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Advantages of a Gold Currency

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ADVANTAGES
OF A
GOLD CURRENCY.

REPORT

OF THE

SECRETARY OF THE TREASURY,

IN REPLY TO MR. CLAY'S RESOLUTION CALLING FOR THE STATE OF THE REVENUE,

MR. BENTON'S SPEECH,

ON THE REPORT OF THE SECRETARY OF THE TREASURY,

CORRESPONDENCE

BETWEEN THE

CITIZENS OF ADDISON COUNTY, VERMONT,

AND

MR. RUSH,

ON THE SUBJECT OF THE BANK OF THE UNITED STATES,

(When you have read this pamphlet, please lend it to your neighbor.)

NEW-YORK:

GEORGE H. EVANS, PRINTER.

1834.

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THE CONSTITUTIONAL CURRENCY.

ADVANTAGES OF A GOLD CURRENCY.

" This noble currency has been so long suppressed by the power and policy of the first and second United States Bank, that the present generation are almost entirely ignorant of it. We, therefore, give the following brief enumeration of its advantages from Col. Benton's speech on the currency."

1. *It has an intrinsic value*; which gives it currency all over the world, to the full amount of that value, without regard to laws or circumstances.

2. *It has a uniformity of value*; which makes it the safest standard of the value of property which the wisdom of man ever discovered.

3. *It is a portable currency*; which makes it easy for the traveller to carry it about with him.

4. *It is indestructible*; which makes it the safest money which people can keep in their houses.

5. *It possesses inherent purity*; which makes it the hardest money to be counterfeited, the easiest to be detected if counterfeited, and therefore the safest money for the people to use.

6. *It is superior to all other currency*; therefore the holder of it can most easily change it for any other, and is the master of all other money to the extent of the gold he holds.

7. *It is the true regulator and equalizer of exchanges*; for being the master of all other money, and itself most easily transported, it reduces the rates of exchange to the lowest and most uniform point.

8. *It is the master of paper money*; for no man will carry 5, 10, and 20 dollar notes about him, when he can get doubloons, eagles, half and quarter eagles, half joes, guineas, sovereigns, and louis d'ors to carry in his pocket in their place.

9. *It is the true regulator of Bank issues*; for it circumscribes the circulation of bank notes, and can easily be brought to bear upon banks in masses. A boy can bring 5,000 dollars in gold out of a bank, while it would require two horses and two men to carry out that quantity of silver.

10. *It is a CONSTITUTIONAL currency*; and therefore, the people have a right to have it, while the constitution remains, whether they can give reasons for it, or not.

REPORT OF THE SECRETARY OF THE TREASURY.

Treasury Department, }
June 16, 1834. }

Sir: In compliance with the resolution of the Senate of the 7th of May last, directing the Secretary of the Treasury "to report as soon as practicable to the Senate the amount of duties received and accrued on foreign imports, during the first quarter of the year 1834, with a table showing the comparative amount of that quarter, and the corresponding quarter of the year 1833, and distinguishing between the amounts accrued or received at each port." Also "whether any thing has happened since his annual report was made at the commencement of the present session of Congress, to vary, in his opinion, the estimate contained in the said report, of the proceeds of the duties on foreign imports for the year 1834:?" I herewith transmit the statement required by the first resolution above mentioned, by which it appears that the duties which accrued from customs in the first quarter of 1833, amounted to the sum of \$5,798,114 87, and in the corresponding quarter of 1834, to the sum of \$5,344,540 40, and that the actual receipts into the Treasury from the same source in the former quarter, amounted to \$6,966,437 09, and in the latter to \$4,435,386 13. A few of the minor ports have not been heard from, but they cannot materially vary the result.

In answer to the second resolution, I have the honor to state, that estimating the duties on foreign imports in the annual report made at the commencement of the present session, it was assumed as the basis of the estimate, that the imports of the present year would be nearly equal to those of 1832. This estimate was higher than the average imports of the five or six preceding years; but, as stated in that report, it was considered as a safe one; because, although the imports of 1831 and 1832 had been unusually large, those of 1833 had gone still higher, and the general state of commerce and the situation of the country, justified the belief that there would be no serious diminution in the present year.

From the comparative statement of the amount of duties which accrued in the first quarter of the present year, and the corresponding quarter of 1833, it appears that the amount of foreign imports in the first quarter of 1834, must have exceeded that of the corresponding quarter in the preceding year. Several articles which form important items in our ordinary imports, and paid duty in the first quarter of 1833, were free from duty in the first quarter of 1834, and the rate of duty was reduced on others; and the difference between the amount of duty which accrued in

these two quarters, would have been greater if the importations in the latter had not exceeded those of the former.

In some instances, without doubt, importations which in the ordinary course of our foreign trade would have been made in the last quarter of 1833, were delayed until the first quarter of the present year, in order to obtain the benefit of the reduced tariff which took effect on the first of January last—and this circumstance has enlarged, in some degree, the imports of the first quarter of 1834. But after making a due allowance for the increase which may have arisen from this cause, and which would be peculiar to the first quarter of the year, the amount of duties which accrued in the quarter; are sufficient to show that the imports of the present year will most probably exceed the amount at which they were estimated in the annual report, and be fully equal to those of 1833, which were unusually large. If this expectation should be realized, the proceeds of the customs will exceed the amount at which they were estimated by more than \$1,000,000. The difference in the comparative receipts of the two first quarters, as shown by the statement herewith transmitted, does not arise from any fluctuation in commerce or diminished importations, but is chiefly occasioned by the alterations in the times of payment introduced by the act of 14th of July, 1833.

