the price of our products so as to prevent them from competing in foreign markets with the products of other nations.

The proposition to make the interest on the new bonds payable at various points in Europe, at the option of the holder, seems unnecessary, while it is open to objections. Such agencies would be onerous and cumbersome. At London, Paris, Frankfort, Berlin and Vienna there must be a machinery, with constant complications continuing through the lifetime of the bonds to secure the transfers from point to point and the obligatory remittances in gold; nor am I sure that in this way foreign Powers might not obtain a certain jurisdiction over our monetary transactions. But I confess that the ruling objection with me is of a different character. New York is our commercial centre, designated by Providence and confirmed by man. Already it has made a great advance, but it is not quoted abroad as one of the clearing points of the world. At New York quotations are obtained daily on London and Paris; but in these places no such recognized quotations can be now obtained on New York. That the agencies proposed will tend to postpone this condition is a sufficient objection.

I have made these remarks with hesitation, but in order to prepare the way for the bill which I have introduced. It was my duty to show why the propositions of the Secretary were not sufficient for the occasion, and this I have tried to do simply and frankly. It is long since I avowed my conviction that specie payments should be resumed, and I should now do less than my duty if I did not at least attempt to show the way which seems to me so natural and easy. While the present system continues we are poor. The payment of the national debt and the accumulation of coin in the Treasury are the signs of unparalleled national wealth, but our financial condition is not in harmony with these signs. The latest figures from the Treasury are such as no other nation can exhibit. From these it appears that the amount of bonds purchased since March 1, 1869, for the sinking fund was $52,000,000, and the amount purchased subject to Congress $64,000,000, being in all $116,000,000. The same proportion of purchase for January and February would be $20,000,000, making a sum-total of $136,000,000 for one year. And, notwithstanding this outlay, we find in the Treasury January 1, 1870, in coin no less than $100,159,000, and in currency $19,773,000, making a sum-total of $121,932,000. And yet with these tokens of national resources manifest to the world, our bonds are below par, and our currency is inconvertible paper. This should not be permitted any longer. With all these resources there must be a way even if we were not taught that a will always finds a way.

The refunding of an existing loan implies two distinct and independent transactions: first, the extinction by payment in some form of the existing loan, and secondly, the negotiation of a new loan to an amount equal to that extinguished.

The bill now before the Senate contemplates the prompt extinguishment of the five-twenties of 1862. But I would not have this important work entered upon until the Government is fully prepared to say that, after a certain period of notice, say six months, in order that distant holders in Europe may be advised, interest on the five-twenties of 1862 shall cease, and the bonds be faithful redeemed in coin. There should be no coercion of any kind upon any holder, at home or abroad, to induce the acceptance of a substitute bond. I am happy to believe that with the judicious use of five per cent. tenforties all the coin necessary for such independent action may be assured in advance. Believing that such five per cent. bonds will be regarded by investors as preferable to coin, I would give the holders of the old bonds the first opportunity to subscribe for the new. Such as elect coin will make room for others ready to give coin in exchange for such bonds.

If we look at the practical consequences we shall be encouraged in this course. The refunding of the sixes of 1862, being upwards of five hundred millions, into fives, as authorized by the first section of the bill, contemplates the payment from present funds of little more than fourteen millions, being the excess of five-twenties above the five hundred millions provided for. The annual reduction of interest on that loan will be $5,886,276. The substitution of three hundred millions of fours for a like amount of sixes, as provided in the bill, will operate a further saving of $6,000,000, making a sum-total of $11,886,276, or near twelve millions. There will then remain but $199,445,500, subject to redemption, being five-twenties of 1864.

