

**SPEECH**

**OF**

**MR. HUNTINGTON,**

**OF CONNECTICUT,**

**ON THE SUBJECT OF**

**THE REMOVAL OF THE DEPOSITES;**

**DELIVERED**

**IN THE HOUSE OF REPRESENTATIVES,**

**JANUARY, 1834.**

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**WASHINGTON;**

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**1834.**



## S P E E C H.

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The House having resumed the consideration of the motion to refer the report of the Secretary of the Treasury on the subject of the removal of the public deposits from the Bank of the United States, to the Committee of Ways and Means, with the instructions moved by Mr. McDUFFIE,

“To report a joint resolution, providing that the public revenue hereafter collected be deposited in the Bank of the United States, in conformity with the public faith pledged in the charter of the said Bank;”

And the amendment proposed by Mr. JONES, substituting for the aforesaid instructions the following:

“To inquire into the expediency of depositing the revenue hereafter collected in all the State banks in the different States where the same is collected, in proportion to their respective capitals paid in, and to prescribe the terms on which the same shall be deposited”—

Mr. HUNTINGTON addressed the Chair, in substance, as follows:

MR. SPEAKER: Since the adoption of the constitution under which we are here assembled, there has seldom arisen a subject of more deep and thrilling interest to the people of this country than that which is now submitted to the consideration of their representatives in this Hall. This is not a subject of local concern, of sectional interest, of the appropriation of a few thousand dollars more or less, or one regarding which the injurious effects of hasty legislation may be speedily corrected. It is one in which every portion of the community is deeply interested, for it takes hold of the value and security of property of all kinds, of the price of labor and its reward. It is most intimately connected with the currency, the standard and measure of the value of all property and all labor. The humblest individual who has settled on your public lands, the soldier who garrisons your forts and defends your frontiers, the sailor who carries your flag over every ocean, the mechanic, the farmer, the manufacturer, the day laborer—all—all of them have a direct interest in the proper disposition which we shall make of this great subject. “The smallest of all politicians know that the currency of a nation is as delicate as a lady’s honor; and those are the least of all, who suppose that the hand of violence can be applied to it without doing mischief.” And I am gratified that the subject is placed before us in a form which admits the fullest examination and freest discussion. This is due to the importance of the subject, to the character of this House, to the plighted faith of the nation; above all, it is due to the great interests of our citizens, which it is our duty to cherish and protect, and promote, by all the means which the constitution of the country has placed within our reach, and which are now suffering, to an extent almost unparalleled in the history of the Government, and which are threatened with speedy and almost entire extinction. Look, sir, at the two propositions submitted to us. One of them has for its object to place the public moneys, the treasure of the people, collected from them,

and to be distributed as the legislation of Congress may direct, in the **Bank of the United States**; a corporation created by the authority of Congress, in which the United States are a large stockholder; a Bank of a safe and solid capital, of great, and undoubted, and ample resources; which has always redeemed all its obligations to the country, without expense and without loss to the people of a single dollar, and which, by the admission of its opponents, has kept the public moneys safely, and paid them whenever required by proper authority: a Bank, also, which is subject to a salutary control from the executive, legislative, and judicial departments of the Government—a control, I had almost said, greater than that which any monarch in Europe can exercise over any moneyed institution within his dominions. What, sir, is that control? Examine the charter of this Bank, and you will find that the President, whenever he shall have reason to believe that the charter has been violated, may order a *scire facias* to be sued out of the circuit court, that if, upon proper examination, such violation is made to appear, its charter may be adjudged to be forfeited and annulled. The same power is vested in Congress; and thus the judicial tribunals of the country may exercise a proper control over the institution. This is not all: a committee of either House of Congress appointed for that purpose are authorized to inspect the books and examine into the proceedings of the corporation, and report whether the provisions of the charter have been by the same violated or not. The officer at the head of the Treasury Department is to be furnished, once a week if he require it, with a statement of the amount of the capital stock, the debts due, the moneys deposited, the notes in circulation, the specie on hand, with a right to inspect such general accounts in the books of the Bank as relate to such statement: and, finally, for proper reasons, to order and direct that the deposits of the money of the United States shall not be made in the Bank or the branches thereof. I need not comment on the extent of the power thus reserved, to make this institution a safe place of custody for the public moneys; a faithful fiscal agent in the disbursement of these moneys; and to subserve all the great and important purposes for which it was created. Such is the Bank where, until lately, your treasure has been placed, and where the instructions moved by the gentleman from South Carolina propose that it shall hereafter be placed. What is the substitute provided for it? Where are your moneys now deposited, and where is it proposed that they shall continue to be deposited? In the local banks, created by State authority, in which the United States have no pecuniary interest, over whom they have no control, into whose situation and affairs they can make no examination, except by contract with those institutions, and the performance of which is dependent upon their sense of propriety, who have no unity of design or action, whose interests are often in opposition, whose notes are limited in their circulation, “floating around the points where they are redeemable;” and of whose solvency and ability to discharge the trust committed to them the Government have no peculiar means of knowing.

I submit to the House, whether any individual member of it, or any man of ordinary prudence having moneys to deposit and to be disbursed, would, if he had the conservative power possessed by the Government of the United States over the Bank, select *that*, as the most suitable, proper, and safe institution to subserve his individual interests in the custody and transfer of his private wealth? or would prefer the State banks, over whom he had not even the shadow of control? Would there be any hesitation or doubt in his mind to which corporation to give the preference? And shall we, who are

the guardians of the *public* moneys, whose duty to keep them safely is as sacred as it is obvious, do with the treasure of *our constituents* what we would not do *with our own* under similar circumstances? Shall we be less prudent, and discreet, and watchful in the selection of a depositary, acting as *public men*, than when we are consulting our *private* interests? Shall we give the custody of the money of the people to institutions to whom we would not, in similar cases, intrust our own? These are questions of grave import, and are directly presented to us by the opposite instructions to the committee, which are proposed for our adoption; and I rejoice that they are put in a form and in language so plain that the freemen of this country can understand them. They have intelligence, and can comprehend their nature and import, and will take care that *their* rights shall be acknowledged, and their interests promoted by those to whom they have been committed. This great subject, which now occupies almost the undivided attention of Congress, and which engrosses the thoughts of almost every citizen of the country, should be examined and disposed of in that spirit which its importance demands. In presenting the view of it which I entertain, I have neither private interests to promote, nor political objects to attain. In the stock of the Bank of the United States I have never had the remotest interest. The subject rises infinitely above all party considerations. It should have no connexion with the politics of the times. It is one in which men of all parties have a common interest. It affects, more or less, all classes and all individuals—the man of wealth and the man of moderate property; him who is poor, and him who is rich; the man who is in affluence, and him who, by his daily labor, earns a comfortable subsistence for himself and his family. And I hope that in the discussions to which the subject has given rise, and in the results to which we may come, we shall look away from every thing which is not connected with its merits, and decide as our consciences shall dictate and our high responsibilities require.

The honorable member from Tennessee [Mr. POLK] stated, and more than once repeated, that in regard to this subject the issue was formed between the Government and the Bank. I differ with him as to both the parties which he has named. If he means by the term *Government*, that which is so called by the travelling agent of the Treasury, one branch of it only, the Executive, or simply the Treasury Department, he has rightly named one of the parties; but if he uses the term as freemen understand it, as including the Executive, Judicial and Legislative Departments, then the Government is no party to what he calls the issue which has been closed. Congress has declared the Bank to be a necessary and useful corporation. The Supreme Court has decided that it is a corporation rightfully created under the constitution. The House of Representatives, by a large majority at the last session, declared it to be a safe place of deposite for the public moneys; and the Executive only has been found in opposition to it as unconstitutional and inexpedient. The Government proper, therefore, has not made itself a party to the removal of the deposites. The honorable member is equally in an error when he affirms that the Bank is a party. However great and unwearied the efforts have been to destroy its credit and usefulness, both at home and abroad; however unceremoniously the characters of the honorable and virtuous men who manage its affairs have been traduced and slandered; however wanton have been the attacks on the institution and its directors, the whole dwindles into insignificance compared with the results which have followed to the country from the hostility of those who should have been its protect-

ors and friends. The issue is closed between the **TREASURY** and the **PEOPLE**, and it has been tendered by the former; and by this House and the Senate is this issue to be tried, and judgment rendered; and in its determination the **Bank**, as such, and in regard to its own rights, is comparatively a cipher—a matter of no moment. The question is, whether the Treasury shall govern, or the people? The observations which I propose to submit to the House will be comprised in answers to the following questions:

What *was* the condition of the country previous to the contemplated change in the place of deposit of the public moneys?

What is that condition *now*?

What is it *to be* if the deposits are not restored?

What causes have produced the present distressed condition of the country, and the alarming forebodings of calamities still greater to befall it?

What is the remedy for these evils?

Shall Congress apply it?

There is not one of these questions which is not full of meaning, and worthy our most serious consideration.

What, then, *was* the condition of every portion of this great nation while the public moneys were in their legitimate place of custody, and the power of the Treasury had not been applied to disturb and remove them?

It was one of unparalleled quietness, ease, and prosperity. Every channel of industry was filled. Full employment was given to the laborer, who earned his daily bread by the sweat of his brow—to the mechanic, who worked in his shop, and furnished the necessaries and comforts of life for himself and all in his employ—to the manufacturer, who rewarded the industry of thousands connected with and dependent upon the successful pursuit of his business—to the merchant, who was engaged in prosperous commercial enterprises—to the farmer and planter, who found a ready and profitable market for the products of their labor. Payments were made for the productions of agricultural, mechanical, and manufacturing labor through the domestic exchanges of the country, at a trifling expense; and in like manner were payments made for imported merchandise scattered over every portion of the Union. The Bank of the United States, sustaining its amicable and confidential relations with the Treasury, acted the part of a balance wheel, regulating all the movements of the whole machinery of currency and exchange, keeping it in order, preventing the overissues of the State banks, and yet befriending them; distributing the public revenue in every direction to pay the debts of the Government; and, through its loans and exchanges, giving and continuing health and soundness to every part of the country, and creating and sustaining a currency more perfect than any which ever existed in the most finished periods of the commercial prosperity of Europe. Our country presented a scene which we might and did contemplate with delight, and which called forth our thanksgivings to the beneficent Author of all Good for such distinguished mercies. There was not a dark shade in the picture of our country's prosperity; all—all—was bright—delightful in fruition, cheering in prospect.

