

REECH

OF

R. HILL, OF NEW HAMPSHIRE,

ON THE SUBJECT OF

THE REMOVAL OF THE DEPOSITES

FROM THE

BANK OF THE UNITED STATES.

**IN THE SENATE OF THE UNITED STATES,
MARCH 3 & 4. 1834**

**CITY OF WASHINGTON:
PRINTED BY FRANCIS PRESTON BLAIR,**

1834.

REMOVAL OF THE DEPOSITES.

SPEECH OF MR. HILL, OF NEW HAMPSHIRE.

In the Senate of the United States, Monday, March 3, and Tuesday, March 4, 1834—on the Resolutions offered by Mr. CLAY, of Kentucky, and the Report of the Committee on Finance, relative to the removal of the Public Deposites from the Bank of the United States:

Mr. HILL addressed the Senate as follows:

Mr. PRESIDENT:

I wish to take up as little time of the Senate as possible. I will at least engage to take none of its time to increase the alarm of ruin and distress that are so much dwelt upon in this branch. It is only to allay the panic, so far as may be in my power, that I would trouble the Senate at all on this question. I am willing to take that time for this purpose that may give the Senate the least inconvenience.

If there was any uncertainty, at the commencement of the discussion of the resolutions offered by the Senator from Kentucky, as to the constitutional power of the Chief Magistrate to remove a Secretary of the Treasury, or any other head of a Department, that uncertainty no longer exists. So little doubt is there left on the question of power of removal, that there seems to be a general understanding that the majority of the Senate who disapprove of the withdrawal of the deposits, will not suffer the question to be directly taken, but that the accusation of high crimes and misdemeanors against the President is finally to be evaded, detached as it has been by the action of the Committee on Finance from its consort, by suffering it in the end to repose quietly on the table.

Sir, since public opinion, and even the opinion of the Senate itself, has acquitted the President of knowingly and wilfully violating the constitution, we have only to ascertain whether the reasons assigned by the Secretary of the Treasury, for the removal of the money of the United States deposited in the Bank of the United States and its branches, are satisfactory and sufficient: in other words, the inquiry should be simply, was the removal of the deposits from the United States Bank to the several State Banks, a measure both lawful and expedient? This state of the case will fairly bring into discussion every point having relation to the Bank, which now agitates the public mind.

The strongest proof of merit in the reasons of

the Secretary of the Treasury for the removal of the deposits, may be found in the manner in which they have been assailed. Weak these reasons cannot be, when it is considered that a regular attack by a regular party in opposition was not deemed sufficient to break them down: strong they must be, thus long to have withstood a three-fold attack from parties on two sides of the house. While the onset has been daily made by nearly two to one in length and breadth of the speeches on the special order, almost every day has witnessed a skirmish of outposts—an attack upon the supposed weaker points, during the hour of morning business. Superadded to these, a supposed instrument of death, in the result of a Herculean labor beyond the immediate battle ground, comes in as a third means of attack, in the shape of a report of the Committee on Finance. Do we want stronger proof that the reasons of the Secretary are strong reasons? Shall we not speedily have ground to believe that the citadel is impregnable; that neither the party with the flag of Union down,* nor the party with the colors of consolidation flying,† nor both of them united, with all their potent champions, and instruments of attack, can either effect a breach in its walls, or surmount its ramparts?

Mr. President, since I listened to the reading of the report of the Committee on Finance, from the Clerk's table, I have found time once more to peruse it. It is relied upon, by the friends of the Bank, as the conclusive argument against the reasons of the Secretary for removing the deposits; and if the opponents of the Bank will take for granted all the assumptions of the report, there can be little difficulty in arriving at the conclusion that the Secretary's reasons are altogether "unsatisfactory and insufficient."

And, in the first place, if it shall be admitted that one of the "exclusive privileges" granted to the Bank for a consideration paid, was the right of the Bank to the deposits without any restriction or qualification, then it will follow that the withdrawal of the deposits by the Secretary was a breach of contract. But is it not easy to be perceived, that if the retaining of the deposits by

*Nullifiers.

†National Republicans, alias Federalists.

the Bank was a privilege, it was not one of the "exclusive privileges" intended by the charter? And if not one of these exclusive privileges, then clearly the withdrawal was no violation of contract. The law enacted, "that no other Bank shall be established by any future law of the United States during the continuance of the corporation, for which the faith of the United States is hereby pledged;" reserving the right to grant Banks within the District of Columbia to a certain extent. This section, and this alone, was obviously intended to embrace all the "exclusive privileges" granted to the Bank. Neither the privilege (if it may be called such) of receiving the public deposits, nor of making its notes every where receivable for debts due the United States, was an exclusive privilege; they were both contingent, because the Secretary of the Treasury was without limitation (except that of reporting his reasons to Congress after the act was done) authorized to withdraw the deposits; and Congress retained to itself the right at any time to pass a law that the notes of the Bank should no longer be received in payment for dues to the United States.

If this construction of the law be correct, an end is put at once to the labored argument of the first nine pages of the report to prove the want of power in the Secretary to make the removal.

It may be remarked, in passing, that the notion that the act of removal cannot be consummated until Congress shall have passed on the reasons assigned by the Secretary, is altogether fallacious; for Congress, after hearing those reasons, may not choose to act; or if they attempt to act, one branch of Congress may consider the reasons satisfactory, and the other branch may consider them unsatisfactory; or, both branches may consider them insufficient, and omit to pass a bill for their restoration; or both branches may pass a bill for restoration, and the bill shall be disapproved by the President; still the act of the Secretary will be valid.

The report says, "The keeping of the public money is not a matter which is left, or was intended to be left at the will of the Secretary, or any other officer of the government. *The public money has a place fixed by law, and settled by contract; and this place is the Bank of the U. States.*" From this strong assumption it would seem that no power to remove was by law given to the Secretary, but that all power was given to the Bank to hold the public deposits. But when we come to look at the law, we find it directs the deposits of the public money only to be made "in places in which the said Bank and branches thereof may be established, unless the Secretary of the Treasury shall at any time otherwise order and direct." There has not been a moment since the establishment of the Bank of the U. States, when other local banks in places where there was no United States Bank or branches, have not been places of deposit for the public money; and these banks were as lawfully places of deposit as was that of the United States or its branches. So that the unqualified assumption that the "place fixed by law and settled by contract" for the deposit of the public money, "is

the Bank of the United States," is not founded in fact. Even if the Secretary of the Treasury had not the power to change the place, the State Banks or individuals would as lawfully be depositories of the public money in places where there was no Bank of the United States or branches, as would be that Bank or its branches.

But, mark further: "The keeping of the public money is not a matter which is left, or was intended to be left at the will of the Secretary, or any other officer of the government." Here is another unqualified assumption not warranted by the practice of the government under the law. The charter of the Bank itself most clearly leaves it at the discretion of the Secretary to say how long the keeping of the money shall be in the custody of the Bank; he can, by that charter, change the place of keeping at any time he chooses. It is admitted that he cannot pay out a dollar of the public money without an appropriation first made by Congress; he therefore, in that sense, has no control over the public purse; and hence, all the cry about the Executive seizing the purse and the sword contrary to law, is as the "baseless fabric of a vision;" but both the law and usage give him unlimited power over the keeping of the public money. If he at any time deems it to be unsafe, will the power of removal to a place or places of greater safety be denied him? Neither can he be denied, as one branch of the Executive, the power of removing for other reasons than those of mere safety. He may remove for reason that the institution or individual in whose custody it is placed, has taken unwarrantable steps to interfere in the politics of the country—he may remove for reason that the most important business of the bank of deposit shall be transacted without the knowledge of its board of directors—he may remove, if he has good reason to suspect that such an institution has suffered loans to be made from favoritism, without ample security—he may remove for a variety of reasons, not necessary to be here enumerated. It would be his duty to remove, if it should be ascertained that the board of bank directors in whose custody the public deposits were placed, had given unlimited power to one individual to expend an unlimited amount of the funds of the institution for preparing and circulating articles, and purchasing pamphlets and newspapers, calculated to operate on elections, and secure a renewal of its charter.

The financial report again says, "But he (the Secretary of the Treasury) has no authority over the circulating medium of the country, either metallic or paper; nor has he the control of the national currency. It is no part of his duty either to contract or expand the circulation of bank paper, nor in any other way to exercise a general superintendence over the money system of the country." Speaking of a presumed "extraordinary power of judging of the general interest" vested in the Secretary, the report continues, "such a power, did he possess it, would necessarily make him the general superintendent of all the proceedings of the bank; because it would enable him to compel the bank to conform all its operations to his pleasure, under penalty of suffering a removal of the public moneys."

I cannot readily conceive the object of denying the authority of the Secretary of the Treasury over the "circulating medium, either metallic or paper," and his "control of the national currency," but for the object of claiming those powers for the managers of the bank. The power over the metallic circulating medium, the standard of the value of money, is vested, I acknowledge, in the general government—it is one of the powers directly granted to Congress by the constitution. But I am not ready to acknowledge that Congress, much less the Secretary of the Treasury, has any power, direct or implied, to make a *paper circulating medium* the standard of value in our money system. The power to coin money does not mean the power to create a paper standard of money.

Taken in connexion with what has been before stated, I can scarcely doubt the wish of gentlemen to give the Bank of the United States—an institution which acknowledges no responsibility—a permanent "authority over the circulating medium of the country," which shall control, not only all the money operations of Government, but all the trade and business of the United States. Can gentlemen contemplate such a power in a corporation which may be owned and directed by aliens to the country, and enemies to free principles, without shuddering for the fate of our republican institutions?

Thus much for the general argument of the Finance Report, which will, I think, be found based on principles entirely at variance with the whole practice of the Treasury Department ever since the adoption of the Constitution.

The last twelve pages of the Finance Report are altogether devoted to the attempt to invalidate the reasons offered by the Secretary to Congress for the removal of the deposits; and really, if the people of the United States would believe that the Bank and its managers could do no wrong, there will be no room to doubt for a moment that the reasons offered by Mr. Taney, were to them both "unsatisfactory and insufficient."

The report, in answer to that reason of the Secretary which refers to the near approach of the period when the charter will expire, says: "The withdrawal of the money left on deposit from a bank whose charter is about to expire, is naturally one of the things longest postponed." Now, it is of little consequence to state it, but is not this position at variance with the fact? It could not be expected at such a time, when the Bank is about to expire, it would want the means to extend its loans. On its own account, the money would be of no use; on account of the public, it might be ready at the moment when called for. But for all the valuable purposes usually anticipated from deposits, while the Bank was "winding up its concerns," this "longest postponed" matter would not be of the least benefit to the interests of the Bank. If "the committee can perceive no possible reason" for "so early and so sudden a withdrawal" as was made on the first of October, the people may perceive the best possible reason in the resolutions of the Bank of the 13th August, arbitrarily deranging the exchanges between the different sections of the country, and the "sudden"

curtailment of loans for the two previous months in the mother Bank and its branches.

The committee are of opinion that there is very little ground for complaint that "many important money transactions of the Bank are placed under the control of a Committee of Exchange, of which committee no one of the public directors, as they are called, is allowed to be a member," because, they say, "it has not been alleged that, in the discount of bills by this committee, any indiscretion has been committed, or any loss incurred, or that, in consequence thereof, any facility to the mercantile community has been withheld, or any duty of the Bank to the Government violated."

The bare allegation that no positive harm has resulted, is but a sorry justification of acts improper and unlawful in themselves. The committee of exchange, of which complaint is made, consisted of three persons, a minority of the board; and to this committee of exchange much of the important business of the institution was committed. The public directors allege that the *real business of the institution is not transacted by the board*, nor its real authority there exercised; that there exists, beyond its control, a power that can be and is exerted, promptly, secretly, and effectually, from one end of the country to the other. They further allege that they (the public directors) are excluded from the standing committees, and that two of these committees are selected by the president of the bank alone; that these committees have assumed the functions of the board of directors; that they have done this contrary to the recorded opinion of the board; that they have loaned money contrary to the by-laws, and on doubtful and unusual security; that they have done it on days and under circumstances where the board might have acted, had the business been brought before them; that they are not required to report in writing their proceedings to the board, &c.

The Committee on Finance are doubtless of opinion that little harm either has or will result, from this Committee of Exchange, who discount paper without the knowledge of the board. "The bank (they say) has been advised that it might rightfully do this; and if it be not clear that this opinion is right, it is certainly far from clear that it is wrong." In this justification all fast friends of the bank may unite. The American people, who have some interest in the matter, may entertain another and a different opinion.

The committee say they have no evidence of the truth of the allegation of the Secretary of the Treasury, "that the measures of the Committee of Exchange are, as it appears, designedly and by system, so arranged as to conceal from the officers of the government transactions in which the public are deeply involved. This, it must be admitted, is a very serious charge. It imputes a corrupt motive. The committee have sought for the foundation, either in evidence or argument, on which this charge rests: they have found neither."

If the Committee on Finance are really unable to perceive any evidence in this matter, have the president of the bank and the directors ever denied the fact? On the contrary, does not every

circumstance that has come to the knowledge of the public, show that there have been many transactions involving the deepest public interests, the history of which has never been told? The people, at least, have strong suspicions; and the kind of argument used by the Committee on Finance is not exactly calculated to allay those suspicions.

The affair of the protested draft on the French treasury, on which the bank claims, without having advanced a dollar that did not belong to the government, the enormous amount as damage of one hundred and fifty-eight thousand dollars, is treated as a matter of ordinary occurrence between individuals. "The bank (say the committee) thinks itself entitled to damages on a protested bill purchased and held by itself, and drawn by government. The Secretary of the Treasury thinks otherwise." "It is quite inconceivable to the committee that the pendency of such a difference of opinion, on such a question, should furnish any reason whatever for the withdrawal of the deposits."

This claim for damages, in my opinion—inasmuch as it indicates a disposition to grasp what cannot in equity be said to belong to the Bank—is one among the many good reasons why the Government should, at all events, change its fiscal agent.

Say the committee, "The last charge preferred against the bank is, that it has used its means with a view to obtain political power, and thereby secure the renewal of its charter." "The very statement of such a charge, as a reason for removing the deposits, is calculated to excite distrust in the wisdom and propriety of that measure; because the charge, too general to be proved, is too general, also, to be disproved." "The bank, it is said, 'has sought to obtain political power.' What is the definition of such an offence as this? What acts constitute it? How is it to be tried? Who is to be the judge? What punishment shall follow conviction? All must see that charges of this nature are but loose and vague accusations, which may be made at any time, and can neither be proved nor disproved," &c.

It is believed, however strong may be the doubts of the committee against the bank seeking for political power, that there are millions of the people of America who have no doubts on the subject. They understand the "definition" of the offence—"what acts constitute it"—"how it should be tried"—"who is to be the judge"—and "what shall be the punishment." And although the committee think the charge too general to be either proved or disproved, they want no stronger proof than the admission of the party criminated. The Directors of the Bank, in their pamphlet, which has been laid on the table of the Senators, in justification of the many thousand dollars of the funds of the bank expended in political publications, say: "This has been done with regret that it should be necessary, but with the strongest conviction of its propriety, and without the slightest wish to disavow or to conceal it. On the contrary, the Bank asserts its clear right to defend itself equally against those who circulate false statements, and those who circulate false notes." And,

although they deny that their object in paying an amount for political publications unparalleled even by the expenditures of any mere political party in this country, has extended beyond self-defence, it is abundantly manifest from this pamphlet itself, that they consider misrepresentation and crimination necessary to effect that object. The bank has poured out its funds through its agent, who is not limited in the amount of his expenditures, in the most profligate manner, to partisan printers. It is said one edition of seventy-five thousand copies of a single newspaper, printed at New York, containing this report of the directors, and other offensive matter, has been lately circulated, evading the postage by addressing them to postmasters. It is also said that three or more editions of fifty thousand speeches, made since the commencement of the present session of Congress, printed on fair large type, at the expense of the Bank—in one or more of which the Executive Head of this Government is abused in no measured terms—have been circulated far and wide at the public expense.

If the friends of the Bank are in real doubt whether or not the Bank owns presses, and carries on the business of party political management on an extended scale, the mass of the citizens cannot but be convinced of a fact of which many persons have ocular demonstration.

"The committee entertain no doubt that the immediate cause of the existing public distress is to be found in the removal of the public deposits, and in the manner in which that removal has been made." "The change of the deposits is made on the strength of charges against the Bank, of a very grave and aggravated nature; such as, if true, would most seriously affect its credit for solvency and stability. It is proclaimed to the whole world as having converted itself into a political partisan, misapplied its funds, neglected its highest duties, and entered on a career of electioneering against the government of the country."

This is said by the committee in the way of justification for any imputed hostility of the Bank towards the whole business community; and yet the committee intimate that the gradual withdrawal of nine millions of the public revenue from the Bank, on which, they say, "was sustained, no doubt, a discount of far greater magnitude," "necessarily compelled it to diminish its discounts to the full extent of all that part which may be supposed to have been sustained by it."

