In the House of Representatives, June 27th, 1840—

On the Independent Treasury bill.

Mr. DAVIS said: Mr. Chairman, before I proceed to the consideration of the great and important national question now before the committee, I will read an extract from the Boston Courier, a modern Whig paper. It is as follows:

"As well might a blacksmith attempt to mend a watch, as a farmer to legislate. What mischief are sure to be effected, when a man born to nothing but the plough tail, undertakes to legislate."

Mr. Chairman, I am the kind of person herein described. I was born to no inheritance but the plough tail; and I have ploughed all day from sun up until dark, since I have been elected to a seat on this floor. I know very well, sir, that this is not an uncommon opinion in a certain quarter. It is as old as the Constitution under which we live. Whether I am qualified for this station or not is a question alone for my constituents, who have sent me here.

As I have not heretofore consumed any of the time of the House, I now ask the indulgence of the committee, while I present some of the reasons that will influence my vote on this important question.

The gentleman from Massachusetts, [Mr. REED], who has just taken his seat, the gentlemen from Pennsylvania, [Messrs. SERGEANT and COOPER], and the gentlemen from Kentucky, [Messrs. POPE, WHITE, and ANDREWS], as well as most other gentlemen who have spoken in opposition to this bill, have charged the present Administration with being the cause of the suspension of specie payments in 1837 and 1839, and all the evil consequences attending them; such as the derangement of the currency, the issuing of shinplasters, the reduction in the price of produce, and turning the poor laboring man out of employ to starve; for the gentleman from Pennsylvania [Mr. SERGEANT] informed us that they were in a state of starvation. All these evils they say have come upon the country by Mr. Van Buren's tampering with the banks; for which he has been called a currency tinker and other odd names. Now, if this be true, as charged over and over again on this floor, and in the Opposition papers, it is the strongest reason that has been offered why a separation of the Government from the banks should take place. Nothing that the friends of the bill have said in its favor can be more striking to the public mind than that—if the President has the power to do so much mischief, it should be taken from him. Had I been opposed to this bill when I came here, (which I was not,) I have heard enough from its enemies to convince me that it should pass. I am pleased that my honorable colleague from Philadelphia [Mr. SERGEANT] has at length made known to us the principal cause of the opposition to this bill. He, of all other gentlemen on this floor, has had the best opportunity to be informed on that particular subject. He represents the bank interest of Pennsylvania, and of all other men is best acquainted with their views, wishes, feelings, and interests. In examining this bill, the gentleman said that the amount of money appropriated in it was $31,000. This appeared on the face of it; but there was something, he said, that was covered up in it which was hid from public view, but which would be perfectly apparent when he mentioned it. The Secretary of the Treasury, and the friends of the bill, he said, had admitted that it would require five millions of dollars to be all the time in Treasury. Here, said Mr. D. I think the gentleman has misunderstood the Secretary. He said that there would not be likely to be more than that amount in the Treasury at any one time, and not that that amount would be all the time in the Treasury. The interest on that sum, said the gentleman, at 7 per cent, will be three hundred and fifty thousand dollars, which add the twenty-one thousand make three hundred and seventy-one thousand dollars; but you may double this sum, said he, for it will take ten millions of dollars instead of five, and that will be seven hundred and forty-two..."
February, 1816, the whole debt amounted to the revenue and late war. On the 12th of February, 1816, the whole debt amounted to $6,717,191 17. Upon this amount ten millions of dollars were paid to Congress by the sale of the 18th century of the Treasury. The amount of interest received on this amount, as the gentleman, who understands interest better than I do, will explain, is not all. I have taken some trouble to look into this interest account, by examining the monthly returns of the Bank of the United States for the sixteen years that she was the fiscal agent of the Government; and from the annual returns of the deposit of the Bank from the removal of the deposits to the suspension in 1837, and the following has been the result of that examination:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount of deposits in the United States Bank</th>
<th>Interest</th>
<th>Amount available for sinking fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1818</td>
<td>$7,609,501 90</td>
<td>$6,993,350 45</td>
<td>$6,717,191 17</td>
</tr>
<tr>
<td>1819</td>
<td>$2,960,718 08</td>
<td>$7,623,298 18</td>
<td>$6,717,191 17</td>
</tr>
<tr>
<td>1820</td>
<td>$2,965,018 58</td>
<td>$8,032,255 80</td>
<td>$6,717,191 17</td>
</tr>
<tr>
<td>1821</td>
<td>$2,337,071 46</td>
<td>$8,168,035 59</td>
<td>$6,717,191 17</td>
</tr>
<tr>
<td>1822</td>
<td>$3,455,118 30</td>
<td>$7,899,904 29</td>
<td>$6,717,191 17</td>
</tr>
<tr>
<td>1823</td>
<td>$6,874,418 31</td>
<td>$8,186,241 21</td>
<td>$6,717,191 17</td>
</tr>
<tr>
<td>1824</td>
<td>$8,081,076 98</td>
<td>$11,337,732 21</td>
<td>$6,717,191 17</td>
</tr>
<tr>
<td>1825</td>
<td>$6,303,366 74</td>
<td>$8,599,049 61</td>
<td>$6,717,191 17</td>
</tr>
<tr>
<td>1826</td>
<td>$5,599,445 47</td>
<td>$5,599,445 47</td>
<td>$6,717,191 17</td>
</tr>
</tbody>
</table>

