

**THE NATIONAL FINANCES,
CURRENCY, BANKING,
&C.; BEING A REPLY TO
A SPEECH IN CONGRESS**

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The National Finances, Currency, Banking, &c.; Being a Reply to a Speech in Congress by
Samuel Hooper & James Gallatin

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SAMUEL HOOPER & JAMES GALLATIN

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THE NATIONAL FINANCES,
Currency, Banking, &c.,

BY JAMES GALLATIN,

BEING A REPLY TO

A SPEECH IN CONGRESS,

BY HON. SAMUEL HOOPER.

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THE NATIONAL FINANCES.

NEW YORK, APRIL 20, 1864.

HON. SAMUEL HOOVER, Member of Congress,
Washington, D. C.

SIR—Having read, in the *National Intelligencer*, your speech, delivered in the House of Representatives, on the 6th instant, "on the necessity of regulating the currency of the country," I beg leave to call your attention to several errors therein, not only in regard to my own views, but also in regard to views which you yourself have expressed, as compared with those which you enunciated before your entrance upon the arena of party politics. But, before exposing these errors, it seems proper that I should, as I now do, protest against the species of attack which you have been pleased to make upon me in that speech. You have not quoted from my speeches or writings; you have given to the world certain charges against me upon mere hearsay, and unsupported by any authority; and you have attributed to me certain views and principles, without adducing any proof to support your assertions. You will, therefore, acknowledge the propriety of my protesting against your form of attack, under the circumstances in which the nation is now placed, for the sake of the public service. It is not my habit

to notice personal attacks of this description, and I should have passed yours by, (as the idle ebullitions of a distempered brain,) were it not for the position to which you have been elevated, as a member of the Committee of Ways and Means of the House of Representatives. Having no personal object of pursuit, and no partizan projects to subserve, I will never lend my hand to perpetuate in their positions any set of men, who may prove themselves evidently inadequate to the difficulties and dangers of those positions; and amid the dangers of the present crisis, I cannot be intimidated from expressing the solemn convictions of my mind, that our imminent perils, as a people, can only be averted by the union of the most approved talents and the highest characters of the nation, the only test being fidelity to the Union and the Constitution. I would ask you, if it is right or just, that in the absence of all regular and authentic information, statements should be made in Congress, grounded solely upon misrepresentations, or upon such illicit and incorrect information as may be received from agents, seeking to obtain special legislation from Congress?

You commenced your attack upon me, by asserting that "the Banks in the City of New York decided, in December, 1861, to suspend specie payments," by my "urgent advice;" and you repeated, that I "successfully urged the suspension of specie payments." This, certainly, is giving me credit for an influence or power which I was not conscious that I possessed; and you could not have ascribed it to me, had you reflected on the other assertion, which you made in the same speech, without giving your authority for it, that the Banks had overruled my views. (by reconsidering and negating a vote which was carried by my advice,) against

taking the seven-thirty loan; this assertion is, however, so far from the truth, that it must have originated in your own creative imagination. Now the fact is, that the Banks, by a vote of twenty-five to fifteen, (but not on my motion,) had resolved to suspend specie payments at the meeting you referred to, before I delivered the speech you alluded to in favor of suspension. And another fact is, that the following statement, quoted from your speech, as published in the National Intelligencer of April 7, 1864, is altogether a misrepresentation, and I appeal to the minutes of the meeting you refer to, in support of this contradiction of your assertions:

“ At the time the loan was made in New York, on the
 “ seven three-tenth treasury notes, Mr. Gallatin opposed it
 “ at a meeting of the Bank managers, and insisted upon
 “ Congress being again called together to raise the rate of
 “ interest. After it had been voted not to take the seven
 “ three-tenth treasury notes, Mr. Chase and Mr. Stevens, the
 “ President of the Bank of Commerce, addressed the meet-
 “ ing, and the vote was reconsidered. It was finally arrang-
 “ ed to take the treasury notes with interest at the rate of
 “ seven three-tenths. Without the influence of the Bank of
 “ Commerce, that loan could not have been negotiated then.
 “ The action of that Bank has been at all times favorable to
 “ whatever the Secretary of the Treasury recommended, and
 “ it has rendered invaluable assistance in all the negotia-
 “ tions of the Department with the Banks.”

The above is a fabrication from beginning to end.

It pains me to be compelled thus to deal with your statements, and to speak of them as I do; but it is due to truth, and to my own reputation. I freely and fully acquit you of any deliberate intention to do me wrong. I have no doubt you believed the statements made to you, in relation to

myself, and that you published them in good faith, to expose what you must have considered my exceedingly bad conduct. You are pleased to say that I seem "to have gone mad," which was certainly a very charitable remark, but not very consistent with your previous assertion, that my "urgent advice" controlled all the banks of this city, unless you considered that all their managers had also gone mad with me. As to who has "gone mad," you or I, it will be for the reader to determine, when he shall have perused your speech, and compared it with the facts here stated in reply to it.

I take no pleasure in stating any thing that may be deemed adverse to the pretensions of the Bank of Commerce, but I must be allowed to say that that bank had no more patriotism, and no more ability to take her share of the loan, than any other of the united banks; for she had to be assisted to take her share of the loan by the union of all the banks, they all uniting, as a single body, to help each other carry through the negotiation successfully; and I repeat it, that she could not have taken the share of the loan which she did take, if the other banks had not united to support her. For the truth of this assertion, I appeal to the facts existing and transpiring at the time the negotiation was matured and perfected. Your invidious reference to that bank is in striking harmony with the failure of the Secretary of the Treasury to acknowledge, in his Report of 1861, the service rendered by the banks of New York, Boston, and Philadelphia, in that dark hour of the country's history; and your attack upon the State banks, over and over again repeated in your speech, is very appropriately associated with the project in relation to their notes, the origin of which you attribute to Calhoun—the

father of nullification and secession—"to drive them out of existence."

As to the suspension of specie payments, at the close of December, 1861, you were probably not aware of the fact that the measure was forced upon us by the banking policy of the Secretary of the Treasury, and it was done to save the Government from the disgrace of suspending first! In his report to Congress, in the early part of that month, the Secretary had boldly foreshadowed his plans for destroying the very banks which had aided, and were still aiding, him with means to defend the liberties and the unity of the nation. He contemplated fully, to use his own words, "the great transition" which would inevitably follow the adoption of his new system; but he wholly overlooked the fact, that the coin which he had dispersed throughout the country could not be restored in time to realize his hope of founding his new banking system, upon what he termed "an adequate provision of specie;" and he subsequently, in his speech at Indianapolis, published in the *National Intelligencer* of October 20, 1863, said: "I borrowed all the gold there was in the country. In this way I obtained about one hundred and seventy-five millions of dollars in gold." He scattered it in all directions, in defiance of the repeated remonstrances of the most experienced bank officers, who urged him to avail himself of that provision in the law, passed at the extra session in the summer of 1861, authorizing him to employ the banks as depositaries, and by drafts and checks upon them, to avoid that displacement of the coin which he insisted upon. Had he used those checks and drafts, which serve as auxiliaries to the measure of value, and which are themselves cancelled or destroyed—when they have per-