During the year 1870 the further sum of $436,350,500, being five-twenties of 1865, will fall within the control of the Government, when, as it seems to me, and according to the principle contained in this bill, the credit of the Government will be at such a pitch, that five hundred millions can be refunded, in four and a half per cents. with the addition of thirty-six millions paid from the Treasury—thus insuring a further annual reduction of $9,709,989 or a total annual saving of $21,596,265, of which about twelve millions may be saved during the current year. Here for the present we stop. Our interest-paying debt cannot be further ameliorated before 1872, when three hundred and seventy-nine millions, being five-twenties of 1867, will become redeemable, and then in 1873 when forty-two millions, being fifteen-twenties of 1868 and consolidated the balance of our optional stock, will become redeemable, all of which I greatly believe may be refunded in the four per cents, provided by the present bill, to be followed in 1874 by a reduction of the original ten-forties into similar bonds.

I would remark here that the bill undertakes to deal with the whole disposable national debt. The amounts which I have given will be found in the Treasury tables of January 1st last, and are irrespective of the sinking fund and invested surplus.

From these details I pass to consider the bill in its aims and principles.

The proposition with which I begin is to refund our six per cent. five-twenties of 1862, amounting to upwards of five hundred millions into five per cent. fifteen-twenties. In taking the term ten-forties I adopt the description of a bond well known and popular at home and abroad whose "payment in coin" is expressly stipulated by the original act authorizing the issue. The bond begins with a good name, which will commend it. The interest which I propose is larger than I would propose for any late bond. It is important, if not necessary, in order to counteract the suspicion which has been allowed to fall upon our national credit.

Even our sixes are now below par in Europe. But they will unquestionably share the elevation of the new fives substituted. Our first attempt should be with the latter. [illegible] law in everywhere.

In this process the first stage is the conviction that all our bonds will be paid in the universal money of the world. All bonds, whether fives or sixes, will then advance. I know no way in which this conviction can be created so promptly and easily as by redeeming in gold some one of our six per cent. loans, and that most naturally selected is the first, which is already so noted from the discussion to which it has been subjected. But this can be done only by offering to holders the option of coin or a satisfactory substitute bond. With a new issue of five per cent. ten-forties, limited in amount to about the aggregate of the six per cent. five-twenties of 1862—say five hundred millions—I cannot doubt that every foreign holder of such sixes will accept the fives in lieu of coin, and so much of that loan as is held at home may be paid in coin, if preferred by the holders, from the proceeds of an equal amount of fives placed in Europe at par for coin.

Then will follow the advantage of this positive policy. The national credit will be beyond question. Nobody will doubt it. The public faith will be vindicated. The time will have come, which is the condition precedent named by the Secretary of the Treasury, when the "want of faith in the Government" will be removed, and the door will be open to cheap loans. This will be, of course. It cannot be otherwise if we only do our duty. Our fives, being limited in amount, after being taken at par in preference to coin, will advance in value, so that the investment will become popular. People will desire more, but there will be no more, so that without difficulty or delay we may hope to refund five hundred millions of our subsequent sixes, or so much as may be desirable, at four and a half per cent. in fifteen-fifties; if not, at four per cent. in twenty-fifties.

In this operation the initial point is the national credit. With this starting point all is easy. Our fives will at once ascend above par, while a market is opened for four and a half or four per cents. The stigma of repudiation, whether breathed in doubt or hurled in taunt, will be silenced. There are other fields of glory than in war, and such a triumph will be among the most important in the annals of finance. But to this end there must be no hesitation. The offer must be plain, "bonds or coin," giving the world assurance of our determination. The answer will be as prompt as the offer; "bonds, and not coin."

In the process of financial reconstruction we cannot forget the national banks, which have already done so much. The uniform currency which they supply throughout the country commends them to our care. Accustomed to the facilities this currency supplies, it is difficult to understand how business was conducted under the old system, when every bank had its separate currency, taking its color, like the chameleon, from what was about it, so that there were as many currencies, with as many colors, as there were banks.

Two things must be done by the national banks: first, the bonds deposited by them with the Government must be reduced in interest, and secondly, the system must be extended, so as to supply much-needed facilities, especially at the West and South.

