

taxed, not only during the war, but afterward, and yet Pennsylvania has never claimed that the money should be refunded. The amount of cotton tax claimed is \$170,180,220. Again, buildings were occupied, crops were trampled, fences and woods were burned, provisions were consumed, edifices were demolished, and regions were laid waste by the armies of the Union. The total of such claims dizzies arithmetic. These are not "debt or obligations incurred in aid of insurrection or rebellion," — decidedly not in aid of rebellion. They are claims because of the acts done to crush rebellion. The constitutional amendment does not come within gunshot of them. The error of the distinguished speaker is the more puzzling because, as reported, he said in another part of his address recently that the Republican majority in Congress had paid \$100,000,000 of such claims. This I presume is true if he means that Republicans have voted to pay Union men whose property was taken for public use the value of the property so taken. But, whether correct in the amount or not, he is certainly correct in saying that a vast sum has been so paid. Does not this fact clearly show that such claims are not extinguished by the constitution? If they were so extinguished, surely the law-making power would not have been so stupid or wicked as to pay them year after year, and this without any member of either House ever suggesting that the constitution stood in the way. These appropriations for southern claims also throw light on the question whether Republican action in Congress has been hostile and cruel to the South. The statutes on the subject enacted by Republicans have made the loyalty of the claimant a *sine qua non*, and the Democrats have repeatedly voted to repeal the loyalty test, and bills for this purpose are now pending. There can be no doubt that the way is wide open to all the southern

claims which a majority can be found to vote for and a President to sign. . . .

In the face of the facts, bald and arrant as the claim is, the country is gravely told of wondrous Democratic economies, and it now begins to be stated that the resumption of specie payments was really brought about by the frugality of a Democratic Congress. If a race was to be sailed on the sea of fiction, the inventor of this statement would surely take the cup. The resumption of specie payments was a transcendent achievement. The credit of it belongs to some party, and to that party future generations will look back with grateful admiration. Whoever would know the truth about it can easily do so. After the war we had afloat well toward a thousand millions of paper currency. It fluctuated in value from thirty-eight to seventy cents in the dollar. The public debt was more than twenty-eight hundred millions, and more than twenty-three hundred millions of it bore interest. The annual interest charge was a hundred and fifty millions. The first presidential election afterward was in 1868. The two parties, of course, arrayed themselves on the greatest financial issue which has ever arisen in this country, or perhaps in any country. The question was, what should be done with the colossal debt inflicted by the rebellion, and with the sea of paper promises we had been compelled to put out. The Democratic party pronounced for repudiation. The declaration was covert and indirect, but it meant repudiation. They resolved that all debts should be paid in paper promises unless the obligation expressly on its face said otherwise, or unless the law mentioned that coin should be paid. They resolved that "government bonds and all other securities" should all be taxed. They resolved that "every species of property" should be taxed, and taxed at

its "real value." They resolved that there should be but one currency for the government and the "bondholder." Taken together, these declarations were plain repudiation.

The Republicans in their national convention declared two things: First, that repudiation is a national crime; and that every debt must be paid to the uttermost, not according to the letter but the spirit of the law. Second, that the wise course was to improve our credit so as to refund our bonded debt at lower interest, and that this could not be done if repudiation, open or covert, partial or total, was threatened or suspected. On this platform General Grant was elected. His first presidential syllable was spoken on the portico of the Capitol to assembled thousands, and spoken with lips which only an instant before had touched the Bible to solemnize an oath of faithfulness in office. In his inaugural address, then delivered, stand these words:—

"A great debt has been contracted in securing to us and our posterity the Union; the payment of this debt, principal and interest, as well as the return to a specie basis as soon as it can be accomplished without material detriment to the debtor class or to the country at large, must be provided for. To protect the national honor, every dollar of government indebtedness should be paid in gold, unless otherwise expressly stipulated in the contract. Let it be understood that no repudiator of one farthing of our public debt will be trusted in public place, and it will go far toward strengthening a credit which ought to be the best in the world, and will ultimately enable us to replace the debt with bonds bearing less interest than we now pay."

This significant declaration produced a deep sensation. Both Houses of Congress were Republican. Immediately a bill was introduced in each House "to strengthen the public credit." In less than a fortnight it had passed both Houses and was approved by President Grant March 18, 1869. It

was the first act he ever signed. It declared that "the faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligations had expressly provided that the same may be paid in lawful money, or other currency than gold and silver. . . . And the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin."

