

S P E E C H

OF

MR. BROCKWAY, OF CONNECTICUT,

ON

THE SUB-TREASURY BILL.

DELIVERED

IN THE HOUSE OF REPRESENTATIVES,

In Committee of the Whole on the state of the Union,

JUNE 2, 1840.



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SPEECH.

It is, Mr. Chairman, with great unwillingness, and most unaffected reluctance, that I have risen to submit to the consideration of the committee a few remarks in opposition to the bill now under discussion. I think, sir, I may safely appeal to the silence I have hitherto maintained, as evidence that I have not been desirous to obtrude myself upon the attention, or consume the time of this House. This silence I should still preserve, did I not conceive the measure now proposed for our adoption—this favorite and distinguishing measure of the Administration—pressed upon Congress and the country, as it has been, with unceasing and unwavering pertinacity and earnestness—to be big with important consequences, and fraught with incalculable mischief to those I have the honor to represent. I cannot, then, sit still, and consent that this bill, so disastrous in its effects upon the dearest interests of my constituents, shall go through this House, and become a law of the land, without meeting it with whatever of opposition I have the power and ability to offer. If I were to do less than this, with the sentiments I most sincerely entertain in regard to the pernicious effects which will follow in its train, I should be recreant to the trust I have undertaken. For, sir, the blow which this sub-Treasury policy strikes at all, will, in my judgment and belief, fall heaviest and severest upon New England. To her vital and cherished interests it is more especially hostile, and her utter ruin and prostration it seems designed to accomplish. Her farmers, and manufacturers, and mechanics, are soonest and most sorely to feel its weight, and experience all its blasting and withering consequences. If it be adopted, and fully carried out, as by this bill its friends propose it shall be, it will shut up her manufactories, throw out of employment her multitudes of industrious handicraftsmen and laborers, reduce greatly in value every species of her products and property, and immeasurably increase the distress and embarrassment which now so grievously oppress her; and if relief or alleviation does not speedily come, must involve her in irretrievable ruin.

However, Mr. Chairman, we may differ as to the causes which have produced what we experience, no one, I apprehend, can deny that the present is a period of unexampled and intense distress. Rarely, if ever, hitherto, has any thing like it been experienced in this country. Cast your eyes over this broad land; survey every part of it; and see how apprehension and dismay have settled down upon it, like a thick cloud, with scarce a ray of light to break the gloom, or one bright anticipation to illumine the future. Instead of mutual confidence, (the very life and soul of trade,) distrust and jealousy universally prevail. Instead of buoyant expectation, and firm reliance, there are dark forebodings, and evil surmisings, a fearful looking for of evil to come, when old foundations shall be broken up, ancient landmarks removed, and a new and untried order of things introduced among us. Industry is checked, business of every sort paralyzed, enterprises which have kept in constant employment the hand of honest labor, and which have fed, and clothed, and supported, so many of our fellow-citizens, who but for such employment must be unfed, naked, and in want, are, or are about to be, given up and abandoned. The debtor portion, too, of the community—ay, sir, that very large and important class of our population, who, by the policy of the last and present Administration have been drawn, and as it were

enticed, into debt, now stand aghast at the prospect before them. The foundation upon which they thought they stood strong, is giving way from under them, and the very property upon which they relied to discharge their indebtedness is rapidly declining in value, while at the same time the debit balance is proportionably and constantly augmenting. Upon those, sir, who may chance to be in debt, however honestly and judiciously the debt may have been incurred, the revulsion in the business and currency of the country is pressing with a weight well nigh insupportable, and beneath which they most assuredly will be crushed, if the hand of help be not speedily extended. It will not do, sir, to give up these, our fellow-citizens, to hopelessness and despair. You must not tell them, as heretofore, that, "*trading on borrowed capital, they ought to break.*" It will not be safe, or wise, to add taunt, and derision, and insult, to their sufferings. You cannot, with prudence, drive them beyond a certain point of endurance; for if you essay it, they most assuredly will turn upon you, and, as in other lands, and other times, will shake the pillars of your Government, and put in jeopardy the entire fabric of our Union. Besides, sir, to make our present condition still more cheerless and forlorn, the Government itself is in debt, and unable, from its ordinary revenue, to meet its current expenditure. It has been knocking most loudly at our doors for a new issue of Treasury notes, and under this guise has obtained a LOAN of five millions of dollars—the most odious of all others, a forced loan. The States, likewise, are, many of them, deeply involved in debt, incurred in their praiseworthy efforts to complete and perfect great works of internal improvement, and of international communication—works which bind us so closely together, and with which are so intimately interwoven our safety and prosperity. While the States are thus embarrassed and beset on every side, the President, the paternal head of this nation, takes it upon himself to read them, in his annual message, a lecture upon recklessness and prodigality. To make the matter still worse, this very indebtedness is, in the other wing of this Capitol, brought under public congressional discussion, and blazoned to the world in the very way most calculated to awaken a suspicion of violated faith. Mark, sir, all this is done at the very crisis of our financial difficulties. It is at this very time that our public, as well as private, credit is thus wantonly assailed; thus carrying out the undisguised and uncompromising warfare that has for a long time been so vigorously waged upon credit and the credit system. It is indeed but part and parcel of that very system which has so fearfully reduced in price the great staples of our country, and which is, at this moment, in a manner hitherto unexampled, reducing in value every kind of property; which is drying up so fast our national and individual resources; which has raised that storm which is now raging with such fury, but the merciless peltings of which, in their fullest extent, I fear, sir, we have not yet felt.

It is true, sir, the very ills that now oppress us were all foretold; and the very times on which we have fallen, were predicted with an accuracy, and painted to our view with a faithfulness, truly wonderful. If those far-seeing statesmen who raised their warning voices in opposition to the mad and ruinous schemes of the late and present Administration, had possessed the gift of prophecy, they could not have more clearly pointed out the results we now witness. They assured us that just as certainly as effect follows cause, just so certainly all this commercial embarrassment—all this derangement of the currency and exchanges—all this paralysis of industry and enterprise—all this disturbance of the settled and established course of things would come. The prediction is now receiving its literal fulfilment. We need but go back to the debates of 1833, touching the removal of the deposits, and the question of rechartering the United States Bank, to learn how well the causes of our present troubles were understood, and how distinctly the country was forewarned of the sufferings it now endures. What was then termed a mere fancy sketch, has proved a picture true to life. Sagacious and honest politicians saw this end from the beginning; and we are reaping

the bitter fruits of disregarding their counsels, and turning a deaf ear to their wise and friendly advice.

