

OUR NATIONAL AND FINANCIAL FUTURE.

ADDRESS

OF

HON. HUGH M^CCULLOCH,

SECRETARY OF THE TREASURY,

AT

FORT WAYNE, INDIANA,

OCTOBER 11, 1865.

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Accept, Mr. President, and you, gentlemen, my sincere thanks for the honor you have done me in inviting me to this entertainment, and for the sentiment to which you have responded. From the day I entered Fort Wayne—a stranger in a strange land—I have been treated by its citizens with a kindness and consideration altogether beyond my merits, and for which I shall ever be grateful. But no trust that has ever been reposed in me, and no kindness of which I have been the recipient, has touched my heart so sensibly as this demonstration of your respect. I lack the language to express to you, Mr. President, and to you, gentlemen, my obligations for this evidence of your personal regard, and this testimonial of your appreciation of the manner in which I am discharging the duties of the very important position to which I was last spring unexpectedly called. I can only return to you my sincere thanks, and pledge to you my best efforts so to perform my official duties as to reflect no discredit upon my friends in Fort Wayne, whose good opinion I so highly value. Next to my desire to acquire and leave behind me a reputation that my children may not be ashamed of, has been my desire so to perform the duties that may be devolved upon me that my friends in Indiana, those with whom I have been connected by social and business ties, would have no occasion to blush for me, or regret the endorsement they have given me.

No place will ever be so dear to me as Fort Wayne; no friendships will ever be so strong as those which I have formed here. I am, you know, one of the pioneers of this beautiful city. When I crossed the St. Mary's, swimming my horse by the side of a canoe, on the 23d of June, 1833, Fort Wayne was a hamlet, containing a few hundred souls, an Indian trading post, a mere dot of civilization in the heart of a magnificent wilderness. Under my own eye, as it were, it has

become a city of nearly twenty thousand people, a city full of vigor and enterprise, the second city of the State. I am proud of Fort Wayne, and of the noble State of Indiana—a State which has been second to no State in the Union in her devotion to the Government, and in the gallantry with which her sons have defended it. I am thankful that when I crossed the mountains, in common parlance, “to seek my fortune,” my feet were directed to Indiana, and especially to this place. Wherever duty may call me hereafter, this will ever be to me my home. Many of my kindred sleep in our beautiful cemetery, and there, I trust, will be my resting-place when I am called upon to join the great company of the departed.

But Fort Wayne has other attractions to me. The friends of my early manhood are here. It is true that thirty years have spared but few of those who took me by the hand and bade me welcome to the new country; but a number remain, and some are present on this occasion. I do not know how it may be with others, but for myself I can truly say that, as one after another of that pioneer band passes away, my attachment to those that remain grows stronger and stronger; and I am inclined to the opinion that the attachments and friendships which are formed on the frontier, where those who are seeking new homes at a distance from their old ones, are thrown together in a common society in which all are equals, and where the the circumstances in which they are placed, and the very cravings of their natures open their hearts to each other with confidence and trust, are stronger and deeper rooted than those which are formed in older and more populous communities. But whatever may be the cause, the fact exists, that Fort Wayne is dearer to me than any other place in the world, and that there are no friends to whom I am so deeply attached as to those whose familiar faces seem cordially to greet me when I return to it.

Mr. President, since I paid my last visit to Fort Wayne, a little less than a year ago, great events have transpired in the United States. The rebellion, although it had received many staggering blows from our gallant soldiers, under the distinguished generals whose fame is world-wide, was then still audacious and defiant; and,

