SPEECH

OF

MR. FLOYD, OF NEW YORK,

ON

THE INDEPENDENT TREASURY BILL.

HOUSE OF REPRESENTATIVES.

TUESDAY, JUNE 11, 1840.

MR. FLOYD rose and said—

Mr. Chairman: The history of the proposition to provide for the collection, safe keeping, transfer and disbursement of the public revenue, contained in the bill now under consideration, affords me much instruction for those who would form an aright the character of the American people, and is alike creditable to the distinguished individuals at the head of this Government, who first proposed it for the consideration of Congress, and to the intelligence of our fellow-citizens, who, through other agents, here assembled, are, as I apprehend, about to carry it into effect by the form and sanction of law.

The peculiar situation of the currency, when the plan of an Independent Treasury was first laid before the country by the President, in his message of 1837, is doubtless well remembered by all of this floor, and as I then thought, and still think, improvidently called upon the Chief Magistrate to propose some plan by which the treasure of the people, collected from them, and held in trust by their servants, should be safely preserved for its appropriate uses, and not subjected to the embarrassments and losses which had been and might again be occasioned, by the reckless caprice of unprincipled corporations.

The whole army of moneyed monopolies throughout the country was utterly prostrate and flat; and the numerous retinue of camp followers, consisting of directors, stockholders, counsellors, attorneys, brokers, debtors, and runners, in Congress and out of it, were unable to give them any aid.

The currency—if currency it could be called—consisted of bank paper, for which not a dollar of money could be obtained, and which was in truth little more than a certificate of the great gullibility of the people, and the fraudulent bankruptcy of those who issued it. Even Baal himself ceased to be a God. The great idol of the Federal party—the United States Bank—having exhausted its energies in a fierce warfare upon the "old Roman," and in the payment of bribes, in the shape of immense counsel fees, to Senators and Congressmen, toppled headlong down, from its own rottenness, and the wrecks of the State banks were scattered throughout the country in such a profusion of corruption that the whole land stank. Shouts of speculators and merchants, who had hoisted all sail to catch the prospering breeze, and were riding, as they supposed, on the top billow to wealth and luxury, were, by the receding wave, left like shell fish high and dry upon the sand, to gape and rot.

The people themselves, in their associated capacity as a people, did not escape unscathed. Their treasure, which they had entrusted for their general welfare, had been enticed for safe keeping to those faithless agents, the knaves, and paid for them for payment was as ineffectual as would have been a call upon the dead to arise; they had neither the disposition to pay, nor the ability.

The lobbies of the State Legislatures were overrun with bank veninth. "All the well-known appliances of the banks were put in requisition to procure the sacred power of the States to sustain and support an insolvent banking interest. The stockholders of banks in the Legislature, needed no prompting to promote their own interests. To such in the Legislature who owed the banks, threats, direct or indirect, were used, while others were assailed by the most abject entreaties—for the veriest beggar for cold victuals cannot "crook the pregnant hinges of the knee" with more suppleness than a bank aristocrat, whenever "thrift may follow fawning." And so effectually was the object pursued, that throughout this whole confederacy of sovereign states, I believe, without one exception, the legislative power of the State was brought to bow in submission at the feet of the bankrupt moneyed associations. But, sir, while the several States were brought..."
won by bank influence from within and from
without, to blot their statute books with infamous
spoilage laws, legalizing the frauds of banks, and
in sanctioning their continuance, e asily came
to reap a harvest of wealth from the ruin they had
themselves occasioned, the people were subject to
the tender mercies of their own agents, and were
compelled to receive their own money in a depre-
ciated currency; and when paying their servants, their
military, civil and naval officers, the hardy soldier,
the gallant sailor, and the laborer on public works,
were compelled to make up in quality what the
bank currency lacked in quality.

Such, Mr. Chairman, was the situation, but
faintly described, of the currency and the currency
making institutions of the country, when the Pre-
sident of the United States, the highest public ser-
vant of the people, elected by themselves—by their
free, unbiased suffrages—to watch over their
interests, in the discharge of his duty, proposed to
Congress, and through Congress to the country,
that national honor and honesty—a proper dis-
charge of national obligations—yes, justice to
themselves, required that the people should keep
their own money in their own way—trusting none
but servants selected by themselves for their inte-
grity and fidelity, and dissolving, forever, a connec-
tion with the banks, which had proved so disas-
rour.