In contrast with this, sir, let me refer you to the publicly avowed declarations of the late President Jackson, and his successor, our present Chief Magistrate; and it seems to me that in this connexion the comparison cannot fail to be one of interest and instruction. Go back with me to March 1837, when the former pronounced his farewell address, and when the latter was inducted into office. It is but little more than three years ago since General Jackson retired from public life, and surrendered up the Government into the hands of his successor—that successor, who was to carry into further development the principles of his administration, and who counted it all joy, and enough of honor, to tread in his illustrious footsteps. The occasion is still fresh in the recollection of many who hear me, and I dare say the annunciations then made are well remembered too. It was a joyous season for him who was coming into power, as well as of interest to him who was going out. Observe, now, in what strains of self-gratulation and complacency the old chieftain talks of the country whose care and management he is about to yield to another. Notice his proclamation of its prosperity and happiness. These are his words: “I leave this great people prosperous and happy.” Mark, too, how the new incumbent, as the sceptre falls into his hands, echoes and reiterates the sentiment, in phrase like the following: “We present an aggregate of human prosperity surely not elsewhere to be found.” Can language be stronger than this? Can anticipations and prospects more bright and cheering, be presented to a fond and confiding people? Is it not apparent that the retiring magistrate, upon a review of his eight years’ administration, saw nothing to regret, and was willing, nay eager, to plant himself upon its policy, and be judged by its results. Did not the incoming President adopt these views—make them his own—and pledge his support to this, his predecessor’s distinctive policy? And now, Mr. Chairman, mark what follows: how short the period of time in which we have arrived at our present point of depression; with what rapid strides we have travelled hither. Surely the majority in this House will not deny that these public declarations were made in all sincerity and truth. And equally undeniable is it, that subsequent events have swept away the fair delusion, and show how unfounded in fact it was. I should like to know whether, on the 4th of March, 1837, either of these apostles of the “democracy”—these far-seeing statesmen, as by their friends they are deemed to be, was apprehensive of an “inflated paper bubble,” or “inflated currency,” or “a bloated banking and credit system?” Were fears *then* entertained that the currency was too expanded and prices ruinously high? Did bank expansions, or explosions, or contractions, haunt the imagination or disturb the quiet self-complacent spirit of the new President? Were these very things, which are now the bug-bears of his followers, and the war cry of the party, then present to his mind? Were elements of mischief then at work? Were any portents of a coming storm then visible? Sir, if credence is to be given to the President’s word, all things, to his vision, seemed fair and bright, and he was troubled with no forebodings of ill to come. No, sir, he had no misgivings as to the future. The Treasury was full; the national debt was paid; we were at peace with all the world; every branch of industry and commerce was prosperous and successful; and, as he looked over the fair land he was to govern, why should he not break out in the exulting exclamation, “We present an aggregate of human prosperity surely nowhere else to be found?” Ah, sir! he little dreamed what a reckoning day was near, and what a storm was at hand. It did not enter into all his thoughts what a harvest of discomfiture and disquiet his intermeddling with, and experiments upon, the currency were about to yield. I venture to say it did not occur to his imaginings, how thickly he and his predecessor had been sowing the earth with dragons’ teeth; and how they, like armed men, would start up in

his path. On the day of his inauguration, he disturbed himself with no foreboding that in three short months his petted banks, his especial and selected favorites, would suspend payment, and drive him to convene Congress in special session, because of the embarrassment and panic that event would occasion. The surface of things was fair and smooth, and gave no indication of what elements of mischief were at work beneath. The great mass of the people were ready to drink in, with eagerness, the flattering words of their newly elected ruler; and, in spite of all the oft-repeated warnings they had received, were the ready dupes of the fair delusion. Such had been our prosperity in times past; such abundant resources had been husbanded and laid up against disaster to come; such vigor and strength had been acquired by the industry and enterprise of our citizens, through a long series of years, under the fostering care of a patriotic and paternal Government, that, for a while, the country had been able to withstand the shock, and sustain itself under all the ill-advised experiments and schemes which had been brought to bear upon it. It had done, as the human constitution will sometimes do—hold out against the worst prescriptions of the most worthless empiric, and throw off, by its natural force, all that ignorance and mismanagement can effect for its destruction.

There is, Mr. Chairman, a responsibility growing out of these public avowals and acknowledgments which, it seems to me, the people are beginning to understand and appreciate. When this Administration came into power, we were prosperous, if their words are entitled to credit, beyond all former example; while, at this moment, we are, and for a long time past have been, borne down with reverses alike unexampled and unexpected. There must be accountability somewhere. There must have been causes in operation, which have produced the consequences we now see and feel, at the very time the new President spoke such words of comfort to the country. These causes must, and should, be subjected to a close and rigid scrutiny. The people, in times like these on which we have fallen, should not, and I trust they will not, fail to trace the evils they endure to their true origin, and drive their authors from every subterfuge under which they may seek shelter. The voice of the nation is calling its servants to account. It may be heard, even now, in the deep murmur of disapprobation which comes up to us from every section of the land, and which, ere long, will break out in tones so loud and clear as will make all who have had part or lot in the production of the mischief tremble before it. The tide of public indignation is setting in with a force so resistless as to sweep away all those who have so unworthily crept into the high places of trust and power. Reflecting men will ask, and with emphasis too, Was not the peculiar policy of the last Administration, on the 4th of March, 1837, made the subject of especial rejoicing and heartfelt congratulation? Was not the system—the new experiment, the characteristic principles of that Administration—said to be working well, and rich blessings to be its attendants? The tariff of 1828, which some of the President's new allies would have you believe is the overflowing fountain of all our disasters, had been in operation for ten long years, and under it, and in spite of it, we had thriven marvellously. The monster bank, with its overshadowing influence and power, had fallen under the repeated blows of the old chieftain's arm: the faithful had duly chanted their *Te Deums* for its downfall, and it no longer afforded a covert under which its destroyers could escape from their own misdeeds. Neither then, as now, sir, did the ceaseless cry for a divorce of Government from banks ring in our ears, and constitute a rallying point for the party; for, sir, that very Government, and very party, which now so unsparingly denounce and discard them, did then take them into peculiar favor, and had, at that very time, warmed them, by governmental patronage and influence, into premature growth and unhealthy action. Sir, all the causes to which our subsequent distress and embarrassments are ascribed were then busily at work. Were they seen and understood? Did the

sagacious statesmen and politicians—those apostles of the democracy—the outgoing and in-coming President—imagine what calamities were impending, and what a crisis was at hand?