And yet, it has been suggested as matter of congratulation, that the magic wand had been applied to it, for it evinced that our prosperity had been the result of our own abject submission. The Bank, (the modern *Circe*,) it was said, had transformed us into *beasts of burden*.

I do not envy the feelings of any one who could witness such a state of high prosperity as I have described, and rejoice that it had ceased, and been succeeded by one of deep depression; nor can I well conceive the nature or

degree of that "abject submission" which avails itself of all honorable and lawful means (even if they exist through the facilities furnished by the Bank of the United States) to sustain and increase the industry and wealth of the nation. And should it be true that this great moneyed aristocracy has converted us into animals of the description which has been mentioned, it would be gratifying to know whether *our ears would be less long* if we should be in subjection to the *State banks*, and derive that measure of prosperity which it is supposed we should then enjoy under their kind and republican government. If the people of this country are to be the slaves of any banks, it would be the part of wisdom to select those over whom they can exercise some power, rather than those whose conduct they cannot in any manner control.

What is *now* the condition of the country?

Changed, greatly changed; almost wholly reversed. Every channel of industry is now partially choked. A paralysis has settled upon our principal commercial cities, and is rapidly extending itself in every direction. Business is suspended; no new contracts are made; the arm of labor has become nerveless; the currency is disordered, and money not to be obtained; a universal panic exists; fear and alarm are apparent in the countenances of all; frequent bankruptcies occur; commercial credit is impaired; and the whole country is in a state of agitation, excitement, alarm, and fearful apprehension. Is this statement true? Does not every day's post bring us confirmation of it? I am aware that the gentleman from New York, [Mr. BEARDSLEY,] after asserting in very unmeasured terms the hostility of the Bank of the United States towards the local corporations, in its attempts to embarrass and prostrate them; its utter recklessness of private credit, in its efforts to destroy it, and with it all commercial transactions; its disregard of individual prosperity, by meeting the removal of the public deposits in a spirit of anger and menace; all of which, he said, was palpably evident, but of which he furnished no evidence, and did not profess that he possessed any, and which he cannot tax our credulity to believe, as he does not know it by intuition, nor by testimony to which he has referred us, concluded his denunciations against the Bank with the declaration that, notwithstanding all the power of the Bank, exerted for the purposes which he named, our cities were now brought to a "tolerably healthy condition." Let us examine and see what that healthy condition is.

The price of bills on England has fallen from  $7\frac{1}{2}$  per cent. premium (last of September) to  $1\frac{1}{2}$  per cent., which is lower than at any period within fifteen or twenty years; the notes of merchants of undoubted solidity, with the most ample security of endorsers, payable at ninety days to six months, from  $1\frac{1}{2}$  to 2 and  $2\frac{1}{2}$  per cent. interest per month, and more offered than purchased; almost all kinds of agricultural productions and manufactures unsaleable for cash, and nearly so on credit; loans, on mortgage of the most desirable city property, solicited at from 12 to 18 per cent. per annum, and refused; the auctioneers and commission merchants declining, except to a very limited extent, to accept drafts or make advances against the consignments of mechanics, manufacturers, and country merchants and dealers; the prices of every article on sale fallen—indeed, almost nominal; a great reduction in the price of all stocks of unquestionable solidity; private capital almost entirely withdrawn from employment, investment, or loan; it is hoarded up, not lent; orders for foreign goods countermanded; extensive failures almost daily occurring; the discount on country bank notes increased; the

notes and bills offered for discount greatly exceeding the ability of the banks to purchase; the state and rates of exchange between the commercial cities and the interior suspending all business dependent on them. I am informed that the Bank of the United States buys drafts to some extent on the Atlantic cities to the South, where it has branches. Beyond this, however, there are no sales unless on terms extremely injurious to the holders. The brokers, who are willing to give their notes, may purchase, to a limited extent, at a considerable discount, and these notes are endorsed by the sellers, and sold at the current rate of interest, (2 to 2½ per cent. per month.) This operation, however, is so severe, that, if it be not already, it must soon be discontinued.

This, sir, is the tolerably "healthy condition" of our principal cities. I hope we shall not witness a great redundancy of such health. But this is a condition, to speak of which with levity is inexcusable; it is one which calls for the exercise of every feeling of sympathy, and the exertion of every lawful power to change it; it is one of imminent peril and danger.

This, however, is but the commencement of evils still greater to follow, unless an immediate remedy be applied by the action of Congress. And this leads to the inquiry what is the prospect before us? What is *to be* the condition of the country, if there be not a reaction, if business do not revive, confidence be not restored, the usual course of industry and enterprise be not pursued, the currency be not restored to its former sound and healthful state, and active employment be given to the labor of our citizens, with a reasonable prospect of a fair and certain remuneration?

That condition, it is to be feared, will be one of general bankruptcy, and perhaps, a suspension of specie payments by most of the local banks; the present state of things, gloomy and fearful as it is, cannot long continue; the pressure will be more severely felt; the causes which have produced it will not cease to operate, but will accumulate strength, and produce still more deleterious effects; the cord is fast drawing to its ultimate power of tension; in a few months it will part. And what will be the result? Will it not be one which will jeopard the capital of the State banks, or compel them to refuse the redemption of their notes in coin? Can the local banks redeem their circulation and pay their deposits, without calling upon their debtors to make frequent and large payments? They have not the power to coin money, nor can they raise it on their credit. And can these debtors pay without effecting loans elsewhere, or obtaining money by the sale of their crops or their manufactures? And are these, resources which are at hand? The banks, instead of loaning, are curtailing their accommodations; private capitalists will not lend; sales of the products of labor cannot be made. In what manner, then, is provision to be made for the payment of bank loans? And if none can be made, the local banks must resort to other means than collections from their debtors to provide for the redemption of their own debts—and they will look in vain for any such means. It is also not to be forgotten that the whole system of banking operations in this country has its foundation in public confidence and credit. It is well known that the banks cannot redeem all their issues in coin, if demanded at once; but the community feel a security in the integrity, and intelligence, and prudence of those who have the management of these institutions, and a certainty that the notes will subserve all the purposes to which they wish to apply them, and thus be equivalent to coin. While these feelings of security and certainty continue—while all the banks are disposed to be liberal and friendly to each other—while the business of the country is carried on with its accustomed industry and prosperity, and the

revenues of the Government are disbursed equally for the benefit of all, and the domestic exchanges continued with their usual frequency and rapidity and without loss, and the currency is preserved pure—all will be well, as it was before the Treasury order relating to the public deposits was issued. But when the time arrives that money cannot be obtained in any form to meet outstanding engagements; when such a state of alarm shall exist as that the vaults of the local banks are to be opened to redeem their notes; when speculators in Bank notes shall commence the purchase of them at a large discount, to demand their payment in specie; when this period arrives, then will most of the State banks be compelled to close the doors of their vaults, and the scenes of the years 1814 and 1815 again be witnessed. And though I believe the Bank of the United States—that monster and tyrant, as it has been called, which was to crouch at the feet of the Treasury a humble suppliant for favor—will ride out the storm without the loss of a spar, or a sail, or a yard, it is greatly to be apprehended that the broken fragments of most of the State banks, which will be seen every where floating, will evince what desolation and ruin have befallen them.

I would not be understood to express doubts as to the solvency of the greater portion, if not all, of the State Banks, nor of the prudence and fidelity with which they are managed. I believe them to be sound, and honorably and honestly conducted. I am viewing their condition when subjected to the action of a strong pressure upon the money market, and a general want of confidence and a state of alarm and great excitement in the community; and none can fail to see that the “signs of the times” clearly indicate the rapid approach of the period when that pressure will be too great to be any longer endured, and that want of confidence and that alarm and excitement be such, as that its effects cannot be resisted nor obviated.

And now, sir, I will proceed to the inquiry *what causes* have produced the present distressed condition of the country, and the apprehended calamities, of still greater magnitude which impend over it?

This is a part of the subject under consideration which demands the closest investigation and the most attentive examination of the House. If we do not ascertain the *true* causes, it cannot be expected that we should apply the most salutary and appropriate remedy.

I take leave to say what are *not* the causes for which we are seeking.

They have not arisen, as has been suggested, from the substitution of *cash* duties on the importation of certain foreign merchandise. It is doubtless true that these have been considerable, though I have not the means of ascertaining their precise amount; and it is also true that, to the extent to which they have been paid, it has created the necessity of the application of money to that amount; and this is one of the reasons why the period selected for the change of the place of deposit of the public moneys was not the most suitable. But they are “as the small dust of the balance” when compared with the moneys required for other purposes; and if the ordinary operations of the Bank of the United States, in distributing the moneys of the Government, not immediately wanted, in loans and exchanges, had been suffered to proceed, the cash duties would at once have been put into active employment, and therefore not withdrawn from circulation.

Nor have these causes proceeded from the mere withdrawal of eight millions of the public treasure from the Bank of the United States; for it is well known that much larger sums have been heretofore withdrawn from the Bank, almost without the knowledge of the people, and certainly without producing

any sensible effect upon the operations of the State banks, or creating much, if any, pressure upon the community. You recollect, sir, that Mr. Rush, in his report of December, 1828, referring to the conduct of the Bank in making the "heavy payments" of the public debt in the preceding year, says: "So prudently, in this and other respects, does the Bank aid the operation of paying off the debt, that the community has hardly a consciousness that it is going on." Mr. Ingham, too, in writing to the Bank in July, 1829, expresses his satisfaction at the course adopted by the Bank, relating to the "heavy payment" of the public debt, "at a time of severe depression on all the productive employments of the country, without causing any sensible addition to the pressure, or even visible effect upon the ordinary operations of the State banks." The President of the United States also adds his testimony, of a similar character, in his annual message in 1829, in which he states that "the payment on account of the public debt made on the 1st of July last, was eight millions seven hundred and fifteen thousand four hundred and sixty-two dollars and eighty-seven cents;" and, adverting to the apprehensions entertained that it might injure the interests dependent on bank accommodations, when there was an unusual pressure on the money market, adds, that "this evil was wholly averted by an early anticipation of it at the Treasury, aided by the judicious arrangements of the officers of the Bank of the United States." During the year 1832, including the last day of the year 1831 and the 1st day of January, 1833, the payments through the Bank, of principal and interest of the public debt, exceeded twenty-four millions of dollars, of which between eight and nine millions were owned in Europe; and yet, in consequence of the "judicious arrangements" of the Bank, there was neither pressure nor distress felt by any portion of our citizens.

