

REVIEW OF THE VETO.

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AN EXAMINATION

OF THE

Principles of the President's Message,

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PRINCETON

HIS OBJECTIONS TO THE BILL

*To modify and continue the act Rechartering the Bank  
of the United States.*



PHILADELPHIA:

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## REVIEW OF THE VETO.

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THE veto of the President upon the bill "to modify and continue" the charter of the Bank of the United States, whether we consider the power claimed, the principles advanced, or the consequences to flow from it, is well calculated to awaken public attention. Although it is not a more dangerous innovation on the principles and usages of the government than his former ones, it is now becoming more alarming by the frequency and the boldness of its exercise, and by its direct operation and effect upon the country.

It is too late to avert the evils of this fatal measure, it will soon come home to the bosom and business of every man; it will be seen and felt in every portion of this widely extended empire. It is not too soon, however, to discuss the principles of this high-handed measure, to restore the constitution and preserve what still remains to us.

This veto, as the power is now claimed, is an anomaly in a free government, it is founded in a principle at variance with the fundamental principle, the power of the people to make their laws, and the superior <sup>and</sup> might and influence of the legislative body.

It is, when exercised as a check upon the representatives of the people in ordinary legislation, an arrogant pretension, and an odious power, inconsistent with our

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republican plan—a power which has been totally abandoned, even in the monarchichal governments from which it was borrowed—a power which the king of England, with all his sovereign attributes and powerful influence, has not dared for a century to exercise.

A negative upon the laws was confided to the executive, chiefly to protect himself from encroachment, to guard against hasty legislation, and for the correction of palpable errors.

But if the power which has become obsolete elsewhere, is to become a dominant power in this government, to control the constitution, even against the expressed will of the people, and to protect the states against themselves, it becomes the duty of the citizen to see how the power is exerted, and to know the opinions and principles of those to whom the power is entrusted.

[This negative, confided to the executive for cases of extreme necessity, of rare occurrence, is now erected into an independent power and high prerogative, and forms a part of a general system, by which the executive is drawing to himself all the power of the government, through which he may, upon any pretence of constitutional scruple, or views of expediency or personal caprice, counteract the will of the people, and direct and control by his own authority, the whole course of legislation.]

This assumption, whether arising from error or ambition, from weakness or passion, from misapprehension of duty or the love of power, is equally dangerous to the constitution, and will be fatal to the best interests and hopes of the country.

The President now claims to refuse his assent to laws, deliberately passed by a majority of the people and by

a majority of the states, upon principles long approved, not only on constitutional exceptions, but upon mere grounds of expediency, constituting himself the sole judge of what is useful, necessary and proper.

He claims to decide not only what may be done, but when and where and how it may be done.

He maintains that every officer and magistrate called to execute the laws of the Union, must decide for himself upon their constitutionality, and whether they shall be executed, which must lead to utter confusion and total insubordination.

He claims not only to decide on the bills presented to him, but upon all those laws which have been enacted with all the forms of the constitution.

He disregards the authority of the Supreme Court, and will not execute their decrees.

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

If the people are competent to understand their own interest and to govern themselves, which is the idea on which all free governments rest, there is no danger in allowing them a free action, and no occasion for restraints upon their authority.

If the people cannot trust themselves, shall they trust one man? if the opinions and principles of the execu-

tive correspond with those who elect him, the power is unnecessary; if they differ, it is as dangerous in practice as it is absurd in theory.

If the people cannot govern themselves, there is an end to all our hopes. If one man, even a wise and able one, can shape the constitution, control Congress and the Courts, countervail the authority of the states and a majority of the people, it is the government of one man, call it as you will, which can be tolerated no longer than he embodies public sentiment and responds to public opinion.

The power of the veto was generously confided as a shield to the executive, to be used only on extraordinary occasions, and with the greatest caution and delicacy: it is now perverted to a supreme and overruling and directing power, a power greater than the people, and superior to all the other powers of the government.

It is now the duty of the people to inquire how this power has been obtained, and how it has been exerted; how it happens that the executive entertains views of public policy different from the people who called him to that office.

When the President is found often arrayed against both Houses of Congress upon questions of deepest interest, it becomes necessary to inquire how this has happened. Have the people changed, or have they been deceived and betrayed? Were the opinions of the President frankly explained, or have they been artfully concealed and vaguely expressed? or have the people connived at the fraud practised upon them?

If, in the generous confidence of their nature, they have entrusted such extraordinary powers to a magis-

trate, whose opinions were unknown, and whose principles were unsettled, they deserve to suffer, though not so severely as in this case, that they may learn wisdom by experience, never to trust those rights and interests to men of no principles or bad principles, and much less to weak and incompetent hands. If they have been misled through error, deceived by specious promises, or betrayed by treacherous friends, let them right themselves—let them put the power in the hands of those who will honestly exert it, in accordance with public sentiment, for the public benefit.

The people have a set of primary principles in relation to the powers of the government, upon which has been erected a system of public policy, which has for its general object, to protect the industry of the country, to improve the communication and extend the commerce among the states; to regulate the currency, to create an ample, equal and active circulation of money, to establish a uniform standard of value, and to equalize exchange. Upon this system is supposed to depend the great interests of the country, and from which has arisen its unexampled prosperity.

The President, a long time balancing between opposite principles, scattering ambiguous speeches and artfully disguised sentiments, has at length thrown off the mask, and has openly commenced a system, upon the strength of his power and popularity, which leads directly to a total subversion of these principles, and the sacrifice of these interests.

He avails himself of the right of recommending to Congress, to dictate the whole course of legislation. He then exerts all his influence over the members to carry his peculiar schemes of policy into effect. He

puts in requisition all the resources of his power to counteract the wishes of the people, and thwart their measures, and finally, when carried against all the force of party discipline, and executive influence—he resorts to the veto, arrests the legislative power of the country, and with most arrogant pretensions to superior intelligence and virtue, tells us “it is time to pause in our career, to review our principles,” “and, *if possible*, to revive the devoted patriotism which distinguished the sages of the revolution,” “of improvident legislation,” and “of the prostitution of government.”

In relation to the Bank of the United States, he began, long before any necessity, to denounce the institution, “he said its constitutionality and expediency were well questioned;” and what most astonished all intelligent men, he declared it had failed to produce a sound currency, or to equalize exchange. At a subsequent session, he renewed these sentiments, but expressed a determination to submit the question to the people. Then came a long and well reasoned report from the Secretary of the Treasury, recommending the rechartering of the bank.

The question under these auspices came before Congress; it was fully discussed in both houses, during which every art and resource of the executive was employed to defeat the measure. It was carried, however, by considerable majorities. Under these circumstances, the President has deemed it his duty to exert the extraordinary power of the veto.

Let us now examine the reasons upon which he has justified this assumption of power, which brings upon the country so heavy a calamity.

The bill to recharter the bank was presented to the

President on the anniversary of our independence, and he seized the occasion to say that he had "considered it with that solemn regard to the principles of the constitution, which the day was calculated to inspire, and come to the conclusion that it ought not to become a law."

If the President, in performing that duty on that day, had adverted to the causes that led to that memorable event, and to the principles it consecrated, he would have seen that the revolution had its origin in abuses and usurpations of the king—that we accused him of having "*refused his assent to laws the most wholesome and necessary for the public good*"—"of *taking away our charters, abolishing our most valuable laws, and altering fundamentally the forms of our government*"—of having "forbidden his governors to pass laws of immediate and pressing importance, unless suspended in their operation, until his assent should be obtained"—"of having refused to pass other laws for the accommodation of large districts of people"—"of having obstructed the administration of justice by refusing his assent to laws"—"of making judges dependant on his will alone for the tenure of their offices," and consequently of being "unfit to be the ruler of a free people."

If he had been rightly imbued with the true spirit of those times, he would have perceived he was imitating the worst example, and perpetuating the worst abuses and usurpations of that monarchy.

The President thinks the charter "unauthorized by the constitution, subversive of the rights of the states, and dangerous to the liberties of the people."

The Bank has been twice chartered, once in 1791,

under General Washington, and once in 1816, under Mr. Madison; and its constitutionality has been decided by the Supreme Court. This would seem to constitute some authority in favour of the power.—But “mere precedent,” says the President, “is a dangerous source of authority”—upon what then will he rely? upon his own judgment? is that the safe and infallible guide, which shall outweigh the repeated sanctions of Congress and the Courts? He says: “Precedent should be disregarded, except when the acquiescence of the people and the states can be considered as well settled.” The Bank was chartered immediately after the adoption of the constitution—it was rechartered after the last war—it has been near forty years in operation—it has been again revised and sanctioned by Congress at the last session—and all this is not sufficient acquiescence on the part of the people and the states to constitute a precedent.

In the face of this, the President argues that this is no authority for the constitutional power, because Congress at other times have refused to charter the Bank. Now the reasoning would be perfectly fair and candid, if Congress had refused upon this ground to renew the charter, but the contrary is known to be true—it was the union of those who denied the power and those who denied the expediency, with those who disagreed to some of the details, that constituted the majority.

This refusal to charter the Bank in consequence of difficulties in the arrangement of the system, is improperly ascribed now to constitutional objections, in order to impair the force of the precedent.

The President seems to labour under some extraordinary errors of fact as well as of reason. He says “the

expressions of executive, legislative and judicial opinions against the Bank are probably, to those in its favour, as four to one." This, if true, would only show that those opposed, have taken more pains to publish their opinions. But, so far as any judgment can be formed from the votes in the Senate, the reverse is true. There were only seven states voting against the Bank, many of them distinctly upon party grounds, to shield the executive from the responsibility of the veto, most of them in reference to the time rather than the measure, and very few exclusively upon constitutional scruples.