But the first fruits of the great experiment upon the business and credit and currency of the country, which had been in process of trial, were soon to appear; and, in May, 1837, the Government banks, with all the others, suspended specie-payments. The alarm which seized every portion of the community, and the derangement and disorder which pervaded our monetary and commercial affairs, need not here a repetition. The explosion, I dare say, sir, was as unlooked for by the President as by the People. It was equally unexpected and astounding to all. It was deemed an event of so much importance that, in consequence of it, a special session of Congress was shortly convened. I should like, sir, to have any one compare the strains in which President Van Buren so lately greeted the people with what he now utters to the assembled councils of the nation. In the message which, on that occasion, he transmitted to Congress, he is driven to a distinct recognition of the deplorable state of the country. He admits, sir, what, indeed, can no longer be disguised, “that embarrassments, wide-spread and calamitous,” exist in our pecuniary affairs; that “difficulties are experienced by the mercantile interests;” “that unexpected exigencies had occurred;” a sudden “revulsion” had taken place, and a dark cloud had come over the bright prospects which had so lately been held up to view. Sir, I cherish not a doubt but that the President was then fully awake to the peculiar and extraordinary attitude in which he stood. It is not hard to discern how, on every side, his path was beset with difficulties well nigh insurmountable. As the piercing cry of distress from every quarter reached his ears, I can easily imagine how his heart must have sunk within him. In a moment the mad schemes and ruinous experiments of his “illustrious predecessor,” in all their sad results, had recoiled upon his own head. All his extorted pledges and promises, and solemn declarations, now stared him in the face, and closed up and guarded the only avenues to relief. The downward road, along which his bleeding and suffering countrymen had been drawn, could not be retraced. He could not resort to a national bank for help, for to such an institution he had sworn eternal enmity. The petted banks had failed to fulfil the trust committed to them, and must be given up to public reprobation. In such a dilemma, what response could the paternal head of the people now make to their earnest appeals for relief? Sir, I verily believe the President anxiously cast his eyes about for a loop-hole of retreat, and would most gladly have found almost any way to escape the difficulties which environed him. But the solemn pledge to tread in the footsteps of him who had gone before shut up the way.

There was, then, no alternative but a new and bolder experiment still. A new principle is to be laid down; a new and unheard-of doctrine is to be promulgated: one which the proudest despot would hardly avow. In the midst of prevailing distress—of financial uncertainty and dismay—when doubt and fear and agony are all around—the waiting, the expectant nation is told—what?—that the great business of Government is to take care of itself; that the people must not, and should not, expect too much; that with the currency of the country, as such, with the currency such as the people must of necessity employ in all the ordinary concerns of life, the Government had nothing to do; that its care, in relation to monetary matters, began and ended with the receiving, safe-keeping, and disbursing the public revenue; that any further interference on its part with the moneyed affairs of the nation was forbidden by the Constitution; that Government must, and of right ought to be, now and forever, divorced from all connexion with banks. These are the views and doctrines which, if I mistake not, are in substance contained in Mr. Van Buren’s message at the extra session

in 1837. I need not add, sir, how speedily, upon its perusal, all hopes of aid from governmental interposition were scattered to the winds.

In this document, Mr. Chairman, we find the first shadowing forth, the outlines, of the sub-Treasury project; the form and features of the scheme embodied in the bill upon your table, and now pressed upon this House for its adoption. I am aware, sir, that the measure has since been more clearly developed, the picture more fully drawn, and its odious character more clearly exposed. I am aware that the ground of argument for its support may have since undergone some slight modification; yet, in substance, the sub-Treasury project is here, for the first time, put forth. The message, most assuredly, to my mind, embraces the propositions and principles which I have attributed to it. It ascribes the distressing and forlorn condition we were then in, to overaction, to redundancy of credit, and reckless speculation, stimulated and engendered, as he declares, by excessive issues of bank paper. It denies to Congress the constitutional power to afford relief, by any regulation touching the currency and exchange; and claims that gold and silver are the only currency recognised in any way by the constitution—making it thereby imperative that the public moneys should be collected and disbursed in coin alone. Here, sir, is clearly unfolded the primary idea of one currency for the people, and another for Government creditors and Government officers. And, sir, I have been surprised, I confess, at hearing gentlemen assert that this objection, of two currencies, which this bill proposes to furnish, has been abandoned by its opponents. They need not, sir, lay this flattering unction to their souls. You cannot divest the measure of this odious feature; it is inherent in it, and part and parcel of it. It is visible on its very front. The receipts and disbursements of this Government, extravagant and prodigal as it is, do not exceed forty millions of dollars per annum; while individual receipts and expenditures, for the same period of time, amount to several hundreds of millions. Can this latter sum be received and disbursed in specie? Are not the bills of banks, which must make up the circulating medium of the people, good enough for office-holders? Is it right or proper that there should be in this respect any distinction? But, if any distinction must exist, can there be a doubt which of the classes alluded to—the people, or their servants—should have the preference?

It was, sir, with such suggestions, and accompanied with such declarations, that the President first ushers the sub-Treasury plan upon the notice and attention of the American people. He publicly avows it to be a project for the benefit of the Government, and the Government alone; while only a faint hope is expressed that some incidental good may possibly flow from it to the country. It was Government money it was to guard and protect, while the people's interests were in this respect left defenceless and wholly unprotected. Sir, if the author of that document has changed or swerved from any other of the principles embraced in it, he surely is entitled to the credit of having, upon this point, remained unchanged and immovable. I regret to say that to this very time he maintains the position he then assumed. He can still look with the same indifference upon the havoc around him; he can behold with the same cold unconcern the misfortunes which are on every side overwhelming his fellow-citizens, and ruthlessly refuse them the helping hand. He can tell them, in this their day of calamity, as he told them heretofore, that he can erect a shelter only large enough to cover the official corps, while the people, for aught he or Congress can constitutionally do, must stand without, and abide the peltings of the storm. And what reason can, or does, the Executive give, for this long-continued, this persevering, this heartless refusal of relief? How can he justify himself for such an utter abandonment and betrayal of the trust powers, incident to, and entering into the very idea and object of all Government? I propose, for a moment, to call your attention to the only two reasons which, as I apprehend, the President has ever urged, in justification of conduct so unprecedented and so cruel.

