

SPEECH OF MR. RAYNER, OF N. CAROLINA, ON THE SUB-TREASURY BILL,

MADE IN COMMITTEE OF THE WHOLE,
IN THE HOUSE OF REPRESENTATIVES, JUNE 22, 1840.

Mr. CHAIRMAN: I cannot consent that this bill shall pass, without entering my most solemn protest against it. This is a subject, the discussion of which, for four successive sessions, in both branches of Congress, has elevated the standard of American eloquence, while it has exhibited one of the most bitter contests that was ever waged between the advocates of unlimited power on the one hand, and the friends of constitutional law and popular rights on the other. Thus far, the gallant and unterrified supporters of liberty and law have been able to arrest the progress of this fell destroyer of the prosperity and industry of the country; thus far they have been able to save our institutions from the deadly gripe of this boa-constrictor, which has been for years gradually coiling itself around them, and which now, I fear, is about to thrust its deadly fangs into the very vitals of the Constitution. Yes, sir, the time has nearly come—the decree is pronounced—the fiat is spoken—the deed must be done. Sir, we know it—we have expected it—we are prepared for it. For, anxious as may be the advocates of this measure to postpone its final action till a more propitious season; desirous as they may be to defer it till the political tempest, now sweeping over the land, may have subsided; ardently as they may desire to put off this question till after the great political battle in November, that is to seal the destiny of this country, for weal or for woe, as I believe, for ages to come—yet, having so long held up this measure before the outraged people of this country, as the panacea that is to restore the body politic to its pristine health and vigor, they have no other alternative, but to press it to a speedy and final consummation, or to abandon it in despair. To hesitate is fraught with danger, to retrace their steps is absolute destruction.

Sir, this measure comes to us with the mark of Cain upon its brow—with the very taint of corruption in its breath. It comes from a servile Senate—a body which, for years, has been the bye-word and reproach, instead, as formerly, the pride and glory of the republic; a body which, but a few years since, in point of character, might have stood against the world—now, degraded in the most abject submission, “and none so poor as to do it reverence.” And the bill upon your table is just such a measure as we might have expected from just such a body. It came not here, matured by the hands of wisdom and experience, after free and full discussion, as every great question of finance should; but it comes here, hurried, yes, forced through the Senate, with an indignant haste, and a tyrannical insolence, only to be accounted for by examining the materials of which a majority in that body is composed. No time was allowed to perfect its details, or to discuss its provisions. It comes here, imperfect, unfinished, immature. It is not what has been so long promised to the country. Instead of being a real, *bona fide* specific Sub-treasury, of which we have heard so much, it is a mongrel measure, calculated to suit the emergencies of the times. It is indeed a sort of *voluntus filius*, the production of no one mind, but a compound of the conflicting opinions of many. And, sir, this bastard offspring of a foul connection between power and money, has not even vigor of body, and comeliness of form, to recommend it, but, like the hideous monster, is

“Deformed, unfinished, sent before its time
Into this breathing world, half made up.”

This, I presume, sir, will be the last opportunity we shall have of resisting this encroachment of executive power; our arms, that have been so often raised against this iniquitous measure, have become wearied in the conflict; a majority has been obtained against us, by an outrageous violation of all precedent and all law: we are now powerless, and must submit. But although our remonstrances may be in vain; although we cannot carry conviction to those, whose hearts are steeled by party madness against the voice of truth, and whose eyes are shut against the light of reason;—still, sir, I conceive it to be our duty to raise our warning voices in this Hall, and, in the name of our bleeding country, to protest against this outrage upon her dearest rights. Although that warning voice

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may be unheeded here, still it may reach our suffering countrymen, and cheer them on in that glorious contest they are maintaining with the minions of power, in defence of liberty itself.

Mr. Speaker, I shall not attempt to discuss this subject, merely as a question of finance. That is a subject to which I make no pretensions; it is one, which, of all others of a political nature, is least understood, and a knowledge of which can only be acquired by patient research, and long practical experience and observation. But then this question is not entirely financial in its nature. There are political influences connected with it, and political consequences growing out of it, which must affect that balance of power contemplated by the Constitution; which must uproot all the long usages, and time-honored habits of our people; and which must, in fact, constitute its operation the era of a new system, in the political and social history of this country. The collection, custody, and disbursement of the public revenue of a country, is the most important power that is exercised by any government in Christendom, in this enlightened age of the world, and in which the citizen is most deeply and vitally interested: because it is intimately connected with taxation, that great lever of oppression in modern times. Yes, sir, the machinery of taxation is the principal weapon with which tyranny now inflicts its blows. The stake, the gibbet, and the dungeon, are no longer resorted to, to frighten the timid, and to punish the refractory; for the moral sense of this Christian age will no longer tolerate them. But, still, power continues to steal its way with cautious step, gathering in its insatiate grasp the plundered privileges of man. In the frame-work of modern governments, the power of taxation has succeeded to that of direct physical oppression, and, though secret and deceptive in its operations, it is not less despotic in its nature, and paralyzing in its effects. And thus it is that many a man, whose person the forms of law may protect from torture and stripes, may yet be doomed to see his energies crippled, his industry unrewarded, and the very bread snatched from the mouths of his famishing children, by the fiscal action of a government, which, under the forms of freedom, may be scattering ruin and devastation throughout the land. I fear, sir, that we are fast diverging to that, in this country, and that the passage of this bill will so far consummate the system, as to put peaceable resistance beyond our reach. This refinement upon oppression, this regulating the means, not only of comfort, but of actual subsistence, by controlling the currency of a country, is an improvement peculiar to the present age. It is a species of tyranny the most odious of all others, because it comes clothed in the garb of peace. It approaches us with the smile of pretended paternal regard, and we never discover its sinister designs, until it has completely encircled us in the arms of its power.

Money has been power in all ages of the world; and in this calculating age of ours, its acquisition seems to be almost the only object of human pursuit. And in proportion to the influence of this desire for wealth over the minds of our people, must be the influence of that government which controls, not only the means of acquiring wealth, but of affixing to it its value after it is acquired. In England, that great emporium of the commercial world—that country that Napoleon called “a nation of shopkeepers”—the first Lord of the *Treasury* is the President of the Council; so intimately is the wealth, the currency, the *treasure* of the nation considered to be connected with its prosperity and greatness. In our country, where commercial enterprise and ambition for wealth have gone a long way farther, the control of that which is the medium of traffic and exchange, the standard of value, and the means of adventure and prosperity, must be a matter of still greater moment, and fraught with the most important consequences to every man in the land, in proportion to his means, and the extent of his efforts. Look at the situation of the country at the present time. Its intrinsic wealth is the same; its enterprise is unrepressed; its energies are unsubdued; and still, commercial ruin and disaster pervades the land, and suffering and distress go wasted on every breeze. And why is this? Because your currency is deranged; because your credit is embarrassed; because your finances are unregulated; because there is no established system that can enable labor to count with certainty upon the reward of its toil, or enterprise upon a return of its venture. And, sir, why, I repeat it, why is this? Has it always been thus? Certainly not; for our own recollection can carry us back, but a very few years, when peace and quiet, prosperity and comfort, shed their benign influences over the land. Then, what is the disease, and what the remedy?

Fortunately for us, and for the country, this is a subject on which we have the experience of the past, and the example of the good and the great who have gone before us, to guide and direct our steps. We are not left to grope our way along the darksome path

of conjecture and uncertainty, unless we resolve to shut our eyes against the lights of experience, and to close our ears against the warning voice of a glorious and departed ancestry. If our country had sprung into existence but yesterday—if this was the first Congress that had assembled under the Constitution, and we were just about devising a system of finance for the first time, without having the results of a past history to aid us, why then the Sub-treasury scheme—this improvement of modern theory upon past practice—might be entitled to the merit of consideration, at least. In that case, prudence might require that the question should be entertained. But we have had a national existence, under the Constitution, for more than fifty years, during the whole of which time the finances of the country have been under the operation of different systems; but, for forty years of the time, under one to which I shall presently allude; and as to that one, whether for good or for evil, an impartial history must judge.

The gentleman from Georgia, [Mr. COLQUITT,] in the zeal of his new conversion, has just discovered the criminal inconsistency of his quondam friends, the Whigs. He complains of us for making war upon the Sub-treasury, whilst we fail to bring forward any measure of our own; and insists that, as we oppose this favorite measure of the Administration, we are bound to propose a better. Well, now, sir, we are not in power—we are not responsible to the country for a faithful administration of the Government; we are in an oppressed minority, and powerless, so far as all *positive* action is concerned. Who ever before heard of a majority calling upon a minority for the aid of their counsel? In Governments far less republican than ours, when ministers find themselves unable to carry on the affairs of the nation, they surrender the seals of office to those who can. But, so far as I am concerned, I accept the issue tendered by the gentleman from Georgia. In the view which I shall take of this bill, I will try to discuss it with reference to my plan for the relief of the country, which I frankly avow is a Bank of the United States.

Mr. Chairman, it is well known that one of the first and indispensable duties devolving on the Government, immediately after the adoption of the Constitution, was the providing a means of paying off the heavy debt we had incurred during the war of the Revolution. Another duty, no less important, was to provide a fiscal system for the support of the Government—not only as to a medium of taxation in the payment of the revenue, but also as to the safe-keeping and disbursement of that revenue, when collected. And a third great object which suggested itself to the attention of the patriots and statesmen of that time, as indispensable to the happiness and prosperity of the country—if not a duty arising under the provisions of the Constitution—was the furnishing a currency of uniform value, for the general purposes of commerce and exchange. We must all be acquainted with the incidents of those early times in our history. We all know that our liberties were purchased, not only by the expenditure of much blood and treasure, but also with the incumbrance of a debt of many millions of dollars; that during the state of almost anarchy that prevailed between 1783 and 1789, the credit of the States was prostrate, their commerce suspended, and their monetary affairs in a state of entire derangement, without any system or uniformity whatever. And the issue remained still doubtful, whether, after having achieved our liberties, we should be able to preserve them.

The meeting at Annapolis, in 1786, from which came a proposition for a General Convention, and which was, in fact, the nucleus of the convention that formed the Constitution, had its origin in an attempt to remedy the commercial embarrassment, and the deranged currency of the several States. So the Constitution, which the wiseacres of modern times declare so roundly to confer no power over the subjects of currency and exchange, grew itself out of the very want of such power in the old Confederation, and the consequent disasters to trade and commerce throughout every portion of the country.

As I have before said, this derangement of the finances was one of the first and most important subjects that engaged the attention of Congress, after the adoption of the Constitution. And who were the men that composed that and the succeeding Congress? Let those who are disposed to throw discredit on their memories, but cast their eyes over a list of their names. They were purer and better men than live in this degenerate age. Many of them were the same men that had presided over the councils of the nation, during the dark period through which we had just passed; many of them were the same men who had pledged their "lives, their fortunes, and their sacred honor," for the support of those great principles on which our free institutions rest. The Father of his Country, in his first message in 1789, suggested the "importance of a uniform currency;" and although there was no definite action upon the subject at that session, yet in 1791 the subject of the finances, owing to the increasing embarrassments of the time was

the great and leading measure. The Secretary of the Treasury, Mr. Hamilton, than whom an-abler financier or purer patriot has never lived in this or any other country, in pursuance of an order of the House of Representatives, "requiring him to prepare and report such further provisions as might, in his opinion, be necessary for establishing the public credit." made a report, and as the result of his wisdom and deliberation, offered the project of a National Bank. Here we see that the first bank had its origin in the great effort of that time, to *establish the public credit*. So far, therefore, from being a scion of monarchical growth, as has been frequently urged in this debate, the first Bank of the United States was the very child of the Revolution—it grew out of the very necessities and difficulties consequent upon that great struggle. And as incidental to the primary object of "establishing the public credit," Mr. Hamilton mentioned among the principal advantages of the bank, "first, the augmentation of the active or productive capital of the country; secondly, greater facility to the Government, in obtaining pecuniary aids, especially in sudden emergencies; and, thirdly, the facilitating of the payment of taxes." But let us look at the preamble to the bank charter itself. It says, "that the establishing a bank will be very conducive to the successful conducting of the national finances, and will tend to give facility to the obtaining of loans for the use of Government in sudden emergencies, and will be productive of considerable advantage to trade and industry in general." Here then, are certain great purposes, contemplated by the establishment of a National Bank, viz: the conducting of the national finances, so far as regards the safe keeping and disbursement of the public money; the furnishing a sound and uniform currency, for the purposes of trade and commerce; the regulation of the exchanges between distant sections of the Union; the furnishing a uniform medium for the payment of taxes; and the affording pecuniary aid to the Government in cases of emergency.

Well, sir, did the first Bank of the United States answer those great purposes, as designed by its authors? No matter what party malignity may say, no matter how furiously raving demagogues may swear to the contrary, yet history answers in the affirmative. Although there was no express provision in the charter of the first bank for depositing the revenue, when collected, in that institution, yet so palpable were its advantages in this respect, that from the very commencement of its operations, it continued to be the depository of public moneys, and the agent of transferring them to the points of disbursement. In 1800, the collectors of the revenue were required by law to make their deposits in the bank. Even previous to the establishment of the United States Bank, the same system of bank agency was used by the Government: it was forced upon it by the very necessity of the case. The three banks then in existence had been employed as fiscal agents, on account of their superior safety and convenience. For the Secretary of the Treasury having ordered their notes to be received in payment of the public dues, and the opening of an account by the Treasury Department with each of those banks being the necessary consequence, they thereby became depositories of the public moneys from the very nature and necessity of the case. And even that great man, Alexander Hamilton, saw no reason for departing from a system which had answered a good purpose, especially when, after the incorporation of a national institution, there was an opportunity of improving upon that system, and rendering it more perfect. The bank continued to be the fiscal agent of the Government, from its incorporation in 1791 to the expiration of its charter, in 1811, and no one can deny that, in this respect, it answered the purposes designed by its creation in an eminent degree. It kept safely, and accounted for to a cent, all the many millions of revenue entrusted to its custody; and it transferred for disbursement, either at home or abroad. It was equally successful in establishing a sound and uniform currency. Unfavorable as were the auspices under which it went into operation, still it immediately acquired the confidence of the country, by the prompt redemption of its notes when required, and by the accommodations it afforded, and the facilities it extended to commercial enterprise. For all the purposes of exchange and commerce, its notes were preferred to specie; trade revived; commerce again raised its drooping head; and exchanges soon became regulated, according to a uniform and proper standard. The notes of the bank being made receivable, by its charter, in all payments to the United States, it furnished a medium for the payment of taxes, uniform in all parts of the Union, and easily to be obtained by the public debtor. It cannot be denied that the bank afforded great aid to the Government, in paying off the national debt; for it not only placed the public money at the points where it was due, but to it were transferred all the duties and func-

tions performed by the Commissioners of Loans, under the old Confederation, which duties it strictly and faithfully performed.

Such was the operation of the first Bank of the United States, and such it continued up to the expiration of its charter, in 1811.

In 1810, the question of the renewal of the charter was brought up in Congress, and the measure was defeated by the casting vote of the Vice President, in the Senate. By examining the debates upon that question, however, it will be seen, that those who opposed the renewal, rested their objections mainly on the ground of unconstitutionality. The beneficial operation of the bank was not denied. At that time the doctrines of the Virginia school were in the height of fashion. Political scepticism was the spirit of that system; a system of unmeaning abstractions; of Pharisaical political self-righteousness; of eternal prating about "principles," and "the Constitution." So far as the Constitution was concerned, it was orthodox to doubt every thing, and to believe nothing. And although the course of those who profess to be the especial guardians of this system of "Virginia principles" has, of late years, brought the whole matter into contempt and ridicule, yet the effects of the disease are still lingering amongst us; for even yet it is very common to see members here rise and descant, most eloquently, about "Southern principles," "strict construction," "State rights," "Jeffersonian school," &c., &c., whose votes and acts show that all these cant phrases are used by them merely for the purpose of concealing their high-toned Federal principles.