The charter was passed in 1791 by thirty-nine to nineteen, when the necessity of the institution was not so well understood as at present.

Mr. Dallas, in 1814, considered the question as decided. He says, "when therefore we have marked the existence of a national bank for a period of 20 years, with all the sanctions of the legislative, executive, and judicial authorities, when we seen the dissolution of one institution, and heard a loud and continued call for the establishment of another, when, under these circumstances, neither Congress nor the several states have resorted to the power of amendment, can it be deemed a violation of the right of private opinion to consider the constitutionality of a national bank as *a question forever settled and at rest.*"

He adds, "that it is necessary and proper for carrying into execution some of the most important powers constitutionally vested in the government."

In 1815 the bill passed both Houses. It was negatived by the President, not on the ground of unconstitutionality, but because in his judgment it would not effect the object of the legislature. 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 legislative, executive, and judicial branches of the government, accompanied by indications in different modes of the concurrence of the general will of the nation."

In the annual message of December following, he says: "It is, however, essential to every modification of the finances, that the benefits of a uniform national currency should be restored to the community. If the operation of the state banks cannot produce this result, the probable operation of a national bank will merit consideration."

In 1816 the bill passed and received the approbation of the President. It has been since that time in successful operation, and has completely answered all the expectations of the country.

During the last year, Mr. Madison has more fully explained his views. He says: "It was on the respect due to the deliberate and reiterated precedents, that the Bank of the United States received the executive signature. The act originally establishing a bank, had undergone ample discussion in its passage through the several branches of the government; it had been carried into execution throughout a period of twenty years, with annual legislative recognitions, and with the entire acquiescence of all the local authorities, as well as of the nation at large, to all which may be added a decreasing prospect of any change in the public opinion adverse to the constitutionality of such an institution. A veto from the executive under these circumstances, with the admission of the expediency and almost necessity of the

measure, *would have been a defiance of all the obligations derived from a course of precedents amounting to the requisite evidence of the national judgment and intention.*"

The President had repeatedly brought the question of the Bank before the country—committees of both Houses had reported at large in favour of rechartering the institution—the bill had passed the Senate twenty-eight to twenty, and through the House of Representatives with a large majority, upon the recommendation of the Secretary of the Treasury, that the measure was constitutional and essential to the fiscal operations of the government, notwithstanding all the influence of party management and executive power.

The Secretary of the Treasury is clear and strong on the question of power and precedent. "*The authority of the present government to create an institution for the same purposes cannot be less clear. It has, moreover, the sanction of the executive, legislative and judicial authorities, and of a majority of the people of the United States, from the organization of the government to the present time. If public opinion cannot be considered the infallible expounder, it is among the soundest commentators of the constitution. It is undoubtedly the wisest guide and only effective check to those to whom the administration of the constitution is confided; and it is believed, that in free and enlightened states, the harmony, not less than the welfare, of the community is best promoted by receiving as settled those great questions of public policy in which the constituted authorities have long concurred, and in which they have been sustained by the unequivocal expression of the will of the people.*"

It is upon this view of the question, the President finds "precedent dangerous, that it ought to be disregarded, that the force of precedents is equal, and that four-fifths of the legislative, executive and judicial opinions are against the Bank." It is manifest the President has totally misconceived the force of public opinion, and the authority of precedent, and set at defiance the legislative will.

The force of precedent being destroyed by this mode of reasoning, and the assumption of facts, he pronounces the law unconstitutional, and how? He does not say that Congress may not employ all necessary and proper means to carry their powers into effect, but that they are not the proper judges of what is necessary and proper, and assumes to himself to decide, not that the Bank itself is not a proper means, but "that some of the powers and privileges conferred on it, cannot be supposed necessary (in his judgment) for the purpose for which it is proposed to be created, and are not, therefore, means necessary to attain the end in view, and consequently not justified by the constitution."

This Bank was originally recommended by General Hamilton, as a necessary means of aiding the operations of the government, and approved by General Washington. Mr. Gallatin has on several occasions declared it a constitutional and proper aid to the treasury in collecting and distributing the revenue. Mr. Crawford in 1811, and Mr. Dallas in 1816, considered it within the competency of Congress and an essential branch of the financial system. The opinions of Mr. Rush are well known, and the present Secretary of the Treasury, one of the President's cabinet at the last session, re-

commended the institution in the following emphatic language:—

“The indispensable necessity of such an institution for the fiscal operations of the government in all its departments, for the regulation and preservation of a sound currency, for the aid of commercial transactions generally, and even for the safety and utility of the local banks, is not doubted, and, as is believed, has been shown in the past experience of the government, and in the general accommodation and operations of the present bank.”

“The present institution may indeed be considered as peculiarly the offspring of that necessity—springing from the inconveniences which followed the loss of the first Bank of the United States.”

No doubt, therefore, can exist, as to the necessity and propriety of the bank as a means of carrying on the government—and well may the Supreme Court say “that when the law is not prohibited, and is really calculated to effect any of the objects intrusted to the government, to undertake to inquire into the degree of the necessity, would be to pass the line which circumscribes the judicial department and tread on legislative ground.”

Now, the bank being a necessary and proper means, is clearly constitutional; but the President has gone into the details, and there finds what he considers, although Congress does not, some powers and privileges conferred on the bank, not necessary for the purpose, and not, therefore, means necessary to attain the end in view—and not justified by the constitution.

Now, admitting the constitutionality of the bank, as well as the necessity of such an institution, to be sus-

tained by precedent and authority, and that they are not denied by the President, let us see whether in the details, there is found any thing so important in principle, "so subversive of the rights of the states, and so dangerous to the liberties of the people," as to make it necessary for him to interpose himself to save the constitution from violation.

According to the views of the President, a bank may be a necessary and proper means, but if in the charter any power or privilege is given, which is not necessary, that is, indispensable to a bank, (that is, without which the bank could exist,) however useful, convenient, needful, or conducive to the end of the institution, the provision renders the whole charter unconstitutional. Thus foreigners and females are not necessary to a bank; it is not indispensably necessary that the bank should hold property, or have banking houses; a capital of thirty-five millions is not indispensable; it could well exist without paying a bonus—and so every thing which is not intimately connected and indispensably necessary to the existence of the bank, is unnecessary, and renders the charter unconstitutional.

This is a piece of hypercriticism, as new as it is ingenious—produced, no doubt, by that solemn regard for the constitution, which the day inspired, and is altogether worthy of the admirable conclusion to which it brought the mind of the President to annul the whole charter.

Among the objections most seriously and strongly urged upon public prejudice and state pride, is the right of state taxation. There is in the discussion a total want of clearness and distinctness in the idea presented to the consideration of the people. When

rescued from the confusion arising from general and vague expressions, it will be seen, that the charter has preserved all the rights of the states and of the people.

The right of taxation, which, from the want of precision, the President treats under one general head, involves three distinct powers: 1st, The franchise, or liberty of banking: 2nd, the capital stock and the dividends of the citizens of the states: and 3dly, the property of the institution.

The charter is entirely silent upon the question of taxation. It neither gives nor denies any rights to the states. They are free to exercise any right, and to enforce it by the courts—they stand upon their rights. The President complains of its silence; but has Congress a power to grant to the states expressly, a right inherent in them—or a right which they have not—or to set limits to their authority.

It is admitted, that the states may tax the banking houses, and the property acquired by the bank; and that they may tax the capital stock of their own citizens, as they may in their own banks, or the dividends as any other income, and these rights are not contested, and are freely exercised. The only difficulty existing, was to obtain the necessary information with regard to the amount of the stock, and the names of the stockholders, and the provision of this bill, for furnishing that information, to enable the states to exercise their rights, is denounced in the message as the very worst feature in the bill.

This was a pre-existing right, which Congress could not give or take away—but under this right all the stock of our own citizens invested in the Bank, may be taxed to as great an extent as capital in any other bank.

The only question of any real difficulty which arises from this exercise of power, is, whether the right to tax the funds, attaches, or ought to attach, to the citizen or the property—to the state where the bank capital is employed, or where the stockholder resides. Much may be said on that abstract right; but Congress could not and did not decide. The states having the power to tax the income of their citizens, from wheresoever derived, it would have been unjust to grant to other states the right to tax the same property in another form. But admit the right of Congress to confer this power of taxing the capital employed in a state, and even with safe and proper limitations, what would be its operation? Most unjust and unequal among the states. The whole benefit of taxation would result to a few states. The chief revenue would be received by the states which, from their peculiar position, derived the greatest advantage from the institution. New Orleans, being the emporium of all the western states, employs one-fifth of all the capital, and the west, with a small investment in the Bank, employs more than half its capital.

Would it be fair that these favoured states, should draw the money from the other states, and enjoy the exclusive benefit of taxing the capital in the Bank? Would it be just that the states who equally grant this franchise, and who furnish the means, should be cut off by this mode of distribution? The states would not submit to such a system, and it would be grossly iniquitous to tax the capital in one state and the dividend in another. Congress have not interposed in this question among those states.

The charter is a national grant—the franchise, which

is entirely distinct from the property or funds or dividends of the institution, is conferred by all the states as well as by all the people; the liberty, whatever it is worth, belongs to them to grant, and the bonus or tax belongs equally to all the parties. The charter, therefore, wisely stipulates that this fund shall go into the common treasury for the common benefit. When there it is subject to the disposition of Congress, and at a proper time it would have been a question, whether it should be divided among the states, according to population, or applied to some national purpose, in which all the states may have an equal interest.