although the result might not have been considered doubtful, the end of the war seemed not unlikely to be far in the future. Eleven months have passed away, and this great civil war has been brought to a glorious conclusion. The Stars and Stripes are again recognized as the emblem of Liberty and Union in every part of our national domain, and more than eight hundred thousand loyal men have been mustered out of service, and converted from gallant soldiers into peaceable, law-abiding, and industrious citizens. The question of State sovereignty has been settled by an appeal to arms, and the sovereignty of the Government under the Constitution established forever. The greatest civil war that has ever been waged upon the face of the earth has been concluded; the most powerful armies of modern times have been disbanded; and yet civil liberty is as safe and vigorous as it was before the war commenced. During the progress of the rebellion there has been a strain upon republican institutions, but they have sustained it without the loss of a particle of their strength. State rights and individual rights may in some instances perhaps unnecessarily have been invaded; but to-day there is at the North no State right under the Constitution, and no individual right, which is not as much respected and as well established as when the first gun was fired upon Sumter. It is this fact which makes our triumph a more sublime and greater triumph than the result of the war itself.

But this is not all. Just at the moment when the people were rejoicing over the fall of Richmond and the surrender of the Confederate armies, the Chief Magistrate of the nation, the most beloved and most trusted of men, fell by the hand of an assassin. For a moment the nation was struck dumb by the atrocity of the act, and the magnitude of the loss that had been sustained. As the report flashed over the wires that the beloved Chief Magistrate of the nation, in the midst of rejoicings over our victory and the prospect of returning peace, had been slain, what heart was there throughout this broad land which was not filled with anguish and apprehension?—what thinking man did not put to himself the questions, Can the Republic stand this unexpected calamity? Can our popular institutions bear this new trial? The anguish remained, and still remains,

but the apprehension existed but for a moment. Scarcely had the announcement been made that Lincoln had fallen, before it was followed by the report that the Vice President had taken the oath of President, and that the functions of Government were being performed as regularly and quietly as though nothing had happened.

And what followed? The body of the beloved President was taken from Washington to Illinois through crowded cities, among a grief-stricken and deeply excited people, mourning as no people ever mourned, and moved as no people were ever moved; and yet there was no popular violence, no outbreak of popular passion; borne a thousand miles to its last resting place, hundreds of thousand doing such honor to the remains as were never paid to those of king or conqueror, and the public peace, notwithstanding intense indignation was mixed with intense sorrow, was in no instance disturbed. Hereafter there will be no skepticism among us in regard to the wisdom, the excellence, and the power of republican institutions. There is no country upon earth that could have passed through the trials to which the United States have been subjected during the past four years without being broken into fragments.

Of Mr. Lincoln this is not a fitting occasion for me to speak freely. This much, however, I may be permitted to say, that the more I saw of him the higher became my admiration of his ability and his character. Before I went to Washington, and for a short period after, I doubted both his nerve and his statesmanship; but a closer observation relieved me of these doubts, and before his death I had come to the conclusion that he was a man of will, of energy, of well-balanced mind, and wonderful sagacity. His practice of story-telling when the Government seemed to be in imminent peril, and the sublimest events were transpiring, surprised, if it did not sometimes disgust, those who did not know him well; but it indicated on his part no want of a proper appreciation of the terrible responsibility which rested upon him as the Chief Magistrate of a great nation engaged in the suppression of a desperate rebellion which threatened its overthrow. Story-telling with him was something more than a habit. He was so accustomed to it in social life and in the practice of his

profession, that it became a part of his nature, and so accurate was his recollection, and so great a fund had he at command, that he had always anecdotes and stories to illustrate his arguments and delight those whose tastes were similar to his own; but those who judged from this trait that he lacked deep feeling or sound judgment, or a proper sense of the responsibility of his position, had no just appreciation of his character. He possessed all these qualities in an eminent degree. It was true of him, as it is true of all really noble and good men, that those who knew him best had the highest admiration of him. He was not a man of genius, but he possessed in a large degree, what is far more valuable in a public man, excellent common sense. He did not undertake to direct public opinion, but no man understood better the leadings of the popular will, or the beatings of the popular heart. He did not seem to gain this knowledge from reading or from observation, for he read very few of our public journals, and was little inclined to call out the opinions of others. He was a representative of the people, and he understood what the people desired rather by a study of himself than of them. Granting that although constitutionally honest himself, he did not put a very high valuation upon honesty in others, and that he sometimes permitted his partiality for his friends to influence his action in a manner that was hardly consistent with an upright administration of his great office, few men have held high position whose conduct would so well bear the severest criticism as Mr. Lincoln's. But I shall not undertake his eulogy. The people have already passed judgment in favor of the nobleness and uprightness of his character and the wisdom of his Administration, and the pen of impartial history will confirm the judgment.