From 1811 to 1815 there was no National Bank in existence: and what was the situation of the country at that period? In the reply of the Secretary of the Treasury, Mr. Dallas, to the Committee of Ways and Means, who had called upon him for his "views" in regard to "such provisions as might be necessary to revive and maintain, unimpaired, the public credit," dated 17th October, 1814, he thus describes the then situation of the country:

"The condition of the circulating medium of the country presents another copious source of mischief and embarrassment. The recent exportations of specie have considerably diminished the fund of gold and silver coin; and another considerable portion of that fund has been drawn, by the timid and the wary, from the use of the community, into the private coffers of individuals. On the other hand, the multiplication of banks in the several States, has so increased the quantity of paper currency, that it would be difficult to calculate its amount, and still more difficult to ascertain its value, with reference to the capital on which it has been issued. But the benefit of even this paper currency, is, in a great measure lost, as the suspension of payments in specie at most of the banks, has suddenly broken the chain of accommodation that previously extended the credit and the circulation of the notes which were emitted in one State, into every State of the Union. It may, in general, be affirmed, therefore, *that there exists, at this time, no adequate circulating medium common to the citizens of the United States. The moneyed transactions of private life are at a stand, and the fiscal operations of the Government labor with extreme inconvenience.*"

After having thus described the painful suffering of the country, he proceeds to suggest a remedy, as follows:

"The establishment of a national institution, operating upon credit, combined with capital, and regulated by prudence and good faith, is, after all, *the only efficient remedy* for the disordered condition of our circulating medium. While accomplishing that object, too, there will be found, under the auspices of such an institution, a safe depository for the public treasure, and a constant auxiliary to the public credit."

Thus spoke Mr. Dallas, in 1814, and if he had been drawing a picture of our own times, he could not have described more accurately the difficulties under which we are now laboring.

At the following session of Congress, in 1815, a bill was passed, to establish a National Bank, which was vetoed by Mr. Madison, then President of the United States. But by examining the reasons given by him in that veto message, it will be found that he did not object to it on constitutional grounds, but on account of its details; because he thought the charter in its then shape imperfect, and that it would not answer those purposes contemplated by the incorporation of such an institution. In his veto message, he says:

"Waiving the question of the constitutional authority of the legislature to establish an incorporated bank, as being precluded, in my judgment, by repeated recognitions, under varied circumstances, of the validity of such an institution, in acts of the legislative, executive, and judicial branches of the Government, accompanied by indications in different modes of a concurrence of the general will of the nation; the proposed bank does not appear to be calculated to answer the purposes of reviving the public credit, of providing a national medium of circulation, and of aiding the treasury by facilitating the indispensable anticipations of the revenue, and by affording to the public more durable loans."

The situation of the country continued to grow worse and worse, and in December, 1815, Mr. Madison in his message to Congress, suggested a National Bank as a remedy for the evils of the times. In that message, he says:

"The arrangements of finances, with a view to the receipts and expenditures of a permanent peace establishment, will necessarily enter into the deliberations of Congress during the present session. It is essential to every modification of the finances, that the benefits of a uniform national currency should be restored to the community. The absence of the precious metals will, it is believed, be a temporary evil; but until they can again be rendered the general medium of exchange, it devolves on the wisdom of Congress to provide a substitute, which shall equally engage the confidence and accommodate the wants of the citizens throughout the Union. If the operation of the State Banks cannot produce this result, *the probable operation of a National Bank* will merit consideration."

The Secretary of the Treasury, Mr. Dallas, in his annual report on the state of the finances, at the same session, said as follows:

"The establishment of a National Bank is regarded as the best, and perhaps the only adequate resource, to relieve the country and the Government from the present embarrassment. Authorized to issue notes, which will be received in all payments to the United States, the circulation of its issues will be co-extensive with the Union; and there will exist a constant demand, bearing a just proportion to the annual amount of the duties and taxes to be collected, independent of the general circulation for commercial and social purposes. A National Bank will, therefore, possess the means and the opportunity of supplying a circulating medium, of equal use and value in every State, and in every district of every State. Established by the authority of the Government of the United States; accredited by the Government, to the whole amount of its notes in circulation; and entrusted, as the depository of the Government, with all the accumulations of the public treasure; the National Bank, independent of its immediate capital, will enjoy every recommendation which can merit and secure the confidence of the public. Organized upon principles of responsibility, but of independence, the National Bank will be retained within its legitimate sphere of action, without just apprehension from the misconduct of its directors, or from the encroachments of the Government. Eminent in its resources, and in its example, the National Bank will conciliate, aid, and lend the State banks, in all that is necessary for the restoration of credit, public and private."

In January, 1836, Mr. Calhoun, from a committee appointed on the state of the currency, introduced the bill to charter the late bank; and, in the remarks which he made upon that subject, he used the following language:

"As to the question whether a National Bank would be favorable to the administration of the finances of the Government, it was one on which there was so little doubt that gentlemen would excuse him if he did not enter into it."

Again he says: "We have in lieu of gold and silver, a paper medium, unequally, but generally depreciated, which affects the trade and industry of the nation; which paralyzes the national arm; which sullies the faith, both public and private, of the United States."

And further he says: "A National Bank, paying specie itself, would have a tendency to make specie payments general, as well by its influence as by its example."

Further: "A National Bank would enable the Government to resort to measures which would make it unprofitable to banks to continue the violation of their contracts, and advantageous to return to the observance of them. The leading measure of this character would be to strip the banks refusing to pay specie of all the profits arising from the business of the Government; to prohibit deposits with them, and to refuse to receive their notes in payment of dues to the Government."

And after thus urging a National Bank, as a means of restoring specie payments, he goes on to say:

"The restoration of specie payments would remove the embarrassments on the industry of the country, and the stains from its public and private faith."

Here, then, we see the evils under which the country labored at that time, from the concurrent testimony of the prominent men of the day; and the mode of relief which was proposed. And I have been thus tedious in citing these authorities, because they show the evils which were intended to be removed by the establishment of a bank, and further, because they describe a state of things almost exactly similar to that which exists at the present time. These evils were a depreciated and irredeemable paper currency; the want of a fiscal agent to keep and transfer the funds of the Government without loss; the want of a uniform rate of exchanges; the want of a faithful agent in aiding us to pay off the national debt—for it will be recollected that we had just come out of another war with Great Britain, encumbered with another heavy debt, and an entire prostration of the credit and commerce of the country. In April, 1816, the bill chartering the late Bank of the United States was passed. Did the bank, after going into operation, remedy those evils? Or did it fail of its design? As to the restoration of specie payments, I will cite an authority which will not be questioned by the advocates of the Sub-treasury, at all events, not by that portion of them who *call* themselves State Rights men. Mr. Calhoun, in his speech in 1834, on his proposition for the extension of the bank charter for twelve years, said:

"It is said that the bank had no agency, or at least no efficient agency, in the restoration of specie payments in 1817, and that it has failed to furnish the country with a uniform and sound currency, as had been promised at its creation. Both of these allegations I pronounce to be without just foundation. To

enter into a minute examination of them, would carry me too far from the subject; and I must content myself with saying that, having been on the political stage without interruption, from that day to this—having been an attentive observer of the question of the currency throughout the whole period—the bank has been an indispensable agent in the restoration of Specie payments; that, without it, the restoration could not have been effected short of the utter prostration of all the moneyed institutions of the country, and an entire depreciation of bank paper; and that it has not only restored specie payments, but has given a currency far more uniform, between the extremes of the country, than was anticipated, or even dreamed of, at the time of its creation.”

As to the financial agency of the bank, it is well known that the charter contained a provision, requiring that the public moneys should be deposited with it; and it cannot be denied, that of the many hundreds of millions of dollars kept and disbursed by the bank, not one dollar was lost to the Government; and that the public funds were always transferred with punctuality, to the different points of disbursement, without loss, inconvenience, or cost to the country. It must also be admitted, that it performed the part of a faithful agent in paying off the national debt, not only at home, but in negotiating for the payment of that abroad. Under its operation, trade and commerce revived, the exchanges were brought down to a cheap and uniform standard, and the business, the wealth, and the energies of the country, were thrown into active and prosperous exercise.

These are important historical facts, which ought not to be disregarded. Twice in our history, before the present time, has the country groaned under the same disease from which it is now suffering; twice has the same remedy of a National Bank been resorted to, and twice has it succeeded in restoring the country to prosperity. Of course I speak of the general operation of the bank during a series of years. It is not pretended that there were not any temporary revulsions or reactions in the business and currency of the country; it is beyond the wisdom of man to devise any system that is perfect; these occasional interruptions in the regular course of trade, depend on contingencies, which cannot be provided for: but with these exceptions, which must necessarily attach to the imperfect nature of all government, the Bank of the United States performed all the objects before mentioned, and that in a most eminent degree.

In 1829, when the late President of the United States was elevated to power, the late bank had for years been running the career of successful experiment. Every branch of business was prospering; industry and enterprise were meeting with their due encouragement and reward; men in all the pursuits of life, the merchant, the mechanic, the farmer, and the professional man, were all reaping the benefits of a sound currency; and the accommodations always extended where credit was due. By a combination of causes, which it is unnecessary to mention, General Jackson had been invested with the robes of office, amid the shouts of his countrymen. But events soon proved how vain are all human calculations, and how fruitless are human designs. Those who had been mainly instrumental in electing General Jackson—who had marched in the van of the conflict—who had borne the burden and heat of the day—soon discovered, that instead of shielding the country from danger, by the elevation of General Jackson, they had planted a dagger in the very heart of the Republic. Yes, sir, they discovered, when it was too late, that, like the unfortunate artisan that invented the engine of torture for the Agrigentine tyrant, they were to become the very first victims of their own indiscretion. Many of them no doubt suffered deservedly. They knew, or ought to have known, the character of him whom they were foisting upon the confiding people of this country. But thousands—and I among them, though then but a youth—were deceived, misled, betrayed.

And it has so turned out at last, that the distinguished gentleman from Massachusetts [MR. ADAMS] has lived to see the hopes of his enemies disappointed—their slanders refuted—and the agents of his political overthrow, either repenting of the ruin and misrule they have brought upon their country, or paying the penalty of their misdeeds, by the ruin they have brought upon themselves.

During the canvass which resulted in General Jackson's election in 1828, so general was the confidence of the community in the Bank of the United States, and so little was it supposed that he entertained feelings of hostility towards it, that the matter was not at all agitated in the contest. The journals of that time furnish a clew to the first impulse of his opposition. By examining them, a correspondence will be found, which took place in 1829 between Mr. Ingham, the then Secretary of the Treasury, and Mr. Biddle, the President of the bank, wherein the former expresses the wishes of the ruling powers, for the removal of the President of the Branch Bank at Portsmouth, New Hampshire, merely

because he claimed the privilege of every freeman, to think and speak freely of the political affairs of the day. This is a fact which should never be lost sight of. Notwithstanding all the denunciations which have for years been uttered against that institution, for interfering in the politics of the country, the truth is, that the very first ground of hostility to it was because it *would not interfere* in party politics, but, as declared by the President of that institution at the time, confined itself to the commercial and business relations of the country.

As soon as the President of the bank refused to bow to the dictates of the tyrant, he was put under the ban of proscription. But still the institution, over which he presided, was to be approached cautiously and insidiously. At that time, so firmly seated was the bank in the confidence of the country, so strong the conviction of its indispensable agency in managing the finances, that General Jackson, in all his power, dared not recommend the dispensing with such an institution. In the same message in which he showed the first symptoms of opposition to the bank, he suggested, "whether one founded upon the credit and revenue of the Government might not be devised." Here is the first germ of that Treasury, Government Bank, shadowed forth in the bill on your table. The able and unanswerable argument of Mr. McDuffie, put this matter to rest for the time; but its revival, at this late day, shows that "the snake was scotched, not killed." In July, 1832, the bank was re-chartered by a vote of twenty-eight to twenty, in the Senate, and one hundred and seven to eighty-five, in the House of Representatives. And if any thing could prove the strong conviction which the country entertained of the utility and absolute necessity of the Bank of the United States, it was this strong vote in its favor, by a Congress in which the Administration had a large majority in both Houses; for the absolute control which General Jackson exercised over his followers is well known. With them, his word was law. A stamp of his foot, or a shake of his head, was to them the signal of instant obedience. When the lion growled, the jackals quaked with fear and trembling. But still, on re-chartering the bank, he could not control his refractory subjects, so strong was public sentiment against him. In July, 1832, he vetoed the bill, but still he dared not defy public opinion so far as to suggest the propriety of abandoning such an institution altogether; for in that veto message he says: "That a Bank of the United States, competent to all the duties which may be required by the Government, might be so organized as not to infringe upon our own delegated powers, or the reserved rights of the States, I do not entertain a doubt. Had the Executive been called upon to furnish the project of such an institution, the duty would have been cheerfully performed." He here yields the constitutional question altogether, and bears testimony to the "competency" of such an institution to perform "all the duties required by the Government." This veto of the bank charter, contrary to the public opinion of the nation, and the recorded views of Congress, was the first actual blow struck at public credit, the first great obstacle thrown in the way of trade and commerce, the commencement of that series of disasters which has brought the country to its present state of suffering.

The removal of the deposits in October, 1833, from the custody of the United States Bank, where the law had placed them, was the signal for a general, systematic, and uncompromising warfare against the bank, as an institution. The game was now up; the dogs were unleashed; they had tasted blood, and off they went, in a yelling cry, with their infuriate huntsman at their heels. The violence and impetuosity of General Jackson's temper were well known; and he was also known to be as steady in purpose, as he was bitter and unrelenting in his hostility. It was now foreseen that, armed as he was with the power and popularity he possessed, and urged on by the demon that controlled his feelings, the bank must fall in a contest with him.

The certain destruction of this institution presented a vacuum which the business and wants of the country required to be filled. Capitalists looked around for new chances of investment; speculation, taking advantage of the derangement of credit, began to usurp the place of regular business, and, in a spirit of rivalry, different States, cities, and communities, rushed forward, each endeavoring to be foremost in the race of speculation and banking, and in endeavoring to grasp the business and influence soon to be lost by the Bank of the United States. And what aggravated the evil, was, the public deposits were known to be in market as the reward of partisan service. That removal of the deposits was an open declaration of war upon the currency of the country. It was, in every sense of the term, a breach of national faith. It was in direct violation of the law of the land, which held the Secretary of the Treasury responsible to Congress for even *failing* to make deposits in the bank, and which by no means allowed the *removal* of those already made.

It was in violation of an express contract by which the Government became bound to make deposits in the bank, with the privilege, on the part of the bank, to use them when not required for the public service, in consideration of the many heavy duties which the bank agreed to perform for the Government. This breach of public faith, this shock given to public credit, applied the match to the train which had for some time been laying, and the explosions of which have been heard, at regular intervals, from that time to this.