But if the charter is constitutional, Congress alone have the right to grant the franchise; the states then can have no power to tax a right, which Congress alone is competent to make; a right which, being unlimited, would be a right to destroy what the other only had the right to create. It would admit the absurdity of two incompatible jurisdictions.

The power of taxing the corporation involves in its exercise an absolute control over its existence—and upon this principle the Supreme Court decided against the right of the states; a right which some of them, in the spirit of hostility, were disposed to exert—to prohibit the exercise of the privilege within their limits, and thereby destroy the connexion, harmony and utility of the system, and defeat the purposes of the government. It would be to make the institution, created for national objects, dependant on the concurrent will of all and each of the states.

In any event, whether the states possess the right or not, Congress cannot and ought not to grant it, and much less can they affix limitations to it.

It is known that the state of New York, a great commercial state, in the heart of the union, from the spirit of aggrandisement, or the ambition of controlling the monetary system of the United States, or for political purposes, would refuse the Bank admission, if that was required, or expel it by taxation, if the power was conferred.

The Bank claims no exemption from taxation, and it is indifferent whether the amount is paid as a bonus to the government, or in the form of a tax to the states. The rights of the states are equally preserved, and it is equally indifferent to the stockholder, whether he pays in the state where he resides or where the capital is employed.

The Bank of the United States, to maintain a fair equality with the state institutions, ought to pay what similar capital pays, for banking privileges, and the support of government.

The bill has provided for a bonus, (to the amount of which reference will be hereafter made,) for the franchise of banking and other privileges—that was a power which could not be delegated to the states, and in this bonus all the states equally participate; but the states enjoy the right of taxing the stockholder. The power is equally and justly distributed between the two sovereignties, both constituting a fair equivalent, and placing this institution upon an equality with the other institutions.

The Supreme Court have decided that the states cannot tax the institution, and to grant it, would be to tax it twice. Is there in all this any thing injurious to state rights, or to the constitution. Is there not, on the contrary, the evidence of a pro-

found investigation of all the rights of the parties, and an equitable adjustment of their several interests.

The next objection, in point of importance, is that the corporation cannot hold property, and that if they could, it is not necessary to the institution, and therefore unconstitutional. Property cannot be held, 1st. Because the government not having power to hold it—the right cannot be delegated—and 2nd. Because it infringes the rights of the states in the control of titles and transfers of real property.

The government of the United States, being sovereign as to certain powers, can exercise all the powers incident to or necessary to that sovereignty. There are powers in relation to certain things, so transcendent in their nature, that they may be said to be above the constitution. The right, for example, to use all the means necessary to carry their powers into effect, would have been just as much within the scope of their powers, if they had not been expressly granted. When therefore it is, in the discretion of Congress, necessary to acquire land, for any proper purpose of the government—or houses, ships, armories, arms, or any thing else necessary to make war, or regulate commerce, or coin money, or to regulate the currency, or to collect the revenue, they have a clear implied power to acquire them. By what authority was Louisiana and Florida acquired, or the boundaries of the United States established. It was not granted in the constitution, but it was an emanation of the sovereign power, exercised under the authority to make treaties. By what grant in the constitution are lands acquired from the Indians.

It is said the power of the government is limited to purchasing for the “erection of forts, magazines, ar-

senals, dock yards, and *other needful buildings.*" How then have they acquired SITES for light houses, armories, mints, hospitals, custom houses, barracks, and for the military academy; they are not included in the enumeration—nor do they come under the head of "needful buildings." But suppose land needful for the growth of live oak, for the supply of the navy—it has been purchased for this purpose—suppose it is deemed necessary to purchase lands and houses to secure debts to the government; there is now an act of Congress authorizing the Secretary of the Treasury to purchase property under execution, and under it, lands have been acquired in several states. The government may therefore hold lands in the states—the consent of the states is necessary not to enable them to buy the land, for any necessary purpose, while it remains subject to the jurisdiction of the state, but it is necessary only when designed for either of the purposes mentioned in the constitution, to have the jurisdiction and sovereignty, which are necessary to exert the authority, and extend the laws of the United States over those places.

The government may do many things by others, or exert its power through different means, either of contracts, agencies or corporations. It may build ships or coin money by its own officers or by contract; a corporation might be created with the special power in these and similar cases; it may confer the power necessary to the end. A bank is necessary to collect and keep and pay out the revenue, and for other purposes connected with the currency. The right to have banking houses is to a certain degree necessary and useful to the establishment, and the right to acquire property from their debtors is a natural in-

cident to the right of collecting their dues. This right may not be indispensably necessary to the existence of the institution, but it was not granted for the benefit of the Bank, but chiefly of the people—a right by which they could, in the event of misfortune, deliver up their property and be discharged from the debt, or transfer it to the Bank for a higher price than could be obtained from others. The power has been beneficently exerted, and has given relief to many individuals.

The charter limits the power of holding property to five years, so that it does not interrupt the laws of descent or the rights of escheat; it does not become individual property, and therefore not of aliens. But if it affected the rights of the states, the Courts would correct the error, but no state has complained of this privilege, and the objection is entirely gratuitous on the part of the executive, and evinces an excessive fastidiousness and morbid sensibility about state rights.

There is no motive of interest on the part of the bank: the acquisition of property is not the object, it is the result of necessity—the means of saving under peculiar circumstances the debts and rescuing the debtors. It is a power used for the safety of the Bank, and the relief of individuals, by which they voluntarily dispose of their property, upon terms most advantageous to them, and most frequently save themselves from hopeless bankruptcy; and, discharged from their engagements, recommence business under more favourable auspices. It is a power to be used only in extraordinary cases, and in times of general distress. In ordinary times, when property will sell, there can be no necessity and no object in exerting the right; and the right has never been used, but for the relief of the unfortunate; and there

will be no occasion to use the power, without some unexpected revulsion, perhaps during the continuance of the charter.

Another objection to the constitutionality of the charter, so novel as to have escaped the attention of all the astute lawyers, and all the sagacious men who guard the constitution in both Houses of Congress. It relates to the stipulation that no other Bank shall be established during the period of the charter, and certain limitations upon the power of creating banks in the District of Columbia. Let us test this new principle, which is put forth upon the single dictum of the executive, unsupported by reason or authority.

Congress then have no express power to grant a corporation, but merely as an agency or as a means of carrying any of its general powers into effect. Congress have to collect revenue from imports: it is indispensable that there should be a currency in which it can be paid of equal, uniform value—otherwise duties would be unequal at the different ports, and a general derangement would ensue of all the affairs of government. The money must be safely kept, and promptly distributed to different parts of the union. To effect these objects, a bank has been instituted, which, after an experiment of fifteen years, had satisfied Congress, that besides other benefits, resulting from the institution, it had accomplished all the special objects of its creation. Another bank would not therefore be necessary, and therefore could not be granted, and would be a violation of the constitution. Congress believe it indispensable to have one bank, but that a second would be not only unnecessary, but would defeat the operation, and destroy the usefulness, of the other. [Now the Presi-

dent, who acknowledges that "the bank is in many respects convenient to the government and useful to the people," with admirable consistency refuses to approve the first, which he pronounces unconstitutional, because Congress have stipulated that they will not make another unconstitutional bank. But, says he, "Congress have taken away [this right] from their successors for twenty years;" "and it cannot be *necessary* or *proper* to barter away any of the powers vested in them to be exercised for the public good"—therefore the conclusion follows, that, as this stipulation is not *necessary* or *proper*, the act is unconstitutional.)

Now, besides, that no other bank can be necessary, this is in its nature exclusive—the duties (as being the depositary of the public money, &c.) could only be performed by one—there would be therefore a tacit understanding, in the mind of the parties, binding in foro conscientia, a sort of good faith, resulting from the nature of the compact, obligatory upon all men of honour in the absence of all stipulation.

The president has invoked a principle in this case of great public consequence, and of universal application. It was not supposed that at this day any public man was ignorant of the nature or extent of the principle to which one legislature may bind its successors.

The principle is not true that one legislature cannot bind another. From the nature of their functions, it results, that they must, from necessity, bind not only subsequent legislatures, but posterity.

Laws in general are passed without limitation of time, and are repealable at all times; but they bind during all time, until repealed.

Laws which the public interest requires to be per-

manent, stand upon the good faith of the country, such as the pledge of the public lands—pledges of taxes—an appropriation of ten millions to the sinking fund—and others; they may be repealed, but it would be a violation of the implied faith of the nation.

Laws which create obligations and vest rights, such as the pension laws, which are binding during the life time of the person, compacts with individuals of particular duration, and charters having a limitation of time. In all such cases, there is a superior law of honour and duty that binds the civilized world, that restrains the subsequent legislature, and forbids the violation of personal rights. In the case before the President there was a compact, importing certain obligations, and creating certain rights of property, to continue for fifteen years—was that not binding on subsequent legislatures, as much as if there was a formal stipulation in the act that it should not be repealed, and would such a provision vitiate the charter?

The act confers certain powers and privileges in their nature exclusive—could Congress, if they could not repeal the act, take them away by granting the same to others—would it not be to do indirectly what they could not do directly, and will a stipulation not to impair the grant by a subsequent act, invalidate the charter, or impair any right of a subsequent legislature?

These errors result from characteristic precipitancy, a loose generalization of ideas, the want of sober reflection and accurate analysis; they could not have emanated from the skilful and practised statesmen, his constitutional advisers—but how lamentable that such principles, under their auspices, and on their authori-

ty, should be put forth, to deceive a too confiding people, and to justify a gross misuse of power.