But you will expect, perhaps, that I say something of his (Mr. Lincoln's) successor. In any other place, and under any other circumstances, I should not feel at liberty to make any particular allusion to the President of the United States, holding, as I do, a seat in his Cabinet. But knowing that many of you, my townsmen and neighbors, have been of the opinion that the settlement of the great questions which would necessarily come up for set-

tlement at the close of the war would require on the part of the Chief Magistrate a profounder wisdom and a broader statesmanship than were required during its continuance, and that not a few have been deeply anxious lest Mr. Johnson might be unequal to the prodigious work that has been devolved upon him, I feel constrained to say that there is, in my judgment, no ground for apprehension on this subject. Trying and difficult as is his situation, Mr. Johnson is master of it. He possesses, in an eminent degree, the qualities that fit him for the Presidency at the present time. A Southern man, thoroughly acquainted with the effects of slavery upon society, he knows how to deal with Southern men in their present circumstances. Ardently attached to Tennessee, the love which he bears to his State is entirely subordinate to that which he bears to the Union. Jealous of State rights, he is equally jealous of the rights of the General Government. A radical and uncompromising opponent of nullification, secession, and every form of disloyalty, he is equally opposed to any measures which, in his judgment, are calculated, by depriving the States of their just rights under the Constitution, to convert the Federal Government into a despotism. Raised in slave States, and until recently a slaveholder, he has never had any love for slavery, and has always been the antagonist of the aristocracy that was based upon it. By nature and by education he is just the man for the great work of re-establishing the Federal authority over the recently rebellious States; and he has taken hold of this work with a devotion, an energy, and a prudence that promise the best results.

He is a man, also, of excellent judgment and great singleness of purpose. Honest himself, he expects honesty in others. Although long in public life, and a leading politician of his own school, he is in no sense a partisan. Unassuming in manners, he is yet self-possessed and dignified. He listens to the advice of those in whose judgment he has confidence, but *acts* upon his own convictions, and generally according to his first impressions. With great decision of character, he is never hasty in action. Stern and unyielding in his adherence to principle and duty, he is a man of kindly and gentle emotions. Having by his own indomitable energy fought his way

up from a low to a high estate, he is in hearty sympathy with those who are treading the same upward path. He is, in a word, a clear-headed, upright, energetic, self-relying statesman; a dignified, courteous, and kind-hearted gentleman. His administration will be characterized by all the force and energy and independence of Jackson's, with very little of its partizan character.

Under his direction the great work of re-establishing civil government at the South under the Federal Constitution is going rapidly forward—too rapidly, it seems, according to the opinion of many at the North whose opinions are entitled to great consideration. I know, sir, that many doubt the wisdom of Mr. Johnson's policy; that many are of the opinion that by their ordinance of secession the rebellious States had ceased to be States under the Constitution, and that nothing should be done by the Executive in aid of the restoration of their State governments until Congress had determined on what terms they should be restored to the Union which they had voluntarily abandoned and attempted to destroy; that as the people of these States had appealed to the sword and been subjugated by the sword, they should be governed by the sword until the law-making power had disposed of the subject of reconstruction; that no State that had passed ordinances of secession and united with the so-called Confederate Government should ever be admitted again into the Union unless in its preliminary proceedings all men, irrespective of color, should be permitted to vote, nor without provisions in its Constitution for the absolute enfranchisement of the negro. Some go even further than this, and demand the confiscation of the property of all rebels and the application of the proceeds to the payment of the national debt.