The first position which he takes in excuse for this stern denial of aid, is found, as I conceive, in the fact, that he traces all their misfortunes to the people themselves, and would have it believed that the measures and acts of the Government have not, in any way, contributed to their production. He does not consider the Government at all responsible for them, but lays the blame wholly and entirely at the people's door. Hence it is, and for this very purpose, that he discourses so largely upon "reckless speculation," and "extravagant expenditure," and finds in the banking and credit system the origin of all our troubles. Behind this supposition he and his abettors would entrench themselves, and thus avoid the responsibility of their own acts. Hence, too, we learn why it is that party men, and the party press, have so unceasingly held up these banks as objects of contumely and reproach. Sir, the very end and aim of all this din and uproar, this fierce warfare upon "*the moneyed power*," as they term it, is to escape the odium they merit, amid the dust and smoke of the conflict. This conclusion is nearly irresistible, when we recur to the fact that, without the aid of these banks, the ordinary business transactions of the community could not be carried on. Is any one hardy enough, did he possess the power, to blot out at one blow the eight hundred and twenty-three banks, and abstract from circulation their three hundred and seventy-eight millions of dollars? Recent events in a neighboring State would seem to indicate what the conduct of the denouncers themselves would be, when brought to the trial. The boldest radical in the land would hesitate, were the issue directly made, ere he would destroy a system to which we have so long accommodated our business, and with which our every day concerns are so closely interwoven. Better, far, is it that the banks should live on, a bug-bear for the ignorant, and a pack-horse and scape-goat, to bear away the sins of an iniquitous and corrupt Administration.

But again, sir, let me ask, when and where did our sapient rulers and their zealous followers imbibe this deadly hostility to banks? Is it of long standing? or of more novel impression? Let us go back and trace this matter from the beginning. When General Jackson came into power we had, as no one will deny, a currency inferior to no other in the world; adequate to every demand of commerce; and suited to the wants of an enterprising and prosperous people. The Bank of the United States furnished a circulating medium that was at *par* everywhere, and good for every purpose of money, in the most distant parts of the globe. It regulated our exchanges at home to the satisfaction of every body, and received, safely kept, and disbursed the public revenue; performing every function of a fiscal agent of the Government, in a manner that merited, and received, the highest commendation. At this period, however, when everything was going well with us, the extraordinary man then at the head of affairs, for reasons which need not here be detailed, conceived a deadly enmity to this institution, and determined upon its overthrow. With him to resolve and to execute were one and the same thing; and he forthwith addressed himself to the ruthless task with a purpose as steady and unwavering as the course of nature. The contest, though fierce and protracted, and directly in the face, too, of the will of the people, as manifested by their Representatives in Congress, ended in the prostration of the bank, and the triumph of the Executive. Its result furnished, to every reflecting mind, alarming evidence of the rapid increase of the power and influence of this Department.

But was the destruction of the national bank the only aim of this agitating struggle? Or was the banking system, as a whole, to be overturned? The sequel, sir, will tell. The sub-Treasury project, with its accompaniments of vaults, and safes, and receivers general and special, was not then in favor at all with those in power. Nay, sir, it was, in terms the most unequivocal, denounced as disorganizing and revolutionary. A proposition in kind like that now under consideration could not, for a moment, be entertained; and, by the official organ of

the Administration, was pronounced to be "fatal and dangerous in all its tendencies and effects." On this account it was that, when, in 1833, the late President, in pursuance of his plan for breaking down the bank, removed the public deposits, instead of placing the public money in iron chests, under individual guardianship, he sent it to the vaults of banks. He had at that time no fear of the State banks; no dread of their corrupting the people, controlling elections, and destroying our liberties. He puts into their keeping the public moneys, with no distrust of their ability to perform the duties of a fiscal agent, and bids them freely use the funds deposited for the purposes of business and the good of the community. He says it is against the genius of our free institutions to lock up in vaults the treasures of the nation, and he would have it flow out and fill up every channel of trade and commerce. I should be pleased to have the admirers of General Jackson—those who have been accustomed to rely upon his views, and confide implicitly in his opinions—for a moment ponder upon the sentiment contained in the following words of their favorite :

"It is against the genius of our free institutions to lock up in vaults the treasure of the nation. To take away the right of bearing arms, and putting these weapons into the hands of a standing army, would scarcely be more dangerous than for Government to have a surplus treasure to be used against the liberty of the country."

With admonitions and injunctions like these did he, with a high hand, transfer the public treasure from the national to the State banks; and, on every fitting occasion afterward—in every subsequent message, down even to his very last—and through the reports of his Secretaries, he continued to extol the manner in which they performed their trust. In his last communication to Congress he holds the following language :

"Experience continues to realize the expectations entertained as to the capacity of the State banks to perform the duties of fiscal agents of the Government. At the time of the removal of the deposits, it was alleged by the advocates of the Bank of the United States, that the State banks, whatever might be the regulations of the Treasury Department, could not make the transfers required by the Government, or negotiate the domestic exchanges of the country. It is now well ascertained that the real domestic exchanges performed through discounts by the United States Bank and its twenty-five branches, were at least one third less than those of the deposite banks, for equal periods of time. And if a comparison be instituted between the amounts of service rendered by these institutions, on the broader basis which has been used by the advocates of the United States Bank in estimating what they consider the exchanges transacted by it, the result will be still more favorable to the deposite banks."

What representation can be more satisfactory than this? and, if he describes the workings of the system aright, he might well say, "the wit of man could devise" no better. Was there any hatred or distrust of banks lurking in the breast of him who could use language like the foregoing?