Now let us recur to the condition of the Bank of the U. S. in the city of Philadelphia, and in the city of Boston, as last reported, and see how far, in those places, the Bank has been "compelled to diminish its discounts."

In the city of Philadelphia, the Bank curtailment in the month of January was from \$7,999,232 to \$7,576,509—\$402,724; while the specie was increased from \$1,881,686 to \$2,030,034. Why this curtailment in the month of January with a superabundance of specie on hand? Is it not explained in the fact that the Bank and its friends were, during that month, making the utmost efforts to procure in Philadelphia an expres

sion of the people against the removal of the deposits, and in favor of a recharter?

In the city of Boston on the 1st of August last, the discounts amounted to five millions, nearly, while the amount of specie was \$265,000 and a fraction. At the same place, on the first of January, the discounts had been reduced to \$2,300,000, while the specie had accumulated to the amount of more than half a million.

And it now appears, that in the month of January, the loans at the branch Bank in Boston were reduced to \$1,636,164; making a further reduction of about SEVEN HUNDRED THOUSAND DOLLARS in one month!

It will not do to say that while the specie and the means of the Bank are increased, and great curtailments are made with a rapidity unparalleled in the annals of banking in any part of the world; it will not satisfy the people to be told, that the Bank is "compelled to diminish its discounts" to this extent. A curtailment of two-thirds of all the Bank accommodations in Boston in the space of five months, and a curtailment of nearly half a million in a month of unexampled pressure in Philadelphia, during January, under a rapid increase of specie and as rapid a decrease of those responsibilities which create occasions for its use! It is impossible that the Committee on Finance should continue to insist that the Bank was "compelled to diminish its discounts" to the extent they have been diminished.

We find, on looking over the returns of the Bank from time to time, that expansions and curtailments have been made for the especial purpose of operating on public opinion; and that the community has been rewarded or punished as the Bank might consider expedient for its own interests and the interests of the political party on whose efforts it has depended.

And, sir, we have daily evidence, that whatever predictions of distress and suffering are made by the friends of the Bank here, the Bank immediately takes measures that they shall be verified; and if any opponent of the Bank points at any section of the country that is prosperous and flourishing in its business, that man who sits in his chair at Philadelphia "calm as a summer's morning," immediately proceeds to apply those means which shall produce the desired distress. The Senator from Pennsylvania (Mr. Wilkins) some time ago stated that when he left his home, Western Pennsylvania felt no pressure; that the city of his residence, one of the most flourishing manufacturing and trading places of the country, was enjoying its common state of prosperity. This statement has only time to travel to Pittsburgh, *via Philadelphia*, before the screws are applied there; and seventy thousand dollars at the Branch Bank of that place are curtailed in two months. This produces the desired state of distress at Pittsburgh; but distress is not yet extensive enough in that region. A gentleman at Steubenville, on the Ohio, some thirty miles below Pittsburgh, writes to his friend here, a few days since, that the distress had not yet arrived at that place; but that a *Bank-man* from Pittsburgh had arrived, and that he had declared a further curtailment of one hundred thousand dollars

at the Pittsburgh branch should make Steubenville feel the necessity of crying out for the restoration of the deposits and the rechartering of the Bank.

An order to curtail immediately two hundred and twenty-six thousand dollars at the Louisville (Kentucky) branch, is said to have gone forth. There is a representative in Congress from the Louisville district, who votes against the Bank; and measures must be taken to pour in a torrent upon him. But recent advices from Louisville say that the Directors of the Branch Bank at that place have taken upon themselves the "responsibility" of refusing to carry this order of the parent Bank into execution; that these Directors have the feelings of men, and will not be instrumental in enforcing an order that will be ruinous to their fellow-citizens. We shall soon see what will be done with a Board of Directors who shall have the temerity thus to resist the orders of the mother Bank.

At Nashville, the Branch Bank had a capital of one million, and its discounts had ranged from one and a half to two millions. But when in 1831-2, to counteract the opinion of the President, it becomes necessary to "buy golden opinions" at his door, the loans of that Branch Bank are in a short time extended to the enormous amount of five millions of dollars at this single interior town. But this operation gains for the Bank not a solitary friend in Congress from Tennessee: nothing can be gained there; and in a very few months the vast loans of that branch are curtailed from five millions to less than one million of dollars. The State of Tennessee had fortunately established at the moment a large State Bank, to which capital had flowed; and this circumstance alone, enabling her to supply the vacuum suddenly made, preserved that flourishing community from the anticipated distress.

There is, sir, no excuse, no apology for the conduct of the bank in producing pecuniary distress to the utmost extent of its power. It will not do to say that "charges against the bank of a very aggravated nature" have been made, and not proved. If its sins have been heinous—if it has been proved to have converted itself into a "political partisan," to have "misapplied its funds," "neglected its highest duties," and electioneered against the government," this is offensive enough forever to place on it the seal of condemnation. But if to those offences, it has more recently added that of a settled design to embarrass and distress the whole trading community—and the proof of this design is as palpable as it is awful—then must it prepare itself for that measure of popular indignation which will continue to overflow so long as its name shall be remembered.

Again, speaking of the United States Bank notes as a currency, the Committee on Finance say, "*To the State Banks these notes and bills have performed the office of specie*;" and they further say, that the curtailment of the circulation "*is removing, to the amount curtailed, the basis of general circulation*." Does this look, when the bank shall have succeeded in forcing a renewal of its charter, to the making of United States Bank notes a substitute for specie—to the adoption in earnest of

the British system of paper currency? By the recent law in England rechartering her great National Bank, the notes of the Bank of England are made a legal tender. Mr. Walsh, of Philadelphia, pronounces this to be "a sound and bold" measure, and sagely concludes, that by it the bank will be relieved from all drain of specie, and consequently, form one great cause of derangement of the currency! The effect of the suspension of specie payments in England, and the substitution of a paper currency "as the basis of general circulation," I intend to notice in another place. If it be the opinion of the Committee on Finance, that the bank has the exclusive control of the currency; that it can substitute, "as the basis of general circulation," the paper of the bank for gold and silver; and that the bank, on this basis, is to be the sole arbiter in all the business relations of currency and exchange, I must be permitted to give it as my belief that the great mass of the community will never unite in their opinion.

The doctrine of the Committee on Finance as to the basis of money, surely is not now what was the doctrine of the Chairman of that Committee, (Mr. Webster,) when a representative in Congress in 1816. Although the paper circulation was in its worst condition, he then said,

"No nation had a better currency than the United States—there was no nation which had guarded its currency with more care; for the framers of the constitution, and those who enacted the early statutes on this subject, were *hard money men*; they had felt, and therefore duly appreciated, the evils of a paper medium. They therefore sedulously guarded the currency of the United States from embarrassment. The legal currency of the United States was *gold and silver coin*. This was a subject in regard to which Congress had run into no folly."

The *hard money men* who framed the constitution were not then in as bad odor as the *hard money men* of the present day.

I have thus, Mr. President, perhaps in a manner too cursory, yet in a manner satisfactory to my own belief, that my grounds are the only tenable grounds, noticed all the prominent points in the argumentative report of the Committee on Finance. If in this labor I shall have convinced nobody that mine are the correct views, I will have satisfied myself, that the Secretary's reasons for removing the deposits are as little invalidated by the report of the Committee on Finance, as they have been by the hundred and one speeches that have been spoken and printed against them.

I do not perceive that the Committee on Finance has any where noticed that prominent reason of the Secretary of the Treasury for the removal of the deposits—"the conduct of the Bank in relation to the three per cent. stock of the United States." This was a case in which the Exchange Committee "not only managed, in secret, a moneyed transaction of vast amount, intimately connected with the interests of the people of this country, but one where the measures of the Government were thwarted by the Bank, and the nation compelled to continue for a time liable for a debt which it was ready and desirous to extinguish." As this

case, evincing an utter recklessness towards the interests of the Government, and justifying entirely the dismissal of any agent, if within the power of the Executive, charged with the execution of the laws, is totally omitted in the report of the committee; what inference shall we draw from the fact? Was it really a matter too slight or too contemptible for notice? Or was it a matter that could not be satisfactorily answered?

Another reason of the Secretary slightly noticed, if not entirely passed over in the argument of the committee, is the fact "that the whole capital of the Bank is, in effect, placed at the disposition of the President of that institution;" that "he is authorized to expend what he pleases in causing to be prepared and executed such documents and papers as may communicate to the people information in regard to the nature and operations of the Bank." Was this unlimited power of the President a matter so frivolous, or of so small interest to the public, that the committee did not deem it worthy of an answer?

It has frequently been noticed of the adroit lawyer who has a hard case, that the best he can do for his client, is either to glide over altogether the tough points, or to notice them very lightly, making much of those points which can be easily answered, or which will not leave the case in a dead certainty against him. It would not be correct to impute any such intention as this to the Committee on Finance for their omissions in examining the Secretary's reasons. I will only say, that it was an oversight in the committee much more fortunate for the Secretary than for the Bank.

From the reasons of the Secretary, and the attempt of the committee to refute them, I now turn to the Bank itself, and to the consequences of its approaching contemplated dissolution.

Sir, it has been complained more than once, that the purpose of those opposed to the Bank is to array the *poor* against the *rich*. Not so, Mr. President. Who are they who are dependent on the Bank? Are they not those who are too poor to live on their own means, and are endeavoring to create the artificial means of living by the aid of a paper currency, predicated, not on gold and silver, but on the credit which shall be given to that currency by the government deposits? Who is more poor and dependant than they who rely on the paper issues and the credit which a great Bank can afford as their sole means of doing business when the Bank shall discount, but must stop the moment it shall deny its favors? No, sir, the great mass of men in this country whom the Bank has endeavored to inveigle and deceive, and who, for its unrighteous conduct and bearing, have given this Bank its death blow, are not the *poor* and *dependant* of the land. They are the bone and muscle of the country, the yeomanry, whose means are substantial; whose bank of discount and deposit is the soil which they cultivate, and whose wealth has become too ample to make them the dependants of the dependants on such a monopoly as that which is now attempting to agitate the land. Thanks to a beneficent Providence, the condition of the great majority who sustain the President in his opposition to the

Bank is not that of the poor who can be coerced or seduced from their purposes by either the frowns or smiles of the managers of any moneyed monopoly.

From the dawn of the revolution to the present moment, the struggle between what John Adams called the "absolute oligarchy" and the democracy, has been going on. The conflict has been between the few who grasp at power through the wealth of the country, and the many struggling to retain the right of self-government.

In 1820, the "excellent friend" of the Senator from Kentucky, *Hezekiah Niles*, said:

"The power of the bank of the United States is severely deprecated by the wise and good; it is an engine of a more formidable nature, than any before known to our country—competent to dictate public measures and private conduct, and yet is irresponsible either to the government or the people—and may be above the regulation even of its own stockholders through the contrivances mentioned. The first election under its charter furnished a proof that the minority might govern; and if that minority had been less foolish or less wicked, that minority would have governed still. The bank is yet exceedingly crippled through the proceedings of these men, its original fabricators, the singular infidelity of its officers and agents—so that for a long time past it has made no dividend. The time has been when a man without a black cockade in his hat, would hardly expect to be civilly treated in a bank of the United States, much less to be favored with a share of that public accommodation which it was intended to furnish. The dispositions of men, and the force of party, are the same they were twenty-two years ago; and it cannot be doubted but the present bank would conduct itself as badly as the old bank did, if there should be any strong political excitement. The influence of two or three hundred moneyed men, dispersed throughout the United States, and commanding a large part of the moneyed interest, located at the most convenient points, and concentrating their force in our chief cities and towns, then rendering a common obedience to the Grand Lama, or parent bank, as the sun of their system—may be more easily conceived than described. They cannot want adherents and underlings—for those who have the command of money will always command them; and they may also dictate their measures to the body of 'commercial interest,' a very powerful class of society. As matters work at present, the bank is as necessarily on the side of government as the bench of bishops in England are on the side of the country; for to borrow money is the order of the day, and it is the interest of the Bank to lend it. [It will be recollected that the Treasury, from the organization of the Bank, up to 1820, was in a condition that obliged the borrowing of money.] But the circumstances of the times may be changed; and it may be the good pleasure of the Bank to oppose the

government with an ability to depress the public credit and obstruct the public means, yet little thought of. At the present moment, many persons are desirous of loaning money to the United States at less than six per cent. interest; but as the Bank can render money "scarce" when it pleases, by checking its circulation, I verily believe that it has the power to reduce the price of our six per cent. stocks to 80 or 85 per cent. in six months, if there should not be a foreign market for them. With such means, what may we not apprehend, if the Bank should interfere in our elections; zealously support this man, and oppose that, and, if unsuccessful, throw its weight in direct opposition to the administration? This may not appear to be the interest of the Bank; but when we recollect that "holy men denounced damnation" on those who lent money to the government during the late war, and know the force and fervor of party, we can easily believe a sacrifice of interest might be made to embarrass and derange the public proceedings. There is no prospect just now, of such a political excitement as has been spoken of; but let it come when it will, and it will one day or another agitate us, the Bank will most assuredly be a political machine. Whether, as such, it happens to be on my side or against me, I shall still hold the same opinion of it—that it is an unconstitutional institution," &c.

Mr. Niles prophesied right of the Bank in all, saving one thing; and that was, that he should continue to hold the opinion that this Bank was an "unconstitutional institution." This man *was* opposed to the U. S. Bank. I understand that he is *now* in favor of it, and that he was one of a committee to come here from Baltimore to ask for a restoration of the deposits. He sounded the alarm against the Bank fourteen years ago; he dreaded its "interference in our elections"—he "feared that it might be the good pleasure of the Bank to oppose the government"—he did not doubt that the new Bank "would conduct as badly as the old one did, if there should be any strong political excitement"—that it "might throw its whole weight in direct opposition to the administration"—he said the Bank would assuredly become a "political machine." And now that the Bank seems to have verified all that he said against it, we find him among its strongest advocates. But, whoever read Niles's Register fifteen or twenty years ago, and will read it now, must perceive that not in relation to the Bank alone, but in almost every thing else, Hezekiah Niles has changed his principles; he chimes in perfect unison with the practices and the party that he before condemned. "Ephraim has joined to idols, let him alone."

Mr. President, we have lived in an age of panics and alarms; and was there ever a time in which the party opposed to the free principles of our Government could not bear the entire sway of the administration, when they did not attempt to produce an excitement?

Sir, this is not the first *deposit* subject in this country that has been made use of to create a panic. My youthful reminiscences carry me back thirty-two years, when the right of *deposit*, not

* In a debate in the Senate in the session of 1831-2, Mr. Clay called the editor of the Baltimore Weekly Register his "excellent friend."

of the public moneys, but of the whole produce of the Western States, at the port of New Orleans, was denied by the intendant or ruler of the Province of Louisiana, under the crown of Spain.* This was soon after Mr. Jefferson was elected President; and with no less violence was he assailed on account of that deposite question than Gen. Jackson is now assailed for his determination to carry into effect the expressed will of the people in relation to the Bank of the United States. The opposition of that time called for an immediate war with Spain to force a *restoration of the depositories*. Led on by Ross and Morris, who then misrepresented the great States of Pennsylvania and New York in the Senate of the United States, the federalists of that day contended that the Government could not get on without a change of our rulers. Imaginary distress and ruin to the country were then urged—the administration was charged with cowardice and pusillanimity for not declaring war, and marching instantly to take possession of New Orleans. But, before the opposition were aware of what was going on, Mr. Jefferson's measures for the purchase of Louisiana had succeeded, and an end was put to that deposite question. It was then that the opposition turned again and abused him for paying fifteen millions of dollars to purchase a "worthless swamp." The event has proved, that the purchase would have been an excellent bargain for the country, had ten times fifteen millions of dollars been paid for it.

After this, the opposition party essayed to create

"A friend has since reminded the speaker that this denial of the right of deposite at New Orleans was the act of Napoleon Bonaparte. Louisiana had been ceded by Spain to France, although not formally delivered. The effect of taking forcible possession of New Orleans would have been a war with both Spain and France; and this, at that time, to the old federal party, was a "consummation devoutly to be wished."

Mr. Benton, in his speech on Foot's resolutions, (see Congress Debates, vol. 6, part 1, page 104,) speaking of the acquisition of Louisiana in 1803, says—"It is to be remembered that France, emerging from the vortex of her revolution, overflowing with warriors, and governed by the conqueror who was catching at the sceptre of the world, was then the owner of Louisiana. The First Consul had extorted it from the King of Spain in the year 1800; and the violation of the right of deposite at New Orleans was his first act of ownership over the new possession, and the first significant intimation to us of the new kind of neighbor that we had acquired."

Mr. Benton goes on to show that, vast and important as was the acquisition of the territory, its value shrunk to mere insignificance when compared with the value of preventing its passing permanently, with the whole control of the commerce of the West, into the hands of either France or Great Britain. He likewise proves the hostility of the federal or opposition party at every step to the means for acquiring this territory. The nomination of the minister appointed to negotiate the treaty (Mr. Monroe, afterwards President,) passed only by a majority of two votes!

panics whenever the European belligerents croached on our neutral national rights. The attack on the Chesapeake, and the murder of *Pearce* in the harbor of New York, in 1805 and 1806, were fruitful themes of vituperation. The party was as valiant as Julius Cæsar, and declared the administration "could not be kicked into war."