The public moneys were taken from the custody of the law, and placed in State banks, that were willing to degrade themselves so far as to accept of a tyrant's terms. This was the beginning of the experiment, as it was termed. Bulletin after bulletin was issued from the storehouse of slander in this city, complaining of the failure of the United States Bank to perform the objects of its creation, and heralding forth the praises of the State bank system. We were told, again and again, that the deposit banks would furnish a better currency; that they would regulate the exchanges better; that they would keep the public money safer, and transfer it more expeditiously to the points of disbursement, than the Bank of the United States had ever done. This was the cry that was chaunted in full chorus by every venal press, and every upstart demagogue in the land. It was the language that came from high places and low. Mr. Taney, in his message of December, 1833, said: "The State banks can, I have no doubt, furnish a general circulating medium quite as uniform, in value, as that which has been afforded by the Bank of the United States; probably more so." The President, in his message of the same session, said, "I entirely concur in the view he [the Secretary of the Treasury] has taken of this subject." Mr. Polk, chairman of the Committee of Ways and Means, in a report made during the session of 1833-'34, on the removal of the deposits, says;

"The Committee are satisfied that the State banks are fully competent to perform all the services which the General Government ought to require, in the collection and disbursement of the revenue, and to afford all the facilities to the internal commerce and exchanges of the country, which have been derived from the Bank of the United States.

"The opinion has already been expressed, that the State banks are competent to perform all the duties which the Government, or the public convenience may require; and there are many circumstances which strongly recommend them to a *preference over a Bank of the United States.*"

Well, sir, what was the consequence? Were these predictions fulfilled? No, sir. The State banks, relieved from the restraining influence of the United States Bank, which was fast expiring, and, eager to fill up those channels from which that institution was withdrawing its circulation, let out their issues without stint, and fed, with a liberal hand, the greedy appetite of speculation. The privilege of using the public deposits, free of interest, excited the mania for banking, as it afforded additional means of issue and accommodation. What was the consequence? Banks began to spring up like mushrooms after a shower—all eager to get a portion of the public money, all striving to accommodate the country with their loans, and to realize the most profitable investment to their stockholders.

What was then the conduct of those in power? Instead of using their influence to check this froward spirit, they urged on the banks in their headlong career. The Secretary of the Treasury, Mr. Taney, in a circular issued to the pet banks, shortly after the removal of the deposits, thus addresses them: "The deposits of the public money will enable you to *afford increased facilities to the commercial and other classes of the community*, and the department anticipates from you the adoption of such a course, respecting your accommodations, as will prove *acceptable to the people*, and safe to the Government." And the banks took him at his word. They did "afford increased facilities," not only "to the commercial," but to "other classes of the community." The country soon became literally flooded with bank paper, speculation ran to excess through the land, and every marketable commodity rose rapidly in price. The increase in the number of banks kept pace with the excesses of speculation and the extravagance of the times. It was soon discovered that the scenes of 1811-'15 were to be enacted over again—for, during that period, the same result* followed the expiration of the Bank of the United States.

* It appears from an official report of the Secretary of the Treasury, of February 27, 1839, that at the expiration of the United States Bank, in 1811, there were but eighty-nine banks in existence in the Union, while in 1815, there were two hundred and eight—an increase of one hundred and nineteen banks in four years. Well, the last United States bank went into operation in 1816, and although the period between 1816 and 1830 was one of great prosperity, yet during that time the number of local banks had increased to only three hundred and twenty—being an increase of but one hundred and twelve in fifteen years, when there was a Bank of the United States in existence; while, as we have seen, in the fifteen years preceding, when there was no such institution, the number had increased one hundred and nineteen.

The bloated and unnatural state of the currency which followed was then looked upon with dread and misgiving by the prudent and experienced, as the precursor of evil. The very embarrassments which have since occurred, and which now exist, were then foretold by those whose warning voice was unheeded; while the slaves of power proclaimed it throughout the land as the fruits of a successful experiment, and as the evidence of unparalleled prosperity.

The facility in obtaining money of the banks caused excessive overtrading, speculation, and extravagance, in every branch of business. Foreign* goods and commodities of every kind were poured into the country, in proportion to the ability of the people to obtain the means of purchasing them. The great increase in the sales of the public lands† afforded another sure index of the reckless spirit of speculation engendered by bank facilities.

I shall not, Mr. Chairman, here attempt a detail of the history of our commercial embarrassments in 1837, which, first appearing in our large cities, swept like a tornado over the land. Suffice it to say, that from the great excess of the imports over the exports, which reached its maximum in 1836, we had incurred a heavy foreign debt. In addition to this, the great demand for specie, as a basis for banking operations, had forced that article into the country, at a high premium, contrary to the natural course of trade and commerce. In order to obtain it, our stocks were forced into the English market, until it became drugged with them; and the credit of the country was converted into specie, the importation of which was heralded by the Administration presses as the golden fruit of a successful experiment. But instead of filling the pockets of the poor, or "flowing up the Mississippi, to replenish and refresh the whole face of the land," as had been promised, it went into the vaults of banks, to constitute a basis for the issue of paper, in the proportion of about ten to one. The Bank of England becoming alarmed by this drain upon its specie, and discovering the vast amount of American credit in England, and the immense engagements of the American houses there, and having reason to doubt the solvency and the ability of our merchants to meet their liabilities, resolved to discredit the paper of the American houses, and accordingly passed an order to reject it for the future. This news produced consternation and alarm among all those connected with the American trade in England, and more especially with our merchants here. They saw that they must immediately prepare to pay many millions of outstanding debts, as well as to meet many more of returned bills. The crisis had now come—our credit was gone—the time had arrived for a balancing of accounts, and nothing but specie would answer the purpose. The only resource was a run upon the banks, and never was there a time when the banks were less able to meet it. For, just about this time, the famous specie circular of General Jackson, requiring that nothing but gold and silver should be received in payment for the public lands, had gone into operation, and thus the banks had to meet the double demand for specie, to buy public lands, and to pay foreign debts. They were unable to meet such a pressure—suspension followed, with twelve millions of the public money in their vaults—and I need not attempt to describe the embarrassment, ruin, distress, and devastation, which followed, and which has, in fact, continued ever since.

And this was the result of your boasted experiment. This was the realization of your golden dreams. By the stimulus and encouragement which you gave to speculation, you plunged the country in a foreign debt, which destroyed the credit of the *nation* abroad. By placing the public money in the pet banks, and then compelling them, by a system of oppression, to lock up their vaults against you, you destroyed the credit of the *Government* at home. By deceiving our citizens to go in debt, in offering them bank facilities, and then depriving them of the means of payment, you destroyed the credit of the *people*

look at the state of the case after the veto in 1832. It appears from the same report, that the number of banks, which, in 1830, was three hundred and twenty, with a circulation of sixty-one millions of dollars, and with loans and discounts of two hundred millions of dollars, had, in the six years ending July, 1836, increased to the startling number of five hundred and sixty-seven, with a circulation of one hundred and forty millions of dollars, and with loans and discounts of four hundred and fifty-seven millions of dollars.

* The imports into the United States, for the year ending September 30, 1830, amounted to only seventy millions of dollars, and for the year ending at the same time, in 1836, they amounted to one hundred and ninety millions of dollars, showing an annual increase of one hundred and twenty millions of dollars, or of two hundred and seventy per cent., within the short space of six years; whilst the exports for the year ending September 30, 1830, amounted to eighty-three millions of dollars, and for the year ending at the same time, in 1836, they amounted to one hundred and twenty-eight millions of dollars—thus showing an excess of imports over exports, for that year, of sixty-one millions of dollars, or ninety-six per cent.

† For the year 1833, the proceeds arising from the sales of the public lands, amounted to three millions of dollars; in 1835, they rose to fourteen millions of dollars; and in 1836, to twenty three millions of dollars.

with each other. You fostered the State banks into existence, and then, like Saturn, you devoured your own offspring. You promised us a golden currency, and you inundated the country with irredeemable paper. You promised the people prosperity, and you plunged them into ruin. You promised us a glorious and happy administration, and you bankrupted the Government.

Mr. Van Buren came into power, pledged "to follow in the footsteps of his illustrious predecessor;" and he has attempted strictly to keep his word. In September, 1837, he convened Congress; but, as he gave them to understand in his message, not to relieve the embarrassment of the country, not to relieve the sufferings of the people, but to assist the Government; in other words, to provide means for paying the office-holder his salary. He and his party were evidently in a difficulty. Something was necessary to be done, and that speedily. All eyes were turned to Congress. The experiment had failed, signally failed. Some other system had to be tried. What could he do? He could not return to the old system given us by our fathers, (a United States Bank,) because that had for years been the watch-word of his party. It was by the denunciation of that institution, as an aristocratic monopoly, that he had mainly ridden into power upon the prejudices of a deluded people. It was by a lavish abuse of it that his venal presses "lived, moved, and had their being." It was this that furnished argument to every political vagrant that infested the land. It was the armor which they wore, and the weapons with which they fought. To return, then, to a United States Bank, would have been to disarm his own legions, and to expose him and his party to the charge of the grossest inconsistency. Neither could he recommend a continuation of the State bank system, because that had exploded in his hands. No other resource was left, then, but to resort to a system which the great Moloch of the party had once declared to be "against the genius of our free institutions;" and his chosen organ (the *Globe*) had described as "disorganizing and revolutionary, subversive of the fundamental principles of our Government and of its practice, from 1780 down to this day." But still it was the last and only chance.

The Sub-treasury, then, is a system that has been forced upon the "party" by the pressure of circumstances; and the question now is, shall we, in disregard of the experience of the past, agree to have fastened upon us, forever, this new and untried system, the operation of which, to say the least of it, must be doubtful.

I am opposed to this system, Mr. Chairman, in the first place, because the circumstances under which it is brought forward, and urged upon the country at this time, are in violation of the great principle of representative Government, upon which our free institutions are founded. Again and again have the people pronounced sentence of condemnation upon this odious measure, and still it is attempted to be forced upon them contrary to their expressed wishes; and this, too, by a party that is eternally prating about its regard to popular rights, and its obedience to the popular will. It comes to this House, passed by a Senate, many of the members of which have acted in wanton defiance of the instructions of the Legislatures of their respective States. As one instance, I cite the votes of the two Senators of that State I in part represent. At the last session of the Legislature of North Carolina, they were instructed to oppose this measure; still they refuse to obey, and yet cling to their seats, like drowning men to a sinking wreck. It is from such men as these reckless violators of the popular will, that we are to be taught our duty, and with whose edicts we are called upon to comply. How stands the case in this House? Here, too, the people had sent a majority opposed to this ruinous and tyrannical scheme; and yet, by an act of party madness, violative of all justice and all precedent, you have dared to reverse the verdict of the people—to drive with insult from your doors, the chosen Representatives of freemen, and to fill their places with those who stand ready to carry out the high behests of power. Is this republicanism? Is this your boasted democracy? Will you now disregard the recorded voice of the people, while, at the same time, you boast of being their especial champion and friend? Suppose an English Ministry had dared to press a measure of such importance, after it had been, for three times in succession, rejected by the representatives of the people? Why in England, monarchy as it is, all the police and soldiery of London could not have protected them from the violence of popular indignation. And yet, in this country, which boasts of its freedom—in this country, which is under the administration of a party that talks of its *love* for the people, and its guardianship of their rights—this measure is obstinately persisted in, contrary to their will, as expressed by themselves and their representatives; and we are given to understand that no other system can be or *shall* be entertained. Such a determination, under such circumstances, is contrary to the genius of our

republican system. It subjects the will of the people to that of the Executive, and is subversive of that principle of responsibility of public agents, which is one of the main pillars of a free Government.

Sir, I am not one of those who would surrender the calm and dispassionate conclusions of wisdom and experience, to the sudden outbreaks of popular feeling. It is as much the duty of the statesman and the patriot, to resist, and attempt to restrain the violence and prejudices of the multitude, as it is his duty to bow in obedience to the sober judgment of the people, after reason and reflection have regained their dominion. In this case, time *has been* allowed for reason and reflection, and still the people, after their "sober second thoughts," continue to exclaim against it. Not only has it failed to gain converts, but by your obstinate perseverance, together with the foretaste you have given us of it, you are swelling the ranks of the opposition, day after day. If this bill is passed, our Government will be revolutionized in practice, if not in theory. It will no longer be a Government resting upon the basis of public opinion, but one subject to the perverse will of a corrupt oligarchy. The problem of the Constitution will have been solved. The Executive will have proven all-powerful and irresistible; and that instead of following, he is to lead and control the public opinion of the nation. A precedent will have been set, by which some daring usurper, in after times, will be enabled to pave his way to the throne of despotic power.

This Sub-treasury comes before us with the mark of discredit on its face—a mark branded there by its own friends. At the time the State banks were the pets and favorites of the Administration, we were told that the Sub-treasury system was "disorganizing and revolutionary;" that it was "against the genius of our free institutions;" and every vile epithet in the vocabulary of abuse was heaped upon it. Now we are told by the same men, that it is "a great question of deliverance and liberty." They first attempt to teach the people that it is fraught with all manner of mischief, and then they tell them it is to shower blessings on their heads.

But if they had never discredited it themselves, it would not be the less objectionable. It is enough for us to know that it comes from the crucible of the same tinkers who have so often deceived us by their fair and delusive promises—who have not only injured, but destroyed the currency of the country—and who, while they have promised us a golden harvest, have left us nothing to reap but wreck and ruin. When the deposits were removed from the Bank of the United States, we were told it would prevent that dangerous power of expansion and contraction, which those deposits afforded to that institution; and that the State banks, with the aid of the public money, would furnish a better currency, and a better rate of exchanges, than the Bank of the United States. The great Humbugger proclaimed, in all the pomp of his manner, that gold was to become the common currency of the country; that it was to flow up the Mississippi, to the very sources of its tributary streams; that the precious metal was to shine in the pockets of every poor man; in short, that the golden age was to be restored. The "greatest and best," in that partisan paper which he issued on retiring from office, in insolent imitation of the Farewell address of the Father of his country, declared that he "left this great people prosperous and happy," and took occasion to felicitate himself that he had been successful in his efforts to restore the constitutional currency. What has been the result? Instead of a golden currency, they have banished all the specie from circulation, and filled the country with their worthless rags. Instead of filling the pockets of the poor man, they have reduced him to penury and want; and now openly proclaim, that one of the objects of this bill is to reduce the wages of labor. Instead of improving the exchanges, they have raised them from one-quarter of one per cent., to from ten to fifteen per cent., and this great people, instead of being prosperous and happy, are agonised with the throes of commercial and pecuniary distress. All their predictions heretofore have failed; and still they call upon us to believe them again. They have proven themselves to be either wilfully corrupt, or stupidly ignorant. In either case, they are unfit to conduct the finances of the country. Is it prudent, in private life, to trust the man who has once deceived you? Is it good policy to commit your interests to the charge of one who has proven himself incompetent to the management of business? If not in private life, then much less in political matters of great moment, where the interests of millions are involved, and where the consequences are so much more fatal and extensive. If these men have wilfully deceived us heretofore, what evidence have they afforded of a more honest purpose now? If they were deceived themselves, what proof have they given of any improvement in financial knowledge since? Take either horn of the di-

lemma, and still I distrust them. They have proven false prophets, again and again, and I have no faith in their predictions now. And while this measure is urged by the same men, whose schemes have so often proved abortive, and whose predictions have so repeatedly proven fallacious, it is opposed, and its evil consequences foretold, by the same men who foresaw and predicted all the evil results that have followed the rash experiments of the last ten years. Yes, sir, the warning voice of these same sentinels, who have so long stood upon the watchtower, is again heard admonishing their countrymen of the danger of this system. They foretold, as with the spirit of prophecy, the very disasters from which the country is now suffering. Shall we believe them whose wisdom and foresight experience has proven, or shall we trust those who have so often mocked us with promises, while they have beggared us by their deeds?