The receipts of the first quarter, and the bonds already taken, confirm the opinion that the income from customs will be greater than the estimate presented at the commencement of the session. The actual receipts into the Treasury from customs, for the first quarter of the present year, amounted to the sum of \$4,435,386 13: and the duties secured by bonds payable in the second quarter, amount to the sum of \$4,003,363 77. After making a fair deduction from these amounts for return duties, which may yet be called for, and for debentures and expenses of collection, the nett income of these two quarters may be safely estimated at \$7,500,000. And if the third and fourth quarters should be only equally productive with the two first, the receipts will equal the amount at which they were estimated in the annual report. But under our present system of duties, the receipts from customs in the ordinary course of commerce, will always be greater in the two last quarters of the year than in the two first. The woollen goods which form so large a portion of our imports, are for the most part brought into the country in the third and fourth quarters of the year. The high duties with which they are charged, render them a very productive source of revenue; and being now payable in cash, they enter into the receipts of the third and fourth quarters in which the goods are imported. The receipts of these two quarters of the year will, therefore, generally exceed those of the two preceding ones by at least one million of dollars.

Although not embraced in the resolution, it will no doubt be gratifying to the Senate to learn that the receipts from lands are equally encouraging and will more than equal the amount at which they were estimated. The receipts into the Treasury, from this source, during the first quarter of the present year, amount to the sum of \$1,393,206 18, while in the corresponding quarter of 1833, they amounted only to

\$663,526 66, and from the return already received for the present quarter, the receipts of the two first quarters of this year from land, may be safely estimated at more than \$2,000,000. In the annual report, the receipts of the whole year were estimated at \$3,000,000. The information above stated, shows that the anticipated income from this source, as well as from the customs, will be more than realized.

Upon the whole, the information received since the annual report on the finances was made to Congress, affords satisfactory evidence that the extent of our foreign commerce has been fully sustained, and gives strong reasons for believing that the receipts into the Treasury during the present year will be greater than the amount at which they were estimated at the commencement of the present session.

But I beg leave to repeat what I have already said, in the annual report from this Department, that as the receipts of each year, under the present system of short credit and cash duties, must mainly depend on its own importations, as the estimates for the year can never be made with as much certainty as under the former system, when the receipts chiefly depended on the duties which had accrued in preceding years, and which were ascertained and secured by bonds before the times the estimates were presented.

And as all calculations on the amount of revenue hereafter to accrue, must be more less uncertain, and are liable to be affected by unforeseen contingencies, it would hardly be proper to appropriate on a scale of expenditure fully equal to the expected income. There is, however, no reason for apprehending that the resources of the present year can fall short of the estimate contained in the annual report. And it is believed, that the appropriations may be made with entire safety according to that estimate.

I have the honor to be, sir, very respectfully, your obedient servant,

R. B. TANEY,

Secretary of the Treasury.

HON. MARTIN VAN BUREN,
Vice President United States and
President of Senate,

**SPEECH OF MR. BENTON.
IN SENATE.**

MONDAY, JUNE, 16, 1834.

The Vice President communicated the report of the Secretary of the Treasury, in answer to Mr. Clay's resolutions calling for the state of the revenue, and comparative statements showing the relative amounts of revenue accruing in the first quarter of 1833 and the first quarter of 1834.

Mr. Webster moved to dispense with the reading, and refer it to the Committee on Finance.

Mr. Benton demanded the reading.

The Secretary of the Senate resumed the reading, and completed it.

Mr. Webster moved to refer and print it.

Mr. Benton rose, and said that this report was of a nature to deserve some attention, before it left the chamber of the Senate, and went to a Committee from which it might not return in time for consideration at this session. It had been called for under circumstances which attracted attention, and disclosed information which deserved to be known. It was called for early in May, in the crisis of the alarm operations, and with confident assertions that

the answer to the call would prove the distress and the suffering of the country. It was confidently asserted that the Secretary of the Treasury had over-estimated the revenues of the year; that there would be a great falling off,—a decline,—a bankruptcy; that confidence was destroyed,—enterprise checked,—industry paralyzed,—commerce suspended! that the direful act of one man, in one dire order, had changed the face of the country, from a scene of unparalleled prosperity to a scene of unparalleled desolation! that the canal was a solitude, the lake a desert waste of waters, the ocean without ships, the commercial towns deserted, silent, and sad; orders for goods countermanded; foreign purchases stopped; and that the answer of the Secretary would prove all this, in showing the falsity of his own estimates, and the great decline in the revenue and importations of the country. Such were the assertions and predictions under which the call was made, and to which the public attention was attracted by every device of theatrical declamation from this floor. Well, the answer comes. The Secretary sends in his report, with every statement called for. It is a report to make the patriot's heart rejoice! full of high and gratifying facts; replete with rich information; and pregnant with evidences of national prosperity. How is it received—how received by those who called for it? With down-cast looks, and wordless tongues! A motion is even made to stop the reading! to stop the reading of such a report! called for under such circumstances! while whole days are given up to reading the monotonous, tautologous, and endless repetitions of distress memorials, the echo of our own speeches, and the thousandth edition of the same work without emendation or correction! All these can be read, and printed too, and lauded with studied eulogium, and their contents sent out to the people; freighted upon every wind; but this official report of the Secretary of the Treasury upon the state of their own revenues, and of their own commerce, called for by an order of the Senate, is to be treated like an unwelcome and worthless intruder; received without a word,—not even read,—slipped out upon a motion,—disposed of as the Abbe Sieyes voted for the death of Louis the Sixteenth, *mort sans phrase!* death, without talk! But he, Mr. B., did not mean to suffer this report to be despatched in this unceremonious and compendious style. It had been called for to be given to the people, and the people should hear of it. It was not what was expected, but it is what is true, and what will rejoice the heart of every patriot in America. A pit was dug for Mr. Taney; the diggers of the pit have fallen into it; the fault is not his; and the sooner they clamber out the better for themselves. The people have a right to know the contents of this report, and know them they shall; and if there is any man in this America whose heart is so constructed as to grieve over the prosperity of his country, let him prepare himself for sorrow; for the proof is forthcoming, that never, since our America had a place among nations, was the prosperity of the country equal to what it is at this day!

