

provide for such other exceptional demands for coin as may arise, does not seem to me a work of difficulty. If wisely planned and pursued, it ought not to cost any sacrifice to the business of the country; it should, on the contrary, revive hope and confidence. The coin in the treasury on the 30th of June, including what is held against coin certificates, amounted to nearly seventy-four millions. The current of precious metals which has flown out of our country for eleven years, from July 1st, 1865, to June 30th, 1876, averaging nearly \$76,000,000 a year, was \$832,000,000 in the whole period, of which \$617,000,000 were the product of our own means. To amass the requisite quantity by intercepting from the current flowing out of the country, and by acquiring from the stocks which exist abroad, without disturbing the equilibrium of foreign money markets, is a result to be easily worked out by practical knowledge and judgment. With respect to whatever surplus of legal tenders the wants of business may fail to keep in use, and which, in order to save interest, will be retained for redemption, they can either be paid or they can be funded. Whether they continue as currency or be absorbed into the vast mass of securities held as investments, is merely a question of the rate of interest they derive. Even if they were to remain in their present form, and government were to agree to pay on them a rate of interest, making them a desirable investment, they would cease to circulate and take their place with government, state, municipal, and other corporate and private bonds, of which a thousand millions exist among us. In the perfect ease with which they can be changed from currency into investments lies the only danger to be guarded against in the adoption of general measures intended to remove a clearly ascertained surplus. That is the withdrawal of any which is not a permanent excess beyond the wants of business. Even more mischievous would be any measure which affected public imagination with fear of an apprehended scarcity in a community where credit is so much used to fluctuations of values, and vicissitudes in business are largely caused by temporary beliefs of men, even before these beliefs can conform to ascertained realities. The amount of necessary currency at a given time cannot be determined arbitrarily and should not be assumed on conjecture; that is, the amount is subject to both permanent and temporary changes. An enlargement of it, which seemed to be durable, happened at the beginning of the civil war by a substituted use of currency in place of individual credits. It varies with certain states of business. It fluctuates with regularity at different seasons. For instance, when buyers of grain and other agricultural products begin their operations they usually need to borrow capital or circulating credits, by which to make purchases, and they want these funds in currency capable of being distributed in small sums among numerous sellers. The additional need of currency at such times is five or more per cent. of the whole volume, and if a surplus beyond what is required for ordinary use does not happen to have been on hand at money centres, a scarcity of currency ensues and also a stringency in the loan market. It was in reference to such experiences that in the discussion of this subject in my annual message to the New York legislature, in January, 1875, the suggestion was made that the federal government is bound to redeem every portion of its issues which the public does not wish to use. Having assumed to monopolize the supply of currency and enacted exclusions against everybody else, it is bound to furnish all which the wants of business require. The system should passively allow the volume of circulating credits to ebb and flow according to the ever-changing wants of business. It should imitate, as closely as possible, the natural laws of trade, which it has superseded by artificial contrivances; and in a similar discussion in my message of Jan., 1876, it was said that resumption should be effected by such measures as would keep the aggregate amount of currency self-adjusting during all process, without creating at any time an artificial scarcity and without exciting the public imagination with alarm, and without impairing confidence throughout the whole large

machinery of credit and disturbing the natural operations of business.

Public economy, official retrenchment, and wise finance are means which the St. Louis convention indicates as the provision for resources and redemptions. The best resource is a reduction of expenses of the government below its income, for that imposes no new charge on the people. If however the improvidence and waste which have conducted it to a period of failing revenues oblige us to supplement the results of economies and retrenchments by some resort to loans, we should not hesitate. The government ought not to speculate on its own dishonor in order to save interest on its broken promises, which it still compels private dealers to accept at a fictitious par. The highest national honor is not only right, but would prove profitable.