Nor has the present condition of the country been caused by any systematic, or unusual, or unnecessary curtailment of the loans of the Bank of the United States. I know that this has been the reason assigned here and elsewhere. I am aware that every effort has been made to produce a conviction that in this is to be found the true cause of all the embarrassments and distress which exist; and I am sensible that those in "high places" have also set this forth as the "root of all the evil." It is my intention to exhibit the evidence which exists, (and which I consider conclusive,) which clearly evinces that no designed action of the Bank, no threats of intended retaliation, no course either pursued or proposed to be pursued by the Bank, at the time of the removal of the deposits, different from that which had been usual during successive years of its existence, nor since pursued unnecessarily or oppressively, have had the remotest effect in producing the present state of unexampled distress. And this evidence is found in printed documents on our tables, and within the reach of every member of the House. And I shall refer to this testimony, not because the Bank is interested in it, but that the truth may be known, and the public mind be disabused, in relation to a matter on which the partisan presses of the country particularly have been very clamorous; and that we may be the better enabled to apply the appropriate remedy for existing evils, by ascertaining the true cause of them, rather than assuming one which is false. This is a piece of base coin, which, though it may not have been known by the Secretary to be counterfeit, every consideration of public duty requires, since its detection, should be nailed to the counter.

The Secretary of the Treasury, in reporting his reasons for the order in

relation to the public deposits, states that "under other circumstances, he should have been disposed to direct the removal to take effect at a distant day, so as to give Congress an opportunity of prescribing, in the mean time, the places of deposit, and of regulating the securities proper to be taken." What the *existing* circumstances were, which made an *immediate removal* in his opinion necessary, and which led him promptly to resort to the power given him, are substantially these, as stated in the report: About the 1st of August, 1833, the Bank changed its course of policy in regard to the amount of its discounts. From December, 1832, to this time, they had been enlarged more than two and a half millions; and at the latter date, "the situation of the mercantile claims," and other causes, "rendered the usual aids of the Bank more than ever necessary to sustain them in their business;" but in the months of August and September, 1833, its discounts were reduced more than *four* millions of dollars, while the deposits of public moneys had increased more than two millions, and its specie more than six hundred thousand dollars; and the balances from the State banks increased, from a little more than \$360,000, to upwards of two millions. These draughts upon the community had required a probable curtailment of the State bank accommodations, from two to three millions of dollars. The Secretary then adds, that "we shall be at no loss to perceive the cause of the pressure which existed in the commercial cities about the end of the month of September. It was impossible that the commercial community could have sustained itself much longer under such a policy. And if the public moneys received for revenue had continued to be deposited in the Bank for two months longer, and it *had adhered to the oppressive system which it pursued during the two preceding months*, a wide-spread scene of bankruptcy and ruin must have followed."

I shall not stop here to examine what would seem to be an obvious inconsistency between the complaint which the Secretary makes, that the Bank did not, about the 1st of December, 1832, take steps to prepare for its approaching end, by reducing its discounts and arranging its affairs, with a view to wind up its business, and the complaint that it had reduced them in the months of August and September, 1833. If it was wrong in the Bank to have enlarged its discounts when it should have curtailed them, it would seem that it should have credit for a returning sense of duty when it did in fact reduce them. My object now is to ascertain whether the Secretary is not in error when he says that the Bank, about the 1st of August, "changed its course," and "pursued an oppressive system of policy" during that month and the month of September, and in which it was feared it would persist, and which required his prompt interference, by the removal of the deposits.

Will it not surprise the House to learn that just this "oppressive system of policy" was pursued in the months of August and September, 1832, and yet there was no pressure upon the commercial community, no danger apprehended that it would not sustain itself, no wide-spread scene of bankruptcy and ruin followed? It is very obvious, from an examination of the course pursued by the Bank in the months of 1832 corresponding with those in 1833 mentioned by the Secretary, that there was nothing unusual, nothing done by the Bank different from what always existed at that season of the year, when, by the regular course of business, its loans were always diminished. I will ask the attention of the House while I examine the statements now on our tables sent from the Treasury, of the operations of the Bank during the months of August and September, 1833 and 1832.

In August, 1833, its discounts were	-	-	-	\$64,160,349 14
In October, 1833, they were	-	-	-	60,094,202 93
Reduction in two months,	-	-	-	<u>\$4,066,146 21</u>
In August, 1832, its discounts were	-	-	-	\$68,008,988 81
In October, 1832, they were	-	-	-	63,693,310 50
Reduction in two months,	-	-	-	<u>\$4,315,678 31</u>

So that there was collected from the community in August and September, 1832, \$249,532 10 more than in the corresponding months of the year 1833. This does not exhibit very striking evidence of a "change of course" on the part of the Bank, or a design to pursue a *new* and "oppressive system of policy."

In August, 1833, the deposits of public moneys in the Bank of the United States amounted to	-	-	-	\$7,599,931 47
In October, 1833, to	-	-	-	9,868,435 58
Increase in two months,	-	-	-	<u>\$2,268,504 11</u>
In August, 1832, to	-	-	-	\$12,137,908 17
In October, 1832, to	-	-	-	13,661,193 01
Increase in two months,	-	-	-	<u>\$1,523,284 84</u>

The amounts collected from the public in the two months of 1833 exceeded those of the corresponding months of 1832 only the sum of \$495,687 17.

In August, 1833, the Bank had in specie,	-	-	-	\$10,023,677 38
In October 1833,	-	-	-	10,663,441 51
Increase in two months,	-	-	-	<u>\$639,764 13</u>
In August, 1832,	-	-	-	\$7,346,292 66
In October, 1832,	-	-	-	8,078,851 07
Increase in two months,	-	-	-	<u>\$732,558 41</u>

Increase in 1832, more than in 1833, \$92,794 28.

In August, 1833, the balances due from the State banks were	-	-	-	\$ 368,969 98
In October, 1833,	-	-	-	2,288,573 19
Increase in two months,	-	-	-	<u>\$1,919,603 21</u>
In August, 1832,	-	-	-	\$ 602,795 19
In October, 1832,	-	-	-	2,820,114 56
				<u>\$2,217,319 37</u>

Exhibiting an increase in 1832, more than in 1833, of \$297,716 16.

It is thus apparent that no action of the Bank in August and September, 1833, different from that in the same months in 1832, took place. There were about the same reductions in both years, and these, with the comparative amount of its specie and its balances against the State banks at both periods were the natural result of its usual and ordinary operations. In 1832 they produced no alarm, no pressure, no change in the business of the State banks, no fears of bankruptcy or ruin. They could not, and did not produce these evils in 1833.

And now, sir, I put the question to the House: is it not apparent that the curtailment of the discounts of the Bank in August and September, 1833, was neither extraordinary nor unusual, and could not have had any operation in causing a pressure in the money market?

Had the Treasury, before the deposits were removed, been informed that the Bank intended still further to reduce its loans? Or had the Secretary any reason to believe that an order to that effect would be made? The very reverse of this is true.

In the letter of the Government directors to the President, dated *September 3d*, 1833, they state that "some time since, a resolution was adopted, instructing" a committee "to inquire into the expediency of making a gradual reduction in the accommodation paper of the Bank, and to report to the board a scale" of reductions; that "*no report was made*;" that on the 13th of August resolutions were offered and passed, that "the amount of bills discounted" should "not be increased at the Bank and the several offices," limiting the time of bills purchased at the Bank and all its offices, except the five Western offices, to ninety days, and prohibiting the latter offices from purchasing any bills, except those payable in the Atlantic cities, at ninety days or less, or those to be received in payment for existing debts to the Bank and offices, and not having more than four months to run. These directors "concurred entirely in the propriety and expediency of reducing the business of the institution," but disapproved of the mode suggested in the above resolutions, and were of opinion "that a system of reduction should and might be founded on a broader and more equal basis;" and on the 16th of August proposed a resolution, "that the Committee on the state of the Bank be instructed to report to the board, at as early a day as possible, a system for the gradual reduction of the business of the institution throughout all sections of the country, having regard to the interests of the stockholders, the debtors of the Bank, and the community in general;" which resolution was at once refused to be considered, all the directors present, except the Government directors and one other voting against the consideration of the proposed resolution. And on the 1st and 8th of October, (*after the removal of the deposits*,) resolutions were passed authorizing the Committee on the Offices "to direct such measures for the reduction of the business of the institution as they should deem best."

It is thus manifest, that before the removal of the deposits, the Bank had made no order for the reduction of its accommodation paper, nor for reducing its bills discounted, nor for curtailing the amount of its domestic exchanges, excepting in bills, (*other than those received in payment of debts due the Bank*,) offered at the five Western offices, and not payable in the Atlantic cities, and that no authority was given for a general reduction of the business of the Bank until after the order for the removal of the deposits had issued. And during the whole period, and up to the present time, unlimited authority was given, and now exists, to purchase bills on the commercial cities on the

Atlantic, to any amount, so as to enable the whole Western country to obtain the facilities of this, to them, important medium of exchange. Can it, then, be affirmed with truth, that it was necessary to withdraw the public deposits on the first of October, on account of the existing pressure produced by the unusual policy of the Bank in its curtailments, or from any well-grounded fear, arising from the acts of the Bank, that it would adhere to such an "oppressive" system of reduction? So far from any "unusual" curtailment having taken place, so far from any order for a general reduction having been given, which would create pressure and embarrassment, and excite fears of evils still greater to ensue, it is apparent that no such course had been adopted, nor was it to be apprehended from any act of the Bank. *Why, then, I ask, is this set up as the cause of the removal on the 1st of October, especially when the agent of the Treasury had communicated to the Secretary, in his letter dated the 4th of September, 1833, that "if it be determined not to remove them," (the deposits) "it is supposed the Bank of the United States will resume its wonted course, and cease to distress the community?"* The Secretary had only to declare that the deposits should *not* be withdrawn, and the money market would be restored to its wonted state of ease, and all apprehension and alarm would vanish.

