

and tax-payers are alike interested in an honest administration of the finances; and neither cases will long endure the large handed robberies of the recent past. For this discreditable state of things there are several causes. Some of the taxes are so laid as to present an irresistible temptation to evade payment. The great sums which officers may win by connivance at fraud, create a pressure which is more than the virtue of many can withstand; and there can be no doubt that the open disregard of constitutional obligations, avowed by some of the highest and most influential men in the country, has greatly weakened the moral sense of those who serve in subordinate places. The expenses of the United States, including interest on the public debt, are more than six times as much as they were seven years ago. To collect and disburse this vast amount requires careful supervision, as well as systematic vigilance. The system, never perfected, was much disorganized by the Tenure of Office Bill, which has almost destroyed official accountability. The President may be thoroughly convinced that an officer is incapable, dishonest, or unfaithful to the Constitution, but under the law which I have named the utmost he can do is to complain to the Senate, and ask the privilege of supplying his place with a better man. If the Senate be regarded as personally or politically hostile to the President, it is natural and not altogether unreasonable, for the officer to expect that it will take his part as far as possible, restore him to his place, and give him triumph over his Executive superior. The officer has other chances of impunity arising from accidental defect of evidence, the mode of investigating it, and the secrecy of the hearing. It is not wonderful that official malfeasance should become bold, in proportion as the delinquents learn to think themselves safe. I am entirely persuaded that under such a rule the President cannot perform the great duty assigned to him, of seeing the laws faithfully executed; and that it disables him most especially from enforcing that rigid accountability which is necessary to the due execution of the revenue laws. The Constitution invests the President with authority to decide whether a removal should be made in any given case. The Act of Congress declares, in substance, that he shall only accuse such as he supposes to be unworthy of their trust. The Constitution makes him sole judge in the premises; but statute takes away his jurisdiction, transfers it to the Senate, and leaves him nothing but the odious and sometimes impracticable duty of becoming a prosecutor. The prosecution is to be conducted before a tribunal whose members are not like him, responsible to the whole people, but to separate constituent bodies; and who may hear his accusation with great disfavor. The Senate is absolutely without any known standard of decision applicable to such a case. Its judgment cannot be anticipated, for it is not governed by any rule. The law does not define what shall be deemed good cause for removal. It is impossible even to conjecture what may or may not be so considered by the Senate. The nature of the subjects forbids clear proof. If the charge be incapacity, what evidence will support it. Fidelity to the Constitution may be understood, or misunderstood, in a thousand different ways; and by violent party men, in violent party times, unfaithfulness to the Constitution may even come to be considered meritorious. If the officer be accused of dishonesty, how shall it be made out? Will it be inferred from acts unconnected with public duty, from private history, or from general reputation? Or must the President await the commission of an actual misdemeanor in office? Shall he in the meantime risk the character and interest of the nation in the hands of men to whom he cannot give his confidence? Must he forbear his complaint until the mischief is done and cannot be prevented? If his zeal in the public service should impel him to anticipate the overt act, must he move at the peril of being tried himself for the offense of slandering his subordinate? In the present circumstances of the country, some one must be held responsible for official delinquency of every kind. It is extremely difficult to say where that responsibility should be thrown, if it be not left where it has been placed by the Constitution. But all just men will admit, that the President ought to be entirely relieved from such responsibility, if he cannot meet it by reason of restrictions placed by law upon his action.

The unrestricted power of removal from office is a very great one to be

trusted even to a magistrate chosen by the general suffrage of the whole people, and accountable directly to them for his acts. It is undoubtedly liable to abuse, and at some periods of our history, perhaps, has been abused. If it be thought desirable and constitutional that it should be so limited as to make the President merely a common informer against other public agents, he should, at least, be permitted to act in that capacity before some open tribunal, independent of party politics, ready to investigate the merits of every case, furnished with means of taking evidence, and bound to decide according to established rules. This would guarantee the safety of the accuser, when he acts in good faith; and at the same time, secure the rights of the other party. I speak, of course, with all proper respect of the present Senate; but it does not seem to me that any legislative body can be so constituted as to insure its fitness for these functions. It is not the theory of this government that public offices are the property of those who hold them. They are given merely as a trust for the public benefit, sometimes for a fixed period and sometimes during good behavior; but generally they are liable to be terminated at the pleasure of the appointing power, which represents the collective majesty and speaks the will of the people. The forced retention in office of a single dishonest person may work great injury to public interests. The danger to the public service comes not from the power to remove, but from the power to appoint; therefore it was that the framers of the Constitution left the power of removal unrestricted, while they gave the Senate a right to reject all appointments which, in its opinion, were not fit to be made. A little reflection on this subject, will probably satisfy all who have the good of the country at heart, that our best course is to take the Constitution for our guide, walk in the path marked out by the founders of the Republic, and obey the rules made sacred by the observance of our great predecessors.