The average annual amount in the Treasury during the above period was $6,717,191 17. Upon this amount I had calculated an interest of 6 per cent. but as the gentleman, who understands interest better than I do, has charged 7 per cent. he will not complain, I trust, if I should adopt the same rule for his friends, which will make $7,522,953 11 whole amount of interest received on the deposits. But this is not all. I am informed that the rule of banking is to issue two dollars in paper for every dollar of deposits, and loan that out also. If this is the fact, then the interest account of the United States Bank, alone is $33,517,623 33.

In the deposit banks, I have taken the amount reported to be on hand at the end of each year. I now show the balance of the Treasury, as presented to Congress by the Secretary of the Treasury.

<table>
<thead>
<tr>
<th>Year</th>
<th>Interest</th>
<th>Amount available for sinking fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1834</td>
<td>$702,774 31</td>
<td>$6,717,191 17</td>
</tr>
<tr>
<td>1835</td>
<td>$709,571 50</td>
<td>$6,717,191 17</td>
</tr>
<tr>
<td>1836</td>
<td>$1,604,988 23</td>
<td>$6,717,191 17</td>
</tr>
<tr>
<td>1837</td>
<td>$2,758,111 43</td>
<td>$6,717,191 17</td>
</tr>
</tbody>
</table>

If this amount was all the time in the banks, the interest accruing on it at 6 per cent. would be $35,999,445 47; but at 7 per cent. it will be $6,524,264 40. I apply the same rule to this that we did to the other, viz: that they issue two dollars in notes for each dollar of deposits, and loan that out also, and you have the sum of $20,574,858 21. Add this to the profits of the United States, and you have the round sum of $41,144,490 44, realized by less than one hundred banks, by their having the custody and use of the public money. This explains the reason, to a great extent, of the opposition to the bill now under consideration. Those gentlemen who live by their wits, and not by their labor, understand all these things.

Here it will be proper to remark that a portion of the money in the United States Bank belonged to the sinking fund, under the act of March 5, 1817, setting apart ten millions of dollars to pay the interest, and also to reduce the principal of the debt of the Revolution and late war. On the 12th of February, 1816, the whole debt amounted to $123,630,692 95. On the 30th September following it was reduced to $108,745,818. The whole average annual amount in the bank for sixteen years was $6,717,191 17. Of this sum I think it is fair to charge $2,000,000 to the sinking fund, leaving $4,717,191 17 as the amount applicable to ordinary expenses all the time in the Treasury for sixteen years. From this it would appear that the sum of $5,000,000, as estimated by the Secretary of the Treasury, is not much out of the way, and not $10,000,000, as the gentleman from Pennsylvania [Mr. SERGEANT] supposed.