Mr. B. then requested the Secretary of the Senate to send him the report, and comparative statement, which being done, Mr. B. opened the report, and went over the heads of it to show that the Secretary

of the Treasury had not over-estimated the revenue of the year; that the revenue was, in fact, superior to the estimate; and that the importations would equal, if not exceed, the highest amount that they had ever attained.

To appreciate the statements which he should make, Mr. B. said it was necessary for the Senate to recollect that the list of dutiable articles was now greatly reduced. Many articles were now free of duty, which formerly paid heavy duties; many others were reduced in duty; and the fair effect of these abolitions, and reductions, would be a diminution of revenue even without a diminution of imports; yet the Secretary's estimate, made at the commencement of the session, was more than realized, and showed the gratifying spectacle of a full and overflowing Treasury, instead of an empty one which had been predicted; and left to Congress the grateful occupation of further reducing taxes, instead of the odious task of borrowing money, as had been so loudly anticipated for six months past. The revenue accruing from imports in the first quarter of the present year, was 5,344,540 dollars; the payments actually made into the Treasury from the Custom houses for the same quarter, was 4,435,386 dollars; and the payments from lands for the same time, was 1,398,206 dollars. The two first months of the second quarter were producing in full ratio to the first quarter; and the actual amount of available funds in the Treasury on the 9th day of this month, was ELEVEN MILLIONS TWO HUNDRED AND FORTY-NINE THOUSAND, FOUR HUNDRED AND TWELVE DOLLARS. The two last quarters of the year were always most productive. It was the time of the largest importations of foreign goods which pay most duty—the woollens,—and the season also for the largest sale of public lands; it is well believed that the estimate will be more largely exceeded in those two quarters than in the two first; and that the excess for the whole year, over the estimate, will be full two millions of dollars. This, Mr. B. said, was one of the evidences of public prosperity which the report contained; and which utterly contradicted the idea of distress and commercial embarrassment which had been propagated, from this Chamber, for the last six months.

Mr. B. proceeded to the next evidence of commercial prosperity; it was in the increased importations of foreign goods. These imports, judging from the first five months, would be seven millions more than they were two years ago, when the Bank of the United States had seventy millions loaned out; and they were twenty millions more than in the time of Mr. Adams's administration. At the rate they had commenced, they would amount to one hundred and ten millions for the year. This will exceed whatever was known in our country. The imports, for the time that President Jackson has served, have regularly advanced from about 4 millions to 108 millions. The following is the statement of these imports, from which Mr. B. read:

1829	-	-	-	-	-	\$74,492,527
1830	-	-	-	-	-	70,876,920
1831	-	-	-	-	-	103,191,124
1832	-	-	-	-	-	101,029,266
1833	-	-	-	-	-	108,118,31

Mr. B. said that the imports of the last year were greater in proportion, than in any previous year; a temporary decline might reasonably have been expected; such declines always take place after excessive importations. If it had occurred now, though naturally to have been expected, the fact would have been trumpeted forth as the infallible sign—the proof positive of commercial distress, occasioned by the fatal removal of the deposits. But, as there was no decline, but, on the contrary, an actual increase, he must claim the evidence for the other side of the account; and set it down as proof positive, that commerce is not destroyed; and, consequently, that the removal of the deposits did not destroy commerce.

The next evidence of commercial prosperity which Mr. B. would exhibit to the Senate, was in the increased and increasing number of ship arrivals from foreign ports. The numbers of arrivals for the month of May, in New York, was 223, exceeding by 36 those of the month of April, and showing not only a great, but an increasing activity in the commerce of that great emporium—he would not say of the United States, or even of North America—but he would call it that great emporium of the two Americas, and of the New World; for the goods imported to that place were thence distributed to every part of the two Americas, from the Canadian lakes to Cape Horn.