The panic of the embargo in 1807, '08, and '09, so much resembled the panic that is now attempted, that, to all living who recollect that time, need not enter upon the particulars.

Then came the series of panics which the opposition first excited, and afterwards played off during the war of 1812. These, too, are quite too familiar to ask for detail. The money party, the very men who now support and urge the restoration of the depositories to the United States Bank, and the rechartering of that Bank, in the mercantile towns, then attempted to force the Government into submission to the terms of the enemy, by withholding their money from the public service, and by dissuading the citizens from subscribing to the loans authorized by Congress.

After the war was ended, the *Missouri* panic was artfully contrived, to array the honest men of the North against the honest men of the South; and so well did the contrivers of this scheme succeed in what was termed an "era of good feelings" between the two old parties, that the oligarchy actually laid hold of the administration, by forcing on the people the choice of a Chief Magistrate, against the will of more than three-fourths of the States of the Union.

But, Mr. President, for the last five or six years, the cherished "American System," until it received its death-blow at the last session of Congress from the hand of its own parent—*et tu Brute!*—has been the standing subject for agitation and panic, when all others failed. How charmingly would the northern opposition man play into the hands of the southern opposition man by this game of the American System? So late as one year ago, while the Legislature of South Carolina was declaring herself out of the Union if the tariff should be continued, the Legislature of Massachusetts was resolving that she would go to war if the tariff should be reduced! The tariff was reduced; an ultimate reduction down to twenty per cent., even lower than had been proposed by the friends of General Jackson—even lower than that rate which the friends of the system declared would prostrate all the manufactures of the country. This reduction was made by a "compromise;" and Massachusetts became not only pacified, but convinced that her interest had been consulted, upon the empty declaration that the compromise alone had saved her manufactures from inevitable ruin!

The Indian affairs in Georgia and Alabama have presented another exciting subject, which has been made use of by political agitators for the worst purposes. It had been supposed that the stipulated obligations of the government of the United States to the State of Georgia and to the Indians were such as must bring the former in direct collision with one or both of the latter. When a mandate was issued by a Judge of the Supreme Court, intended to arrest the proceedings of the

that Court, which adjudged an Indian murderer to his merited punishment, how high was the collision of the agitators that collision would not be produced between the State authority and the United States authority! And when the cause of the imprisoned Missionaries was adjudged, on an ex parte hearing against Georgia, how loud were the exclamations against the President for not at the moment declaring war against the State of Georgia! And it has been a matter of taunt on the President, (since the commencement of this debate,) that he did not instantly carry into effect that decision, which could have been done only by the shedding of blood, and the waging of a civil war. It is now said, that the Supreme Court of the United States has lost its power! If that department of the government has lost any portion of the respect and confidence of the people, it has been brought about by its eagerness to decide this question of the missionaries, and others of kindred character, calculated to disturb the quiet and harmony which subsisted between the State and National Governments—it has been from an eagerness to grasp at jurisdiction which many have contended never belonged to it. Subsequent events have raised the strong suspicion that the whole plan of this missionary suit originated at the headquarters of the opposition in Massachusetts; and the probability is that the missionary appropriation from the national treasury intended for the religious instruction of the Indians, was converted into a fund to enable agents to attend in this city, and prosecute their suit. It is well understood the Boston agitators were driven from the ground only by the interference of a generous and munificent patron of many humane institutions, residing in the State of New York, who declared, if these missionaries did not accept the terms of release which the Executive of Georgia had offered them, that the missionary society, which had encouraged the obstinacy of these imprisoned missionaries, no longer should receive his countenance or support.

Another subject more recently moved by the agitators, is the slave question. Accordingly, we find the agitators at the public meetings in South Carolina, declaring to their followers on public occasions, that there is a deliberate design on the part of the people of the North, to drive the whole white population out of that country, to annihilate their property, and destroy their prosperity. The agitators of the North, being in nine cases out of ten, the same persons who have labored so zealously in the Indian agitation; these agitators, reduced to almost nothing in point of numbers and influence, by the unmasking of their hypocrisy, act in perfect concert with the agitators in the South. They attempt to give color to their complaints by calling meetings and delivering inflammatory addresses in various places; and they are attempting to operate on Congress by PAC SIMILAR petitions in various parts, asking that slavery may be abolished in the District of Columbia! Of these agitators, it suffices to say, that in the whole North not one intelligent man in twenty will join their standard. The South has nothing to fear from their efforts, but in the effect they may have at a distance. These efforts are

made to produce that distant effect; and they are every where formed against a general expression of scorn from the real friends of the Union.

But, Mr. President, my present object is to notice the panic and agitation produced by the distress for money which is felt in the commercial cities of the Union. What has produced that distress? Both the friends and the foes of the Bank have admitted that the Bank, wielding a capital of thirty five millions, and controlling the pecuniary means of debtors to twice the amount of that capital, can produce temporary distress. This fact admitted, the only question is, has the Bank taken those measures which are calculated to produce distress?

That the Bank can produce temporary distress at a given point has been abundantly proved by the conduct of its branch at the commercial capital of New Hampshire, in 1829. Very little of the capital of this Bank has ever been owned in that State. Three hundred thousand dollars were sent to that town, and loans to the amount of perhaps half a million of dollars were urged on that community at a time when there was abundant capital in the State Banks for all the legitimate business of the town and its vicinity. This made money so easy of attainment, that men who had a little money and some credit, were induced to take more money from the branch Bank and invest it in manufacturing establishments. After the tariff law of 1828 had passed, the manufacturing stock fell, in many instances sinking the whole investment, so that where the Bank had no other security, bad debts were made, and where collateral security was given, those who hired the money, and their sureties became the sufferers. A large portion of the business men were stripped of their all; and the Bank lost in bad debts some eighty thousand dollars.

To improve the affairs of that branch, it was recommended that its management should be placed in the hands of a great bank attorney, with an addition of some fifteen hundred dollars per year to the salary of its former President. This Bank attorney, ignorant of the wants of the men of business, as he was of what was the true interest of the Bank, took it into his head, because the Bank had made bad debts from speculators in the State, that the substantial men of business who remained, ought no longer to be trusted; and in violation of the terms of payment on which loans had been made, called on all the customers of the Bank to pay four for one of what they were required to pay by the implied terms of their first contract. Preceding even this, he made a loan to a single house in Boston of nearly an hundred thousand dollars at one time, drawing the specie from the local Banks, whereby they were for the moment unable to furnish the relief which they otherwise might have done. The customers of the Branch Bank were pressed; they in turn pressed others; the specie, which was the substratum of the entire currency, was abstracted; and the expansion and contraction of the United States Bank paper credit alone might be set down as the sole procuring cause of the distress and embarrassment which followed. It was this arbitrary breach of faith with the customers of the

Bank that induced the merchants and men of business of all parties to petition for the removal of the man who had caused the distress. The present Secretary of the Navy, then a resident of Portsmouth, and myself, were the organs of the wishes of that community. Mr. Woodbury wrote the Secretary of the Treasury, expressing the dissatisfaction of the citizens at the conduct of the offending officer, and requesting the influence of that Department to assist in correcting the evil; and I wrote two gentlemen of Philadelphia, enclosing for the President of the Bank the petition of "sixty respectable members of the New Hampshire Legislature," and another petition subscribed "by most of the business men, merchants, at Portsmouth, without distinction of party," requesting that the cause of the trouble might be removed; that a Board of Directors of mixed political character (instead of a Board exclusively hostile to the State and national administrations) should be delegated for the year which was about to commence, and that the "institution in that State may not continue to be an engine of political oppression by any party." These were my words; and a most disingenuous use was made of them and of the petitions which they covered, by the President of the mother Bank, who not only exposed these petitions to the derision of his agent, but justified and retained that agent in office till, by the force of public opinion, he left both the office and the State.

The oppression and contumely heaped upon the citizens of Portsmouth did not end the affair. This isolated transaction is made, in a publication bearing the sanction of Nicholas Biddle and eleven directors of the bank at Philadelphia, at a meeting on the 3d December, 1833, the ground of a weighty charge against the administration. The pamphlet charges as follows:

"It was in the midst of this career of inoffensive usefulness, when soon after the accession to power of the present Executive, the purpose was distinctly revealed that other duties than those to the country were required—and that it was necessary for the bank, in administering its affairs, to consult the political views of those who had now obtained the ascendancy in the Executive. *It is understood that soon after that event a meeting was held in Washington of the principal chiefs to consider the means of perpetuating their new authority, and the possession of the bank was among the most prominent objects of the parties assembled.* The first open manifestation of the purpose was in June, 1829, when a concerted effort was made by the Executive officers to interfere in the election of the Board of Directors at Portsmouth."

When and where was this meeting of "principal chiefs" in the city of Washington to get "possession of the bank?" The charge can be but the mere coinage of the brain of one who had doubtless often consulted the will of other "principal chiefs" as a guide to what should be his own course of action in future "fair business transactions." To give such a charge even an air of probability, it ought to have been followed by some consequences of a more marked official character than letters from Mr. Woodbury, then not connected with the Cabinet, and myself, represent-

ing the wishes of an oppressed and injured community in the distant State of New Hampshire. It had been the object of the "principal chiefs" to lay hold of the bank and convert it to political purposes, the Secretary of War would not at that time, have attempted, for the accommodation of the citizens of that State, to remove funds to pay pensioners from the vaults of the bank to another State bank of more convenient location. At no time have the friends of the administration manifested a desire to convert the Bank of the United States into a political engine or to take it under their exclusive control.

The cause of the present commercial distress must be apparent to all who assent to the truth of the fact that the Bank of the United States cannot fail affect the money or credit of the country.

In July, 1832, after the President had vetoed the bank bill, an honorable Senator from Massachusetts, (Mr. Webster) is reported in Gales & Seaton's Debates, to have said:

"Let us look at known facts. Thirty millions of the capital of the Bank are now out, on loans and discounts in the States on the Mississippi and its waters; ten of these millions on the discount of its bills of exchange, foreign and domestic, and twenty millions loaned on promissory notes. Now, sir, how is it possible that this vast amount can be collected in so short a period [three years and a half, at which time the charter would expire] without interfering by any management whatever? I hesitate not to say (continues the Senator from Massachusetts) that as this veto travels to the west, it will depreciate the value of every man's property, from the Atlantic States to the Missouri. Its effects will be felt in the price of lands, the great and leading article of western property; in the price of crops; in the product of labor; in the suppression of enterprise; and in embarrassment to every kind of business and occupation. I take this opinion strongly, because I have no doubt of its truth, and am willing its correctness should be judged by the event."

If the honorable Senator intended to create an alarm in the west, as was distinctly avowed, to affect "an important election" then at hand, the event on which he staked his reputation has not occurred; for from the date of the veto in 1832, up to the time of the present panic, notwithstanding the merchants at Cincinnati, controlled by the Bank, before the election, advertised that they would give a cent more in a pound for pork if the Bank should be, than if it should not be rechartered, the price of lands and the price of crops continued to rise; the products of labor were more abundant; enterprise was more rife; and embarrassment in every kind of business and occupation, was less known throughout the whole west than had ever before been known. But again, speaking of the west, the Senator continues:

"To call in this loan at the rate of eight millions a year, in addition to interest on the whole, and to take away at the same time, that circulation which constitutes so great a portion of the medium of payment throughout that whole region, is an operation, which, however wisely conducted, cannot but inflict a blow on the community of tremendous force, and frightful consequences. The thing

cannot be done without distress, bankruptcy, and ruin to many."

The gloomy predictions of the Senator, although the Bank, throughout the west, having entered the field as a competitor with General Jackson, put on the screws and attempted to verify them, never came to pass. But by taking a longer time and drawing a longer bow in anticipation of the removal of the deposits, the Bank has probably been able to produce a temporary derangement in the commercial business of the country; has been able to reduce prices, aided by the reduction of prices in the foreign market; has created inconvenience to the whole trading community; and this, so far from being an argument in favor of rechartering the Bank, or restoring the deposits, proves that the power which may be wielded by this monopoly ought not to be intrusted to the most pure and disinterested body of men on earth; much less to a single individual, acknowledging no responsibility whatever to the people or to any tribunal of the people.

Sir, the expansion of the currency of the Bank; I call its bills as well as its illegal drafts *currency*, although a misnomer—the expansion of the currency and debts of the Bank nearly thirty millions, just at the point of time when application is to be made to recharter the institution, was an expedient highly culpable, under the best possible aspect of the case; it was an expedient which could not be justified even had the Bank intended the loans to be made in good faith, and never to have curtailed them only when the circumstances of the borrowers might favor an easy payment. To me, sir, it is evident that this step was taken for no other purpose than to create that very state of things which might enable the Bank to force a recharter; to create an influence which should force out of public office every candidate who was known to be opposed to the Bank.

To produce the most mischievous effects, the utmost distress, in making their curtailments—and these curtailments not at the rate of "eight millions in a year"—the reduction from the first of August to the first of January, was nearly thirteen millions of dollars, or two millions and a half in a month. And how is the curtailment made? An entirely new system is simultaneously forced on the country—a system arbitrary, partial, and unjust, adopted without consultation with, and without the knowledge of business men—a system calculated to circumvent, and prostrate in abject dependence on the bank all the merchants and traders, and extending even to the farmers of the Great West. Yes, the whole prosperous business of the country is designedly arrested and surprised by stopping up its usual channels and utterly changing its current, in a measure proposed and adopted on the same day by a conclave of the directors of this bank at Philadelphia. These are the resolutions, which it should be borne in mind, were adopted on the 13th of August, more than six weeks before the withdrawal of the deposits:

"*Resolved*, That for the present, and until the further order of the board, the amount of bills

discounted shall not be increased at the bank and the several offices.

"*Resolved*, That the bills of exchange purchased at the bank and all the offices, except the five western offices, shall not have more than sixty days to run.

"*Resolved*, That the five western offices be instructed to purchase no bills of exchange, except those payable in the Atlantic cities, not having more than ninety days to run—or those which may be received in payment for existing debts to the bank and the offices, and then not having more than four months to run."

These resolutions were adopted; and afterwards the imperious board adopting them refused to consider another resolution offered by the Government Directors instructing the committee on the state of the bank to report, at an early day, a system for the "gradual reduction of the business of the institution throughout all sections of the country, having regard to the interests of the stockholders, the debtors of the bank, and the community in general."

As the distress accumulates, the local Banks at Philadelphia invite a conference with the directors of the United States Bank to devise ways and means to ease and relieve the money market. The mammoth monopoly utterly refuses to unite in any such purpose! she has ten millions of specie in her vaults; more money, as the Senator from Kentucky (Mr. Clay) said some time ago, than she knows what to do with. As was graphically described by the Senator from New Jersey (Mr. Frelinghuysen,) "There sits Mr. Biddle, in the Presidency of the Bank, as calm as a summer's morning, with his directors around him, receiving his salary, with every thing moving on harmoniously." And yet his Bank refuses to lift her hand for the relief of the distress she has herself produced; nay, like the dog in the manger, she not only refuses relief, but she holds all the other Banks in a position which shall prevent their affording relief. The President of this Bank, in answer to a question propounded to him by the Committee on Finance of the Senate in 1830, said, "*there are very few Banks which might not have been destroyed by an exertion of the power of the Bank.*" This power, it seems, he is now exerting to its greatest extent; and while he utterly refuses all concert of action with other Banks for the relief of individual distress, he presses on the State Banks till he forces them to cry to Congress, and beg for the restoration of the deposits.

And is it to be endured, that an institution, which for the term of eighteen years has had the benefit of more than six millions of permanent government deposits—which has had a universal currency given to its notes, even including its spurious drafts, by every where making them receivable in payment for dues to the United States—which has done no service to the Government, either in receiving, paying out, or transferring money, that has not been to her a source of profit—which has been secured from all taxation, both State and National, either of the mother Bank or its branches—and which paid for the monopoly alone of being without a rival in the country, no more than a million and a half of dollars;—

is it to be endured in this free country, that such an institution shall crush all other moneyed establishments—shall produce consternation and distress—shall assume to argue with and dictate to the constituted authorities, and contest their right to manage the funds of the Government as they please?

Mr. President, I must again be permitted to advert to the veto speech of the Senator from Massachusetts: he then said—

“There is no longer any mystery, no longer a contest between hope and fear, or between those prophets who predicted a veto and those who foretold an approval. The bill is negatived; the President has assumed the responsibility of putting an end to the Bank; and the country must prepare itself to meet that change in its concerns which the expiration of the charter will produce. . . . The Bank has fallen, or is to fall.

“It is now certain, that, **WITHOUT A CHANGE IN OUR PUBLIC COUNCILS**, the Bank will not be continued, nor will any other be established, which, according to the general sense and language of mankind, can be entitled to the name. In three years and nine months from the present moment, the charter of the Bank expires: within that period, therefore, it must wind up its concerns. It must call in its debts, withdraw its bills from circulation, and cease from all its ordinary occupations.”

