

SPEECH

OF THE

HON. JAMES K. POLK, OF TENNESSEE,

ON HIS MOTION

TO RE-COMMIT TO THE COMMITTEE OF WAYS AND MEANS
THE REPORT OF THE SECRETARY OF THE TREASURY

ON THE

REMOVAL OF THE DEPOSITES;

AND

THE AMENDMENT OFFERED BY MR. McDUFFIE,
INSTRUCTING SAID COMMITTEE TO REPORT A BILL
FOR THEIR RESTORATION.

Delivered in the House of Representatives Dec. 30, 1833, and Jan. 2, 1834.

CITY OF WASHINGTON:

PRINTED BY FRANCIS PRESTON BLAIR.

1834.

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REMOVAL OF THE DEPOSITES.

SPEECH OF MR. POLK, OF TENNESSEE.

HOUSE OF REPRESENTATIVES.

MONDAY, Dec. 30, 1833.

The House proceeded to consider the motion of Mr. POLK, to re-commit to the Committee of Ways and Means the report of the Secretary of the Treasury on the removal of the deposits, together with the following instructions to the committee, 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."

Mr. POLK, of Tenn., said, in entering upon the discussion of this great subject, he begged to be permitted to remind the House of the present state of the question, and of the manner in which its consideration had, in his judgment, been thus prematurely forced upon the House. The Secretary of the Treasury, said Mr. P., has removed the public deposits. In the letter now before us, he has communicated his reasons for the act.

The Bank of the United States has sent to this House its memorial, complaining of the act of the Secretary, and asking a restoration of the deposits. That memorial, by the vote of a majority of this House, has, upon full consideration, been committed to a committee of this House for investigation and report. The Government Directors of the Bank of the United States—officers placed in the Bank as the public sentinels of the public interests—have also sent here their memorial, making grave charges against the Bank; charges of malpractices in the administration of the Bank; charges of the corrupt use of the public moneys entrusted to its keeping; and charges, if true, amounting to a clear forfeiture, not only of the public confidence, but of the charter itself. This memorial, too, has, upon full consideration, been committed by a large majority of this House, to the same committee for investigation. The letter of the Secretary of the Treasury, now before us, was, by misapprehension of the object of the mover, permitted, in the first instance, to go to the Committee of the Whole House on the state of the Union; but so soon as it was understood to be the intention of the friends of the Bank to discuss the subject at once in Committee of the Whole, the effect of which must necessarily have

been to stifle all inquiry by an investigating committee of this House, both into the truth of the facts stated by the Secretary of the Treasury, and also, into the truth of the charges made against the Bank by the Government Directors, a majority of this House, upon full discussion and consideration, by their votes, determined to take the subject out of the Committee of the Whole on the State of the Union, and bring it into the House, for the avowed purpose of committing it also to the same investigating committee of the House, to which the two memorials of the Bank and the Government Directors had been committed. A motion to that effect is made, and though the sense of the House had been thrice expressed, the gentleman from South Carolina submits, [as he is permitted to do by the rules of the House, and Parliamentary usage,] his proposition of instructions to the Committee, to report a bill to restore the deposits; which, if carried, precludes all investigation, by a Committee, and thus, against the expressed will of a majority of the House—solemnly pronounced—opens the whole discussion.

The gentleman proposes, by a peremptory order, in the face of the charges brought against the Bank, to instruct a committee of this House to bring in a bill to restore the deposits, and thus to pre-judge the question, and prevent all examination into their truth or falsehood. I must be permitted to say, sir, (to use the language of a distinguished gentleman in the other end of the Capitol,) that I consider this as a flight, on the part of the Bank and its friends, from the light of truth. The difference between us is this: the Secretary of the Treasury, and those who sustain him here, shrink from no scrutiny, however severe, but, on the contrary, invite it; they invite it with a perfect confidence that every fact stated by him will be sustained by proofs incontestible. What we want is a thorough sifting investigation of a committee of this House.

The friends of the Bank say no: oh! no! we cannot have a committee to investigate and report the facts; we choose to force this discussion on now, when each gentleman may, by bold assertion, assume such facts as may suit his taste, or answer his purpose best. I am not at liberty to attribute motive for this extraordinary proceeding. I do not do so; but it is easy to conceive that it may

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be deemed important, before any investigation by a committee can be had, to send out speeches to the country, charging the Secretary with misrepresentation and falsehood, in order to break the force of the Secretary's letter upon the public mind. It may be deemed important to inflame, by discussion here, the public mind, and add to that panic which has been described to us as extensively prevailing in the commercial cities, and thus to aid the tremendous power of the Bank of the United States in making the State Banks in its vicinity, the commercial community, and all under its control, petition Congress for a restoration of the deposits, with a hope to alarm the Representatives of the people, and, if possible, induce them in the panic of the moment to do that which their sober judgments would not approve. Are we children sir? Do we not all understand what is going on out of this House to produce alarm within it? But it is said we must have speedy action, and, therefore, we must have immediate discussion. And is this the mode of arriving either at a satisfactory or speedy decision of the question? It is contrary to our whole experience in the proceedings of this body. To come to a satisfactory and speedy result, a committee should present all the facts, and present some tangible and definite proposition. But no, nothing but discussion, and discussion now, will do.

One other preliminary remark, Mr. P. said, he would make before proceeding to the main question. When the Previous Question was demanded, the other day, upon a preliminary question connected with this subject, not with the view to prevent ultimate discussion, but to delay it until after an investigation and report of a committee had been made, gentlemen asked, Do you wish to gag us? Do you wish to prevent discussion? These questions were asked by gentlemen whose names are recorded on your journals, at the Session before the last, in favor of forcing twice in the same day, by the application of the Previous Question, the passage of the bill rechartering the Bank of the United States. The gentleman from Pennsylvania [Mr. Denny] and the gentleman from South Carolina [Mr. McDuffie] are amongst those whose names are found recorded in favor of the "Previous Question" on that occasion. That, too, was the final action of the House upon the subject, and those who were opposed to the passage of the bill were not permitted to open their mouths against it. On other questions, also, Mr. P. said, when the Bank had a majority in the House, the friends of the Bank had no scruples in resorting freely to the Previous Question, or questions of like import, such as precluded discussion, as in the case of the bill reported for the sale of the Government stock in the Bank of the United States, rejected on its first reading. And when the celebrated resolution, declaring that the public deposits were safe in the Bank of the United States, was before this House, the Previous Question was moved. The gentleman who moved it was asked to withdraw it, and he refused to do so. A gentleman entertaining similar views with himself concerning the Bank, then asked him to withdraw it; and, on an assurance that he would renew the motion before he sat down, that indul-

gence was reluctantly granted to him. Yet, sir, we are charged now with a desire to avoid discussion! The charge cannot be sustained. It is not true, sir. We desire a sifting developement of the affairs of the Bank, terminate as it may. We desire a full examination of all the charges made against it. We are ready for a full discussion, whenever we shall have a report from the Committee on the subject. But I maintain that the instruction which it is now proposed to give to the Committee in advance, is one that ought only to be given, if at all, after full examination.

Forced as he, and those with whom he acted, were, prematurely into this discussion, Mr. P. said, he trusted he should be pardoned for occupying the time of the House in answering a few of the arguments of the gentleman who had introduced this discussion. If delay be the consequence—if ruin be the consequence, said Mr. P. the responsibility rests not upon us; and if it would be allowed us now to take a vote upon the question, I would resume my seat, and let the question be taken. I know not, sir, how this discussion may result. Its prototype, moved by the gentleman from Kentucky, the mover was allowed to hang a speech upon, and then it was withdrawn. Whether this proposition is to take the same course, sir, I have no means of knowing. The event will show.

The gentleman from South Carolina, (said Mr. P.) opened his argument by assuming that the public deposits had been unlawfully removed from the Bank of the United States; that the President is, by reason thereof, an usurper, and a tyrant; and he informed us, that this was the great constitutional question we were about to examine. Yet, Sir, the gentleman did not think it proper to furnish us with any of the arguments by which he maintains these propositions, but seemed to regard them as self-evident. It is true, the gentleman was unmeasured in the violence of his charges against the President. He told us that he had trampled the Constitution in the dust; and he seemed to be as much enraged on the occasion as the Dutch bully he spoke of was with the lottery wheel, and ready to strike the administration into "smashes": and with about as much reason. The political wheel had of late turned out badly, perhaps, for the gentleman and his political friends. But if, perchance, it took another turn; if a star should be in the ascendant from a new quarter; if he should draw the high political prize, in a word, why, then, sir, it would be "as fair a thing as ever was."

It is easy, sir, to say hard things, or to make harsh charges against any public functionary. It is fortunate, however, for the present Chief Magistrate of the country, that his character is placed at such an elevation that it requires no aid from the Representatives of the people on this floor to sustain it when assailed. He is above the reach and power of any remarks made here. A whole life devoted to his country's service, is his best shield against assaults upon his public character, made either here or elsewhere.

But, sir, it is said that the President is an usurper, and a tyrant, for having removed from office the late Secretary of the Treasury. This argument supposes that the Secretary of the Treasury

is responsible to Congress, and not to the President, for the manner in which he discharges the duties of his office. Now, sir, I undertake to affirm that the Secretary of the Treasury is not only not independent of the President of the United States—but, if Congress were to pass a law to make him so, they would exceed their power, and the law would be void and of no effect. The Secretary is not only not independent of the Executive, but it is not in the power of Congress to make him so. By whom is the Secretary of the Treasury appointed? Not by Congress. The law creates the office, but the appointment to it is made by the President of U. S. with the consent of the Senate. I beg pardon, sir, for entering upon a question here which has for forty or fifty years been considered a settled question. Does the gentleman mean—do those who think with him mean, that the President has not the power of removing from office the Secretary of the Treasury? By whom is he appointed? By the President of the United States, with the advice and consent of the Senate. ‘The President,’ (says the Constitution,) ‘shall nominate, and, by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers, and consuls; judges of the supreme court, and all other officers of the United States, whose appointments are not hereinafter otherwise provided for, and which shall be established by law. But the Congress may, by law, vest the appointment of such inferior officers as they think proper, in the President alone, in the courts of law, or in the heads of departments.’ The Heads of Departments, therefore, are not ‘inferior officers,’ in the meaning of the Constitution, and the power of appointment is not, and cannot be vested by law, in the President alone, or in the courts of law, much less in Congress. Further, Congress cannot by law acquire the power of controlling the appointment of Heads of Departments. Under another clause of the Constitution, Congress may indeed appoint their own officers; their Speaker, and other officers of each House; but they have no power over even the manner of appointment of any other than inferior officers in any other department of the Government.

By what tenure does the Secretary of the Treasury, when appointed by the President, hold his office? Although there is no express clause in the Constitution authorizing his removal from office at the pleasure of the President, yet the power to remove him flows from the nature of the Constitution. He holds his power *durante bene placito*—during the pleasure of the President, and his commission runs, to hold during the pleasure of the President. The Judges of the Courts of the United States hold their offices, indeed, *during good behavior*, or for life; and this provision in regard to the Judges, is a negative of the idea that any other officer of the Government holds his office by a similar tenure. The President and Vice President of the United States hold their offices each for a term of years. The period of service of other officers is not limited by the Constitution; but according to the practice of the Government in the time of the contemporaries of the Constitution and ever since, they have been con-

sidered to hold their offices at pleasure. If it were not so, indeed, what would be the consequence? If the Secretary of the Treasury could be made independent of the President, still there must be a power somewhere to remove him. If not, he must hold his office during life, which I have already shown, is inconsistent with the Constitution.

The appointing power, the Executive, must, of necessity, be the removing power. Otherwise, there must be endless conflict and confusion in the Executive Department of the Government. For, says the Constitution, ‘The Executive power shall be vested in a President of the United States of America.’ The whole Executive power is here vested in the President; and, by another clause of the Constitution, it is made the duty of the President to see that the laws are faithfully executed. Faithfully executed!—how? according to the understanding that each inferior officer may have of them? If that were the case, there would be no uniformity in the execution of the laws. One Secretary, for example, would execute an embargo law; and another would refuse to do so, because he believed it unconstitutional. Was that the intention, do you think, of the framers of the Constitution, when they invested the power of supervision of the execution of the laws in the President of the United States, and made him responsible therefor? Was it contemplated that the inferior officers, who are appointed by the Executive, and are but his instruments and assistants in the discharge of Executive duty, were to construe the law each for himself? And when this clause, which required the President of the United States to see that the laws are faithfully executed, was put into the Constitution, was it simply intended to mean, as has been suggested, that he was only to execute them by a resistance of force, when force was interposed to prevent their execution?

This unquestionably would be one of the duties of the Executive, should such a case arise; but the President, I affirm, is bound to see that all laws are executed; and he cannot execute them, but as he understands them. If the assistants which he has chosen, by and with the advice and consent of the Senate, are not, in his opinion, the fit persons for their stations, he must necessarily possess the power to remove them, and to put in others whose opinions do accord with his own. If this power does not exist in the President of the United States, how, when that great civil revolution took place, which in 1801 elevated to the Presidency of the United States a citizen of different political opinions from his immediate predecessor, how could the new President have brought into his Cabinet those citizens whose opinions were in unison with his own? How could he have seen that the laws of the United States were faithfully executed, as he understood them, without the power of changing the individuals charged with that duty? This question, however, Mr. P. said, had been so long settled, that he would not trespass on the patience of the House by dwelling longer on this particular point.

The Constitution looks to the Heads of Departments as the President’s advisers, and re-

quires of them, when asked by the President, to submit to him their opinions, in writing, "upon any subject relating to the duties of their respective offices." Why does it exact this, if he had no power over those officers? They must furnish him with their opinions, because he is the chief executive officer of the Government, and as such, he has the whole of the Executive power committed to his hands; and he is held responsible to the people to see that the laws are faithfully executed. How can he do this, unless he has aids and assistants in discharging the duty? The power to require the opinions of his Cabinet, infers, of course, that it is not to be given without meaning; but it also infers that, if their opinion shall differ from his, he has complete power to control them.

But, Sir, it is said that the Treasury Department has been differently organized from the other Executive Departments. And how is it differently organized? Congress, it will not be pretended, has any power to appoint the Secretary of the Treasury, nor any power to remove him from office, if his conduct shall not please them; nor would they possess any such power, even if they had passed a law conferring it upon themselves. No, Sir; though they should see the public treasure wasting, and the officer derelict in his duty, they could not get at him otherwise than by the tedious process of impeachment.

But, Sir, was it ever contemplated by those who framed our Constitution that there should be no power, any where, to remove an officer whose base designs were distinctly seen, except by the circuitous method of impeachment? Surely not, Sir. The Secretary has no legislative power; neither has he any power of a judicial character: his whole duties show him to be an Executive officer; as such, he is responsible to the Chief Executive, as that high officer is in like manner to the People. Let us for a moment reverse this question. Let us suppose that a Secretary of the Treasury should avow his intention, at a certain period, to remove the public deposits from the place where they had been placed—from the United States Bank, for example; and let us further suppose that the President, then filling the Executive chair, should hold a different opinion as to the propriety of such a removal. The President calls his Cabinet together, and he says to the Secretary, Sir, it is my judgment that the Deposites ought not to be removed, as you contemplate. The members of the Cabinet say to him the same thing. The Secretary of the Treasury turns round, and says in reply, Mr. President, I am independent of you; and, gentlemen, I am equally independent of you also: the Bank Charter has given me the exclusive power of judging in this case, and I choose to carry my own views into execution. Well, Sir, the President folds his arms and answers, Well, Mr. Secretary, I have no power to interfere—you must do as you please.

Sir, what would be the indignation of this whole People at such a spectacle (that is, supposing the removal itself to have been improper and inexpedient.) What should we have heard from the Bank, and from its friends here? But, Sir, it is a

bad rule that will not work both ways. If the Secretary ought to have complied in that case, why not in this? If he has power to resist now, he would have had then.