A third evidence of national prosperity was in the sales of the public lands. Mr. B. had, on a former occasion, adverted to these sales, so far as the first quarter was concerned; and had shown that instead of falling off, as had been predicted on this floor, the revenue from the sales of these lands had actually doubled, and more than doubled, what they were in the first quarter of 1833. The receipts for lands, for that quarter, were \$668,526; for the first quarter of the present year they were \$1,398,206, being two to one, and \$60,000 over! The receipts for the two first months of the second quarter, were also known, and would carry the revenue from lands, for the first five months of this year, to two millions dollars; indicating five millions for the whole year; an enormous amount, from which the people of the new States ought to be, in some degree, relieved, by a reduction in the price of lands. Mr. B. begged, in the most emphatic terms, to remind the Senate, that at the commencement of the session, the sales of the public lands were selected as one of the criterions by which the ruin and desolation of the country was to be judged. It was then predicted, and the prediction put forth with all the boldness of infallible prophecy, that the removal of the deposits would stop the sales of the public lands; that money would disappear, and the people have nothing to buy with; that the produce of the earth would rot upon the hands of the farmer. These were the predictions; and if the sales had really declined, what a proof would immediately be found in the fact to prove the truth of the prophecy, and the dire effects of changing the public moneys from one set of banking houses to another! But there is no decline; but a doubling of the former product; and a fair conclusion thence deduced that the new States, in the interior, are as prosperous as the old ones, on the sea coast.

Having proved the general prosperity of the country from these infallible data: flourishing revenue—

flourishing commerce—increased arrivals of ships—and increased sales of public lands, Mr. B. said that he was far from denying that actual distress had existed. He had admitted the fact of that distress heretofore, not to the extent to which it was charged, but to a sufficient extent to excite sympathy for the sufferers; and he had distinctly charged the whole distress that did exist to the Bank of the United States, and the Senate of the United States—to the screw and pressure operations of the Bank, and the alarm speeches in the Senate. He had made this charge; and made it under a full sense of the moral responsibility which he owed to the People, in affirming anything from this elevated theatre. He had, therefore, given his proofs to accompany the charge; and he had now to say to the Senate, and through the Senate to the People, that he found new proofs for that charge in the detailed statements of the accruing revenue, which had been called for by the Senate, and furnished by the Secretary of the Treasury. Mr. B. said he must be pardoned for repeating his request to the Senate, to recollect how often they had been told that trade was paralyzed; that orders for foreign goods were countermanded; that the importing cities were the pictures of desolation; their ships idle; their wharves deserted; their mariners wandering up and down! Now, said Mr. B., in looking over the detailed statement of the accruing revenue, it was found that there was no decline of commerce; except at places where the policy and power of the United States Bank was predominant! Where that power or policy was predominant, revenue declined; where it was not predominant, or the policy of the Bank not exerted, the revenue increased, and increased fast enough to make up the deficiency at the other places. Mr. B. proceeded to verify this statement by a reference to specified places. Thus, at Philadelphia, where the Bank holds its seat of empire, the revenue fell off about one-third; it was 797,316 dollars for the first quarter of 1833, and only 542,498 for the first quarter of 1834. At New York, where the Bank has not been able to get the upper hand, there was an increase of more than 120,000 dollars; the revenue there for the first quarter of 1833, was 3,122,156; for the first of 1834, it was 3,249,786 dollars. At Boston, where the Bank is again predominant, the revenue fell off about one third; at Salem, (Mass.) it fell off four-fifths. At Baltimore, where the Bank has been defeated, there was an increase in the revenue of more than 70,000 dollars; at Richmond the revenue was doubled, from 12,034 dollars to 25,810 dollars; at Charleston, it was increased from 69,503 dollars, to 102,310 dollars; at Petersburg, it was slightly increased; and throughout all the region south of the Potomac, there was either an increase, or the slight falling off which might result from diminished duties without diminished importations. Mr. B. said he knew that Bank power was predominant in some of the cities to the south; but he knew, also, that the Bank policy of distress and oppression had not been practised there. That was not the region to be governed by the scourge. The high mettle of that region required a different policy: gentleness, conciliation, and coaxing! If the South was to be gained over by the bank it was to be done by favor, not by fear. The scourge, though so much the more congenial to the haughty spirit of the moneyed power, was only to be applied where it would be sub-

mitted to; and, therefore, the whole region south of the Potomac, was exempted from the lash. Mr. B. paused to fix the attention of the Senate upon these facts. Where the power of the Bank enabled her to depress commerce and sink the revenue, and her policy permitted her to do it, commerce was depressed, and the revenue was sunk, and the prophecies of the distress orators were fulfilled, but where her power did not predominate, or her policy required a different course, commerce increased, and the revenue increased; and the result of the whole is, that New York and some other anti-bank cities, have gained what Philadelphia and other bank cities have lost; and the federal Treasury is just as well off, as if it had got its accustomed supply from every place.

This view of facts, Mr. B. said, must fasten upon the Bank the odium of having produced all the real commercial distress which has been felt. But at one point, at New Orleans, there was further evidence to convict her of wanton and wicked oppression. It was not in the Secretary's reports, but it was in the weekly returns of the Bank: and showed that in the beginning of March, that institution had carried off from her branch in New Orleans, the sum of about 800,000 dollars in specie, which it had been collecting all the winter by a wanton curtailment, under the pretext of supplying the amount of deposits taken from her at that place. These 800,000 dollars were collected from the New Orleans merchants in the very crisis of the arrival of western produce. The merchants were pressed to pay debts, when they ought to have been accommodated with loans. The price of produce was thereby depressed; the whole west suffered from the depression; and now it is proved that the money was not wanted to supply the place of the deposits, but was sent to Philadelphia, where there was no use for it, the Bank having more there than she can use; and that the whole operation was a wanton and wicked measure to coerce the west to cry out for a return of the deposits, and a renewal of the charter, by attacking their commerce in the market of New Orleans. This fact, said Mr. B., would have been proved from the books of the Bank, if they had been inspected. Failing in that, the proof was intelligibly found in the weekly returns.