These are not, I apprehend, the views of a respectable minority. I know that they are not the views of a majority of the people of the North. The better opinion is, that the States which attempted to secede never ceased to be States in the Union; that all their acts of secession were of no effect; that during the progress of the revolt the exercise of the Federal authority was merely suspended, and that there never was a moment when the allegiance of the people of

the insurrectionary States was not due to the Government, and when the Government was not bound to maintain its authority over them and extend protection to those who required it. When the rebellion was overcome, the so-called Confederate Government and all State governments which had been formed in opposition to the Federal Government ceased to have even a nominal existence, and the people who had been subject to them were left, for the time being, without any government whatever. The term of office of the Federal officers had expired or the offices had become vacant by the treason of those who held them. There were no Federal revenue officers, no competent Federal judges, and no organized Federal courts. Nor were the people any better off so far as State authority was regarded. When the Confederacy collapsed, all the rebel State governments collapsed with it, so that, with a few exceptions, there were no persons holding civil office at the South by the authority of any legitimate government.

Now, as government is at all times a necessity among men, and as it was especially so at the South, where violence and lawlessness had full sway, the question to be decided by the President was simply this: Shall the people of the recently rebellious States be held under military rule until Congress shall act upon the question, or shall immediate measures be taken by the Executive to restore to them civil governments?

After mature consideration, the President concluded it to be his duty to adopt the latter course, and I am satisfied that in doing so he has acted wisely.

Military rule will not be endured by the people of the United States one moment longer than there is an absolute necessity for it. Such an army as would have been requisite for the government of the people of the South, as a subjugated people, until Congress might prescribe the terms on which they could be restored to the Union, would have been too severe a strain upon our republican institutions, and too expensive for the present condition of the Treasury. The President has therefore gone to work to restore the Union by the use, from the necessity of the case, of a portion of those who have

been recently in arms to overthrow it. The experiment may be regarded as a dangerous one, but it will be proved, I apprehend, to have been a judicious one. Never were a people so disgusted with the work of their own hands as were the great mass of the people of the South (even before the collapse of the rebellion) with the Government which was attempted to be set up by the overthrow of the Government of their forefathers. Never were a people so completely subjugated as the people of the rebel States. I have met a great many of those whom the President is using in his restoration policy, and they have impressed me most favorably. I believe them to be honest in taking the amnesty oath, and in their pledges of fidelity to the Constitution and the Union. Slavery has perished—this all acknowledge—and with it has gone down the doctrine of secession. State sovereignty has been discussed in Congress, before Courts, in the public journals, and among the people, and at last, “when madness ruled the hour,” this vexed question was submitted to the final arbitrament of the sword. The question, as all admit, has been fairly and definitely decided, and from this decision of the sword there will no appeal. It is undoubtedly true that the men of the South feel sore at the result, but they accept the situation, and are preparing for the changes which the war has produced in their domestic institutions with an alacrity and an exhibition of good feeling which has, I confess, surprised as it has gratified me.

In the work of restoration the President has aimed to do only that which was necessary to be done, exercising only that power which could be properly exercised under the Constitution, which guarantees to every State a republican form of government. Regarding slavery as having perished in the rebellious States, either by the proclamation of his predecessor or by the result of the war, and determining that no rebel who had not purged himself of his treason should have any part in the restoration of the civil governments which he is aiding to establish, he has not considered it within the scope of his authority to go further, and enfranchise the negro. For this he is censured by many true men at the North and a few extreme men at the South,

but I have no doubt that he will be sustained by the people, and that the result will vindicate the wisdom of his course.

But, while the President is inclined to treat with kindness, and to trust those who, under mistaken notions in regard to the character of the Government, joined in the rebellion, but not until (after a struggle on their part to prevent it) the States to which they belonged had passed ordinances of secession, and the United States was unable to extend to them that protection to which they were entitled, there is no man who holds in greater abhorrence than he does the crime of treason, or the infamous scoundrels who systematically and deliberately starved and poisoned our soldiers in prison. To the plotters of the rebellion there will be, I apprehend, no hasty pardons; to the murderers of our gallant soldiers no mercy.