The worst times said the gentleman, that the country has ever seen, has been under the Sub-Treasury system. Now I am certain, said Mr. D., that my honorable colleague does not intend to mislead the committee or the public in this matter, but he has surely forgotten the distress in the country about twenty years ago. I will here relate my own personal experience at that period; and experience, we all know, is the best of teachers. It is not necessary, therefore, for me to go to the statistics of the country, when my own experience is a component part of them.

In 1816, wheat brought, in the Philadelphia market, where the gentleman resides, $3 per bushel; corn from $1 75 to $2; oats 75 to 80 cents.

In 1819, prices sank down so low that wheat brought only 62 cents, corn 31 cents, and oats only 18 cents per bushel. I ploughed the ground, and sowed the seed, cut it, threshed it, and hauled it to market; at both those periods. The land on which this grain grew, cost, in 1815, $125 per acre, and at that time it would not bring more than $50. Mechanics, who had received $1 25 cents per day, and were found, were reduced down to 62 cents, and many were out of employment altogether, and other laboring men received wages in the same proportion. Land fell from $125 per acre to $50, and in some cases lower. Hundreds and thousands of honest farmers who had passed the meridian of life, and, by a long course of industry, had accumulated a little property to make them comfortable in old age, if they were one fourth in debt for their land, and were pushed for it, the whole was swept from them. Or if a man had one farm clear, and a second one for which he owed one-half the purchase money, it took them both to pay the debt. As gentlemen of the bar generally fatten on the miseries of the people, I presume the gentleman did not experience any embarrassment at that time.

What will the farmers say at this time? Why, his produce won't sell for as much as he formerly got for it.

Here again I will give you my own practical experience. My last year's crop brought me more money than any one crop of the last three years. The increased quantity more than made up for the diminution of price. This year also was not without many of my neighbors. I recently received a letter from a farmer in my neighborhood, who informed me that he had sold from his last year's crop 437 dollars worth of hay, and that he had four tons yet to spare, which would make it up 500 dollars. He had likewise four cows to sell, and he owns and works only about ninety acres of land. We farmers know that when we

http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
have an abundant crop (all other things being equal) the price will be lower than when the crop is short. It is therefore not always the best times for farmers when prices are very high, because it is generally owing to a short crop. It requires a certain quantity of grain for the use of his family and stock, and if he consumes it all, the high price is of no advantage to him. We had better have two hundred bushels of wheat at one dollar, than one hundred at two dollars per bushel. For example: say that it takes 50 bushels for bread and seed. In that case we would have 50 bushels left, at 2 dollars, making $100, and in the other case we would have 150 bushels left at $1, making $150. But, sir, we are like other men—we like big crops and high prices too. We have, however, heard of the country being ruined so often from the Opposition within the last few years, that we understand their object. You want, gentlemen, to get your votes, and then you could control our money; but your Whig panic speeches fall still-born upon us.

I will go to the laborer, says the gentleman; and what will he say? Why, I formerly got money that answered my purpose; but now I am out of employ, and my family is starving.

Men starving in Pennsylvania! Sir, this is news to me. I thought the complaint was that grain was too low. This is certainly what was said to the farmers. Since a panic has been attempted to be got up here, I have frequently heard from home on the subject of labor and wages, and find that our mechanics are well employed in my immediate neighborhood at former prices.

This is, perhaps, an exception to the general rule; and the reason is obvious. We have no bank near us, nor have we anything to do with them. Every man keeps his own money, and no bank marks our checks good without paying the money.

We don't build, nor employ mechanics of any kind, until we are able to pay for what we get done, without going to bank for the money. Our business is, therefore, regular. I have been watching the course of events for the last few years, and have noticed the changes and fluctuations that have taken place, and am of the opinion that the embarrassment of the country is owing to overaction by banks, or to their unkindness in their accommodations to the business community. I find generally, where men are thrown out of employment, that it is for want of a continuance of bank accommodations to carry on business. Too many of our business men depend on bank loans to carry on their business; and when that is withheld, they are compelled to discharge their hands. It is a lamentable truth that the banks have too much control over the business of the country, and therefore can produce a panic at pleasure.