Mr. B. had a further view to give of the prosperity of the country, and further evidence to show that all the distress really suffered was factitious and unnatural. It was in the great increase of money in the United States during the last year and a half. He spoke of money, not paper promises to pay money, but the thing itself—real gold and silver—and affirmed that there was a clear gain of from EIGHTEEN to TWENTY MILLIONS OF SPECIE, within the time that he had mentioned. He then took up the custom-house returns to verify this important statement, and to let the People see that the country was never so well off for money as at the very time that it was proclaimed to be in the lowest state of poverty and misery. He first showed the imports and exports of specie and bullion for the year ending the 30th of September, 1833. It was as follows:

	IMPORTS.	EXPORTS.
Year ending September 30, 1833.		
Gold bullion,	\$48,267	\$26,775
Silver do.	297,840	
Gold coin,	563,585	495,890

Silver do.	6,160,876	1,722,196
	\$7,070,369	\$2,244,861

Mr. B. having read over this statement, remarked upon it, that it presented a clear balance of near five millions of specie in favor of the United States on the first day of October last, without counting at least another million which was brought by passengers, and not put upon the custom-house books. It might be assumed, he said, that there was a clear accession of six millions of specie to the money of the United States on the morning of that very day which has been pitched upon by all the distress orators in the country to date the ruin and desolation of the country.

Mr. Benton then showed a statement of the imports and exports of specie and bullion, from the first of October, 1833, to the 11th of June, instant. It was as follows:

	From October 1st to June 11th.	
	IMPORTS.	EXPORTS.
Gold bullion,	\$304,491	\$11,177
Silver do.	258,617	1,376
Gold coin,	410,907	87,570
Silver do.	10,156,909	898,638
	\$11,128,924	\$998,761

Mr. Benton remarked, upon this statement, that it presented a clear gain of more than ten millions of dollars. He was of opinion, that two millions ought to be added for sums not entered at the Custom House, which would make twelve millions; and added to the six millions of 1833, would give eighteen millions of specie of clear gain to the country in the last twenty months. This, he said, was prosperity. It was wealth itself; and besides, it showed that the country was not in debt for its large importations, and that a larger proportion of foreign imports now consisted of specie than was ever known before. Mr. Benton particularized the imports and exports of gold; how the former had increased, and the latter diminished, during the last few months; and said that a great amount of gold, both foreign and domestic, was now waiting in the country to see if Congress would raise gold to its fair value. If so raised, this gold would remain, and enter into circulation; if not, it would immediately go off to foreign countries, for gold was not a thing to stay where it was undervalued. He also spoke of silver, and said that it had arrived without law, but could not remain without law. Unless Congress passed an act to make it current, and that at full value as money, and not at the mint value, as bullion, it would all go off.

Mr. Benton recapitulated the evidences of national prosperity—increased imports—revenue from customs exceeding the estimates—increased revenue from public lands—increased amount of specie—above eleven millions of available funds now in the Treasury—domestic and foreign commerce active—the price of produce and property fair and good—labor every where finding employment and reward—more money in the country than ever was in it at any one time before—the numerous advertisements for the purchase of slaves, in the papers of this city for the southern market, which indicated the high price

of Southern products—and affirmed his conscientious belief, that the country was more prosperous at this time than at any period of its existence; and inveighed in terms of strong indignation against the arts and artifices, which, for the last six months, had disturbed and agitated the country, and done serious mischief to many individuals. He regretted the miscarriage of the attempt to examine the Bank of the United States, which would have completed the proof against that institution for its share in getting up an unnatural and factitious scene of distress, in the midst of real prosperity. But he did not limit his invective to the Bank, but came directly to the Senate, and charged a full shate upon the theatrical distress speeches, delivered upon the floor of the Senate, in imitation of Volney's soliloquy over the ruins of Palmyra. He repeated some passages from the most affecting of these lamentations over the desolation of the country, such as the Senate had been accustomed to hear about the time of the New-York elections. "*The canal a solitude. The lake a desert waste of waters. That populous city, lately resounding with the hum of busy multitudes, now silent and sad. A whole nation, in the midst of unparalleled prosperity, and Arcadian felicity, suddenly struck into poverty, and plunged into unutterable woe, by the direful act of one wilful man.*" Such, said Mr. B., were the lamentations over the ruins, not of the Tadmor in the desert, but of this America, whose true condition you have just seen exhibited in the faithful report of the Secretary of the Treasury. Not even the "*baseless fabric of a vision,*" was ever more destitute of foundation, than those lamentable accounts of desolation. The lamentation has ceased; the panic has gone off; would to God he could follow out the noble line of the poet, and say, "*leaving not a wreck behind.*" But he could not say that. There were wrecks! wrecks of merchants in every city, in which the Bank tried its cruel policy, and wrecks of Banks in this District, where the panic speeches fell thickest and loudest upon the ears of an astonished and terrified community!