The speech of the gentleman, written out after delivery, was circulated far and wide by the Bank; it was sent into the State I have the honor to represent, by horse-loads, and forced into every human dwelling where it would be received. So, I believe, it was circulated throughout New England, and in every part of the country; steam-power printing machines were kept in motion in Boston and Washington, that no voter in the country might doubt what was the point in issue. The Bank itself published this speech as her manifesto—her declaration of war against General Jackson. The election, by her choosing, was placed on this as the turning point—the Bank or Andrew Jackson; the Bank was beaten—no **CHANGE** favorable to it “**IN OUR PUBLIC COUNCILS**” was effected. The subsequent elections in the House of Representatives in Congress, still further manifested the great majority of the people decidedly opposed to the Bank. And now what can the friends of the Bank—what can the Bank itself, say in behalf of the press they are making on that very Congress which has been returned to second the views of the President in relation to this institution? Has the Bank any right to complain that it now must do what its great friend said it must do in case of the re-election of Andrew Jackson—“wind up its concerns?” Even if it had done justice to the Government and to the people—even had it been guilty of no act contravening its duty; even had it never done the things which it ought not to have done, and left undone those things which it ought to have done; it was the duty of this Bank quietly to submit to the public will, when so audibly expressed. The turpitude of creating, by artifice, distress on the

community for the purpose of trying the experiment of a reaction on the public sentiment, cannot be too strongly reprobated; and let me tell you, sir, that not only will this generation pass sentence of condemnation on this Bank, but the example will be a lasting beacon to generations to come, warning them against an odious and an oppressive moneyed monopoly.

Doomed to “wind up its concerns,” (as the Senator from Massachusetts has said it must,) why does the Bank continue its efforts on our national councils? Why do its advocates continue to beard that man who was chosen by the people for the express purpose of putting an end to the charter? Do they think a restoration of the deposits to the Bank that is about to expire could be of the least benefit? On the contrary, do they not know that the restoration, at this time, instead of allaying, must increase the distress? Do they not know that the Bank has no longer a right to claim them; that, according to the opinion of many distinguished jurists, it has repeatedly violated its charter; and that if a *scire facias* has not been issued, it has not been for want of ample cause for sustaining it? Do not the stockholders of this Bank know, that of all persons having a right to claim a recharter, they are the very last persons that should do it? for if they be of the few *American* citizens who had once this privilege, they surely, on no principle, can claim to exercise the same privilege a second time, to the exclusion of all that numerous portion of the People who have never had a chance to procure these benefits; and if they are *foreigners*, they stand behind all others as to the right of being stockholders in any Bank which may succeed the present.

The speech of the gentleman from Massachusetts, made in July, 1832, after the reception of the veto, is in singular contrast with his recent speeches in the Senate. The President and the administration are now told that they may as well give in at once, for that we are to have “**NO PEACE, BUT A SWORD**,” as long as the funds of the government shall be under the control of the Secretary of the Treasury: we must have a law for restoring the deposits to the Bank. Two years ago, the language was “The Bank has fallen.” “It is now certain, that, without a change in our public councils, the bank will not be continued, nor will another be established, which, according to the general sense and language of mankind, can be entitled to the name: it must wind up its concerns.” There has been no “change in the public councils” since the veto of the President. The Bank, on his own showing, has become defunct. That state of things precisely has occurred which the gentleman had represented as putting an end to the Bank and all other banks entitled to the name. What more can the Bank desire? The People was the tribunal to which the Bank appealed; it was the tribunal of the Bank’s choice. The decision was against the Bank. Was it not sufficient that the Bank, to influence public opinion, resorted to means unparalleled under this or any other government? Must this institution, in defiance of the People’s decision, now resort to other and

are unjustifiable measures to force a recharter? The Bank, according to the Senator, will now have the astonishing condescension, so the depositors shall be restored, to make "fair concessions," "furnish any and every guard against any use of power," to allow Congress to make the most "liberal modifications." These concessions come too late. Why did not the representatives of the Bank in Congress in 1832 make the concessions? Why were all terms, not accepted by the President of the Bank, then presented, refused by the friends of the Bank? Why was the bill passed, perpetuating the monopoly in its present hands on terms of millions of dollars advantageous to the People than were offered by others? Why was this gratuity presented to stockholders, a large portion of whom were foreigners—and denied to others who were native citizens? Let those who carried through the charter in one branch without signing to answer the objections then made, and through the other branch by precluding all discussion—let those answer why they would have forced on the people a moneyed monopoly on better terms than the monopolists themselves asked for! Let them account to the people why the bill was passed, giving to the present stockholders gratuities for which other companies were willing to pay millions? why it passed without securing to any State that it should be placed under the same control as the several State Banks? why no "fair concessions," no "liberal modifications," were then offered?

The Bank, it is said, will make "fair concessions," and will furnish guards against abuses. Let it be conceded that the bank shall be rechartered by the present Congress, under any modifications let it now be understood that the bank has the power to force on the people a recharter in defiance of their expressed will—and who will undertake hereafter to place bounds to the abuses of the institution? Have not the directors of the bank heretofore defied the stipulations of the charter? Was not the charter notoriously and repeatedly violated during the two first years of its existence? Has the charter not been violated by the bank putting and keeping in circulation millions of paper, such as was expressly forbidden? Is it not now violated by the practice of an irresponsible committee, without the consent of the board of directors, loaning more than a million of money at a rate less than legal interest, and for an indefinite time, to a single favorite, while the whole community is pressed with its unparalleled curtailments? Make what guards and restric-

tions you please to any bill rechartering the United States Bank, and if it shall not be perfectly convenient for such a board of directors as the present to violate them all with impunity, from what I have seen, I could have no good reason to doubt that the bank might hereafter obtain just such modifications and concessions as the directors shall please to ask from Congress. Renew this charter, and the will of any future board of directors will be law: renew it, and better will it be for the people to have no Congress, no Government, than such a Congress and such a Government as they may have.

Sir, it has been boasted that the United States Bank has produced such a currency during the last fifteen years as is unequalled in the history of currency. More is due to the good management of State Banks, which in my section of the country act on a system altogether independent of that, than to the United States Bank, for the healthy and equal state of the currency during the last twenty years. Gentlemen must be mistaken when they suppose that paper currency to be sound, which is not redeemable with specie without contingency, in the vicinity of the place of issue. The United States Bank branch drafts, issued a thousand miles from the place where they are payable, if indeed they can be said to be payable at all, are no better entitled to the appellation of a "sound currency," than were the Treasury notes of the last war, which, though bearing an interest of six and seven per cent. were passed at a discount of twenty and twenty-five per cent.; and it may be soon discovered that United States Bank paper is no currency at all, if the Secretary of the Treasury shall order, as he legally may do, that these branch drafts shall no longer be received in payment of debts due the United States.

The stock of the Bank, at the time it was chartered, was made up as follows: the seven millions subscribed by Government was paid by creating a stock bearing five per cent. interest, which was received by the Bank at par, although it was then really worth twenty-five per cent. less. Twenty-one millions of private stock of the Bank were paid in Government securities, six per cent. stocks being then worth in the market about eighty-four cents on the dollar. Only seven millions were required to be paid in specie; and of this only one million four hundred thousand ever was so paid. The two subsequent payments of stock were made, not in specie, but by raising the wind on the credit of the Bank stock from discounts in the Bank itself. That the 1,400,000, taken from the vaults of the local banks, and adding nothing to the amount of specie already in the country, compelled a specie payment of more than a hundred millions of bank notes then in circulation, is altogether incredible.

Corruption was rife in the Bank of the United States even before the institution was well under way; and I regret to say, that, although the evil was smothered while the Bank was under Mr. Cheves's administration, it has never been completely purged of the foul pollution.

Before the Bank had gone fairly into operation, under severe embarrassment, it commenced

*There has been a single loan made to Thomas Biddle, a broker and relative of the President of the Bank, of eleven hundred thousand dollars, at five per cent. The branch at New York lately loaned to a single favorite house from 250,000 to 300,000 dollars; and it is said that two-thirds of the discounts of that branch would be comprised in the accounts of less than thirty houses. The investigating committee, in 1832, found, of the whole loan at the mother Bank, about 8,000,000 of dollars, \$5,434,111 was loaned to ninety-nine individuals. More than 3,000,000 were in the hands of twenty-seven persons.

curtailing its discounts. It curtailed, as it now does, its best business paper, while immense amounts loaned on the security of stock pledges, were suffered to remain in bank without curtailment. Here was partiality and injustice.

To enable the President and Directors to speculate on the stock, an order was passed for taking stock security on loans at par; and this order was transcended by loaning on merely nominal security twenty-five per cent. to the stockholders, over and above the par value. In this way, enormous and collusive speculations were made on stock. The directors purchased when the stock was low, and sold out after its price had been enhanced by their own purchases. The then President was proved to have made some thirty or forty thousand dollars in a single operation of this kind. Here was prostitution of office, and treachery to the public interests.

Dividends were made to delinquent stockholders, who had notes discounted to the full par value of their stock.

Shares were divided into parcels, with fictitious owners, who gave powers of attorney to act, enabling the nominal owners to evade the rule restricting a single stockholder to thirty votes: the persons thus voting were those who had the greatest loans on stock; and thus those men who had virtually no interest in the Bank, were able to control it.

These are some of the abuses prior to the explosion of the Bank in 1819, gathered from the report of an investigating committee of Congress, and which, had not the arm of the Government sustained it, must have put an end to the Bank. Somewhat different have been the measures of the directors within the last few years; but even more corrupt and corrupting has been its last than its first estate.

The resumption of specie payments, and the restoration of the currency, was not due to the Bank of the United States, but was the natural consequence of that wealth which was gained by the industry of the country. This industry, and its accumulation, soon furnished specie for the Bank, and furnishing the means of discharging the public debt, enabled the Bank gradually to turn its stock into a specie capital, and likewise gave to the country the means for redeeming the hundred millions of bank paper, which had vitiated the currency from the suspension of specie payments.

Instead of this Bank contributing to a sound currency, it may fearlessly be asserted, that the successful enterprise and labor of the country, accumulating wealth, had created a sound currency in spite of the bad management of the Bank; for it must have been evident to all who have watched its course, that the tendency of this bank, whether it expanded or contracted its paper issues, has been to injure both the currency of the country and the sturdy prosperity of the people.

Permit me here, Mr. President, to say that I differ from those who are disposed to admit that the removal of the deposits, although necessarily to take place previous to the expiration of the charter, was ill-timed in the month of October last. If the deposits had not then been removed, under

the resolutions of the mother Bank of the 13th August, directing curtailment on a partial and arbitrary principle, the blow of "tremendous force and frightful consequences" (predicted by the Senator from Massachusetts after the Veto of the President,) must have been felt with tenfold vengeance. Then the cry at this session of Congress for relief would have been directed to the single point of a renewal of the charter. The screws in that case would have been applied to the local banks, and to business men, who in their turn would have operated on all in their custom or employ, compelling them to sign and present, *fac simile* petitions and memorials, praying that the monopoly itself might be continued. If the deposits had not been withdrawn, the power of the Bank to produce distress must have been increased. The Bank had taken measures to bring about a pressure and embarrassment; and I am not now to believe that her disposition to do justice would have been greater with increased than with diminished means. The withdrawal of the public deposits at that time and under the peculiar circumstances, will be the means of carrying into effect the will of the people in relation to the Bank: without the removal at that time, the strong chance is, that the public will, so audibly expressed in all the elections since the Bank charter was vetoed, would have been defeated by the immense means which the Bank could bring into action against it.

If pecuniary distress must attend the death struggles of the bank, it will be encountered with firmness by the patriots who have always looked dangers in the face and made great pecuniary sacrifices when the good of the country required them.

To prove that the money pressure now existing at the points where foreign importations are extensively made, preceded and was more severe beyond than within the limits of the United States, and that of consequence it was not caused by a withdrawal of the deposits from the United States Bank, I will recur to a summary extract from the Quebec Gazette of December last, in an article on the commerce and business of Lower Canada during the last year. The article follows:

"The depression in the money market in Canada commenced as early as the first of August last. Several extensive failures at Montreal and Quebec took place early last summer. Exchange on England for cash declined from 9½ to 6 per cent. premium. The scarcity of money was such, (says the Quebec Gazette) that in the latter part of the season business was not done to more than one-fourth the usual amount. The number of persons engaged in retailing dry goods, (says the same paper,) will be considerably diminished during the next year."

In confirmation of this statement, the circular from the house of H. Gates & Co. of Montreal, dated Jan. 1, 1834, says: "We very much regret to say, that while we have to record almost unexampled distress and difficulty the year past, we see nothing in prospect for the year to come, calculated to raise high hopes of safe and profitable business." * * "One great embarrassment in doing a heavy business in the year past

arisen from a scarcity of money, and the uses of this scarcity seem likely to continue at least for some months to come."

The New York Journal of Commerce, noticing the contents of Halifax newspapers to the 20th January, remarks, that they complain of great stress in the money market in the British Province of Nova Scotia. The Acadian of the 18th, holds the following language: "That this town at present involved in great distress, and that the merchants and traders, and the community large, feel their inability to meet their pecuniary engagements and pay off their outstanding debts, are facts too clear and self-evident to require either proof or illustration. This calamity not confined to a few individuals engaged in some particular branch of trade, but appears to be general and almost universal." A public meeting was held on the subject, January 15th, at which resolutions were adopted."

In the West Indies too, there is a similar distress. A correspondent of the Norfolk Beacon, writing under date of the 10th December last, from St. Barts, says: "The West Indies are now in a deplorable state—poverty has overtaken many since you left here, and is making rapid and quick marches upon many others."

In England likewise, the pressure for money has been great. They there can have no cause to complain of the want of a National Bank—for their great Bank had just been re-chartered. A friend at the Eastward has furnished me with the following extract of a letter from Baring, Brothers, & Co. dated at London, November 22, 1833: it states—

"That the prompt payments for the heavy transactions of August have come round, producing a great scarcity of money in our colonial trade, and which, with the attempts to force sales, have caused a general decline of prices."

Still later accounts from Great Britain represent the money market as more easy, and that a rise had taken place in the price of cotton.

It need not be denied or disguised, that the curtailment of discounts by the Bank of the United States, between the first of August and the first of December, by which the payment of ten millions of dollars was thrown upon the cities of Philadelphia, New York, and Boston, was calculated to produce distress; this immense amount was thrown upon these cities by stealth, the order of August 13th which produced it, having been kept from the public until December. The rapid calling in of the debts of the Bank of the United States, payment being made in bills of the local banks—for the circulation of the United States Bank itself, was extending instead of contracting—drew the specie for the redemption of those bills out of the local banks, into that of the United States and its branches, so that the local banks were obliged to curtail their circulation at the same time. A friend at Boston informs me that the branch bank at that place has curtailed two thirds of the amount due to it in September last: in doing this, it had compelled the local banks of the city to curtail from five to seven millions of their loans. This, as will have been perceived, must have made the pressure very severe. It

must now become evident that the Bank in that city, although it may have replenished its vaults with specie, by running upon the local banks, has expended much of its strength by pressing upon that class of its customers which furnished its greatest profit; and the consequence will be, that these customers will seek other avenues of accommodation, and leave the Bank to turn its exclusive attention to the local banks, through which it doubtless intends to keep up the distress of the whole trading community, and compel the people to ask for a re-charter of the monopoly.

It is even suggested that in this plan of making money scarce the managers of the Bank here may have acted in concert with great speculators in Europe, some of whom are owners of the Bank stock, with a view to affect the price of the cotton crop, and profit by the fluctuation. Certain it is, that the price of cotton first fell in England, and this before the removal of the deposits.

It is this premeditated design of the managers of the Bank of the United States to produce distress to which that distress is due. That the managers themselves are disappointed, in being unable hitherto, to make the distress general, we may well believe. Fortunate it is to the country that it never was in so good a condition generally, to encounter this hostility of the Bank as at the present time. The agriculturists every where this year have been blessed with an abundant harvest: generally they are indebted to no Bank; and even should they be unable to dispose of their produce, they can live upon it themselves, and furnish it for others to live upon, without asking favors from the managers of the Bank. But throughout the country their produce commands the cash, and such high prices as amply repays the toil of rearing and gathering it.

But there are other classes in some parts of the country who feel the pressure which the Bank has designed. It is those men who have traded beyond their capital, many of whom, being warned in season, will struggle through the difficulty. Others who are really insolvent, and whose insolvency has hitherto been concealed, in the abundance of paper credit, must fail and make their bankruptcy apparent. It is, I believe, this last class principally, which has as yet suffered to any extent in consequence of the unpardonable course pursued by the Bank. Whether in any part of the country other classes must suffer, remains to be developed.