But observe again, sir, how, under this new order of things, these very dangerous and so much denounced institutions spring, like magic, into being: how rapidly their numbers and their capital increase. In 1816, the whole number of banks in the country was two hundred and forty-six, with a capital of ninety millions of dollars, and a circulation of sixty-eight millions. In 1820, the number had increased to three hundred and eight, with a capital of one hundred and thirty-seven millions, including the Bank of the United States. In 1830, the number of banks is still further enlarged to three hundred and thirty, with a capital of one hundred and forty-six millions, and a circulation of sixty-one millions. Thus, in fourteen years, we find we have *eighty-four* new banks, and an increase of bank capital of *fifty-five millions* of dollars; while, during the same period, the circulation has *decreased seven millions* of dollars. In 1836, the number of banks had risen to eight hundred and twenty-three, their capital to three hundred and seventy-eight millions of dollars, and their circulation to one hundred and eighty-five millions; showing an increase, in five years, of five hundred banks, an increase of capital of two hundred and thirty-three millions, and an increase of circulation

of one hundred and twenty-four millions. Again, sir, I ask attention to the following results. In the year of the tariff compromise, the amount of free goods imported was sixteen millions of dollars; while, in 1836, three years subsequently, the amount of the same kind of goods imported rose to more than the sum of ninety-two millions, and the imports exceeded the exports in the sum of sixty-one millions. Observe, also, what is the instruction to be gathered from the comparative sales of your public lands. Anterior to the removal of the deposits, the average annual sale of public lands amounted to about two millions of dollars; after that event, the avails of the annual sales of public lands was fifteen millions; and in 1836, reached the amount of twenty millions of dollars.

Do not these facts clearly demonstrate that, for this increase—this enormous increase, of banks and bank capital, and bank circulation, those who are now loudest in their outcry against them are themselves responsible? Is not the stimulus which the removal of the deposits gave to these institutions, and to business generally, to the sale of public lands, and the enlargement of the foreign debt apparent? Did not the keeping of the public funds, under the injunction to discount freely upon them, give an undue excitement to banks and to the credit system? Is not here to be found the true cause of that overaction, overtrading, and redundant capital, so much complained of? Can it not be distinctly traced to a vicious intermeddling with the currency? To the ferocious war upon the bank? To the rash and daring removal of the deposits? In short, to the various and hitherto untried expedients to furnish the "better currency." Who, sir, broke in upon the fiscal system under which every department of business had so wonderfully prospered, and every part of which worked so admirably well? Who blew up the "paper bubble" and administered this aliment to reckless speculation and the augmentation of foreign debt? Let the question be settled by those who will consider the facts and follow the progress of events for the last seven years. Let such say whether this Administration, of all others, should speak reproachfully of banks.

But it is said, again, that the credit system is in fault, and the anti-bank and hard-money men raise, along with their cry of "down with the banks," the cry of "perish credit," too. They pronounce this bloated credit system to be the root of the evil we are suffering, and, after the manner of their great leader, would have all who "trade on borrowed capital to break." Mr. Chairman, I most freely admit that there may have been redundancy and excess in this matter of credit; and pray, sir, what good is there that is not liable to abuse? And besides, this very enlargement, so disastrous as it is claimed to be in its effects, is owing mainly to the mal-administration of the Government itself. The very men who raise the loudest clamor have fastened this very thing upon us. It is they who have fanned the flame and furnished the food for all this recklessness and extravagant expenditure of which they now complain; and now, forsooth, because of this work of their own hands, they would abolish credit entirely. Sir, they should reflect that credit is a plant of delicate structure, that cannot be roughly handled or blown upon. And do they not know, too—these professed friends of the poor man—that the war they carry on against credit is to end in the destruction of the poor man's capital? Can industry, or trade, or commerce exist without it? Sir, it is not the rich man who asks or wants the aid of credit. It is the poor man, who steps into the wide world with only his honesty and industry to sustain him, that needs its support. He it is that calls credit to his aid, when on the fair field of open competition he essays to bear off the prize from him who is born to patrimonial wealth and influence. Deprive him of this, and you shut and bar fast against him the entrance of the road that leads to honor and distinction: you take away the key that unlocks the gate which guards this pathway. It is this very credit, this much traduced, this vilified CREDIT, that has made us, as a people, what we are, the wonder and envy of the world. To us the poor man has fled from the hard-money Government of Europe;

because here, under the benign influence of this wonder-working system, he finds full play and scope for all his energies, and by its aid can raise himself from his abject condition to opulence and respect. The whole land, through its length and breadth, bears the stamp and impress of the credit system. You can see it, sir, every where. Go especially to New England, and there witness its potent influence in the thrift and comfort which prevail; in the smiling villages which cluster around her waterfalls; in the factories which line the margin of the streams that pour down the sides of her hundred hills, gathering around them a thicket of comfortable and neat dwellings, with the school-house and the church, and filling them with a busy and contented and happy population. Before this crusade against credit and commerce and the banks began, this reprobated system was yielding to us an abundant harvest of blessings; well-regulated credit was doing for us all we could ask or desire. But the hand of the great Experimenter was laid upon it, and his touch at once carried disorder and confusion into every part of the complicated machinery of its action; stopping some of the wheels, accelerating others into a fearful rapidity of motion; deranging the functions of the parts and the order and symmetry of the whole.

But, sir, the President is not contented with ascribing our disasters to Banks and to Credit, and thus sheltering himself from all blame on account of them. He places his refusal to interfere upon constitutional grounds. Seized with sudden scruples and doubts, he retires behind the great charter in order to escape a duty which he finds pressing upon him—the duty of bringing succor to a suffering community. In his message at the special session, he speaks after this manner:

“But it was not designed by the Constitution that the Government should assume the management of domestic and foreign exchange. It is, indeed, authorized to regulate, by law, the commerce between the States, and to provide a general standard of value or medium of exchange in gold and silver; but it is not its province to aid individuals in the transfer of their funds, otherwise than through the facilities afforded by the Post office Department. As justly might it be called upon to provide for the transportation of their merchandise. These are operations of trade.”

And again he says:

“If, therefore, I refrain from suggesting to Congress any specific plan for regulating the exchanges of the country, relieving mercantile embarrassments, or interfering with the ordinary operations of foreign and domestic commerce, it is from the conviction that such measures are not within the constitutional province of the General Government, and that their adoption would not promote the real and permanent welfare of those they were designed to aid.”

The same principles, if I mistake not, have been inculcated in subsequent messages from the same source; and are, at this time, maintained as part of the true faith.