This Sub-treasury is a new and untried experiment, calculated to uproot all the long established usages of our people. It asks us to throw aside a system which we received from the hands of our fathers—which has relieved us of the difficulties consequent upon two wars, and carried us successfully through forty years of peace. As I have attempted to show, the Bank of the United States answered all the purposes contemplated by its founders. It answered the double purposes of a financial agent, and a regulator of the currency and exchanges. It fostered that system of credit which has been the main agent of our prosperity, whilst it also afforded a reasonable check upon the extravagant spirit of speculation. Now, sir, I would ask, is it wise, is it prudent, is it consistent with good economy, to throw aside a system which has answered a good purpose, under which we have prospered, which has received the sanction of all parties in the country, and all departments of the Government, and take up one which, to say the least of it, is presented to us under very unfavorable auspices? Would it be wise to pursue such a course in the ordinary avocations of domestic life? Ought any farmer, upon the advice of some wild theorist, to abandon the use of hoes and ploughs, when for a long series of years he had reaped a plentiful harvest by the use of those valuable implements of husbandry? Ought the physician to resort to the nostrums of some pretending quack, to cure a disease for which he has an infallible remedy in his own hands, as proven by repeated trial? Certainly not. Then, ought we, as a nation, to disregard the experience of the past—ought we to abandon that system which was handed down to us by the same men from whom we received the heritage of our freedom, and under which we have grown up to our present greatness, for the purpose of trying experiments which may involve the sufferings and distress of an innocent people? The tyrant who tortured flies on the point of a pin, for his own amusement, was not more cruel than would be the Government that would thus try experiments with the vital interests of a great people.

The most renowned nations of antiquity were remarkable for the veneration which they felt, and the honors which they paid, to the memory of those men who had been the defenders of their rights, and the founders of their institutions. A place among the stars, after death, was the reward of him who had founded a city, released a people from bondage, or compiled a code of laws for the government of his countrymen. And they evidenced their regard for the memory of departed heroes and sages, by guarding against encroachment the institutions they had founded. The laws of Numa were the main groundwork of Roman jurisprudence, and were appealed to with pride and devotion, even in the declining days of Roman greatness. So sensible were the Spartans of the value of the laws of Lycurgus, that, in conformity with the oath they had taken, they strictly observed them, without repeal, for seven hundred years: and they were at last abolished by the hands of a conquering enemy. Ought we to be less mindful of the deeds of our ancestors—ought we to place less value on those institutions which were purchased with their blood, and of those laws which they enacted, and those systems they adopted, when fresh from the battle-field? There is a daring spirit of innovation, in this proposed Sub-treasury, which is alarming to those who love order, and venerate the established institutions of the country. In all ages and countries, innovation has been the precursor of faction, violence, and revolution. It is this spirit of change, change, which is shaking the civilized world to its centre, and which threatens, at no very distant day, to turn loose upon the time-honored institutions of the age, all the turbulent and angry passions of man. It is the spirit of anarchy, of passion, of commotion, of blood. It is the spirit that is personified in O'Connell, that ran riot at Harrisburg, that stalks in agrarian insolence over the land. I am not to be understood as opposing every thing like change and improvement in government. Government, like every other science, is susceptible of improvement; but that improvement, to be productive of happy results, must not be the offspring of passion or party feeling; it must

proceed from a conviction of its necessity: it must be gradual in its operation; it must be in accordance with the progress of the public mind. Institutions, which are the growth of generations, or ages, cannot be remodelled in a day. The public feeling, the customs, the habits, and the sympathies of the people, must be prepared for, and, in fact, they must effect the change, in order to make it permanent and useful. Who believes that it would be practicable to engraft, in a day, a year, or a generation, our Republican institutions upon the Monarchical systems of Austria or Russia? No one but a mad theorist. Equally absurd is it to attempt to introduce the financial systems of those countries here, until our people shall have become, like theirs, ready and willing to receive a master. I repeat, I am not opposed to the *movement* principle, when long experience has convinced the public mind of the absolute necessity of change. But I have the authority of the great charter of our liberties, that "Governments long established should not be changed for light and transient causes;" much less ought institutions to be abandoned, when they are interwoven with the habits and pursuits, the happiness and prosperity of a people.

One of my principal objections to this measure is, that it contemplates nothing for the relief of the people from their present difficulties, or for their future interest and convenience, in their commercial and business transactions. It is intended merely for the benefit of the Government; which, according to the vocabulary of the party in power, means the office-holders. It provides for those who receive, and neglects those who pay the revenues of the country. This cannot be denied; for Mr. Van Buren, in his message at the Extra Session, uses the following language:

"Those who look to the action of this Government for specific aid to the citizen, to relieve embarrassments arising from losses by revulsions in commerce and credit, lose sight of the ends for which it was created, and the powers with which it is clothed. * * * All communities are apt to look to Government for too much. Even in our own country, where its powers and duties are so strictly limited, we are prone to do so, especially at periods of sudden embarrassment and distress. But this ought not to be. The framers of our excellent Constitution, and the people who approved it, with calm and sagacious deliberation, acted at the time on a sounder principle. They wisely judged, that the less Government interferes with private pursuits, the better for the *General* prosperity. * * * If, therefore, I refrain from suggesting to Congress any specific plan for *disrupting* the exchanges of the country, relieving mercantile embarrassments, or interfering with the ordinary *operations* of foreign or domestic commerce, it is from a conviction that such measures are not within the constitutional province of the General Government, and that their adoption would not promote the real and permanent welfare of those they might be designed to aid."

Here the bold ground is assumed, that the Government has nothing to do with the commercial relations of the people, and that its functions are restricted to the providing for those in authority. The startling proposition is enough to alarm every one who is not too stupid to understand it, or too corrupt to regard its tendency. I had always thought that this was a Government of the people, made by the people, administered by the chosen agents of the people, and intended for the good of the people. Then if the Government was made by the people, and for the benefit of the people, is it right, is it republican, to frame a system of finance to suit the convenience of those who administer that Government, regardless of its operations upon the business and pursuits of the people? Above all, does it come with a good grace from a party who are continually whining about their love for the dear people?

Without going into the question, whether the General Government is bound to furnish a currency for the country, I insist that it has no right to destroy that currency which may be furnished the people by their State institutions; or to establish a currency for the use of its agents, which may be better than that used by the great mass of the people, when the tendency of such discrimination must disturb the course of their business and prosperity. Such a course would be destructive of the very end for which the Constitution was formed. Gentlemen may say, if paper is less valuable than gold and silver, why will you compel the Government to use an inferior currency? But, sir, it is the discrimination which will make it less valuable. It is the discredit that will be stamped on it by the Government, in refusing to receive it, that will render it worthless, compared to specie. If a paper currency, founded on a specie basis, is good enough for the people, it must be good enough for those whom they may choose to administer the Government. If the people are content with it, and have prospered under it, why attempt to discredit it, and thereby unhinge the whole order of business throughout the country? Because, if property is held according to this standard of value, if debts are contracted with a view to their payment in this medium, if all the details of business have been arranged with a view to their transaction in the existing kind of currency, it must be evident to the simplest mind, that you cannot destroy, or even impair the credit of that currency, without pro-

ducing a crash, that must be felt in every department of business, and every interest of society. I lay it down as a political axiom, which needs no attempt at proof, that in the exercise of those powers which are strictly constitutional, the Government is bound to have a due regard to their influence upon the wants, the interests, and the pursuits of the people; otherwise the intent, the spirit, the object of the Constitution might be perverted by the sophistry of construction. If this be so, you are bound, in framing a fiscal system for the Government, to look at its operation upon the great business concerns of the country. If Congress has no power to provide a currency for the country, I insist that it is bound, in providing a currency for itself, to see that the interests of the people are not compromised, but rather, that they are subserved.

When Congress was convened at the Extra Session, the country was suffering under the most intense distress; and a beam of hope alighted on the public mind when it was announced that the legislative power of the Union was to be assembled. But lo, and behold! the representatives of the people were told, that it was not for the purpose of affording relief to their suffering constituents that they were convened, but for the purpose of providing means to relieve the wants of the Government. They were told:

"If the debts of our merchants have accumulated, or their credit is impaired, these are fluctuations always incident to extensive or extravagant mercantile transactions."

As to the *real* purpose for which Congress *was* convened, the President explains it in a very few words. The whole secret is told in one short sentence, as follows:

"The sum necessary for the service of the year, beyond the probable receipts, and the amount which it was intended should be reserved in the Treasury at the commencement of the year, will be about six millions."

As to the sufferings of the people, they are given to understand, that they must wait for time and economy to effect a cure. And do we come here merely for the purpose of ministering to the wants of Executive agents? Really, it seems that such is the theory of the party in power, not only from the language of the message above cited, but from the course of legislation here during the present session. Sir, you are in a majority—you have been in session for near seven months, and what have you done? You have disfranchised a State, it is true; but that was only a prelude to what has since followed. You have passed an appropriation bill, to *pay* the office-holder his salary. You have passed a Treasury note bill, to raise the *means* of paying him; and now you are about to pass a Sub-treasury bill, to *enhance the profits* of his salary, at least ten per cent. If this theory be true, then is this Government the merest farce on earth, and it presents the ridiculous spectacle of one set of the people's agents meeting together annually, at great inconvenience and expense, simply for the purpose of providing for the support and maintenance of another set.

This discrimination between the people and the officers of their Government is anti-republican, and dangerous to the permanency of our free institutions. That the Government has a separate and distinct interest from that of the people, savors too much of the divine right of Kings, to suit my fancy. It strikes at that responsibility of public agents, which is the basis of our system. For if the Government is entitled to a different currency from that of the people—and that a better currency too—then it is not responsible for the consequences growing out of the exercise of this privilege, or for the manner in which they may choose to enjoy it. One of the beauties of our system is, that it recognises no privileges to the governors, different from those of the governed, except those which the law has prescribed as incident to the nature of their offices, and as necessary to a faithful discharge of the same. The surest guaranty against oppression is in having the interests of the people and their officers inseparably identified. Restrict them to the same medium of circulation, and they will feel the same fluctuations in trade, and the same desire to remedy the evils of a disordered currency. You must make those who administer the Government sensibly alive to the sufferings of the people, because it is their interest to be so. But by making a discrimination between them, whilst you render the public agents callous and indifferent to the grievances of the people, you weaken the affections of the people for the Government itself—those affections which are the surest basis of the Government, and on which it must rely for support.

You have already, by the privileges and favors showered upon the office-holders, weakened the bonds of union between the Government and the people. Who can say that he *now* feels that same regard and veneration for the Government and its institutions, which he did a few years since? By a system of servility and obedience, the Executive has become pampered into a lawless tyrant; and is now the master, instead of the servant

as he should be, of the people. The legislature, instead of being "the high inquest of the nation," has become humbled into a mere registry of imperial rescripts. The judiciary, instead of being the guardians of the Constitution and the laws, has become corrupted and defiled, from being filled with the mere tools and pimps of power. The Government in all its departments, instead of possessing the affection and confidence of the people, now excites no other feelings but those of contempt and disgust. I do not speak of the institutions of the country as they exist in theory, but as they are administered in practice. And now you propose to sever the last remaining tie, by giving a gold and silver currency to the officers of the Government, and leaving the people nothing but rags—yes, rags, to use your own modern description of your own favorite money, with which you have flooded the land.

And, sir, why is this? Why is it, I ask, that these office-holders, these mere fawning sycophants, are to be entitled to these special privileges? These men have no sympathies in common with the great mass of the hardy yeomanry of the country. What matters it to them, if the honest laborer is turned out of employment? If the suffering widow is reduced to poverty, or the friendless orphan deprived of bread? What is it to them, if the country is writhing in distress, if commercial embarrassment does prevail, if every branch of business is depressed? They still may look on "calm as a summer's morn," and enjoy the golden rewards of their venal labors. Is there any proposition to reduce their salaries—to reduce the wages of their baseness? None whatever. While, on the other hand, the ground is boldly taken, by a prominent advocate of this measure in the other House, [MR. BUCHANAN,] that one of its happy effects will be; to bring down the wages of labor. You thus *lessen* the profits of the laboring man, while you *increase* the wages of the public officer; for, as labor is lessened in value, the medium of that value must be enhanced. Sir, who are these office-holders, that they should be thus favored? Do they come from the ranks of the "*plain honest people*," with whom the advocates of this measure always fall so much in love, just on the eve of an election? Where does this Administration go, to seek those who are elevated to the offices and high places of power? Do they take the honest farmer from his plough, the industrious mechanic from his shop, the quiet merchant from his desk, or the studious professional man from his office? No, sir. They select the noisy politician, who is notorious for his stentorian voice in denouncing *the bank*, or some miserable pretender, who has been discarded by an injured and indignant people? These are the men who are to be paid in specie, while the great mass of the people, who pay the taxes for the support of the Government, are to be told, that with their grievances the Government has nothing to do; and who, when in distress, are to be insulted by being told, that it is owing to their own extravagance; and if they want relief, they must learn economy. And this is your boasted divorce of Government and bank. Carry it out, and you will have effected a divorce; but it will be a divorce of the Government and the people; for the people will never consent to "love, honor, and obey" a Government which, instead of treating them with a conjugal affection, shall attempt to rule them with such a cruel hand.

Another objection to this new-fangled scheme is, the cost of it—the expense which it will entail upon the Government. After all the caution with which the framers of this bill have guarded it, they admit that it will cost the Government about thirty thousand dollars to *put it in operation*, and nearly that amount per annum to carry it on afterwards. Now, sir, every one knows that, in matters of this kind, the previous estimates always fall far short of the ultimate cost. In carrying into effect a new system of finance, which is intended to be permanent, it is impossible to foretell or provide for the additional expense that will be daily accruing. And once the system is adopted, once it is put in operation, Congress will not stop at any expense necessary to complete it. Like all the works of public improvement in the country, after it has been commenced, you will call it folly, you will call it faction, to refuse to carry it on to completion. Look at the splendid edifices now going up in this city, for your Treasury and Post-office Departments. The former, according to the estimates, was to cost two hundred thousand dollars; it is now evident that it will exceed a million of dollars. The latter, from the estimates, was to cost under two hundred thousand dollars; it is now admitted that it will exceed six hundred thousand dollars. The new custom-house, in New York, is a still more glaring instance. We were told that its cost would not exceed two hundred thousand dollars; it has already cost more than a million—thousands having been spent in finishing it in the most costly style of Grecian architecture, contrary to all good taste as well as economy. Estimates! Why, what are your estimates worth? Your estimates were

sent in for a Post-office Department of granite, and you are putting up one of marble. And what do we want with a marble Post-office Department? One of mud and straw would be too good for such as in latter times have ministered over its concerns. Marble Post-offices and marble Custom-houses! Does the party in power wish to be able, on their retirement from office on the 4th of March next, to make a boast similar to that of Augustus? That crafty prince, when about to die, boasted that he had found Rome built of brick, but that he left it built of marble. He might have added, that he found it enjoying liberty, but left it in slavery. And that is what the historian may and will say of this Administration, when recording the events of the present time.