But, continued Mr. B., the game is up; the alarm is over; the people are tired of it; the agitators have ceased to work the engine of alarm. A month ago he had said it was "*the last of pea-time,*" with these distress memorials; he would now use a bolder figure, and say, that the Secretary's report just read, had expelled forever the ghost of alarm from the chamber of the Senate. All ghosts, said Mr. B., are afraid of the light. The crowing of the cock,—the break of day,—remits them all, the whole shadowy tribe, to their dark and dreary abode. How then can this poor ghost of alarm, which has done such hard service for six months past, how can it stand the full light, the broad glare, the clear sunshine of the Secretary's report? "*Alas, poor ghost!*" The shade of the "*noble Dane*" never quit the stage under a more inexorable law than the one which now drives thee away. This report, replete with plain facts and luminous truths, puts to flight the apparition of distress, breaks down the whole machinery of alarm, and proves that the American people are, at this day, the most prosperous people on which the beneficent sun of Heaven did ever shine!

Mr. B. congratulated himself that the spectre of distress could never be made to cross the Mississippi. It made but slow progress any where in the Great

Valley; but balked at the King of Floods. A letter from St. Louis informed him that an attempt had just been made to get up a distress meeting at St. Louis, but without effect. The officers were obtained, and according to the approved rule of such meetings, they were converts from Jacksonism; but there the distress proceedings stopped, and took another turn. The farce could not be played in that town. The actors would not mount the stage.*

Mr. B. spoke of the circulation of the Bank of the United States, and said that its notes might be withdrawn without being felt or known by the community. It contributed but four millions and a quarter to the circulation at this time. He verified this statement by showing that the Bank had twelve millions and a quarter of specie in its vaults, and but sixteen millions and a half of notes in circulation. The difference was four millions and a quarter; and that was the precise amount which that gigantic institution now contributed to the circulation of the country! Only four millions and a quarter. If the Gold Bill passed, and raised gold 16 to 1, there would be more than that amount of gold in circulation in three months. The Foreign Coin Bill, and the Gold Bill, would give the country many dollars in specie, without interest, for each paper dollar which the Bank issues, and for which the country pays so dearly. The dissolution of the Bank would turn out twelve millions and a quarter of specie, to circulate among the people; and the sooner that is done the better it will be for the country.

The Bank is now a nuisance, said Mr. B. With upwards of twelve millions in specie, and less than seventeen millions in circulation, and only fifty-two millions of loans, it pretends that it cannot lend a dollar, not even to business men, to be returned in sixty days; when, two years ago, with only six millions of specie and twenty-two millions of circulation, it ran up its loans to seventy millions. The President of the Bank then swore that all above six millions of specie was a surplus! How is it now, with near double as much specie, and five millions less of notes out, and twelve millions less of debt? The Bank needs less specie than any other Banking institution, because its notes are receivable, by law, in all federal payments; and from that circumstance alone would be current, at par, although the Bank itself might be wholly unable to redeem them. Such a Bank is a nuisance. It is the dog in the manger. It might lend money to business men, at short dates, to the last day of existence; yet the signs are for a new pressure; a new game of distress for the fall elections in Pennsylvania, New York, and Ohio. If that game should be attempted, Mr. B. said, it would have to be done without excuse, for the Bank was full of money; without pretext, for the deposit farce is over; without the aid of panic speeches, for the Senate will not be in session.

Mr. B. said, that among the strange events which took place in this world, nothing could be more strange than to find, in our own country, and in the 19th century, any practical illustration of the ancient doctrine of the metempsychosis. Stranger still, if that doctrine should be so far improved, as

* About the same time a similar failure took place at Crawfordsville, Indiana.

to take effect in soul-less bodies; for, according to the founder of the doctrine, the soul alone could transmigrate † Now corporations had no souls; that was law, laid down by all the books; and of all corporations, monied ones especially, and above all the Bank of the United States; was most soul-less. Yet, the rumor was; that this bank intended to attempt the operation of effecting a transfer of her soul; and after submitting to death in her present form, to rise up in a new one. Mr. B. said he, for one, should be ready for the old sinner, come in the body of what beast it might. No form should deceive him; not even, if it condescended, in its new shape, to issue from Wall street instead of Chestnut!

A word more, and Mr. B. was done. It was a word to those gentlemen whose declarations, many ten thousand times issued from this floor, had deluded an hundred thousand People to send memorials here, certifying what those gentlemen so incontinently repeated, *that the REMOVAL of the DEPOSITS had made the DISTRESS; and nothing but the RESTORATION of the DEPOSITS, or the RENEWAL of the CHARTER could REMOVE the DISTRESS!* Well! the deposits are *not* restored, and the charter is *not* renewed; and yet the

† From the Greek *meta* again; *en*, in; *psyche*, the soul; *i. e.* The Soul again in.

MIL. RUSH AND THE UNITED STATES BANK.

LETTER TO MR. RUSH.

MIDDLEBURY, April 25th, 1834.

Hon. Richard Rush,

DEAR SIR:—The undersigned, citizens of Addison county, in the State of Vermont, were appointed, at a public meeting, holden at this place on the 17th instant, by those opposed to the recharter of the Bank of the United States, to transmit to you the subjoined resolutions, adopted at said meeting:

“Resolved, That this meeting entertain the highest respect for the personal and public character of the Hon. Richard Rush, of Pennsylvania, and that we regard the frank and fearless manner in which he seconds the efforts of the people to resist the usurpations and corruptions of the United States Bank, as reflecting the highest honor on him as a patriot, and entitles him to the thanks of his countrymen.