But let us examine this position a little further, and see if it is well taken. Has Congress, indeed, nothing to do with providing a suitable currency for the wants of trade? Is it free from care in relation to the circulating medium, except so far forth as the regulation of the revenue is concerned? except the receiving, and keeping, and disbursing of it in gold and silver? Does the provision in the Constitution, clothing Congress with the “power to coin money, regulate the value thereof, and of foreign coin,” reach no further than the supervision of gold and silver? Is there no grant of power to control and govern what, in the transactions of commerce, may come to be the representative of coin, and take and supply its place? Is there no significance in the fact that Congress is empowered to regulate commerce among the several States, as well as with foreign nations? and is there not implied in this the authority to direct and manage the currency without which this commerce could not exist or be carried on? The history of this Government, from its organization up to the time that the present Executive first published his new and startling theory, may answer. The very Constitution itself, sprung from disordered currency and deranged finance. Our first great President believed that Congress could, and should, exercise jurisdiction over

matters pertaining to the currency and exchange. Hence, in 1791, the first Bank of the United States came into being with his approbation and consent. Its establishment manifestly looked to the advantages it was to confer on trade in general, and the provision it was to make for a safe currency of general credit and circulation. In short, it was to supply a national currency, and the aid it was to render as a depository and disbursing of public moneys, was altogether an afterthought, and was not even made a subject of stipulation till after its incorporation. So, too, when a second national bank was chartered in 1816, its prominent end and aim seems to have been the furnishing and regulation of currency and exchange. Mr. Madison, who then occupied the chair of state, surrendered his constitutional doubts and scruples to the practical construction which, for so long a period, and by the distinguished statesmen who had preceded him, had been given to the great charter. To any one who will read the debates in Congress, while the question of chartering the second national bank was undergoing discussion, and will be at the trouble to gather the views of the leading men at that time, it will, I apprehend, be apparent that the prime object they sought to attain, was a sound and healthful circulating medium—a currency that should be of equal credit in every part of the Union. How well that purpose was answered in its establishment, we are all fully aware. Thus for forty years of our national existence, have we had a national bank, the aim of which, among other things, was to furnish and control a medium of exchange and circulation. One would have supposed that the opinions of Washington, and Madison, and Gallatin, and Dallas, should have put the constitutional question, in regard to this subject, forever at rest. But, sir, the “illustrious predecessor” himself never doubted but that this right appertained to Congress. He made it a special ground of charge against the bank, and justified in part his quarrel with it upon the truth of the charge—that it did not maintain a sound and uniform currency. And for the avowed purpose of furnishing a better, he took the deposit banks into favor, and of and concerning them spoke in these terms :

“The funds of the Government will not be annihilated. They will be issued for the benefit of trade; and if the Bank of the United States curtails its loans, the State banks, strengthened by the deposits, will extend theirs. What comes in through one bank will go out through another.”

Mr. Taney, too, in his circular to the Girard Bank, then spoke to the same effect, and said :

“The deposits of the public money will enable you to afford increased facilities to commerce, and extend your accommodations to individuals. As the duties which are payable to Government arise from the business and enterprise of the merchants engaged in foreign trade, it is but reasonable that they should be preferred, in the additional accommodation which the public deposits will enable you to give.”

In his message, in 1833, the President thus utters his congratulations :

“I am happy to hear that, through the good sense of our people, the effort to get up a panic has hitherto failed, and that, through the increased accommodations which the State banks have been enabled to afford, no distress has followed the exertions of the bank.”

In December, 1835, President Jackson, in his annual communication to Congress, thus explicitly speaks upon this topic :

“By the use of the State banks, which do not claim their charters from the General Government, and are not controlled by its authority, it is ascertained that the moneys of the United States can be collected and disbursed without loss or inconvenience, and that all the wants of the community, in relation to currency and exchange, are as well supplied as they ever have been before.”

I need not again refer to his message in December, 1836, which is equally full and explicit upon this point. And now, sir, let me inquire, is it to be believed that General Jackson harbored a constitutional scruple of the power, and ability, and duty of Congress, in relation to this subject? And, from whence, then, have

come his successor's doubts and misgivings? During all the time that his predecessor had been tampering with and tinkering the currency, under the pretext of making it better, did Mr. Van Buren whisper in his ears the surmise that the constitution stood in his way? Did he ever make a pretension of this sort till driven to it by the failure of his own adopted system? And can the suspension of specie payment by the banks alter the constitution?

Neither of the grounds, then, upon which the President has placed his justification before the country, are firm and safe to stand upon. It will not do for him to lay to the people the blame of the distress they now endure, as of their own procuring, and say that the fires which consume them are from sparks of their own kindling. And it is and must be too late for him to say that the constitution inhibits his aid. They are flimsy pretexts, which will not abide the test of rigid and impartial examination.

What, then, Mr. Chairman, does the bill upon your table seek to accomplish? Upon its face it makes provision only for the receiving, and keeping, and disbursing the revenue. This it proposes to do, by divorcing Government from banks, collecting the public dues in gold and silver, and, against all past experience and practice, locking them up in the custody of certain keepers, whose honesty is to be maintained by the severity of penal enactment, and thus depriving the people, from whose pockets they are drawn, of the use of them. Instead of a system tried and strengthened by the use of half a century, we are to have fixed upon us an entire new order of things, and a radical change is to be wrought. I do not forget, sir, that the advocates of this measure affect to believe, and would fain have the country believe, that certain incidental benefits, at least, will accrue. They maintain that the hard-money policy, a prominent feature of the bill, will prevent many of the evils we now suffer; that it will restrain excessive issues of bank paper; suppress the too great extension of credit; diminish the overaction which has invaded the several departments of business; stop our foreign importations, and thus dry up our foreign debt, and enable our manufactures to compete with those from abroad. And all this, Mr. Chairman, how? in what way? Simply, by bringing every thing down to a hard-money standard of value; by reducing the prices of property, and products, and labor; by diminishing the cost of production. This is the way in which they would have American manufacturers maintain themselves against foreign competition. The friends of this hard-money doctrine would persuade the Northern manufacturer that his only defence is reduced cost of production. They would strip off the ægis of his protection, the tariff, and bid him, instead thereof, lower the wages of his workmen. They exclaim most vehemently against the prices, which have been so ruinously high, and find deliverance nowhere but in their reduction. Now, sir, I desire to know how this policy meets the views of those whose interests it so materially affects. I would ask the working-man if he is content, with this diminution of his wages? Can you make him easy, under the idea that, while the value of his labor falls, the price of living declines in an equal ratio—that he can support his family on his diminished earnings as well as before? Will he not inquire if this policy is to reach and affect those foreign articles, which have come to make up the comfort and conveniences, if not the necessaries of life, and which enter into the consumption of every family? Will the prices of his tea, and coffee, and sugar, and molasses proportionably decline? or would they confine these articles to the dwellings of the rich? Will he not be very likely to inquire if the wages of the salaried officers of Government are to undergo a like reduction? Is the official corps—the army of office-holders who literally swarm in our land—to experience the effects of this benignant system, this paring down process? Do you propose to cut down their incomes, while you pay them in the better currency? Will the farmer be satisfied with the falling prices of his products, and relish the idea that the depressed value of his beef, and pork, and grain are working out his ul-