Make your Sub-treasury the law of the land, put it in operation, and session after session we shall be called on to vote additional appropriations, which were not and could not be foreseen at its passage. You will be told, again and again, that the public interest requires the employment of additional clerks.* No one can doubt this, who sees that in most of the Departments the number of clerks has been nearly doubled in the last ten years, as was brought to light by my friend from Ohio, [Mr. Bond;] and that by a party, too, that came into power pledged to reform abuses, and to administer the Government economically. We shall be called upon to erect splendid edifices for the offices of these modern Quæstors, to enable them to keep safely and disburse conveniently the public revenue. We shall be told that patriotism requires that these national establishments should be in keeping with the pride and wealth of the country. And then they must be fitted out in all the style and luxury of eastern magnificence. If any one doubts this, let him look at the accounts of the superintendent of the Branch Mint in North Carolina, by which it will be seen that he has expended thousands of the public money in the purchase of shrubs and flowers, and splendid furniture—such as inkstands, at \$8 75; scroll sofas, at \$81 50; office chairs, covered with morocco, at \$34, &c., &c.—for fitting out his private residence there; and when complaint is made, he replies, “if he has erred, it is the error of patriotism.” And the offices of your Receivers-General, under this bill, instead of being in the custom-houses, will soon become so many marble palaces, overshadowing the land; and the offices of the inferior receivers be scattered throughout the States, like the palaces of the Persian Satraps through the provinces of that vast empire. And when we complain of this extravagance, we shall be told, “if it is an error, it is the error of patriotism.” When the poor man passes by, and looks up at these towering edifices, and complains of his suffering wife and children, he is to be told, in the language of the superintendent of the Branch Mint, that the odor of the flowers, which is exhaled from the surrounding gardens, when wafted on the breeze, “is free to the poor man as well as the rich;” and this is to be sufficient compensation to him, for being despoiled of the hard earnings of his labor, in order to support this extravagant system. Under this corrupt dynasty, this system will prove a mint, for the coinage of innumerable offices. The thousands of hungry expectants that crowd these streets will then be easily provided for; and if we complain, we shall be told that it bespeaks a factious spirit. It will furnish a sure means by which any cunning intriguer or bold usurper may hereafter reward the ministers of his ambition. Sylla, the Dictator, when he clutched supreme power, added twenty additional Quæstors, when the number had never before exceeded eight; and Cæsar added forty more. And the Roman Quæstors, let it be remembered, were very much like the Receivers-General contemplated by this bill—they were the collectors of the tribute. We may expect the same thing here, whenever it becomes necessary to maintain power or reward partisan services.

Now, contrast this system, even at the small cost to the Government contemplated in the bill, with that of a United States Bank. The last bank, in addition to the other vast benefits it conferred on the country, paid to the Government \$1,500,000, as a bonus for its charter. It is reasonable to suppose that the same, or larger amount, might be obtained by the Government for a new charter. Then here is the difference between the two systems, in regard to the expense: the Sub-treasury, according to the admission of its friends, must cost the Government near thirty thousand dollars per annum, to keep it in operation; whilst its annually increasing expense, in order to complete it, no one can foresee—whilst the Bank of the United States, so far from costing the Government a sin-

*Since this measure has become a law, Mr. R. has understood that it is said, upon the authority of some of the leading friends of the Administration, that it will require *sixty* additional clerks to put the system in operation. There is no doubt but it will require at least *five hundred* clerks to manage the system within a few years; and the tendency will be, to increase the number annually.

pie cent. will actually bring into the Treasury \$1,500,000, or more. The friends of this measure may perhaps sneer at this, and say, what is a million and a half of dollars? It may be a very trifling sum, in the estimation of men who think it not at all extravagant that the President should spend one hundred dollars of the public money in purchasing artificial flowers to deck his royal table; yet it is no small amount, especially when we consider that it is to go *into* the Treasury, instead of coming *out*; or when we think of the blessings it might diffuse, if properly applied. How many an honest claimant would it satisfy, who is knocking at your door for relief? especially at this time, when by your extravagance you have emptied the Treasury. How many a suffering widow and orphan, whose all may be involved in their neglected claims, now lying on your table, would it save from the pangs of hunger? How many a time-worn revolutionary soldier would it pay his long-deferred claims on your justice? But why do I speak of such objects as these? They are of little moment with the dominant party here, compared with the great ends of party which it is the object of this bill to attain.

Mr. Chairman, one other great object, in fact the greatest, in the establishment of a permanent fiscal system, is the *safe keeping* of the public money. I insist that the Sub-treasury will prove utterly inefficient in this respect. I believe that, in the former language of the Globe, it will "subject the public money to be plundered by a hundred hands, where one cannot now reach it." And here, again, let us compare the relative merits of the two systems—the Sub-treasury and a National Bank. Fortunately, I have the history of forty years' experience to sustain my position. Of all the vast amount of public money kept and transferred by a National Bank, since the origin of the Government, amounting to at least five hundred millions of dollars, not the first cent has been lost, or unaccounted for to the Government. That institution always accounted faithfully, cent for cent, and dollar for dollar, for all sums intrusted to its custody. Then, if a National Bank has kept the public funds safely heretofore, it is reasonable to suppose that it would do so again. I do not pretend that the possession of corporate powers confers any additional honesty upon men, or that the officers of a bank must *necessarily* be more honest than Executive agents. No one is so absurd as to insist on such an argument. But here is the difference. In the first place, the bank would enjoy its corporate privileges, upon the condition of a compliance with the terms of its charter. It has the terror of accountability to restrain it. If it be a monster, still it is confined with the strong chains of the law. There is, then, the strongest motive of human action, self-interest, to compel the managers of a national institution to comply with the condition of its creation. The object of those who invest their fortunes in such an institution is gain. That object can only be reached by possessing the confidence of the country, and that confidence can only be retained by a faithful compliance with the obligations of its charter. When a bank fails to comply with its special contracts, it loses its credit; and its credit once lost, it becomes impotent for profit to its owners. A national institution, responsible to national laws, would be further liable for a forfeiture of its chartered privileges. Again, a National Bank could not take to itself legs, and run away; and if, perchance, some one of its dishonest officers should do so, with a portion of the corporate funds, still the whole capital of the institution would be bound to make up the loss to the Government. And here is a strong inducement to the employment, by such a bank, of faithful and honest officers. So we see that, on the score of safety, it is as much the *interest* of the bank to keep the public money safely, as it is the *interest* of the Government to place it there.

How stands the case with the Executive agents, whom this bill proposes to make the depositaries of the public funds? They are not restrained by the same terrors of a loss of public confidence, because they are not dependent on public confidence for their support. Those who are usually appointed to office, in these times, have very little character to lose, and what would *ruin* the fortunes of a corporation, would *make* the fortunes of a defaulting sub-treasurer. Had the United States Bank stolen \$1,250,000 it would not only have lost the confidence of the country, and thereby the spell of its power, but it would have been arraigned before the tribunals of the country, and deprived of its corporate rights. But the robbery of that amount by Swartwout, made his fortune forever, and afforded him the very means of escaping from the process of the law.

Whilst not one cent has been lost by the United States Bank in forty years, how much has been lost by individual agents? Although under the administration of the United States Bank, the collectors of the revenue were required by law, to make their deposits in bank, immediately after it reached their hands, yet so great was the temptation, so weak poor human nature, that millions have been stolen, especially within the last ten

years. Yes, sir, although the money merely *passed through* their hands, from the public debtor to the bank, yet so great was the opportunity for plunder, that they could not resist. Cast your eye over the long list of defaulters, who have squandered the public money, guarded and restrained as they were by legal enactments. From a report of the Secretary of the Treasury, before me, [Doc. No. 10. Ho. Repr. of the present session,] it appears that up to the year 1837, the following sums have been lost by defaulting agents in the collection and disbursement of the public money:

Considered lost by Post Office agents	-	-	-	-	-	\$270,942 62
Due by Post Office agents, but <i>considered</i> collectable	-	-	-	-	-	106,550 87
Amount of defalcations by Post Office agents	-	-	-	-	-	377,493 66
Amount lost by collectors and receivers	-	-	-	-	-	2,038,549 81
Amount lost by disbursing agents	-	-	-	-	-	4,956,573 66
						<hr/>
						\$7,372,616 93
Add Swartwout's defalcation, not included above	-	-	-	-	-	1,250,000 00
						<hr/>
Lost by individual agents	-	-	-	-	-	<u>\$8,572,616 93</u>

Besides several others of a later date.

Look at the reports which have been laid on our desks during the present session, from the Comptroller of the Treasury, by which it will be seen that there are at this time millions unaccounted for by these collectors and receivers. These documents, sir, are curiosities. In the columns headed "Remarks by the Solicitor of the Treasury," some of the defaulters are marked—"no suit ordered." Others—"residence unknown."—"Cannot be found."—"Dead; left no property."—"No administration; debt lost."—"Principal insolvent"—etc. etc. But I believe the greater portion are marked *non est inventus*. Perhaps it may be said, that these defalcations have not taken place under the operation of the Sub-treasury, but that many of them happened during the existence of the United States Bank. True, but it was because the money never reached the vaults of the bank—that it was stolen. Had it been deposited according to law, it would have been safe. It shows the *practical operation* of the system of individual agency, in the custody of the public money. And if so much money has been plundered, when it merely passed through the hands of these agents—when they were required to pay it over immediately after collection—what will be the result when they are allowed to keep it all the time! Why, you must not only cease appointing rogues to office, but you must improve human nature. You must alter man, so as to make him less liable to temptation, before you can succeed with such a system. The bill proposes pains and penalties upon those who make an improper use of the public funds. That has always been the case, and still the terrors of the law have not prevented defalcations. There is a vulgar adage, "There is catching before hanging,"—which is no more trite than true. I believe about the first account we had of the defalcation of Swartwout, was, that he was regaling himself upon the luxuries of English cities, upon the money which had been wrung from the hard earnings of our people.

Why, sir, under the operation of the proposed system, how many various temptations will there be, to cause an honest man even to swerve from the line of duty, much more the venal pack that will occupy these places of trust. Suppose a temporary derangement in his own private affairs; suppose a friend in distress applying to him for temporary aid; suppose he sees an opportunity for a profitable speculation; with thousands of the public money lying idle in his hands, and there likely to remain for months or years even, do you think that his virtue will prove stern enough to resist the temptation? I have gone on the supposition that the depositary is honest; but suppose he be a corrupt partisan; and how then? Suppose he sees that the tenure of his office depends upon his devotion to the interests of "the powers that be;" suppose he discovers that by the use of a portion of the public money in his hands, he may restore the waning fortunes of his party, and that still higher promotion will be the reward of success—do you think the public money will be in no danger then? The restraints of the law will have no terrors for such a man, when he knows that his violation of the law is intended for the benefit of those who are to execute it. And, sir, this is no fancy sketch. In the conflicts of party strife men will make desperate efforts to obtain power, and still greater to preserve it.

But it may be said that these agents are required in the bill before us, to give bond and security for the faithful keeping, and accounting for all moneys which come to their hands.

And so the law has always required. All your defaulters were required to give bond and security. The law required it of Swartwout, and yet it was no protection against peculation. Besides, if the tendency of this system will be to cause the specie to accumulate *ad infinitum*, in the hands of the collecting officers, as I believe it will, it will be impossible to know the amount for which any one of these officers should be required to give bond. How large a bond will you require of the collector of New York? He may, under the operation of this measure, have ten millions in his hands at one time. Who can give security for such an amount? Suppose the Secretary of the Treasury fail to take any bond at all, as he did in the case of Swartwout, for three years. Suppose the Secretary be disposed to connive at, or participate in a defalcation. He may, at his discretion, transfer any amount to the hands of some collector on the confines of Canada or Texas; and the first we hear of them, both Secretary and collector, may be, like Swartwout and Price, giving splendid entertainments in a foreign land.

What will be the operation of this system in a political point of view, with reference to the power and patronage of the Executive? No matter how much the argument may be derided by those who cannot answer it, still I insist upon it that it will unite the purse and the sword in the hands of the Executive. It will make him in fact, the absolute master of the treasure of the nation. It is no answer to this objection to say, that the intervention of inferior officers will operate as a check upon the President. Ever since that pliant tool, R. B. Taney, received office as the condition of thrusting his unhallowed hands into the treasury of the nation, the doctrine has been openly avowed and acted on, that the officers of the Government are the President's officers. The devotion with which, from highest to lowest, they obey their master's will, shows that they consider themselves his mere instruments, appointed to do his bidding. They dare not do otherwise. It is the price they pay for place—the condition on which they eat their bread. Can any one doubt this, who sees the *esprit du corps* with which this trainband of greedy vultures are leagued together, for the purpose of sustaining that power to which alone they hold themselves responsible? Look at the organized effort they are now making, to sustain the tottering throne of their idol. Who get up the sham meetings that are paraded in the "collar presses," as "large and respectable assemblages of the people?" The office-holders. Who compose the Conventions that herald forth such fair professions of democracy, just on the eve of an election, for the purpose of concealing their high-toned Federal practices? The office-holders. And can any one believe that these men are to constitute a check upon Executive power? No, sir, no. The inferior animals, that have no other feelings and wishes to gratify than the simple cravings of nature, would know their interests better. "The ox knows his owner, and the ass his master's crib." As well might you expect the dog to tear the hand that feeds him, as for these men to gainsay the behests of the Executive. By whom are they appointed? By the Executive. To whom are they responsible? The Executive. By whom are they removable? The Executive. They are the mere breath of his nostrils. He can at a nod speak them into power, and at a frown consign them to obscurity. The gentleman from Massachusetts, [Mr. WILLIAMS,] in his speech the other day, spoke of these agents as the people's agents—"appointed by, and responsible to the people." Has the gentleman never read the bill? If he has not, I can assure him that it provides for their appointment by the Executive. The people have nothing to do with it. They are not to be appointed by, responsible to, or removable by, the people. How then can you expect them to pay any regard to the people's rights, or guard securely the people's money? A request from the President will be to them the commanding language of law. And whenever he shall attempt to loosen the strings of the national purse, for the purpose of rifling its contents, it is not reasonable to suppose that they will stretch forth their hands in order to prevent him.

The President is commander-in-chief of the army and navy of the United States; in one hand he holds the sword, and in the other you propose to place the purse. And when you have organized your proposed standing army of two hundred thousand men—all accustomed to look up to the President as their great head and commander, and have placed the public money in the hands of men, who are his mere menials—what security shall we have left for our liberties? What check upon the ambitious designs of some daring usurper hereafter? None, none, whatever. You will hold your rights and your privileges at the mere will of one man, who may be called President, but who will be a monarch in fact. For it is not the crown which he wears, or the sceptre which he wields, that constitutes a king; it is the royal prerogative he assumes, and the royal power which he exercises. The proud and haughty Romans submitted to an *Imperator*, or Emperor, with

unlimited power, at a time when the recollection of Tarquin rendered to them odious the name of king. Augustus well knew that the diadem was only the badge, and not the source of power. Cromwell was not less a monarch, because he bore the name of Protector, or Napoleon, because he was called Consul. The substance of liberty once parted with, its forms become an "unreal mockery." I have always been accustomed to look upon the custody of the public money by the representatives of the people, as the main check upon power, and as one of the great conservative principles of free government. The downfall of the liberties of every people may be generally traced to this unhallowed union of the executive and money power. For, without gold, no usurper can command the services of those who, with it, may be made the agents of his ambition. The history of all Governments, pretending to any degree of freedom, presents a continued struggle on the part of the representatives of the people against the control of the public treasure by the monarch. When force has failed, bribery and cunning have frequently succeeded. The gold of Philip effected what his prowess could not; and all the eloquence of Demosthenes could not save the liberties of Greece, when the conqueror came with the sword in one hand and golden bribes in the other. I believe the great secret of English liberty is, the controlling power exercised by Parliament over the public treasure of the nation. The power of the monarch to declare war is a mere *brutum fulmen*, while the Commons hold the purse. What protection would have been afforded to the rights of Englishmen, against the daring spirit of the Henrys and the Edwards, had the money of the country been at their command, or in the custody of those who were under their control? What other protection has that people now against the extravagant follies of a youthful Queen, except the wholesome restraint that is exercised by Parliament in regard to the money of the country? If she had had control of the public treasure, she would have been spared the tears which she shed, a few months since, because fifty thousand pounds per annum was not voted to her petted husband. Although Wellington might have been saved the name of rebel, which she applied to him, on that occasion, still he would probably have paid the forfeit of his rashness, by a lodgment in the tower.