As it regards the reference to the district of Columbia, it is only necessary to add, that the stipulation is rather an acknowledgment or reservation of power than a limitation, although expressed in negative terms. There are five banks already with a capital of two or three millions of dollars, besides the Bank of the United States, which are quite sufficient, and no others have been asked for. The stipulation that they will not, on rechartering them, increase their capitals, and that in making new ones, they will not exceed six millions of dollars, can scarcely be called a limitation: but it contains a direct inference, that Congress may increase them to an almost unlimited extent, and negatives the conclusion that might have been drawn from the charter, against the exercise of this right; and this is called "a palpable attempt to amend the constitution by an act of legislation."

Another constitutional objection is, that "if Congress have any power to regulate currency, (which he denies,) it was conferred to be exercised by themselves, and not to be transferred to a corporation." That is, that currency can only be regulated by an act of Congress, and cannot be affected by any other means or agency, which is equivalent to declaring that money can only be coined by statute; that ships can be built, the mail transported, and the revenue collected and paid out only by law; and war made only by proclamation. The magic power of the law over the currency would be equal to the fabled touch of Midas.

These powers are exerted by Congress in various ways, but always in the way to effect the object, either by law or by agents, by contracts or by corporations,

and it is obvious that the purpose of the bank could not be accomplished in any other mode, certainly so well and so effectually.

These are the constitutional objections upon which the president has rested the veto. It has been seen they are untenable, they are founded on erroneous views and false reasoning. This is not all, the doctrines if carried out, would be found incompatible with the execution of all the laws; no law establishing any of our systems can stand such a scrutiny. Can it be imagined, that every provision, in every act, is in this loose sense, necessary to the main purpose, and that therefore the law is unconstitutional, and that upon this assumption he may, upon his peculiar principles of action, refuse to carry them into effect? Is every provision in the laws for collecting imposts, for organizing the judiciary, for the administration of the public lands indispensable, and are the laws therefore void? For example, the oath at the custom house is not absolutely necessary, the duties could be collected without, perhaps, as well; it is dispensed with in many places in Europe, it is there proverbially useless; many other parts of the same law are merely a choice of expedients, more or less conducive to the end. Is every part of the military system necessary to the common defence? And what is the degree of necessity that makes the act and all its parts constitutional? Some ideal standard of metaphysical necessity existing in the mind. It is a theory of the constitution that makes the government impracticable. It is founded in a gross absurdity, and has been exploded as a mischievous fallacy. It is that no power or means can be used, that are not essential to the thing, that is indispensable; and

that is, without which the thing cannot be. Now, nothing is indispensable, when any other thing will accomplish the same end; therefore, while two or more things exist, adapted to the same end, neither of them can be employed, because neither are indispensable. The constitution has now received a more practical construction by all-enlightened statesmen.

But the president has armed himself with other means of defence, and drawn into the discussion other topics, more directly addressed to the feelings, passions, and prejudices of the people. His mind seems never elevated to the dignity of the subject, or inspired by the solemnity of pronouncing his fiat, in a case involving such momentous considerations. Instead of looking to the great objects of the institution and its influence upon the prosperity of the country, he is searching for difficulties, and groping with petty details. The good it has accomplished, the evils it has remedied, the benefit of a sound currency, an ample circulation and free exchange; the evils of depreciated paper, in the disorder it creates and the loss it inflicts; the necessity of a system which has the solidity of the precious metals, and the capacity and expansibility of paper, and its general effect upon the stability of property and prices, upon the industry and enterprise of the people, and upon the revenue of the country, do not enter into his views of public policy. The mind of the president runs on the stockholders, the bonus, upon taxation, and foreigners, and all the minutia in the details of such a system; expressing narrow notions, illiberal prejudices, and injurious suspicions; awaking heart-burning jealousies among different classes, and fostering the worst passions in the

bosoms of the worst men, the ignorant, the needy, and the desperate.

[The first impression intended to be made against the bank, is by conjuring up ideas of monopoly and exclusive privileges, and exciting odium by the force of association. This is all general and wild declamation, well calculated to act upon pre-existing opinions and popular feeling. But there is no monopoly of banking, or of discounting notes, or dealing in exchange. Every individual may buy and sell notes and bills of exchange. Every state may grant charters without limit; and there are banks innumerable in the several states, with the same powers and privileges of banking within their several spheres.] So far, therefore, as banking is concerned, they enjoy no peculiar favour, or exclusive privilege: the idea of monopoly is therefore a vulgar error. The power is a mere banking privilege, held in common with other institutions, entering into active competition with them, as well as with individuals. The charter only confers a corporate character, the right to sue and be sued, and exemption from personal responsibility. The bank enjoys the exclusive privilege, while it does not forfeit its charter, and under the discretion of the Secretary of the Treasury, of receiving, keeping, and paying out the public revenue. It is in its nature exclusive; it is an office, in fact, but no more of a monopoly than any other agency or office under the government—no more than the presidential office.

This has given rise to all the cant about “artificial distinctions,” granting “titles, gratuities, and exclusive privileges, to make the rich richer, and the potent more powerful;” to invidious comparisons on

“the high and the low, the rich and the poor;” and artful appeals to the pride of that numerous and respectable class, “the farmers, mechanics, and labourers,” whom he designates as “the humble members of society.”

The message labours, in a spirit unbecoming the chief magistrate of this great nation, to infuse into the minds of the people an illiberal prejudice against foreigners.

The charter was granted in 1816, when there was a great scarcity of the precious metals. The banks were opened to foreigners, in order to attract their capital. They had loaned us largely during the revolution, and held extensively not only government, but many other kinds of American stocks. The bank has been compelled to borrow in Europe large sums of specie, in order to fill up our circulation. The government are now paying the remnant of the public debt; and while foreigners may take all the state loans, subscribe to all state banks, and hold property, credits, and securities of all kinds—while they are not only invited to invest among us, but agencies are sent to them to procure money—while all our stocks sell as freely in Europe as in our own market, and derive enhanced value from them, and while this freedom of trade serves to render capital abundant, and interest low, and exerts the most direct influence on all our foreign relations, the President is instilling into our ears suspicions, fears, and hatreds—provoking jealousies and enlisting prejudices against foreign stockholders, which wounds their national sensibility and our public credit.

What renders this most mortifying to the national pride, is, that this ill-natured prejudice against fo-

reigners is incompatible with our character, our principles, our social feelings, and our practice.

While our country is the asylum of the unfortunate and the unhappy and the oppressed of all nations; while we invite all the world to lay down their prejudices and abjure their errors, to give liberty to man and freedom to commerce; while we are looking to the influence of liberal and enlightened views of public policy upon the intercourse of nations, principles so consonant to the spirit of our institutions and the professions of our people, the President of the United States talks of the danger of foreign capital to our country.

Money is like any other article of merchandise; it has a real and intrinsic, as well as an established value—it sells all over the world for every production of every clime—why, therefore, should it be excluded more than any other exchangeable commodity? It is the representative also, of all other things, and the medium by which all things are measured and sold—a certain portion of it is necessary to the trade of individuals and the commerce of nations—it is the means, also, by which industry and enterprise are set in motion. This is comparatively a new country, rapidly increasing in population, deriving its supplies of the metals from abroad, having less than the other commercial nations of Europe, with much greater demands and much more profitable employment for it. Why, therefore, should it be prohibited? Is there more danger in introducing money than any other merchandise? While they remain, they are both ours,

and when they return, they both withdraw their equivalents in money or productions of the country.

The activity of trade, the progress of improvements, the prosperity of the country, the abundance of capital; the low rate of interest, &c. depend, in a great measure, upon foreign capital, and must do so until, by our industry, we have gained a sufficient quantity of the precious metals.

The country may owe to foreigners for money and merchandise, equal to half the circulation, but this is not more than one-tenth of one year's labour, or one year's export. But this capital, besides adding every year to the national capital, is working miracles in our land; see the extension of cultivation and the improvements of the country, in houses, roads, canals and rail-ways—see the growth of the cities and towns—see the mines and the workshops—see the progress of national and individual wealth, the increased comforts and the improving condition of the people. How absurd, then, to talk about the capital of foreigners—to withdraw it would paralyse industry, derange commerce, involve the property and fortunes of the people, and destroy the wonderful creations of industry, and genius and art, that are every where rising around us, to cheer and animate the heart of the patriot.

How absurd to talk of an advance of stocks and a large bonus, and at the same time, of excluding foreign capital, when the advance and the value of the bonus, depends entirely upon the influence of foreign capital!!

And what are the objections? The foreigners own about one-fifth of the stock of the bank; they have no

vote in elections, and no power in the government of the institution; and, after an experience of sixteen years, they evince no great desire to monopolize this stock. But the President apprehends the stock will rise to fifty per cent., that they will buy it all, and that the bank will be badly managed; and then he says, "Should the stock of the bank pass into the hands of the subjects of a foreign country, and we should *unfortunately* become involved in a war with that country, what would be our condition?" dreadful! That our citizens, who hold twenty millions of stock, many of them females and orphans, too, should sell their stock to foreigners for fifty per cent. advance, and then we should be involved in a war with them, with all this money in our country, administered by our citizens in aid of hostile fleets and armies without. Horrible! The very idea of going to war with so much capital in our hands is appalling. What a military and soldier-like view of the question!

While mere statesmen were contemplating the influence of the bank upon finance, revenue, and commerce, the President saw, though they could not, by a single coup d'œil, the advantages the enemy would enjoy, in the event of war, in having their means in our hands, rather than in their own country. What a striking illustration of the superiority of military over civil qualification!!!