timate good? Permit me to ask, if he would willingly deal out his produce at half its former prices, even for the office-holder's gold and silver? Go, sir, at this very moment, among the hardy, and honest, and intelligent yeomanry, who till the soil and support us all, and bear back their response, and I am willing to stake the issue upon it. Bring their opinion of the prices so ruinously high, under which the agricultural portion of the community has thriven for a few years past. More especially should I like to hear a farmer speak upon this point who has been purchasing his farm on credit, and is owing for it, or is in debt from any cause. A few days since, sir, I chanced to cast my eyes upon the following extract from the "Ohio Times," which seems to furnish a suitable illustration of the topic on hand:

"FIGURES WON'T LIE.—A farmer in the country owed, last year, \$200, which he could have discharged with 178 bushels of wheat. This year it takes 500; difference 322 bushels. Last year, he could have paid the same debt with 400 bushels of oats. This year it takes 1,400; difference 1,000. 267 bushels of corn would have paid this debt last year; this it will take 909; difference 642. There is no humbugging in this."

Sir, it would afford our farmers, and mechanics, and laborers but little consolation to be told how successfully the hard-money system works in Spain, and Germany, and Italy. I venture to say they would wish for the reason that the tide of emigration sets so strongly from thence to this land, so cursed and blighted with paper money. Besides, sir, will they not tell you that the very system you seek to introduce by the passage of this bill is practically in operation now? Will they not quote to you the words of the late leader of the Administration party in this House, who, at the second session of the last Congress, used the following language:

"Suppose we reject this bill and go home, does the sub-Treasury cease? No, sir; it must continue, as it is now, the law of the land, and will continue through 1838, '39, '40, and '41, in spite of all the lamentations, here and elsewhere."

Was this a vain and bootless boast? Did this bold assertion mean nothing? And are not the bankruptcies, and despondency, and gloom which now prevail, sad commentaries upon the benefits, direct or incidental, which flow from the sub-Treasury?

Another reason which has been urged for the passage of this bill is derived from the supposed necessity of its adoption for the safety of the public dues; and for this end, it is claimed the receivers general, with their safes and iron chests, are to be created. The banks, it is said, are unsafe places of deposite, and must be abandoned. A sufficient reply to all this, sir, would be involved in the question, which, with great significancy, might be put, What would a prudent individual do, in such circumstances, and how would he conduct his own affairs? How would any of us dispose of money which we might chance to have on hand, and which we might be desirous to commit to safe keeping? Should we prefer an iron chest to the vaults of a neighboring well-regulated bank? I venture to say, that, with every penal enactment that human ingenuity can devise, you cannot make the public keeper more vigilant and honest than an individual would be in the guardianship of his own property. Why, then, adopt a different rule in regard to public and private funds? If the latter are found more safe in the custody of banks, why should not the former; and the rule of conduct that should govern the one, should also the other? There are checks and hindrances in operation in banks that cannot possibly attach to individual keepers. The stockholders have a deep interest in their careful and prudent management, and by self interest, that strongest of all guarantees for close and vigilant inspection, are led to constant watchfulness for mismanagement and maladministration. Then, too, you have the directors and officers of the bank themselves, each a sentinel upon the other. Are not motives, in such arrangements, to be found to prevent and guard against speculation and abuse, which cannot exist in the case of single de-

positories? Universal experience bears testimony to the superior comparative safety of banks for the custody of public deposits. Just look at the number of your defaulting postmasters, who are a species of regularly built sub-treasurers. By recurrence to Executive document No. 185, for the year 1836-'7, it will be found that in the preceding eight years the number of defaulters was sixteen hundred; which, calling the whole number ten thousand, is one-sixth of that whole. Along with this fact, let me ask the advocates of the bill to place the sums that this Government ever lost by the Bank of the United States. Let them tell when and where a single farthing of all the vast sums entrusted to its care was ever missing. And what, sir, after all the hue and cry raised against the State banks, has been the loss sustained from these institutions? Sir, in all the time they have acted as the fiscal agents of the Government, you have suffered from them an amount that is trifling indeed. Some years since, as was once stated by a gentleman from Virginia, (Mr. GARLAND,) they had disbursed of Government moneys the sum of about seven hundred millions of dollars, while the total loss was only about the 45th of one per cent. Compare this with the single defalcation of Swartwout and Price, and learn how much safer the people's money is when guarded by sub-treasurers. There is something suspicious in thus looking out a better method of keeping the people's money than we adopt for the custody of our own. Till the nature of man is changed—every passion and motive of his breast is eradicated—till he ceases to be obnoxious to temptation for peculation and plunder, you cannot convince the people that their funds are or will be better kept by receivers general in iron chests, with all the terrors of the penitentiary staring them in the face, than they have hitherto been in the good old way. Why, sir, Swartwout and Price abstracted from your Treasury more than one million three hundred thousand dollars; while on the first of February last, these banks, so lately objects of favor and praise, but now hunted down and denounced, were in arrears about the sum of eight hundred thousand dollars, and at this very time the sum total of their indebtedness to Government does not exceed six hundred thousand; and this, too, abundantly secured beyond the danger of eventual loss. Is not, Mr. Chairman, a grain of experience better than a bushel of theory? and a plan tested and tried by the operation of half a century better than a new experiment? In addition, it may be remarked that your banks cannot abscond; its officers may, but the loss, in such a case, falls upon the stockholders, and the corporation must abide the result. On the other hand, if a sub-treasurer plunders the public coffers and flies, the people, and they alone, sustain the injury. Sir, if the records of the public defaulters, and the amounts of their defalcations could be spread out before the people; if the frauds and purloinings which, from time to time, have been perpetrated upon this Government by its accredited agents, could be drawn out to public view; if the embezzlements of which we have now and then been permitted to have a faint glimpse, could be known in all the length and breadth and fulness of their enormity, I would ask for no other argument against this sub-Treasury scheme before the grand inquest of the nation. Sir, I am greatly apprehensive, after all, that there is somewhat of insincerity in this argument of superior safety. I cannot believe that intelligent men can fail to see its fallacy. I greatly fear they have a different and less patriotic object in view, and seek to cover their ulterior aim with this pretext. It is in this end and aim that I find my great objection to the bill. It seeks to accumulate still greater power and prerogative in the hands of the Executive, and make the overshadowing influence of that Department still more formidable and resistless. For this reason, the bill, in my judgment, is, in its consequences, dangerous to the very liberties of the country.