But, Sir, independently of these views, the act itself, creating the Treasury Department, expressly recognises in the President the constitutional power to remove the Secretary from office. He may remove without any assigned reason whatever, if he chooses to do so. The power to remove is absolute and unqualified. And, if he may remove from office without assigning any reason whatever, surely he may with reasons given. Gentlemen may indeed differ in opinion as to the validity of the reasons assigned: but that the President has the power to remove is unquestionable. Nor does he derive it from the act of Congress creating this Department, but holds it from and under the Constitution itself. The act recognises it as a power in him already: it does not confer on him the power to remove, lest it might seem that he held it by grant of the Legislature. The terms employed are such as clearly recognise the power to be from the Constitution. The act organizing this Executive Department provides "That whenever the Secretary shall be removed from office by the President of the United States, or in any other case of vacancy in the office of Secretary, another officer may, for the time being, discharge the duties of his office."

Yet still it is maintained, that the legislature, jealous of uniting the money power with other Executive powers, wisely and purposely withheld it from the President. The great constitutional question is as to the power of the President to remove the Secretary of the Treasury from office. I can conceive of none other. The President, we have been told, is an usurper and a tyrant: yet he has done only what his predecessors have done before him, and for which he is responsible to the country. Sir, I have made some research as to the opinions and conduct of those who framed and were cotemporary with the formation of our Constitution, and who certainly understood well the powers therein given to the President. During the debates in the Congress of 1789, on the organization of the Executive Departments of the Government, this very question of the power to remove from office came under discussion. The question was, whether such a power should be exercised at all; if so, whether by the Executive alone, or by the Executive in conjunction with the Senate? One portion of the members of that Congress contended that it ought to require the same advice and consent to remove an officer that it did to appoint one. Well, Sir, look now at the views given on this subject at that early day. I refer the House to "Lloyd's Debates," in which will be found the opinions of the distinguished statesmen of that day on the form of the Executive Department; and I will take the liberty of reading from the speech of Mr. MADISON:

"It is one of the most prominent features of the Constitution, a principle that pervades the whole system, that there should be the highest possible degree of responsibility in all the executive

officers thereof; any thing, therefore, which tends to lessen this responsibility, is contrary to its spirit and intention; and unless it is saddled upon us expressly by the letter of that work, I shall oppose the admission of it into any act of the Legislature. Now, if the heads of the Executive Departments are subjected to removal by the President alone, we have in him security for the good behaviour of the officer. If he does not conform to the judgment of the President in doing the Executive duties of his office, he can be displaced: this makes him responsible to the great Executive power, and makes the President responsible to the public for the conduct of the person he has nominated and appointed to aid him in the administration of his department.

In the same debate, I will refer to the speech of Mr. SEDGWICK, who said: 'Suppose, sir, a man becomes insane by the visitation of God, and is likely to ruin our affairs, are the hands of Government to be confined from warding off the evil? Suppose a person in office, not possessing the talents he was judged to have at the time of the appointment, is the error not to be corrected? Suppose he acquires vicious habits, an incurable indolence, or total neglect of the duties of his office, which forbode mischief to the public welfare, is there no way to arrest the threatened danger? Suppose he becomes odious and unpopular by reason of the measures which he pursues, and this he may do without committing any positive offence against the law, must he preserve his office in despite of the public will? Suppose him grasping at his own aggrandizement, and the elevation of his connexions, by every means short of the treason defined by the Constitution, hurrying your affairs to the precipice of destruction, endangering your domestic tranquillity, plundering you of the means of defence, by alienating the affections of your allies, and promoting the spirit of discord, is there no way suddenly to seize the worthless wretch, and hurl him from the pinnacle of power? Must the tardy, tedious, desultory road, by way of impeachment, be travelled, to overtake the man who, barely confining himself within the letter of the law, is employed in drawing off the vital principle of the Government?'

Mr. MADISON says, again, 'It is evidently the intention of the Constitution that the first Magistrate should be responsible for the Executive Department; so far, therefore, as we do not make the officers who are to aid him in the duties of that Department responsible to him, he is not responsible to his country.'

And again, 'The question now resolves itself into this, Is the power of displacing, an Executive power? I conceive that if any power whatsoever is in its nature Executive, it is the power of appointing, overseeing, and controlling those who execute the laws.'

Thus you see, sir, that all the inferior officers are so many instruments in the hand of the Executive. If there is any question as to the power of the Executive, in overseeing and controlling those who execute the laws, here you have Mr. MADISON'S views on that subject. I will take the

liberty of reading some other passages from the same debate, in relation to the self same objections which have been urged here and elsewhere to the exertion of this power.

Mr. VIXING says,

'I take it that the best principle is, that he who is responsible for the conduct of the officer, ought to have the power of removing him; by adhering to this principle we shall be led to make a right decision on the point in debate. Perhaps it might be equally right that the responsible person should have the appointment of those who are to aid him. But this case is qualified by an express stipulation in the Constitution, and therefore must be submitted to. Yet nevertheless, the responsibility is kept up; the President takes the lead in the business; he nominates; wherefore he becomes answerable for the officer. But whose officer is he? Not the Senate's; for they have no Executive business to perform. The Executive duties are all vested in the President.' So I say, he is not the officer of Congress—and more, that Congress could not make him so, because they have no Executive duties to perform. I read from FISHER AMES:

'The superintending power possessed by the President will perhaps enable him to discover a base intention before it is ripe for execution. It may happen that the Treasurer may be disposed to betray the public chest to the enemy, and so injure the Government beyond the possibility of reparation; should the President be restrained from removing so dangerous an officer, until the slow formality of an impeachment was complied with, when the nature of the case rendered the application of a sudden and decisive remedy indispensable?'

Mr. LAWRENCE, in his speech, says, 'In the constitution the heads of departments are considered as the mere assistants of the President, in the performance of his executive duties. He has the superintendence, the control, and the inspection of their conduct; he has an intimate connexion with them; they must receive from him his orders and directions; they must answer his inquiries in writing, when he requires it. Shall the person having these superior powers to govern, with such advantages of discovering and defeating the base intentions of his officers, their delinquencies, their defective abilities, or their negligence, be restrained from applying these advantages to the most useful, nay, in some cases, the only useful purpose which can be answered by them?'

'It appears to me that the power can be safely lodged here. But it has been said by some gentlemen, that if it is lodged here it will be subject to abuse; that there may be a change of officers, and a complete revolution throughout the whole executive department, upon the election of every new President. I admit this may be the case, and contend that it should be the case if the President thinks it necessary. I contend that every President ought to have those men about him in whom he can place the most confidence, provided the Senate approve his choice. But we are not from hence to infer that the changes will be made in a wanton manner, and from capricious motives.'

Now, sir, on the other side of the question—what was said by Mr. JACKSON? 'But let me ask gentlemen if it is possible to place their officers in such a situation as to deprive them of their independence and firmness; for I apprehend it is not intended to stop with the Secretary of foreign affairs. Let it be remembered that the constitution gives the President the command of the military. If you give him complete power over the man with the strong box, he will have the liberties of America under his thumb. It is easy to see the evil which may result. If he wants to establish an arbitrary authority, and finds the Secretary of finance not inclined to second his endeavors, he has nothing more to do than to remove him, and get one appointed of principles more congenial with his own. Then, says he, I have got the army, let me have but the money, and I will establish my throne upon the ruins of your visionary Republic.'

I call the attention of the House to some further views on the same side of the question, still stronger than these, and strictly analogous to the course of argument of those gentlemen who deny any power in the President to remove the Secretary.

Mr. MADISON says, 'Vest this power in the Senate jointly with the President, and you abolish at once that great principle of unity and responsibility in the Executive Department, which was intended for the security of liberty and the public good. If the President should possess alone the power of removal from office, those who are employed in the execution of the law will be in their proper situation, and the chain of dependence be preserved; the lowest officers, the middle grade, and the highest, will depend, as they ought, on the President, and the President on the community. The chain of dependence, therefore, terminates in the supreme body, namely, in the People; who will possess besides, in aid of their original power, the decisive engine of impeachment.'

Mr. GERRY opposed these views—

'But what consequence may result from giving the President the absolute control over all offices? Among the rest, I presume, he is to have an unlimited control over the officers of the Treasury. I think, if this is the case, you may as well give him at once the appropriation of the revenue; for of what use is it to make laws on this head, when the President, by looking at the officer, can make it his interest to break them? We may expect to see institutions arising under the control of the revenue, and not of the law.'

Can any thing be more analogous to the arguments we now hear? But, sir, let me trespass so far as to read one more extract, in which the forebodings of danger which had been expressed during the debate, are summed up by Mr. SCOTT:

'I have listened to the arguments in support of this motion, these three days, with great attention, and think, when taken together, they consist in this, the raising of a great number of frightful pictures, which, at first sight, appear very terrible, but, when they are attentively contemplated, they appear to be the vagaries of a disordered imagination. Let us ex-

amine one or two of these frightful pictures, merely as a sample of the whole set, and see what they amount to. The most frightful of all that have been brought into view, is, that the Treasurer must be the mere creature of the President, and conform to all his directions, or he arbitrarily removes him from office, and lays his hands violently upon the money chest; then having the sword and the purse, you see the President boldly advancing, supported by the army and navy, and the money chest in the back ground, engaging the liberties of the people; armed with all this omnipotence of power, the protector rushes on with irresistible impetuosity; so sudden and fatal is the stroke, that the expiring genius of America has hardly time faintly to say—farewell, Liberty. Thus despotism rides triumphant, and freedom and happiness are trampled in the dust. Strange that all this should arise from the Executive Magistrate's having the power of removal. But gentlemen tell us, that if we keep the Treasurer out of the power of the President, he cannot injure us; that, being thus independent, your strong box will be well guarded, and the President cannot get your money, unless he steal it; and, if he steals it, and the Treasurer sees him, he will tell: this will lead to an impeachment, and we shall get rid of the cause of our apprehensions. But the constitution says, that no money shall be taken out of the Treasury but by appropriations: this alone I think a sufficient answer to all that has been said, and will serve to soften down the harsh features which the terrible picture I have just now mentioned displayed. I say, sir, our money may be in the Treasury by millions, and without special appropriation by the Legislature, the President and Treasurer, either or both together, cannot touch a farthing of it, unless they steal it. This being the case, I see as little security to the Treasury in the independence of this officer, as danger arising from his dependence, without a single exception; for if the President, with a strong army at his back, comes violently to lay hold of the money chest, this officer, stands but a very poor security against such a power. I think the President, supported with the army and navy, making a descent upon your Treasury, would be very apt to carry away the money, and the Treasurer too, if he stood in his way.'

Here, Sir, is summed up the whole argument advanced at that day against the power which has been exercised by the President on the present occasion:

'In the Constitution, (said Mr. AXES,) the President is required to see the laws faithfully executed. He cannot do this without he has a control over officers appointed to aid him in the performance of his duty. Take this power out of his hands, and you virtually strip him of his authority; you virtually destroy his responsibility, the great security which this constitution holds out to the people of America.'

I take it, sir, the only power the President has exercised is one not only clearly conferred on him by the Constitution and by the act creating the Treasury Department, but one which has been

exercised without objection from the very foundation of the Government to the present hour. The power is exercised under his responsibility to the country. It is not to be exercised capriciously, though it may be without the assignment of any reason. If it is abused, the corrective is found in the fact that the Executive power returns every four years to the hands of the people; and, if that be too long to wait, the President can be reached by impeachment.

But it is said that the Secretary of the Treasury is bound to make his annual report to Congress; and that, if he shall remove the deposits, he is to assign his reasons, not to the President, but to Congress. And why is this, it is asked, unless he be independent of the President? Sir, I will not repeat what I have already said, but I will say, that if the act intended by this provision to control the President's power of removal, it is unconstitutional and void. But why, then, must he submit his annual report to Congress? I answer, 1st, because Congress is the guardian of the public purse; it passes the laws by which the revenue is collected, and by which alone it is disbursed; and it is peculiarly proper that the head of the Treasury Department should report to that power which controls the money of the country. It is a matter of convenience, and facilitates the public business. But is this inconsistent with his responsibility to the President? Not at all. Not in the least degree. But he is required to give to Congress his reasons for removing the deposits. Yes, sir, and why? The first reason, I have already given; and a second is, that without this enactment, and prior to it, Congress had the right to call on him for those reasons. During the existence of the old Bank of the United States, when the Secretary was not required by law to place the public moneys in that bank, but placed them where he thought most conducive to the public convenience, Congress had a right to inquire his reasons the moment he changed the place of deposits. This enactment is only a standing call on him, instead of a special inquiry. But why is he to give this account to Congress? That we may know whether he has acted corruptly or no. That we may know what he has done with the public money, and where he has put it. Because, the moment he has removed the deposits from the Bank of the United States, we have entire control over the location of them. He reports to us, for these reasons. But does this make him independent of the Executive?

But, sir, the power exercised by the Secretary seems to me to have been greatly misapprehended in all the discussions I have yet heard on this subject. An impression seems to prevail that this is a novel procedure, without any precedent in the history of our Government. Sir, I have attempted to trace the history of this power of the Secretary of the Treasury, and also of the President's control over the Secretary in directing the place where the public money shall be deposited; and what I shall say on it shall not rest on mere assertion. It is an interesting part of the documentary history of our country, which seems to have lain in a great degree hidden from the view of most of those who have entered on this subject. I shall

be able to show you that from the days of Hamilton till now, as well before as since the enactment of the bank charter, the power of fixing the place of the public deposits has been claimed by all the Secretaries of the Treasury, and never has been considered either by Congress, by the bank, or by the people, as any violation of right, or transgression of the Constitution. On the contrary, it has ever been held necessary for that officer to possess such a power, in order that he may preserve a just equilibrium in the circulating medium of the country. I call the attention of the House to what is the power of the President in this matter, and as to what was the understanding of those who chartered the bank, as to the power of the Secretary in relation to it, and the power of the President over him. I have the books at hand, but, for my greater convenience, I have drawn off copies of those passages to which I wish to refer, and which I will now read to the House.

The first to which I shall call the attention of the House, is an extract of a letter from Mr. Secretary Crawford to the Bank of the United States, January 16, 1817. The Secretary, speaking in relation to the transfer of the deposits from the State to the United States Bank, says: 'There can be no objection to the Board of Directors making propositions to the State Banks, which shall be subject to the revision of the President.' Again, 'which will be submitted to the President for his ultimate decision.' Thus clearly admitting the supervisory power of the President over the subject, as understood by Mr. Crawford.

In Mr. Crawford's letter of 28th January, 1817, to the State Banks of Pennsylvania, &c. he asserts the power of the Treasury Department to control its [the United States Bank] proceedings at any moment, by changing the deposits to the State Banks.'

In his letter of February 15, 1817, to the Mechanics' Bank of New York, Mr. Crawford says: 'The right to withdraw the deposits, with a view to equalize the benefits resulting from them among the banking community, as the situation of the several banks might require, was expressly reserved.' Again, (page 18.) 'Instructed by the President of the United States, I have instructed the Treasurer of the United States to draw upon the Banks of New York with which the public money is deposited, and generally through the United States, in favor of the Bank of the United States, for the amount of the public money deposited in those Banks.' And in the postscript to that letter he says: 'The Secretary of the Treasury will always be disposed to support the credit of the State Banks, and will invariably direct transfers from the deposits of the public money in aid of their legitimate exertions to maintain their credit. But as the proposition of the Bank of the United States excludes the idea of pressure on its part, no measure of that nature appears to be necessary at this time.'

In his letter of 17th March, 1817, he states that, by the charter, the public money deposited in places where the Bank of the United States or its branches are established, must be deposited in them, except when there are urgent reasons to

'the contrary. In places where there is no Bank of the United States, there is no obligation to deposit the public money in them, or to transfer it to them when deposited.' Other letters of the same import, written between the years 1817 and 1824, might be quoted, but it is unnecessary. I will now call the attention of the House to the letter of Mr. Crawford, of December 10, 1817, communicating to Congress his reasons for not transferring the public moneys deposited in certain State and other local Banks, to the Bank of the United States.' (See Ex. Doc. 1st session, 15th Congress, Doc. No. 9, in vol. 1.) Mr. C. states that previous to 1st January, 1817, 'a proposition had been submitted by this department to the State and other local Banks, for the purpose of inducing them to resume specie payments on the 20th February following. As the public money deposited in them was intimately connected with the proposition, it was deemed inexpedient to transfer those balances to the Bank of the United States, until the result of the proposition was known.'