And now a word in regard to our finances.

You know that I did not seek, as I did not expect, to be Secretary of the Treasury. To this fact I attribute in a great degree the good feeling and indulgence that have been manifested towards me in the very trying and responsible position I occupy. I accepted the office of Secretary of the Treasury with great distrust of my ability to meet the public expectation, but with a sincere desire to so conduct the affairs of this great department as to aid in restoring the credit of the Government, which had been damaged by the greatness of the public debt and the uncertainty in regard to the duration, if not to the result of the war, and in bringing up the obligations of the Government to the specie standard.

I am not one of those who seem disposed to repudiate coin as a measure of value, and to make a secured paper currency the standard. On the contrary, I belong to that class of persons, who, regarding an exclusive metallic currency as an impracticable thing among an enterprising and commercial people, nevertheless look upon an irredeemable currency as an evil which circumstances may for a time render a necessity, but which is never to be sustained as a policy. By common consent of the nations, gold and silver are the only true measure of value. They are the necessary regulators of trade. I have myself no more doubt that these metals were prepared by the Almighty for

this very purpose, than I have that iron and coal were prepared for for the purposes in which they are being used. I favor a well-secured convertible paper currency—no other can to any extent be a proper substitute for coin. Of course, it is not expected that there shall be a dollar in coin in reserve for every dollar of paper in circulation. This is not necessary. For all ordinary home transactions a paper currency is sufficient; but there are constantly occurring periods when balances between countries, and in the United States between its different sections, must be settled by coin. These balances are insignificant in amount, in comparison with the transactions out of which they arise, and when a vicious system of credits does not too long postpone settlements, they are arranged without disturbing movements of coin. Whenever specie is needed for such a purpose, or for any other purpose, the paper currency of the country should be convertible into it, and a circulation which is not so convertible will not be, and ought not to be, long tolerated by the people. The present inconvertible currency of the United States was a necessity of the war; but now that the war has ceased, and the Government ought not to be longer a borrower, this currency should be brought up to the specie standard, and I see no way of doing this but by withdrawing a portion of it from circulation.

I have no faith, sir, in a prosperity which is the effect of a depreciated currency, nor can I see any safe path for us to tread but that which leads to specie payment. The extreme high prices which now prevail in the United States are an unerring indication that the business of the country is in an unhealthy condition. We are measuring values by a false standard. We have a circulating medium altogether larger than is needed for legitimate business; the excess is used in speculations. The United States are to-day the best market in the world for foreigners to sell in, and among the poorest to buy in. The consequence is that Europe is selling us more than she buys of us, (including our securities, which ought not to go abroad,) and there is a debt rolling up against us that must be settled in part at least with coin. The longer the inflation continues the more difficult will it be for us to get back to the solid ground of specie payments,

to which we must return sooner or later. If Congress shall early in the approaching session authorize the funding of legal-tenders, and the work of reduction is commenced and carried on resolutely, but carefully and prudently, we shall reach it probably without serious embarrassment to legitimate business; if not, we shall have a brief period of hollow and seductive prosperity, resulting in wide-spread bankruptcy and disaster.

There are other objections to the present inflation. It is, I fear, corrupting the public morals. It is converting the business of the country into gambling, and seriously diminishing the labor of the country. This is always the effect of excessive circulation. The kind of gambling which it produces is not confined to the stock and produce boards, where the very terms which are used by the operators indicate the nature of the transactions, but it is spreading through our towns and into the rural districts. Men are apparently getting rich, while morality languishes and the productive industry of the country is being diminished. Good morals in business, and sober, persevering industry, if not at a discount, are considered too old fogyish for the present times. But I feel that this is not the occasion for croaking, and perhaps I ought to apologize for the train of remarks into which I have been led.