The President, however, entertains some antiquated notions: a new theory has obtained since his day. Money, it is now thought, ought to be free and unrestricted. It will obey its own laws, and preserve its own equilibrium; like the air, it rushes into a void; like water, it finds its own level; it will go where it is wanted,

stay where it is useful, but it cannot be governed by force, or restrained by laws. It is as idle to talk of excluding foreign money from this country, as it is to prevent its exportation from England, and both are as impossible as to chain the tides, or imprison the winds.

[Foreign money comes here because the industry and enterprise of the country demands it; it remains because it is profitable; it will go when it ceases to be useful. It dwells in the haunts of industry, and follows in the train of commerce. It creates a foreign interest in favour of our country, not against it; it makes friends, not enemies; it is a pledge in peace, and a hostage in war.]

Monied men are in general intent upon their own interest; as they are sagacious in the pursuit, they have every motive to peace, and in war every interest impels them to neutrality. While we maintain our faith, they will not dare, even if they desired, to throw themselves into the contest, and hazard their fortunes upon its issue. The interest of the money, and the safety of the fund is their object; it must be well and ably administered; if it is mismanaged the public funds will be withdrawn; if the charter is violated, it will be forfeited; but foreigners have no power to direct the operations of the institution, and the idea that this direction will fall into the hands of a few bad men, who will combine to use it against their country, in aid "of hostile fleets and armies," is one of the wildest freaks, if it is not evidence of a disordered imagination. The government appoint five of the directors, the money will be distributed into at least twenty-four establishments; and placed in each under the control of twelve respectable citizens, bound by much stronger ties to their country

and the interests of the institution, than to those of any foreign government.

All the American stocks are open to foreigners, their capital becomes ours by transfer, and is soon naturalized among us; it is invested in loans, roads, canals, rail-ways, commerce, navigation, and manufactures; it unites with ours to form a solid basis for a sound currency and an abundant circulation, it stimulates trade and animates industry. Why then exclude foreign capital, or foreign skill, or art, or learning; it is a miserable political expedient, founded in narrow, selfish views, and illiberal prejudices; it is not consonant with the spirit of our free institutions, or the enlightened spirit of the age.

The veto message is distinguished (and perhaps by this only) by a tissue of gross mistakes and vulgar errors, the result, no doubt, like the unhappy conclusion to which they led him, of the want of personal knowledge and practical ability and sober reflection, which the magnitude of the subject demanded.

Let us pass them in rapid review.

The president objects to the capital, as too large. He thinks eleven millions enough. This is a mere practical question. His views result from his peculiar notions; if a bank is an evil, no doubt the less capital the better; if the object of a bank is merely to keep the public money, then no capital is necessary. In this case, the president, inexperienced by his position and habits of life, and far removed from the great theatre of our commercial affairs, sets up his judgment against the experience and wisdom of Congress.

In 1814, Mr. Dallas, a practical and enlightened statesman, recommended fifty millions. The Congress

of 1816 established thirty-five millions, for the capital of the Bank, and after the experience of sixteen years, it was not considered expedient to enlarge or diminish it. The thirty-five millions are now profitably and usefully employed; no objection has been made by the states or local banks to the capital; it is less than the amount of domestic bills, bought annually by the Bank; it exceeds the revenue only by one-third, and it is but little more than half the export, or half the import; it is not more than one-sixth of the circulation of the United States, and is about one-twentieth of the amount of annual labour in the country, and less than three dollars to each individual.

Eleven millions were sufficient when the population stood at three millions and a half, and the revenues at five millions. The mind of the President does not keep pace with the progress of things, and the extraordinary development of our resources.

The safety of the country, and the accomplishment of the purposes of the Bank; which do not seem to be comprehended by him, depends upon a large and solid capital, not affected by slight accidents or partial derangements, and commanding public confidence.

The President objects to the continuation of the charter. He assumes that it is a great bounty, granted to a few rich persons, &c.

The object of Congress is solely the public good, they deem a bank useful and necessary; they are satisfied that this Bank is judiciously located and wisely administered; that it has accomplished, in a signal manner, the design of its creation, and fulfilled the hopes of the country. They deem it safe and useful to continue its operations, and dangerous to attempt a new

experiment. These advantages are of more importance than a new subscription or a larger bonus. Money is loaned at six per cent., bills purchased at one-half per cent. premium, in addition to the interest, and among the large cities of the north exchange is equalized; the bills are every where equal to specie; in many places, especially in the south and west, more valuable, they are receivable in settlement with all the state banks. The Bank has hitherto yielded little more than five per cent., it has incurred many risks, it is now in more successful operation, it is a period of peace and of unexampled prosperity; the country must, like all others, undergo seasons of distress, embarrassment, war, revolution, and perhaps disunion; in all the evils of which the Bank must participate.

The object of Congress was not speculation or profit, they did not desire to grant any extraordinary boon, or to stickle for the amount of a bonus. They desired to make it sufficiently inducing to the stockholders to continue the present able administration of its affairs.

If the books had been opened to a new subscription, a shameful scramble, such as we have witnessed, or a scene of wild speculation, would have ensued: if the shares were reduced, no man would have more than one share. But not a dollar would be taken in the west or in the south, except in South Carolina. Now, what would be the value of this right of subscription to any individual? Was it worth the derangement of the public affairs?

A very artful attempt has been made to impress the people with the idea that this charter is held by a few rich persons; that it "granted gratuities," "to make

the rich richer, and the potent more powerful;" and it required but little stretch of the imagination to fancy "artificial distinctions" and "titles." This cord is never touched in vain; it vibrates to the human heart; it is the strongest appeal to our pride and passions, and has been in all times the topic of the agitator, and the theme of the demagogue.

Now, of this thirty-five millions the government holds one-fifth, and foreigners little more than a fifth. Two hundred thousand shares, or about twenty millions of dollars, are held by about four thousand citizens of the United States, averaging fifty shares each, or \$5000; one-fifth are holders of and under \$500; more than a third are less than \$1000; more than one-fourth is owned by females, trustees, executors, and religious and benevolent societies.

Among the foreign holders, about half is owned in fifty shares and under, and one-sixth are females. So much for this fruitful topic of declamation, "the high and the low, the rich and the poor." Some are and must be greater than the rest, more wise, more rich; but who infers from hence that such are happier?

Banks are a mutual accommodation to those who have money, and those who want it; to those who can live by its profits, and those who profit by its use. It is a safe depository for females and children, for the old and infirm, for the rich and even for the poor. It is convenient to those who cannot use their money, and to those who can.

Is there any cause of jealousy between the rich and the poor? Are they not mutually dependent and equally necessary to each other? Are they not both protected by the laws?

The rich are in general those who have made their own fortunes by their honest industry. The other classes are following in their path, and imitating their example; they are daily increasing their means and improving their condition, and gradually, by their exertions, and by the acquisition of property, preparing, at the proper time and age, to enjoy their independence, and to take the place of those who are now called rich, as they pass off the stage.

In this country, where estates are divided every generation, great equality of fortune must prevail; few can be very rich, and none long. The children of the rich, are in few cases above the necessity of labour; in some form; and if they are, by another law of our nature they are often reduced to the necessity. Instead of jealousy, distrust, and alienation among the different classes, there is every motive of interest to cherish the kindest feelings.

The rich do not hoard their money; it is put into banks, invested in canals and roads, houses are erected, ships built, land purchased; and this puts in requisition all the labour and capital of the country; and it is this labour, from which few, in some form, are exempt, that increases the enjoyments of the rich, and procures health, peace, and competence to the poor. It is this labour that constitutes the public prosperity and the national weal. It binds society together in a great chain of connexion and dependence, by their mutual wants and interests. How unfortunate, then, to foment feuds among the different orders of society; to array the poor against the rich! How dangerous and how wicked to sow the seeds of discord, to make the poor unhappy, and to rouse those passions that have, in other coun-

tries, so often disturbed the peace and order of government. Happily, in our favoured land, there is no distinction but the good and the bad; there is no mob to move.

The President thinks the bonus too small, and that that is a sufficient objection to the charter.

The bonus, in the existing charter, was fixed by the recommendation of Mr. Dallas, in his report of December, 1815. Who, in his estimate, fixed seven per cent. as the general rate of dividends; he says, "allowing therefore two, three and four years for the payment of the bonus, a sum of 1,500,000 dollars, would amount to about four per cent. upon the capital of the Bank, and would constitute a just equivalent for the benefits of the charter."

On the renewal, the bill proposes to give three million for fifteen years, being double the amount, and for one-fourth less time, equal to near nine per cent. on the capital, more than equal to one year's interest, and about three-fifths of a per cent. per annum. This bonus is a tax upon all the stock, and when divided is equivalent to a tax by each of the states—now the states may tax the stockholders, as other bank capital or dividends in the state; if they tax them equal to two-fifths of a per cent. it will make a tax with the bonus, equal to one per cent. per annum.

The bank ought to pay what similar charters pay in the states. In general, this tax is compromised for a bonus, but never both. One per cent. is the maximum of either; so that the sum which the Bank pays to both, besides the taxes on their property, will be equal to the highest rate paid by other institutions, and much above

the general average. The bonus alone is equal to the bonus usually exacted in Pennsylvania.

But Congress, with a full view of the whole subject, having no interest, and large portions of the country having no stock, and standing between the Bank and the states, to do justice to both, upon ample deliberation, fixed the bonus at three millions.

But the President, in the spirit of control and domination over the legislature, descends into all the minutia of detail, confounding the duties of the different branches of the government, and without the lights of experience or benefit of discussion, boldly censures every provision of the bill, even the amendments to the former charter.

The object of Congress was the Bank and its national benefits; that of the President to defeat both, he has resorted to all the captious objections and popular topics, which, consulting his own duty and proper dignity, he would have left to the representatives of the people, to whom they belong.