Again: 'In order to induce the banks in this district to resume specie payments simultaneously with the banks already enumerated, (those of New York, Philadelphia and Richmond,) it became necessary for the Treasury Department to give them assurances of support during the first month succeeding such resumption.'

'In consequence of this assurance, a considerable portion of the deposits in the banks of Washington and Georgetown were permitted to remain until the 1st day of July last. On the 15th day of March, of the same year, a deposit of \$75,000 was made in the Farmers' and Mechanics' Bank of Georgetown, WHICH HAD NOT PREVIOUSLY BEEN ONE OF THE DEPOSITORIES OF THE PUBLIC MONEY, which sum was transferred to the Bank of the United States at the time that the deposits, which had been previously made in the banks of Washington and Georgetown, were transferred.'

Again: 'Upon the representations of the State bank, (at Boston,) a considerable sum of the public deposit was assigned for the discharge of the Treasury notes which had been made payable at that place.'

Again: 'A considerable sum was left with the Bank of Pennsylvania, upon the ground that a removal of it to the Bank of the United States would be inconvenient to the holders. It was, therefore, determined to continue to employ that bank as the agent of the Treasury, for discharging the outstanding treasury notes demandable at Philadelphia.'

By a regulation of the Bank of the United States the bills of State banks were refused, except those of banks established in places where they were respectively tendered in payment.' In consequence of this, the Collectors of the District of Columbia, of Virginia, and Maryland, made their deposits in the Metropolis Bank of this city; and the sums so paid remain still principally with the bank.' The same thing occurred with the Bank of Pennsylvania.

Again: 'In declining to transfer the balances

'which remained in the banks of this District, at the time the office in this city commenced business, and in the cases stated to have occurred in Philadelphia and Boston, I was influenced by a consideration of the pressure felt by the State and local banks, during several months subsequent to the resumption of specie payments, and of the services rendered to the Government by those banks during the period that they were used as places of public deposit by the Treasury. An immediate transfer of the public money deposited in them would probably have produced a pressure upon the debtors of those banks, which might have inflicted upon them evils greatly beyond the benefit which would have resulted from the measure to the Bank of the United States.'

These reasons were communicated to Congress, and the whole Congress acquiesced in their propriety. The Bank did not then allege that its rights were interfered with. The Bank had not then set itself up in an antagonist attitude against the Government. When these reasons were assigned, there was no one, in all the country, who doubted that they were satisfactory and sufficient. What did these reasons establish?

1st. That it is a sufficient reason for retaining the public money from the Bank of the United States, and making the deposits in State Banks, that it is done to enable the latter to resume specie payments.

2d. That the Treasury may give support (by a deposit of public money) to the State Banks, to enable them to pay specie.

3d. That deposits of public money may be made in the Banks which have not been before public depositories, to enable them to sustain their credit, as in the case of the deposits in the Bank of Georgetown.

4th. That State Banks (as in the cases at Boston and Philadelphia) may be employed as agents of the Treasury, when the public convenience requires it.

5th. That the deposits may be made in State Banks to relieve any pressure upon these Banks, or in consideration of services previously rendered by them: and

6th. To prevent a pressure by the State Banks upon their debtors.

Further than this; seven years after the Bank was chartered, and had been in full operation, the Secretary of the Treasury was called on by the Senate of the United States to say if he had made any loans to any of the State Banks, or if he had made any of the public deposits in those institutions. In the year 1823, Mr. CRAWFORD answered this call, and gave the information which was required of him. It would not do for gentlemen to say that this was when the Bank went first into operation, and that these ought to be regarded rather as reasons for withholding, than for withdrawing the deposits. This call was made seven years after the Bank went into operation. He would read an extract from the letter of Mr. CRAWFORD, communicated in reply to that call.

'It is the peculiar province, and it has been the practice, of the Department of the Treasury of the United States, to direct the moneyed opera-

'tions of the public, to the preservation of credit, by maintaining the equilibrium between the moneyed institutions of the country.' Again.

'From my personal intercourse with Mr. Galatin, I know he entertained the sentiments contained in this letter, and, I presume, they have been entertained by all of his predecessors and successors in office, and acted upon whenever cases occurred which rendered it necessary.' Again—page 8.

'In that Report,' (Dec. 10, 1817,) 'it is stated that a deposit of \$75,000 had been made in the Farmers' and Mechanics' Bank of Georgetown, to sustain it in its operations, immediately after assuming specie payments. *The principle and practice of the Treasury in sustaining the credit of Banks, disposed to act correctly was, in this communication, frankly disclosed to Congress, when NOT THE SLIGHTEST SYMPTOM OF DISSATISFACTION WAS MANIFESTED, OR THE RIGHT OR PROPRIETY OF THE PRACTICE CALLED DIRECTLY OR INDIRECTLY IN QUESTION.*'

So that Mr. Crawford informed Congress that he had in 1817 made his deposits in the local banks and that the act had not then been called in question.

Many other instances could be enumerated where the public deposits had been transferred. They had been placed in the Bank of Columbia, in Georgetown, in 1824, and in the Bank of the Metropolis; and also, in the Mechanics' Bank, in Alexandria. It was stated in this report, that they were placed in the Mechanics' Bank, in Alexandria. When a Committee of the Directors of that Bank called on Mr. Crawford, and informed him that the institution was in danger of failing, unless it could receive some aid from the Government, they were requested to call on the next day, as it was necessary that the Secretary should consult the President, and receive his order on the subject. On opening the subject to the President, the Chief Magistrate concurred in the propriety of granting such assistance to the Bank as would relieve the institution from the pressure which placed it in a situation of peril.

But this assertion of power, and the exercise of that power, by Mr. Crawford, was not suffered to pass unobserved. It was not passed silently over by Congress. The House must remember the celebrated memorial of Ninian Edwards, making a number of charges against the Secretary of the Treasury; and, amongst others, that he had permitted money to be deposited in the local banks, and to remain there, in States where the United States Bank had their office of discount and deposit. The gentleman who superintended the Treasury was then before the country, a candidate for the highest office in its gift. When the letter containing these charges was submitted to the House, it was referred to a committee, of which a distinguished gentleman from Virginia was chairman. Evidence was in that committee taken, and the Cashiers from distant banks, as well as from those in the District of Columbia, were examined. All this testimony established the fact, that, in making these deposits, the Secretary of the Treasury had acted openly and undisguisedly. All this evidence was collected and embodied into

a report; and the Committee reported by the hands of their Chairman, Mr. FLOYD, now Governor of Virginia. And what did he say, and what did that committee say?

'The committee does not perceive any thing in the principle of these arrangements with the banks, either in violation of law, or contrary to the usage of the Government, since the Treasury has, for many years, had agreements with more or less of the banks, by which the public moneys were deposited in such banks, and drawn from them when wanted; certain terms and conditions as to the mode of drawing being stipulated, such as were thought beneficial both to the Treasury and the banks. Indeed, it may be proper to observe here, that it seems to have been assumed, by different officers at the head of the Treasury Department, that it was their duty to direct its operations to the support of different moneyed institutions, whenever their affairs required support, so as to defeat combinations against them, and preserve an equilibrium of credit amongst them.' Again—

'Among the banks with which these negotiations were made, the attention of the committee was called particularly to the Farmers' and Mechanics' Bank of Cincinnati, the Bank of Chillicothe, and the branch of the State Bank of Kentucky, at Louisville, as forming the subject of a charge that does not apply to the others. In the several places where these banks were situated, the Bank of the United States had offices of discount and deposit, and the law incorporating that institution, as has been before observed, creates an obligation on the Treasury of the United States, to use them as places of deposit in preference to any other banks, unless the Secretary shall, for special reasons, otherwise direct, and in that case such reasons shall be laid before Congress, at its then or next session. The charge is that no such communication was made to Congress. This omission is acknowledged by the Secretary who says it was owing to inadvertence, and that the inattention to the provision of the law was unimportant, inasmuch as the provision was intended obviously for the benefit of the Bank, and the Bank had full notice. The notoriety of the fact is also relied on, to show that no improper conduct, or desire to conceal it, produced the omission.'

'The committee sees no reason to doubt the statement, or to attribute any improper motive to the Secretary in this inattention to the directions of the act.'

There is much utility in recurring back to these reminiscences, and seeing what others thought, said Mr. P. It was then thought by Governor Floyd, and the committee of the House, that the deposit of the public money in the local banks, by Mr. Crawford, was an act which was done without disguise or concealment, and for which no censure was applicable to him. Yet now, when a similar act was performed, the President had been denounced as a tyrant and an usurper, and the Secretary of the Treasury stigmatized as his pliant instrument in an act of tyranny and despotism. Yet the same power had been asserted and exercised by Mr. Crawford, and had then re

ceived the sanction of the House and of the nation, Congress and all. No man was to be found who endeavored to gainsay what the Secretary had reported. The friends of the other gentlemen, who was at that time candidates also for the Chief Magistracy, would not descend to take the course which was now pursued in reference to the same question.

This power, then, had been maintained and exercised by Mr. Crawford, and no man was then to be found to raise his voice against it. But since that period, the power had also been claimed by a subsequent Secretary of the Treasury. Mr. Ingham, in his letter to the President of the United States Bank, in 1829, claimed a similar power, and the claim was received by the Bank in silence, and remained uncontroverted. This opinion of Mr. Ingham ratified and confirmed that which had been previously asserted by Mr. Crawford.

In Mr. Ingham's letter of October 5, 1829, it is said: 'I take the occasion to say, if it should ever appear to the satisfaction of the Secretary of the Treasury, that the Bank used its pecuniary power for purposes of injustice and oppression, he would be faithless to his trust, if he hesitated to lessen its capacity for such injury, by withdrawing from its vaults the public deposits. That such a power exists is not more certain, than that it may be exerted for such a purpose; and the only qualification of it, viz. the reasons for its exercise shall be reported to Congress, necessarily implies the right and the duty to admonish against, or inquire into the acts that might lead to such a consequence.'

Again—'Before he can be tempted to exercise the authority with which Congress have invested him, to withdraw the public deposits, he will do as he has done, submit directly to your board, whatever imputation may be made, and respectfully, resolutely, and confidently ask, nay, demand, the fullest examination; and he trusts that he may not be misconceived, when he adds, that nothing could, in his opinion, more imperatively exact this energetic movement, than a well founded conviction of the Bank's being, as was said of its predecessor, an engine of a political party.'

Yes sir, said Mr. P. an engine of a political party! And before I have done I shall say something of the political character of this purest of all institutions.

In this letter, too, Mr. Secretary Ingham recognises the superintending control and authority of the Chief Executive Magistrate. He says, 'the Executive is constitutionally bound to see that the laws be faithfully carried into effect; I need not add, in their spirit or according to their letter; upon general principles he cannot silently permit them to be made a screen for the indulgence of bad passions, nor an instrument of any sort of oppression, without risking the reproach of a want either of vigor or of virtue.'

It must be apparent, then, if he had made himself understood, that in removing the Secretary of the Treasury, the President had exercised only an ordinary and usual power of the government. He had removed a Secretary. But, according to the

arguments of the gentleman from South Carolina, Mr. Duane was, in fact, still the Secretary of the Treasury. If he had been unconstitutionally removed, the removal could be of no effect, and Mr. Duane was still the Secretary, and Mr. Taney had no authority in the office.

But the President had exercised only one of his ordinary and clearest powers. He had removed a Secretary of the Treasury, because he would not execute his official functions as he was bound to do, and the President had a right, and was under an obligation, to remove him. But what said the gentleman from South Carolina? That the Secretary of the Treasury removed the deposits? No, that this tyrant did it. What? Roger B. Taney remove the deposits? No, no, it was the President that removed them; and R. B. Taney had no more to do with it—no more hand in the removal, than the pen with which he signed the order.

Fortunately for himself, and for the country, the character of the Secretary was such as to require no eulogy here to establish his moral standing, and to show that he was not a man to lend himself to be a mere tool and an instrument to any power. He (Mr. P.) would assert, and he made the statement on authority, that the opinion of Mr. Taney had been given, in writing, while he was Attorney General, so long ago as March last, advising that the public deposits should then be removed. As the Attorney General of the United States, he was called on during the past spring by the President of the United States, for his opinion in writing upon this very question. That opinion he had, at that time, given. He had given it upon his constitutional responsibility as a cabinet minister, and one of the confidential advisers of the President. When he came into the Treasury Department, he continued to be of the same opinion, which he had before honestly given. When Mr. Duane, therefore, was dismissed, and Mr. Taney was appointed to be his successor in the Treasury, this was a question on which his mind had been previously made up. He could not then be justly designated, as he had been designated, the miserable instrument of tyranny, and crawling in his own slime at the footstool of power. [Mr. McDermott here disavowed the application of such epithets to the Secretary of the Treasury.] He was happy to hear that the gentleman from South Carolina did not apply this language to the Secretary. He had so understood him, but was happy that the gentleman disavowed intending to apply them to the Secretary. He had certainly used those epithets as applicable to some one. The Secretary had deliberately considered the subject, and was not to be regarded as a mere instrument to carry out the purposes of the Executive, but as consummating a measure which he had himself weighed and advised, and in relation to which his opinions coincided with those of the President.

It had been said that the contract entered into by the Government with the United States Bank, was violated by the removal of the deposits. The general tenor of the argument on the other side was, that the contract had been violated because the President had committed the act, and not the Secretary. The fact was, that the Secretary had

removed the deposits, acting in perfect unison with the sentiments of the President. How had the contract been violated? It was a part of the contract that the Secretary of the Treasury might remove the deposits whenever he pleased. That was a part of the contract. It was expressly stated in the contract that the Secretary should have the right to remove the deposits, and to this, as well as to every other part of the contract, the Bank agreed, when it accepted the charter.

There was another part of the contract, to which the House might refer. By the 14th section of the act of charter, it was agreed on the part of the Government that the notes of the United States Bank should be received in payment of the revenue, 'unless otherwise directed by act of Congress.' To this part of the contract, also, the Bank agreed. On the other hand, the Bank of the United States stipulated to transfer public moneys from point to point. The Government thus agreed to receive the notes of the Bank in payment of the public revenue.— Suppose that Congress pass a law, prohibiting the receipt of these notes. Did any one doubt that Congress had a right to do this without consulting the Bank, and without being subject to the charge of violation of contract, if, in their opinion, the public interests required the prohibition. Congress might pass a law refusing to receive the notes of the Bank in payment of revenue, without assigning to the Bank any reason for the act, and it would be no violation of the contract. Yet this was as much a contract, as any other provision in the charter.

He would request the attention of the House, before he came to an examination of the reasons of the Secretary, while he put out of the way a charge which had been made against the existing administration of the Government, in a celebrated paper which had been put in circulation by the United States Bank, and which he would not have noticed, had not something like it been stated by the gentleman from South Carolina.

Mr. POLK here read an extract from the Bank manifesto, as follows:

'It was in the midst of this career of inoffensive usefulness, when, soon after the accession to power of the present Executive, the purpose was distinctly revealed that other duties than those to the country were required, and that it was necessary for the bank, in administering its affairs, to consult the political views of those who had now obtained the ascendancy in the Executive.'