"I don't like hard money," says the gentleman. "I would rather have paper; it don't wear out my pocket so much. Why, shall the people be compelled to buy silver to pay their debts? We have too much gold and silver in this country. We have erred in this, as in every thing else. Fifty-five millions of your foreign debt is occasioned by the importation of gold and silver. Send back your fifty-five millions and pay your debts, on which you have to pay $3,300,000 interest."

From the gentleman's account, we have erred in this, when, said Mr. D., in every thing else. We have committed an error by bringing gold and silver into the country instead of merchandise. Times change, and with them gentlemen's opinions change. When the gentleman received twenty thousand dollars for going to England, as agent for the United States Bank to bring in specie, it was all right to bring specie into the country; but now it is all wrong.

One thing I presume is certain: no man that heard the gentleman will charge him with being a hard money man. The only thing for our consideration, on this subject, is, was it better for the country to bring this money in gold and silver, or merchandise? The States have erred more millions of your foreign debt is occasioned by the importation of gold and silver, or merchandise? The States have eroded stocks since 1830, amounting to $174,696,994, and over which the General Government have no control. They found their way to Europe. The above amount was all that was brought over in specie, and the rest was brought over in merchandise.

The great evils that has afflicted this country, has been an over-importation, and yet the gentleman would have imported fifty millions more, in preference to the precious metals. Such is his aversion to hard money. Perhaps this exportation of hard money is advocated to justify the United States Bank in expiring specie, as she has done, to the amount of $3,712,000, in about fourteen months. This seems to be carrying out the gentleman's principles in full. At the same time that the gentleman advocated sending this fifty millions of specie out of the country, he also advocated a National Bank, as well as some six or eight other gentlemen. Now, sir, I want to ask these gentlemen whether their bank is to have a specie basis and if so, where is it to come from? From the best estimate that can be made from the statistics of the country, the amount of gold and silver in the United States is about eighty-five millions. Of this, 33,105,155 is in the banks, as is shown by their last return, and the rest is in circulation, or in the hands of the people. The project of the gentleman from Kentucky, [Mr. P.,] and the only one submitted, was for a seventy million bank, so restricted that it should only issue two dollars in paper for one in specie. Under this plan one of two things is certain: either that our circulation will be small, or you must have a large specie basis. And where, I ask again, is it to come from? Can you get what is in the hands of the people? Or will you, after all your professions of friendship for the State banks, receive their notes in subscription for stock, and then call on them for their hard cash? Or will you go to England for it, and increase the indebtedness of which the gentleman in complaints? These are questions worthy of your consideration, and, for one, would like to have them answered. Creating more banks is like feeling Vesuvius with oil; you only increase the flame.

The gentleman has furnished us with a long account of the expenditures, and also of losses by the agents of the Government, from its commencement. In this the gentleman has imitated his party. He has dealt in general and not de-coupled to particulars. I have also looked over the document No. 10, of the present session, and find that the amount lost by disbursing officers, exclusive of
trust funds, and payment of the public debt, are as follows, to wit:

General Washington's first term, 13 cents per $100; second term, 27 cents per $100; John Adams's, 83 cents per $100; Mr. Jefferson's first term, 32 cents per $100; second term, 64 cents per $100; Mr. Madison's first term, 130 cents per $100; second term, 112 cents per $100; Mr. Monroe's first term, 205 cents per $100; second term, 216 cents per $100; Mr. J. Q. Adams's, 66 cents per $100; General Jackson's first term, 19 cents per $100; second term, 26 cents per $100.

It will be remembered that Mr. Madison's administration was during the embargo and war, and therefore more agents were necessarily employed. Mr. Monroe's administration met with less opposition than any Administration since the adoption of our Constitution. Now, sir, look at the pattern Administration of the venerable gentleman from Massachusetts, [Mr. Adams] the loss per hundred dollars was 66 cents; and the prodigal and wasteful administration, as his enemies term it, of General Jackson, only lost 19 cents per hundred dollars the first term, and 26 cents the second term. This is always the case, gentlemen; when we draw you into particular, you make a tremendous noise about others, but always waste the most money yourselves.