I doubt if the national banks can expect to receive in the future more than four per cent. from the bonds deposited by them with the Government, and, considering the profit attributed to their business, it may be that there would be a reluctant consent even to this allowance. Here it must be observed that the whole system of national banks is founded upon the bonds of the nation, so that at the rate of liquidation now adopted for the national debt the system will be without support in the lapse of twelve or fifteen years. The stability of the banks, which is so vital alike to the national currency and to the pecuniary interests involved in the business, can be assured only by an issue of bonds for a longer term. Of course, the longer the period the more valuable the bond. To reduce the interest arbitrarily on the existing short bonds of the banks without offering compensation in some form would be positively unjust, besides being an infringement of the guarantees surrounding such bonds, and therefore a violation of good faith. A substitute twenty-sixty bond will be assurance of stability for this length of time, while the additional life of the bond will be a compensation for the reduction of interest. As it is not proposed to issue such bonds immediately, except for banking purposes, they will not fall below par, and the par will be coin, which, I need not say, the sixes now held by the banks will not command. If through the failure or winding up of any bank an amount of the substituted bonds should be liberated, there will be an instant demand for them at par by new banks arising to secure the relinquished circulation.

Allow me here to interpose a brief word on the difference in value between a long bond and a short bond. Obviously the short bond will be liquidated at an early day, so that any premium, while increasing the capital invested, lessens the percentage of increase. Thus $1,000 in a six per cent. bond, with a premium of twenty per cent., will cost $1,200, with an income of sixty dollars only, or five per cent., and the bond, if paid at par, would involve a loss of the premium. But the same $1,200 invested in fives, will be represented by $1,200 in bonds, yielding annually sixty dollars, or five per cent., with this constant advantage, that when paid at par the investor would find his original capital intact. Therefore, it cannot be expected when the fives are brought to par that the short sixes soon to be paid at par will have a value proportioned to their higher interest. It will be with them as with other things in this world where value is diminished by the brevity of existence.

The extension of bank notes from three to five hundred millions, which I propose, will extend the banking system where it is now needed. This alone is much. How long the Senate debated this question at the last session without any practical result cannot be forgotten. That debate certifies to the necessity of this extension. The proposition I offer shows how it may be accomplished and made especially beneficent. The requirement from all the banks of new four per cent. bonds at the rate of four hundred dollars for eighty dollars of notes issued and to be issued would absorb six hundred and twenty-five millions of the national debt into four per cent.; while the withdrawal of one dollar in greenbacks for each additional dollar of notes will go far to extinguish the outstanding greenbacks, thus quietly and without any appreciable contraction removing an impediment to specie payments. Naturally, as by a process of gestation, will this birth be accomplished. It will come, and nobody can prevent it.

In presenting this series of measures I am penetrated by the conviction that, if adopted, they cannot fail to bring all the national obligations to a par with coin, and then specie payments will be resumed without effort. Our bonds will be among the most popular in the market. No longer below par, they will continue to advance, while the national credit lifts its head unimpeached, unimpeachable. Under this influence the remainder of our outstanding debt may be refunded in fifteen-fifties at four and a half per cent., if not in twenty-sixties at four per cent. There will then be sixteen hundred and twenty-five millions refunded at an average of less than four and a half per cent., and the whole debt, including the irredeemable sixes of 1881, at an average of less than five per cent., while all will be within our control five years earlier than in the maximum period proposed by the Secretary of the Treasury. This rate is lower than that of any European Government, including Great Britain and Switzerland. The latter Power has obtained a loan of two and a half millions recently at four and a half per cent. The recent French Rente, which found such favor at three per cent. nominally was uttered at prices varying from sixty-five to sixty-eight, so that one thousand millions of obligations represented six hundred and fifty or six hundred and eighty millions of money actually paid, making the annual cost to the Government more than five per cent. It would be easy to show how other governments have paid much more. Well may we put a little longer yield to England, where wealth is so surpassing, and to Switzerland, here centuries of conflicting elements have made the home of peace. The time is at hand when the wealth of England and the economy of Switzerland will be less commanding than the unquestionable resources of our country.