The inducements to invest capital in different enterprises have been so great, that many men, thought to be prudent, have gone into trade upon credit, investing tens and hundreds of thousands in manufacturing and other kinds of business. When investments are once made, the capital necessary to be used increases instead of diminishing. Frequently it may happen that such men succeed for a series of years and lay up fortunes. But more frequently, the result of the whole matter is insolvency, the adventurer sacrificing all he was worth originally, and much of what he has obtained on credit. These are the cases that become open and palpable, especially when from the contraction of paper issues, after a high degree of commercial prosperity, there shall be a revulsion in business: such are the cases which are now the foundation of the pa-

nic which is made so much of by the friends of the Bank. Alarms of this kind are always to be dreaded; nevertheless, it must be admitted that their effects are sometimes salutary.*

* From the late report of a New York committee of merchants on the causes of the destruction of credit and confidence, and consequent commercial distress, the following is quoted. It presents facts and illustrations which it will be difficult for the friends of the United States Bank to gainsay:

"In the first eighteen months of its existence, namely, during the year 1817 and part of 1818, the Bank of the United States, through its numerous branches, had issued, according to the report of Mr. Cheves, notes to an enormous amount. Its discounts in this short period, although the specie part of its capital was hardly two millions, exceeded forty-three millions of dollars. Every department of business, and speculation, and living, was, as a necessary consequence, stimulated to the utmost; costly mansions were erected, and adorned with the most expensive furniture; sumptuous entertainments were given, and splendid equipages were set up. And every man seemed to imagine that because *credits* were abundant, *riches* must equally abound. The prodigality and waste of some of our citizens were almost beyond belief. 'We have heard,' says the Weekly Register of 1819, 'that the furniture of a single parlor, possessed by, we cannot say belonging to, one individual, (who afterwards became bankrupt,) cost forty thousand dollars.' In this way, according to the views of those who looked only at the surface, the country enjoyed a state of 'unexampled prosperity.' And what without any 'removal of deposits' was the sequel of this previously brilliant drama? *A rapid curtailment of discounts was commenced. The southern and western offices were directed not to issue their notes; the Bank ceased to purchase and collect exchanges on the south and west; and the local institutions were called upon to pay up their balances.*

"These measures, according to the report of its then President, Mr. Cheves, simple and obvious as they are, and some of them so strangely overlooked so long, lifted the Bank, in the short space of seventy days, from the extreme of prostration to a state of safety, and even, in degree, of power; and enabled it to defy all attacks.

"The Bank," observes a judicious commentator on this statement, "was saved, and the People were ruined." For a time, the question every morning, was, not who had broken the previous day, but who yet stood—suits, warrants, and executions took place of bank credits. "From all parts of the country," says the Weekly Register of April 10, 1819, "we hear of a severe pressure on men in business, a general stagnation of trade, a large reduction in the price of staple articles. Real property is rapidly depreciating in its nominal value and its rents or profits are exceedingly diminishing. Many highly respectable traders have become bankrupts, and it is agreed that many others must go: the Banks are refusing their customary accommodations,

As an addition to the calamitous state of things anticipated from the great commercial cities, if the deposits shall not be restored, and the Bank charter renewed, the Senator from Massachusetts (Mr. Webster) says, the town of New Bedford, in that State, has been smitten by the recent events; that three months ago it was in a high state of prosperity; but that it has received a

confidence among merchants is shaken, and 3 per cent. a month is offered for the discount of promissory notes which a little while ago were considered as good as old gold, and whose makers have not since suffered any losses to render their notes less valuable than heretofore." Four months afterwards, August 7th, 1819, the same journal says, "it is estimated that there are 20,000 persons daily seeking work in Philadelphia; in New York 10,000 able bodied men are said to be wandering about the streets looking for it, and if we add to them the women who desire something to do, the amount cannot be less than 20,000." A committee appointed by a meeting of the citizens of Philadelphia on the 21st August, 1819, to inquire into the situation of the manufacturers of the city and its vicinity, reported on the 2d of October, that of thirty mechanical and manufacturing branches of trade, which they enumerated, which gave employment to 9188 persons in 1814, and to 9672 in 1816, there were but 2137 persons employed in 1819.

"Here then we have a case of former days, precisely so far as the effects of moneyed credits is concerned, analogous to the present. As more recently in 1831, so in 1817, the flood gates of circulation had been opened wide, a scene of unexampled prosperity as it seemed, but of delusive intoxication as it really was, ensued.

"The day of contraction, however, as we have seen, soon came; the order for that purpose was issued from Philadelphia on the 20th July, 1818, and by the 1st of April following the curtailments had amounted to the immense sum of \$6,530,159. And what then became of the unexampled prosperity, about which, then, as now, so much has been said. Being a mere phantom it vanished, as we have seen, in an instant, and universal ruin and dismay follow in its footsteps. The community then saw, and felt, as they now feel, without seeing, and of course, without acknowledging that paper money, like dram drinking, relieves for the moment by the deceitful sensation it creates; but gradually exhausting the natural heat, leaves the body at length in a worse state than it found it.

"We have the authority of the printed statement, laid before the stockholders by their then President, for saying that during all this time (1817, '18 and '19,) the Bank had the advantage of immense government deposits—that at the very moment when the curtailments were ordered, 'the government deposits in the Bank and its branches amounted to eight millions of dollars.'

"If, then, the possession of the deposits did not prevent the contraction and consequent ruin in 1819, why should the removal of the deposits be the cause, under precisely similar circumstances, of the contraction and ruin of 1834."

blow, in numerous failures, from which it cannot soon recover.

Now, what does the gentleman mean by "recent events?" Referring to what he had before said, these recent events must have been intended to mean the withdrawal of the deposits from the United States Bank.

The North American Review of the 1st of January, 1834, has an interesting article on the subject of the whale fishery; said to have been written by a gentleman of New Bedford, (Mr. Williams,) which presents the more rational account of what has smitten that town. It is overtrading. Water does not more naturally seek its level, than does revulsion succeed that high state of prosperity founded on fictitious credit, carried by enterprise beyond its true point.

It is well known that within the last few years, in consequence of the great success that had attended the whale fishery from Nantucket and New Bedford, and which had given the latter place, depending on no interior trade, a growth altogether unexampled in any other merely commercial town of the United States, there had been a rushing of capital to investments in the business of the whale fishery. As in every thing else, credit, as well as capital, was extended to push their business. The ordinary time after departure before the ships can return from distant whaling voyages, is two and three years; of course, those who embark in the trade, for that time lie out of their investments.

Although the whale fisheries have extended to several ports from whence the business had never been carried on before, yet the proportionate increase has probably been greater in New Bedford than any where else. The North American Review gives, "as derived from authentic sources," the estimate that the whole number of ships employed in the whale fishery in the United States, is 392; of which 184, nearly one-half, belong to the single district of New Bedford. The Review continues—

"It would seem to be impossible to stretch the business to any greater extent from this country. In 1824, too great a supply of sperm oil produced a ruinous depression of prices, but the demand was still thought to warrant a steady and gradual increase of the sperm whale fishery. The calculation is now, however, considered by the shrewdest merchants to have been too sanguine, and they already begin to anticipate the reverse. The markets for common whale oil are now precarious. They fluctuate with the fortunes of the Greenland fishery, and prices are more or less dependent on the crops and manufacture of the vegetable oil in Europe. While the increase or decrease, therefore, of the sperm whale fishery ought to depend on somewhat certain calculations, the right whale fishery must fluctuate with circumstances."

The prices of sperm oil and spermaceti candles are now as high as ever they were; but the rage for investments in the whale fishery has brought the New Bedford merchants to a sudden stop. The merchants in that town who have recently failed in business—and some of them perhaps already insolvent, but whose deficiency would not appear while there was abundance of paper credit—have gone to the whole extent of

that credit in making investments for the whale fishery—some ten, fifteen, twenty, and up to a hundred or more thousand dollars. Their calculation was, as if money never would be scarce, that they might always get money at one bank to pay their debt at another bank, until some three years hence their ships would return. A natural consequence is, that whenever fictitious credit is brought back to a state of solidity, those who negotiate loans in the way described, fail in obtaining means to meet their payments. From this cause a portion of the New Bedford merchants engaged in the whale fishery have failed—not especially because the deposits have been withdrawn from the Bank of the United States, for there is no branch of the bank near New Bedford, but because they have not the means to pay their debts, and because the "shrewdest merchants" understand that their prospective means cannot become available.

It is but a few years since—I believe 1824, that the two Nantucket banks suspended payments on account of having loaned a large part of their capital to whalers: these banks were obliged to take in payment for their debts whale and sperm oil and spermaceti candles, and had their agents to sell them in the various commercial towns, and they commenced redeeming their notes, when they had sold their merchandise. At that time it may be recollected that a portion of the Nantucket whalers were ruined; yet then no deposits were withdrawn from the Bank of the United States.

There was great pecuniary distress in the town of Lowell about two years ago. The town seemed to have been "smitten," as the town of New Bedford is now. The reason was, there had been enormous speculations in buildings and building lots, anticipating the growth of that flourishing town. The property, accelerated in price at each successive change, passed from hand to hand, till most of the speculators, having really little foundation, who had not early retired from the contest, were brought up at the same time. The banks would not discount to them; and thus the bubble burst. Lowell was "smitten," and has not yet entirely recovered. As well may we charge the fall of property and the distress at Lowell to the withdrawal of the deposits which was to take place two years afterwards, as now to charge the embarrassments at New Bedford to the same source.

To increase and spread wide as possible the panic at the precise moment when the rechartering of the Bank is to be pressed on Congress, a concerted movement is made by the great manufacturing capitalists at the East. Notice was sometime since given at Lowell, Massachusetts, that the price paid for labor would be reduced on the first of March from fifteen to twenty-five per cent: similar notices are given at Nashua and Dover in New Hampshire. In other places it is notified that the factories are about to be stopped, and it is mentioned in the newspapers that one large factory, whose stock is understood to be controlled by Philadelphia owners, has been stopped, and the hands dismissed, at New Market, New Hampshire. Other newspapers, in the confidence of the own-

ers, threaten that other factories are to be stopped. The reason now assigned for reducing wages and stopping work is, that the *removal of the deposits* prevents the sale of the goods manufactured! For a year previous to the removal of the deposits, there was the same talk of stopping the factories; and several of them were stopped. The reason then was, *the high price of cotton*—but now, that cotton has fallen from twenty and eighteen to twelve and ten cents, a different reason must be assigned.

The truth is, that the large manufacturing capitalists have been quite too much in the habit of sporting with the fears of the community; and as a body, they have shown themselves much too subservient to the views of the leaders of a political party to leave them the weight to which otherwise they might be entitled. Why is it, that they are constantly in the field? Why are they at every session of Congress aiding in some new project of alarm? Let as many of them stop their works as choose to do it. Suppose half of them, that portion of them that prefer "war, pestilence, and famine," to the natural and quiet death of a moneyed corporation, that assumes to be more powerful, with the means of the Government, than the Government itself, shall shut down their gates and stop their machinery; that other portion who mind their own business, and pursue the even tenor of their way, will, in the course of six months or a year, be more prosperous than they have ever before been, and will have no reason to regret the folly of such as change their purposes at every turn of the wind.

If there be already too many manufactories for the market, why have capitalists up to the present moment invested millions in new establishments? Experience has shown that in this country there cannot be too much agriculture: when has there been a season producing more wheat, or sugar, or cotton, or wool, than could find a market? The price of these articles, in different seasons, fluctuates more or less; but rarely does it happen that the price does not more than cover the expense. If manufactures may not succeed in this country, under all the encouragement the Government has afforded, and is continuing to them, there is ample room for investments in agricultural and other enterprises. Not the West alone, the growth of which during the last twenty, and especially, during the last ten years, has been without a parallel; not the West alone, opens the exclusive field for improvement. The hard soil of the Eastern States, improved already perhaps beyond any other section of the country, is capable of more than doubling or trebling its agricultural products; and the most Northeastern State, in its immense forests of valuable pine timber, presents scarcely less temptations to the man of enterprise, than the other more luxuriant soils of the South and West.

Mr. President, there never was a time more propitious than the present for the Bank of the United States to commence the "winding up of its concerns." If the directors of the Bank understood the true interests of the institution, they would commence the work with alacrity; and they would find that a course of mildness and accommodation would be far more salutary to the Bank

than the opposite course, which they now are pursuing. This, however, does not seem likely to be the case from present appearances. Recent advices from the city of New York, leave us to infer that the Bank has determined we shall not "HAVE PEACE, BUT THE SWORD." The directors of the branch bank at that place have not only refused to unite with the local banks in attempting to relieve the distresses of the community, but they have refused to have it understood that they will not run upon the State Banks for specie the moment these last shall discount for the purpose of relieving individuals; and these directors assign for their beligerent aspect the reason of their peculiar relations at this time with the Government! Those peculiar relations we are left to infer; and these we may safely say to be a determination to force the return of the deposits, and with that a rechartering of the Bank. Indeed we have it announced in the known organ of the Bank (the National Intelligencer) in this city, that the Bank will never consent either to take any steps for the relief of the community itself, or suffer the State Banks to do it, until the State Banks selected by the Secretary of the Treasury as places of deposit, shall themselves ask to have the deposits taken from them, and restored to the United States Bank! Here the People and the State Banks have their choice of the only alternative. The State Banks must be destroyed, and the distress must be kept up, so long as the means to do it can be furnished by the Bank of the United States; or else the Government, the People, and the State Banks, must consent to UNCONDITIONAL SUBMISSION and DEGRADATION! This looks so much like the conditions and requirements of a certain New England conclave twenty years ago, who sent a mission to Mr. Madison, demanding of the Government to submit unconditionally to such terms of peace as Great Britain might grant, that I have about as much faith that the one will be attended with success as the other.

I readily and freely admit, that in the vicinity of the mother Bank and its branches, more than common pecuniary distress does now prevail. There they have put on the screws; and where the Bank had made extensive loans, the pressure is felt—where the people have been so fortunate as never to have had the benefits of the Bank's capital, there is very little distress. It is the extension of loans and their sudden contraction which produce revulsions in trade—it is the facilities of credit suddenly caught up that cause the distress. That the Bank can expand or contract—that it can at any time make money plenty or scarce where it has an extensive operating capital, or wherever it can concentrate its operations, is true; and being true, furnishes the strong conclusive reason why I would never place the power again in its hands. With the strong expression of the people against the Bank, manifested in the triumphant election of Gen. Jackson, I should consider myself a traitor to that people, now to vote in favor of continuing the odious monopoly. Wherever there is a branch of this Bank, there we find an attempt to oppress. Ever since the *Hegira* of Mr. Biddle's attorney-agent from New Hampshire, the business of the Branch in that State has been small: from 1829 to

1830, the branch did not do sufficient business to pay the salaries of its officers—that is, the amount of interest on its loans was not enough to pay the salaries of its President, Cashier, clerks and waiters. But the little branch there, is contributing its mite to do what the parent Bank requires. A recent letter from an intelligent gentleman at that place says:—

“You know my great desire is, that the monster which has so long held the purse strings of the nation should be prostrated, and no longer be permitted to tyrannise over other moneyed institutions. The monster seems however, determined to die hard, and do all the mischief in its power before it expires, putting on the screws with all its might. Even the little branch here is doing all it can to “make the people feel,” as they term it, by withholding discounts and getting hold of the bills of the State banks in this town, and holding them in a menacing attitude, preventing our discounting to the extent we otherwise could.”

In the interior of the State, among the mass of the people, but little pressure is felt. The larger portion of these people are men who never ask for a bank favor—who rely at all times on their own resources, and who of course would prefer a hard money currency to any other currency.—They do not believe that United States Bank notes are any better as a currency than their own State Bank notes; and gladly would they see the flood of paper circulation superseded by silver and gold.

Another letter, dated Jan. 21, 1834, from the second manufacturing town in the State, situated on the Merrimack river, forty miles from Boston—and the manufacturing towns are the first in the interior to feel a money pressure—says—

“It is wonderful that the attempts made by the opposition to produce a panic should not have caused more extended ruin. A few failures may have happened in the seaports, but they have only been hastened a few weeks or months, and not caused. If there had been the extensive pressure and distress we hear spoken of, it must, one would think, have extended itself to this place and its vicinity. There is no special pressure here. There is no depreciation of prices, though our market is regulated, in a great measure, by the Boston market, and though the sleighing has been such as to afford the greatest facilities for carrying produce to the markets. Hay is here from \$15 to \$16 per ton. It is, I am informed, from \$20 to \$22 at Lowell [fifteen miles distant.] Wood is \$4 per cord here, which is higher than those most skilled in the market calculated it would be last summer. I was told, a day or two since, that pork had just taken a rise (to use a common phrase) and was higher than it has been during the winter or fall. Where is this pressure? We feel it not. We hear of it, however, and shrieked forth in such lugubrious tones, that I marvel business should go on here, as it does, in the even tenor of its way.”