What no other people ever surrendered, except at the point of the sword, you here propose to yield gratuitously—without a struggle. If the people sustain this measure, then there is but one example in history, that I know of, that can show a parallel to such humiliating self-sacrifice. That is, where the people of Denmark, in 1660, without force or menace, abolished the Constitution of the States, which secured to them their privileges—of their own free will, and granted absolute power to their King, Frederick III.

Money is power, and the custody of it is power, place it where you please, and surround it by what checks you may. It is contrary to human nature to suppose that the public money can remain secure in the "itching palms" of men who, so far from being selected for their honesty and virtue, are, in these times, chosen mainly on account of their subserviency to power. What guaranty will the people have for the safety of their own money, when some cunning tyrant may hereafter wish to use it for the destruction of their liberties? It is a matter of history, that the States of Greece once intrusted Athens with the custody of the general treasure, on account of her high character and great services in the common cause. This treasure, for a time, was kept in good faith, and applied to the purposes in which all the States had a common interest. But, as Athens grew in ambition, she declined in honor and good faith. This very treasure, which had been intrusted to her keeping through a generous confidence, was at length appropriated to her own private use. She spent it in building navies for the subjugation of her allies, and in erecting fortresses against their attempts at redress. And it finally turned out, that what the other States had contributed for the purpose of their safety, was converted into the very means of their subjugation. So, I fear, it will prove with your boasted Sub-Treasury; we may, in the generosity of our confidence, entrust the gold of the people to the keeping of the Executive, and when he has matured his plans, he may forge it into chains for enslaving us; the links of which will be stronger than those of iron. And when we appeal to him in the name of the Constitution and the laws, he will point us to the gleaming bayonets of his two hundred thousand armed men, who will be paid with our own gold, for fastening on our necks the yoke of bondage.

The increase of patronage, growing out of this system, will be another auxiliary to the exercise of power. The creation of every additional officer will add another instrument to the schemes of ambition. As our country increases in wealth, prosperity, and population, this numerous host, whose "name is legion" already, will receive daily and constant accessions. Suppose we should be visited with the calamities of war, as we may

in time expect to be, and a direct tax should become necessary, what then will be our condition? Hordes of excisemen will be quartered upon us, more hateful to our people than were the publicans that collected the Roman tribute, to the ancient Jews. They will grasp every dollar of gold and silver in circulation, regardless of the wants and distress of the people. Their annual demands will be hailed with fear and trembling, as was the return of the Cretan vessel by the fair daughters of Athens, when it regularly came every ninth year for the usual tribute of seven virgins. Having placed the means of redress beyond our power, we shall be compelled to submit with patient endurance, till some modern Theseus shall appear to free us from this degrading bondage.

As to the visiting agents, provided for in this bill, for the purpose of examining into the affairs of the depositaries, whose number and compensation are to depend upon the discretion of the Secretary of the Treasury, they will only swell the list of this army of office-holders. If they are disposed to participate in speculation, what a glorious opportunity will be afforded them. Instead of operating as a check on abuses, they will only serve to cover those abuses from the public eye. Why did not the supervisory power of the Naval Agent at New York expose the speculation of Swartwout? And what inducement will your visiting agents have for rigid scrutiny, when they see that same Naval Agent enjoying diplomatic honors at a foreign court. These travelling agents, instead of being guardians of the public interest, will be so many political missionaries, traversing the country from end to end—mere partisan lecturers, for the purposes of seducing the people from their allegiance to their institutions, and teaching them their duty to a master.

I have thus far spoken of this system with reference to its *political* bearing upon the institutions of the country. Its tendency in that respect is so plain that it requires no great effort to expose it. In speaking of it as a *financial* measure, I feel much greater diffidence. That is a subject to which I make no pretensions. But there is a system of deception practised, in regard to the ends proposed to be reached by this system, that deserves to be exposed. Now, sir, I ask you, I ask the Chairman of the Committee of Ways and Means, I ask the whole Administration party on this floor—What object do you propose to effect, what reform to introduce, with reference to the currency of the country? Is it your aim to bring about an exclusive metallic currency; and do you believe that this bill will produce such a result? Or, is it your wish that the State banks should be left free and uninjured, to furnish a local currency; and do you believe that this system will not interfere with their operations and prosperity? It is time that the country was definitely informed on this subject. By a system of humbugging, unequalled in political warfare, the party in power have thus far succeeded in keeping up a delusion on this question. Different doctrines are preached in different sections, and to suit different views. Two of the priests that minister at the altar of power in the other end of this building, [Messrs. BENTON and WALKER,] have taken the bold ground, in favor of an exclusive metallic currency, and the extermination of the whole banking system, and support this measure for the avowed reason that it will produce these results. Others [Mr. BUCHANAN, &c.] insist—and my colleague [Mr. SHEPARD] took the same ground—that they are not for the destruction of all banks, and that such will *not* be the consequence of passing this bill. The gentleman from Massachusetts, [Mr. WILLIAMS,] in the commencement of his speech, repelled the idea that this measure was antagonistical to the banking system, and yet he concluded his speech, by a bitter denunciation of “the banks,” and a high eulogy on a specie currency.

Mr. Van Buren, in his message of December, 1838, uses the following language:

“I have yet ever wished to see them [the banks] protected in the exercise of rights conferred by law, and have never doubted their utility, when properly managed, in promoting the interests of trade, and, through that channel, the other interests of the community. To the General Government they present themselves merely as State institutions, having no necessary connection with its legislation or its administration. Like other State establishments, they may be used, or not, in conducting the affairs of the Government, as public policy and the general interests of the Union may seem to require. The only safe or proper principle upon which their intercourse with the Government can be regulated is that which regulates their intercourse with the private citizen—the conferring of mutual benefits. When the Government can accomplish a financial operation better with the aid of the banks than without, it should be at liberty to seek that aid, as it would the services of a private banker, or other capitalists or agents, giving the preference to those who will serve it on the best terms.”

And yet the presses which support him, and his partisans when canvassing for popular favor, denounce the banks as the source of all our evils, and clamor loudly for their destruction. One of the Senators from my own State, who was not long since on a political crusade at home, addressed two public meetings of his friends, one in Wilmington, another

in Fayetteville. At the Wilmington meeting he used the following language: "Candor compels me to say that I am against the whole banking system—it is altogether a *humbug*—*a base deception*—*a splendid cheat*."

At the meeting in Fayetteville, the proceedings of which state that the "Hon. R. Strange was requested to address the meeting, which he did in an able and forcible manner," the following was among the resolutions passed:

"*Resolved*, That the charge made by the Whig party, that the Administration is in favor of the destruction of all banks, is untrue."

I read from the Raleigh Register of June 2, 1840. And this is the way that the party blow hot and blow cold, just to suit their interest and convenience. Now, sir, how is this? What is the settled policy of the Administration? Are you in favor of banks, or opposed to banks? If opposed to them, are you opposed to them in whole, or in part? That the party in power created the far greater portion of the banks, we know; that they stimulated them to their excessive issues, we know; that they have for years been the bank party, we know; but we wish to know what is their settled policy *now*. Which of their organs are we to believe? How is the business portion of the community to accommodate their business arrangements to the state of things that is to follow? I insist upon it, that this disguise should be thrown off, and that the people of this country should be informed upon a subject of such great moment. In the name of my constituents and my injured countrymen, I protest against this miserable juggling and duplicity.

But to the bill. What will be the effect of collecting and disbursing the revenue in gold and silver alone? I wish to look at its operation, provided it be carried out in good faith—in the spirit in which it is promulgated before the country, viz: a *bona fide* collecting and paying out in specie: for the provision for Treasury drafts in this bill is not a part of the system, as it is preached before the people. It is not reasonable to suppose that the expenses of the Government will be reduced below \$30,000,000 per annum, as long as this extravagant Administration remains in power. The effect, then, will be, to abstract at least twenty millions of specie from the capital of the country, and render it as useless for all business or banking purposes as though it were buried in the ocean. I have thus made allowance for the ten millions that would be required as a basis for the thirty millions employed in the revenue, provided it were collected and paid out in convertible paper. What will be the effect of this? It is admitted that there are eighty millions of specie in the country. And if the price of property is mainly regulated by the quantity of that which is the standard of its value—the result must be that every species of property must fall in the proportion of twenty to eighty—or twenty-five per cent. And every debtor in the country be in like proportion rendered less able to pay his debts.

But my colleague [Mr. SHEPARD] insists, that the specie will be in a constant state of influx and efflux to and from the Treasury; that in the mean time it will serve as a circulating medium for the country, and that not more than five millions will be necessary to be kept permanently in the Treasury. That argument might be entitled to some weight if the disbursements in every part of the country were the same as the collections. It must, however, be borne in mind, that two-thirds of the revenue is collected in New York alone. The specie, then, must be continually on the road from that city, and the other great points of collection, to the various and distant points of disbursement, in every part of the country. And as the balance of trade is in favor of New York, against every other section of the Union, especially the South and West, as soon as the specie is paid out by the disbursing agents, it will, in the natural course of trade, immediately take its way back to the same place; thus the specie will be in a constant state of transition, from one end of the country to the other, frequently meeting on the road, instead of being employed as a basis for permanent business transactions. I was forcibly struck with the extracts read the other day by my friend from Kentucky, [Mr. WHITE,] from the remarks of Baron Gautier, Ex-Governor of the Bank of France, on the effects of the present fiscal system, of using specie in the collection and disbursement of the revenues in that country, from which the following is an extract:

"The branches of the bank of France are supplied with specie by the surplus of the Receivers General, and by private deposits of individuals, to be reimbursed at sight at Paris; and when these resources fail, by remittances of coin from the mother bank at Paris. The Receivers General, who are near the branches find it a convenience and safety to place their specie due the treasury with them, the amount being paid the treasury at Paris by the banker. The banks thus lessen the expenses of general business, and the amount of those transportations of specie, which, *crossing each other in every direction, each after meeting each other on the way*, occasion to trade, to the collection of the public revenue, and to the country itself,

very considerable cost of coinage and interest—*transportations which excite astonishment in men of business, from countries where a more advanced credit system provides more economical methods of circulation.*"

The operation of the system must be the same in this country, and as much more inconvenient, as our country is more extensive. In the absence of a uniform paper currency, specie will be the only medium of remittance by the debtor sections to New York, and that city being the great point where specie will be needed to pay duties, it will be impossible to prevent it from seeking this point of collection, as soon as it is paid out.

Again, the collection of the revenue in specie alone must ultimately destroy every bank in the country, whether the framers of this bill design it or not. They may struggle for a while, but they must eventually fall. And why? Because it *must* keep gold and silver at a premium. These metals are not valuable on account of any intrinsic worth they possess, but because of their ability to purchase other articles of necessity or luxury. Their value is in proportion to the purposes they will accomplish. Then, if gold and silver will answer every other purpose of convertible paper, and pay dues to the Government besides, it will be worth more than such paper, because it will answer more purposes, and must, therefore, command a premium. It ceases to be a currency, and becomes an article of merchandise. It is utterly impossible for a bank to keep its notes in circulation, when they are worthless—in other words, when they will answer less purposes than the specie in its vaults. A constant drain will thus be kept up on the State banks, in order to meet the demands for specie, to pay Government dues, which specie when paid out, will either commence its round of travel, or, as I shall attempt to show, will all concentrate in the hands of the collecting officers.

Moreover, the Government, by refusing to take the notes of the banks, actually throws discredit on them. The timid and the ignorant will become alarmed, and draw out the specie for their notes; and the miserly and avaricious will demand it, for hoarding or for the profit of sale. Now my colleague [Mr. SHEPARD] says the refusal of the Government to receive the notes of the State banks, will not discredit them, or lessen their value; and cites an instance of the legislation of our own State [North Carolina] to prove it. He tells us that the refusal of the State to receive taxes in the notes of the banks of other States, does not prevent the circulation of these bank notes from the adjoining States, as a currency, at par. Now, I happen to know a little more about this matter than my colleague, having been in our State Legislature since he was. The true state of the case is this. There are many sections of our State which trade almost exclusively with Virginia and South Carolina. In these sections, the notes of the banks of those States constitute almost the only currency. The people are *compelled* to use it, because in the course of trade they can get no other. But how is it, when they wish to get money to pay their taxes, for the entry of vacant lands, for the purchase of lands acquired by the State under the last Cherokee treaty, &c. They have to buy it. The notes of the banks of other States circulate as a local currency in those sections where the course of trade carries them, but still they are at a discount in those same sections, compared with North Carolina State bank notes. And why? Because within the limits of the State they will not answer as many purposes. This has for years been a matter of complaint with the western part of the State; and at the last session of our legislature an attempt was made to alter the law, so as to allow the purchasers of the Cherokee lands to make payments in the notes of the adjoining State Banks. The western members complained, that forcing them to make payment in our State bank notes was equivalent to an imposition of about two per cent. on the original purchase. So my colleague could not have cited a stronger case to prove my position—that the exaction of the Government dues in specie alone must depreciate the notes of the State banks all over the Union.

So much for the operation of this system, as it is held up before the country, to be a genuine specie Sub-treasury.

But such is not the real nature of the measure, as embodied in the bill before us. It is a cheat upon the community. It professes to discard the use of all paper, and yet it makes provision for a paper issue. The tenth section, which provides for this, is as follows:

"And be it further enacted, That it shall be lawful for the Secretary of the Treasury to transfer the moneys in the hands of any depository hereby constituted, to the Treasury of the United States; to the Mint at Philadelphia; to the Branch Mint at New Orleans; or to the offices of either of the receivers-general of public moneys, by this act directed to be appointed; to be there safely kept, according to the provisions of this act; and also to transfer moneys in the hands of any one depository constituted by this act to any other depository constituted by the same at his discretion, and as the safety of public moneys, and the convenience of the public service *shall seem to him to require.* And for the purpose of payments on the

public account, it shall be lawful for the Treasurer of the U. States to draw upon any of the said depositaries, as he may think most conducive to the public interest, or to the convenience of the public creditor, or both."

Here the Secretary is authorized "*at his discretion*," to transfer moneys from one depository to another, as "the convenience of the public service shall *seem to him* to require." In the practical operation of this system, how will the transfer be made? Suppose the Secretary wishes to transfer five millions of dollars from New York to St. Louis, does any one suppose that he will have the specie put in boxes and bags, and have it actually transported for more than a thousand miles, over mountains and rivers—here in a steamboat, and there in a wagon, until it shall have reached the latter place, and the receiver there shall have secured it by the bolts and bars of his safes and vaults? The inconvenience, delay, risk, &c., of such an operation would render it entirely impracticable. And, sir, the cost of transferring specie in this way would be no trifling matter. We may form some estimate of what would be the cost of such a system, by examining Doc. No. 116, Ho. Reps. present session, relating to the "expenses of the territory of Wisconsin," where we see an account charged by J. D. Selhorst, against the Government, of \$1,209-755, "for transporting specie." There is one item of \$200 "for transporting \$7,000 in specie." This must prove that the actual transfer of the public funds, in specie, would be out of the question. How, then, would the transfer be made? Why, it would take the same course of any other mercantile transaction. The Secretary would authorize the Receiver at St. Louis to draw on the Receiver at New York for the amount. What would prevent the Receiver at St. Louis from throwing these drafts into market, and thus converting them into a medium of circulation? Being on New York, they would always command a premium, even over specie; at all events, to the amount of the extra cost of transferring specie over paper. Will it be denied that the Receiver at St. Louis would be authorized to sell these drafts? The twenty-first section, which conveys the power, enacts:

"And every such disbursing officer, when the means for his disbursements are furnished to him in currency legally receivable under the provisions of this act, shall make his payments in the currency so furnished, or when those means are furnished to him in drafts, shall cause those drafts to be presented at their place of payment, and properly paid according to law, and shall make his payments in currency so received for the drafts furnished, *unless in either case, he can exchange the means in his hands for gold and silver at par*, and so as to facilitate his payments, or otherwise accommodate the public service and promote the circulation of a metallic currency."