And, sir, how was the proposition met by the
Federal party in this House and in the country? By
unqualified, bitter hostility. The propensities of
privileged orders are the same in all countries.

Do the nobility of England grasp with less energy
their titular distinctions, because all the causes
which led to their creation, and all the circum-
stances and associations which gave them worth
and grandeur, have long since passed away?
and because the tinsel glitter, which distinguishes
them, is but the phosphorescent glow which marks
their decay? Not at all. And the Federal party
in this country, which apes, at an humble distance,
the aristocratic mummery of Great Britain, never
buckled on their harness in defence of their fa-
lor privileged institutions with more zeal, than
when those institutions had shown themselves to
be utterly worthless and corrupt. Well, sir, they
opposed, they defeated the Independent Treasury
plan. Did they propose anything in its stead?
Nothing. Like Satan, they had power to do evil,
but neither power nor inclination to do good. They
had strength to prevent this measure, but no ability
to propose a better.

"Too ignorant to teach, too proud to learn,"
they contended themselves, with the proud honor of
being able to destroy. Sir, if there has been de-
ranglement in the finances of the Government, and
if, from that derangement, the business of the
country has suffered, let the blame lie at the door
of that party, which held a majority upon the
question of finance in this House, during the last
Congress. It is not with them to deny, that
they had the power to regulate the finances of
the Government. They had that power—they had
a majority of this House; the journals and the re-
corded votes show this fact. Why did they not
propose a plan for keeping, collecting, and paying
the revenue? Had they not the capacity, or
had they not the courage? Why at least did they
not discharge their solemn duty by making the
attempt to save the country from the disasters
which they allege have occurred for the want of
a good financial system.

Sir, the opposition is indefensible upon this
point, and no one can doubt that they feel them-
selves to be so, who was present a few days ago, and
witnessed their extreme sensitiveness, when the
honorable member from North Carolina, (Mr. 1.1.
Montgomery) "like an eagle in a dove cot,"
fluttered the Federal forces in this House by charg-
ing their delinquency home upon them, and prov-
ing it from the journals. But, sir, "the second
sober thought of the people, never wrong, and
always efficient," has prevailed. Upon this issue,
every member of this House was elected. Upon
this issue the Administration may safely consent to
stand or fall. By this issue the Opposition pro-
ceeded themselves willing to abide, until completely
routed and overthrown; they have scattered to the
winds every issue which involves reason and prin-
ciple, and have betaken themselves to their hopeless
task of cozening the intelligent voters of this coun-
try, by means which rate the intellect of the labor-
ing voters—put with that of his horse.

Mr. Chairman, I propose briefly to examine the
principal features of the system now under con-
sideration, and to compare it with the antagonis-
t measures to which the Opposition are supposed to
be friendly.

First, the bill proposes that the money of the
people shall be collected, kept, and paid out by
responsible agents of their own, selected for that
express purpose, instead of the banks, which have
been hitherto employed as financial agents.

There would seem, at first blush, to be no-
thing very startling in the proposal that, in a free
and Republican Government, where all power
emanates from the people, and all officers are,
or should be, responsible to them, that so im-
portant a class of public servants as those entrust-
ted in any way with the revenue of the coun-
dy, should derive their authority and feel their
accountability, according to this most salutary
principle of Republicanism. If an individual
appoints an agent for any particular service, he
selects that agent with a view to his qualifications
and responsibility, and he prescribes the
mode and manner of performing his duties, and
exacts security for the faithful execution of his
trust. Why should not the people of this coun-
try, in selecting their agents, have the benefit of
the same wholesome mode of appointments?