Of the public debt \$985,000,000 bear interest at six per cent. in gold, and \$712,000,000 at five per cent. in gold. The average interest is 5.58 per cent. A financial policy which should secure the highest credit, wisely availed of, ought gradually to obtain a reduction of one per cent. interest on most of the loans. A saving of one per cent. on the average would be \$177,000,000 a year in gold. That saving regularly invested at four and a half per cent. would in less than thirty-eight years extinguish the principal. The whole \$1,700,000,000 of funded debt might be paid by this saving alone, without cost to the people. It is best, even when the preparation shall have been matured. The exact date would have to be chosen with reference to the existing state of trade and credit operations in our own country, the course of foreign commerce, and the condition of exchanges with other nations. The specific measures and actual data are matters of details, having reference to ever-changing conditions; they belong to the domain of practical administrative statesmanship. The captain of a steamer about starting from New York to Liverpool does not assemble a council over his ocean chart. A human intelligence must be at the helm to place the shifting forces of waters and winds. A human being must be at the helm to feel the elements day by day, and guide to mastery over them. Such preparations are everything. Without them a legislative command fixing a day and an official promise are shams. Among thoughtful men, whose judgment will at least sway public opinion, an attempt to act on such command or such promise, without preparation, would induce new suspicion. It would be a fresh calamity, prolific of confusion, distrust and distress.

The act of Congress of the 14th of July, 1875, enacted that on and after the 1st of January, 1879, the Secretary of the Treasury shall redeem in coin the legal tender notes of the United States on presentation at the office of the Assistant Treasurer in the city of New York. It authorizes the Secretary to prepare and provide for such resumption of specie payments by the use of any surplus revenues not otherwise appropriated, and by issuing in his discretion certain classes of bonds. More than one and a half of four years have passed, and Congress and the President have continued ever since to unite in acts which have legislated out of existence every possible surplus applicable to this purpose. The coin in the Treasury claimed to belong to the government had, on the 30th of July, fallen to less than \$45,000,000 against \$59,000,000 on the 1st of January, 1875, and the availability of part of the sum is said to be questionable. The revenues are falling faster than the appropriations and expenditures, and are reduced, leaving the Treasury with diminishing resources. The Secretary has done nothing under his power to issue bonds. The legislature commands and the official promise fixing a day for resumption have been made. There has been no progress. There have been steps back. There is no necromancy in the operations of the government. The homely maxims of every day life are the best standard of its conduct. A debtor who should promise to pay a loan out of his surplus income, yet be seen every day spending all he could lay his hands on in riotous living, would lose all character for honesty, and his offer of a new promise, or his profession as to the value of his old promise, would alike provoke derision.

The St. Louis platform denounces the failure for eleven years to make good the promise of the legal tender notes. It denounces the omission to accumulate any reserve for their redemption. It denounces the conduct which, during eleven years of peace, has made no advance towards resumption, but instead has obstructed resumption by wasting our resources and exhausting all our surplus income, and while professing to intend speedily to resume specie payments has annually enacted fresh hindrances thereto; and having first denounced the barrenness of the promise of a day of resumption, it next denounces that barren promise as a hindrance to resumption. It then demands its repeal and also demands the establishment of a judicious system of preparation for resumption. It cannot be doubted that the substitution of a system of preparation without promise of a day, for the worthless promise of a day without a system of preparation, would be the gain of the substance of resumption in exchange for its shadow. Nor is the denunciation unmerited of that improvidence which, in eleven years since the peace, has consumed \$4,500,000,000, and yet could not afford to give the people a sound and staple currency. Two and half per cent. on the on the expenditures of these eleven years, or less would have provided all the additional coin needful to resumption. The distress now felt by the people in all their business and industries, though it has its principal cause in the enormous waste of capital, by the false policies of our Government, has been greatly aggravated by the mismanagement of the currency. Uncertainty is the prolific parent of mischiefs in all business. Never were its evils more felt than now. Men do nothing because they are unable to make any calculations on which they can safely rely; they undertake nothing because they are at a loss; in everything they would attempt they stop and wish. The merchant dares not buy for the future consumption of his customers. The manufacturer dares not make fabrics which may not refund his outlay; he shuts his factory and discharges his workmen. Capitalists cannot lend on security they consider safe, and their funds lie almost without interest. Men with enterprise, who have creditors to pledge will not borrow. Consumption has fallen below the natural limits of reasonable economy. The prices of many things are under their range in frugal specie paying times, before the civil war let masses of currency lie in hands unused. A year and a half ago legal tenders were at their largest volume, and \$12,000,000, since retired, have been replaced by fresh issues of one hundred millions of bank notes. In the meantime the banks have been surrendering about four millions a month, because they cannot find profitable use for so many of their notes. The public mind will no longer accept shams. It has suffered enough from illusions. Insincere policy increases distrust and unstable policy increases uncertainty. The people need to know that government is moving in the direction of ultimate safety and prosperity, and that it is doing so through prudent and safe conservative methods which will be sure to inflict no new sacrifice on the business of the country. Then the inspiration of new hope and well-founded confidence will hasten the restoring process of nature and prosperity will begin to return. The St. Louis convention concluded its expression in regard to currency by a declaration of its convictions as to the practical results of the system of preparations. We believe such a system, well devised, and above all intrusted to competent hands for execution, creating at no time an artificial scarcity of currency, and at no time alarming the public mind into a withdrawal of that vast machinery of credit by which 95 per cent. of all business transactions are performed, a system open to the public and inspiring general confidence, would, from the day of its adoption, bring healing on its wings to all our harassed industries set in motion the wheels of commerce, manufactures and mechanical arts, restore employment to labor, and renew, in all its natural sources, the prosperity of the people.