Now, said Mr. P. I pronounce all this to be false, and I challenge the proof. Sir, it cannot be produced. Shortly after the present Executive came into power, the Bank and its advocates untruly aver, that he commenced this war of persecution, which is said to have recoiled so strongly on the Government. In his first message to Congress, the President had committed the heinous sin, in the eyes of the Bank, of informing that body, that 'both the constitutionality and the expediency of the law creating this Bank, are well questioned by a large portion of our fellow citizens.' Was this a new view, one which the president had has-

tily and suddenly formed, as was insinuated by the Bank manifesto? It was very well known that the opinion of the President, adverse to the United States Bank, was not of recent origin. When the judgment of the Supreme Court, in the celebrated case of *McCulloch vs. the State of Maryland*, was pronounced, he entertained the same opinion. At the Hermitage, before he prepared his inaugural address, he had communicated his opinion—a fact which was susceptible of proof; but it was perhaps thought more appropriate that this well settled opinion of the President, should be communicated to Congress, in his first annual message, rather than in the inaugural address.— On this account it was not introduced in his inaugural address. The President, therefore, had acted throughout with perfect consistency; yet it had been falsely charged against him that he endeavored to negotiate with the Bank, and because he could not buy, determined to break it.

This was the charge which had been distinctly made against him in the public gazettes, and is here reiterated in the Bank manifesto. It had been alleged that the Secretary of the Treasury had, in the year 1829, enclosed a letter to the Bank of the United States, from Mr. Woodbury, complaining of the conduct of the President of the Bank at Portsmouth, N. Hampshire, the object of which it is now untruly said, was to make terms with the Bank. It was not ordinarily required to give proof of a negative, but from the correspondence itself between the President of the Bank and the Secretary of the Treasury, the contrary could be established. The Secretary of the Treasury had enclosed to the President of the Bank a letter from Mr. Woodbury, parts of which had been torn from their context, and made the ground of accusation.

He read to the House the following extract from the letter of Mr. Woodbury, to which he had referred:

'The objections to the continuance of Mr. Mason in office, are two-fold—first, the want of conciliatory manners, and intimate acquaintance with our business men, and, secondly, the fluctuating policy pursued, in relation to both loans and collections at the bank, together with the partiality and harshness that accompany them.'

In his letter to the President of the United States Bank, the Secretary of the Treasury had deemed it prudent to use the following language:

'Allow me, therefore, to assure you, that those charged with the administration of the Government, relying for support only on the intelligence which shall discern and justly appreciate the character of their acts, disclaim all desire to derive political aid through the operations of the Bank. And though under other circumstances than those which exist at present, such an avowal would be unnecessary, I find myself called upon explicitly to state, that they would learn with not less regret, than that which has prompted this communication, that any supposed political relationship, either favorable or adverse towards them, had operated with the Bank or any of its branches, either in granting or withholding pecuniary facilities, which, apart from that con-

consideration, would have been differently dispensed.

Mr. Biddle, in his reply to the Secretary of the Treasury, dated July 18th, 1829, says:

'Your own good judgment has indicated the true theory of administering the Bank, which is, as you justly state, that the bases of credit are to be found in integrity, industry, economy, skill, and capital, and that unity of action, which may be necessary to give efficiency to, and harmony in, the operations of a bank, is essentially secured by regarding these considerations also as constituting the proper claim to the benefits of its credit; and that moneyed institutions should not disturb the relations of property, by exerting their power in subservience to the passions or prejudices of local or party strife; and you add the very satisfactory assurance, that those who are charged with the administration of the Government, disclaim all desire to derive political aid through the operations of the Bank, and would learn with regret, that any supposed political relationship, either favorable or adverse to them, had operated with the Bank, or any of its branches, either in granting or withholding any pecuniary facilities, which, apart from that consideration, would have been differently dispensed.'

'These clear and sound principles contain the whole elements of the system of the Bank, and its true relation to the Government.'

In the subsequent correspondence, the Bank, through its President, made the insinuation which is now the subject of this false charge, and Mr. Ingham in reply to an insinuation so base and unfounded, indignantly repelled the imputations which were thrown out, saying, in effect, though not in terms, "It is false, and you knew it."

The language of the Secretary was as follows:

'Further reflection will enable you to perceive that you have gratuitously attributed to me, and, through me, to the administration, certain acts, without knowing whether we sanctioned them or not; and that you have unintentionally distorted, by partial quotations, the natural and obvious meaning of expressions in my former letter.' What then said the President of the United States Bank in reply? He apologized and took back the offensive expressions.

And the reply of the President of the Bank, dated October 9, 1829, was as follows:

'I had yesterday the honor of receiving, and have this day submitted to the Board of Directors, your letter of the 5th instant. They have instructed me to say in reply, that, observing, as they do with great pleasure, that the views which they thought disclosed in your previous correspondence, are disclaimed, the whole object of the Board, in renewing it, is accomplished; and you will have the goodness to consider the remarks bearing on the presumed assertion of those views as no longer applicable.'

Yes, (said Mr. P.) "as no longer applicable." Yet this stale charge was now trumped up by the Bank of the United States, in their manifesto, and thrust before Congress. He should have frequent occasion, before he concluded, to refer to this celebrated Bank manifesto.

(Here several gentlemen near Mr. P. suggested to him to give way for a motion to adjourn: the usual hour of adjournment having arrived.)

Mr. P. said he found it would be impossible for him to conclude his remarks to day, but he could not yield the floor, even for a motion to adjourn, without having first done an act of justice to the excellent man, the Secretary of the Treasury. The Secretary of the Treasury had been charged with misrepresentation, and intentional suppression of the truth, in the letter which he had communicated to Congress, assigning his reasons for the removal of the deposits. Now he pledged himself to the nation, when he should have an opportunity to resume the argument, to sustain, from the records of the Bank and the Treasury, the truth of every word contained in the report of the Secretary of the Treasury. He would show that the Secretary had been guilty of no falsehood, of no suppression. This he would undertake to show in the progress of his argument. He would prove it from the documents furnished by the Bank itself, and if these were false, then the Bank had deceived the Treasury. All who were acquainted with the Secretary, well know that he was incapable of deception; and it was with great pain that he had heard a charge made against him, of intentional misrepresentation. He hoped that the gentlemen who had made the accusation would be ready to withdraw it.

Here Mr. POLK gave way to a motion to adjourn.

On motion of Mr. CLAY, the House then adjourned.

THURSDAY, JANUARY 2.

Mr. POLK rose and said: When I had the honor to address the House a few days ago, I endeavored to establish, by argument and from authority, that in removing the late Secretary of the Treasury from office, the President of the United States had exercised only the ordinary power conferred on him by the constitution, a power repeatedly exercised by all his predecessors, from the foundation of the government, and fully sanctioned by precedent; and I also endeavored to establish, from reason and usage, that the present Secretary of the Treasury, in ordering the removal of the public deposits from the Bank of the United States, had done nothing that was novel or unprecedented, but had exerted a power over the funds of the government conferred upon him by law, and which his predecessors had repeatedly exercised.

I shall now, with what brevity I may, proceed to examine the reasons adduced by the Secretary of the Treasury for the removal of the public deposits from the Bank of the United States, together with the objections which have been urged against the exercise of the power which he has assumed.

The first objection we have heard is of a popular character, and is one which, at first view, might seem to have something in it; it is, that the removal was ordered only sixty days previous to the meeting of Congress. Why, it is asked, did the Secretary wait? Why did he not submit the question of this moment to the Representatives

the People? This seems specious. But, let it be remembered, that Congress, by the charter of the Bank, had divested itself of all power or controul over the public deposits, and had vested it exclusively in the Secretary of the Treasury; and, therefore, had Congress been in session at the time the order was given, it would have had no power to interfere. Why, then, ought the Secretary to have waited? And for what? To send a letter to Congress, and ask our advice? Sir, would he not have been laughed to scorn, had he taken such a course? Would it not have been said—why, here is a high financial officer of the government who fears to take the responsibility which the law devolves upon him, and who applies to others to stand before him as his shield while in the discharge of his duty? Sir, it would justly have been said. But, had he done so, the deposits could not have been removed until he decided to give the order. Congress could not do it. His reasons for removing them are required by the charter to be given to Congress, not *prior* but *subsequent* to the order of removal. What better time could he have selected than the one he did select? Had he removed the deposits three days after Congress had adjourned at the last session, we should have been told that he had only waited till the Representatives of the People had dispersed, and when many months must necessarily elapse before his reasons for the act could be submitted to them; and this would have been said with still more reason than the objection as to time which is now urged.

Suppose again that he had waited until three days after Congress had assembled. The popular argument then would have been (though there would have been nothing in it) that here we had a mere Secretary, in the very face of the People's Representatives, venturing, without their concurrence or advice, upon this high handed measure, (for such it would have been called.) So that, as it seems to me, objections as to the *time* of the removal might have been urged with equal, if not with greater force, had any other period been selected than that which was actually chosen for the removal. I think that the time selected was a fortunate one: it enabled the People, whose Representatives we are, to consider the subject, and to give at least some expression of their will to those whom they should send here. Here are Representatives from all portions of the Union, who have now an opportunity of bringing with them some expression of the public sentiment on the measure. So much for this objection, which, to a merely casual observer, might appear to have more in it than it really contains.

I come now to what the Secretary gives as his first reason for this measure, viz: the probable expiration of the Bank Charter two years hence. It was no part of the Government's contract with the Bank that the deposits should remain in its custody during the whole period of its existence: on the contrary, it was expressly stipulated that they might be withdrawn by the Secretary at will. It was a power expressly reserved to the Secretary. Nor did the act require any particular contingency to justify the exercise of the power; it was confided to the discre-

tion of the Secretary. It was not necessary, to render the removal lawful, that the deposits should be unsafe in the hands of the Bank; other reasons might justify it. This was conceded in the argument of the gentleman from South Carolina—he granted that there might be other sufficient reasons for such a measure. The Secretary has assigned as one reason, the probable expiration of the Bank charter in 1836, and the necessity, in anticipation of the state of things which must necessarily take place at that time, of providing a currency for the public use, and a place of safe keeping for the public moneys, without disturbing the channels of trade, or occasioning the great shock to the country which would otherwise be inevitable. Sir, the gentleman from South Carolina has not attempted to meet the argument of the Secretary. His whole argument is based on the assumption that the Bank charter is to be renewed.

The gentleman spoke of the embarrassments of the country, the depreciated currency, the condition of things in 1817 and '18, and what would be the state of the currency if there were no Bank of the United States. The Secretary proceeds on a different assumption—he supposes that the Bank is not to be re-chartered. He considers himself bound to take the laws as they are; in addition to which, he has the further ground of the public sentiment to a pretty great extent. On that point, I may boldly appeal to gentlemen here. Sir, how many of these Representatives of the People's will do believe that the Bank will be re-chartered? How many, with the knowledge they possess of the public opinion, will express such a belief? But few gentlemen on this floor will stake their reputation on such an opinion. The difference between the Secretary and the gentleman from South Carolina lies in this: that the one assumes that the Bank is to be re-chartered, and the other the contrary—which has the right of the question? Time must determine. The state of public opinion we all know. If the Bank is not to be re-chartered, then I ask when could the deposits have been removed at a better time than now? Sir, the argument of the gentleman amounts to an assumption that the Bank charter is to be perpetual. But, it is said that the removal of the deposits has been productive of great distress, and an unusual pecuniary pressure. I shall controvert that position; but, admitting it to be true, I ask, at what time would their removal have been productive of less? If this Bank is to expire, if it is not to be re-chartered, and if the deposits must have been withdrawn at some time, I beg gentlemen to point to the time when the pressure (which they assume to be the effect of the withdrawal alone) would have been any less than it is now? Nay, Sir, when would it not have been *greater* than it is now? Will gentlemen answer, that the removal should have been postponed until at the moment when the Bank charter shall expire? What, Sir? When the eighteen or nineteen millions of its circulation shall all be returning upon the Bank, and the institution shall be in the act of winding up its affairs and calling in its vast debt? Would less pressure be caused then?

But, Sir, on this subject of pecuniary pressure let me call the attention of the House to the actual state of facts. It appears from the statement of the Secretary of the Treasury, and his statement is verified by the Bank returns themselves, that although the charter of the Bank was about to expire in 1836, yet the Bank continued to extend its discounts, and had actually increased its loans from the 1st December, 1832, to the 1st August, 1833, the sum of \$2,588,723 48. For reasons best known to the Bank, about the 1st of August last, the policy of the institution was totally changed, and a curtailment of its accommodations took place, more rapid than had ever been known since it went into operation, and a proportionate pressure was felt throughout the country. But to be more accurate, and I feel this the more necessary, because the gentleman from South Carolina, in no very measured terms, had charged the Secretary, in his report to this House, with being guilty of a misrepresentation, and of a gross attempt to impose upon Congress. Now, Sir, I stand before this House and the nation, pledged to prove to the satisfaction of every human being that the statement of the Secretary of the Treasury is true to the letter.

The statement of the Secretary is, that the curtailments of the discounts of the Bank from August 1, to October 1, 1833, amounted to \$4,066,146 21. I have here before me the returns of the Bank, and they show the statement to be accurate to a cent, according to the Bank's own statement.

The Bank statement before me shows, that the curtailment from the 2d August to the 2d October, were of notes discounted	1,010,830 72
Of domestic bills of exchange discounted,	3,555,315 49
Making,	4,066,146 21

being the precise amount stated by the Secretary. The Secretary attempts, and in point of fact has made no misstatement. He expressly says, that the amount consisted "of loans and domestic bills." But the gentleman from South Carolina insists that domestic bills are not to be considered as discounts. A strange doctrine indeed, and totally new. The statement of the Bank itself, shows the amount of domestic bills discounted in a single year, to be forty-eight millions of dollars; and yet the gentleman will have it that these are not discounts.

The fact is, that the business done by banks, in domestic bills, is generally the most profitable; for in addition to interest, they are entitled to receive the premium usually paid as exchange between one city and another, and this profit is too often greatly increased, by the practice of drawing and redrawing, a business done to a great extent by the Bank of the United States, and its branches, as established by evidence before a Committee of Congress, during the last session. Sir, it is the favorite business of the Bank, because the most profitable, and because loans of this character can the more easily be converted into cash. The system was thus illustrated: a merchant in Boston had sold his draft on New Orleans, discounted by the Bank: to pay this draft at maturity, it some-

times happened, that a re-draft on Boston would be negotiated, and thus a double exchange, amounting to 1 or 2 per cent., would accrue to the Bank, in addition to the legal interest. It often happened that a note discounted, was taken up by a draft, and a draft by a note discounted, both equally constituting the loan and discount business of the Bank—one being as much a loan from the Bank as the other. I thought this was so clear and settled a principle, that I could not have supposed it was necessary to enter into any explanation about it. The President of the Bank, in his letter of 16th April, 1832, himself states to the Committee of Investigation, that the domestic bill business amounted to 48,562,185 31, in a single year, (1831). These, in fact, constitute the larger portion of the loans of the Bank; but the gentleman will have it, that they are not discounts. Sir, it is an established principle with all merchants, that every dollar which goes out is a debt, and every dollar which comes in, a credit. So every dollar that goes out of the bank, whether for notes discounted or bills discounted, is a loan to the community, and the one as much a loan as the other.

But it is said by the gentleman from South Carolina, that the Secretary of the Treasury has been guilty of a gross attempt to impose upon Congress, by misrepresenting the amount of curtailments by the Bank, during the months of August and September. What the Secretary states on this point is, that the receipts into the Treasury during those months had been unusually large, and that in consequence of this the amount of the public deposits in the Bank of the United States had increased \$2,268,504 11 in addition to its increase of means by its curtailments of more than four millions of dollars, making the aggregate amount, thus collected from the community, \$6,334,650 32. Well, sir, is this not true? The Bank had increased its means, and could have accommodated the community, by discounting to, at the least, the extent of the increase of the public deposits. Instead of this, it had curtailed its discounts within the same period \$4,066,000. And, sir, is there here any misstatement? Has not the Secretary of the Treasury stated the fact as it is? The terms of censure which the gentleman has applied to the Secretary, were unmeasured, and not expected. If they had not been made, sir, I should not have troubled the House with these statements taken from the Bank documents now before me.