And what has been done by the directors of the Bank since the 1st of October, which they ought not to have done, as faithful agents to the stockholders and the public? What amount of reductions has been made, and why was it necessary to make them? What *unnecessary* curtailment has been ordered? The House will recollect that the Bank, after the withdrawal of the deposits, was to make provision for the payment of the public moneys then on deposit, whenever requested by the Government, and almost all of which has been withdrawn. It had also to provide for the reduction of its private deposits, and for the redemption of its circulation of nineteen millions. It had to do this while the Treasury was hostile to the institution; while attempts were making to impair its credit; while fears existed that its notes might be concentrated at certain points, and heavy demands be made upon its specie. And what, even in view of all these circumstances, has the Bank done? It has reduced its business less by nearly two millions of dollars than the sums which have been taken from it. It has reduced its specie more than six hundred thousand dollars, and increased its circulation eighty thousand dollars. So far from exerting a power to injure and distress the community, it has manifested a spirit of forbearance hardly compatible with the great duty of self-preservation; and its directors, instead of being reproached for the rigor and severity of their curtailments, are entitled to the thanks of every class of our citizens for the moderation which they have exercised under such a combination of adverse and hostile measures with which they have had to contend. And it is well worthy our serious consideration whether it is to be expected that the Bank, consistently with the duties which it owes to its stockholders, can any longer continue to afford facilities to the extent in which they are now furnished.

If any further proof were requisite to show that the Bank, since the removal of the deposits, has not had an agency in continuing and increasing the pressure upon the community, it is to be found in the implied admission of the Secretary, and which is more fully stated in the report of his agent, on file in his office, before they were withdrawn. In the letter of the agent, dated 4th September, 1833, he remarks, that, by an immediate transfer of the collections to the State banks in the principal cities, and by depositing

in them the proceeds of the cash duties, immediate relief would be afforded. "The Bank of the United States can then only press its own debtors, and the consequence of oppressive calls, which cannot be met, will fall upon itself; stripped of the power which the Government gives it, almost its whole strength would be lost. If it shall be resolved to remove them," (the deposits,) "and that resolution be followed by immediate action, that Bank will no longer have the power to create any general distress." If these opinions be correct, and it would seem that the Secretary considered them so by his almost "immediate action," how can it be said, with truth, that the evils the country now experience are justly attributable to the exercise of the power of the Bank, even had it manifested the disposition to exercise it? Was it not "stripped of the power which the Government" gave "it," and thus "almost its whole strength lost?"

I have thus, sir, endeavored to show to what causes the present embarrassed and distressed condition of the country is *not* to be attributed; and this, I repeat, I have done, not for the purpose of vindicating the Bank, but to ascertain the *true* causes, that we may be enabled to apply a proper remedy.

What, then, are these causes? They are to be found in the entire change of the relations of confidence and friendship which formerly existed between the Treasury and the Bank. Where were once harmony, and union, and confidence, is now, on the one part, hostility, not to say oppression, and on the other, distrust, and consequent prudential measures. You know, sir—we all know—the systematic attempts which have been made to destroy the credit of the Bank, to impair its usefulness, to create groundless jealousies, and excite groundless fears of its power and disposition to do evil, rather than to subserve the purposes of its creation; to vilify and slander the honorable men who are intrusted with the management of its affairs; to represent it at home and abroad as under the control of political swindlers, and to break it down and destroy it. I need not point out the means resorted to by the public press to further these views; they are printed in characters which no reader can misunderstand, and they will be remembered by those who have fallen victims to the consequences of this warfare, as long as poverty, and distress, and ruin, shall be their portion. But it was the act of the Treasury in removing the public deposits, connected with the avowed objects of the removal, and the disruption of the amicable relations once subsisting between the Treasury and the Bank, which has brought the country to its present state of gloom and despondency. The Bank could probably have withstood the war of *words* which was waged against it. No expressions of doubt as to its solvency from those in high places, or in the kennels, could have shaken the public confidence in its stability; no slanders, written or spoken, of the men who conducted its affairs, could have arrested their course of usefulness. Our citizens had felt the beneficent results of their services, and would have sustained them, and the institution with which they were connected, while faithfully discharging their duties to the stockholders and to the community.

And how has this removal, connected with the purposes and objects in view, and the discontinuance of the amicable relations between the Bank and the Treasury, produced the present state of distress, and consternation, and fear?

I have before remarked, that the time selected was not the most propitious, when it is considered that cash duties were to be paid in considerable amounts; that commercial operations were much extended, growing out of several years

of successful operations; that there was to be a reimbursement of State and United States' stocks; and that an unusually large amount of Southern and Western stocks had been created and paid for in the commercial cities, particularly in New York. All these circumstances evinced that, though there might not be a scarcity of money, there would be more than a usual demand for it. This state of things was succeeded by the withdrawal of the public moneys from the Bank of the United States, and, with it, a partial derangement of the financial interchange connected with the extensive commercial operations of the country. The admirable system of checks and balances, of commercial exchanges, of a uniform and sustained currency, was broken up. A curtailment of the loans of the Bank was indispensable to enable it to redeem its notes, and make payment to the public and private depositors; and it is matter of surprise that this curtailment has been so small. This caused a partial disuse of the credit of the Bank, which had been employed in the purchase of domestic bills, in the disbursement of the revenue by drafts on the different branches, and on each other; and which, being rapid and safe in their transmission, and unattended with expense, had produced the most beneficial results; and for them were substituted the notes of the local banks, current only in the neighborhood of the places where they were issued, and incapable of use as remittances to remote places. The most important effect, however, of this measure, was the announcement of the fact, that hereafter the country was to suffer the evils of a State bank paper currency, a circulating medium of local bank notes. This destroyed public confidence. It suspended the performance of old contracts, and prevented the formation of new ones; it alarmed capitalists; and money was hoarded up instead of being lent. The State banks began to exhibit evidence of a state of feverish excitement, and to curtail their loans. The confidence of the community in the ability of the banks to make any loans, or to redeem their notes in specie, was shaken; and thus all the fearful consequences of a base and vicious currency were apprehended. Can we be at a loss, in view of these facts, to what causes to ascribe the sudden and rapid change from a state of high prosperity to one of deep despondency and distress? Do we not perceive that had the Treasury permitted the Bank to pursue its usual course in the distribution of the revenue in loans and domestic exchanges, in sustaining and continuing a sound currency, in co-operating with the local banks in all proper measures to meet the wants of the community, in preventing the awful catastrophe of a local bank paper system, in preserving its relations of kindness, and confidence, and good feeling with the Treasury which it had heretofore enjoyed, "all would have been well?"

I have thus attempted to trace the causes of the evils which we now suffer, and the still greater ones which, it is to be feared, are to befall us. Is there any *remedy* for them? And if so, what is it?

Simply to remove the causes which have produced them:—by directing the public moneys hereafter collected, to be deposited in the legitimate place of custody, and by restoring the former amicable relations subsisting between the Department of the Treasury and the Bank. "Then there could and would be an immediate prompt employment of the credit and capital of the Bank, at all points. This would exempt local banks from perii, supply all the necessary means of remittance, inspire universal confidence in the value of property of every description, and in the soundness and sufficiency of the currency. The credit of the Bank, equal to, and indeed better than specie every where, would restore, and continue to furnish all the needful facilities."

Such would be the results, merely by restoring every thing to the condition in which it was previous to the removal of the deposits. Will the same results follow through the agency of the State banks? Will the plan of the Secretary ensure confidence, resuscitate business almost annihilated, and furnish a sound currency, and a well arranged and well balanced system of domestic exchanges? If this plan can be made effective, it must be by the agency of the State banks, through the medium of their notes or their credit, or by both united. I call the attention of the House to a brief examination of this new "system," that we may see whether it will probably "work well."

Will the bank notes of the State institutions be current at all points? And here it is to be remembered that the deposit banks decline entering into a guarantee for each other, and have not yet stipulated to honor each other's notes in all transactions of business. What is the voice of all past and present experience on this subject? Are the notes of sound banks in the interior, current at their par value in our commercial cities? Examine the bank note table which is almost daily furnished us in the public prints, and you will see at what an enormous discount many of them are received, and all of them at some rate of discount. Can the local banks make their notes current, by issuing them payable in the commercial cities? This experiment has been tried, and failed: and the reason is that *all* of them will not adopt this course, and those who refuse will have the benefit of circulation, and those who adopt it will furnish, at their own expense, all the remittances. Such a system cannot continue long. It has heretofore been pursued by some of the local banks, and has been abandoned. If, then, the State institutions cannot make their notes current every where, if their circulation will, of necessity, be limited; if they will accumulate in their immediate vicinity, is it not obvious that those banks who receive the public deposits will be weakened instead of strengthened by them, inasmuch as when required to disburse the funds thus received they will be compelled to furnish specie at the remote points? And is it not equally obvious, that these notes will not answer the purposes of remittance, or be advantageously substituted for the notes of the Bank of the United States?

Can the State banks furnish the necessary facilities, by means of their *credit*? I cannot well conceive how this is to be effected in the way suggested. The local banks, having no interest in common with each other, have no common fund on which to draw, as exigencies may require. Their credit is not expansive like that of the Bank of the United States, having a board at one place to supervise the whole institution, and branches established throughout the country to aid the different interests which are to be promoted by bank facilities. As their circulation is limited, and returns to them to be redeemed, they must reduce it. This will rapidly, and to a vast extent, diminish business and labor, and then will follow all the deplorable consequences which never fail to ensue from a great and sudden reduction of the circulation.

I have now, sir, finished my remarks on that part of this great subject, which relates to the existence of the present and apprehended distress in the country, the causes of it, and the remedy for it. It has been my object to present, faithfully, and as an honest inquirer after truth, and to enable us to decide correctly, the questions now presented to us, and upon which we shall be called to record our votes, the prosperous condition of this nation before

the public deposits were withdrawn from the Bank, the distressed and alarming condition in which it now is, the still greater distress we have reason to apprehend, the causes of it, as arising from the removal of the public moneys from the Bank, connected with the open and undisguised objects of it, and the loss of public confidence necessarily resulting from the cessation of the friendly relations between the Treasury and the Bank, and the remedy suitable and proper to be adopted, by putting an end to these causes.