“Resolved, That a Committee of eight citizens of this county, be appointed by this meeting to address a respectful letter to the Hon. Richard Rush, and solicit from him his views in relation to the policy of rechartering the present Bank of the United States, and whether a renewal of this vast monied power, after it has boldly entered the political arena, attempted to corrupt the Press and wage war with the Government, would not be dangerous to the peace of the country and the safety of our free institutions; and whether, in his opinion, the pressure which has been so severely felt in the money market in our principal cities has resulted from the removal of the public deposits, or from the conduct of the Bank of the United States; and whether, in his opinion, a return of the deposits to that insti-

distress is gone! What is the inference? Why, that gentlemen are convicted and condemned, upon their own argument! They leave this chamber, to go home, self-convicted upon the very test which they themselves have established; and after having declared, for six months, upon this floor, that the removal of the deposits made the distress, and nothing but their restoration, or the renewal of the Bank charter, could relieve it, and that they would sit here till the dog days, and the winter solstice, to effect this restoration, or renewal; they now go home in good time for harvest, without effecting the restoration or the renewal; and find every where, as they go, the evidences of the highest prosperity which ever blessed the land. Yes! repeated and exclaimed Mr. B. with great emphasis, the deposits are *not* restored—the charter is *not* renewed—the distress is gone—and the distress speeches *have* ceased. No more lamentation over the desolation of the land now; and the gentleman who should undertake to entertain the Senate again in that way, in the face of the present national prosperity—in the face of the present report from the Secretary of the Treasury—would be stared at, as the Trojans were accustomed to stare at the frantic exhibitions of Priam's distracted daughter, while vaticinating the downfall of Troy in the midst of the heroic exploits of Hector.

tion, without a change in the course pursued by the Bank, would materially tend to relieve or meliorate that pressure; and whether the late vote of the Senate of the United States, censuring the President for the removal of the deposits, is warranted by their constitutional powers.”

The undersigned, in common with many of their fellow citizens, have watched the progress of the Bank of the United States with intense anxiety. They have seen its struggles for a recharter convulsing the country to its centre, and bringing in its train dismay and distress among large portions of the commercial community; while the whole land has been filled with the bitterest calumnies against the most distinguished citizens of our common country, who entertain opinions adverse to the renewal of this powerful monopoly. They have seen the United States Senate descending from what they conceive to be its high duties and becoming accusers instead of judges, and establishing a precedent of a most alarming character. Living far removed from the principal scenes of commercial activity, we have but limited means of ascertaining the real causes of the pecuniary distress which has existed for a few months past. Desirous of obtaining correct information, and acting thereon to the best of our judgment, for the best good of our common country, and for the preservation of our free institutions, relying upon your candor and political intelligence, and well knowing that your public duties have made you intimately acquainted with the operations of the Bank of the United States, and its power for good or for evil; the meeting which has charged us with the duty of addressing you, and ourselves individually, will be highly gratified if you will favor us with your opinions in relation to the subjects embraced in the accompanying resolutions.

We are, with sentiments of the highest respect,
your friends and fellow citizens,

E. W. JUDD,
SILAS WRIGHT,
JOHN MORTON,
ASAHEL PARSONS,
WM. B. SUMNER,
CHARLES LINSLEY,
BENJ. MINER, Jr.
C. C. WALLER.

MR. RUSH'S REPLY.

SYDENHAM, near Philadelphia,)
May 26, 1834. }

Gentlemen,—I received your letter of the 25th of last month, embodying a copy of two resolutions adopted shortly before its date at a public meeting of citizens of Addison county in Vermont, opposed to rechartering the Bank; the first of which demands my special thanks, as being in terms than which none could be more cordial or obliging. Coming in a manner so unexpected and spontaneous, it is doubly grateful. Your second resolution asks my views on the points following:

1. Whether the recharter of the present Bank of the United States, "after it has boldly entered the political arena, attempted to corrupt the press and wage war with the government, would not be dangerous to the peace of the country and the safety of our free institutions."

2. Whether the pressure in the money market "has resulted from the removal of the public deposits or from the conduct of the bank; and whether a return of the deposits without a change in the course pursued by the bank, would materially tend to relieve or mitigate that pressure."

3. Whether "the late vote of the Senate of the United States censuring the President for the removal of the deposits, is warranted by their constitutional powers."

Upon subjects so much discussed before the country as the above have been in official and all ways, I almost dread to enter, for fear of tediousness; but as you are pleased to ask my opinions, I will give them with the candor every citizen should exercise when thus invited. The nature of your communication is a proof, that although the subjects may have lost their novelty, they have not, in your eyes, lost their interest; nor have they in mine. On the contrary, so blended are they with the highest considerations of public policy, so fruitful have they been of strife, and so big do they still seem with it, that appeals are but the stronger to the public duty of every citizen, to contribute his mite, if called upon, towards the right understanding of them.