The gentleman from South Carolina went on to say, sir, that he never in his life had seen so uncandid, so unfair, and jesuitical a statement for the purpose of throwing the blame of the existing pressure upon the Bank of the United States, than that of the Secretary of the Treasury. Sir, said Mr. P., the Government did not make the curtailment of discounts. If there be any pressure in consequence of it, then the responsibility for it must rest with the Bank, which did make it.—The Secretary states that there was no occasion for the Bank to have produced this pressure, or pursued this grinding policy; but that, with accumulated deposits, and an unusual amount of specie, it was in its power to have accommodated the community, and sustained it against the

pressure. The Bank, if its own statement be true, was under no necessity to make the rapid curtailment it has made. On the 1st of October, the Bank had on hand of specie, \$10,663,000, having increased its specie \$640,000 within the two months preceding, and this taken chiefly from the State Banks. Mr. Biddle, in his letter of April, 1832, speaks of the Bank having parted with its surplus specie to the amount of five millions. According to the view which he there takes of it, all over \$6,700,000 of specie, on hand on the 1st of the preceding March, was surplus: and yet the Bank continued to collect specie from the State Banks, at the same time that it made its own excessive curtailments, until it had on hand \$10,600,000 of specie, being a surplus of \$3,863,687 88 more than the president of the Bank said in 1832 were its want. The Secretary of the Treasury expresses the opinion that, in the months of August and September, the curtailments by the Bank of the United States and State Banks did not fall much short of nine millions of dollars; and he makes a prediction, further, that in two months more the additional curtailment by the Bank of the United States would have been five millions, and by the State Banks an equal amount, and that this curtailment from the 1st of August to the 1st of December, to the aggregate of nineteen millions of dollars, would have almost put an end to the course of trade. And, sir, the Secretary has predicted admirably what would have been the consequence, if the deposits had not been removed when they were. We find that the curtailment, by the Bank of the United States, during the months of October and November, amounted to \$5,461,098 26, of which the notes discounted amounted to more than three millions of dollars, and of bills more than two millions.— This amount of curtailment, added to the curtailments in August and September, made an aggregate curtailment in the four months by the Bank of the United States, of \$9,707,244 37.

If the State Banks had, as they probably would have done, but for the transfer of the deposits, curtailed their discounts in the same proportion, the whole curtailment in the four months would not have fallen much short of the amount predicted by the Secretary. The Government deposits in the State Banks, however, have enabled them, *pro tanto*, to mitigate the pressure: but, so far as concerns the Bank of the United States, not a dollar has been permitted to come out of its vaults to relieve the community.

As to the existing pressure, Mr. P. said, it had been produced by the Bank of the U. S. itself, by its sudden curtailments; by which it had sought to produce a panic, and to make the people believe that the pressure which they feel is the consequence of the removal of the deposits from that Bank. To make this pressure felt the more, Mr. P. said, the curtailments had been in a great degree local, confined to the commercial cities. We find, said he, that, shortly before Congress met, as stated by the Government Directors, the Bank of the United States, or rather a secret committee of that Bank, instructed the western branches to buy in no bills of exchange but those on the Atlantic cities, having ninety days to run, so as to

produce a local pressure, first at New York, then at Philadelphia probably; and next in the order of time, I doubt not, Baltimore is to be visited by it.

What, Sir, is the operation of this business of discounting bills of exchange, which the gentleman from South Carolina cannot conceive to be a part of the loans of the Bank? Let me again refer, upon this point, to the letter of Mr. Biddle, in April, 1832, where he says: 'It may not be uninteresting to illustrate this movement of the internal exchanges, by showing the points from which this \$20,776,916 of bills come, and where they are tending. This will be seen in the annexed table, marked A: among the objects of interest presented in it, it will be seen that the amount of bills from the waters of the Mississippi amount to \$10,212,905, and that the amount payable within an average, probably, of sixty days, at New York, is \$4,096,410; and at Baltimore, Philadelphia, Providence, and Boston, \$4,387,059, making an aggregate of \$8,483,469. The extent of these operations, during the last year, amounted to \$48,562,185 32; one half nearly of this vast amount being payable in the city of New York, and nearly all the residue in Baltimore, Philadelphia, Providence, and Boston.

Sir, the bank statements do not show where the bills purchased by it are payable, but only the aggregate amounts, purchased at particular places and dates. But we have conclusive evidence before us that the Bank timed exactly its reduction, so as to produce a local pressure in the commercial cities about the meeting of Congress, in order to induce the State Banks to come forward and appeal to Congress, as has been done by the very same Banks, and using the same arguments, as two years ago memorialized us in favor of a re-charter of the Bank of the United States. Yes, Sir, the State Banks and the whole mercantile community are to be pressed upon to come forward and solicit for the Bank of the United States an extension of its monopoly. If you will turn to the memorial from these Banks two years ago, you will perceive the exact similitude of the language employed then and now, the same commonplaces about a sound currency, and all that; and that the country cannot exist without a Bank, &c. With respect to this pressure, Sir, it is impossible that the mere removal of the deposits can have produced it. If the amount of these deposits had been annihilated, it could not have produced it. The curtailments by the Bank of the United States, since the first of August, have in fact been greater than the whole amount of the public deposits; it has withdrawn from the business of the country, in this way, more, by one and a half million of dollars, than the whole amount of the Government deposits.

It cannot be objected to the local Banks that they have created the pressure, because they are but protecting themselves from the effect of the excessive curtailments by the Bank of the United States. The mere transfer of the public moneys could not have produced the pressure. Has the money been exported? Is it not still in the country? If the Bank of the United States had not intended by the course which it has pursued, to

make the pressure felt, to produce an alarm, and induce the Representatives of the People to do what their deliberate judgment does not approve, the simple transfer of the public moneys from that Bank to other Banks, would have produced no shock at all. What is the effect of the transfer of the deposits? Why, you do diminish, to a certain extent, the ability of one Bank, but, at the same time that you do it, you enhance the ability of a Bank across the street to ease the pressure, &c. It seemed (Mr. P. said) to him idle to argue that, under ordinary circumstances, the removal of the deposits would necessarily have produced any pressure.

But, Sir, I have not yet done with this business of the Domestic Bills of Exchange and their curtailment. According to the statement of that portion of the Board of Directors of the Bank of the United States, who are placed there as public sentinels, it appears that on the 13th of August, (mark the time when these operations commenced!) the following resolution was adopted:

Resolved, That, for the present, and until the further order of the Board, the amount of bills discounted shall not be increased at the Bank and the several offices. That the bills of exchange purchased at the Bank and all the offices, except the five Western offices, shall not have more than ninety days to run. *That the five Western offices be instructed to purchase no bills of exchange, except those payable in the Atlantic cities, not having more than ninety days to run, or those which may be received in payment of existing debts to the Bank and the offices, and then not having more than four months to run.*

These bills of exchange, Sir, it seems, though not discounts, according to the argument of the member from South Carolina, may be received in payment of notes discounted. It cannot escape the attention of the House, too, that by this order, of the parent Bank the bills purchased by the western offices, after August last, were to be payable only in the Atlantic cities, and were to have not more than 90 days to run—so that they would be falling due about the time Congress assembled; and when they fall due, the Bank suddenly makes a rapid curtailment, and withholds from those who have to pay them, the usual facilities which it had been in the habit of affording them. Can we then be at a loss to perceive the true cause of the pressure in the money market?

We perceived at once, in this measure, (say the Government Directors,) the commencement of a system of reduction, in conducting which, wisely and impartially, the welfare of the whole community was involved. Believing that this measure was not only precipitate, but partial, and that it would lead to curtailments unequal and oppressive, and entertaining the opinion that a system might easily be formed on a just basis, we offered the following resolutions:

Whereas a resolution was adopted on the 7th May last, instructing the Committee on the state of the Bank to report to the Board a scale of reduction in the business of the institution, and no report has been made in pursuance thereof: And whereas a resolution, passed at the last meeting, which places certain restric-

tions on the business of the institution, confines the same to five of the Western offices:

Resolved, 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.

This plan, which would have prevented an oppressive and partial system of curtailment, confined to particular portions of the country, and exerted at particular times—which would have given to the subject full and fair consideration; and which, above all, would have enabled every member of the Board to exercise his deliberate judgment, was, as usual, rejected.

Well, Sir, another attempt was made towards averting or relieving the impending pressure, by moving the adoption of the following:

Whereas the pressure of the commercial community at this time may be removed by a liberal spirit of accommodation on the part of the banks generally: And whereas the State banks complain that, in consequence of the balances being largely in favor of the Bank of the United States, they are unable to afford the necessary facilities to their customers, without subjecting themselves to increased demands from this bank. And whereas it is believed that, were the banks in this District to extend their loans twenty per cent. beyond the income for a period of thirty days, it would relieve the money market, restore confidence, and have a salutary effect on the industry and enterprise of our citizens:

Therefore, Resolved, That a committee of three be appointed, to confer with similar committees that may be appointed by the other banks, for the purpose of uniting in some arrangement to carry into effect the object of the foregoing preamble; and the Cashier be requested to send copies of the above to the Presidents and Directors of the other Banks, with a request that their determination on the subject may be communicated as early as practicable.

This, too, Sir, was voted down, like the other. What next follows?

A series of resolutions (say these Directors) were adopted for reducing the business of the institution, and authority was given to the Committee on the offices, which is appointed by the President alone, to modify them in such manner as they should deem expedient; and, eventually that Committee was authorized to direct such measures, for the general reduction of the business of the Bank, as they should think best. We offered as an amendment to the resolution, giving to a committee this extraordinary power, a request, that they should report to the Board such measures as they directed. This request was rejected by the usual vote. It is of course, impossible for us to know by what principles of policy the committee have been governed. Its proceedings are secret, and we can only ascertain, at intervals, some of the results to which they lead.

So, Sir, here is the Bank of the United States producing an excessive pressure upon the community, delegating power for that purpose to a secret committee; which committee is prohibited, or rather is not directed, to report to the Directors at all. Your Directors had as well not be at the Board of the Bank as to be thus denied any means of knowing what is going on in the Bank but through information received out of doors.

It will thus be seen, (further say the Government Directors,) that while the unlimited authority of the President to expend the funds of the Bank had been deliberately confirmed; and while the Committee on Exchange, selected and appointed by him had been officially permitted to discount notes and carry on the proper business of the Board; now, in addition to all this, the measures of the institution, in the regulation of its vast business at this most important crisis, were entrusted to the Committee on the Offices also selected and appointed by the President, accompanied by an explicit refusal to require them to report any of their acts to the Board.

Is it wonderful, (said Mr. Polk,) after reading this testimony as to the course of the Bank, that there is a local pressure? What are this secret committee doing? What plan of operations have they adopted? What and where are curtailments to be made? And where not? And where are domestic bills of exchange purchased to be made payable? A year ago, eight millions of these bills were payable within sixty days in the Atlantic cities, and four millions of them at New York alone. What is the amount payable within the next sixty days, and where is it payable? — Although the Government is so large a stockholder, and has its Directors at the Board charged with the care of its interests, they know nothing of all these operations, and they have no power by which they can obtain the knowledge. The reason of the distress of which we hear, is palpably not the removal of the Government deposits, but the oppression of the Bank of the United States itself. It operates, by its power, to alarm and oppress the people, to answer its own purposes; and that is the operation now going on.

Mr. P. said he would next proceed to consider the statement as made by the Secretary of the Treasury, in his letter in relation to the unprecedented extension of the business of the Bank, from the 31st December, 1830, to the 1st May, 1832; in regard to which the honorable member from South Carolina had thought proper to attribute to the Secretary of the Treasury the charge of "intentional misrepresentation," whilst he was prepared, by the Bank's monthly statements, to shew that the Secretary had in fact stated nothing but what the records of the Bank itself fully prove. What has the Secretary stated? He has stated, that it appeared in the documents heretofore laid before Congress, that between the 31st Dec. 1830, and 1st May, 1832, (a period of sixteen months) the discounts of the Bank had increased from \$42,402,394 24 to the sum of \$70,428,070 72, being an increase of the discounts of the Bank, within that period, of \$28,025,766 48. The manifesto issued by the Bank, which I hold in my hand, denies the correctness of this statement; and the gentleman

from South Carolina, taking it, I presume, for granted that the statement contained in that manifesto was true, has also denied the correctness of this statement. The gentleman has been pleased, in very harsh terms, to charge the Secretary with suppression of the truth, and intentional misrepresentation. Now, Sir, the best vindication I have to offer for the Secretary, is, to produce the record itself, from which the Secretary had made the statement. Here it is; it is the statement of the Bank itself, made to the committee of investigation in 1832. At page 329 of the volume containing the report of that committee and the documents accompanying it, will be found the report from the Bank to which I refer. It there appears, and any gentleman can examine it for himself that chooses to do so, that the total discounts and bills of the Bank, loaned to the community, on the 31st December, 1830, was \$42,402,394 24, and on the 1st May, 1832, was \$70,428,070 72, being the precise amount, at these respective periods, as stated by the Secretary of the Treasury. These statements were made by the Bank itself, and if they contained any misrepresentation or falsehood, the Bank itself had furnished them. The gentleman from South Carolina says that here is a gross misrepresentation; and how does he attempt to prove it? Why, he says that the notes discounted at the Bank on the 31st December, 1830, were 33,000,000, and on the 1st May, 1832, were 47,000,000. This excludes the domestic bill business, and the gentleman himself could not well avoid conceding, that if the discounts by domestic bills, as well as the loans on notes, were to be included, that the statement of the Secretary was true. But he charges the Secretary with suppressing the fact, that the Bank, on the 1st January, 1831, owned eight millions of the debt of the Government, and that in May, 1832, it had been paid off, and that the Bank had, within the same period, collected two millions from Europe. Now, Sir, I affirm, that the Secretary has been guilty of no suppression of fact. The Secretary was stating the enormous extension of the business of the Bank, and the Bank statements, to which I have referred shew that he stated them correctly. The Secretary was not considering, or professing to state, what debts the Bank may have collected. If in fact the Bank, in the mean time, had collected in any of its debts, it would only prove that the means of the Bank had, *pro tanto*, increased. The Secretary was stating the rapid extension of the business of the Bank, and was not considering the means which it had to meet them. The gentleman might as well charge the Secretary with suppression of facts, because he did not in his letter state the value of the banking houses owned by or under mortgage to the Bank; he might as well charge him with suppression because he did not in that letter state the amount of individual deposits, and of public deposits, which the Bank held at these respective periods, and upon which, being means in its hands, it might trade or extend its business; none of these came legitimately within the scope or object of the statement which he was making to Congress. The truth is, before the *five per cents.* owned by the Bank were paid

off by the Government, the Bank had the use of the public funds to a greater amount than she held of the public stocks. When the payment was made, the money was simply transferred from the credit of the U. States to the credit of the Bank; but the funds were before, as well as subsequent to the payment, in possession of the Bank, and subject to its use. The public deposits in January, 1831, exceeded nine millions; in May, 1832, was upwards of ten millions, and at no period between these dates were they less than seven millions. Notwithstanding the fact, clearly proved by the record evidence of the Bank itself—and I challenge any gentleman to controvert or deny it—the gentleman from South Carolina charges the Secretary with intentional jesuitical misrepresentation, and suppression of the truth. These were certainly round charges and boldly made, and the best answer, as I have already stated, is the proof which I now hold in my hand—the public documents from the Bank itself—in which every statement made by the Secretary was sustained, and no man can controvert their truth.— But the gentleman not being enabled to disprove the statement of the Secretary of the Treasury, as to the excessive increase of the business of the Bank, during that period, has an apology to offer for the Bank for this vast extension of its business; and what is that apology? Why, that 1831 was a year of unusually large importations; that the country had contracted a large debt in Europe, and that there was great commercial distress in the country. The Bank, he says, stepped in and extended its business to save the country, and to do that which the Government ought to have done. I know not what this means, unless that the Government had, against the judgment of the Bank, directed its public debt to be paid. The Government had certainly neither made the importations nor made the commercial distress.