Now, gentleman, we will look at another item, I mean the whole amount of loss to the Government during each Administration. It is as follows:

Washington's 1st term, from 1789 to 1793, $656.16
2d term, from 1793 to 1797, 82,369.81
Mr. J. Q. Adams's, from 1825 to 1829, 81,919.98
Jefferson's 1st term, from 1801 to 1805, 61,520.95
2d term, from 1805 to 1810, 122,125.31
Madison's 1st term, from 1810 to 1813, 371,651.24
2d term, from 1813 to 1817, 689,836.51
Monroe's 1st term, from 1817 to 1821, 890,111.67
Mr. Adams's, from 1825 to 1829, 1,560,476.17
Gen. Jackson's 1st term, from 1829 to 1833, 2,676,508.47
2d term, from 1833 to 1837, 1,305,365.45

Now, gentlemen, what do you think the hard fisted, honest farmer, for whom you seem to be so much interested, will think of this, when they see it? Out of $7,748,318.89 of the earnings of their industry that has been lost to them in 47 years, your pattern administration of Mr. Adams lost $2,278,558.47 in 4 years, being an annual loss of $569,639.61, and leaving but $5,570,960.42 to be apportioned among the other Administrations for 43 years, making an average annual loss during the whole 43 years of only $129,557.21. And yet you are the men who are loudest in your professions of economy.

The gentleman from Adams county, Pennsylvania, [Mr. Cooper] told us that the decree of party had gone forth, and this bill was to pass. He says in 1833, when the experiment began, we had as good a currency as any country ever had; but the bank was to be broken down, and therefore the deposits were to be removed.

The decree of party has gone forth, is the language of the gentleman. If he had said the decree of the people had gone forth, he would have been correct. If there is any one question upon which the people of the district that I have the honor to represent, is more united than another, it is on that of an entire separation of the Government from the banks of the country, which has been an unprofitable partnership. They desire that their money shall be collected in the legal currency of the country, and be kept in such manner that it can be at all times controlled by their representatives to pay the honest debts of the Government. They have seen with deep humiliation that, whilst in the midst of peace and prosperity (when our land was flowing, as it were, with milk and honey) with an overflowing Treasury, their representatives could not control it. They have seen the banks, who had the care of it, close their doors and place the Government at defiance, professedly to keep the precious metals from going out of the country; when, in the same year, 1837, the imports of species exceeded the exports $4,510,165. Therefore, the reasons given could not have been the true cause. They have seen an additional expense created for the people to pay by calling Congress together to provide for the defalcation of the banks; and, when met together, the President was importuned to recommend to Congress, at the earnest solicitations of the merchants, too, to grant them indulgence in the payment of their Government dues; for destruction, they said, awaited them, if he did not, because they could not pay them in such money as the Government would receive. He did recommend the indulgence asked, and he did not stop to inquire whether the merchants were his personal or political friends; or whether, by such recommendation, he would strengthen or weaken himself. No, sir—no such thing. He acted like a faithful public servant should do. He looked at the interest of the whole country without regard to party. On the 18th of October, a bill passed the House of Representatives unanimously granting the indulgence asked for. This act dried up part the sources from which the Treasury was supplied, and it became indispensably necessary to provide for the deficiency to meet the engagements of the Government under laws passed by Congress. It was proposed to use the credit of the Government by issuing Treasury notes. But, sir, what was the conduct of the merchants, the banks, and their friends? Every paper under their control, and all the Whig orators in and out of the House, commenced a war upon the Government as soon as they were relieved from destruction. They turned round—I had like to have said viper-like—to sting to death the hand that had saved them.

The vote on supplying the Treasury with means to pay its debts, was a strict party vote, or nearly so. If there could be found the same number of farmers in Pennsylvania that would act with such inactivity, I would disown them.