Congress possess the power to make an application of this remedy: shall it be exercised? I do not doubt an affirmative answer will be given to this inquiry, unless imperious reasons exist which render its exercise unwise and inexpedient. If any such reasons do exist, they are to be found in the report of the Secretary of the Treasury, and a brief examination of them will conclude all which I have to say on the whole matter before us. This paper contains official notice to Congress, that the Secretary of the Treasury, in pursuance of the power said to be *reserved* to him, by the act incorporating the Bank of the United States, has directed that the deposits of the money of the United States shall not be made in the Bank or its branches; and the reasons for that order. In the examination which I have made of this document, I have been equally surprised at the extravagance of the power which is claimed, the bold manner in which it is set forth, and the insufficiency and unsatisfactory nature of the reasons which have led to its exercise. Let us, sir, look at the principles assumed, and the reasons which are set forth.

A portion (not a small one) of the report of the Secretary consists of certain principles advanced and assumed to be correct, which are made the basis of an application of assumed facts, and which are set forth as well to explain the nature and extent of the power which is granted to him, as to justify its actual exercise in the removal of the deposits.

These principles are now to be considered.

The first to which I shall call the attention of the House, is that which asserts the Treasury Department to be an *Executive* Department, and therefore subject to the supervision of the President, who is required to take care that the laws be faithfully executed. Whether this is advanced with a view to sustain the authority exercised by the Chief Magistrate in his indirect control over the public treasure, by means of the power which he possesses over the Secretary of the Treasury, by removing him if he does not perform what is commanded, it is not material to inquire. It is now not denied that the predecessor of the present Secretary was removed from office, because he would not give the order for the removal of the deposits in pursuance of the advice and direction of the President. And in this report, this advice and direction are not only justified as lawful, but required by the constitution as one of the duties to be performed by the Executive. It is true that the President, *in words*, claims no authority to direct or control the Secretary in the discharge of the high trust committed to him relative to the withdrawal of the public moneys from the Bank. In *practice*, however, he asserts it; for when the refractory Secretary insists on exercising his own discretion, instead of following that of the President, he is informed that his official services are no longer required. Advocates of this controlling power in the Executive are not wanting here, or elsewhere; and most, if not all, of those who have addressed the House and approved the reasons of the Secretary for the withdrawal of the deposits from the Bank of the United States, have asserted, in unqualified terms, the right and duty of the President to

direct the head of any Department in the performance of any and every executive duty, *or in the exercise of any authority given him by law*. The member from New York [Mr. BEARDSLEY] asserted that it was the duty of the Secretary to give effect to the will and judgment of the *President*, not to his own. The member from Georgia [Mr. JONES] said that the *President*, being responsible to the people for the execution of every law, has the right to exercise a control over the Secretary, who is bound to comply with his wishes. The very statement of such a doctrine, as applicable to the power granted to the Secretary of the Treasury over the public moneys, and especially when taken in connexion with the reasons urged in support of it, is sufficient to startle any citizen of this republic who has hitherto supposed he was the subject of a Government having free institutions, and a written constitution establishing different departments of that Government. Let me briefly examine this, to my mind, most extraordinary proposition.

I will not stop to inquire whether the Treasury be an *Executive* Department, though the act organizing it, in its title, in the duties required of him who presides over it, in the provision that his reports are to be made to Congress, in the very nature of the trust committed to him, all prove that it was not intended to be made subject to the action of the *President* in every form. To this might be added the distinction which, I think, has always existed between the Treasury and the other Departments, in this particular. Whenever an act is to be done under the authority either of the State, War, or Navy Department, the official communication states it to be by order of the *President*. No such language is ever found in any act emanating from the Treasury Department, unless in a case where the law, in terms, makes the consent or order of the *President* necessary. As in the tariff act of 1832, where certain rules and regulations are required to be made by the Secretary of the Treasury under the direction of the *President*, and such as he shall approve—a very unnecessary provision, it would seem, if the *President* possessed a general supervisory power over the official acts of the Secretary. Let it be admitted that the Secretary of the Treasury is strictly an executive officer. Why may the *President* direct him in the discharge of his official duties? Because, it is said, the *President* must appoint, and may remove him from office, and is bound to see that the laws are faithfully executed. If this reasoning be sound, there is but a single Department in our Government, and that is the Executive. We live under the forms of a republican Government, without a vestige of it in fact.

The constitution provides that there shall be a Judicial Department? How are its orders and decrees to be executed? By one whom the *President* must appoint, and whom he can remove. Can he control the official acts of the marshal, because of his power over him in regard to the tenure of his office?

The territorial judges are appointed by the *President*, and, holding their offices for four years only, are, as some suppose, removable, or if not, the *President* is not bound to re-appoint them. Are they subject to the direction of the *President*?

The librarian of Congress is appointed and removable by the *President*. Who controls his official acts? The *President*, or the Joint Committee of both Houses of Congress?

In all the cases stated, it is very clear that the *President* can exercise no authority, though the power of appointment and removal is in his hands, and though he is bound to see that the laws are faithfully executed. And *why*

cannot he interfere in these cases? Merely because the responsibility in all of them devolves upon others, and not upon him.

And in relation to the power of removal of the public deposits, to whom is the discretion confided, and on whom is the responsibility cast by the act of incorporation? Is it not, in terms, the Secretary of the Treasury? And is it not him alone, when the spirit and reason of the act, as well as its letter, are consulted? Can individual discretion ever be exercised, when it is controlled by others? Can a law, which depends for its execution upon the discretion of *one* person, be "faithfully executed" when the discretion of *another* is substituted? Besides, the provision which requires the reasons of the Secretary to be given to Congress, is very conclusive to show that the President cannot interfere with him in the discharge of this duty depending on discretion. *Whose* reasons are to be given? Those of the President or the Secretary? What should we have thought if the present Secretary had announced to us that he had ordered the deposits to be removed, and that his reasons were to be found in an accompanying order of the President directing it to be done? Would that have been a compliance with the law? It would have been if the Secretary is bound to consult the opinions of the President, to speak his language, to execute his mandate, to obey his order, to be governed by his discretion.

The Secretary commences his report, with declaring that he has withdrawn the money of the United States from the Bank, in pursuance of a power reserved to him in the act of incorporation. And he afterwards explains how this is a power reserved, not granted to him. He affirms that whenever there is no expression of the legislative will in regard to the place of deposit of the public treasure, the Secretary of the Treasury is the keeper, and has the custody of it, and that the law incorporating the Bank has reserved to him, in its full extent, the power he before possessed. It will be perceived that this assumption as to the reserved power of the Secretary is intended to fortify and strengthen another position which he has advanced, which is his uncontrolled power over the deposits, so far as the interests of the Bank are involved in their removal. This I shall notice hereafter. My object at present is, to show that the power in question, whatever may be its extent, is one *granted* to the Secretary, not one previously existing. To what officer of the Government, previous to the Bank charter, was the custody of the public moneys committed—to the Treasurer of the United States, or to the Secretary of the Treasury? Or had Congress omitted to legislate on this subject? Nothing is more clear than that the power of Congress extends to the place where, and the person by whom, the moneys of the United States shall be kept. In the year 1789, they provided that the Treasurer should *keep* their moneys and pay them only when required by law—and a bond was to be given for the faithful performance of his duties, and for the fidelity of the persons by him employed. Here was the first legislative provision on this subject, and it vested the Treasurer with the power to select the place of deposit, and made him responsible for it. When the Bank of the United States was incorporated, both the discretion and responsibility of the Treasurer, as to the custody of the public money, ceased during the whole period in which the money should remain in the Bank, where, by the act of incorporation, it was directed to be deposited. The legislation of Congress varied both the duties and responsibilities of the Treasurer; for it had taken from him the power, and consequently relieved him from the responsibility, of selecting a safe place

of deposite, by making the Bank the depository, "unless the Secretary of the Treasury" should afterwards "otherwise order and direct;" or in other words, *until* the Secretary, for proper reasons, should declare the right of the Bank to continue to be the depository at an end. The Secretary, by virtue of the authority given him, might "order and direct" that the deposites should no longer be made in the Bank or its branches; and this is the extent of his authority, under the Bank charter. It vests him with no power to designate any new place of custody, but simply to order that the Bank shall no longer be that place. And this is impliedly admitted by the Secretary, for he asserts his right to select a new depository, not on the authority to order and direct the deposites to be removed, but on the broad ground of a pre-existing authority, not conferred on him by the act of incorporation, but reserved to him in that act, without any new limitation. It results, then, as a necessary consequence, that if previous to the creation of the Bank he had no such authority, and his power under the act was simply to discharge the Bank from its duties as depository, the custody of the public money again reverted to the Treasurer, by virtue of the act of 1789. The argument may be stated in this form: Before the incorporation of the Bank, the safe keeping of the money of the United States was intrusted to the Treasurer. This duty continued to devolve upon him until it was required to be performed by the Bank; and when that institution ceased to be the depository, by virtue of the order of the Secretary, the right and the duty of the Treasurer to become such immediately revived. The only inquiry then is, *on whom* had the law, previous to the existence of the Bank, cast the duty, and the responsibility of providing a safe place of deposite for the public moneys—on the Secretary, or the Treasurer? The former claims it by virtue of his office, as the head of the Department, intrusted, with the administration of the finances, and required to superintend the collection of the revenue. The latter possesses it, by the express words of the law, which makes it his duty to receive and *keep* these moneys, and to disburse them in the manner provided by law, and not otherwise. The power claimed by the Secretary, arises by mere implication from his office; that of the Treasurer, from a plain, unequivocal legislative enactment; and no rule of construction of statute law is more fully established, no rule of interpretation more sound in itself, and more universally acknowledged, than that an authority which might be supposed to exist in one person, arising from inference or implication, is not conferred on him when it is expressly delegated to another. When the intention of those who alone can give the authority, is clearly expressed, the doctrine of presumption, or inference, or implication, has no application. Is it not clear, then, that the Secretary has asserted a power in himself to select places of deposite, which is not warranted by law? And were not all the contracts which he has made with the local banks, entered into by him on behalf of the United States, without authority? And if it be true, that the *practice* of the Treasury sanctions the view which he has, in this particular, taken of the subject, it is a practice not warranted by the existing laws, which is dangerous in its tendency, and which it is both proper and necessary should be corrected.