The present condition of our finances and circulating medium is one to which your early consideration is invited. The proportion which the currency of any country should bear to the whole value of the annual product circulated by its means, is a question upon which political economists have not agreed, nor can it be controlled by legislation, but must be left to the irrevocable laws which everywhere regulate commerce and trade. The circulating medium will ever irresistibly flow to those points where it is in greatest demand. The law of demand and supply is as unerring as that which regulates the tides of the ocean; and indeed, currency, like the tides, has its ebbs and flows throughout the commercial world.

At the beginning of the rebellion the bank note circulation of the country amounted to not much more than \$200,000,000. Now, the circulation of National Bank notes, and those known as legal tenders, is nearly \$700,000,000, while it is urged by some that this amount should be increased. Others contend that a decided reduction is absolutely essential to the best interest of the country. In view of these diverse opinions, it may be well to ascertain the real value of our paper issues when compared with a metallic or convertible currency. For this purpose let us inquire how much gold and silver could be purchased by the \$700,000,000 of paper money now in circulation. Probably not more than half the amount of the latter, showing that, when our paper currency is compared with gold and silver, its commercial value is compressed into three hundred and fifty millions. This striking fact makes it the obvious duty of the government, as early as may be consistent with the principles of sound political economy, to take such measures as will enable the holder of its notes and those of National Banks, to convert them, without loss, into specie, or its equivalent. A reduction of our paper circulating medium need not necessarily follow. This, however, would depend upon the law of demand and supply, though it should be borne in mind that by making legal tender and bank notes convertible into coin or its equivalent, their present specie value in the hands of their holders would be enhanced one hundred per cent. Legislation for the accomplishment of a result so desirable is demanded by the highest public considerations. The Constitution contemplates that the circulating medium of the country shall be uniform in quality and value. At the time of the formation of that instrument, the country had just emerged from the war of the revolution, and was suffering from the effects of a redundant

and worthless paper currency. The sages of that period were anxious to protect their posterity from the evils which they themselves had experienced. Hence, in providing a circulating medium, they conferred upon Congress the power to coin money, and regulate the value thereof, at the same time prohibiting the States from making anything but gold and silver a tender in payment of debts. The anomalous condition of our currency is in striking contrast with that which was originally designed. Our circulation now embraces, first, notes of National Banks, which are made receivable for all dues to the Government excluding imports, and by all its creditors, excepting in payment of interest upon its bonds and the securities themselves; second, legal tender notes issued by the United States, and which the law requires shall be received as well in payment of all debts between citizens, as of all government dues, excepting imports; and, third, gold and silver coin. By the operation of our present system of finance, however, the metallic currency, when collected, is reserved only for one class of Government creditors who, holding its bonds, semi-annually receive their interest in coin from the National Treasury. They are thus made to occupy an invidious position, which may be used to strengthen the arguments of those who would bring into disrepute the obligations of the Government, which should be inviolably maintained. But, while it acts with fidelity toward the bond holder, who loaned his money that the integrity of the Union might be preserved, it should at the same time observe good faith with the great masses of the people, who, having rescued the Union from the perils of rebellion, now bear the burdens of taxation that the Government may be able to fulfil its engagements. There is no reason which will be accepted as satisfactory by the people, why those who defend us on land and protect us on sea, the pensioner upon the gratitude of the nation, bearing scars and wounds received while in its service, the public servants in the various departments of the Government, the farmer who supplies the soldiers of the army and the sailors of the navy, the artisan who toils in the nation's workshops, and the mechanics and laborers who build its edifices and construct its forts and vessels of war, should, in payment of their just and hard earned dues, receive depreciated paper, while another class of their countrymen, no more deserving, are paid in coin of gold and silver. Equal and exact justice requires that all the creditors of the Government should be paid in a currency possessing uniform value. This can only be accomplished by the restoration of the currency to the standard established by the Constitution; and by this means we would remove a discrimination which may, if it has not already done so, create a prejudice that may become deep-rooted and wide spread, and imperil the national credit. The feasibility of making our currency correspond with the Constitutional standard, may be seen by reference to a few facts derived from our commercial statistics.