Whence comes the irresistible necessity of ap-
pointing, as financial agents, those in whose se-
lection the people have no voice, upon whose cor-
porate existence no moral obligation can rest—
no reproach for delinquency can attach—to whom
a reputation for honesty or dishonesty is alike in-
different, and who can be subject to no punish-
ment for their crimes, however enormous and
base? Whence, I say, is the necessity which
seems to rest upon the minds of gentlemen
in the Opposition, that the people of this coun-
ty must continue to employ agents of this
description? What are the qualifications
required in a financial officer? Are they
not honesty, capacity, and responsibility? And
are not all three of these secured by the bill under
consideration? As for those of the opposition
who say that men of sufficient honesty cannot be
found, I respectfully request them to confine the
declaration to themselves and friends. I make no
such confession, and submit to no such imputation
for the party with which I act. But, if honest
individuals cannot be found, how is the matter
helped by employing banks? What are bank
officers but individuals? and was it ever heard
of, that a man became more honest by becoming
an officer of a bank? Nay, sir, is not the danger
in this respect greatly increased by employing
banks as depositories? for, besides the risk that
the collector of revenue may be dishonest, you
then have the additional risk that some one out of
the score of bank officers may be so. So far, then,
as honesty may be considered a desirable quality
in an agent, the system proposed by the present
bill has a decided advantage over the depository
bank system; besides, by it, the people may select
their servants from among themselves, and may
choose any one of the whole mass of citizens of the
United States, while, by appointing the banks
as fiscal agents, they cannot trust to the honesty of
the officers of the bank, who are selected sometime
for their morality, and sometimes for their
knack.

Then for the capacity of the agent. What superi­
ority is claimed for the banks, in point of financial
skill, over individuals? Does the magic of a
bank charter endue those who hold office under it
with superior wisdom? Such a proposition is ab­surd in theory; and the deplorable history of bank
ing institutions for the last few years, most fully
proves that they do not possess skill enough to
save themselves from the disgrace of suspension
and insolvency.

Now, sir, what is the responsibility of the banks?
What is the security they offer which cannot be
procured equally well by an individual? What is
the security you have had from the depository bank?
Why, it has been according to the most approved
torm of the modern "credit system." You have
had the banks as corporators for principals, and
the individuals composing the banks for sureties;
like modern commercial paper, in which A and B,
are members of a firm, draw a note, and, to
make it perfectly good, A and B, as individuals,
endorse it; and, with all this boasted security of the
banks, they have been utterly unable to pay to the
people the money entrusted to them for their safe
keeping; and while the agents of the depository banks
are in your lobbies begging you for a postponement
of the day of payment for the money they owe you, their friends upon this floor are urging
you to try them again—to trust them with more
money, for the purpose, perhaps, of enabling them
to pay what they owe already. Sir, I should blush
for my country, if I could say that citizens of the
United States could not be found who were trust­
worthy as Government agents. I should state what
all men know to be false, if I declared that banks
were more honest than individuals. But, sir, there
are knaves enough, both in the banks and out
and with the utmost care dishonest persons may be
selected. For such this bill provides, in a way in
which it is impossible to apply it, or any legal pro­
vision, to corporations, and that is, by bodily
punishment. The seventeenth section of the act
declares any use, by loan, or in any other way, of
the public money, an embezzlement, and punishes it with imprisonment. Sir, if you could have
brought this salutary provision to bear upon the
directors and officers of the pet banks, your Tre­
sury would have avoided much of the embarrass­
ment it has experienced.

At the first proposal of the Independent Treasury
plan in 1837, there broke out afresh the contro­
versy which has ever existed, and ever will exist,
in this country, between the people and the
moneyed aristocracy, and privileged classes, and that
is the question involved in this bill, which draws
out such fierce opposition. Shall the people go­
verm, or shall they submit to be bound hand and
foot, and abide the dictation of the aristocracy of
associated wealth. Such is the issue, and every
Democrat who tenders or accepts any other issue
in the present contest, is unjust to himself and to
his principles. That the doctrines held by the Op­
position are odious, they know right well—they
are offensive in the nostrils of the people, and it is
not strange that they should attempt to conceal
them, or that they should attempt to get up issues,
which the principles which lay at the root of the
opposition to this bill may not come distinctly in
question. Those, sir, who approve of this bill,
should make it their duty to show that opposition
to it arises from those only who would establish a
favored, distinct class among us, to be supported
without labor at the expense of the many.