To show that this measure is popular among the people, I will give you the election returns for the years 1836, 1837, 1838, and 1839, the last three years when this Independent Treasury bill was made a test question:

1836
Mr. Van Buren: 761,968
Opposition: 744,350
17,918 majority.
subject of attack by the Opposition. In 1838 there amounted to $525,115,702, and on the first of January, 1838, such a large amount of money could have no other effect than to embarrass business men. A war of extermination was waged against the Administration. The Whig orators predicted great distress, and made many panic speeches, and circulated them amongst the people. The banks, to aid their friends to fulfil their predictions, put the screws on the people, as will appear by their own returns on the first of January, 1837, when their loans and discounts in the United States amounted to $425,115,702, and on the first of January, 1838, they only amounted to $455,631,687, being a contraction in one year of $39,434,015. Such a sudden withdrawal of accommodations of such a large amount of money could have no other effect than to embarrass business men. This was all charged to the Administration, and therefore had some effect on the public mind in 1837. The change against Mr. Van Buren on the popular vote at the election was 125,928 votes. At the extra called session, Mr. Van Buren recommended the Independent Treasury system. It then became the subject of attack by the Opposition. In 1838 there was but little change, only about 2,590 votes. This subject was canvassed freely by the people, and in 1839 the "sober second thought of the people" made a change in favor of the Administration of 170,948 votes; and yet with this fact staring you in the face, we are told that the people are opposed to this great national measure. The gentleman from Kentucky [Mr. White] informed us that he would prove by all the modes of attaining public sentiment, that the people were opposed to this measure: but how did he fulfill that promise? He took up the returns of 1836, 1837, and 1838, and then stopped. The returns of 1839 did not happen to answer his purpose, and were omitted by him.

We are charged with being enemies to the banks of the country. How is this charge made out?

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<table>
<thead>
<tr>
<th>Year</th>
<th>Paper</th>
<th>Error in Pennsylvania return</th>
</tr>
</thead>
<tbody>
<tr>
<td>1837</td>
<td>819,203</td>
<td>3,986</td>
</tr>
<tr>
<td>1838</td>
<td>955,715</td>
<td>108,010</td>
</tr>
<tr>
<td>1839</td>
<td>1,004,004</td>
<td>6,000</td>
</tr>
</tbody>
</table>

Opposition majority in 1838. - 110,530
Mr. Van Buren's majority in 1839. - 42,418
Error in Pennsylvania return. - 18,000

We are desirous to confine them to their legitimate business of banking, and then they will be regular. They can always calculate with certainty, the extent to which they can accommodate the public; but while ever their accommodation depends on the public deposits, and commerce fluctuates as it has done, we must expect those sudden revulsions. But, sir, the banks may well exclaim, "save me from my friends." They have charged over and over again that we will destroy them by refusing to let them have the public money; and also, refusing their notes. What inference is to be drawn from this? Why it is, that the banks cannot stand without being propped up by the Government. This is what their professioned friends say of them here, and I think great injustice is done by it to such of the banks as are sound. But if this be true, that they are in this condition, so rotten as to be unable to stand alone; it is another good reason furnished by yourselves, gentlemen, why a separation should take place. I would prefer the specie clause, and I would have the Government pay in specie, so as to prevent foreign merchants from trading on the credit given them on duty bonds to the great injury of our own merchants and manufacturers. If the Government was to continue to receive the notes of banks, every bank in your large seaports would be subject to its will, for it could destroy them at pleasure, by receiving their notes, and then calling on them for specie, when they must either comply with its dictates or be so crippled in their operations as to be neither able to benefit themselves or the public.

In refusing to receive their notes the Government does nothing more than the Bank of the United States did towards the other banks. It received but few of the country bank notes in payment of Government dues; but this was all right, because it was done by the bank, and no political capital could be made against the Administration, and therefore nothing was said about it.

But it is said that we want a bank to regulate the currency, exchanges, &c. I have looked into this matter and find that the exchanges have been more deranged during the existence of the United States Bank than since.