But it was said by the member from S. C. that, in that year, there was an immense and increasing importation of goods from abroad, which made it necessary for the Bank to extend its business to enable the merchants to sustain themselves and the credit of the country. Well, if this was a good and sufficient reason for increasing the accommodation afforded by the Bank, to the amount of 28 millions in sixteen months—would it not seem as a natural consequence, that a still further increased importation would make it incumbent on the Bank to extend similar accommodations to the importing merchants. Was that however the case? No, it would be seen by the annual report of the Secretary on the state of the finances, that the importations for the year ending 30th September, 1833, exceed that of 1831, by more than 8 millions, and that by the cash duties, as well as bonds payable at the same time, the country stood more in need of accommodation. Notwithstanding this, it was at this very time, and under such circumstances, that the Bank of the United States had commenced its career of persecution, and had begun to turn its relentless screws upon the community. In 1831 it was a good reason to extend—in 1833, according to the gentleman, it was a good reason to curtail. What the object of the Bank was in adopting such

a course was clearly apparent. He maintained it was altogether of a political character; for by thus extending their accommodations, they, at the very moment when they were petitioning Congress for a renewal of their charter, were enlarging their business, in order to bring the entire country into their debt, and thus create an influence, which they sought, as necessary to their future existence.

That the object was political, and not to relieve the country, as is supposed by the gentleman, appears from the fact that the extension of the business of the bank, during 1831, and up to May 1832, was chiefly in the western states, and could not therefore have been to relieve the importing merchants of the Atlantic cities, who had created the debt abroad. These large issues immediately preceded the contested Presidential election, and whilst they were making, the Bank presented its petition to be rechartered in December, 1831, and it is manifest that the object was political, and to procure a re-charter.

It was not to the individual political opinions of the officers of the Bank that any objection was made, but to the corrupt use of its corporate wealth as a political engine; the gentleman chose to suppose that the objection as to the interference of the Bank was as to the personal election of the present Chief Magistrate, and he asked if the officers of the Bank were to be disfranchised, if they must stand mute in the presence of majesty? No one, neither the President nor any one else has ever maintained that the officers of the Bank had not equal rights to the free exercise of their political opinions as other citizens; but the objection was, that the Bank, as a great, irresponsible, moneyed aristocracy, should throw itself into the political arena, and endeavor to use its money to control and influence party politics.

The present Bank has followed the example of the former Bank of the United States. What was the charge against the old Bank of the United States? Why, that it was deemed a prostituted engine of political party, that it had arrayed itself against the policy of Madison—was identified and took part with the party opposed to all those measures of restriction, which immediately preceded the war. In the debates of the session of 1810 and 1811, upon the question of renewing the charter of the old Bank, it fully appeared that these charges were made; and that it had palpably identified itself with a political faction which was dangerous to the country. In that debate

‘It was depicted both in the Senate and House
‘of Representatives as a prostituted machine
‘of political party, *partial* in allowing discounts
‘to those who professed the favorite tenets,
‘influencing elections and jeopardizing the
‘liberties of the land; it was said the influence
‘of this Bank was palpable and notorious, and
‘although these charges were encountered at the
‘time, by prodigal assertions of purity and ex-
‘emption from politics, all the vividly described
‘dangers of demolition were boldly hazarded
‘rather than prolong for mere financial facilities,
‘the existence of a corporation whose alleged
‘operations were in steady hostility to the mea-

'sures of the Government and subversive of 'practical freedom.'

From the debates, it thus appeared that that bank had identified itself with the aristocracy of that day, and was supporting those who were in array against the republican Government of the times, and this was the principal objection formerly raised to the rechartering of that institution. The present bank he had reason to believe was following the steps of its great prototype and had been also identifying itself with a political party.

But this institution never would have been chartered, if the country, with their past experience of the evils of the old bank, had not as they thought, guarded sufficiently against a recurrence of similar acts. No, they deemed themselves safe. When they reserved the right of appointing Government Directors, whose duty it was to communicate to Government, any and all instances of malpractices, by which it could be ascertained that the bank was lending itself or becoming a political engine.

Have we not now stated to us by these Government Directors, that the bank has been guilty of these very crimes, and that though chosen for the purpose of seeing to the interest of the public, as identified with the bank, that they have been excluded from all knowledge of their principal transactions? The present bank had even outstripped the former; for what did they see? Why that it openly avowed practices of which the old bank was only suspected, and that it had used its corporate funds for corrupt purposes. But this corrupt use of their corporate funds, which was the heavy charge against the Bank, was now attempted to be justified, on the ground that the public money had been thus used by the Bank, as a means of defence! For defence! Sir, and defence against whom? Forspoth, a defence against a public functionary, who happened to think that the whole concern was rotten to the core—that 't was unconstitutional, and should not be allowed longer to exist.

Mr. P. would undertake to say, that the Bank had not only thus used its funds for corrupt purposes, but they had endeavored to conceal the uses to which they had applied them, even so far as to make a misstatement of facts to Congress on this very point. The paper in his hand, would show that he made not this direct charge upon light authority. He charged that the true account of its secret expenditure had been withheld, and that large sums had been used to control elections. The paper would show that in answer to a call by the Senate in 1832, for information as to the amount expended in printing, the President of the Bank states, in a letter to the Senate 29th Feb. 1832, the whole sum expended in 1831 for printing, to be \$9,755 94. [See 2d vol. of Senate Documents, No. 98, page 40.] This letter of the President of the Bank, contained the official statement of the Bank to the Senate in 1832, and from that statement it appears that the amount expended for printing in 1831, was \$9,755 94. The Government Directors recently, however, discovered, by the merest accident, that the charge made for printing and circulating political essays for that year,

was a much greater sum. This they reported to the President. The Bank issues its manifesto, and if that manifesto be not authentic, I call on the member from Philadelphia, to rise in his place and say so. In that manifesto, issued to vindicate itself, the amount of printing for 1831, and for circulating political pamphlets and essays, was stated by the Bank to be \$43,204 79, making a difference under the head of printing, between the statement of this manifesto and the report to the Senate in 1832, of \$33,448 85, and deducting the amount paid for books and stationery, thus presenting it in the most favorable point of view to the Bank, shewing a difference—in the statement for printing alone for 1831—of \$11,952 59.

Why had the Bank thus concealed and misstated that expenditure to the Senate in 1832? Why did they not give the whole truth? Either the Bank manifesto or the letter to the Senate, must be false. Both cannot be true. Here were the two books, shewing that such misstatements were made, and 'tis for the Bank or its friends to reconcile, if they can do so, their contradictory statements.

Mr. P. averred further, on the authority of the Government directors, that this corrupt expenditure and misstatement had only come to light by the merest accident. But then, all this expenditure was said to be "for defence." That we may understand for what sort of defence this expenditure was made, we should examine into the items of the account. Well! What was the first? Amongst others admitted by the Bank to have been circulated as it stated "for defence," is a pamphlet entitled 'Review of the Veto,' issued and circulated prior to the presidential election in 1832. From it I read an extract—

'He [the President of the United States] has wrought an entire revolution in the government. He has concentrated in himself all the power which the constitution designed to divide among the co-ordinate branches. He practically nullifies the power of Congress, the authority of the Court, the will of the people, and the rights of majorities. He destroys the principle of representation and defeats the objects of public discussion, the advantages of local information, and all the benefits of a comparison and compromise of opinions and interests.'

Speaking of the Veto, it says—

'It is presumptuously put forth, against the public sentiment and the public interest—in the face of the highest authority and most approved precedent; it is founded in fallacies the most pernicious, in doctrines the most detestable, in principles the most dangerous, and must lead to consequences, both by its example and its influence, the most disastrous.'

'It tends to a total revolution, if not dissolution of government: an assumption of all power in the executive; a total disregard of the rights of majorities, or the will of the people; a denial of all power in Congress, and of all authority in the courts; all the balances of the constitution are destroyed, and all the connexion, dependence, and subordination of the parts is lost.'

'While the states deny the most essential pow-

ers to the government, and the President interdicts the most wholesome laws, the constitution becomes a dead letter, the executive the only power, the election of the chief magistrate the principal end, and the "SPOILS OF VICTORY" the only object of government.

It is time to pause, examine our position, review our principles, and question our rulers.

Let us see if this is the true construction of the constitution, and the just interpretation of the power of the executive. Let us inquire if he has consulted the real interest of the country, or sacrificed it to ambition.

Let us see whether this institution, connected with all the affairs of government, and with all the pursuits of society—a bond that united in one comprehensive system all the various interests of industry, and all the dependencies of commerce; has not been wantonly sacrificed, in contempt of the rights of the people, to propitiate a party, to perpetuate the office he seeks, and the power he has abused. Let us see if the man who has so violated his trust, and disappointed our hopes, is longer fit to be the ruler of a free people.

But this was not all; although from personal knowledge he could not know that what he was about to read came from the Bank, yet he had it from such a source that he could not doubt that it was issued from the very banking-house itself; and if a committee of investigation shall be appointed, he had it from a respectable source, which induced him to believe that it could be proved that a large number of the pamphlet from which he would then read, was issued from the banking-house itself. This pamphlet is headed "*Important Facts for the People*," and is dated Philadelphia, September, 1832. He would read a few extracts, to show on what sort of "defence" the Bank had expended the public funds.

The individuals who have most power in Washington, and who make *this miserable old man do just as they please, are a set of mere political gamblers and bankrupts.* Again.

You see, then, that these objections are wholly false. What does he know, or what does he care about the Constitution? He whose life has been a constant violation of it? No, he has done this out of mere spite—out of hatred to the Bank, which he hopes he can break, as he found he could not bend it.

The truth is, General Jackson wants all power; he wants a bank subservient to his wishes; a court that he can control; a Senate that he can govern, and a Constitution that he can adapt to his own purposes. In pursuing his scheme of ambition he is willing to prostrate every thing valuable to the nation, that stands in the way of his aggrandizement.

This is the man who calls himself a republican, and who appeals to the people for support. The inconsistencies of his life, the perverseness of his temper, his ignorance and obstinacy, all disqualify him for the office he holds, and we cannot but hope that the people at the next election will suffer him to retire to the hermitage, there to enjoy the repose of private life.

The solemn truth is as clear to the eye of every intelligent man as the sun at noon-day, that the

existence of this Union depends on the *defeat of Andrew Jackson, and on the election of Henry Clay as President.* No future event can be more certain, than the breaking to pieces of this Union, if the pernicious doctrines of General Jackson and the evil counsellors by whom he is surrounded, are to prevail for another Presidential term.

This for defence! Yes, "*The defeat of Andrew Jackson and the election of Henry Clay*," was the kind of defence in which the Bank was corruptly expending the public money. Again I read, from this pamphlet speaking of the President—

Because he has encouraged a set of bullies to infest the halls of Congress, and overawe members in the discharge of their legislative duties. Houston and Heard, and others, who have committed such disgraceful assaults with clubs and pistols, on members of Congress, for words spoken in debate, were the intimate personal friends and bosom companions of Andrew Jackson; they were all from the same State, and never would have dared to abuse and bully the people's representatives, had not their friend been in the presidential chair; they would otherwise, it is reasonable to suppose, never have come to Washington at all. Again:

THE VETO—AND THE PRESIDENT.

The first peculiarity in this state paper, which will strike the sagacious reader, is the manifest and constant effort displayed in every sentence to minister to the most unworthy popular prejudices. The artifice of the demagogue is exhibited in every line, but in a disguise so thin that the moral sense of the community must revolt with indignation and disgust at the attempt which has been made to entrap them. The spirit of Jack Cadeism is visible throughout.

The gratuity "must come, directly or indirectly, out of the earnings of the American People." Wretched Demagogue! Intent, not upon truth, justice, and the public good—but upon enlisting the lowest and worst passions of the ignorant, in behalf of his own personal objects! It is scandalous that a President of the United States should employ such balderdash as this!

Again, I read—

SPECIMEN FACTS.

1. When the Jackson party was first formed in Washington, a fund of \$50,000 was raised for electioneering.

2. A central committee was appointed at Washington to promote Jackson's election; and all but one of them have been appointed to office by him.

3. The whitewashing committee, raised at Jackson's suggestion, drew from the Nashville bank three hundred thousand dollars, to purchase support for him in the last election. A defalcation to that amount was finally declared, and the money replaced from Washington.

4. Many votes were known to be bought for \$5 to \$7 a piece in New York and the Western States.

This will be information to the people of Tennessee, when they hear it. The concluding appeal of this precious pamphlet, is—

Freemen! your rights are at stake: distress

'and calamity and impending ruin are before you. Will you longer, from a blind infatuation, follow Jackson, or rally round that star spangled banner, which, in the darkest hour of our national adversity, in the hands of our ever venerated political Father, conducted us to glory and independence, and yet save our country.'

So that nothing was to be left undone to promote their political objects, all subjects, all passions and feelings were addressed. The tariff, too, could not be passed by, as it was doubtless a subject well calculated to be used in the region to which it was addressed, and hence we find in this pamphlet:

'We throw out these facts, for the consideration of those interested in American industry, and caution them to look well to the characters to whom they give their votes. The Tories in the American Revolution were not more hostile to every American interest, than are the leaders of the Jackson party.'

The Bank manifesto itself, admits the expenditure of \$58,265 04 for printing and circulating political essays, as it says, in defence. But it is to be observed, that this admission was not made by the Bank, but was, on the contrary, cautiously concealed, until after the fact had been discovered by the Government directors, and had been communicated to the public. Then, indeed, finding that it could no longer be concealed, the Bank avows it and attempts to justify it. Notwithstanding the boldness with which the avowal is at last made, he asked how it happened that when it was distinctly charged by the Government Directors that of this amount \$23,000 had been expended on the order of the President of the Bank without voucher, which was a principal charge against the Bank, its advocates were silent. How did it happen that upon this particular point they preserved a death like silence? How did it happen that not a voice was raised to explain it, either from the Bank, the Hon. Member from Pennsylvania; or the Hon. Member from South Carolina. The gentleman from S. C. he knew must be ignorant of it. Not so the officers of the Bank, whose manifesto we have before us. Why are they silent? On examining this account what did we find in it to establish its character? Why, that \$23,000, had been paid out upon the single order of the President of the Bank, who had not deigned to render any voucher for it, although called upon by the Government Directors. What, no voucher for the expenditure in which the people had to bear their share of one-fifth. Need he ask for what purpose this money was given? Was it to corrupt the press, or was it for purposes similar to that developed by the Hon. Member from Georgia, (Mr. CLAYTON) in his report to Congress in 1832, in the case of the Courier and Enquirer, N. York. "as a fair business transaction." He was bound to consider that bad as the former was, this was worse, for the Bank knew this charge was made, and being silent upon it, it was fair to suppose that it was expended for purposes too gross to bear the light.

It was, continued Mr. P., perfectly idle to say all this was to be justified on the ground of "de-

fence,' or to deny that the Bank had engaged in the expenditure for the purpose of controlling the Presidential and other elections. What Representative was there, opposed to the recharter, that did not feel its influence in his immediate district? An influence not the less felt, because it worked unseen. This, then, being the malpractice and conduct of the Bank, what was the duty of those at the head of affairs? Were they to coolly stand by and by their silence sanction it? This knowledge, too, brought home officially; and, worse than all, that it was done through the agency of a secret committee, if not altogether in pursuance of power given to one man to expend at his pleasure.

I proceed (said Mr. P.) to the consideration of the charge against the Bank, that much of the business properly belonging to the Board of Directors, is in fact done by the Exchange Committee; a charge which the member from South Carolina thought had nothing in it, because, as he alleged, their acts were the acts of the Board, being reported regularly to, and sanctioned by it. The following was the language of that gentleman, as reported in one of the newspapers:

'Now, what were the real facts? Why, the proceedings of that Exchange Committee were submitted to the Board of Directors, every day of its meeting, and that Board meets every two or three days, who examined and revised the proceedings of the Committee. In fact, he (Mr. McDuffie) might almost go so far as to say, (from the short period which elapsed between the times of meeting,) that the proceedings of the Exchange Committee were virtually carried on by the Board of Directors themselves.'