Mr. Chairman, call it radicalism, if you will—
call it Jacobinism, if you please—the fact, never­
theless, is, that in this country, every great political
contest has been, and every political contest upon
principle will be, a war between the rich and the
poor—in the part of the rich, a war of aggression
on the part of the poor, a war of defence. The
arrogance of wealth is almost universal—the pos­
sessor of riches most naturally slides into the beli­
ef that the property which gives him advantages in
the procuring of the luxuries of life over his
poor neighbor, should confer additional personal
importance and superior political rights. Hence
it is that the Democratic party is continually under­
going a process of purification and rejuvenation.
The democratic party are filled with enlistments from the young
men of our country, whose only prospect of suc­
cess in life, whether their aim be wealth or honor,
will be, a war between the rich and the
poor—on the part of the rich, a war of aggression
on the part of the poor, a war of defence.

The bill under consideration is the poor man's
bill. It gives him nothing, it is true—he asks no­
thing. It is the poor man's bill, because, like few
bills passed by law makers, it takes nothing from
him; it leaves him a clear field, and he asks no
favors: it operates with equal and exact justice
upon all; it knows no man otherwise than as a citi­
en of the United States; and whatever may be
his rank or calling, from that of a farmer, the most
noble of all, down, down, down, to the banker, who lives upon privilege—it shows no favor and imposes no disability. Is it not the duty of those who represent all to adopt such measures as will afford equal protection to all, and show favors to none? Why, then, and by whom, is this measure opposed? Sir, I will examine this question at some little length.

The Independent Treasury system is opposed by those classes of citizens who have hitherto prayed upon the Government—who have had the custody and the use of its money so long, that they have come to regard it as their own—and who consider their own particular interests as deserving the peculiar fostering care of the Government, to the exclusion of all others. Sir, I mean the merchants and bankers, and those connected with and dependent upon them by the operations of their business. It is from those, and from their public organs, that proceed the most terrific bellows against this bill. The public treasure is about to be wrenched by the people from their clutches. Think you they will yield it without a death struggle?

Now, sir, if one word of this assertion be true, if the commercial interest and the whole sty will be in an uproar. How fully has the truth of this assertion been manifested during the last few years in this country? Could all the Federal journals of the last two years be united at once, it would make an uproar of lamentation which would drown the thunders of Niagara. Were all the papers in the pay of those classes, which have been filled with mourning for their lost plunder, spread out in this broad land, they would covet it as if a deluge had departed and left a pestilent scum.

The farmer has been at work, planting his corn, dropping three kernels for himself and two for the banks. The mechanic has been at work in his shop, striking three blows for himself, and two for the banks; for it is in about this proportion that your system of paper money robs the producer of the banks; for it is in about this proportion that the banks shall have the custody of the money—that they shall loan it to the merchant and speculator, who are their principal customers—therefore it is the duty of these classes to oppose this bill. Sir, I will examine this question at some little length.

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roll in luxury and splendor; have their horses of officers and attorneys; command legislators and Senators by their wealth; have, at their nod and beck, thousands of debtors; demand and carry, in your State Legislatures, whatever their cupidity may, for it is the time; renew, and furnish in the country what the nobility of Great Britain furnishes there—an aristocracy having no feeling or interest in common with the people at large, but considering them as their chartered privileges, make them their Hewers of wood and drawers of waters. Such are the institutions which many desire should have the benefit of the public deposits; and the honorable gentleman from Massachusetts [Mr. Cushing] asked a day or two since, where do the friends of the bill deposit their money? Do they lay it away in a chest, or do they deposit it with the banks? There is no doubt that generally those who have any considerable amount of paper money, deposit it as speedily as possible with a bank; and why? Let us see. Suppose the honorable gentleman from Massachusetts receives ten or twenty thousand dollars in bills of various banks, about the solvency of which he knows nothing, and can know nothing, would he not be unwilling if he kept them so long? He would as soon think of keeping on hand a cargo of fresh fish. So if there is a bank in his neighborhood which does not suspend oftener than once a year, he hastens to it with his paper money, deposits it, and the bank has such a high opinion of it, that it sends it back to the place where it was made, by the very first opportunity. Sir, I doubt if there is a bank in the United States, at this moment, whose bills the honorable gentlemen would feel safe in keeping for six months.

Mr. Chairman, when the people deal in solid coin, there will be no need of that peculiar promptness with which all now act who have on hand any paper money. There will be no need of playing Robin's alive with our money, when we have it in solid coin. Then let the banks suspend or break: the mint drops will not suffer. But we are told that the banks, to be used as depositories, should be good specie-paying, solvent, honest banks! Where is such a one? Is it that which suspended yesterday? or the one that failed outright the day before? or the one from which the cashier embezzled half a million last week? or that which expects to blow up to-morrow? An honest, solvent bank—a white crow.