One immediate consequence of these measures would be the relief of the people from eighty to one hundred millions of taxation, while there would remain a surplus revenue of two millions a month applicable to the reduction of the debt, being more than enough to liquidate the whole prior to the maturity of the new obligations, if it were thought advisable to complete the liquidation at so early a day. The country will breathe freer, business will be more elastic, life will move easier, as the conviction goes forth that no heavy taxation shall be continued in order to pay the debt in eleven years, as is now proposed, nor in fifteen years, nor in twenty years. By the present measures, while retaining the privilege of paying the debt within twenty years, we shall secure the alternative of sixty years, and at a largely reduced interest, leaving the opportunity of paying it at any intermediate time according to the best advantage of the country. With diminished taxation and resources increasing immeasurably, the national debt will cease to be a burden becoming "fine by degrees and beautifully less" until it gradually ceases to exist.

[illegible] I offer my contribution to the settlement of a great question. If I is strong as I have said will soon be forgotten. Meanwhile I ask for it your candid attention, adding one further remark, with which I shall close. I never have doubted, I cannot doubt, the case with which the transition to specie payments can be accomplished, especially as compared with the ominous fears which this simple proposition seems to excite in certain quarters. We are gravely warned against it as a period of crisis. I do not believe there will be anything to which the term can be reasonably applied. Like every measure of essential justice it will at once harmonize with the life of the community, and people will be astonished at the long postponement of an act so truly beneficent in all its influences, so important to the national character, and so congenial with the business interests of the country.

New Advertisements

FOR SALE—At a Reasonable Price, TWO BEAUTIFUL OIL PAINTINGS, BY RAYMOND. "MOZART PERFORMING ON THE PIANO." "BEETHOVEN PREFORMING ON THE ORGAN." BEFORE THE COURT OF VIENNA. Now on exhibition at the Fine Art Rooms of Thomas C. JOHN F. ELLIS, 1006 Pennsylvania avenue, near Tenth street. jan13-3t

IN THE SUPREME COURT OF THE DISTRICT OF COLUMBIA. Lawrence Myers & Co. vs. John Bligh and others. No. 1323. Equity. Notice is hereby given to the parties to this cause that in pursuance of a decree of June Term last, to WEDNESDAY, Jan. 19, 1870, at 12 o'clock, m., at No. 9 Columbian Law Building, I shall proceed to make sale of a moiety of the trusts in this cause and the distribution of the funds in the hands of the undersigned. W. A. COZZENS, Auditor. jan13-3t

ST. CLOUD HOTEL, COR. NINTH AND F STS, The most central location in the city, immediately opposite the Patent Office and Masonic Temple, and one block from the General Post Office Department. Table D'Hote and Saloon on the European plan. Refurnished throughout. The Furniture, commencing with the Office, Executive Mansion, Treasury, War and Navy Departments, and the Baltimore and Ohio Railroad Depot, pass the door. MRS. E. A. POLLARD, jan13-tf Proprietress.

WHILE OTHERS ARE DISPOSING OF OLD STOCK, STRASBURGER BROS. Have just opened a large assortment of new BOOTS AND SHOES. And selling them cheaper than others offering their old stock. Bear in mind they neither mark goods up or down, but sell them at regular wholesale prices. Keeping one of the largest stocks of Boots, Shoes, and Gaiters of all grades, which you will find to wear as represented. Give them a call before purchasing, and you will find a saving of 25 per cent. STRASBURGER BROS. Old number, 374. New, 906 SEVENTH STREET, Between I and K. jan11-tf