The production of precious metals in the United States from 1849 to 1857, inclusive, amounted to \$579,000,000; from 1858 to 1860, inclusive, to \$127,500,000, and from 1861 to 1867, inclusive, to \$457,500,000; making the grand aggregate of products since 1849, \$1,174,000,000. The amount of specie coined from 1849 to 1857, inclusive, was \$439,000,000; from 1858 to 1860, inclusive, \$125,000,000; and from 1861 to 1867, inclusive, \$310,000,000; making the total coinage since 1849, \$874,000,000. From 1849 to 1857, inclusive, the net exports of specie amounted to \$271,000,000; from 1858 to 1860, inclusive, to \$148,000,000; and from 1861 to 1867, inclusive, \$322,000,000; making the aggregate of net exports since 1849, \$747,000,000. These figures show an excess of product over net exports of \$433,000,000. There are in the Treasury \$111,000,000 in coin; something more than \$400,000,000 in circulation on the Pacific coast, and a few millions in the National and other Banks; in all about \$160,000,000. This, however, taking into account the specie in the country prior to 1849, leaves more than \$300,000,000 which have not been accounted for by exportation, and therefore may yet remain in the country. These are important facts, and show how completely inferior currency will supercede the better, forcing it from circulation among the masses, and causing it to be exported as a mere article of trade to add to the money capital of foreign lands. They show the necessity of redeeming our paper money, that the return of gold and sil-

ver to the avenues of trade may be invited, and a demand created, which will cause the retention at home of, at least, so much of the productions of our rich and inexhaustible gold bearing fields as may be sufficient for purposes of circulation. It is unreasonable to expect a return to a sound currency, so long as the Government, by continuing to issue irredeemable notes, fills the channels of circulation with depreciated paper.

Notwithstanding a coinage by our mints, since 1849, of \$874,000,000, the people are now strangers to the currency which was designed for their use and benefit, and the specimens of precious metals bearing the national device, are seldom seen, except when produced to gratify the interest excited by their novelty. If depreciated paper is to be continued as the permanent currency of the country, and all our coin is to become a mere article of traffic and speculation, to the enhancement in price of all that is indispensable to the comfort of the people, it would be wise economy to abolish our mints, thus saving the nation the care and expense incident to such establishments, and let all our precious metals be exported in bullion. The time has come, however, when the Government and National Banks should be required to take the most efficient steps, and make all necessary arrangements, for a resumption of specie payments at the earliest practicable period. Specie payments having been once resumed by the Government and Banks, all notes or bills of paper issued by either, of a less denomination than twenty dollars, should by law be excluded from circulation, so that the people may have the benefit and convenience of a gold and silver currency, which in all their business transactions will be uniform in value at home and abroad. Every man of property or industry, every man who desires to preserve what he honestly possesses, or to obtain what he can honestly earn has a direct interest in maintaining a safe circulating medium, such a medium as shall be real and substantial, not liable to vibrate with opinions, not subject to be blown up or blown down by the breath of speculation, but to be made stable and secure. A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive of its happiness. It was against industry, frugality and economy, and it fosters the evil spirit of extravagance and speculation. It has been asserted by one of our profound and most gifted statesmen, that of all contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's fields by the sweat of the poor man's brow. Ordinary tyranny, oppression and excessive taxation, these bear lightly on the happiness of the mass of a community, compared with a fraudulent currency and robberies committed by depreciated paper. Our own history has recorded for our instruction, enough and more than enough of the demoralizing tendency, injustice and intolerable oppression, on the virtuous and well disposed, of a degraded paper currency authorized by law, or in any way countenanced by Government. It is one of the most successful devices in times of peace or war, expansions or revulsions, to accomplish the transfer of all precious metals from the great mass of the people into the hands of a few, where they are hoarded in secret places, or deposited in strong boxes under bolts and bars, while the people are left to endure all the inconvenience, sacrifice and demoralization resulting from the use of depreciated and worthless paper money.

The condition of our finances and the operations of our revenue system, are set forth and fully explained in the able and instructive report of the Secretary of the Treasury. On the 30th of June, 1866, the public debt amounted to \$2,783,428,879; on the 30th June last it was \$2,692,199,215, showing a reduction during the fiscal year of \$91,228,664. During the fiscal year ending June 30, 1867, the receipts were \$490,634,010, and the expenditures \$346,729,129, leaving an available surplus of \$143,904,880. It is estimated that the receipts for the fiscal year ending June 30, 1868, will be \$417,161,928; and that the expenditures will reach the sum of \$393,269,226; leaving in the Treasury a surplus of \$23,892,702. For the fiscal year ending June 30, 1869, it is estimated that the receipts will amount to \$381,000,000; and that the expenditures will be \$372,000,000, showing an excess of \$9,000,000 in favor of Government.

The attention of Congress is earnestly