Here the power is expressly given to the disbursing officer, to exchange the *means* in his hands for gold and silver; which he *may* do at par to a political partisan, or at a high premium to a political opponent—or, what is more probable, pocket the profits himself. And thus the public offices of the nation will be converted into so many brokers' shops, and your boasted specie Sub-treasury into a manufactory of paper money.

But this bill actually provides for the issue of paper in the first instance. The last clause of the tenth section authorizes the Treasurer of the United States "to draw upon any of the depositaries, as *he may think* most conducive to the public interest, or to the convenience of the public creditors, or both." Here is a direct authority to issue paper money, after all we have heard about hard money. The *convenience* of the public creditor is to be consulted. In nine cases in ten he will prefer Treasury drafts to specie; not only because they would be worth more than specie, but because the hazard and inconvenience attending them would be much less. The drafts he can carry about his person; the specie would have to be conveyed in bags and boxes. The public creditor may demand the sum due to him, in any *number* of drafts, and the drafts of any denomination, as to amount. He will throw them into circulation, and in the absence of any other paper of uniform value, they will continue to circulate, till they are worn out by handling. Like the notes of the United States Bank, they will be sought for by the merchants of the South and West, in making their remittances to the North, and again for all the purposes of travel and emigration. Who would think of drawing out the specie for these drafts, when the faith of the Government is pledged for their redemption? So great will be the demand for this kind of paper, on account of its safety and convenience, that as long as there is any specie, either in circulation or in the vaults of the banks, the public debtor will pay his dues in metal, rather than in Treasury notes. The effect of this will be, that in a few years all the gold and silver in the country will have accumulated in the hands of the Sub-treasurers, and it represented, dollar for dollar, by these drafts in circulation. The specie will be all the time going *into* the Treasury, and none coming *out*. Like the foot-prints of the beasts to the sick lion's den, it will all tend in one direction. Yes, sir, it will prove to be a lion indeed—a Nemean lion, ravaging, destroying, and laying waste our

country, and, when fully matured, it will require the strength of a Hercules to strangle the monster.

I know it will be said that the twenty-third section of the bill is intended to guard against this accumulation of specie in the hands of the depositaries. How does that section read? It is as follows:

"And be it further enacted, That it shall be the duty of the Secretary of the Treasury to issue and publish regulations to enforce the speedy presentation of all Government drafts for payment at the place where payable, and to prescribe the time, according to the different distances of the depositaries from the seat of Government, within which all drafts upon them, respectively, shall be presented for payment; and in default of such presentation, to direct any other mode and place of payment which he may deem proper."

Which he may deem proper! Then it depends upon what the Secretary of the Treasury may deem proper, whether these drafts are to enter into circulation or not. And is the great question of the currency to be submitted to the discretion of the Secretary of the Treasury? What a despotic power do you propose to confer on him. If one of the political partisans of the Secretary held one of these drafts, and failed to present it at the time and place of payment prescribed, the Secretary might deem it proper that it should be allowed to run, and that his friend should sustain no loss or inconvenience; but if the holder happened to be his political opponent, he might deem it proper to change the place of payment from New York to Chicago—from Boston to St. Augustine. But suppose these drafts are not presented at the time and place of payment specified on their faces—as in fact they will not be—what then? The Government is still bound for them, and it cannot absolve itself from the obligation to pay them. The holders of these drafts will feel perfectly secure, because they will know that the Government is bound to redeem them in specie; and they will not fall below par, no matter how distant the point of circulation from that of payment. In the same way that the checks of the branches of the United States Bank were preferable to the local currency, or even to specie, a thousand miles from the place of payment, as specified on their faces.

While this gradual collection of all the specie of the country, in the hands of the Sub-treasurers, is taking place, what will be the condition of the currency of the country? The banks cannot possibly stand up against this shock. The constant demand for their specie, which will be all the time going out, and none coming in, will prostrate every bank in the land; and, in the course of a few years, the circulation will be reduced from two hundred millions, the amount of paper and specie now in circulation, to eighty millions, the amount of specie in the vaults of banks, and in circulation united. What would become of the debtor class during this violent revulsion? Men, worth thousands, would be unable to pay hundreds. Every species of property would depreciate in like proportion. Credit would be destroyed, capital would be hoarded, and labor would starve. Yes, sir, then we should enjoy the Utopian advantages of hard-money France and Germany, where laborers receive only eight pence per day, without board.

If the party in power are really desirous of introducing an exclusive metallic currency, if they believe it possible, if they believe it would be better for posterity—still, can they possibly believe that the present, or any succeeding generation, will submit to the torturing ordeal of this sudden change? If banks be an evil, they are one of those evils which necessarily belong to all systems of human invention. The small evils growing out of them, is the price which we must pay for the greater good resulting from them. If the banks have acted improperly, if they have issued to excess, let us apply the pruning-knife to the too luxuriant branches, and not lay the axe to the root of the tree. I am not here as the advocate of banks; least of all will I attempt to defend that wild and extravagant system of banking which the present Administration party forced upon the country; for they are, in fact, the real bank party; but like the thief, who tried to avoid detection by joining the crowd and crying out thief! thief! louder than his pursuers, they now attempt to conceal their former bank propensities, by abusing their own banks louder than their opponents can possibly do.

Now this bill will destroy the State banks, or it will not destroy them. If it will destroy them, and if that is the object of its friends, I ask them, what right have they to make war upon the State institutions? Have not the States the constitutional power to charter local banks? Can the General Government prohibit them from doing so? And if it cannot prevent them in the first instance, what right has it to destroy the State banks afterwards, either directly or indirectly? I should be glad to hear some State Rights man explain this. If it is the object of this bill to destroy the State institutions, then they claim for this General Government more power than ever was contended for by the most high-toned Federalists of former times. And if this doctrine be carried out, there is no

subject of State legislation which cannot be rendered entirely useless and inoperative by the action of Congress. The State Governments will become mere corporations, exercising their powers at the will and pleasure of the Federal Government, that may claim the privilege of revising all their acts. Will any one, claiming to be a friend of State Rights, advocate such a doctrine as this? My colleague, [Mr. SHEPARD,] in alluding to this objection, ridiculed it. Well, now, sir, that is a very convenient way of meeting an issue. Ridicule costs nothing, whilst argument costs the labor of study and research. My colleague seems restive when the subject of State Rights is mentioned. I don't wonder at it. He once belonged to that school. He has since assisted in the sacrifice of State Rights; and the mention of the term now, seems to disturb his composure: from the same cause, no doubt, that, in the language of the Spanish proverb, "He who has injured you, can never forgive you." The truth of this adage must be apparent to every one who has had much experience with the ways of men. When one man has injured another, without cause, the sight of the injured person—the bare mention of his name, seems to throw the injurer into an agony. I suppose it is a wise provision of nature, that even in this life, no one shall escape the pangs of conscious guilt. It is no doubt, for the same reason, that the mention of State Rights "frightens from his propriety" my colleague. It brings to his memory some of the dark deeds of political depravity, in which he has lately figured. And I can assure him he has cause to be alarmed. He has assisted in murdering State Rights. Its ghost is yet unappeased. It will, until November next, stalk with gloomy visage through the land, shaking its "gory locks" at him and his compeers, as that of the murdered Banquo did at Macbeth, and the "horrible shadow" will never "hence!" at their bidding.

On the other hand, if the effect of this bill will not be to destroy the State banks, and if that is not its object, why, I ask, do you use such an argument before the people? Why is it that you appeal to the feelings of the multitude, excite their prejudices, and arouse their passions, by a general denunciation of the whole banking system? Why are you so loud in your praises of an exclusive metallic currency, if it is not your object to introduce it? Why do you thus keep the country in doubt and uncertainty as to your opinions? Why palter with us in a double sense? It is unbecoming patriots; it is unbecoming statesmen; it is unworthy a party even *pretending* to any thing like principle, to practise such a Janus-faced system as this. In the zeal of their denunciation against the whole banking system, gentlemen have indulged in high eulogies upon the financial systems of the despotic Governments of Europe. And really, sir, I have been diverted at the self-complacent and learned manner with which some of the youngest men in this House have discoursed of the ways and doings of other countries. Yes, sir, members have risen here, and talked as though they understood perfectly the whole frame-work of European government. And that, too, in the presence of men, who have devoted their whole lives to these subjects, and yet advance their opinions with diffidence. They talk most knowingly of all the causes that are operating upon society in the old world—their currency, and all their other matters of domestic policy. The gentleman from Massachusetts, (Mr. WILLIAMS,) instituted a comparison of the relative blessings of the different governments of Eastern Europe. And what was the result of his comparison? He was particularly eulogistic when speaking of the glorious effects of a specie currency in Holland. Even admitting his description to be true, still he has given us but one side of the picture. He quoted a couplet from Goldsmith's "Traveller," to illustrate one of his positions. I will give him the language of the same author, in the same poem, when describing this (to him) Fairy land; and the condition of this country is worse now, than when the poet so graphically described it. Speaking of this hard money country, he says:

"Their much-loved wealth imparts,
Convenience, plenty, elegance, and arts;
But view them closer, or lift and fraud appear,
E'en liberty itself is bartered here.
At gold's superior charms, all freedom flies,
The needy sell it, and the rich man buys—
A land of tyrants, and a den of slaves,
Here wretches seek dishonorable graves;
And calmly bent, to servitude conform,
Dull as their lakes, that slumber in the storm."

Yes, sir, the hon. gentleman places the hard money countries of France, Holland, and Germany, in the front—holds them up to the admiration of the country. He places Eng-

land in the rear, and points us to her immense debt, and her starving paupers. Yes, England, with all her glory, her achievements in the arts, science, and arms; her commerce, covering the ocean; her manufactures furnishing the world; her institutions and her laws promulgating the principles of freedom wherever they are studied or read; her religion planting the banner of the cross in every clime, from Behring's Straits to New South Wales—this country is held up to reprobation because she is not altogether free from the common evils incident to human institutions; while Holland, and Germany, and Turkey, and Cuba, are held up as patterns of imitation. He might as well point us to the Indian tribes that skirt our western frontier, for a currency. They are hard money people, and reject bank paper altogether. They believe, as Senator Strange does *sometimes*, that "it is a base deception—a splendid cheat." The gentleman from Massachusetts told us, that the large pauper list of England was attributable to the Bank of England; but how, or wherefore, he did not deign to inform us. He might just as well have said, that the Bank was owing to the pauper list—and the argument would have been better; for England had paupers *before* she had a bank. But will the gentleman tell me what is the cause of the wretched poverty of Naples, where every tenth person is said to be a beggar by profession, and where there are forty thousand human beings who have no other shelter at night but the open sky? That is a hard money country, where there is ten times the poverty of England, without one-twentieth of the commerce or comfort.

The gentleman from Massachusetts spoke of the banks as being for the "benefit of a privileged few." Such language as this does not deserve a serious reply. It should be allowed to "pass by, as the idle wind." No matter how much gentlemen may denounce all banks now, after they have filled the country with them, yet there are some facts connected with the subject, which they cannot expunge from the history of the world, altho' they may pervert them to suit party purposes for the time. The history of banks has been identified with that of liberty in modern times. Banks first sprung up in the Republics of Italy, about the time when the light of freedom first began to dawn upon the gloom of the dark ages. They were first the offspring, and then the handmaids of commerce. They next made their appearance in Holland, at that time the most commercial and prosperous country in Europe; and the proudest period in the history of the Netherlands was during the successful operation of the banks of Amsterdam and Hamburgh. The first Bank of England was chartered only six years after the great Revolution of 1688, and the system in that country has continued to increase with the progress of England's glory and prosperity. In our own country, the system has gone as far beyond that of the old world, as we have outstripped them in the energy of our character and the freedom of our institutions. And it will not be denied, it *cannot*, that our prosperity and improvement are mainly attributable to the extensive system of credit growing out of the banking system.

But, like every other blessing with which Providence has gifted man, this system has been abused, wofully abused; and that, too, by the party in power, which pretends to be now so much opposed to it. We propose to reform the system, not to destroy it. Because, in the hands of wicked men, it has been converted into an engine of mischief, is no reason why we should deprive ourselves of the benefits growing out of it, when properly regulated and controlled.

I have attempted to show that the General Government has no power to destroy the State banks; and therefore they must continue to exist in the country as long as the present form of Government exists.

I have further attempted to show, that as long as the people use bank paper, the Government has no right to make a discrimination, and provide a better currency for itself.

These two propositions being established, the next question which arises is, how is this bank paper to be rendered of uniform value, in the collection of the revenue? For it must be borne in mind that the eighth section of the first article of the Constitution requires that "all duties, imposts, and excises, shall be uniform throughout the United States." And in the absence of an institution to regulate the issues of the State banks, so as to bring them as near to an equality of value as the nature of the case will admit, or of some agent whose uniformity of power and of action, in every State, may render the currency of the local banks available as a medium for the collection of the revenue, it will be impossible to make the "duties, imposts and excises," if collected in the paper of the State banks, "uniform throughout the United States." Or if a United States Bank should fail thus to regulate the State banks, as insisted by some, still it will of itself furnish a paper of uniform value for the collection of taxes, whilst it will afford a sound currency for the people. Mr. Calhoun, the great champion of the Sub-treasury, takes the ground, that if the Government receives bank paper at all, in the collection of its dues,

it is bound to establish a United States Bank, for the purpose of making that paper *uniform*. In the speech which he made at the Extra Session, in 1837, on this *same* subject, he used the following language:

"If we must continue our connection with the banks, if we must receive and pay away their notes as money, we not only have the right to regulate and give uniformity and stability to them, but we are bound to do so, and to use the most efficient means for that purpose. The Constitution makes it our duty to lay and collect taxes and duties uniformly throughout the Union; to fulfill which, we are bound to give the highest possible equality of value, throughout every part of the country, to whatever medium it may be collected in, and if that be bank notes, to adopt the most effective means of accomplishing it, *which experience has shown to be a bank of the United States.*"

I agree with Mr. Calhoun in this view. That the States *will* continue to charter banks, as long as our Government retains its present form, is certain. That the people of this country never will consent for the Government to use specie exclusively, whilst they are compelled to use paper, is also certain. Here the Constitution interposes, and requires that the paper received in Government dues "shall be uniform throughout the United States;" and, as Mr. Calhoun says, "experience has shown a Bank of the United States" to be "the most effective means of accomplishing it."

I did intend, when I commenced, to have discussed, at length, both the constitutionality and expediency of a National Bank; but having detained the committee so long, I can only glance at the subject.

As to the utility of such an institution, it is written in indelible characters, on every page of forty years' history of our Government. And, in fact, so palpable are its benefits to the country, that most of those who denounce it so bitterly are compelled to admit its *convenience*, as they are pleased to term it.

As to its constitutionality—and my colleague [Mr. SHEPARD] objects to it in this respect—the provision before cited, requiring that all taxes shall be uniform throughout the United States, conveys sufficient power to establish a bank, when, as I have attempted to show, it is contrary to the genius of our system to demand specie in public dues, whilst the people use a convertible paper currency. And this the more especially, when (in the language of Mr. Calhoun) "experience has shown a Bank of the United States to be the most effective means of accomplishing it"—viz: uniformity in the collection of taxes. The same clause of the Constitution before cited (sec. 8, art. 1) gives to Congress the "power to lay and collect taxes," &c., "to pay the debts," &c., of the United States. Now, the power to "collect taxes" would avail nothing, without the power to provide the means to keep those taxes safely, after they are collected. The power to "pay the debts" of the United States would avail nothing, without the power to provide the means of transferring the public funds to the places of payment, either at home or abroad. Experience has also proven a National Bank to be the most fit agent for both the above purposes.