Mr. Chairman, it is said that this bill will cripple the State banks. If it were calculated to have that effect, it would not injure it, in my opinion. But I deny this. In what way does it affect them? It prevents no man from borrowing their money, or from receiving their notes; nor does it prevent them from going on, as heretofore, in the full tide of profitable exhibition; and the head and front of this objection is, that, although the bill leaves the people to be shaved, according to the bank charters of the several States, in each case made and provided, it refuses to let the banks have the public money, to aid them in that praiseworthy operation. You cannot cripple the State banks; they are beyond your control; and it is because you cannot regulate them, that you should have nothing to do with them.

Again, sir, it is charged that this bill attacks upon the "credit system." If it could cut up that system by the roots, eradicate it forever from the land, it would be a glorious bill indeed. I am no enemy to credit; it is the nerve and sinew of industry—the life blood of enterprise; it is the property of an individual who will earn it, as his money or his farm. He that trims the midnight lamp to qualify himself for the business; he that rises early, and sits up late, and eats the bread of industry; he that squares his conduct by the strictest rules of morality; will not fail to establish with his fellow men a character for honesty, capacity and industry; and that character is his credit. But the "credit system" is, in all its moods and tenses, a system of villany; and I appeal, without fear of refutation, to the experience of this whole country, under the operation of that system for the last few years, for proof of what I say. It has destroyed honest credit; it has almost destroyed our commercial character; it has swept millions of our blind devotees and innocent victims into the whirlpool of irretrievable insolvency; it has carried poverty and wretchedness into thousands of humble dwellings, which were before the abode of competence and happiness; it has exchanged many a happy home and fireside for the poor-house; it has degraded the moral character of your people, both at home and abroad; and your State sovereignties—aye, sir, the hitherto sacred faith of your States—has been under the "credit system," and is now haunted about the streets of European cities like a broken winded hound, by a town crier, and finds no purchasers. I will give but one instance of the effect of this system upon State credit, and I do so with deep humiliation. The State of New York, "my own, my native land," while carrying on with careful energy and good husbandry her magnificent public works, borrowed money upon her credit. She pointed the money lender to her income, and to her actual resources for its security; and her promises to pay were eagerly sought for, and taken at a premium of from five to ten per cent. Within a year or two, the State, under this "credit system," has embarked under the auspices of the "credit system," and her stocks, in a single year, fell twenty-two per cent below par; and for every seventy-eight dollars the State received, the terms of her people are mortgaged to pay one hundred dollars, with the interest on the one hundred dollars. Your money lender is no fool; he knows that the prodigality which borrows without the means of paying, is near akin to the morality which repudiates the debt when it falls due. Sir, if this bill will destroy this source of evil, and restore us a sound and healthy credit, its passage should be announced from city to city, and from village to village, by the ringing of bells and the roaring of cannon.

The following paragraph is taken from the Journal of Commerce, a leading Whig paper in the city of New York, of September, 1839.

"A sale of $1,000,000 New York and Erie Railroad stock, bearing 4½ per cent. interest, payable quarterly in N. Y., was made on Saturday, at auction under the direction of the Comptroller, and taken by Mears, Price, Ward and Co., as follows: $100,000 at 79, $100,000 at 78, $300,000 at 77, and $500,000 at 78, the closing price. The stock is redeemable in 1850, and was sold on terms—one third down, and the balance in thirty and sixty days."
Second. The bill proposes that the revenue, by progressive proportions, shall eventually be collected in the only currency known to the Constitution—solid coin.

A stranger to the influence which private interest has exerted upon the legislation of this country, and to the all-pervading power of banking associations, was to appear astonished, that among national colonists, the Government or its officers had ever presumed to authorize the receipt of anything else than coin for its revenue.