Now I affirm that a great part of the business transacted by that Committee is not only done in secret, but that they are not even required to make any report of it to the board; and this I will prove by the testimony of Mr. Biddle himself. One of the questions propounded to the President of the Bank by the Committee of Investigation in 1832, was 'Are the discounts, authorized by that Committee, laid before the Directors for their approval or rejection?'

And the answer to this, from Mr. Biddle, on his oath, was 'Not necessarily, nor generally, except for information; they are acted upon definitively by the Committee.'

Thus, the charter of the bank, which requires seven Directors to be present, for the transaction of business, has been palpably violated; and the most important business, the discounting of large notes and bills of exchange is transacted by this Committee, consisting of less than seven; and no report is required to be made to the board, except for information! By the 4th fundamental article of the Bank charter, it is provided, "that not less than seven Directors shall constitute a board for the transaction of business," yet we see that the most important business of the Bank is entrusted to a secret committee of less than seven, appointed by the President, and as we are informed by the President himself, in his examination before the committee appointed by Congress in 1832, this committee are "authorized to discount any

paper, the security of which they might approve;" their powers are not confined to the discount of bills of exchange, but to notes also. The Government Directors, by their exclusion from these committees, are deprived of all knowledge of, or any participation in the transaction of the most important business of the Bank. Could the public deposits be considered safe and secure in such hands?

Mr. P. said, that he considered this delegation of power to these secret committees as a clear violation of the charter; but, said the gentleman from South Carolina, if this were so, why did not the President order a *scire facias*, to revoke the charter? The answer was, that the Bank charter would probably expire before a legal decision could be had, but even if a *scire facias* had been ordered, would it not have been the duty of the head of the Treasury to have removed the deposits under the circumstances which had come to light? But the manner in which the transactions of this secret committee were mystified and concealed from the Government Directors of the Board, was well illustrated by the celebrated "fair business transactions" which the editors of the New York Courier and Enquirer had with the Bank. He would not advert further to it, but to show that even *their* transactions were not regularly entered on their books; for of the large sum given to the Editor of that paper on the 26th of March, 1831, there was no entry made on the books of the Bank until the 2d January following. Need he refer to the case in which the President had himself, without even the authority of his Exchange Committee, discounted largely for a gentleman who held at the time a public station, and who, as the President states, had gone to the Bank in haste. What were we to think of an institution so conducted? And with the knowledge of all this, could it be said, that the public funds were safe? Safe, in an institution, where all its funds were at the will of one man! to be expended as corruptly as he pleased, without giving any reason for the expenditure or voucher for it? who might suborn, muzzle, or corrupt the press, by the corrupt use of the public money? Again, look to the transactions of this Exchange Committee with Gales & Seaton, in which the by laws of the Bank were violated, and large accommodations granted on unusual and uncertain security. Was not the Bank, to all intents and purposes, the *bona fide* owner of the National Intelligencer, and, in point of fact, was it not the real, if not ostensible and nominal printer to that House? We had seen that the government directors of the Bank, appointed to watch over the public interests, had been excluded from all its committees; nay, they had said more; they had said they were not permitted even to know what was the correspondence carried on by the President of the Bank. If this was all denied, he desired a Committee of Investigation, and for a further object; that they might ascertain its truth, and also to ascertain the truth of other matters, which they could not otherwise know, except by rumor; that they might ascertain whether large sums had not been paid to persons who were not printers, but treasurers of political committees, for the circulation of political essays.

The Bank had not only done all this, but more. It had set itself up to thwart the financial measures of the Government; it had interfered with the Government in the payment of the public debt. But the gentleman from S. Carolina asks "why bring up the old affair of the 3 per cents?" And he repeats in substance the statements contained in the Bank manifesto. He takes it for granted that all which was there stated must be true. Mr. P. observed that he had last year an opportunity of examining into this question as a member of a committee of this House; he did not now intend to repeat to the House all the developments in relation to it, which that examination had brought to light; but would very briefly state the prominent points of the evidence. In March, 1832, the Government, having the funds on deposit in the Bank, determined, and gave notice accordingly, that on the 1st of July and October following, they would pay off a large portion of the three per cent. stocks; the Bank, applied to the Government to postpone the payment from July to October. The fact of this application to the Government for postponement, was afterwards denied by the President of the Bank in his examination before the investigating committee of this House. In that examination, the President states—"I have made no application to the Government, nor have I requested any suspension of any payment of any portion of the public debt;" and he states further, that "on the part of the Bank, I sought nothing, I requested nothing." The Bank manifesto, page 21, takes the same ground, and by tearing from its context an isolated part of the report of the same committee, this manifesto makes the committee say, "they are fully of opinion that the Bank neither sought for nor requested a postponement of the payment by the Government," omitting altogether the closing part of the sentence, "as stated in the declaration of the President;" omitting also the declaration of the committee that "but for the postponement, the Bank would not have possessed the ability to meet the demand for the money on deposit for the payment of the stock."

He ought perhaps here to call on the honorable member from Georgia, (Mr. Clayton) to step forward in vindication of his own report against this attempt of the Bank to misrepresent it. No man knew better than he did the injustice of such an attempt. He was well acquainted with the whole transaction, and had ability to expose this base attempt of the Bank to palm upon the country a falsehood, and throw a responsibility created by themselves upon the Government. The Bank charged that the Government after having advertised a payment of the 3 per cent. stocks in July, 1832, had, notwithstanding their strong desire to pay it, sought to postpone it until the October following, while in fact, this very postponement was sought by the Bank itself. This *terrible Bank manifesto*, in speaking of the President of the United States, in reference to this postponement, further states, "The impression here intended to be conveyed is, that the President of the Bank, in order to relieve the institution from a demand, which it could not sustain, asked an indulgence which was conceded by

the Government: now the truth is, that the Government wished to make this postponement, but could not do it, without the aid of the Bank."

Now, sir, (said Mr. P.) I affirm and will prove, notwithstanding the statement of the President of the Bank, that the Bank "neither sought for nor requested" a postponement; that the Bank did in fact, through its President, seek that very postponement; and I will prove this, by the evidence of Mr. Bevan and Mr. Eyre, directors of the Bank, and members of the Exchange Committee, and by the evidence of A. Dickens, Esq. Chief Clerk in the Treasury Department, taken before the Committee of Ways and Means, at the last session of Congress. On that examination, the following interrogatory was propounded to Mr. Bevan, to wit. "On the 24th March 1832, the acting Secretary of the Treasury, notified the President of the Bank of the intended payment by the Government, on the 1st July following, of one half of the 3 per cents. Did not Mr. Biddle, immediately upon receiving this information, come to Washington, and solicit the Government to postpone this intended payment from 1st July to 1st October?" Mr. Bevan answers, "Mr. Biddle came to Washington some time in the latter end of March, and an arrangement was made with the Government to postpone the payment to the 1st October, the Bank agreeing to allow the government the interest. *I have no doubt, this arrangement was made by the Government, at the solicitation of the Bank.*" Mr. Eyre, on his examination, was asked, "When Mr. Biddle left Philadelphia for Washington, did you not know that the object of this visit, was to ask of the government the postponement of the intended payment from July to October?" He answers, "I knew that was the object of his visit." Mr. Dickens, in his examination, in answer to an interrogatory of similar import, states, "I wrote the letter mentioned in the interrogatory to Mr. Biddle as therein described; he represented verbally, and upon grounds similar to those stated in his letter of the 29th March, that it would be desirable to postpone the payment of the 3 per cents for another quarter, and I think it was upon my suggestion that he put his suggestion in the form of a letter. His letter of the 29th March was accordingly written, which though dated at the Bank, was written by Mr. Biddle at the Treasury. During the interview with Mr. B., Mr. M'Lane, the Secretary, came to the department; he had been confined to his house by indisposition; and as well as I recollect, he came out for the purpose of seeing Mr. Biddle. The postponement was again urged by Mr. B.; and upon grounds similar to those presented in his letter. Mr. M'Lane, however, did not at that time give any positive answer. I believe it was one or two days, before the matter was finally settled; and the consent of Mr. M'Lane was communicated to Mr. Biddle, verbally, on condition that the Bank should pay the quarter's interest which would accrue by the postponement. *The application for postponement was on the part of the Bank, and was granted by the government, not because of any apprehension of want of funds to meet the intended payment on the 1st July then next following.*"

It was thus clear, that the Bank and not the

government had sought the postponement, and yet this Bank manifesto unblushingly affirms what is so clearly disproved by the testimony I have just referred to, and asserts that the report of the committee in 1832, at the head of which was the gentleman from Georgia, (Mr. Clayton,) "was in decided contradiction to the assertions of the President" of the U. S. in the statement made by him to his Cabinet on the 18th September. If Mr. P. had not sufficiently exposed the misrepresentation and false statements imputed by the manifesto to the committee of 1832, whereby they are made to say directly the reverse of what they do say, he trusted the gentleman from Georgia, who made that report, would vindicate the work of his own hands, and supply the defect. And after all this, will it be pretended that the postponement was sought by the government, because the government had not funds. But even so, the Bank would make the government appear to be guilty of the miserable folly of first advertising that they were ready to pay off this portion of the debt, and yet that they were not prepared for its payment.

It was useful (Mr. P. said) to scrutinize closely these false statements, for they conclusively showed what general credit should be paid to all the other statements of this Bank manifesto, which seemed to be regarded as true, by the gentleman from S. Carolina. The truth was, that such had been the excessive extension of the business of the Bank, to the enormous amount of 28 millions, (within a period of sixteen months) that it found it inconvenient, if not impossible, to contract its business in time to meet the payment demanded by the Government, and therefore it sought the postponement. Having sought and obtained the postponement upon false pretences, it now unblushingly, and in the face of the evidence of its own Directors, denies the fact and charges the President with having communicated to his Cabinet and the nation a statement which was not true. What is to be thought of an institution capable of thus acting. Can it be a proper depository of the public funds?

In regard to the second postponement to the amount of 5 millions of the 3 per cents. negotiated by a secret agent abroad, the Bank had also attempted to throw the responsibility of the measure upon the Secretary of the Treasury; but so conclusive and irresistible was the testimony on this point, before the Committee of Ways and Means of the last session, that it could not be resisted even by the Bank majority of that Committee. The majority of that Committee, in their report, expressly state "It is due however to the Government to express the opinion, that the arrangement made by the agent in England, for the purchase of the 3 per cent. stock, and the detention of the certificates (which measures were subsequently disclaimed by the Bank,) the institution exceeded its legitimate authority, and had no warrant in the correspondence of the Secretary of the Treasury." And yet this Bank manifesto, unblushingly and untruly affirms, that the report of the Committee of Ways and Means is "in decided contradiction to the assertions of the President" in relation to this very matter.

He could not go into detail, but would state the prominent facts in this latter transaction. The Government had given notice to the holders that the 3 per cents. would be paid off at the Bank of the U. States, on 1st October, 1832, and in January, 1833. The Bank, with the public moneys on deposits, which it held without the payment of interest, and which it was bound to pay out, on the demand of the Government, by order of this Secret Exchange Committee, without the knowledge of the Secretary, or any member of the Government, without the knowledge of the Government Directors, of the Board, or even many of the stockholder directors of the Board, despatched General Cadwallader, in July, 1832, on a secret mission to England, with power to do what? With power to negotiate a postponement with the foreign holders of the 3 per cent. stocks to the amount of five millions for a whole year beyond the period at which the Government had given notice the re-imbusement would take place. That this mission and the objects of it were secret and intended to be kept so, is proved by the testimony on oath of the Government Directors of the Bank, of a portion of the stockholder Directors, and by the testimony of General Cadwallader, the agent himself, taken before the Committee of Ways and Means at the last session of Congress. This secret agent proceeded to England and made a contract on behalf of the Bank, through Messrs. Baring, Brothers, and Co. whereby they were authorized to make an arrangement with the holders to postpone the presentation of their certificates for payment for a whole year, and to leave in their hands the Government certificates, as collateral security.—The Barings were also authorized, if it could not be postponed, to purchase in the debt for the Bank, in direct violation of that provision of the charter which prohibits the Bank from purchasing or dealing in the Government securities. Of all this, the Government remained uninformed, and it was by the merest accident that it became possessed of the information. It became at last possessed of it, through the public newspapers, in the manner he would state. The *Barings*, who were the agents of the Bank in this matter, issued a circular, addressed to the foreign holders, in which they state, that they have the authority of the Bank of the United States to make the arrangement. . . A copy of this circular, by accident, made its way to this country, and was published in the New York papers on the 12th October, and through this channel the Government was first informed of this secret mission of the Bank's agent, and of the arrangement made by him, with foreigners, to defeat the cherished policy of our own Government, in the payment of its debt. It appears further, from the testimony of General Cadwallader himself, that the Bank was informed of the arrangement on the first of October, 1832, and of course must have known that that portion of the contract which authorized the purchase of the stocks for the Bank was in direct violation of the Bank charter. Yet, this part of the contract was not disavowed by the Bank until after the appearance of the circular of the Barings in the New York papers, and when it be-

came evident it could be no longer concealed from the Government. Then, indeed, on the 15th October, that part of the contract is disavowed.— Here, then, was a palpable interference of this secret committee of the Bank, without the knowledge or concurrence of the board of directors, to prevent the Government from the payment of its debt. When the whole matter was discovered, the first apology of the Bank was, the pretended apprehension that the Government might not have sufficient funds, on the day, to make the payment; and an attempt is made to throw the responsibility on the Secretary of the Treasury, although, as it appears, he was never consulted about the measure, and knew nothing in relation to it. The fact was, there was money sufficient in Bank on the day. That, then, would not do. The next pretence was, that the Bank wished to retain the funds to extend facilities to the importing merchants to pay their duty bonds; but it appeared from the Bank statements, that there was in fact a curtailment, and not an extension of accommodation, in the commercial cities, where the duties were chiefly payable. That, then, could not have been the true reason. The next pretence was, the appearance of the Cholera, and the fear that the trade of the country would be deranged by it: but when the first postponement was asked in March, the Cholera had not made its appearance upon the American continent, much less in the United States; and when it was determined to despatch General Cadwallader to Europe, it had not made its appearance in Philadelphia. Can an institution, which would thus act, be a faithful fiscal agent of the Government? And he here re-affirmed, that the conduct of the Bank in this transaction alone, furnished sufficient reason why the public moneys should be withdrawn from its keeping. Yet the gentleman from South Carolina complains that this old matter, as he terms it, is again brought up. There is one other precious item of information, connected with this subject, which he begged to state to the House. The secret agent, as appeared in the testimony before the Committee of Ways and Means, an agent of the Bank, and not of the Government, was paid for his services, not by the Board of Directors, but by order of the secret Exchange Committee, the sum of 5000 dollars, and the expenses of himself and part of his family, amounting to an equal or greater sum, were paid; as one-fifth of the Bank was owned by the Government, one-fifth of that amount was paid by the Government. For what were these expenses incurred? We will see for what they were in part incurred. In a letter from Gen. Cadwallader to the President of the Bank, dated London, 14th September, 1832, he says:— 'The purposes of my mission being now closed, as you will receive the results of the doings in Holland, through Messrs. Barings, it is my intention to cross from Brighton to Dieppe on the 18th inst. and after frolicking in Paris for a brief space, we shall return in the Havre packet, which sails on the 10th October.'

Here was an instance of a heavy expense for a mission, paid to thwart the plans of Government, one-fifth of which went out of the pockets of the people.

But under what article of expenditure, under what account was this sum, for frolicking in Paris, to be found classed on the books of the Bank?—It was not found along with the other “*items of defence*.”—It might be, that after hunting through all the bank accounts, some foolish, prying Government Director, found it classed—where? Why, Sir, under the head of foreign exchanges. Yes, Sir, the expenses of a secret mission, intended to defeat the Government in the speedy payment of its public debt—smothered up in the Bank, and charged to account of Foreign Exchange! Can it be possible that such an institution is any longer fit to be trusted as the fiscal agent of the Government?