The Secretary then proceeds to assert that Congress, in no event, and under no possible state of things, however imperious may be the necessity, can withdraw the public moneys from the custody of the Bank, without violating the national faith. That I may not mistake on this point, I quote his words: "Although Congress should be satisfied, that the public money

“ was not safe in the care of the Bank, or should be convinced that the interests of the people of the United States imperiously demanded the removal, yet the passage of a law directing it to be done would be a breach of the agreement into which they have entered.” It requires neither argument nor illustration, to confute this dangerous and, I think, unfounded doctrine. I believe no one has attempted to sustain it. For the first time in the history of this Government has it been asserted, that the legislative power of Congress does not extend to the removal of a depository of the moneys of the people, who cannot keep it safely, or will not disburse it in pursuance of their lawful directions. I have lately, sir, had my attention called, by reading it in a public print, to a portion of English history, which may not be inappropriate to this part of the subject, and which may claim the notice of the historian should he be fond of drawing parallels between present and former times.

My honorable friend from Pennsylvania [Mr. BINNEY] gave the House a faithful historical account of the first attempt ever made, and the results of it, to take away the chartered rights of a corporation, for alleged sedition, and an attempt to obtain political power. He told us it was in the worst days of the worst prince that ever sat on the English throne, Charles II. The incident to which I am about to refer occurred in the reign of the same monarch, when Ashley, (better known by the title of Earl of Shaftesbury,) who was one of the Cabal, was treasurer of all the money raised upon prizes, and Clarendon was one of the ministers.

It was proposed in the House of Commons that a bill should be prepared, and become an act of Parliament, providing, in effect, for an inquiry into the *security* and disbursement of the public treasure. While this was pending, it was discussed in the councils of the King, or rather in that portion of it with which the King was accustomed to advise, and Hallam, in his Constitutional History of England, thus refers to these deliberations:

“ The immediate object of this inquiry was rather to discover whether the treasurer had not issued money without legal *warrant*, than to enter upon the details of its *expenditure*. But Lord Clarendon, bigoted to his tory creed of prerogative, thought it the highest presumption for a Parliament to intermeddle with the course of the Government. He spoke of this bill as encroachment and usurpation that had no limits, and pressed the King to be firm in his resolution never to consent to it.”

In the Life of Clarendon, the proceedings in the Council are thus stated: “ His Majesty was no less troubled, and called that committee of the Privy Council with which he used to advise, and complained of this unusual way of proceeding in the House of Commons, which would terrify all men from serving His Majesty in all receipts; to which employment men submitted, because they knew what they were to do, and what they were to suffer, &c. But to account by such orders as the Parliament should prescribe, and to be liable to such punishment as the Parliament would inflict, was such an uncertainty as would deprive them of all rest and quiet of mind, and was in itself so unjust that his Majesty declared ‘ that he never would suffer it. He hoped it would never find a consent in the House of Commons; if it should, that the House of Peers would reject it; but if it should be brought to him, he was resolved never to give his Royal assent.’ There was no man present who did not seem fully to concert with his Majesty that he should never assent to it. ‘ However, that the best care and diligence should be used that it might never be presented to him, but stopped in the Houses;

“ and to that purpose, that the members should be prepared by giving them notice of his pleasure.’ The Chancellor, upon this argument, in which he discerned no opposition, enlarged himself upon what he had often before put his Majesty in mind of, that he could not be too indulgent in the defence of the privileges of Parliament; that he hoped he would never violate any of them; but he desired him to be equally solicitous *to prevent the excesses in Parliament, and not to suffer them to extend their jurisdiction to cases they have nothing to do with; and that, to restrain them within their proper bounds and limits is as necessary as it is to preserve them from being invaded*; that this was such a new encroachment as had no bottom; and therefore he desired his Majesty to be firm in the resolution he had taken, and not to depart from it; and if such a bill should be brought up to the House of Peers, he would not fail in doing his duty, and speaking freely his opinions against such innovations, how many soever it might offend.”

The bill passed the Commons, and provided for the appointment of commissioners to perform the duties specified in it *by both Houses*. In the House of Lords it was proposed to have the duties performed *by commission* from the King. His Majesty, however, prorogued Parliament while the measure was pending, and made a speech, a part of which I will read.

“ I thank you for this other bill of supply. I hope we shall live to have bills of this nature *in the old style, with fewer provisoes*. I looked to have had somewhat offered to me concerning *the accounts of the money* that have been already raised since the war; which, since you have not done, I will take care (after so much noise) that the same be not stifled, but will issue out *my commission* in the manner I formerly promised the House of Peers. I shall now prorogue you, that you may, in your several places, intend the peace and security of your several counties, where there are unquiet spirits enough working: and I hope we shall meet again, of one mind, *for my honor, and the good of the kingdom*.”

The historian adds: “ It does not appear that this royal commission, though actually prepared and sealed, was ever carried into effect;” for though it was promised the Commons in hopes to pacify them, it was “ an expedient which was not likely to bring more to light than suited his purpose.” And he subjoins, that “ now the King had very much to do; more than he had time or *tools* to despatch.”

The Secretary then proceeds to declare that his reserved power over the deposits is absolute and unconditional, so far as the interests of the Bank are concerned. If this be so, it follows that this corporation has no right to inquire into the causes of removal, if the Secretary thinks proper to order it; and that, however injurious to the Bank such removal may be, or however unsatisfactory or insufficient the causes may be which led to it, it cannot rightfully complain. I do not concur with the Secretary in these views; I consider them opposed to the spirit of the act, and utterly inconsistent with the vested rights of the institution.

It is admitted that if the Secretary issue the order of removal he is bound to lay before Congress the reasons which led to it. And who are interested in these reasons; Congress alone—or the Bank also? If the latter, then it is apparent the power to remove is not unconditional; for if this corporation have any interest in the causes which led to its discharge as a depository, those causes must be such as will justify the revocation of the trust committed to it; and has it no such interest? Is it indifferent to the Bank whether it be unceremoniously and without cause deprived of the custody of the public trea-

sure and the incidental benefits resulting from it? Has it no voice which has a right to be heard when its interests are assailed? Is it condemned to perpetual silence? Are not the reasons for the withdrawal to be given to Congress, that, if unsatisfactory, the deposits may be restored to the Bank, and thus the public faith preserved? And is not the Bank directly interested in the proper disposition of the question arising upon the communication of those reasons? Obviously it has; and, if so, it has a right to demand that they be such as to justify the removal; and therefore the power claimed cannot, as to them, be absolute and unconditional.

If the doctrine of the Secretary be correct, it follows as an inevitable consequence that Congress cannot effectually order them to be restored to the Bank. This is a result to which we must come, in view of the principles assumed—a result which will not receive the approbation or support of any representative of the people. The Secretary asserts an unqualified power of removal, so far as the Bank is concerned. If, then, Congress should adjudge his reasons insufficient, and direct a restoration of the deposits, might he not at any time, immediately if he pleased, after they should be restored, issue an order for their withdrawal a second time, and so on, indefinitely? And as Congress have not the power of removing him, might he not set at defiance their expressed will, and impair the rights of the Bank? And, upon his construction of the act of incorporation, would the institution have any remedy even for a wanton injury to its interests?

I will appeal, however, on this topic, to the admissions of the Secretary himself. He, at least, will consider this as good authority; and in his own report is this doctrine condemned. He admits that the power given him over the deposits by the act incorporating the Bank, is the same power, no other nor greater, than that which he before possessed. The act conferred on him "no new power, but reserved to him, in its fullest extent, the power he before possessed—his former authority, without any new limitation." And what was this authority which he always possessed? I read his own words:—an authority or duty "to take care that the public money was deposited in safe-keeping in the hands of faithful agents, and in convenient places, ready to be applied according to the wants of the Government." Here we have, in his own words, the extent of his former and his reserved power. And is this unqualified and unconditional? Is it not, by his own admission, confined in its exercise to the emergencies which he has stated? Has he, in his own view, any other duty to perform, since the act, besides that which existed before in relation to the place of deposit? And if the Bank keep the public moneys safely; if it be a faithful *fiscal* agent—for that is the nature of its agency, as he admits in a subsequent part of his report—and if, at all times, it keep them in convenient places, ready to be applied according to the wants of the Government, has he the power, granted or reserved, to remove them? In such case, is not his duty completely discharged by permitting them to remain in the Bank? And does he not exceed his authority, or rather usurp one, when, under such circumstances, he directs a removal? Is that an unlimited and unconditional power which, by his own admissions, exists only to be used for particular purposes, and to effect certain specified objects?