Another letter, from one of the best informed farmers—and none are more intelligent and shrewd than farmers in New Hampshire—living nearly central in the State, dated so late as the 17th February, says—

“There never was a time, since I can recollect,

in which the farmer, mechanic, and the great mass of the people, felt themselves more independent than they do at this time. The most of the people have their debts paid, and cash in their pockets. The markets are good; every thing that the farmer has to dispose of finds a ready market, with a price sufficient to satisfy every reasonable person. The products of the country are at this moment teaming to market in great abundance, and have been for some time, upon our good sleighing, of which we have had abundance this winter. Pork sells from 7 to 8 cents—butter from 16 to 18 cents—cheese from 8 to 10—beef from 5 to 6 dollars per hundred. From this, you will perceive that the pressure upon this section of the country is not severe.”

I believe throughout New England the condition of the people is as it is in New Hampshire. The reduction of prices in Europe may have had some effect in a few places. I have a letter from Salem, Massachusetts, dated on the 15th January, which says—

“The Biddle screws are not severely felt in Salem, although ours is a trading and commercial community; and the only way in which they can be brought to bear on the interests of the Salem merchants, is through their agents in the great cities. There are eight Banks in Salem, and they sustain the trade at the legal rate of interest, six per cent. Where there is a branch of the United States Bank, there will be a pressure. But one merchant has failed in Salem since August last, and the United States Bank did not affect him in his business.

“I sent you some days since, the annual returns of all the Banks in Massachusetts; the capital of these Banks exceeds twenty-eight millions of dollars. Our currency in New England, as you well know, has long been well established, and uniform without the aid of the Bank of the United States. In fact, in New England the Bank of the United States does nothing in aid of the currency; their notes over five dollars are often at a discount, while the country Bank notes have been current at par; receivable at the Banks in Boston, and of course in every part of the New England States. Neither do the New England States need the United States Bank for capital: their own Banks can supply the wants of trade, and answer all the purposes of transmission to or from different parts of the country. The United States Bank has realized a very large amount for premiums on inland bills of exchange.”

Second Day—Tuesday, March 4.

Mr. HILL continued:

On yesterday I examined the report of the Committee on Finance, and attempted to show that neither the facts nor the inferences of that report were sufficient to invalidate the reasons of the Secretary of the Treasury for the removal of the deposits.

I attempted to show that the allegation is untrue, that efforts are making to array the prejudices of the poor against the rich, to the injury of the Bank.

I attempted to show that one of the present fast and influential friends of the Bank presented,

fourteen years ago, such an array of facts and inferences as demonstrate most clearly, that those who then opposed and now support the Bank, are condemned from their own mouths.

I attempted to show that the present party opposed to the administration, have for a long time been panic-makers, whenever, out of place and power, they could invent any plausible pretext for creating excitement.

I attempted to show that the Branch Bank in New Hampshire, in 1829, and previous, played the same game of expansion and curtailment that is now playing by the mother Bank and its branches in all parts of the United States; and that although it succeeded in bringing ruin on some, it failed to make itself popular or acceptable to the people of New Hampshire.

I challenged the proof to the charge made by the Directors of the Bank in their publication of December last that the "principal chiefs" of the administration had a meeting in this city in 1829, for the purpose of concerting measures to make the Bank a political engine; and have disproved that charge so far as strong presumptive evidence could disprove it.

I have shown that the Bank itself voluntarily put the question of re-charter or no charter on the result of the last presidential election; that it took this position from choice, and put all its means, without limitation, into the contest, interfering and attempting to influence the elections to the full extent of its ability; and that the Bank now stands in the position of that individual who should propose his own terms—make his own bargain; and after he should have availed himself of all the privileges of his own terms, should insist that a decision should go for nothing, because it had been discovered that the right belonged to the other party; and claim a new trial by a tribunal which the people (the opposite party) never had sanctioned.

I have shown that the Bank has wantonly, and with malice aforethought, contrived the means which should break up the currency of the country, and destroy the facilities of trade and exchange; and that within the last six months it has premeditated embarrassment and ruin to the trade of the country; that, through distress and suffering, it might force on the People what it could not obtain by a fair use of its capital and influence.

I have shown that a great portion of the suffering and pecuniary distress have been caused by overtrading and an inflated paper credit; and that this distress could at any time be produced by the Bank, whenever its owners and directors should feel it to be for their interest to bring the distress into operation to further their purposes.

I have shown that the pecuniary distress has not been confined to the United States. That it preceded, and was more severe in the British Provinces on the North, and in the West Indies, than it is in this country; and that it is even felt to a considerable extent in Great Britain, where a National Bank had just been rechartered: from which facts it may fairly be inferred, either that the present distress would not have occurred at this time if the United States Bank had not wantonly produced it, or that we might have had par-

tial distress, with the exercise of the best disposition on the part of the Bank.

I have shown, that in New England, the sound state of the currency is not at all dependent on the United States Bank—that the local banks there regulate the currency. I have also shown that the prices of the farmers' produce have there been higher within the last two months than they have been at any corresponding period for several years—that where there has been no overtrading, there is no uncommon pecuniary distress; and that the great mass of the community are better off in a pecuniary point of view than they had before been for many years.

These, Mr. President, are some of the points which I on yesterday attempted to establish. I regret not to have been able to finish my remarks then commenced. If my own strength, laboring under indisposition of body, had not been exhausted, I know that a long speech, exhibiting no graces of oratory, and adverting to facts which might be unwelcome to a majority, would surely exhaust the patience of the Senate. I shall detain the Senate not a great length of time to complete all I have to say on the subject.

Mr. President, the idea of a hard money system meets with no favor by those who contend that a United States Bank is a panacea for all evils. Gentlemen may rest assured, that any system of currency that has not hard money for its basis, must fail. It is the essence of money to possess *intrinsic value*. Money, or a given quantity of gold or silver, is not only the *common measure* and *common representative* of all other commodities, but also the *common* and *universal equivalent*. Paper currency has, obviously, no *intrinsic value*. A promissory note, under whatever form, or from whatever source it may issue, represents value. It does so, inasmuch as it is an undertaking to pay, in *money*, the sum for which it is issued. The money or coin of a country is so much of its capital. Paper currency is no part of the capital of a country. It is so much circulating credit. These propositions, taken from an eminent writer on currency, (Mr. Huskisson,) are axioms established by experience, and will not be disputed.

Now, sir, any attempt to substitute paper currency, which has no intrinsic value as a foundation, in the place of specie, must fail. The Government itself receiving such paper as specie in payment of all its dues, or disbursing it in payment of its debts, cannot long maintain for it a uniform value. The British Government, from stern necessity, authorized the Bank of England to suspend specie payments—in other words, to make its own paper a substitute for gold and silver. The same Government also made it an offence punishable with severe penalties, to melt a guinea weighing more than 5 dwts. 8 grs., or to reduce it, by clipping, filing, or any other process, below that weight. By law, a guinea of that weight could not be exchanged for more than 21s. in Bank of England paper; for to sell them for more, was an offence also highly punishable. What was the consequence of this government attempt to force a paper standard of money? Mr. Huskisson informs us—

"The state of the law, therefore, is this: the

possessor of a *heavy* guinea, which is intrinsically worth about 24s. 6d. in bank paper, who should exchange it for more than 21s. of that same paper, would be liable to fine and imprisonment. The more fortunate possessor of a *light* guinea is entitled by law to exchange it for what it will fetch, which would be about 24s. 3d.

"A *light* guinea, therefore, cried down, no longer current, no longer a *legal tender*, is, at the present moment, more valuable than a guinea of *full weight*, in the proportion of 24s. 3d. to 21s.

"The *light* guinea, by melting, is converted into 5 dwts. 7½ grains of bullion.

"The *heavy* guinea, being by law incapable of being converted into bullion or of being reduced, by a diminution of quantity, into the more valuable shape of a *light* guinea, is equivalent to 4 dwts. 14 grs. of gold. The difference of value in favor of the *light* guinea is 17½ grains of gold."

Such, in Great Britain, was the anomalous state of the currency produced by the attempt to make paper money a substitute for gold and silver. By law it was attempted to fix the guinea as a standard for the irredeemable paper; and this law lessened the value of the perfect guinea one sixth, or equal to the amount of depreciation of the paper of the bank. The consequence was what may well be supposed—hard money was driven out of the country, and the currency had no uniform intrinsic value.

It would not be difficult, Mr. President, to trace back the origin of the present distress to the attempt to make a paper currency a complete substitute for gold and silver. The Bank of the United States, for some purpose, in the year 1832, extended its loans from between forty and fifty millions of dollars to more than seventy millions of dollars. It did not lend specie, nor yet did it lend such ordinary notes payable at the places of issue as were authorized by law: it passed off many millions of paper in the shape of bank notes, but containing really no promise to pay, and which were only a request that the mother bank would redeem them when they were presented. This new paper currency, which did not even possess the redeeming quality of a promissory note, was put into circulation by means of a treasury order that it might be received in payment of debts due to the United States. After it was put in circulation, there was scarcely a probability that the paper would be presented to be redeemed by specie, however great might be the amount put in circulation. For the time, to the Bank of the United States, this paper answered all the purposes of a paper issued without liability to specie redemption; for so long as this paper was receivable at all the land offices throughout the great West, and at the Custom houses for duties from one end of the country to the other, there was not the most distant probability that the bank would be called on once a year to redeem with specie one dollar in ten of the amount issued.

The managers of the Bank soon ascertained that they might issue from ten to twenty millions of this spurious paper—enough to fill up the entire circulation of the West—without a specie

foundation, and in addition to their ordinary issues. It was this expansion of paper, in direct violation of the charter, by the Bank of the United States, that has produced over-trading in almost every direction. Reflect, sir, for a moment, what must have been the consequence of a sudden increase of paper circulation by the Bank of the United States of twenty to thirty millions. If the Bank of the United States was so generous, the local banks were obliged to be generous likewise in self-defence. Paper money, for the moment, and until the bubble should burst, was made a complete substitute for gold and silver: no hard money could be wanted when paper facilities, standing in its place, could every where be obtained by the asking.

Let us suppose the Bank of the United States had confined itself strictly to the letter of its charter, and issued none of the spurious orders as a money circulation; and that it had never extended its loans beyond fifty millions of dollars, which is fifteen millions of dollars more than its capital: is there a man in the country acquainted with money operations, who can deny that, in such event, much, if not all the over-trading in the country would have been prevented; and by consequence, that the distresses which now pervade the country as a matter of course, when the bank suddenly and arbitrarily curtails its debts, could not have taken place?

From a statement lately published by the Bank Commissioners of the State of New York, I find that the united local banks of the three cities of Boston, Philadelphia, and New York, (including those in the last named city only which were subject to the bank fund law) with a capital of rising \$10,000,000, and loans amounting to \$70,000,000, had less than \$12,000,000 of bills in circulation—while the United States Bank, with a capital of \$35,000,000, and loans amounting to \$55,000,000, had bills in circulation amounting to more than \$19,000,000. The same statement presents the following table of the capital, circulation, and loans of the local banks of six of the eastern commercial States, as contrasted with the Bank of the United States, on the 1st January, 1834:

	Capital.	Circulation.	Loans.
Maine - - -	2,310,000	1,158,350	3,732,583
Rhode Island - -	7,112,000	1,208,041	8,550,652
Massachusetts - -	28,236,250	7,889,119	46,261,008
Connecticut - -	5,708,915	2,557,227	7,425,482
Pennsylvania - -	17,061,918	10,366,229	31,520,293
New York - -	22,739,264	15,402,701	46,496,492
	83,269,155	38,581,665	119,998,550
Bank U. S. - -	35,000,000	19,208,379	54,911,461

The banks in the three cities, with about the same capital as the United States Bank, had, in Nov. 1832, less than half the amount of paper circulation of the United States Bank, and less than two thirds of the same bank in Jan. 1834; and the six States of Maine, Rhode Island, Massachusetts, Connecticut, Pennsylvania, and New York, with a capital of 83 millions, and loans amounting to 143 millions, had only double the circulation of the U. S. Bank, with a capital of 35 millions, and loans amounting to \$55,000,000. Take the States of Massachusetts and Rhode Island as a fair sample of the four other States of New England, the banking capital of these two States is

a little over 35 millions, the same as the Bank of the United States; their loans are 54,800,000, nearly a million more than the United States Bank, while their paper circulation is nine millions less, and little more than one half that of the United States Bank. And yet the circulation of the Bank of the United States is less by four or five millions than it had been a year or two since.

If it be true that the pressure of the present time is owing to an overloaded state of the currency—and it will be admitted that the large amount of paper credit has produced over-trading—it must be conceded that the United States Bank has done more than its full share in producing the present state of things.

So far as Banks loan capital, their operations are beneficial; but when they extend loans on a created paper currency, pushing that currency beyond its true point, pecuniary revulsions and distresses are sure to follow. The spurious orders or drafts of the Bank of the United States, being every where receivable in payment of debts to the Government, have carried the paper circulation of the Bank of the United States far beyond that of the local State Banks; and to this paper extension mainly may we attribute that pecuniary distress, which the same Bank is enabled to create by suddenly curtailing its discounts.

In this country there is no standard for regulating the amount of paper issues, but the judgment of Bank directors. Government cannot here regulate that subject. In New England, where the competition among the Banks is great, and where the notes of Banks must be redeemed almost as soon as they are issued, there is little danger that any Bank will issue beyond what it can redeem. But a monopoly like that of the United States Bank, having its notes every where receivable for debts due to the United States, can issue the paper payable at one branch at a distance from its place of redemption; and this paper will fill up the circulation for the very reason that it is not worth so much as the local paper. This is the reason why the United States Bank has a greater circulation in proportion to its capital than the State Banks.

Mr. President, it is claimed, with an assurance that will not allow of a denial, that the United States Bank has been the great regulator of the currency; that "the old National Bank, for twenty years, worked to perfection;" that "during an intervening period of five years, public credit became impaired, the revenue defalcated, real and personal property depreciated, and all kinds of business interrupted or embarrassed; and that with the institution of the new Bank, these troubles vanished, and for another term of sixteen years the rapid advance of the nation in prosperity has outstripped the most sanguine calculation." This, say the advocates of the Bank, is "absolute demonstration" of its utility.

Casting back for twenty-five years, it will be found that facts do not warrant the assumption that the United States Bank has always secured a sound currency. There has been no time since 1790 when the currency of the Eastern States was in a worse state than from 1808 to 1811, when

the old National Bank might be supposed to have exerted its most potent influence. This Bank never had an influence in regulating beneficially the local Banks at any time: during the last three years of the old Bank, we had such defalcations and swindling among the State Banks as we may hope never to witness again. The Farmers' Exchange Bank, the Hillsborough Bank, the Berkshire Bank, the Coos Bank, the Vermont Bank, and many others, were not prevented by the National Bank from operations which will long disgrace their authors. And although the war that intervened between 1811 and 1816, when no National Bank existed, was accompanied by pecuniary distress, the depreciation of property, and embarrassments in business, yet it must be admitted that during the existence of that war the local State Banks were much better managed than they were before the old charter of the Bank of the United States expired, or since the new charter went into operation. The failures of local Banks subsequent to 1817 were much more numerous and extensive than they were from 1811 to 1816. And, as I have before remarked, the United States Bank itself, had it not been for the helping hand of the Government, would have stopped payment and been in a condition little better than that of the broken State Banks, in the year 1819.

If gentlemen will be content that the voice of the people shall rule—if they will consent, as consent they must, that the United States Bank shall go down to rise no more—they will soon find that the currency of the country cannot be changed for the worse by the death of this Bank. Both the currency and the exchange will be in as favorable a position when the national Bank is dead as when it is alive. Suppose the notes of this Bank no longer receivable for dues to the United States; how much more valuable would be a U. States Bank note at New Orleans payable at Boston, than the bill of any local Bank payable at the same place? Suppose the ten millions of spurious drafts now in circulation amalgamated with some hundred kinds of counterfeits throughout the west to be discredited as they ought to be; would they constitute a currency as sound as the genuine notes of the local Banks of the west? The truth is, that owing to the circumstance alone, of United States Bank notes being receivable at the Treasury, these notes have a general currency in small sums which the local bank notes that are not so received, have not. But how easy for any local Bank at the south or west will it be to give its notes a currency in Pennsylvania, N. York, or New England, by placing funds for their redemption at Philadelphia, New York, or Boston? And how easy at the same points to give the local notes of the Atlantic seaboard a currency when they are the best article in the world to pay for the purchases that are made in the cities? So long as the vast products of the south and west are vendible either in New York or Boston, or in Europe, so long may exchange be had in abundance at those marts; and so long as those places furnish every species of imported goods that the west consumes, will the balance of trade between the north and the south, the east and the west, be kept up. The facilities to trade

will be no less abundant without than with the United States Bank. Let gentlemen suffer the experiment to be made; and one year will not expire before we shall have ocular demonstration that trade can better regulate itself than can the United States Bank regulate it.

The danger of placing the sole regulation of exchange in one institution is demonstrated by the confusion and embarrassment into which the exchanges between the east, south, and west have been thrown by the secret orders issued by the Bank on the 13th August last. The exclusive power over the exchanges which the Bank has exercised was given it by its connexion with the Government, by its exercise of the functions of a fiscal agent in receiving and disbursing the public money. Now, if the government had had several agents to perform this service instead of one, it never would have been in the power of either to consummate so much mischief, suffering, and misery, as have been produced.