Whatever financial troubles may be before us, Fort Wayne will suffer as little from them as any other city in the country. Good financial seed was sown here at an early day. If property is high, there are no encumbrances upon it. If expensive buildings are being erected, the owners are not indebted for them. Business is done here on the cash principle. Our merchants generally buy for cash, and sell for cash. We shall doubtless wake up some fine morning and find our property worth apparently a good deal less than at present, but if we have no debts to pay in a dearer currency than that in which they were contracted, we shall have little to fear from any crisis that may occur.

But, while I feel anxious about the present inflation, and its effects upon the business and morals of the country, I am hopeful that, by wise legislation, we shall escape a financial collapse, and I am confi-

dent that a grand future is before the United States. I am hopeful that the currency may be brought up to the specie standard without those financial troubles which have in all countries followed protracted and expensive wars. By the experiences of the past four years, we are led to the conclusion that our people have a latent power that always manifests itself when required, and is equal to any emergency. I have faith, sir, that as we have, to the astonishment of the world, raised immense armies, larger I apprehend than any single nation ever brought into the field, and met the enormous expenses of the war without borrowing from other nations; we shall also be able without a financial crisis to fund our surplus currency and interest-bearing notes, bring back the business to a specie standard, and place the credit of the country on the most stable and satisfactory basis. If we do this, we shall accomplish what the soundest thinkers in Europe have considered an impossibility, and what no other people but the free and enterprising people of the United States, occupying the grandest country in the world, could accomplish.

But should we be disappointed in these hopeful expectations; should no early check be put upon the issues of paper money; should prices still further advance and speculation be still further stimulated, and the result thereof be extensive bankruptcy, depression, and hard times, the grand destiny of this country and this Government will not be affected.

The United States occupy the best portion of the temperate zone of a continent, stretching out their arms to Europe on the one side, and Asia on the other, and producing all articles necessary for the subsistence and comfort of the race. If cotton be king, he is, thank God, enthroned again in the *United States*; if bread be king, where should his capital be but in this great valley of the Mississippi? This nation has within itself everything that is needed to make it the greatest among the family of nations. Coal and iron in juxtaposition and inexhaustible supply. Mountains and valleys rich enough in gold and silver to furnish the world, for all time, with what may be needed for circulation and other uses. Copper and lead and other

minerals in no less abundance. A soil of wonderful fertility, a climate salubrious and diversified, and, above all, republican institutions, and an energetic and again united people.

We have, it is true, sir, difficult questions growing out of the war, yet to be settled, but I have an abiding confidence that they will be settled as they come up for settlement, in such manner as will strengthen the Union, and add to our national renown. The labor question at the South is one of those questions, but if there be no outside interference, it will not, I apprehend, be a very difficult one; on the contrary, it is quite likely to be a self-adjusting one. The planter wants the labor of his former slaves, and the high price which Southern products will command for years to come will enable him to pay liberally for it. The colored people will soon learn that freedom from slavery does not mean freedom from work. The interests of the two races will not long be antagonistic. The whites will need the labor of the blacks and the blacks will need employment. There is as much danger to be apprehended from the unwillingness of the latter to labor for a support as from an indisposition on the part of the former to pay fair wages. Like all other economical questions, it will be settled by the necessities and interests of the parties.

Fortunately for the solution of this question, and the well-being of laboring men generally, capital is not supreme in the United States. It does not, as in most other countries, hold labor under its control, and dole out to it only such remuneration as will make it most productive. Labor is a power in this free country, with its cheap lands which are within the reach of all industrious men, and dictates terms to capital. There is no part of the world where labor is more needed than in the Southern States, nor where it will soon command better prices. This labor question at the South will, I doubt not, be satisfactorily arranged in due time for the best interest of all concerned.

But I have trespassed too long upon your time. Accept, again, my thanks for your courtesy, and for the attention you have given to my desultory remarks.

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