In 1831, when the bank had been in operation five years, the notes of many of the banks in Pennsylvania were from 10 to 60 per cent. under par; New York country banks from 10 to 75 per cent.; Massachusetts 12 per cent.; District of Columbia 70 per cent.; Georgia 40 per cent.; Ohio from 50 to 80 per cent. In 1827 there was another pressure, when Pennsylvania country banks were from 5 to 75 and 80 per cent. discount; Delaware from par to 25 per cent.; Maryland from par to 80 per cent. In 1833, when it is said we had a good currency, and:-
it prove? Why, that you had one currency for the Government and another for the people—the very thing you now condemn. The above rates will be found in Senate document No. 437, session of 1837–8. The United States Bank shaved the notes of its own branches from 1 to 5 per cent.; see Spencer's report to House of Representatives, January 19, 1819. Banks, like individuals, will have a credit abroad in proportion to their standing at home.

If they stand high in public estimation anywhere, and always redeem their notes when presented, in gold and silver, they cannot sink lower at any point than the difference in transpiring the gold and silver. Why is it that bank notes in the same State, and even in the same town, differ so much in value? Is it not owing to their standing in public estimation? But we are told that the laboring classes would be much benefited by the establishment of another National Bank. These things have been promised before, without being realized.

I happened to be in Harrisburg, in Pennsylvania, when the United States Bank bill of that State was under consideration. Its friends there, like the friends of a United States Bank here, proposed that great good would result from it—that we had in that State a large and enterprising class of men, who possessed all the qualifications requisite to make them useful; but that they were without the means to go into business—that farmers, mechanics, and others, who were in debt, would be greatly benefited by it—that money would so plenty that interest would be reduced to four per cent. and perhaps lower—in fact, it was the very bill to benefit the middle and lower classes. This was the pretense. Now for the practice. Money had become so plenty in Pennsylvania, or at least in that section where I reside, that men who could secure it well could get what they wanted at five per cent. per annum. This was a very common rate of interest. But in less than twelve months after the Bank was chartered, notice was given that the Bank could not pay the money or to pay six per cent. interest. This was all fair. We, who were in debt, had no cause of complaint. It was only the effect that the charter of the Bank had upon us all. All these things I know from experience, because it took between thirty and forty dollars per annum from me; but in Philadelphia it was much worse than in the country. To such an extent was the wild and visionary spirit of speculation encouraged, that it created such an additional demand for money that interest rose to ten, fifteen, twenty, and as high as thirty-six per cent or three per cent. per month, and it was exceedingly difficult for ordinary business men to get accommodations at all, when the shaver and speculator could command millions.

Nearly all the money was lent out through brokers and bank officers at extravagant rates of interest. In this case, gentlemen, you professed as much friendship for us farmers and laboring men as you do now. Is it then at all surprising that we should be unwilling to trust you again?

But a bank is wanted as a regulator. We in Pennsylvania have some experience about this regulation of the currency. On the 9th of October last, the evening of the election, and after the returns from the city and county of Philadelphia were mostly in, the bank officers held a meeting to consult about the propriety of suspending specie payments. Fourteen banks were represented, and five were for suspension and the big bank was one of the number for suspension; and nine were against it. Therefore it is reasonable to suppose that the nine banks who were unwilling to suspend were able to continue specie payments. But the next day when the big bank opened, it sent word round to the others that they suspended forthwith, and the rest followed her example. The consequence has been the withdrawal from circulation of nearly all the precious metals, and their place was filled with the worse trash that ever dismayed any people. The best informed men of that State are of opinion that nearly all the banks in Pennsylvania could have continued specie payments, and that they were entirely too soft; but we had a regulator, and they must follow her regulations. But for the able stand taken by Governor Porter to see that the laws were faithfully executed, and that no note or bill of a less denomination than five dollars should be issued, the whole State would have gone back into shopstagers as it was in 1817; for the universal law regulating currency is, that two kinds of the same denomination will not circulate together. Where one is more valuable than the other, the least valuable will be kept going, while the other will be hoarded up. For instance, if you have five dollars in gold, and a five dollar bill, you will part with the bill first; but if you had no note, the gold would then be used. Stop the circulation of all the five dollar bills in the country, and half eagles will soon take their place.

The bill now under consideration differs in two very essential particulars from the late practice in the kind of money to be received, and the manner of keeping it between the time of receiving and disbursing it.