It is complained that if several State Banks perform the office of fiscal agents for the government, great evils will result from a want of concert among them. Now, this very want of concert, in my belief, will be a great security against abuse both to the government and the people. So far as the funds of the government give strength to these several institutions and extend their influence, that strength and influence will be far more salutary while the action of each shall be independent of, than while acting in concert with each other in whatever relates to the interest of each, separate from the especial interest of the government. While each has its separate interest, and may be said to be put upon its good behaviour from the knowledge that monopoly is not within its grasp, there will be a guarantee against outrage either on the rights of the people or the government. A concerted attempt to arrest the exchange, to embarrass the whole trade of the country, and to produce universal distress, would not have been made, if the State Banks had been employed to do that service which it has been a boon to the Bank of the United States to perform; thereby enabling her to increase her profits, and add to her power.

The fact of specie paying Bank notes in North Carolina and other southern and western States being at a discount of from three to five per cent. at New York, has been mentioned as a subject of alarm. It ought to be no matter of surprise if the notes of distant Banks were even at a greater discount; for, in a healthy and sound state of the currency, the notes of no Bank ought to pass at any considerable distance from the place of issue. This, I presume, is the case with the Banks of North Carolina and all of the Southern States; none of them ought to be sent for circulation either to Philadelphia or New York. It is entirely unnecessary for merchants at that distance to make remittances to the cities in their local Bank notes: they might better remit their own private notes or due bills; because both Bank notes and private notes have no intrinsic value; they only represent value, and to represent value truly, they should be very near the point where the value is to be obtained for them. Very few North Caro-

lina Bank notes go to Philadelphia at all; and their paucity, together with the difficulty of detecting counterfeits at a distance from their place of issue, and the want of knowledge of their solvency, is good cause of their depreciated value. Did enough of these bills there circulate to have them taken in masses, the interest on the time, and the expense of returning, would constitute all or nearly all the discount.

There would be as much reason to apprehend the breaking up of trade between New York and Liverpool because the Bank notes of each place would not pass at or near par at the other place, as that a like calamity will take place because the local Banks notes of North Carolina, &c. will not pass at par at Philadelphia. Remittances in neither case are made in Bank notes. Money may sometimes be remitted to distant points; but Bank notes, the representative of money, never. The merchant of the South purchases goods at Philadelphia or New York, and he makes payment either by shipping cotton or other produce, or purchasing a bill of exchange of some other person, who has sent produce to those places. If there be more goods purchased than there is produce shipped, it is either done on credit of six months or a year, until more produce can be shipped, or the balance must be paid in money, not in the local Bank notes of Alabama, or the Branch Bank notes of the United States, issued from and made payable at Mobile; for local notes and United States Bank notes of that tenor would be alike exceptionable, but in gold or silver. If paid in Bank notes, it must come to the gold and silver at last by being sent back to their place of issue; and just in proportion to the time and expense of their transmission will be the discount on the notes.

If the notes of specie paying Banks in North Carolina may be obtained at five per cent. discount at Philadelphia, the North Carolina man might add much to his profits by shipping his produce to Philadelphia, selling it, and with the avails of those sales buying up the depreciated bills. Taking them hence, he would obtain the intrinsic value, and save his five per cent. if his object were solely to turn his produce into money; so that what would be the loss to the man first passing the Bank note, would be gain to the man taking and returning it to the Bank; and here the business would end, with as much gain as loss to the citizen of North Carolina, while the Bank would have the benefit of the credit during the time the note was absent.

Sir, the President of the United States has been called a tyrant, robber, plunderer, usurper, for having been instrumental in changing the deposits. To prove that the Executive has no power over the keeping of the public money, it is assumed that the clause of the Bank charter which gives the Secretary of the Treasury the unqualified right to change the place of deposit is without meaning; and from this construction of the law the inference is drawn that the Executive usurps a power which did not belong to it. Gentlemen take it for granted that the direction of the public money is not in the Executive Government, but in the will of a money corporation, controlled by

men who are not responsible to the People. From time immemorial it seems to have been the policy of a party in this country to wrest the power from the People. Legislative power has been claimed for judges appointed for life, by contending for extended jurisdiction to all cases where they choose to interfere. But a glorious opportunity now presents for wresting the whole power of the Government from the People: the Bank of the United States will relieve them from all further trouble about Government. Already this Bank assumes to be the judge of the duties of the public officers chosen by the people. So late as the 23d of January, N. Biddle writes to the Secretary of War in relation to the payment of pensions under the act of Congress of June 7, 1832, as follows: "Having thus ascertained that these directions emanated from the highest authority claiming the power to give them, the board of directors have proceeded to consider how far they would be justified in conforming to them," &c. And who are these directors that "proceeded to consider" and judge of the power of a branch of the Executive to control the disbursement of an appropriation placed by law under the special direction of that branch of the Government? The Government directors surely had no participation in this sitting for judgment on the Executive; for we have had no Government directors, or only one, since the first of January. They are twenty irresponsible men, representatives of foreigners, owning stock in the Bank, of *Baring, Brothers and Company*, of *Sir William Keppel*, General in his Britannic Majesty's forces, of *Sir Marmaduke Warren Pedcock*, Lt. General, &c. who assume to sit in judgment on the Executive, and gravely decide that the Secretary of War shall not be permitted to control, according to the terms of the law, the appropriations for the payment of the pensions. They are men totally unknown to the People, and to whom no power has been delegated by the People. Even had the Secretary of War mistaken his duty in regard to the appropriation, what right had these men to sit in judgment upon him? But how do they challenge the public reprobation when the fact is considered that they would have just as much right to claim as their property the money of the Government, as to deny the use and custody of the public property when the Government shall call for it. Well has the Attorney General demonstrated that "the refusal of the Bank and of its President to comply with that order was a breach of trust, and a violation of its duty to the Government," and that "the refusal of the Bank to deliver over the books and papers belonging to this agency is a still more palpable breach of the duty which results from the subordination of the agent to his principal."

Encouraged by justification of all its acts on the floor of Congress, there is no assumption that the Bank does not seem ready to undertake. Not only does it assume to control the currency of the country, making money plenty or scarce by expansion or contraction of its credit and issues—pressing on one reason to whom it owes vengeance, and dispensing favors at other points where its suppliant advocates have earned them—not only does it take the currency into its keeping

—but its "Board of Directors proceed to consider" in what method the Government shall—in what manner legislative appropriations submitted entirely to executive discretion shall be disbursed; and these men take on themselves the power of deciding, that if the Bank of the United States shall not be the agent for making payments to the soldiers of the revolution, no payment shall be made. The withholding the books and papers which were furnished by the War Department, and which are the property of the Government, can be justified on no principle of right acknowledged in any civilized country: the age of feudal barbarism may furnish parallel breaches of trust where force has stood in the place of law; but never, in any Government of laws, has a mere corporation with impunity attempted to stand in the place of the Government, or to instruct the Government what are its appropriate duties.

Talk of tyranny, usurpation, plunder, and robbery! Who is the tyrant and usurper, but the Bank that attempts to hold on to that which does not belong to it, for the purpose of preventing the Government from disbursing the public money in its own way? And how much better than plunder and robbery is that secret exercise of power by the Bank which attempts to force the representatives of the people to concede all its wishes through the public distress which it is able to produce?

Do those who are continually magnifying the importance and necessity of the Bank of the United States, reflect that, in the midst of all the present misery and suffering, this same United States Bank still exists, with her original amount of thirty-five millions of capital? If the existence of this Bank be of such consequence to our pecuniary welfare, why does it not afford pecuniary relief? There cannot be a doubt that this Bank has been the guilty cause of that overtrading which produces distress, by expanding its credit and its issues; and what prevents the Bank from affording at the moment all that relief which is in its power? Is it, that having failed in every other experiment, and finding the people opposed to a recharter, the Bank is now determined to force its object through distress and ruin? What right have the stockholders of this Bank to force a continuance of the charter? Because they have had the immense privilege twenty years, does it follow that they are entitled to it forever?

The credit system, Mr. President, principally through the aid of this institution, has been blown up to an immense bubble, and sooner or later that bubble must burst. Look through the country, and see how the means of men have been magnified on mere credit. The man who is worth a hundred thousand, and even a million, has overtraded not less than the man of ten thousand, or one thousand, or he who was worth nothing when he commenced. In some communities, the whole mass of trading men have gone into debt two or three times as much as they are worth. By temptation in the prospect of gain, the man of a hundred thousand extends his operations to half a million, or a million; and the man of a million hesitates not to increase his two and three-fold that amount. The joint stock companies, with millions of nominal capital, are in-

ing in numbers, and the passion for gambling these stocks, is as strong as that of the successful player of loo or brag. I have often been surprised, in passing through the country, to see with what facility enterprises requiring large sums of money are undertaken by persons whom I had supposed to be possessed of small means. In one place I see a cotton or woollen factory spring up almost in a day, with a capital of one, two, or five hundred thousand dollars, all the owners of which together are not worth the tenth of its cost. This concern will go along in good times, so long as the article it produces bears a high price, and will sell for cash; but it exists purely on credit, generally on such *paper facilities* as are afforded by a Bank—and the moment times change, down goes the whole establishment. In another place, I see hundreds of men at work on a canal or rail-road, whose stock in the principal enterprise is kept up by the constant excitement of speculation; and this stock has for its foundation *paper credit*. I get on board a new and elegant steam boat, whose cost is eighty or an hundred thousand dollars: this runs perhaps in opposition to others of equal cost, on the same line; I ask if the owners are likely to be remunerated for their investment; and am told that when this boat shall have run the others off the line, it will be good property. This speculation also is founded on *paper credit* obtained from the Banks.

It is this state of things that is now taken advantage of by the Bank of the United States. Were there no forced speculations, the situation of this country is such, that a forced and unnatural curtailment of credit must produce distress; for in all newly settled communities, a large portion of labor is expended necessarily, not for present subsistence, but for such improvements as may be denominated permanent capital: the labor of clearing forests, erecting buildings, making fences, &c. may be included in this class. Hence it is, that newly settled countries are always in debt beyond the present means of payment. The Bank of the United States has blown up the bubble of paper credit, and this paper credit has caused overtrading, and investments in a great variety of splendid projects; and it now curtails its enormous loans, made two and three years ago for the purpose of enticing the public into, such rapid ratio, as shall drive the community to beg the privilege of taking upon them the yoke of the Bank!

Millions can, and will be expended by the Bank to obtain a recharter. The foreigners who own a large portion of the stock, can afford to pay it—for the moment the Bank is rechartered, the stock rises fifty per cent. We know that many thousands have been expended to corrupt the public press, and to spread that kind of information which is calculated to poison public opinion. I am told that the expedient has lately been resorted to of buying up the stock of those State Banks which have been selected as the deposit Banks, with the avowed purpose of so controlling them that they shall ask of the Government that the deposits may be taken from them and given back to the United States Bank. Our last advices from the city of the Bank are, that we

shall have nothing but **AGITATION, AGITATION, AGITATION**—that we are to have “no peace, but a sword,” until the deposits shall be restored, and the Bank shall be rechartered.

That eminent organ and advocate of the Bank, at its very door, Robert Walsh, so late as Saturday last, thus issues the new declaration of war which the Bank intends waging until its object shall be gained:

“The struggle, [that is, all the appliances of the means of the Bank to produce pecuniary distress,] for the republican system, the constitution, the laws, and the currency, *will be continued in Congress, and throughout the Union*, with all the resolution and perseverance which the defence of such interests inspires and prescribes.”

In all former times there has been nothing in the history of this Government that has equalled the present experiment of the Bank, in shameless effrontery, and recklessness of means to the accomplishment of its purposes.

I have said that the Bank of the United States is the cause of the existing evils. The unparalleled expansion of its paper credits and issues during a few months near the time it applied to be rechartered, followed by the late sudden curtailment of one-half and two-thirds of its whole debts at points where the business was most active—as at Nashville and Boston—is ample demonstration of the truth of my position. What could be expected from such a course but ruin and distress? The greater activity and prosperity of business, the more intense must be the suffering. And do we not find the Bank applying its instruments of torture at those points where there was the greatest amount of business? Add to this, the secret manœuvre of the Bank to cut off or dam up the usual channels of exchange by which money and funds had been transmitted from one part to the other. Whatever of evil has resulted, it may in truth be said that this Bank has been the author of it all; and that it has done what no other corporation ever did before—wantonly designed the ruin of men of business and the distress of the whole community. If there were not other and more powerful reasons for putting an end to such an institution, this reason alone would be sufficient.

The Senator from Pennsylvania (Mr. Wilkins) has shown that Mr. Biddle knew full well what would be the effect of his course of conduct; by granting the small favor of fifty thousand dollars in 1825, the panic was then stayed and the banks were saved from destruction. Yet, Mr. Biddle has been unable to show that when he had the very best intentions, this Bank was able to prevent extended bankruptcy in the country. In the years 1825 and 1826, the commerce and business of the country was in a more alarming condition than it now is. The price of cotton fell at that time from 30 and 25 to 12, 10 and 8 cents. There was wide-spread dismay. This was produced by over-trading in Europe, producing over-trading in this country; and not all the credit and resources of the Bank of the United States could prevent it.

Again in 1816-9, after the passage of the tariff law for the encouragement of manufactures, ruin

and distress prevailed among the manufacturers of the eastern States; the stock fell down to less than half of its original cost, and the panic became general. This resulted from unwise legislation inviting supplies of manufactured goods from abroad which we had the abundant ability to furnish at home. Yet, then the credit and means of the Bank of the United States were not extended to prevent the evil.

From these three instances it will be seen that although in one case the Bank of the United States is positively the author of the evil, in the two others, where it was not the direct cause, the same Bank either had not the power, or failed to exercise it, of preventing the evil.

It is becoming abundantly evident, that the cry of distress that comes in here from different parts of the country, is made in most cases in answer to the signals that the cry is wanted from this place: the simultaneous petitions "without distinction of party," differing only in time as the mail has to travel a shorter or a longer distance, coming from the banks and from the exertions of those dependent on banks, furnish abundant evidence that the whole machinery is moved by a central directory;—nay, the very language of the petitions and remonstrances and resolutions is in most instances a literal copy of that made use of on the floor of either House of Congress in favor of the bank.

The bank likewise follows faithfully in the path pointed out from this place; it carries at once into execution whatever alarm is raised here. If I have not mistaken the signs of the last week, an experiment is next to be made on some of the State banks in a certain quarter. A run is probably contemplated on some of them that have not signified their adhesion to the United States Bank, that the predictions here that State banks cannot be relied on, may be verified.

A display of petitions in favor of the bank is made almost every day. And it is here worthy of remark, that after all the efforts that have been made on the commercial and trading places, much the largest petition from the city of New York has come in against the restoration of the deposits. How are the petitions got up? At the instigation of the bank itself. That same fund, consisting in part of the money of the people of the United States, is put in requisition to pay persons for travelling the rounds to procure the signatures of men and boys, and in some instances, as is asserted, females, asking, either or both, that the deposits may be restored and the bank may be rechartered, mixed with a due proportion of complaints of distress and ruin,—that same fund is put in requisition for this purpose, that is so profusely poured out to pay for the printing of hundreds of thousands of speeches, pamphlets, and newspapers, impugning the motives and calling down vengeance upon the Executive head of the government.

Yet with all the exertions that are made for this object—with all the noise made by the parade of committees and individuals sent here to overawe the constituted authorities—how few are the numbers whose names come up here in favor of the bank? Not one in a hundred—nay,

scarcely one of a thousand of the whole people. The local banks are every where—no, not all of them—for there are several local banks within my knowledge already that have refused to obey the orders which have been sent them;—the local banks are petitioning for the restoration and recharter. Do these local banks even when they are free and without the influence of the threat of a mammoth that they can at any time be crushed—do these local banks speak the sentiments of the people? Far from it. These banks, in their aggregated corporate capacity, in the State I represent, are directly opposed to the voice of the people: of the twenty-four banks in New Hampshire, there are not more than two, a major part of whose stock is owned or controlled by either friends of the State or National administrations; and yet all the recent elections have shown those friends as nearly two to one of the opposite party. The more substantial men of the country—the owners and tillers of the soil—the men of surest means and most substantial wealth—are naturally jealous of all banks, and therefore it cannot be supposed they will readily enter into those mercenary considerations which most influence aggregated bank corporations. This is the reason why the larger portion of bank capital is owned and controlled by persons who are not supporters of the present administration.

As a general rule, every banking institution ought to wind up its concerns at the expiration of its charter. For what other object than this is a charter limited as to time? Not the people alone, but the stockholders themselves, have an interest in looking to the bottom of the Bank of the United States. If the charter shall be continued, how can they ever see the bottom? The case of the Essex Bank, in Massachusetts, occurs to me as one somewhat in point. Of that Bank, many years ago, William Gray, long esteemed the most wealthy, as he was one of the most upright, merchants in the country, was President; the Directors, and principal stockholders, were men of the first character. The stock of the Bank, having all along furnished the usual dividend, was supposed to be intrinsically not less valuable than the best stock in the State. The Cashier of the Bank, with one of the Directors, had had pretty much the entire management of this Bank. One of these persons absconding, about the time the concerns of the Bank were to be wound up, suspicion was excited, and the discovery was soon made that what, between the speculations and wants of the two delinquents and the fair dividends that had been made to the stockholders, there was not a dollar of the original capital stock left; nay, the very special deposits of gold that were here made, as a place of the greatest safety, had been abstracted, and inferior metals, to represent its weight, had been placed in the vault in its stead.