It has seemed to me, Mr. Chairman, that no one can, for a few years past, have observed the progress of Executive usurpation without feelings of alarm and apprehension. It has been steadily going on until it has at length ar-

rived at a pitch when this department of our Government threatens to swallow up and devour all the others. Ever since the election of General Jackson to the Chief Magistracy, the process of undermining and deranging the checks and balances of the constitution has been in operation, and the symmetry and nice adjustments of its parts and proportions has been well nigh obliterated and destroyed. The spirit and determination to concentrate all the patronage and power of this Government in Executive hands, manifested itself early in the last Administration, in its attack upon the Senate when that body stood in the way of the President's high-handed assumptions of authority. We cannot have forgotten how zealously a pensioned press and devoted partisans wrought to overthrow this branch of our Legislature. It showed itself in the daring assertion of prerogative on the part of the President himself—in his removal of the deposits, and his unwarrantable exercise of the veto power against decided majorities of both Houses of Congress. It broke out in simultaneous and oft-repeated assaults upon the Supreme Court, and the unsparing efforts which have been made to bring the judiciary into disrepute and cover it with obloquy and reproach. Sir, no attentive looker on can have failed to discover in the events of the few last years a growing tendency to elevate the Executive. The increase of patronage, in the way of appointment to office, when viewed in its proper light, must excite uneasiness in the breast of every well wisher of his country. We have lived to learn that the jealousies of some of the men who framed our constitution were not entirely groundless, and their dread of Executive encroachment no idle dream. Look around you, sir, and see the entire subserviency of the whole army of office-holders—see the crowd of hungry expectants waiting at the gates for the least crumb of favor—mark the proscription for opinion's sake which falls with such unerring certainty upon every incumbent who dares to be independent—notice the doctrine unblushingly avowed and unblushingly acted upon, that to the victors belong the spoils. Is there nothing in the power which wields and dispenses the immense and ever-growing patronage of such a Government as ours, to excite a dread of its unholy exercise? Is there nothing in this ability to put so many out of office and put so many in that should awaken jealousy and distrust? Is all apprehension that it may interfere with and control elections, and perpetuate its own continuance in power, without foundation? Does it not at this very moment preserve a discipline so severe and strict, that by means of it it can do its will and accomplish its desires? Indeed, sir, has not the President himself, in his message at the commencement of this session, advanced a dogma never before put forth, and gravely told us “that the Executive forms a component part of the legislative power?” Is this a mere idle phrase to which no meaning is attached? Is it not a new and alarming assertion of power, evincing a still greater determination for its enlargement and exercise? Is it not a bold and open avowal of a principle long since adopted in practice, and some illustration of which has been exhibited in this Hall since we came together? Shall we, then, by this bill increase this already overgrown power of the Government? Shall we add to the number of office-holders who now literally swarm in the land, by the creation of new offices? Shall we put the public moneys into the President's own hands to be at his own disposal and under his control? What else than this do you do when you place it in the keeping and custody of those whom he can displace at will and remove at his pleasure? If one keeper shall prove refractory and refuse the President's behest—a thing, to be sure, very unlikely to occur—will not a pliant one be sought out and obtained? In short, sir, will not the treasure of the nation be at the entire disposal of the Chief Executive?

And besides, sir, this bill under a false guise and hollow pretence, will, if adopted, to every intent and purpose, establish a Government Bank. It will be connected with your Treasury and based upon your revenues. Look at its provisions, and observe how this is to be brought about. Let your public dues be col-

lected in gold and silver, and locked up in the vaults and safes of your receivers general and treasurers of your mints; let your banks, under the workings of the system, withdraw their circulation and wind up their affairs, as most certainly they must do; and let no national bank, as heretofore, be chartered: and what can prevent your having, in lieu of these, a Government bank under the management and guidance of the Executive alone? Sir, I confess I have not been as much surprised as some others have professed to be, when I have heard the friends of this bill—this hard-money and specie-paying bill—express themselves friendly to banks. For, sir, this measure, whatever on its face it may purport to be, is in verity and truth, building up a bank with features most odious to freemen, and, which, instead of specie, instead of gold and silver, is to pour out upon us a new currency in the shape of Treasury drafts. Can this result be hindered? Is not your Secretary of the Treasury herein empowered to transfer your moneys from one depository to another? to concentrate them when and where, and in what amounts he may choose? Is not all this left entirely at his discretion? Put your Government drafts, then, in circulation, and accumulate your specie, and let the process go on from year to year: and have you not a currency—a circulating medium, which, in credit, will equal that of the Government which issues and stands pledged to redeem them? In spite of all you can do, sir, this currency will work itself into general use, and will be the only one you will or can have. Adopt this bill, and make its provisions the law of the land, and you have, notwithstanding lamentations here or elsewhere, an odious Treasury-Government Bank. These Treasury drafts will subserve every purpose of payment and exchange in the business transactions of the country.

Most of all then, sir, I object to this bill because of its direct and necessary tendency to augment Executive patronage and power; because of its necessary result, a Government bank, under the President's absolute control, and thus uniting in his hands the purse and the sword. When this shall be done, the days of our freedom will be numbered and finished. A great money power will be raised up at home, instead of one across the Atlantic, and which, sooner or later, will prostrate every thing at the footstool of Executive will.