Those who formed the Constitution were hard money men," says a distinguished Senator; "They knew the deplorable effects of a paper money system, and they therefore recognised, in our treaty of union, no money or currency but the precious metals; and to prevent, if possible, the future use of paper money, they expressly provided that it should not be in the power of the States to make anything but gold and silver coin a legal tender for the payment of debts. Such are the provisions of the Constitution; but unfortunately there is no barricado against cupidity; there is no law, written or unwritten; there is no Constitution, though purchased by the death of the brave and inscribed with the blood of patriots, which can stay the steady, serpent-like progress of crawling avarice. In the teeth of your Constitution, Congress passed a law making the bills of a United States Bank receivable in the payment of revenue; and worse still, by a resolution of 1816. Congress stamps the notes of the United States and the notes of other banks, as an illegal currency—as a currency unknown to the Constitution, and, therefore, no currency; and at the same time authorizes them to be received for debts due to the people. The words of that resolution fully bear me out in this position. It provides that the Secretary of the Treasury shall see that all debts due to the United States shall be paid in the legal currency of the United States, or in notes of the Bank of the United States, or in notes of banks which are payable or paid on demand. Now does not this resolution show that the very Congress which incorporated the United States Bank, considered its bills as a currency and notes another thing, as indeed they are? Those who oppose the specie clause of this bill are, of course, in favor of receiving the notes of banks for revenue, and, consequently, in favor of receiving for debts due to the people something which is not known to the Constitution as money or currency, and which has never been authorized by a bank Congress to be different from the legal currency of the United States."

Mr. Chairman: It is worth while to inquire whether there is any good reason for altering the Constitution and following some new light kindled by private interest. The collection of revenue is understood to be the business of the people to discharge their debts—to pay their shipbuilders, sailors, soldiers, &c. Now, did this Government, from the time of its foundation to the present time, ever contract a debt to be paid in any thing besides the legal currency of the United States? I may be mistaken, but I doubt if the opponents of this bill, friendly as they are to the credit system, would authorize any such contracts. Such being the case, Mr. Chairman, is it the part of wisdom for the people to collect what is due to them in a currency which they cannot pay out to their creditors? But, say they, none but the notes of specie paying banks—none but notes redeemable in specie should be received. A specie paying bank—an egregious humbug! Redeemable notes—a monstrous fallacy. Why, sir, there has grown up with this credit system, a technical jargon, as big and pretentiously enough mounted by the "trade," every phrase of which is cunningly contrived to hide a falsehood under the semblance of truth, or to see ignorance agape while his pocket is picked. Redeemable bank notes! There is no such thing—there never was. The phrase is not applicable, it is truth, to any bank in this country which is doing a profitable business with its usual circulation out. If a bank has one hundred thousand dollars of bills in circulation, with but ten thousand dollars of specie in its vaults, those bills are not redeemable whether any have been refused or not—and when the whole bank circulation is two or three hundred millions of dollars, and there is not more than eighty millions of dollars in the country, in the banks and out of them, that circulation is not redeemable; and it is untrue, except in the bank vocabulary, to say that it is so. A single fact will show you the meaning of the phrase "redeemable in specie," and will show the value of notes which are redeemable in bank parlance. On the 9th day of May, 1837, every bank note in the city of New York was redeemable in specie, according to the true and meaning of the bank jargon. Not a bill had been refused payment—not a bank had refused to pay such of its bills as were presented. On the 10th of May, 1837, every bank note in the city of New York was irredeemable—not a dollar could be got for it; yet, in truth, worth any less on the 10th of May than it was the day before?—The banks had the same specie on hand—the same notes of their debtors—the same property of every kind—the bank officers were as honest—yet, in the twinkling of an eye, millions of paper money, just such as the opponents of this bill would have you receive, became just such as they would have you pay, and it is impossible to have all times liable to occur, you have no means to prevent for the local banks are beyond your control; no foreigner ever could predict it, no sagacity arrest, no skill can remedy. Sir, is it the part of wisdom to collect your revenue in a currency so uncertain as this, which to-day is, and to-morrow is not? Your gold and silver change not; put it safe in your strong box; it is good to-morrow, next year, next century; it loses neither weight nor value; it never suspends; it is never irredeemable; your soldiers, and sailors, and workmen will not refuse it, nor will they suffer by its being below par. Put it on board your men of war, and send it around the globe; the country is yet undiscovered in which it is not known and appreciated as a valuable circulating medium. The experiment of receiving bank paper for revenue has been tried, and it miserably failed. The Government is yet suffering on account of the non-payment by the banks of their notes, received for revenue. The notes of specie paying banks, not redeemable in specie received in 1837, and deposited with the banks, are yet unpaid, and those very institutions, which cannot, or will not, pay
their debts, insist, by their friends here, that you should trust them again. We are told, with something of a chuckle of triumph, that the late President adopted the State bank deposit system, and pronounced them good and sufficient for all the purposes of depositories; and we are urged to adhere to a system which he, “the noble Roman of them all,” approved. Sir, the fact is, such a pronouncement shows the character of the two parties. At the evil hour, the Democratic party yielded to the climate of the banks and merchants for the deposits, and ordered them to be made in the State banks. That plan failed; they have abandoned it, determined to trust them no more, but to regard the economy of the old Scotch proverb: ‘He that cheats me once shame fa’ him—if he cheat me twice, shame fa’ me’—while the party which “learns nothing forgets nothing,” would ‘utter on in blunders to the last.