The Secretary, however, after thus stating the source and extent of his authority, and confining its exercise to the events which he mentions, proceeds to assert that he has a right to remove the deposits, and it is his duty to remove them, whenever the public interest or convenience will, in any degree, be promoted by the change. I do not give my assent to this dan-

gerous doctrine. Without adverting particularly to what has been suggested by others, in the course of this debate, that it would often be extremely difficult to ascertain what the slightest degree of public interest and convenience might be; and, from this, justly inferring that Congress could never have intended to vest in one individual the power of declaring what would, in the most limited extent, promote the convenience and interest of the community, and thus justify a removal of the deposits to the possible injury of the public, and to the detriment of the Bank, I submit to the House that, by the fair and obvious construction of the act of incorporation, the Bank has the legal and equitable right to the custody of the public moneys, if they are kept safely, and it discharges its duties faithfully, as the fiscal agent of the Treasury. The Secretary seems to regard the extent of his power as he would were there no other provisions in the act which confers it; he looks alone to the words "unless he shall, at any time, otherwise order and direct;" views them as unqualified, and asserts the same authority which he would have possessed, had a law existed directing the public moneys to be deposited in one of the vaults of the capital, unless the Secretary should, at any time, direct their removal. Now, every man of ordinary understanding, though he be not a lawyer, knows that general expressions in a statute are and ought to be construed with reference to the whole act, and to be limited and restrained by the obvious meaning and clear intent of the Legislature in the use of such words. The design of all rules of construction is to ascertain the intent of the law maker, and, when understood, it is to be carried into effect. When we examine the act incorporating the Bank, we find in it a great variety of provisions, securing to it important privileges, and exacting of it the performance of many and onerous duties, with ample provisions to secure the faithful discharge of those duties. Among the rights secured to the Bank is that of having the custody of the public moneys: this was given partly as a consideration for the bonus to be paid and the services it was to render the Government. I know that the gentleman from Georgia [Mr. JONES] denied that this formed any part of the motive which induced Congress to give the Bank the incidental benefit of the public deposits, and he attempted to sustain himself by referring to the original draught of an act of incorporation by Mr. Dallas, in which there was a provision for the payment of a bonus and for the performance of the services now required of it, without any claim to the deposits. This, however, only proves that Mr. Dallas and Congress did not agree in this respect. The authority which created the corporation did declare that, in consideration of the exclusive privileges and benefits conferred upon the Bank—one of which was the custody of the public moneys—it should pay to the United States one million five hundred thousand dollars; and the same authority, therefore, did expressly require of the Bank the payment of this bonus, in part consideration of the benefit arising from these deposits. The inquiry, then, is, looking through the whole charter, under what circumstances may the deposits be withdrawn? For what causes may the Secretary remove them? The nature of the remedy points with unerring certainty to the evils which might exist, and of course, to the causes which would justify such removal. For what possible evils is the withdrawal an appropriate remedy? Insecurity and unfaithfulness as a fiscal agent; and for no other is it at all suitable. If the deposits are insecure, take them away; if they are not disbursed according to legal requisitions, remove them; for every other supposable misconduct on the part of the Bank, a different and appropriate provision is made by way of remedy. Is it feared that the Bank may conceal its opera-

tions from the Treasury? He is authorized to require weekly statements of its affairs. Is his power, in this respect, inadequate to a full and necessary knowledge of its situation? An adequate remedy is provided in the authority given to a committee of either House of Congress to inspect its books and to examine into its proceedings.

Is it believed that it has violated its charter by enlarging or curtailing its discounts; in refusing to give the Government directors information which they request, or to appoint them on particular committees created by the order of the directors; in causing to be printed and circulated pamphlets designed to operate on political elections, in regulating its business with a view to political objects? The act has provided a very suitable remedy for these derelictions—it has authorized a judicial inquiry to be made, and its charter is to be annulled, if it has been violated. It is manifest, then, that in all supposed contingencies requiring the exercise of control over the institution, every such contingency is provided for, and in a way the best calculated to insure a beneficial result to the public. If a general knowledge of its transactions be necessary, the Secretary of the Treasury can obtain it. If more particular information be necessary, a committee of either House of Congress can procure it. If it has violated, in any way, its charter, it can be declared forfeited in due course of law. If the public moneys deposited in it are unsafe, or not paid at the times and places required, they can be withdrawn by the order and direction of the Secretary of the Treasury.

Having examined the principles assumed by the Secretary, on which his authority to remove the deposits is justified, I proceed now to consider the reasons which he has stated for the exercise of that authority.

The first general reason may be briefly summed up in the following sentence: It was the duty of the Department to regulate its conduct upon the principle that the corporation would cease to exist on the 3d of March, 1836. If this were all which had been said on this point, I should have passed it without comment; but the Secretary has thought proper to go much further, and to furnish Congress with his speculations on the subject. He says that justice to the Bank did not require a renewal of the charter, because it was a monopoly enjoyed at the expense of the rest of the community. I agree, sir, that the Bank has no claim for a renewal; but does the act of incorporation create any monopolists by name? Were not the books for subscriptions open to all? And was it not difficult to procure subscribers for the whole stock? Did not a wealthy banker, now deceased, subscribe for the balance, because all others had declined taking it? And what have the public *lost* by the Bank? Any facility which it before enjoyed—any advantage which it before possessed? Is not the inquiry much more suitable, what have not the public *gained* by this monopoly? I turn to the prosperous state of the business of the country, and the soundness of its currency, before the deposits were removed, for an answer to this question.

But the public interest did not require a recharter; for the law creating it was unconstitutional! In juxtaposition with this opinion, I would place the opinions of different Presidents—of the Legislatures of the States—of distinguished public and professional men—of that Congress which created the Bank—of that which renewed its charter but a short time since—and of the Supreme Court—all concurring in the constitutionality of the act—and then inquire, whether it savors more of modesty or assurance, at this period of our country's existence, to affirm as a reason for the withdrawal of the public deposits from the Bank, that the law which gave it being was unconstitutional.

The Secretary adds, the existence of such a powerful moneyed monopoly is dangerous to the liberties of the people, and to the purity of our political institutions. This idea is not original with the honorable Secretary. His agent had before advanced it, in nearly the same words, in his letter of the 4th of September, 1833; wherein he says, in concluding his report, that it is "an institution dangerous to the purity of our Government, and the liberties of our people."

And who constituted the Secretary of the Treasury a judge to determine that corporations, created by lawful authority, endangered our free institutions? Who gave *him* power to declare that the public interest would be injured by the recharter of the Bank? And, more especially, what section of what law provides that his discretionary power over the public deposits is to be regulated by his opinion of the good or evil tendency of a National Bank?

Besides: have our liberties as yet suffered? Has our Government become less pure in consequence of the existence of the Bank? Does the Secretary mean to be understood to assert, that our public men have been corrupted, or the rights of our citizens invaded, by this corporation? And if not in times which are past, is there any reason to fear such consequences in time to come? Sir, there is another creed than that which prevails in some parts of the country, that all men have their price, and are purchased and sold. There is a creed of an honest people, who believe that there exist virtuous and honorable men, who are not venal and corrupt, and who cannot be bought with the tempting offers of money or power.

The Secretary, in commenting upon the subject of a recharter of the Bank, concludes his observations by stating that public opinion has manifested itself in opposition to the renewal, by the election of the present Chief Magistrate. It is only necessary to observe, that this assertion is, I think, without support from facts. And on this point I might appeal, with confidence, to many gentlemen in this House, representing States which gave their electoral vote to the President, that the question of the recharter of the Bank was not considered in reference to that election. I will name but one, and that is Pennsylvania.

The report then proceeds to state that the public interest required the removal of the deposits, prior to the expiration of its charter. Admitting, what is by no means true, that the Secretary is made the sole judge of the public interest in this respect, what reasons existed connected with this interest, that influenced his judgment?

The deposits would probably amount to several millions of dollars, in 1836. This opinion is advanced in the report, dated December 3, 1833; and on the 17th of the same month, in his annual report on the state of the finances, he says, "if the appropriations should be kept up to the amount authorized for the present year, the charge upon the Treasury, in 1835, would be more than it could probably meet." "If an amount of expenditure equal to the appropriations at the last session of Congress should be authorized at the present session, it might be necessary to provide additional revenue earlier than is now contemplated." If the present state of things does not soon improve, there is reason to fear that there will not only be no money in the Treasury at the close of the year 1835, but that we shall be obliged before that period to increase the revenue. Let me, however, suppose that the revenue of the Government, in 1836, will be equal to what it has been at any time within the past year. What results, in the opinion

of the Secretary, are to take place deleterious to the public interests, if it be deposited in the Bank of the United States?

The notes of the Bank, payable at distant places, will become depreciated! Why? What cause will produce it? Because they will not then be receivable in payments to the United States, and thus the peculiar credit given to them, and which has arisen from this cause alone, will be lost. I do not know that the Secretary is indebted to his agent for this novel idea; but it is to be found in his letter to which I have before referred, in somewhat similar language. I do not agree with the Secretary or the agent, that it is the Government only which gives credit and currency to the notes of the Bank of the United States. They have obtained it from causes much more enduring than this. The public have a higher confidence in them than in notes of the local banks, arising from the organization of the Bank, its capital, its mode and means of operation, its almost complete ubiquity. If, however, the superior credit of these notes grows out of the cause suggested in the report, it by no means follows that they would depreciate at the expiration of the charter; for the same cause would continue to operate in their favor. They would still be receivable for debts due the Government. They do not cease to be obligatory on the corporation at the termination of its charter, nor does the obligation of the United States to receive them in discharge of debts cease at that period as a matter of course. Let me, however, appeal to former experience on this subject. This will prove that, so far from depreciating, the very reverse of this will happen. It will be exceedingly difficult for the Bank to call them in, in consequence of their continued universal circulation and superior credit, arising from the undoubted confidence of the public in them. Such was the operation of these causes after the charter of the former Bank of the United States expired, and such will it always be when applied to the notes of such an institution.

The Secretary says, if the deposits are left with the Bank until the last moment of its existence, and then be suddenly withdrawn, the ability of the Bank to be prompt in its payments to the Government may well be doubted, even if the ultimate safety of the deposits could be relied upon!

Can any probable events which will occur in 1836 have a more powerful effect upon the ability and credit of the Bank than those which have occurred within the last three months, consequent upon the removal of the deposits? Will any greater inducements be held out to the public *then* than have been for the last ninety days, to injure the credit of the institution, to force back its circulation for redemption, to rapidly withdraw its public deposits, or cause its private depositors to be alarmed for the safety of their moneys? And yet we know, notwithstanding all these adverse circumstances, the Bank has been prompt in its payments to the public and private creditors; has paid all the Government deposits which have been called for, and nearly all have been demanded by checks and transfers both regular and irregular; has sustained its credit unimpaired not only, but increased, and assisted those who, without its timely aid, would have been ruined and destroyed.

This is not the only view which may be taken of this part of the subject. A bank which is constantly receiving and making no issues, is always in the best condition to meet the lawful demands which may be made upon it. It would be an anomaly in the history of banking institutions, that one in good credit, and possessing the public confidence, should be less able to meet its engagements when employed only in collecting its resources, than when actively engaged in business, and extending its usual accommodations to its customers.

Again: let me ask the House to listen to the voice of experience. Let it look to the events which followed the expiration of the charter of the old Bank, and there see the ease, and rapidity, and promptness with which that institution, having no time given it to close its concerns, paid its debts, without loss to itself, or injury to the public; and from that part of its history learn a useful lesson on this subject of depreciation and ultimate safety of the public deposits, even should they be continued in the Bank of the United States.