The bonus is made one of the leading objections to the bill. The message, which is not ascribed to the hand or the head of the President, is replete with egregious errors and monstrous exaggerations, which, if not merely intended to delude, evince a total want of practical knowledge of the subject.

The bonus, recommended upon these extravagant calculations, is of such magnitude as to shock the common sense of mankind. But no error is too gross or too palpable for credulity.

The message states, that "*the value of the monopoly in this case may be correctly ascertained, the twenty-eight millions of stock would probably be at an advance*

of fifty per cent., and command in the market at least forty-two millions of dollars, subject to the payment of the present bonus; the present value of the monopoly, therefore, is seventeen millions of dollars, and this the act proposes to sell for three millions," &c.

It is not necessary to notice the trifling error of three millions on the face of this statement, as it will not vary the argument; but fifty per cent. upon twenty-eight millions would be but fourteen millions. The truth of the fourteen millions depends upon a fact which is boldly assumed, and is at best, a wild speculative opinion, upon which no statesman would base a great public measure. Let us bring it to the true test of calculation, which will not mislead our judgments.

The value of this stock must depend upon the general value of money, the rate of interest, and the duration of the charter. The present value is calculated in a period of general peace and of unexampled prosperity, when capital is abundant and interest consequently low, it is then most favourable to the value of the stock.

Let us assume the minimum rate of interest upon stocks of the highest character at four and a half per cent., that this bank will suffer no losses, the market undergo no change, and the bank yield seven per cent., and continue for fifteen years.

The Bank has averaged heretofore little more than five per cent. The dividends of the Bank of the United States, during the first six years, fell short of three and a half per cent. a year, they have gradually increased since that time to five and seven per cent., and may continue to give that; but the average during thirteen years and a half, ending 1st July, 1830, had been but four  $\frac{82}{100}$  per cent. a year. An annual divi-

dend of about nine per cent. during the residue of the term, would be necessary to give an average of six per cent. a year. The whole operation for fifteen years of the present institution, including the surplus fund, and making no allowance for losses, will not exceed that rate.

Let us now test the truth of the statement upon which the whole question of the bonus depends, to wit: that the stock will rise fifty per cent. and make seventeen millions for the stockholders.

The stock at one hundred and fifty dollars would produce four and two-thirds per cent., but the difference between this and four and a half would require an infinity of time to reimburse the fifty dollars; but the charter has but fifteen years to run; to purchase stock therefore at fifty dollars advance, to yield four and two-thirds per cent., would be to sacrifice nearly the whole of the advance; that is, to make the illustration more clear, it would be nearly equivalent to a total loss of interest for near eleven years, in a charter of fifteen years. The whole interest received would amount to sixty-nine dollars and ninety cents, which would leave, after paying the advance only, nineteen dollars and ninety cents, or equal to one and one-third per cent. on the capital.

The idea that this stock would rise to one hundred and fifty dollars, and be thereby worth seventeen millions to the stockholders, is one of the most palpable absurdities that has been, in a period of extraordinary delusion, palmed upon the people; it is the grossest attempt to impose on the popular credulity, and evinces, somewhere, a total disregard of all truth and accuracy

in a case, susceptible not only of the clearest elucidation, but of mathematical demonstration.

The President, not familiar with such subjects, has been deceived by the ignorant or the designing; and the people, if they will not rouse themselves, must be the dupes of the fallacy, or the victims of the artifice.

The prudent, reflecting men, who deal in stocks, do not throw away their capital, upon such miserable political speculations, but the President, without data or calculation, boldly assumes the fact, and upon such premises and such reasoning pronounces in a case, involving directly many millions, and indirectly the stability of all the property in the country, and rushes to his conclusions, with a total independence of responsibility, and an alarming fearlessness and recklessness of consequences.

The value of the stock, upon the grounds stated, at  $4\frac{1}{2}$  would be  $\$122\frac{39}{100}$ , equal to  $5\frac{72}{100}$  per cent. That is, a stock of 100 dollars, yielding seven per cent., will, if sold at  $\$122\frac{39}{100}$ , produce four and a half per cent. upon the investment, and a surplus of  $1\frac{32}{100}$  per cent., which, at the end of the fifteen years, will reimburse the  $\$22.39$  advance. The stock cannot sell for more upon any reasonable calculation, an increase of the rate of the dividends, or diminution of the general rate of interest, would raise the stock as a less rate of dividend, or an increase of the value of money would depress it. It would not therefore rise without some extravagant speculation, always injurious, and often disastrous. The lowest value of money in this country is from  $4\frac{1}{2}$  to 5 per cent. If we assume that money is worth 5 per cent., the stock would be worth  $\$117.14$ , and at this rate it would pay 5 per cent., and reimburse the advance in fifteen years.

The whole of this advance would be	\$4,760,000
Deduct the bonus,	3,000,000
	<hr/>
	1,760,000
State taxes $\frac{1}{2}$ per cent.	1,500,000
	<hr/>
	\$260,000

The mean difference perhaps between 122 and 117 would be the true value of this stock, on the day the charter commences, and which would of course decline every year, until it came to par at the end of fifteen years. It would be fair, under the circumstances, to place the value of a stock bearing seven per cent. for fifteen years, at twenty dollars advance.

This advance of twenty dollars upon the thirty-five millions, would be equal to seven millions of dollars, of which the government holding one-fifth of the stock, would receive 1,400,000 dollars.

But estimating the remainder of the stock held by individuals at twenty-eight millions, the advance of twenty dollars would be 5,600,000 dollars; they pay to the government, in the form of a bonus, three millions of dollars. There is then twenty millions of this stock held by our citizens, liable to be taxed like other income, which cannot be estimated, but which, if the states exercise their rights, may be estimated at half a per cent., equal to 100,000 dollars a year, or 1,500,000 dollars in fifteen years, making in all 4,500,000 dollars; there is then left a margin of 1,100,000 dollars, or about a third of a per cent. for the chapter of accidents. The slightest rise in the value of money or diminution of dividends below seven per cent., or any ~~loss~~ or derangements would immediately cover the

pt.

This calculation is founded on the very lowest rate of interest; the state loans are taken at from five to six per cent., at which the bonus in this case would be reduced much lower. Now, the government have exacted nine per cent., leaving the states to tax the stockholder on his income from the bank. The difference between the twenty dollars and what they pay for bonus and taxes, about one-third of a per cent., is the boon, the mighty gratuity, as it is called, which Congress have granted. It would have been unworthy the government, in an arrangement with her citizens, to have exacted the last dollar; some space must be left for accidents and changes, and as inducement to the stockholders. Upon a fair and candid view, it will appear that Congress have acted with justice and liberality, and that narrow views and loose calculations will not do in the affairs of a great nation.

The bonus in this case exceeds the general rate established for state banks in Pennsylvania, and is believed to be equal to the highest rate in any of the states.

Now, when the President asserts upon his responsibility, that this stock will rise to \$150, and the gratuity be worth 17 millions, what confidence can be placed in his judgment and his ability? The exaggeration in this case is only more apparent, because it is more exposed.

The President, having magnified the monopoly into seventeen millions of dollars, says, "it must come out of the earnings of the American people." Now it is clear that no one pays more than six per cent. to the bank; that is the usual legal interest in the states; the rate at which all other banks discount; the rate which can be obtained on the best property and best security

in the cities, and is undoubtedly less than they make who borrow from the banks.

It would be extraordinary, if this bank should obtain seventeen millions out of the earnings of the people, by loaning them thirty-five millions of dollars at six per cent., and they should continue, for years, voluntarily to borrow it, and never discover the fraud until it is revealed to them by an oracle.

In truth, this rise of stock is merely ideal; it exists only among the dealers of stocks, and does not, in the slightest degree, affect the community, any more than any other transactions among men, relating to money or property. This point is of great importance, as it illustrates the whole theory of the veto.

First. In relation to foreigners, who seem to have impressed themselves strongly upon the President's imagination; suppose the foreigners should, as the President fears, buy the twenty millions of stock of our citizens, at fifty per cent. advance. That would be a clear gain to our national wealth of ten millions of fixed capital, and the foreigner would derive less than four per cent., and this would constitute the enormous drain upon our country.

Now, in reference to our own citizens: It is clear that, from the beginning to the end of the charter, the rise and the fall of the stock must be equal, and that what one gains, another loses.

The price of stock, depending on the increase of capital and the decline of interest, both of which may be ascribed to the influence of foreign capital and confidence in this institution, must of course fluctuate, and the changes must be very gradual, and almost insensible. Its effect, therefore, in the multifarious transac-

tions of men, and among an infinite number of persons, must be very inconsiderable, and the partial gain or loss must, from the nature of things, be perfectly equal.

Now, as it regards those who originally subscribed, and who retain their stock to the end of the charter, when of course the stock will fall to par, it is obvious the rise of price, at any intermediate time, will not benefit them, they will receive back the amount originally paid for the stock, having received only the dividends during the time, as a compensation for their money. The change of the names of the stockholders, by sale and transfer, will not change the principle. The stock can yield nothing more than the dividends. The rise of stocks is, therefore, merely nominal, affecting only those who buy and sell; and it has been shown that, as regards foreigners, it is a national gain; as to individuals, the effect is almost insensible; as to the stockholders, it is altogether fictitious; and as to the loss or gain, it is perfectly equal; and so it must be equally, if the charter is continued for fifteen years longer.

As it regards those who have sold at an advance, and made a certain gain, which must have been very small, whatever it may have been, it is passed, and neither the new charter nor the veto can have any retrospective operation on those transactions. The present holders who have purchased, have paid the advance price, and to them it will be no gratuity.