This brought him to refer to that part of the Bank manifesto, which, related to the draft drawn on the French Government. The Treasury, according to this Bank manifesto, was under a deep obligation to the Bank; the Bank had in fact paid the amount of the draft twice over, and made it in some way appear that the Government had not in fact the money in the Bank to meet it when it was returned. *It was for the House to mark the accuracy of this statement.* The bill was returned to this country on the 26th March; notice of the protest was given on that day. The Bank manifesto asserts that on the 22d March there were not funds enough in the Bank to take up this draft; that the public deposits were only \$1,827,048; whilst the monthly statement of this very Bank shows that on the 2d April the public deposits amounted to \$8,466,830 15—and of this amount, there was then in the Philadelphia office, \$2,433,207 43. On the 1st May there was \$8,324,432 57, and on the 3d June \$6,418,345 84; on the 9th February, 1833, when the draft was drawn, there was \$2,869,146 70 to the credit of the Treasury; and on the 20th April, exclusive of the amount of the draft on France, there was \$2,479,577 07, the lowest amount of deposits at any one time from the date the draft was negotiated, being nearly 3 millions. In the June statement, and every statement since, is the following item: “Due by the U. States for damages on protested bill of exchange on France, \$158,842 77.” Thus there were funds all this time belonging to the Government, and standing credited in the books of the Bank itself, more than sufficient to cover this amount.

But he maintained that this bill negotiation ought not to be deemed an ordinary money transaction, as between man and man. No money at all had been paid over for it by the bank to the Government; for, when the bank received the draft from the Government, instead of advancing the money, as they would have been obliged to do, if they had purchased from private individuals, the money remained in the bank, being simply transferred from the credit of the Bank to the credit of the United States, and went to increase the public deposits. The Government, by treaty, were entitled to receive this money from France, and gave their bill for it to the bank. The bill was protested in Paris, and the Bank makes a large demand against the Government for damages. When the bill returned here, there was, in fact, but a very trifling expense incurred. The Bank, however, makes a claim for damages.

The Government says to the Bank, we are ready and willing to pay you all the expenses you have been put to—you have had our money to trade with for years without interest, and you have no right to set up this unconscientious claim. Were the Government right to say this? The whole country will say, yes; but what says the gentleman from S. C. to this? Why, that the character of the Government for refusing to pay these damages, has been stamped with dishonor. The Bank statement shows they did not wait for the sanction of Government in the matter; for be their claim right or be it wrong, they forthwith paid themselves by charging it, and deducting it from the amount of deposits to the credit of the Government, and if the Government ever get it back, their only remedy is to sue for it. In his opinion, the Bank could not sustain this claim even at law; in conscience they certainly had no claim. He apprehended that by the *lex mercatoria*, interest, cost of protest, and re-exchanges, on foreign protested bills, were all that were allowed. Damages as such were not allowed by the *lex mercatoria*, they were allowed by the *lex loci*, or by virtue of a positive enactment of the place where the bill was drawn. Damages were greater in some places than in others. In Pennsylvania they were twenty per cent.—other places, other rates. In Maryland the charge was fifteen per cent. The claim for damages on the protest of the present bill, drawn at the seat of Government and in the District of Columbia, was based on the law of Maryland. The only act of that State, giving damages in cases of protested bills, was one passed in 1785, and it was under this law, as the District formerly was part of that State, that the Bank made their claim. By the terms of that law, however, and by no law that he was aware of, was the sovereignty of Maryland made subject to its provisions; and if so, the sovereignty in this District to which a portion of the Territory of Maryland had been ceded, would not be subject to its provisions. He would not then argue the legal question, but simply suggest the doubt of the legality of the claim. It was his conscientious conviction that it was an unjust demand, and one that could not be maintained at law or equity. Could the House forget the circumstances under which this Bank made this large demand? Here was a Bank fattening for years upon the profits derived from the public money, which it has held without interest, claiming a large amount of damages where it has sustained none. It appears from the books of the Treasury, that the average public deposits lodged in the Bank, for each month, during the whole period from 1818 to 1833, both inclusive, was \$6,717,253 67. Yet the Bank of the United States, with this large amount of public deposits, not only claims damages upon this protested bill, but has actually paid itself the amount out of the public money, and charged it to the United States—thus throwing upon the Government the necessity of bringing suit, if it should ever be recovered. Can a Bank, which would thus act, be a suitable depository for the public funds? He would only further add, that this French bill was not an ordinary commercial transaction; it was a transaction between sove-

reigns. By the French treaty, the amount of the instalments were to be paid in Paris as they fell due, to such person as was authorized to receive them by the Government of the United States. This was not a mere bill drawn by the Secretary of the Treasury on the Minister of Finance in France, for that of itself would not have authorized its payment. It was accompanied by higher evidences, by an authority from the President of the U. S., countersigned with the signature of the Secretary of State, and under the great seal of the United States, authorizing its payment on presentation; and without this authority, its presentation would not have been sufficient to authorize the payment.

But it was objected, in the argument of the gentleman from South Carolina, that to withdraw the public deposits from the bank of the United States, and to place them in the State banks, was an union of the purse and the sword—this was the old argument to which he adverted the other day, brought up in the debate, which occurred in the Congress of 1789, upon the organization of the Executive departments—an argument which had then been successfully met by Mr. Madison and other distinguished patriots, who were members of the Congress at that period. But it was said by the gentleman, that the President had seized upon the public moneys—and we were asked where was the public treasure? Now it is well known that the President has no more control over the public money in deposite in State banks than he had while they were in deposite in the U. States bank. By the Constitution no money can be drawn from the Treasury but in consequence of appropriations made by law. The President could not, therefore, if he would, any more use a dollar now, than he could before the deposits were removed. This is the mere phantom of an excited mind or of a disordered imagination. The gentleman imagines great danger from the Executive influence over the State banks, in which the public moneys may be deposited—and yet, did not the same power exist in the President of the U. S. from the organization of the Government, up to the close of Mr. Monroe's administration; and were any such dangerous consequences ever felt as the gentleman seems now to imagine? During the existence of the old bank charter, the Executive Department of the Government directed at will, the place of public deposite for the public moneys, and the places of deposite were changed at pleasure during the administration of Mr. Monroe, and that of all his predecessors. Since the present bank was chartered, the same power was claimed and repeatedly exercised by Mr. Crawford, as abundantly shown the other day from the documentary history of the times. Yet, the dangerous consequences now apprehended, were never found to flow from the exercise of that power. But the gentleman has informed us that every one knows that the President of a State bank, which is made a public depository, will be controlled by the Federal Executive; that every one knows that the President of a Bank controls and governs the debtors to that Bank; that the city debtors to the Bank control

the country dealers who are indebted to them, and the country dealers control their country debtors. The chain he says is a very short one by which the whole country indebted directly or indirectly to a State Bank, which is a place of public deposite, will be controlled by the Executive authority here. This is, indeed, a fanciful picture; but did not the gentleman reflect, that according to his own argument, the same power which he deprecates in the State Banks, in fact exists to a much greater extent in the Bank of the United States? The Bank of the United States possesses a great central power, controlling, by the will of a single man, all its ramification and branches in every portion of the Union; it is, too, an irresponsible power, which can act by its different branches in perfect concert, in different portions of the Union at the same moment. Whereas the State Banks have no such central power to control or direct their concerted movements. In fact the State Banks, from the necessary and inevitable collision of their interests, must counteract and control the movements of each other, even if they were disposed to become the prostituted instruments of political party. The President of the United States is responsible to the people; the Bank of the United States acknowledges no responsibility either to the Government or to the people; but he utterly denied that the State Banks either had been, or could be, the instruments of party. The real danger to be apprehended, was from the Bank of the United States; which, if the argument of the gentleman from South Carolina be true, was enabled to control all who were either directly or indirectly indebted to it.

The gentleman from South Carolina gave us another reason why the public deposits should not be removed from the Bank of the United States. He had stated that the Government of the United States, being the owner of one-fifth of the stock of the United States Bank, would lose 140,000 dollars yearly by the withdrawal of the deposits. He supposed he meant by the diminution of the Government dividends derived from the use of the deposits by the Bank. He should not stop to inquire upon what *data* the gentleman had this information, but for the sake of the argument would take it to be true, as he had stated it. It then, would, in fact lose \$140,000 per annum by this diminution, of its dividend, derivable from the use of the public deposits, by the Bank, then we have a data, by which to estimate the value of the renewal of the bank charter for 20 years. If the Government would lose \$140,000 for a single year, its loss for a period of 20 years would be 2,800,000 dollars. The Government owning but one-fifth of the stock, the whole loss to the Bank would be five times that amount, or fourteen millions of dollars. Fourteen millions then, according to the argument, is the value of the renewal of the Bank charter for twenty years arising from the public deposits alone, and independent of the value of the exclusive privileges of banking conferred by the charter, and yet the gentleman from S. Carolina two years ago sustained by his vote the pre-

vious question, twice in the same day, to confer upon the present stockholders the renewal of the present charter, for a period of 20 years for a bonus of three millions; he did this too, when other capitalists, by their memorials before Congress offered a much larger bonus for similar privileges. The effects of making deposits in the State Banks will be, (said Mr. P.) that the profits will not go, as they now do, into the pockets of foreigners, but will remain in the country for the benefit of our own citizens. It is well known that a large amount of Bank stock is owned abroad, and a large amount in specie is annually transported from the country.

He would now come to the cotton illustration. The gentleman from South Carolina has stated it as his opinion, that in consequence of the scarcity of money, which he attributed to the removal of the public deposits from the Bank of the United States to the State Banks, that the Southern planters had from the 1st of August (although the deposits were not removed until two months afterwards) lost five cents per pound on cotton, compared with the Liverpool prices of the same article, which regulates the market of the world. Mr. P. said, when he heard this positive averment made, he was astounded, and supposing it possible, (for he had not examined the facts,) he had set about to inquire the true reason. The scarcity of money he knew, could not be the true reason, for he could not conceive how the simple removal of a given amount of money from one Bank to another could make money either scarce or more abundant. The money had not been, he knew, transported, and he knew, that it had not been annihilated; he reflected, that there had been two successive short crops in the United States, and he had understood, that the stock of cotton on hand, in the English market, in the month of July, was short, and that speculation had had much to do with the enhanced price in the Liverpool market; and he supposed, if the facts so confidently stated by the member from South Carolina, to wit, that the price of the article was five cents lower in the United States than in Liverpool at the same dates, it must have arisen from a want of confidence on the part of the American dealer in the stability of the Liverpool prices, in consequence of which, he might have been unwilling to hazard large investments in the purchase of the article.— Since the gentleman had so expressed himself, however, Mr. P. said he had been furnished by one of his commercial friends, from Maryland, and one of his colleagues, (Mr. M'Kim) on the Committee of Ways and Means, with a statement of the relative maximum prices of upland cotton in the markets of New York and Liverpool of the same dates, during the months of August, September, October, and November, which statement he understood was received from a respectable house in Philadelphia, who were large dealers in the article, from which it would appear that at corresponding dates, there had been no period since the 15th August, at which the difference in the American and Foreign market had been equal to three cents per pound, and generally much less.

(Mr. P. here presented the statement to which he referred, to the House, which is as follows:)

Prices at which Upland Cotton have been sold at the annexed prices in Liverpool, showing what it nets in the United States at the different Exchanges.

Month	Day	Price	Net in U.S.	Net in Liverpool	Exchange	Net in U.S.
August	3	14 a 15	15	17.77	8	19.19
"	10	14 a 17	16	16.29	8	17.59
"	12	14 a 16	17	18.51	8	19.99
"	17	14 a 16	17	15.55	8	16.79
"	24	15 a 17	17	15.55	7 1/2	16.71
September	4	14 a 17	17	16.29	7 1/2	17.51
"	7	14 a 17	17	15.55	7	16.63
"	14	14 a 17	17	14.07	7	15.05
"	25	15 a 17	17			
October	9	15 a 17	17			
"	12	17 a 18	17			
"	16	17 1/2 a 18	17			
"	26	16 a 17	17			
"	30	16 a 16 1/2	17			
November	2	15 a 16 1/2	16 1/2			
"	9	15 a 16	16			
"	16	14 3/4 a 16	16			
"	23	13 a 15 1/2	16			
"	30	13 a 15	16			

Net produce of 1 pound Upland Cotton at the annexed prices in Liverpool, showing what it nets in the United States at the different Exchanges.

DATE.	Price at which sold.	Charges, including freight, insurance, &c. estimate at 20 pr. ct.	Net produce of 1 pound cotton in Liverpool, in pence.	Net produce of 1 pound cotton in Liverpool, in cents.	Exchange between New York and Liverpool.	Net results in the U. States.	Sales in N. York as above.
August 1,	12	2.40	9.60	17.77	8	19.19	15
do 15,	11	2.20	8.80	16.29	8	17.59	16
do 23,	12 1/2	2.50	10.	18.51	8	19.99	17
September 23,	10 1/2	2.10	8.40	15.55	8	16.79	17
do 30,	10 1/2	2.10	8.40	15.55	7 1/2	16.71	17
October 7,	11	2.20	8.80	16.29	7 1/2	17.51	17
do 31,	10 1/2	2.10	8.40	15.55	7	16.63	16 1/2
November 15,	9 1/2	1.90	7.60	14.07	7	15.05	16

He concluded, therefore, that the gentleman was mistaken in point of fact.

Mr. P. said he feared he should fatigue the House, as he knew he had himself, and must therefore close his remarks. We are called on, Mr. Speaker, to decide a question of no ordinary import. The Bank of the United States has set itself up as a great irresponsible rival power of the Government. It assumes to regulate the finances of the country, and to control the whole policy of government in the regulation of the financial concerns of the country: it assumes to dictate to the country, in effect, how its Government shall be administered: and although it has used the public moneys entrusted to its hands, for safe keeping, for purposes of political corruption, it comes here to demand, as a matter of right, that the public treasure shall be restored to it—it has wasted the public money: it has thrown itself into the arena of politics, and employed its corporate wealth, corruptly to control elections: it has been a faithless fiscal agent, in paying out the public moneys, when demanded for the public service: it has violated its charter, by delegating to secret committees, powers, which of right can only be exercised by the board of directors; it refused to submit its affairs to the scrutiny of impartial investigation and truth, under the heaviest charges of corruption and mal-practices made against it, and boldly demands at the hands of the representatives of the people, that it be permitted to continue in the use of the public funds.—It is a great aristocracy of money, which in all ages of the world has allied itself with the enemies of liberty. Gentlemen must not deceive themselves; the present is in substance and in fact, the question of recharter or no recharter. The question is in fact, whether we shall have the Republic, without the Bank, or the Bank without the republic. It has done more, sir, in its manifesto

officially issued by its board; it has undertaken to lecture the representatives of the people, on political economy, and to *doctrinate* (if I may be permitted to use the term,) Congress, in regard to the constitutional powers of the different departments of Government. It assumes, with the gentleman from South Carolina, that the President is a Tyrant, an Usurper—that the Treasury is independent of the Executive, and that he has wantonly removed one Secretary from office and appointed another.

The very fact that it requires any effort to expose its enormities to the universal indignation of a virtuous people, proves it not only to be a vast power, but a dangerous power, in a country which boasts of the purity of its institutions. It is my deliberate conviction, that if the power and monopoly of the present Bank be continued for another twenty years, it will be the veriest despot that ever ruled over any land, a despotism of money, without responsibility. No man, hereafter, can expect to arrive at the first station in this great republic, without first making terms with the despot. It will control your election of President, of your Senators, and of your Representatives. If such was its power when it stood in the position of an antagonist to the Government, what would it be in the hands of corrupt men, at the head of affairs, whom it would prostitute itself to serve, and whom it could bend to its own purposes.

After some further remarks, Mr. P. said he trusted in God, that the country might be saved from a despotism such as this; from the blighting influence of this most corrupt and corrupting institution that ever existed under the sun; an institution whose practices and principles were alike inimical to the existence of free Government.