The Secretary, on this topic of public interest, concludes by asserting that the removal was necessary for the purpose of gradually introducing the sound and convenient currency of local bank notes—a circulating medium which can be furnished by the State banks quite as uniform in value as that afforded by the Bank of the United States. This is substantially a repetition of the opinion advanced by the agent of the Treasury, with somewhat of a qualification. The agent believes that a general currency of *more* uniform value than that now furnished by the Bank of the United States would be provided by the State banks; while the Secretary is content to say that it would be *quite as* uniform, not more so. I will not here repeat what, when discussing another branch of this subject, I particularly stated. I will merely remark, that this project of a paper currency, through the local banks, of a uniform value, has done as much to destroy public confidence, and to produce the present embarrassments, as any other cause. It is a project which never has succeeded—which never will succeed; and we have one melancholy evidence of its unfitness, when we look at the fourteen hundred thousand dollars of unavailable funds, consisting of broken bank notes, now in the Treasury.

The Secretary proceeds next to consider the conduct of the Bank, and from that to obtain reasons to justify the removal. He says, “the condition of the mercantile community, produced by the conduct of the Bank, rendered the removal indispensable at the time it was begun, and it could not have been postponed to a later day without injury to the country.”

And what was that condition as described by him? One of great pressure and distress, caused by the unprecedented and unnecessary curtailment of the loans of the Bank of the United States, and the consequent curtailment by the State banks, which, if it had not been relieved by the prompt interference of the Treasury, would have resulted in a wide-spread scene of bankruptcy and ruin.

The course of argument which I have adopted has led me, in another part of it, to speak with much particularity on this prominent reason advanced by the Secretary. I shall not trouble the House with a repetition of it. I shall content myself with remarking that I have pointed to the evidence from official documents, which shows, (and I think conclusively,) that when the Bank extended its loans, it was censured, because it did not take steps to close its concerns; when it curtailed them, it was censured, because it did not come to the relief of a suffering community; that it had not, previous to the removal of the deposits, refused its aid in loans at all, but they had become contracted at that time merely in the usual and regular course of its business—an event which happened at the same time, and nearly to the same extent, in the preceding year; that the Bank had done no act from which the Secretary had a right to infer it intended to diminish its loans, but the reverse; that the agent of the Treasury had advised the Department, if the deposits were not to be withdrawn, there would be no more pressure by the Bank, and if they were removed, its power to oppress would cease; and

that, since the removal, the Bank, instead of oppressively and rigorously curtailing its discounts, had continued them to an amount, exceeding, by more than seventeen hundred thousand dollars, the sums which it had paid to the public and its private creditors. In view of these facts, can it be contended that the conduct of the Bank towards the mercantile community had been such, or would be such, as to justify a removal of the deposits?

The Secretary says, the Bank is the *fiscal* agent of the Government; and if it conducts towards its principal in such a manner as would justify a prudent man in private life in dismissing his agent, it would equally justify him in removing the public moneys from its custody.

If it be but a *fiscal* agent, its duties to the Treasury are merely fiscal: and what are the duties of this character which attach to the Bank? To keep the moneys of the public safely, and disburse them when and where they are needed. And has not the Bank done all this? When did it occasion the loss of a shilling to the public, or even endanger it? And when did it refuse to disburse the funds in pursuance of a legal requisition? Let the Secretary be tried by his own rule. Has not the Bank been a faithful fiscal agent? And has the principal any cause of complaint, if the agent perform all which he has promised?

It is said the Bank has violated its charter in the formation of its committees, and in the assignment of duties to them.

If this be so, let the question of violation be submitted to the proper tribunal, where the Bank may exercise the right given to it by its charter—of a trial by jury. But in what does this violation consist? Does the act require seven directors to discount notes? Can nothing be done by the corporation without the attendance of seven of the board?

The Government directors, however—those public sentinels—have not been appointed on the important committees of the Bank.

If the public have not suffered from this cause, it would not seem to furnish a very satisfactory reason for the removal of the deposits. That they have not sustained any injury, unless it be that these directors have not been able to discharge all the “political” duties incident to the trust conferred on them, though they evinced no want of disposition or zeal to discharge them, is abundantly manifest.

It might not be difficult to conjecture *why* they have not been placed on what they term the most important committees of the board. It is to be presumed a due regard has been paid to their merits, and such places have been assigned them as they could fill with the most advantage to the institution. The Speaker of this House exercises the same discretion in the selection of its committees, and with similar views; and it would be a novelty to make it a cause of complaint against him that he had misjudged in his opinions of the qualifications of members for the various committees, which it is made his duty to appoint. It is not less singular that these Government directors should suppose they are invested with “attributes” peculiar to themselves, or are appointed to discharge duties which do not equally attach to *all* the directors. The charter of the Bank provides that there shall be twenty-five directors, five to be appointed by the President, and twenty to be chosen by the qualified stockholders: and these directors so appointed and chosen are to manage the affairs of the corporation. Does the act confer powers on any of these directors, which it does not confer on all? Why, sir, every member of the board is a “public sentinel,” no matter from whence his appointment comes. All are required, by a sense of their own honor, by a regard to their

own character, by assuming the trust reposed in them, by every moral obligation, to see that the great objects of the institution are attained, that the public and private stockholders, the public and private depositors, those for whom and with whom they transact any matter of business connected with the Bank, are treated with becoming liberality, their rights regarded, their moneys safely kept, and honestly and promptly paid when demanded. And whether it partakes more of arrogance or diffidence in the Government directors to assume to themselves, exclusively, "national trusts and responsibilities," to claim for themselves "attributes" which they deny to their co-directors, and to intimate that the property and interests of the public which are connected with the Bank are peculiarly and specially intrusted to them, it would not, perhaps, be difficult to determine.

I must hasten on. The old matter of the three per cents is once more raised from the tomb, and spread before us in the report. I had thought that the very elements of this deceased subject had long since been decomposed. For many months it was under the dissecting knife of the Executive, the Treasury, the public press, and members of Congress. There was but little left of it when it was buried; but it has been again dug up by the newly appointed Secretary of the Treasury, acting in the character of (if I may be allowed the expression) a financial resurrectionist, and placed before our eyes. It needs no other remark, now that it is here, than this: It was fully examined by the standing Committee of Ways and Means, who, after a careful view of it, reported that the action of the Bank had probably caused the payment of the stock, so far as it respected the Government, at an earlier period than it would otherwise have been paid, and that it neither called for nor admitted any action of Congress upon it. It was, therefore, decently and honorably interred, and is now exhumated, to be presented to us as a living memorial of the unfaithfulness of the Bank, to justify the removal of the deposits.

I pass over the matter of the French bill. It has been the subject of appropriate remark by others who have preceded me. It is enough to say, that even were the claim for damages less just and equitable than it seems to be, it is, on the part of the Bank, *but a claim*, which it has not in any manner attempted to enforce. Would any discreet principal violate his contract with his agent, because the latter had made a demand upon him, growing out of their transactions of business, which he thought unjust and unfounded?

The last reason suggested by the Secretary is, that the Bank has used its means with a view to obtain political power, act on popular elections, and influence the measures of the Government; and the evidence of this improper application of its money arises from its loans to printers, and its expenditures for printing books and pamphlets relating to its operations. As to its loans to printers, the whole subject, as to some of them, had been considered by a committee of this House, and no interposition on its part was deemed necessary. And, in regard to those to Gales & Seaton, (whose private transactions have been brought into this debate,) while it is known they were made to enable them to carry on and complete the publication of an important and extensive work, ordered by Congress, it is due to these gentlemen to say, what I believe to be true, that no men are more elevated above the imputation of being in the market, none whom it would be more difficult to purchase, none who sustain more unblemished characters for integrity, none who are less obnoxious to the charge of impure motives in asking or receiving bank accommodations, and none more above the reach of the libels of the press. It was intimated that the Bank had had an agency in the publi-

cation of libellous electioneering pamphlets and handbills. If any honorable member who has alluded to this subject will vouch for the truth of this intimation, I will join him in the most full condemnation of such an act, and he may use the most unmeasured terms of reproof, and they will be just. Until then, however, is it not due to the Bank to look into the publications which it is admitted or proved they have caused to be printed and circulated, and not assume for them an agency in the distribution of others? I will not stop to inquire whether the just principles of self-defence and self-preservation did not justify these publications. I will not, when discussing a question involving the dearest interests of every portion of our citizens, ask whether an injudicious or even improper application of sixty or eighty thousand dollars of the money of the corporation has or has not been made by the Bank. I will call the attention of the House to but one consideration connected with this matter of printing. It is this: if it be claimed that there has been a useless expenditure of money by the Bank, let the question be tried and determined by the tribunal selected by both parties—the courts of the United States, on a *scire facias* sued out for that purpose. As, however, the Executive and the Treasury have deemed it suitable to appeal to the people, instead of the judicial tribunals; as they have preferred tendering an issue directly to the public, in the form of papers read to the cabinet, communications from the public directors, reports to Congress, and removal of the deposits, can it be thought either unfair or illegal for the Bank to appeal to the same tribunal? If it be proper for one party to prepare or circulate documents or pamphlets showing the danger of this moneyed monopoly to the liberties of the people and the purity of the elective franchise, can it be improper for the other party to adopt a similar course to show that it possesses no powers, nor has any disposition to assume any, of such dangerous tendency? The honest people of this country will judge.

I have now, sir, disposed of this report of the Secretary, in reference both to the principles advanced in it and the reasons which induced him to take that important step which resulted in the removal of the public deposits. I have made this examination, I hope, with a spirit and feeling which become the subject, and with a sincere desire that the truth might be ascertained and its influence might be felt. I cannot take leave of it without once more invoking this House to call to its aid, in the final disposition to be made of it, every principle connected with devotion to our common country, and a fixed determination to protect the rights and promote the interests of our common constituents. Sir, we are rapidly approaching an eventful crisis in the whole business concerns and currency of the country. We are almost upon the outer edge of a precipice; we can look over it and see the abyss below. Let us take all our prejudices, our preconceived opinions, our political preferences or antipathies, and gather around the altar of our country and offer them all up as a sacrifice to promote the welfare and prosperity of our citizens. Let us open again the channels of business, revive expiring industry, restore public confidence, and enable this free and great nation once more to assume its wonted cheerfulness, industry, enterprise, and prosperity.