It is clear, therefore, that this seventeen millions is altogether a chimera, a mere figment of the brain; the only thing which the Bank can yield is the dividend; this dividend has been shown to be seven per cent.; but all the state banks yield six, eight and ten per cent.,

none less than six. The value of money ranges from four and a half to ten, according to the place, the times, the safety and permanency of the investment.

But does any one suppose that that advance "*comes out of the earnings of the people?*" Can such an argument impose on the shallowest understanding?

The banks loan money at six per cent., the usual rate, the borrower finds his profit in it, and grows rich, the bank receives seven per cent. (but no individual pays more than six, and he cannot get it for less any where else.) There are certain classes, foreigners, females, minors, rich and aged persons, and generally all those who cannot use their money themselves more profitably, are willing to give more than par for the stock, because they prefer a smaller rate of interest, upon a safe and permanent investment; does that purchase, whether at the rate of ten or fifty, affect society any more than any other rise or transfer of property, or any other transaction. Nothing is lost, the rise is evidence only of public prosperity, and the stocks rise from the same cause that effects every thing else. They who buy get a fair equivalent; they who sell are the active, industrious, and enterprising, who can employ their money to greater advantage in some other investment.

A man has a share worth one hundred dollars, and it yields him six, some one finds it his interest to give one hundred and twenty in money for it, which he takes to employ again, if he can, in some other way, at six per cent., if he succeeds, he is twenty dollars, nominally, richer, and receives  $\$7\frac{20}{100}$  a year, instead of six dollars; is any one poorer for this. The condition of one of the parties is improved; nothing is created, nothing

annihilated; the money and the paper have merely changed hands. How then does it come out of the earnings of the people?

There is another consideration which deserves notice, although it is not relied on. When the Bank was chartered, money was scarce and high. The currency was depreciated at different rates, at different times and places, and banks yielded eight per cent., which was perhaps its fair market value. There was, of course, no inducement to subscribe, and the stock hung very heavily, and was taken with reluctance.

The stockholders paid in one-fifth in specie, and four-fifths in United States stocks, which were advanced equal to the depreciation. The Bank by restoring specie payments raised the paper circulation to par, and thereby gained for the whole country an advantage equal to the depreciation, which varied from fifteen to twenty-five per cent. It is clear, that their stock had cost them in the currency an advance of fifteen or twenty per cent.; it was therefore necessary that this stock should raise to that price, to reimburse them, that is, to place them where they would have been if they had not subscribed, and where it had placed all other persons. For example, the stock cost in the currency of the time one hundred and twenty dollars; the Bank soon made this currency par, the holders had then lost twenty dollars, which they would have gained, and which was gained by the community. It would require an advance of twenty dollars to reinstate them. Those who sold at twenty dollars advance, gained no more than all others by the operation, and those who retain their stock until the expiration of the charter, will have received six per cent. only upon one

hundred and twenty dollars paid in, and will be minus, unless made up by the surplus fund, equal to the depreciation at the time of subscription.

It is true, this depreciated paper had been received in exchange for other property, which had depreciated to the same extent; and so it is also with the rise of stocks, the price rises with every thing else, the change is nominal, the relative state of things is preserved. You can buy no more property now with the one hundred and twenty dollars, than you could formerly with the one hundred dollars. You get no more interest for the one hundred and twenty dollars than you received for the one hundred dollars. While the currency had risen to par, every thing had accommodated itself to the general standard. Money became more abundant, its relative value was lessened; it required more of it to purchase property as it did the stock; it gave therefore less interest. Every thing has changed its nominal value, by the change of the standard by which it is estimated; but the general relations of society are preserved. The object of the Bank is to secure specie payments, which make the general circulation equal to the specie standard, which maintains what is called a sound, equal, uniform currency of standard value every where. It is to prevent depreciation, fluctuation of price, revolutions in property, wild speculations, and the consequent ruin of many people.

The Bank had accomplished these great purposes, it was the intention of Congress to perpetuate them. The stock was as high at the date of the veto as it would have been, when the new charter went into operation, and higher than it would have been after the distribution of the surplus fund. By continu-

ing the charter, nothing was changed, the relative state of things, the standard, the currency, the circulation, the exchange, the value of property, of stocks, of money, and the prices would have remained fixed and unaltered—there would have been no great gain or loss, any gain would have been less than the actual loss in consequence of the veto, and the country would have been satisfied.

The bank, at the date of the veto, had three years and eight months to run; the stock was, therefore, worth \$107 87; the surplus fund was equal to  $\$6\frac{81}{100}$ , which made the stock worth \$114 68. It stood, however, on the 7th July, at \$121 2; the difference of  $\$6\frac{82}{100}$  was a rise above the actual value, created by the hopes of a renewal of the charter, greatly increased by passing through both houses, but upon the publication of the veto, the stock fell to its true value, \$114 68. The stock, with the accruing dividend, now stands at \$117 18, being only four per cent. less than before; but this \$117 18 advance will be extinguished at the end of the charter; the stock then would have been at the highest \$120 for the stock of the new charter for fifteen years. So that no permanent rise of stock could have taken place, and the general price of from \$117 to \$120 would have been maintained, but gradually declining to the expiration of the charter.

Besides, it ought to be remembered, that the bank, to enable itself to accomplish the great purposes of its institution, incurred the expense of borrowing and importing into this country, seven millions of specie, which greatly contributed to the rise of these and all other stocks, as well as the general appreciation of property.

The stock of the bank having advanced in this way, with every thing else, and holding only a corresponding relation to things in general, the advance being fully compensated, and being held either by original subscribers, who deserve well of their country, for having taken it under doubtful, and retained it under the most discouraging circumstances, or held by those who had already purchased at this advance, what motive was there, as it must necessarily come back at the end of fifteen years to par, to take this advance at all into view, or to disturb the existing state of things? Congress acted wisely in leaving every thing untouched, and rechartering the bank as it happened to be.

Every man cannot get his due proportion of the stock, and if he could it must be very small, and of little value, and if opened again, it would lead to disgraceful scrambles; if sold at auction, it would either not sell at an advance, from the amount in market, or it might induce wild and ruinous speculation; and after all, it must get into the hands of men who have no other or higher claims to public favour.

The old bank must close its concerns, collect its debts, and sell its property. Money distributed over the country, and every where exciting industry and animating enterprise, must be withdrawn from its accustomed channels, and concentrated again in the large cities, there to be reinvested. All this must lead to great disorder—capital must be displaced, the circulation deranged, exchange embarrassed, and business interrupted; these will impair confidence and credit—banks will curtail, money depreciate, and property fall.

Upon a fair and statesmanlike view, then, of the

question, what motive was there in breaking up this institution to its foundation? Was it the miserable pittance of the bonus? or was it the seventeen millions, which has been shown to be moonshine? or the fear of foreign capital, invested in every state and institution in the country? or was it not a deep feeling of hostility to the bank, a secret passion rankling at the heart? and have not the best interests of the people, and the best hopes of the country, been sacrificed to private resentment, to ignorant prejudices and political ambition?

Among the evils to flow from this measure is the displacement of capital, by the withdrawal of twenty millions from the west; the effect of this measure was foreseen, but who can calculate the extent of the loss, and sacrifice, and suffering it may create? The President looking to this embarrassment and distress, calmly surveys the catastrophe, and assures himself that "the time is ample," and "that the pressure will be light;" but if it has been badly managed, or the pressure should be heavy on the people, "*the fault will be all its own.*" And does the President suppose it is the Bank or the stockholders who are to suffer; they have ample time to collect their money, and it will be again invested in a manner equally profitable to them. So far as the Bank is concerned, they scorn his power, and smile at his impotent malice. So far from injuring them, he is preparing a crisis that must greatly enhance the value of money, as it will diminish the value of every thing else, while it will introduce confusion and disorder in all the walks of life.

He complains of a drain of interest upon the west, and recommends a withdrawal of the whole capital, as the means of relief! If any evil is to be experienced from closing the bank, it is, in his opinion, much better

to come now than fifteen years hence; how philosophical! He dreads the influence of foreign capital; does it go out of the country? Money has political power; will it have less when divided into numerous other institutions? It has, he thinks, too little to bind it to the country; will its dispersion increase its attachment? Is the suppression of this charter to make the rich poorer, or the low higher? On the contrary, is not the tendency to make the rich richer, and the poor poorer? and to aggravate the evils of poverty, by destroying the necessity and the value of labour, by destroying its reward?

But what has the President recommended in its place? A great national bank, founded on the revenues and credit of the government, in the hands of a dominant party, with immense capital and unlimited powers; a political machine, by which the distribution and management of the capital will be placed in the hands, not of statesmen, but of a divan located at the seat of government and at the source of power, with numerous agents, selected for their political influence, stationed at the great commercial points, with power over the fortunes of the whole community; a controlling power, capable of wielding every other power; a fatal instrument of political corruption, and a potent engine of political ambition—a tremendous power, touching every man, controlling every interest, subsidizing the press, seducing public men, subduing public opinion, demoralizing the people, and corrupting the principles of the government.

It is for such a cunning device as this, “a branch of the treasury,” without capital, resting on credit, without funds, depending on the revenue; without pro-

erty, without stockholders, without debtors, without creditors, without paper, and without discounts, merely selling bills enough "to pay the MANAGERS for counting and keeping the money;" the President would surrender the Bank of the United States! Would such a miserable expedient, that has not obtained the sanction of one responsible name, supply the place of the present Bank? Would it furnish money where the wants of society demand it? Would it provide an ample circulation of a sound, uniform and equal currency? Would it fix a standard of value of money, property, and exchange? Is there any thing in the impracticable scheme, if created, which a wise man can approve? Is there any redeeming principle which can avert the calamity he has inflicted on the prosperity of the country? Could it have any effect but to swell the power, and augment the influence of the executive, by adding money to patronage?