Sir, there is another plan for keeping the public money, and for furnishing a circulating medium, and that is by a United States Bank; this, has, in one instance been avowed to be the measure of the Opposition upon this floor; and would, I suppose, be generally acknowledged, were it not that such an avowal would be a blur upon the escutcheon of the party or, whose banner is inscribed “oppose, not principle,” and whose virtue, like that of the Venetian women, is “not to leave undone, but to keep unknown.”

Mr. Chairman, if it is in the power of experience to establish a truth, then it is proved beyond all question that the United States Bank was a failure. I speak of it as a bank, and not as a Government agent, supported and sustained by the money of the people; and as a bank, I say it was a failure. I appeal to this whole country, whether from the time that Bank ceased to be a Government Bank, from the moment it took a State charter; although he that should have known best, declared it to be a better charter than the other, and more profitable to the stockholders—I say, sir, I appeal to the whole country to say, whether from that moment that Bank did not take the down mill road; and although in the beginning, course, he who had directed its destinies hitherto, deserted it, declaring it to be in a prosperous condition—I ask whether the United States Bank, with the same capital—a better charter, the same directors, the same field of operations, is not now in ruins? And, sir, if, while that Bank was the Government agent, it was able to make large dividends, to pay large counsel fees to Senators and Congressmen, to publish large editions of political electioneering pamphlets; and if, when it ceased to be a Government agent, it became insolvent; is it not “confirmation strong as proof of Holy Writ,” that all those immense profits and money, if profiteers were drawn from the Government, and not from its legitimate operations as a bank? And yet, in the face of all these facts, a large party in this country is in favor of such an institution. I should be at a loss to account for such an obliquity of reason, did I not sometimes fancy that I could hear the leaders of that party, saying to each other in the language of Demetrius, the silversmith, “Sirs, ye know that by this craft we have our wealth.”

It is further objected to this bill, and especially to the specie clause, that its effect will be to establish an exclusive metallic currency in this country. If such a result could be brought about by degrees, so as to produce no commercial distress; no sudden fluctuation in prices; no unjust effect upon existing contracts, it were in my opinion a consummation devoutly to be wished. And, sir, I look upon the experiment, the whole world, in all ages, under all Governments, and under all circumstances, for the proof of what I say, when I assert that, from the time that Abraham bought the cave of Macpneelah of Ephron, the son of Zaboh, for which he “paid four hundred shekels of silver current money with the merchant,” down to the present time, gold and silver have been “current money” everywhere—while I assert that no paper money, which was not guaranteed by the faith of a Government, ever passed as “current money” out of the country in which it was made; and I challenge the friends of paper money here or elsewhere to whitewash that system of paper currency. I speak of it as a bank, and not as a Government or of banks, which has not failed.

Sir, what is the objection to an exclusive metallic currency—and I lay aside now the inconvenience of the change, whatever that inconvenience may be—what is the objection? Why, you are forgetful nothing,” would “totter on in blunders to the last.”