The government of the United States, in my opinion, can advance to the resumption of specie payments on its legal tender notes by gradual and safe processes, tending

to relieve the present business distress. If charged by the people with the administration of the executive office, I should deem it my duty to so exercise the powers with which it has been or may be invested by Congress, as the best and soonest to conduct the country to that beneficent result.

The convention justly affirms that reform is necessary in the civil service, necessary to its purification, necessary to its economy and efficiency, necessary in order that the ordinary employment of public business may not be a prize fought for at the ballot box, a brief reward of party zeal instead of posts of honor assigned for proved competency and held for fidelity in public employ. The convention wisely allowed that reform is necessary even more in the higher grades of the public service. The President, vice-president, judges, senators, representatives, cabinet officers, and all others in authority are not private perquisites, they are public trusts. Two evils infest the official service of the federal government—one is the prevalent and demoralizing notion that the public service exists not for the business and benefit of the whole people, but for the interest of office holders, who are, in truth, but servants of the people. Under the influence of this pernicious error, public employment has been multiplied. The number of those gathered into the ranks of office holders have been steadily increased beyond any possible requirement of public business, while inefficiency, peculation, fraud and malversation of the public business, from the high places of power to the lowest, have overspread the whole service like leprosy. The other evil is the organization of an official class into a body of political mercenaries, governing caucuses and directing the nominations of their own party, and attempting to carry the elections of the people by undue influence, and by an immense corrupting fund systematically collected from the salaries or fees of office-holders. The official class in other countries, sometimes by its own weight and sometimes in alliance with the army, has been able to rule the unorganized masses even under universal suffrage. Here it has already grown into a gigantic power, capable of stifling the inspirants of a sound public opinion and of resisting an easy change of administration, until misgovernment becomes intolerable. Public spirit has been stung to the pith of a civil resolution. The first step in reform is the elevation of a standard by which the appointing power selects agents to execute official trusts, and not the least in importance is a conscientious fidelity in the exercise of authority to hold to account and displace insubordinates. The public interest in an honest, skillful performance of official trust must not be sacrificed to the usufruct of the incumbent. After these immediate steps, which will insure the exhibition of better examples, we may wisely go on to the abolition of unnecessary offices, and finally to a patient, careful organization of a better civil service system, under the test, wherever practicable, of proved competency and fidelity. While much may be accomplished by these methods, it might encourage a delusive expectation if I withheld here the expression of my conviction that no reform of the civil service in this country will be complete and permanent till its chief magistrate is constitutionally disqualified for reelection, experience having repeatedly exposed the futility of self-imposed restriction by candidates or incumbents. Through this solely can he be effectually delivered from his greatest temptation to misuse the power and patronage with which the executive is necessarily charged. Educated in the belief that it is the first duty of a citizen of the republic to take his fair allotment of care and trouble in public affairs, I have for 40 years, as a private citizen, fulfilled that duty. Though occupied in an unusual degree during all that period with the concerns of government, I have never acquired a habit of official life. When, a year and a half ago I entered on my present trust, it was in order to consummate the reforms to which I had already devoted several years of my life. Knowing, as I do, therefore, from fresh experience, how great the difference is between going through an official routine and working out a reform of systems and policies, it is impossible for me to contemplate what needs to be