This bill was resisted by the solid Democracy in both Houses. They voted against it, they voted against considering it, they voted for amendments to pervert and reverse its meaning. Senator Thurman of Ohio moved to add to it: "Provided that nothing herein contained shall apply to obligations called 5-20 bonds." Every Democratic senator present voted for this, every Republican voted against it. The 5-20 bonds then constituted the great bulk of the public debt, and this proviso would have frustrated and vitiated the whole act. Senator Davis of Kentucky moved to amend so as to scale down the bonds to the coin value at the time of the currency received for them. This was supported by the Democrats, Senator Bayard of Delaware among others speaking in its favor. Senator Vickers of Maryland moved to amend so as to prevent coin ever being purchased to be used to pay bonds. Senator Bayard denounced the bill as wrong, unwise, and as a "stock-jobbing operation." After all this the bill passed, and not one Democrat voted for it in either House. The next step in this progress was the funding act of July, 1870,—the act authorizing the redemption of the 5-20 or 6 per cent. bonds by negotiating bonds bearing lower

interest. All the Democrats resisted this bill also, and voted against it. Exempting the new bonds from taxation was opposed. In the Senate, Mr. Bayard moved to strike out the provision and to subject the bonds to taxation; all the Democrats voted for it. Again, Mr. Bayard moved an amendment to bring back the State banking system, and all the Democrats voted for that also. The bill was at length carried by Republican votes. By this time our currency had much appreciated, and funding at lower interest began.

In 1874, by a vote not Democratic alone, an inflation bill made its way through both Houses. The pressure upon President Grant to induce him to sign it exceeded anything of the kind I have ever witnessed. Men who should have upheld his hands not only threw their weight upon him, but industriously criticised and even ridiculed his venturing to set up his opinion against a majority in such a crisis. He vetoed the bill, however. In his message, returning it unsigned, he referred to the declaration of the Republican party, to his inaugural, to the act of 1869 already cited, and he said the proposed act would violate faith, and he was against it. This happened on the 22d of April, 1874. About a month later a conversation occurred one evening between the President and his chief adviser, Secretary Fish, and others about the wise course out of the increased difficulties which had come from the disasters of the year before. One of those present at this conversation was Senator Jones of Nevada. So struck was he with the views expressed by President Grant, that the next day (June 4, 1874) he by letter requested that the substance of them should be put in writing and a copy sent him. This was done, and the memorandum made by the President was handed about among members of the two Houses and afterward found its way into print.

Here it is. It is the foreshadow of the Resumption Act, to which the veto had paved the way. I read two passages:

"I believe it a high and plain duty to return to a specie basis at the earliest practical day, not only in compliance with legislative and party pledges, but as a step indispensable to lasting national prosperity. I believe further that the time has come when this can be done, or at least begun with less embarrassment to every branch of industry than at any future time after resort has been had to unstable and temporary expedients to stimulate unreal prosperity and speculation on a basis other than coin, the recognized medium of exchange throughout the commercial world. The particular mode selected to bring about a restoration of the specie standard is not of so much consequence as that some plan be devised, the time fixed when currency shall be exchangeable for coin at par, and the plan adopted rigidly adhered to. . . . I would like to see a provision that at a fixed day, say July 1, 1876, the currency issued by the United States should be redeemed in coin on presentation to any assistant treasurer, and that all the currency so redeemed should be cancelled and never reissued. To effect this, it would be necessary to authorize the issue of bonds payable in gold, bearing such interest as would command par in gold, to be put out by the treasury only in such sums as should from time to time be needed for the purpose of redemption."

It was not long before this advice found the form of law. A committee composed wholly of Republican senators, of whom I was myself one, prepared the bill now known as the resumption act. It was not the work of any one senator, nor did it express literally and in full, perhaps, the views of any single member of the committee. It was a compromise of somewhat conflicting opinions. It was submitted to every Republican member of the Senate, and every one, after consideration, determined to vote for it. It was brought forward in the Senate, and every Republican senator did vote for it. Every Democratic senator present voted against it. It went

to the House, and there encountered a solid Democratic opposition, but it was carried by Republican votes. President Grant promptly signed it. It fixed the 1st of January, 1879, for the resumption of specie payments, and when the day came, as noiselessly and naturally as night melts into day, specie payments were resumed.

A triumphant nationality — a regenerated constitution — a free Republic — an unbroken country — untarnished credit — solvent finances — unparalleled prosperity — all these are ours despite the policy and the efforts of the Democratic party. Along with the amazing improvement in national finances, we have amazing individual thrift on every side. In every walk of life new activity is felt. Labor, agriculture, manufactures, commerce, enterprises, and investments, all are flourishing, content and hopeful. But in the midst of this harmony and encouragement comes a harsh discord crying, "Give us a change — anything for a change." This is not a bearing year for "a change." Every other crop is good, but not the crop of "change" — that crop is good only when the rest are bad. The country does not need or wish the change proposed, and the pressing invitation of our Democratic friends is much like "Will you walk into my parlor, said the spider to the fly." A good-natured but firm "No, I thank you," will be the response at the polls. . . .

Upon its record and its candidates the Republican party asks the country's approval, and stands ready to avow its purposes for the future. It proposes to rebuild our commercial marine, driven from the sea by Confederate cruisers, aided and abetted by foreign hostility. It proposes to foster labor, industry, and enterprise. It proposes to stand for education, humanity, and progress. It proposes to administer the government honestly, to preserve amity with all the world,

observing our own obligations with others and seeing that others observe theirs with us, to protect every citizen of whatever birth or color in his rights and equality before the law, including his right to vote and to be counted, to uphold the public credit and the sanctity of engagements; and by doing these things the Republican party proposes to assure to industry, humanity, and civilization in America the amplest welcome and the safest home.