From the commencement of the Government, the public money has been received and disbursed by officers appointed by the Government, and therefore if they were dishonest, they had an opportunity to embezzle it; and besides all this, you had to risk the safety of the banks. Under this bill you have but one set of officers; and if bank officers are more honest than other men, their services can be had; but this I do not admit. In all Governments, and also in large private transactions, more or less losses will occur from faithless agents; and this will always be the case until man becomes infallible.

One of the strongest reasons why this bill should pass the present time is, that it is generally conceded that the readjustment of the tariff will come up for consideration at the next session of Congress. That period will, perhaps, be the freest from objections to considering the subject, of any time that can be selected. After a storm we usually have a calm; and a calm will, therefore, be likely to succeed the coming Presidential election, and it will, moreover, come on before parties divide off on other Presidential candidates. The members will come together freer from excitement than usual, and therefore will be better prepared to act with that calm, cool, and deliberate consideration that its importance requires. I would here say to
the high tariff men at the North, and to the anti-
tariff men of the South, that you should meet to-
tgether upon some middle ground with that spirit of
concession and compromise that actuated those men
to whom you are indebted for the form of Govern-
ment under which you live. If either extreme
should succeed, injustice may be done. Pennsyl-
vania occupies that ground. While she will never be
behind her sister States in furnishing the necessary
means to support the Government, in either men or
money, at the same time, so far as I am informed,
her people do not desire more taxes to be levied
than will meet the necessary expenses of the Go-
vernment; and in laying them, she will ask discrimi-
inating duties to protect the manufacturing in-
terests. This is the first deliberative body in which
I was ever honored with a seat, and this is my first
effort in this body; and as one of the Representa-
tives of the Keystone State, if I could suggest any
thing for the consideration of Congress that would
tend to harmonize their conflicting views on that in-
teresting and heretofore exciting question, it would
be very gratifying to my own feelings; but, sir, if
you permit the banks to enter the market of interested
depositories, I doubt not but the pic-
cases 100 per cent., yet the railways continue to be operated
by private companies, without any government
intervention.

In Pennsylvania contracts are usually made
in the winter for the succeeding summer, both for
building and farming operations, and the prices
fixed by the day, month, or year, as the case may
be. Mechanics generally fix their prices in the
winter, or early in the spring, from which they can-
not well depart; and it not unfrequently happens
that before the season is half over, their bread and
bread advances in price from 25 to 50 per cent.

Now, sir, if this bill will be the means of taking
away the props that have held up and supported
rotten institutions, and will weed them out from
amongst the sound ones, we shall soon return to a
sound circulating medium; and the man who re-
ceives his week's pay on Saturday night will be
certain that his money will be good until the end of
the next week. The changes and fluctuations in
the prices of produce always operate more injuri-
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man or animal system; the regularity of both being alike necessary to a healthy action. If this principle be correct, the following statement will show the cause of our embarrassment. In 1835, January 1st, the amount of bank notes in circulation was $103,692,495; in 1836, it increased to $140,301,038; in 1837, it increased to $149,187,890; in 1838, it was reduced to $116,136,910; in 1839, it was increased to $134,170,955; and in 1840, it was again reduced to $106,964,972. By the above, it will be seen that, from 1835 to 1836, the increase of circulation was $36,608,513; and from 1837 to 1838, it was reduced $33,046,980; and in 1838, it was increased $22,042,045; and between the 1st of January 1839 and 1st of January 1840, it was again reduced $27,212,344. If the Opposition be correct, (which I do not admit) that the Administration has produced those changes by what they are pleased to term a war on the banks, then they have furnished the very best reason that can be given for the separation. That these changes have affected prices, there can be no doubt; and this is all charged to the Administration. If crops fail, and bread becomes high, the poor man is told that the President has been the cause of it. If crops are good and we have a double quantity, and prices fall, the farmers are told that the Administration has been the cause. By comparing the years in which the banks issued most excessively, with the excessive importation and excessive sales of public lands, it will be seen that they kept pace with each other, and that the whole action of the body politic was stimulated by the excess of bank paper; and vice versa, when a contraction took place. If then the Independent Treasury bill, now on your table, will tend to check this excess, it will do much good, and I trust will be of lasting benefit to the people of this Union.