done in the federal administration without an anxious sense of the difficulties of the undertaking. If summoned by the suffrages of my countrymen to attempt this work, I shall endeavor, with God's help, to be an efficient instrument of their will. (Signed)

SAMUEL J. TILDEN.

To Gen. J. McClelland, Chairman, Gen. W. B. Franklin, Hon. J. J. Abbott, Hon. H. J. Spanghorst, Hon. H. J. Readfield, Hon. F. S. Lyon and others of the committee.

FOREIGN.

RAGUSA, 1.—The Turks lost in the recent battle at Trebinge, Selim Pasha killed and Osman Pasha taken prisoner, two colonels, three lieutenant colonels, seven majors, and from 5,000 to 6,000 men; two battalions of infantry and one of chasseurs were destroyed to the last man. All the battalions engaged suffered. The number of Turkish inferior officers killed is enormous. The pursuit was continued to the walls of Balke. The corpses were thick in the road before the citadel.

Besides the artillery and trains the Montenegrins captured 4,000 horses and an immense number of arms. The Turks are greatly outnumbered.

LONDON, 1.—The ship *Gellwood*, from Liverpool to Melbourne, was lost with all hand, off Cape Northumberland, on the south coast of Australia.

A telegram from Santander says, ex-Queen Isabella has informed King Alfonso that she has decided to take no part whatever in the political affairs of the kingdom.

PARIS, 1.—The proprietors of the newspapers which were fined for libel on the Jesuit college, have appealed from the jurisdiction of the court.

LONDON, 2.—The text of the official declaration of the Turkish Government explaining why it entered into the war against Serbia has been received. The document charges that the Serbians fomented insurrection in Serbia, and the Porte was compelled to ask an explanation of the extraordinary preparations made by the Serbian Prince Milan, who subsequently invaded the Turkish province, and was joined in his hostile movement by Montenegro. Turkey had no other alternative.

The *Times* Vienna special says Muktar Pasha is reported to be in a difficult position. The Montenegrins occupy his line of communication from Trebinge to the north, and also hold possession of the heights of Ljubolier, cutting off his chances of relief. If the Montenegrins should sever his communications with Ragusa, Muktar would be unable to feed his troops for any length of time.

The Berlin correspondent of the *Daily Telegraph* says: "I hear from Belgrade that great apprehensions are entertained there that Austria will occupy Serbia with a military force in the interest of European peace. My informant declares that such a course has already been determined upon, and arrangements are being made to mobilize 6,000 men for this purpose."

LONDON, 2.—The *Standard's* Berlin dispatch says that information of the Sultan Murad's deposition has not been officially communicated to the European powers. There is no doubt that Turkey stands in the presence of another crisis.

The St. Petersburg *Herald* declares that the Christians in Turkey are in a destitute condition and require immediate support, which Europe is alike to grant if she is in earnest.

The American horse Preakness won the Brighton Cup to-day by a walk over the track.

HAVANA, 2.—The negro Cibra, one of the most prominent of the insurgent leaders, has been killed in an ambush near Cagua.

MARSEILLES, 2.—Intelligence has been received from Morocco of a fresh disturbance. The Ghilani tribe refused to furnish their military quota, and the Emperor marched against them. His forces were surprised at night in an ambush, and the Emperor himself narrowly escaped capture. His army subsequently returned to the scene of disaster, and devastated the country of the Ghilans and sold the wounded and children captured into slavery.

Z. C. M. I. has seamless and Burlap grain bags of various sizes, also Burlaps for making bags or woosacks. See advertisement.