BY GREEN & WILLIAMS, Auctioneers and Real Estate Brokers, 1340 Bonifant's corner of 9th and D streets. TWO-STORY AND ATTIC BRICK DWELLING, FRONTING ON 6TH STREET WEST, BETWEEN G AND H STREETS NORTH, AT PUBLIC AUCTION. ON MONDAY NEXT, the 17th instant, at 4 o'clock, P. M., we shall sell in front of the premises, House No. 407 6th street west, and the lot on which it stands, having eight feet frontage, water and gas, and running back to a 4-foot alley. Terms: One half cash; balance in 6 and 12 months, for notes bearing interest, secured by a deed of trust on the premises. Conveyancing and stamps at purchaser's cost. $50 will be required on day of sale. GREEN & WILLIAMS, jan13-eod3t Auctioneers.

PROPOSALS FOR SUPPLIES. NAVY PAYMASTER'S OFFICE, WASHINGTON, D. C., Jan. 10, 1870. Sealed proposals will be received at this office until 12 m., the 15th day of January, 1870, for the below described Pine timber and lumber, which must be of the very best quality, to be delivered at the Washington Navy Yard, subject to the usual conditions, &c. BUREAU OF ORDNANCE. 382 "Eastern Shore" Yellow Pine Plies, 1200 Piles to be delivered within three weeks from date of contract. 828 Sawed Feet "Eastern Shore" Yellow Pine Plank. 20,000 feet board measure "Eastern Shore" Yellow Pine Plank. Bidders must state in their bids the time within which the timber and lumber can be delivered. Descriptive schedule with particulars to be seen at this office. Successful bidder required to give the prompt and faithful delivery of the same, in conformity with specifications and the blank forms for bids, to be had at this office, otherwise bids will not be entertained. EDWIN STEWART, jan11-3t Paymaster U. S. Navy.

WRAPPING PAPER ON SALE AT THIS OFFICE.

Special Notices.

NATIONAL WOMAN'S SUFFRAGE CONVENTION. The Convention of the National Woman's Suffrage Association will be held in Lincoln Hall on the 18th, 19th and 20th instant, commencing at 10 o'clock, a.m. The leading objects of this Convention are the Enfranchisement of Women in the District and the passage of the Sixteenth amendment to the Constitution. The following named speakers will be present: Senator Pomeroy. Senator Wilson. Miss Susan B. Anthony. Mrs. Elizabeth Cady Stanton. Mrs. Isabella Beecher Hooker, of Hartford, Ct. Hon. A. G. Riddle, of Washington, D. C., "Unity of Law." Mrs. Paulina Wright Davis, "Origin and History of the Movement." Mrs. Theodore Tilton. Mrs. Norton, of New York. Mrs. Blake, of New York. Mrs. Mary F. Davis, of New York. Miss Wilbour, of New York. Miss Nellie Hutchinson, of New York, the ex-Reporter of the Tribune. Bishop Simpson, of Philadelphia. Grace Greenwood, of Washington, D. C. Mrs. Josephine S. Griffing, of Washington, D.C. The following speakers are expected: Mrs. Harriet Beecher Stowe. Wendell Phillips. Mrs. Lucretia Mott. Mrs. Livermore. Rev. Henry Ward Beecher, of Brooklyn, N. Y. Rev. Mr. Burton, of Hartford, Ct. Mrs. M. F. T. Cutler, of Cleveland, Ohio. Mrs. Ames, of California. Mrs. Covey, of Detroit, Mich. Mrs. Frances D. Gage, "Are We a Republic?" Hon. George W. Julian. Hon. Judge Kelley. Hon. Judge Johnson, of Cincinnati. Prof. John M. Langston, of Howard University. Mrs M. J. Cornor, of Howard University, and others. The above list of eminent and brilliant speakers promises an intellectual treat seldom enjoyed by a Washington audience. The Committee of Arrangements have spared no pains, their object being to secure the greatest amount of comfort and convenience to the invited Speakers and the citizens of Washington. This being their aim, they have secured LINCOLN HALL, corner Ninth and D streets, the most elegant and comfortable public