This same eighth section of the first article of the Constitution, after enumerating the powers conferred on Congress, concludes with a clause authorizing Congress "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers," &c. Now, this clause is as much a part of the Constitution as any other clause in it. It must mean something; it must convey power of some sort; and it is a reflection on the wisdom of our fathers to say, that they put it there without intending it for some definite purpose. The gentleman from Georgia [Mr. COLAVER] scouts the idea that any positive power is conferred by this clause of the Constitution, and insists that if any power is to be exercised under it, then there is no subject which it may not bring within the constitutional power of Congress, as a "necessary and proper means"—that it would render the General Government absolute and unlimited. Not at all, sir. The power conferred by it relates to, and is limited by, "the foregoing powers," enumerated in the said eighth section, and no others. Sir, I profess to be a strict constructionist—a State Rights man. But I find this clause in the Constitution. It means nothing, or it means something. If we say it means nothing, we set up ourselves to be wiser than our fathers, and may, with equal propriety, say the same of any other part of the Constitution. If, then, it means something, in ascertaining what it is, I apply to it the rule of strict construction, and confine its application to the powers previously enumerated, exclusively. I will not discard this portion of the Constitution altogether, as the gentleman from Georgia does—neither will I apply to it that latitudinarian construction which he says it must receive, if it is to be regarded at all.

But, says the gentleman from Georgia, the power of Congress, to establish corporations, was proposed in the Convention that framed the Constitution, and refused. This may be so, and still it does not at all alter the case. The Convention may have refused to grant to Congress the authority to establish corporations as a *substantive* power, and yet have granted it as an *incidental* "means necessary and proper for carrying into execution" powers expressly given. It may, perhaps, be said, that I thus claim the *same* power, by implication, that was refused in the first instance. By no means. The power to grant incorporations is now limited to those cases where it is necessary and proper to carry into effect granted powers; whereas the *general* power, to establish corporations, might not only have been abusively exercised, but would it-self have admitted of further "means necessary and proper for carrying" it into execution; so there is a vast difference between a power to grant charters of incorporation, *generally*, and a power to do it *incidentally*, as a "means necessary and proper for carrying into execution" powers specifically conferred.

I have attempted to show that a Bank of the United States is not only "necessary and proper" for carrying into execution the power to keep safely the "taxes," after they are "laid and collected," and the power to "pay the debt" of the United States, so far as regards the transfer of the public funds to the places of payment, without loss and inconvenience—but that so far as past experience has gone, it is *indispensable* for these purposes.

How has this question—a Bank of the United States, been met in this debate? Instead of being combated with argument, it has been met with terms of general and sweeping denunciation—much more fitting the excitement of the hustings, than the councils of a free people. Yes, Mr. Chairman, the common-sense which legislation is fast assuming here, is fraught with reflections any thing else than cheering to the heart of the patriot. It denotes a rapid decline in the tone of moral feeling here, as well as in that of political virtue. This Hall, instead of being an arena for the conflict of intellect, has become a theatre for the exhibition of prejudice and passion. The “still small voice” of reason is drowned amid the roar and tumult of violence. I have been shocked at the terms in which the names of the illustrious dead have been mentioned in this debate. Certain gentlemen have thought it a sufficient objection to a Bank of the United States, that it had its origin with Alexander Hamilton. And, sir, has it come to this? What was Alexander Hamilton? He was the bosom friend and companion of Washington; he was a gallant soldier in the war of independence; he was a wise statesman in the time of peace. The monuments of his wisdom will remain till the records of the country shall perish. Where has gratitude—where has the spirit of liberty fled, if this great man’s name is to be mentioned here with terms of obloquy and reproach? Let political demagogues howl on, till they rave themselves to madness, still they cannot sully the purity of his character, or the lustre of his wisdom. Although, hyena-like, they may dig up his remains from the quiet of the grave, and scatter them to the winds of heaven, as did the Jacobins of the French Revolution the bones of their illustrious dead, yet despite their efforts, his name will stand forth to future time—

A shining landmark on the cliffs of fame.

The gentleman from Ohio, [Mr. WELLER,] in a speech which he made some time since, remarked, that every child when learning to talk should be taught to curse the Bank of the United States; that they should suck in hatred of that institution with their mother’s milk. Could the gentleman have been aware of the extent of his remarks? If the bank deserves our hatred, then do its authors much more so. Would the gentleman teach lisping infancy to heap curses and imprecations upon the memory of yonder great and good man, [pointing to the picture of Washington,] whose name should be canonized in the heart of every lover of his country? He was the advocate of a National Bank. He gave it the sanction of his name. According to the theory of the gentleman from Ohio, every child, instead of being taught to lisp the name of WASHINGTON, next after that of father and mother, should be taught to curse it, and to suck in hatred of his memory with its mother’s milk. The gentleman did not say as much, but it would follow as a necessary consequence of his argument.

Mr. Chairman, on this question, eloquence and argument have for weeks been pleading; but they have pleaded in vain. Instead of exciting respect, and inducing to reflection, they have been met with thoughtless derision, and unfeeling scorn. And, sir, I am now well aware, that so far as this House is concerned, all our remonstrances will be unheeded—all our appeals will be in vain. The fell spirit of faction sits brooding over our councils, although it is “clothed with the attributes of rule.” We do not expect justice at your hands. But there is a higher tribunal, to which we take our appeal. That tribunal is THE PEOPLE—when in the majesty of their power, they shall speak through the ballot box, in a language which cannot be misunderstood. And if we are not very much deceived in “the signs of the times,” the day of our deliverance is drawing nigh. The darkest period of the night is that which just precedes the break of day. And the dark deeds of corruption and party madness, which we have for months been witnessing, are only the prelude to the dawning of a bright and glorious day. Yes, sir, that day is *already breaking*; the beams of light are bursting on our vision. The surface of this vast Republic is in motion, agitated like the waves of a troubled sea. Society is heaving from the depths of its foundations. The stout-hearted yeomanry are flocking to their country’s standard, like the clansmen of the Highland chieftain at the sign of the fiery cross. Every mail that reaches this city, comes freighted with the gratifying accounts of daily accession to our strength. From city and hamlet, from town and country, from mountain and valley, they come, they come!

My colleague, [Mr. SHEPARD,] took occasion to remark, that we had been so often allured by the hope of success, and so often disappointed, that our judgments had become distorted, and that we were unable to view this question in its proper light. He intimated that the acquisition of power was our only object. The remark was uncalled for, and I think unkind, considering the peculiar relations which that gentleman has occupied towards the two parties in this House. My colleague does us the grossest injustice. If power were our only object, the road to success would be open before us. We have but to do what others have done: desert the friends with whom we have so long fought against the corruptions of the times, and enlist under the banner of the enemy, and honors, profits, and emoluments await us. I can assure my colleague, we have a higher and a nobler object in view: we are embarked on a pilgrimage of freedom, and in search of the “promised land” of purity and reform. And, thank Heaven, our toil and sufferings are nearly over. We have passed the Red sea of proscription; we have traversed the wide desert of corruption; we have encountered the fiery serpents of persecution; we have at last reached the top of Pisgah’s mount, and the fair land of promise and of liberty lies extended in full prospect before us. We intend to persevere, till we have expelled the Barbarian hordes from this desecrated soil, and shall have securely lodged the ark of our political covenant beyond the reach of the hands of pollution.

For ten long years we have been warring against the invaders of our rights, and the spoilers who have been battenning upon the treasure of the nation. Yes, we have been engaged in a warfare equal in duration to that in which the ancient Greeks besieged the citadel of Troy. Ours, however, is a much holier cause than theirs. Theirs was to recover stolen beauty—ours to regain our plundered freedom. And now, in the tenth year of the war, we go forth to battle under much more favorable auspices than did the Grecian forces. The Achilles of our host is not sitting moody and solitary in his tent, brooding over his wrongs; he has not withdrawn himself from the common cause, because he may suppose another is reaping the rewards of his labors, or in the possession of his rights; but he is still seen marching with uplifted sword,

in the van of the conflict; and his voice, which has so often sounded the bugle note to the charge, is still heard above the shout and din of the conflict, calling upon his countrymen to come to the rescue. And come they will—they are already coming by thousands and tens of thousands, having sworn on the altar of their country, that they will never sheath their swords till the enemy is expelled from the citadel of power.

Mr. Chairman, the contest now pending, and which is to be decided in November next, will prove most important in its consequences, either for weal or for wo. If it terminates as I hope and believe it will, it will be to this country what the battle of Waterloo was to Europe—if I may allude to a piece of history of more modern date. And the parallel will hold good, both as to incidents and results. At Waterloo, the nations of Europe, though speaking different languages, living under different Governments, and having different interests (gentlemen say *we* have no political opinions in common) were all united in a common cause, for the purpose of defending their respective rights, liberties, and institutions, against the daring usurpations of one man, whose only object was conquest and spoil. God forbid that I should dishonor the shade of the mighty Napoleon so far as to institute any comparison between him and the political pop-injay that leads the spoilsmen in this contest. I am speaking with reference to *incidents and results*.

[Here the Chairman [Mr. BANKS] remarked it was not in order to discuss the battle of Waterloo.]

Mr. RAYNER: Sir, I am only alluding to it by way of illustration. [Mr. RAYNER was about to proceed, when he was again arrested by the Chair, and informed that he must confine himself to the subject under debate.]

Mr. RAYNER: Sir, must I be held down to the strict line of debate, when other gentlemen have taken such a wide and latitudinous range? I am only alluding to the battle of Waterloo, as a figure, for the purpose of illustrating my position. The issue now pending before the people must turn upon the Sub-treasury, and in speaking of the contest, I am only drawing a parallel from history. According to the decision of the Chair, it is out of order for any member, in debate, to refer to or quote from any passage in history, for the purpose of illustration or explanation.

Mr. MORGAN, of New York: Is it not as much in order for the gentleman from North Carolina to illustrate a point, by reference to an incident in the battle of Waterloo, as it is for gentlemen on the other side to give an account of the battle of New Orleans, with no reference to the subject—as has been done in this debate?

Mr. RAYNER: As I was about to say—in the battle of Waterloo—[here the Chairman again called Mr. RAYNER to order.]

Mr. RAYNER: But, sir, I must be heard—and I *will* be heard. I stand here as the Representative of freemen, and in defending the rights of my constituents, I am **not to be silenced** by such petty tyranny as this.

Mr. WISE: I rise to a question of order. Do I understand the Chairman to decide that—[loud cries of order from the Administration members.]

Mr. WISE: Ah, you *may* cry out order—you know but little of me, if you think to put me down by your cries of order. I am *in order*. I wish to ask the Chairman a question of order. I *will* ask it. Do I understand the Chairman to decide that a member cannot refer to a fact in history, in illustration of his subject?

The CHAIR: The gentleman from North Carolina will proceed in order.

Those who have read attentively the account of the great battle to which I have referred, will recollect that, during the whole of that bloody day, it was one continued series of successive charges by the French columns against the English squares. The French columns, whose impetuous charges had turned the tide of victory on many an eventful day, again and again came rushing on like the mountain avalanche, and as often were they checked by the impenetrable squares of the English infantry, who received them on their bended knees, with fixed bayonets, without pulling a trigger. Napoleon, in the hope of worrying his enemies into defeat, sent column after column, again and again, to the charge, and as often were they foiled and driven back by the unflinching valor and patient endurance of the English. The English regiments were hewn down in masses, till their bodies formed a parapet, behind which their comrades still maintained the struggle; and as fast as they fell, their places were supplied with those who saw that death was their doom. And when they appealed to the Commander-in-chief for aid, they were told that none could be given, and that "they *must* stand or fall where they were." Whilst this slaughter of their countrymen was going on, the British guards, whom Wellington held in reserve for the critical moment, besought their commander again and again, with their eyes streaming with tears, to suffer them to come to the rescue of their comrades. "When shall we get at them," was their passionate cry, when goaded almost to madness. Wellington, though surrounded with blood and carnage, kept cool and calm, and forbid them to move. Napoleon had also his reserved guards, whom he also held in check—those Imperial Guards, whose final charge had so often decided many a doubtful contest. Towards the evening, when both armies were actually reeling with the fatigue of the conflict, Napoleon ordered Ney to charge at the head of the Imperial Guards, as the Prussians began to debouche from the woods of St. Lambert. And on they came, rushing like blood-hounds just slipped from the leash. Then it was that Wellington gave orders for his reserved Guards to move. Quietly closing his telescope, he gave the word—"UP GUARDS, AND AT THEM." And at them they went, with all the fury of pent up rage, which had been for hours seething and boiling in their bosoms, at the sight of their slaughtered friends. The conflict was like the rush of elements, and never, perhaps, in the history of the world, was there such a deadly and momentous struggle. The fate not only of nations, but of the world, depended on the result. The issue was for some time doubtful, but at length the stubborn valor and patient endurance of the Anglo-Saxons, when fighting for liberty, proved too much for the impetuous courage of the Gauls, when fighting for conquest.

Napoleon looked on with the most intense anxiety, till he saw his Imperial Guards, that had never wavered before, begin to stagger and to reel. Then it was that his proud spirit was broken; and giving "signs of wo, that all was lost," he fled in despair from that field which proved the grave of all his conquests. That battle, though it rent the heart of many a widow and orphan with agony, yet saved the liberties of Europe, after that fair portion of the globe had been drenched in blood for five and twenty years.

Our situation is exactly similar to that of the allied army, when Wellington gave orders for his guards to move. We, too, have for many long years been struggling for all that is near and dear to men. We have seen our ranks hewn down by the repeated charges of the spoilsmen. We have seen our virtue, the patriotism, and the intellect of the country, prostrated by the ruthless arm of proscription. In addition to this, desertion to the enemy has also thinned our ranks. Still their places have been supplied by the bold and gallant youths, whose first effort on the stage of manhood has been to run to the rescue of their suffering countrymen. The critical hour has nearly arrived. And now, when our reserved guards are literally panting for the contest, the spoilsmen, led on in solid column, are about to make a desperate charge, in order to turn the fortune of the day. And now we intend to—UP GUARDS, AND AT YOU!—“UP GUARDS, AND AT THEM”—that shall be our battle-cry—that shall be the shout along our entire line; and as the note of triumph swells on our lips, it shall nerve our hearts and strengthen our arms. The strife will be great, but its result must be foreseen. The hosts of corruption, when fighting for pay, must give way before the calm valor of freemen, fighting for their rights. The struggle will be a deadly one, but it will save the liberties of this people. Yes, sir, a few more months of suffering, and the leaders of the spoilers will be flying from the field of his defeat, and the hosts of corruption be driven to their hiding holes and lurking places, in confusion and disgrace. A new era will then dawn upon this people. After twelve long years of bondage, this country will once more breathe clear and free—and will again commence its onward march to that high destiny for which Providence designed it. Then will commence the work of reform—the cleansing of those Augean stables, which have become choked up by the accumulated filth of years. Then will the American citizen be once more enabled to walk with countenance erect and to exclaim in the pride of his soul—“This is my own, my native land.” Then will the citizen, like another Cincinnatus, come, like another Cincinnatus, from the quiet retirement of his humble home, to preside over a people in peace, whom his valor protected in war. And then this nation,

—————“now by tyrants trod,
Will own no other power—but God.”