The President, unable to conceal the private feelings that dictate his public conduct, lends himself to the repetition of refuted calumnies.

The charges against the Bank were fully made, ably investigated, and upon a deliberate consideration of all the reports and evidence, Congress passed the bill to modify and *continue* the charter. Can there be higher evidence, that before that high tribunal, the Bank was fully vindicated?

It was a part of the system of attack, to poison the public mind and forestall public opinion, by the number and the grossness of the charges, and then to defeat the measure by the delay of investigation.

The President says an "investigation unwilling

conceded:" by whom? to whom does he bring this imputation? The Bank was not consulted, but it opened to the committee all the secrets of the institution, disclosed every fact, answered every inquiry, nothing was withheld. Does he then impute to Congress, that they were willing to wink at its abuses and suppress inquiry? is that the delicate insinuation against the motives of the members of the House of Representatives? The chairman of the Committee of Ways and Means promptly acceded to the proposition for a committee of inquiry—the committee was appointed with ample powers, with a majority, not of moderate and impartial men, but of those most distinguished for their hostility: the chairman, who made the charges, and was responsible for the truth of them, was made at once the prosecutor and the judge and the umpire in the committee.

With a committee thus constituted, wanting neither zeal nor ability, with all the aid and facility which the Bank could give, he prosecuted the inquiry for four weeks, examined thirty witnesses, and published a volume of near six hundred pages.

The inquiry ended in the unanimous acquittal of the President of the Bank from all impropriety, an abandonment of several of the charges, and a triumphant refutation of all the others by the minority. One of the majority declared he considered the investigation as amounting to nothing; that nothing had been proven to inculcate the Bank, and that he had signed the report without meaning to be responsible for its contents. But the President now alleges that the committee were too restricted in

time, that the *practices* of the Bank are only partially unveiled, and that "numerous charges confidently made are wholly uninvestigated."

[The whole of this evidence was laid before Congress with elaborate reports; it did not change the opinion of one man. The Bank has stood the test of scrutiny, and passed the ordeal of public opinion, against the efforts of political opposition, against the machinations of private malignity and the schemes of concerted hostility.]

All the charges alleged, and all the points made by the President, were fully discussed, and Congress, upon a full view of the whole subject, upon their responsibility, and against all the influence of the executive and his cabinet, approved of a continuation of the charter.]

The President seems to misconceive the nature of his office, which is chiefly executive. The self-complacency with which he speaks of himself is amusing. "Had the executive (says he) been called on to furnish the project of such an institution, the duty would have been cheerfully performed"—how condescending! The project would no doubt have been either the old, exploded Treasury Bank, that miserable skeleton, or it would have been formed upon the original views of the President himself, as disclosed in his message. 1st. The capital must not exceed eleven millions. 2d. It must give a bonus of 50 per cent. 3d. It must grant no power that is not indispensably necessary to a bank, merely to receive and distribute the public revenue. 4th. The states must have unlimited right to tax it. 5th. It

must hold no property. 6th. It must not be an exclusive Bank of the United States. 7th. Foreigners must be prohibited; and, 8th, there must be fair competition in subscribing, &c.

Congress, however, not advised of the peculiar notions and extraordinary tenacity of the President upon his bank project, proceeded in the usual way to prepare a bill, which was discussed, passed, and sent to him as the constitution prescribes; and he returns for answer that *he* "has not been consulted," that *he* "neither needs nor wants an agent clothed with such powers;" when but a few months before, the President's own Secretary of the Treasury, in a report to Congress, declared that various considerations, which he stated at great length, "induced him to recommend the expediency of re-chartering the present Bank."

The President objects that the bank monopolizes the exchange.

The bank enjoys no exclusive privilege—no monopoly of this kind has been conferred. The right of dealing in exchange belongs equally to all men, and all banks. It is the chief merit and peculiar beauty of the system, that by widening the field of operations, the pre-existing monopoly is destroyed. Exchange—heretofore in the hands of individuals and separate corporations, with narrow means and limited views—was altogether unsettled and uncertain, as it was inadequate to the wants of commerce. The rate, governed by no laws, regulated by private interest and individual necessities, ran high, and constituted a heavy tax upon all the agricultural

community. It is now reduced to order and system—the means are adequate, the rate low and uniform. If the bank enjoys the benefit of this exchange, it is because it obtains it in a fair and open competition; it results from the nature of the institution, the location of its branches, the extent of its means, and the liberal principles of its administration; it is, in fine, because it buys for less. But is this a subject of complaint to the people? Exchange has heretofore constituted a tax of from three to five per cent. upon all the productions of the country; how does it stand now? The bank notes are every where receivable for duties, for lands, and in the settlement of all transactions with all the local banks—this renders them almost universally receivable—and are, therefore, to that extent, a means of general remittance, and so far supersede the necessity of exchange or the removal of metals. The bank also put in circulation, in the western states, eight or ten millions of orders, payable in Philadelphia, which served as a remittance, and preserved the local circulation, and superseded to that extent the necessity of bank checks, upon which they might have made large profits; to this extent, therefore, exchange is perfectly equal, and all the business of society transacted without cost.

On the other hand, the exchange in domestic bills is rendered more equal than gold and silver.

The bank, during the last twelve months, purchased sixty-two millions of bills—of which thirty millions are in the west; about eighteen millions are drawn on New Orleans, from Pittsburg, Lexing-

ton, Cincinnati, Louisville, Nashville, St. Louis, and Natchez, upon the shipments of western productions; about twelve millions from New Orleans, on the north. These bills are taken at half a per cent.; the remainder of the bills, in the Atlantic ports, are nearly at par: so that the whole exchange does not much exceed one-fourth of a per cent., and the whole amount of premium on exchange and remittance, may be stated at one-eighth of a per cent.—far less than the expense of removing metals, and less than that of any other country. The President ventures to assert that the bank has failed in equalizing exchange.

The bank deals in foreign exchange to the amount of from three to five millions a year, but enjoys in this no monopoly or exclusive privilege.

The effect of this state of currency and exchange is incalculable upon agricultural industry and commercial enterprise; in the saving of premiums; in the anticipation, by several months, of the result of their labour; by the employment of cash instead of credit; by avoiding the delay and expense of the displacement of capital, and the derangement of circulation by the removal of the metals. Now, what is the alternative? State bank paper of limited circulation, and doubtful character—exchange high and difficult—remittances in money, and a credit system, &c. from which must result consequences the most disastrous.

There are now existing three hundred and twenty-nine state banks, with a capital of one hundred and ten millions, all in high credit, circulating their

paper through the community, all of whom are now governed by the force of moral obligation, and the restraining influence of the Bank of the United States.

The fact that one hundred and sixty-five banks, with a capital of thirty millions, have failed in twenty years, of which the loss and injury, directly and indirectly, cannot be calculated, may serve to awaken attention to the dangers that menace them now. What have we to preserve specie payments, a uniform currency, and regulated exchange? What is there but the public good faith, to protect the country against the new banks, that must every where spring up, as they did before, on the dissolution of the old bank?

Notwithstanding the general and acknowledged benefit of this institution, in all its modes of operation, upon the affairs of government, upon the business of society, in every part of the country, and in all the walks of life; it is insidiously instilled into the ear of the honest people of the country, to exasperate their minds, that "these exclusive privileges are granted at the expense of the public."

The President has taken the occasion to repeat the stale story, so fully explained and so often refuted, "That the President of the bank has told us that most of the state banks exist by its forbearance." He is unconscious, no doubt, of the artful manner in which the tenses have been changed, the words displaced, and the meaning perverted to force this construction, to answer a particular and favourite purpose.

Every one knows, that the Bank of the United States has no power over the existence of any sound and well conducted state institution, much less any disposition to exert such power. The credit of state banks rests upon the same principle as private credit—upon the honest and punctual fulfilment of their engagements.

The Bank of the United States has a power, held concurrently with all the state banks, and with every individual, necessary to the public safety, and which was the chief object of its institution, to compel all banks to pay their notes in specie. It is this salutary power that preserves the monetary system. While the banks perform their engagements, they cannot be destroyed; and if they fail, they fall, not by the bank, but by their own folly, and the force of public opinion. It is the duty of the bank to prevent the circulation of paper not at all times equal and convertible to specie.

What the President of the bank said of the power of the bank, related not to the present time, but to a period of great difficulty, on the resumption of specie payments, when the government deposits were transferred to the Bank of the United States. The state banks then stood indebted to the bank eight or ten millions, and which they were not prepared to meet. Certainly a rigorous exaction would have compelled these banks to stop payment. The President of the bank, in reference to this state of things, and to the period of 1817 and 1818, said, “there are few banks which might *not have been* destroyed, by the exertion of the power of the bank—

none have ever been injured. Many have been saved, and more have been and are constantly relieved, when it is found they are solvent.”

Is it possible, honestly, to construe this into a declaration, that the bank now holds the power of life and death over the state banks, or to believe that any such power, in fact, exists? On the contrary, is not the power exerted by the bank essential to the safety and existence of the state banks, as well as to the security of the people? And instead of any feeling of jealousy or hostility, which this was intended to excite, many of the local banks have petitioned Congress for a recharter of the bank, from a conviction of its necessity and importance to the country.

This veto, then, rests upon false principles, mistaken views, and futile objections.

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

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

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

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

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

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

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*Erratum.*—In page 3, fourth line of the third paragraph, the word *might* was accidentally inserted for *weight*, in some few impressions.