Another objection to a specie currency, is its inconvenience of transportation. Well, sir, let us see what this really amounts to—and the objection comes, you will remember, from those who profess to be the hard-faced, hard-working, log cabin men. Fancy yourself, Mr. Chairman, stopping at the log cabin of a Whig, in an Illinois prairie, where what is lacking in choice viands, will, I dare say, be more than made up by a right hearty welcome—and the good man of the house, who has lately received a speech of one of his friends here, is bemoaning the wretched state of the country, and his own sad condition in particular—and, among other things, laments that paper money will not pass at the land office—that he wishes to enter a section of land that adjoins his farm, and has the bank note of the bank that stands in his chest, but that the inconvenience of transportation is such, that he is compelled to forego the purchase. You ask him how much the gold, necessary to pay for the land weighs, and he tells you about five ounces! about as much as a good-sized jack-knife!

Mr. Chairman, this is a fancy sketch—the log cabin gentry of your cities may be bent to the earth, under a five ounce weight—but there is no log cabin man in Illinois, and I have seen many of
them, who would look his horse in the face, and utter such an absurdity. Sir, the good people of this country would little know the extent of their misery and suffering, but for the opposition efforts here and elsewhere.

There is little danger, Mr. Chairman, but that the merchant, who has half a million of dollars, which he wishes to send from New York to Charleston, will find the ways and means of doing it. Your concern and mine, should be to provide, so far as we can, a good currency for the men of small means—a class which comprehends ninetenths of the people of this country—that the man who has ten dollars, and wishes to travel ten miles, may have that which is valuable when he sets out, and will not spoil before he reaches the end of the journey.

Most heartily do I wish that a bank note below the sum of twenty dollars might never again be seen in this country; that the hand-to-hand currency—that in which the mechanic receives his money, and the laborer his weekly wages—might be in the precious metals, upon which he would be charged no discount; of which he could lay by a small portion for a rainy day, without fear of its spoiling; and in which he would no longer be the victim of that most current form of scoundrelism, counterfeit and depreciated bank paper. Sir, the losses by counterfeits and broken banks fall most gravely and almost exclusively upon the poor man. I do not doubt that the merchant, who receives a million of dollars a year, suffers less in this way than the laborer, who gets but a hundred and fifty. The first, never moves without his counterfeit detector and his weekly or daily list of broken banks; and if, by chance, he takes a bill which is below par, one which his deposit bank will not receive, it will nevertheless answer perfectly well to pass away to his porter or carman, when Saturday night comes; and he, sir, takes it to the grocer to purchase provisions for his family, and there suffers a deduction of five, ten, or fifteen per cent. from his earnings. Sir, it's a moneyed man lost as much in proportion as the working classes do by bank paper, every bank charter would be repealed in six months. Does the labouring man complain? To whom shall he utter his complaints? To his employer, thank you! He dare not; he must submit; his family must eat less, or perhaps starve more; another boy or girl must be taken from school and put to service for a bare living; and him that is cheated, wronged, defrauded, his hard earnings wrung from him each Saturday night by this damnable system of legalized in-direction. Monday morning's sun must find him at work without a murmur, or it will find him discharged.

I would that this bill might have one half the effect in bringing about a metallic circulating medium that its enemies attribute to it. I should think still better of it than I do. But it will do something; it will at least prevent the people's money from being used to sustain anti-republican institutions; it will take a little of the power of doing injury from them. They can no longer rob the cripple with his own blood; they can no longer lend the people their own money, and, by their most approved deposit system, make the owner of money pay interest while he is being cheated out of the principal.

The monetary affairs of this nation will no longer be subject to irresponsible corporations; it will be at least refusing the sanction of this Government to the creation, or the perpetuity of a distinct and privileged class, forming a moneyed aristocracy, more odious and more dangerous than any other aristocracy which ever existed, because their privileges are stolen from the mass of the people, and their immense income is an immense extortion. This bill affects, in this most desirable reform, but little; it can effect but little; the subject is not one on which you can exercise a direct and efficient authority; the subject is under the control of the State Governments. Had we the power, I should be in favor of doing much more than this bill can do, to check the rapid strides of the moneyed oligarchy; for, as I live, I believe that the civil war which this country sees, will be a result of the people to demand a restoration of their rights, which have been apportioned out by your legislature among the favored few. And if the system is to go on increasing in all its blasting, without influences upon the prosperity of the people, moral character of the country, and the honor of your Government, the sooner that crisis arrives the better; and when it does come, may God speed the right.

Mr. F. concluded his remarks at the hour of eight o'clock, p. m.; at which hour

Mr. BARNARD obtained the floor; and on motion, the committee rose, and

The House adjourned.