The extraordinary pertinacity with which the Bank clings to a determination to be rechartered, going for this object to the length that it would involve the country in ruin, rather than fail in its object, is calculated to leave a suspicion that those who are in the secret of the true condition of the Bank,

not intend that the People or the stockholders shall know what is at the bottom of its transactions. Certain it is, that no other institution in the country has ever openly made use of its means with less regard to propriety and to its purity of character. The world has been acquainted with its acts of turpitude generally by accident. Much undoubtedly remains behind, that if unfolded would still more disgust the moral sense of the community. It is due to the insulted People, whose means and whose money have been made use of for base purposes, against their consent, that the charter of this Bank should be suffered to expire, and that its whole concerns should be settled up before any other National Bank shall be even talked of.

It has been said [by the Senator from Virginia, Mr. Tyler,] that the Bank has been "lawlessly put to death by the Executive;" and this has been done by the exercise of that power which the law gives to the Secretary of the Treasury for the withdrawal of the deposits. I deny both the fact and the inference. The Bank has not been unlawfully deprived of anything given it by law, nor has it been put to death at all. The Bank exists at this time, and will live out the full term of its charter, except a *scire facias* shall be sued out against it—in which case, if it should meet its debts, there can be scarcely a doubt, without the aid of the Virginia doctrine of unconstitutionality, that an end will at once be put to its charter.

How can those gentlemen who insist that the Bank, and the Bank alone, is necessary to the stability of the credit and currency of the country, look about them and present exaggerated reports of the derangement of the currency as evidence to support their proposition? The Bank still exists, having its full amount of capital, no part of which has yet been withdrawn by the stockholders. Not only does the Bank exist, but it is exerting all its franchises, with no less activity now than at any former time. If it has immense power to do good—to establish a sound currency, and support public and private credit—has it not likewise power to do great evil—to break up the currency, and to destroy public and private credit? And if at any time the Bank has been actuated by the spirit of good, does not every event passing before the People of the United States, prove that it is now actuated by the spirit of evil? The Bank is exerting its utmost power to create distress, that a distressed People may be found to acknowledge the necessity of its existence: now if the Bank were out of existence, the existence of the distress might be an argument in its favor—but being still alive, and the distress existing at the same time, it may be inferred that we shall be no more exempt from evils with than without the Bank.

There are other causes for distress than the hostile attitude assumed by the Bank on account of the withdrawal of the deposits. In ordinary times, the change from credit to cash duties on imports provided by the tariff act of 1832, would be sufficient to produce a money pressure in all the places where goods are extensively imported. The changes made by that act, by the introduction of cash duties and short credits, has increased the demand for money, in the city of New York alone,

since the 3d of March last, the time when the act took effect, between ten and twelve millions of dollars. The long credits formerly given on the tea duties, it is well known, for years furnished the extensive tea speculators with capital to carry on business: sales were made at once, and so much money was kept in advance of the payment of the duties as to furnish the capital for purchasing future cargoes at Canton. The credits under the former tariff averaged eight months—under that of 1832, the average credit would be scarcely three months, including about one-fourth of the duties on which no credit is allowed. This change requiring double payments of duties for the term of one year after the law went into operation, would necessarily derange the money operations at the places of importation. The United States Bank selected this peculiar time to commence and carry on a curtailment of its accommodations; and it keeps up these curtailments, not in a spirit to relieve the pressure which the change in the tariff has produced, but refuses all concert of action with the State Banks to afford relief: it even refuses a proposition to be passive while the State Banks shall extend that relief which they can only safely grant while they may rest under the assurance that the United States Bank will not unnecessarily run upon them for specie. The removal of the deposits furnishes no apology for this hostile attitude of the Bank towards the merchants, many of whom are forced to place themselves in whatever position the Bank shall command them to take. At some of the places of holding distress meetings, measures have been taken to report the names of all such men of business as refused to sign the memorials to future meetings; this has been done for the purpose of intimidation. We shall soon see whether the New York committee appointed to effect an amicable arrangement between the State Banks and the United States Bank, will dare report the fact that the latter absolutely refuses to unite in any measure which shall relieve the wants of the commercial men of that city.

Sir, looking through the vista of the last forty years, when has been the time that the men of our principal towns, who have made enormous wealth by commercial or other moneyed speculations, as a body, have not shown the utmost indifference to the public rights, when the nation had great difficulties to encounter? How was it with these men, as a class, in Mr. Jefferson's time, when the repeated outrages of France and Great Britain on the sacred rights of the American flag, rendered an embargo necessary? How was it, in Mr. Madison's time, when that war was declared which alone saved the nation from disgrace and ruin, and which forced the most potent powers on earth to acknowledge us to be their equal? Has it not always been the policy of the party which is now pressing for the restoration of the deposits, and through that the renewal of the Bank charter, to sacrifice independence and principle at the shrine of money? And has not this party at all times made the most noise before the public—has it not, in every exigency, flooded Congress with petitions like those which have been presented from New York, Philadelphia, Boston, and elsewhere, predicting and threatening distress and general ruin?

And the worst complexion of this party generally has been, that *their most strenuous exertions have been directed to bring about the very things they have predicted.* "We are in the midst of a revolution." The gladiator, who deals blow for blow might say—

"Thy wish was father, Harry, to that thought." I stand merely on the defensive, and impute to no man such motives. But are the words very far from the truth? We are in the midst of attempts at revolution; for a recharter of the bank would be a revolution—a revolution of our Government from freedom to the worst sort of tyranny. If the bank can succeed in its endeavors, we are no longer a free people. Better that the pressure, were it ten times worse than the most exaggerated accounts make it, should long continue, than that the spirit of freedom should succumb, in despair, to be crushed by the bloated and relentless Juggernaut.

From such a view, Mr. President, I turn with pleasure to the intelligent yeomanry of the country—to the men who now constitute the Democracy that elected Andrew Jackson, in spite of the appeals to avarice—in the face of the threats of ruin and distress which were to follow the veto of the bank charter. That intelligent yeomanry have ever been true to themselves when surrounded by peril, or when aroused by the suspicion that the enemies of liberty were insidiously undermining its citadel.

The State I have the honor to represent has sent few resolutions here: especially have not the party friendly to the administration at any time troubled either House of Congress with complaints of grievances, either feigned or felt, or with requests for public money to be expended for their benefit. They have contributed their full share of all the money that has come into the Treasury; but small and trifling has been their portion of the amount that has been disbursed from the Treasury. They send here no resolutions; but as an offset for other resolutions, I will ask liberty to call the attention of the Senate to the resolutions which were adopted by the affirmative voice of nine Senators (being three-fourths of that body) and one hundred and thirty-nine representatives (being about two-thirds of that body) in the New Hampshire Legislature, June 24, 1831:

RESOLUTIONS.

"Resolved, That inasmuch as our Bill of Rights guarantees to the people of this State 'the sole and exclusive right of governing themselves as a free, sovereign, and independent State,' that the authorities of this State 'forever hereafter shall exercise and enjoy every power, jurisdiction, and right pertaining thereto, which is not or may not hereafter be by them expressly delegated to the United States of America in Congress assembled'—we consider all appropriations by the Congress of the U. States of the public money for roads and canals, or other objects of mere internal local improvement, to be a violation of both the constitutions of the United States, and the State of New Hampshire; and that in behalf of the people of this State, we renewedly express our approbation of the act of the President, placing his veto on the

bill appropriating money to aid in making a road in the State of Kentucky.

"Resolved, That the people of the United States have never granted any express power to Congress to charter the Bank of the United States. That with *Thomas Jefferson*, we consider such an institution, controlling the funds and the money operations of the Government, to be 'one of the most deadly hostility existing, against the principles and form of our constitution'—that we deem no Government safe which is under the vassalage of any self-constituted authorities, 'possessing in time of war the power to dictate to the nation the peace it should accept, or to bankrupt the Government by withdrawing its aids.' Equally do the republican members of the New Hampshire Legislature protest against the admission, that the people of this State have ever expressly granted to the Congress of the United States the power to locate a branch of that Bank within the limits of this State, whose specie funds and other estate shall be here placed beyond the reach of State taxation, and possessing a monopoly of privileges which may enable such a Bank to swallow up or annihilate every local moneyed institution in the State, at any trying emergency.

"Resolved, That this convention disapproves the conduct of the ultra party in relation to the tariff of 1828—that the protection and prosperity of the domestic industry and manufacturing capital of the north, does not require the oppression of the agriculturalists and planters of the south—that it is our belief the manufacturing interests do not require such an imposition of taxes upon imported articles as shall raise a revenue more than is necessary to defray the ordinary expenses of the government—that it is the wish of the people of this State, after the public debt shall be discharged, that the duties on importations shall be reduced, first upon such articles of necessary consumption as do not come in competition with our own manufactures, and afterwards gradually upon such articles as may be manufactured within our borders, so that there may be a monopoly in no one species of production, and all interests may be equally protected.

"Resolved, That while this convention disapproves the doctrine that any State has the right forcibly to resist a law of the United States, it is equally averse to the doctrine of consolidation of all power in the government of the U. States, contended for by the ultra party; that the State of New Hampshire views with jealousy and distrust the disposition which has been manifested by the leaders of that party, that the U. States Judiciary shall assume power which belongs only to the States—power which has never been expressly granted by the people of this State to any other tribunal than to their own legislative and judicial tribunals. It is the belief of this convention that there is a redeeming power in the whole people of the United States, fully adequate to stop and ultimately prevent all encroachments on State Rights; and that the idea should never for a moment be indulged, that any State may alone become umpire, "shoot madly from its proper sphere" in the great system of the Union, and thus rashly dissolve one of the "aa-

ties" which connect it in its several parts. The excellent sentiment of our President on this subject is worthy to be engraven on every American heart. "The Union of the States—IT MUST BE PRESERVED."

These resolutions, expressing the voice of a large majority of the citizens of that State, as decidedly manifested at every election since, and including the year 1829, were framed and passed about one year before the question of rechartering the Bank of the United States was agitated in the last Congress. I took my seat here in December, 1831; and since that time, as they had been for many years before, the doctrines of these resolutions have been my guide. Whenever I shall deviate from them in any vote given here, I may well deserve the imputation of being unfaithful to the Constitution, and to the people whose voice has sent me here.

The resolutions, it is believed, cover the whole ground of dispute between the friends and the enemies of such an administration as the voice of the people has willed. They contain the principles which the President has intended to enforce in the measures he has recommended.

The people of my State, at every successive election, have sanctioned the veto of the President on the Maysville road bill, and thus declared that Congress has not the constitutional power to make appropriations for roads and canals, or any other mere object of local improvement.

The same people have sanctioned the veto of the President on the bill rechartering the Bank of the United States, believing that institution to be "one of the most deadly hostility existing against the principles and form of our Constitution," inasmuch as it possesses, "in time of war, the power to dictate to the nation the peace it should accept, or to bankrupt the Government by withdrawing its aid;" and inasmuch, in time of peace, it has proved itself of sufficient power to agitate the whole country, to break in upon the foundations of its great business, and to threaten its entire mercantile relations with derangement and ruin.

The same people have sanctioned all honest efforts to reduce the taxes on imports, and have discountenanced the idea that our agriculture and manufactures can thrive and flourish only when the Government shall secure to them a domestic monopoly by oppressive taxation. As they have opposed high taxes for protection, so they are opposed to those profuse expenditures which render high taxes necessary. They have seen not without regret, the disposition of the two last Congresses to increase the public expenditures; they believe that millions are little better than thrown away which have been appropriated to objects of professed improvement; they do not believe it necessary for the welfare or prosperity of the District of Columbia, in addition to the immense amount paid in salaries and improvements of the public property, that there should be from five hundred thousand to a million of dollars annually appropriated to keep in repair or build her roads, bridges, and canals; they do not believe that two or three hundred thousand dollars should be appropriated annually for the benefit of printers employed to oppose and vilify the

People's President and the People's administration. In short, the People of New Hampshire have often expressed, and they will continue to express, the opinion that the General Government should confine its action to the objects specified in the Constitution; that strict economy should be exercised in the public expenditures; that no taxes should be imposed for protection, believing that community the best protected which is the lightest taxed.

The same people have ever looked upon the two extremes—extremes which seem recently to have embraced each other—of consolidation on the one hand, and nullification of the Constitution on the other, with equal abhorrence and disgust. They believe there is a redeeming power in the ballot-boxes of our country, in the intelligence and good sense of the whole people of the United States, not only to furnish a corrective for all encroachments on State rights, but to secure the execution of laws constitutionally enacted, whenever any minor body of the people shall attempt to resist them.

GEORGE WASHINGTON saved his country by his great prudence and forecast, especially in the winter of 1776-7, when a general despondency had taken hold of the people, and when, almost destitute of means, and with but the skeleton of an army, composed of men reduced to skeletons by privation and suffering, he planned and executed the glorious victory of the 25th December, at Trenton.

ANDREW JACKSON also grasped the drowning honor of his country—shall I say, saved his country from impending ruin—by his prudence and forecast—by that mighty energy of mind which could create the means where the most of human kind would deem it impossible, and which, stilling the clamors and caballing of disaffection, converted a mass of the most incongruous materials into a formidable bulwark of defence; and, what is still more matter of wonder, from these materials furnished the means of annoyance and death to an attacking army, which was the flower and pride of the enemy, in the great victory at New Orleans, January 8, 1815.

GEORGE WASHINGTON preserved the Union from the incendiary machinations of the Eastern foes to our republican confederacy, terminating in the abortive treason of the Hartford Convention, by that immortal legacy which enjoined it as our duty to "frown indignantly on the first dawning of any attempt to alienate one portion of the country from the rest, or to enfeeble the sacred ties which bind its several parts."

ANDREW JACKSON also preserved the Union against the attempts of fomentors of mischief at the south, who seizing the occasion of supposed oppression, taught an honest, but deluded people, that no allegiance was due to the constitution of our national government: he saved it, by energetically and promptly practising, in the winter of 1832, on the sentiment first uttered from his own lips, and which has since been responded by millions of freemen. "The Union: it must be preserved." The bold and resolute stand which he then took, caused a fearful trembling among those who had threatened breaking down the confede-

raey, and forced them to retreat ingloriously from the field under the cover of a fire from those who had been the source of their complaints, and finally into the very arms of the party which had been the authors of the oppression of which they complained.

THOMAS JEFFERSON, by his example and his doctrine, restored the Constitution to its true reading, and expelled the corruption and abuse of power which a party in this country, obtaining an ascendancy, have been wont to exercise: he confined the operations of the General Government to its legitimate purposes: he opposed lavish appropriations and unnecessary expenditures: he was an enemy to high taxation, and to interference with the rights reserved to the States: he invariably removed from office those embittered partisans who opposed his administration, and the popular principles of the country. He considered a National Bank to be an institution of the "most deadly hostility" to "the principles and form of our Constitution;" and had a bill, chartering the Bank, passed both Houses of Congress, there cannot be a doubt he would have placed upon it his veto. For his strict democratic principles, for his enthusiastic attachment to the rights of the people, for his strong and lasting hatred to oppression of all kinds, no man has been more abused and vilified than was the illustrious apostle of American liberty.

ANDREW JACKSON, under a system of increased corruption, has again attempted and is now laboring to restore the constitution to its original reading. He has set his face against corruption and abuse of power. He would confine the public expenditures to the legitimate objects of the constitution. He would relieve the people

from unnecessary taxation, and he would prevent all encroachments on State rights. I removed from office some of the embittered partisans who deride his principles and his administration. Better than all, he has had the courage to take upon himself the sole responsibility of vetoing the charter of a Bank United States, and has thus preserved the country from that blighting curse, a moneyed constitution, "possessing in time of war the power to dictate to the nation the peace it should accept, and in peace the power at any time to protract extended pecuniary distress. And scarcely less than was the illustrious apostle of liberty the name of Andrew Jackson held up to reproach the party which has ever been opposed to principles.

More than either WASHINGTON or JEFFERSON, ANDREW JACKSON been successful in his administration of the department of foreign relations: there is no government of the world having intercourse, with our own, that does not repose in him all the respect that is due to merit, capabilities and honest intentions; and his known decision of character, has aided the peculiar situation of this country, to procure the recognition of right for this administration, which had been denied to all others; and truly may it be said that not only has JACKSON filled the place in the field of the cabinet of both WASHINGTON and JEFFERSON, but that he has gone beyond them both in winning for the nation the confidence and respect of all the principal kings, princes, and potentates of the world. Hereafter shall his fame be transmitted by but few men whose deeds have shed lustre upon their species.