XLIX CONGRESS—Third Session.

CLOSE OF YESTERDAY'S PROCEEDINGS.

SENATE.—Mr. Williams offered a resolution instructing the Judiciary Committee to inquire into the practicability and expediency of so far limiting the legislation to prevent the discharge of persons convicted of crimes as the Constitutional provisions of the United States District Judge of Virginia.

Mr. Ferry moved to strike out the word "extraordinary." He knew little about Judge Underwood's decisions, and therefore he was not willing to vote for the resolution which eulogized them.

Mr. Ferry's amendment was adopted, and the resolution was then passed.

Mr. Grimes, from a resolution directing the Committee on Naval Affairs to inquire into the practicability of making the harbors of the navy islands on the Pacific a rendezvous for the United States vessels of that station.

Mr. Cole introduced a bill to provide a temporary government for Alaska. Referred to Committee on Territories and ordered to be printed.

Mr. Conness moved to take up his bill to fix the compensation for labor performed for the Government, providing that it shall not be a reduction of pay on account of the reduction of the hours of labor, and he called for the yeas and nays upon his motion, which was lost—yeas 22, nays 28.

Mr. Corbett offered a resolution requesting the Secretary of the Treasury to inform the Senate of the total cost of the issue of the United States fractional currency up to the time. Adopted.

The Senate then, on motion of Mr. Morton, took up his bill for the resumption of specie payments, upon which he spoke at length.

He said the great problem now to be solved is to reintroduce into the currency gold and silver, which can be only done by the willingness of the Government and of the National banks concurrently into this at par. Now, the currency is depreciated? and why would it be depreciated if the Government and National banks refused because the greenback note is a promise by the Government to pay so many dollars on demand, which it does not pay. The promise is daily broken, and it does not pay on demand. But it withdraws no interest, and the Government has fixed no time when it will pay it. Under such circumstances the note must be depreciated.

The solvency and integrity of the paper dollar never kept overdue paper at par and never will. Its fluctuating money is to restrict the ultimate issue of the paper dollar to the smallest. There must be certainty in the payment and time of payment; and the paper dollar cannot be deferred, compensation must be made by the payment of interest.

In overcoming the depreciation of the currency, we have to overcome the difference in value between the greenback currency and the the amount of bonded debt and $2,000,000,000 in gold; one for the amount of gold, and the other greatly inspired as that greenback was not worth 35 cents in gold, still it would not be at all impossible to make the currency good and keep it at par. If the Government did not owe a single bond the value of the currency could be improved except by making arrangement to redeem it; and if the Government owed a large amount to redeem, the existence of the bonded debt did not always affect the greenback in its value.

The proposal to improve our currency by taking our surplus gold and investing its bonds would be regretted by capitalists, because that gold thus paid out would not enter into the circulation, but would sink back into the mass of merchandise, to be gambled for as it now is in Wall street.

When the first of these notes were issued it was provided that they might be funded into the five-twenty bonds; but that provision was stricken out, and they now stand in the nature of a forced loan, drawing coin for all interest on all that appears, are to be left to perish in the hands of the people. In the mean time of a future fall due, the Government should fall to pay them or make any preparation for redeeming them into a new bond, the cry of repudiation would at once be made; but it cannot be truly shown that the legal and moral obligation to pay the same bonds at maturity is greater than the duty on the Government to make prompt provision for the payment of the present circulating currency. The legal obligation is no greater, and the moral obligation is less. The greenbacks and the greenback notes are in fact the people's bonds—the bonds of the millions—in which are invested the laborers' wages and the meagre profits of the humble occupations in life, which more than any others demand the fostering and protecting care of the Government. In this light it is true that the interest on the bonds has little, if anything, to do with the depreciation of our currency, it is not the fear of the depreciation of the currency has much to do with the discount on the bonds. I do not believe that our bonds will ever reach par or approach it nearly, until the currency is at par also. As the value of our legal tender currency goes up, the price of our bonds will go up with it, and what is true of Government securities is equally true of the great mass of private securities public and private. State stocks that were at par in gold are now at par or above par in greenbacks, although they are certainly as good now as they were then. The gold value has fallen off from 35 to 39 per cent. To this statement there are two exceptions—the bonds of Massachusetts and California, which have maintained their former value in gold, because the interest has always been paid in gold at the New York, or those are on the market. National bonds, which at present are worth more now than before the war, because the fixing debts of the country are paid in gold coin, and their business greatly improved, that were about par in gold before the war, and the reason about the same price in greenbacks, showing that their gold value has appreciated about twenty-five to thirty per cent. Of course the relative prices of all commodities are uniform, because various circumstances alter them—but, it will be found on examination, that they bear about the same general price in greenbacks that they sold for before the war. Another contrast to the adoption of any plan for the return to specie payments is the cry that the right way to resume is to resume at the rate have labored to show that this means anything but in the definite postponement of that event.

If there is an intimate and inexorable relation existing between the volume of currency in a country and its public securities, by which the value of its securities rises or falls with the value of the currency in which the business of the country may be transacted, it is clear that in so being, then the application of the gold to come into the Treasury for the notes will be of service to the purchase of bonds could add but little, if anything, to the value of gold as well as that the bonds or the currency. But one thing is certain, that while nobody questions the ability of the Government to pay the notes by making reasonable preparation for it, the Government neglects or abandons the currency, under whatever pretense or disguise, and suffers its surplus revenue to the purchase of bonds which in the end must increase the volume of the debt, and thus legislate for the benefit of a class, the only class in his country, doing well enough and better than any other class, cannot escape the risk from that hour, and the very foundations of the good faith will be undermined. Repudiation would be notoriously and wickedly partial and unjust. What would be said of the action of a railroad corporation that would refuse to pay its overdue floating debt and apply its surplus revenues to the liquidation of its long bonds, under the pretense that it was the best way to improve its ability to pay its floating debt? But such legislation would be as simple as it would be wicked, for the depressed currency would invariably carry down the bonds in its downward course. While our overdue paper, drawing no interest, and for which no sinking fund is provided, and no preparation made, payment is hardly be depreciated as it is, still that depreciation would be far greater if the bonds and gold fund existing among the people that the Government will speedily be called upon to provide for its redemption. When this faith is broken, the currency will sink lower and sink rapidly.

Mr. Morton criticised the policy of the Secretary of the Treasury, who, he said, was doing nothing for redemption, and offers only contraction, a dangerous policy of contraction in the country nearly to death when it needs tonics and building up. It is broadly intimated that the decision of the Supreme Court will decide the laws making the greenback a legal tender to be unconstitutional and therefore void. But the decision is not by the Court, and not by Congress. But it would have to be a very clear case that would justify the Courts in making a decision fraught with such calamitous consequences.

To return to specie payment without a crash, is the great desideratum, and this can only be done by making the process gradual. Then the necessary element and the first question is to be considered is the period which should be fixed by the Government to begin the redemption of the greenback notes, and in my bill I have stated the first day of July, 1871.

During these two and a half years like great body of the existing debts among the people will be paid. The debt now contracted which will not be paid during the term of four years is very small, and is generally for real estate. The gold will be constantly gaining in improvement in the ratio of the currency and the necessities of specie payments where they had been suspended in the reduction in the value of the productions of labor, which concerts injuriously with the debtor class, and the means