1. I am of opinion that the recharter of the bank would, in the words of your resolution, be dangerous to the peace of the country and the safety of our free institutions. I think so for your reasons. The bank has entered the political arena. Not to see this, would be blindness. Its friends do not, in effect, deny it; but say that if it did go there, it was from necessity, not choice, and with no other object than to defend itself against attacks. I regard the plea as unsound. It puts the bank in a position not given to it by the law, or existing in the nature of things. It starts in error, and gives a bad direction to what follows. It confounds first elements. The

attacks meant, are those contained in the President's veto and other state papers from that source. The President is not the whole government; but he forms the executive branch. He represents the nation in that branch. He is likewise a co-ordinate branch of the legislature. The concurrence of a former President, was requisite to the law creating the bank. It was an act of duty if he thought such an institution necessary. The veto of the existing President was not less an act of duty, if he, in turn, thought that its charter should cease. And is it for the bank to consider this constitutional opposition, an attack? If so, it assumes to prescribe a course for the government. It assumes to pass sentence upon its acts of indisputable authority. It undertakes, as your resolution remarks, to wage war with the government. Hence the very newspapers of Europe, as our own; are, at this moment, from what is too obviously the fact, speaking of a war between our government and the bank.

There is something novel in this fact. To have produced it, principles and feelings fundamentally wrong, must have been at work. Where, will be the purpose of my search. It ought not to have happened, that a banking company could have raised itself to a condition of such coequality with the government of a great nation; or any of its branches. It is disparaging to its dignity, to its authority, I add emphatically to its safety. The last is struck at, if ever to be threatened with the hostility of an overgrown moneyed institution planted in the heart of the land. Neither the passions, nor even the just interests, of such an institution, ought to have so dangerous a sphere open to them, on the plea of self-defence, or any plea. Its sphere may be a very useful one, if it keep within it; but it is a sphere totally different. It is business-like, not war-like. The plea is an aggravation. It is deceptive. It has a first blush of justice before those unable or unwilling, to exert thought; but not the least reality of justice. The dangers that lurk under it, ought to awaken the whole nation; and would, but that so large a portion of it feels the power, or cowers under the influence of the bank. Thirty-five millions of dollars clad in corporate armor, ought not, under any given or possible circumstances, to be seen as a party belligerent defending itself against the government, or any part of it. What is to be the consequence of such doctrines? How far is it to go? Let sober minds answer. If the Bank may fight the President, it may, on the same ground, fight either house of Congress; that is, whenever it deems itself *attacked* by either; whether through the adverse report of a committee, adverse resolutions, or otherwise. It may fight any of the public departments. It may fight the whole government conjointly, as any part separately. The plea is utterly inadmissible; the spectacle an outrage. We have so plunged into error after error upon this subject; we are so steeped in influences as enfeebling to intellect as reproachful to patriotism and wounding to public pride, that the mind must rouse itself from its stupor, to get back to first truths. The remarkable state of things I am to deal with under your letter, never could have happened but for the perilous growth of strength, and still more rank progress of vicious notions and practices in the bank; which, if not effectually checked, will bring upon this country a state of political and social debasement not to be contemplated but with dismay and disgust. The bank has

its rights; but they are those of an official servant. Now, although a servant may claim the enforcement of all his rights as strictly as the master may his, the two things are essentially different—a distinction of which the bank's whole conduct has marked supreme disregard.

The famous resolutions of its directors, one of which authorised the preparation and circulation through the press of "*such documents and papers as may communicate to the people information in regard to its nature and operations*," I hold to have been in the highest degree bold and unlawful! The language is imperious. Communicate information to the people! as if speaking from authority; as if, like a co-ordinate power entrenched in the state, it was about to execute a trust of delegated sovereignty! The very word seemed appropriate to coming elections. The bank was created for no such ends. The avowal of them, is an affront to the whole country. It was created, so far as the government was concerned, to be the mere servant of its Treasury; the mere agent of its revenue officers! This was the primary, the sole motive to its creation. So far as the stockholders were concerned, and that their interests might be collaterally promoted, it was privileged to do the ordinary business of banking. In both cases, it was subject to the many and jealous restrictions contained in the law. To enlighten the people, through the press, on the nature and operations of banking, or on the nature of its own operations, is among none of the powers granted to it. It is derivable from none, by any rational or equitable implication. It is in conflict with the entire purpose and spirit of the law, no less than written guards visible in so many other respects. It is notoriously in conflict with contemporary opinions and feelings in the nation. It was not without travail, that that law passed. Many obstacles were to be removed, many doubts to be obviated, many anxieties to be tranquilized. The illustrious head of the government who finally gave it his sanction, had ancient and heavy scruples to vanquish. The claim suggested is perfectly new. It is destitute of all shadow of excuse. It is as unnecessary as dangerous. In the calmest mood of investigation, it is difficult to say if it be most preposterous and offensive. If the bank, indulging its own theories of its own immutability, had taken fire at state papers constitutionally emanating from one branch of the government, if these must be considered attacks, there was defence enough in the state papers issuing from other branches. Each being published under public authority, and thus necessarily circulated, might well have stood, for purposes of justice, merely one against the other. The stockholders or directors were also at liberty, as other citizens, to write or print what they chose in their individual capacities, using their own funds. But, if, the pretension to prepare (mark the word) and circulate "*documents and papers*," as corporate acts, and with the corporate funds, had been set up when the charter was applied for, who does not see that it would have met with instant reprobation? Who does not see, as the committee of ways and means have justly remarked, that it would have been fatal at once to every hope of obtaining one? Its friends would quickly have disavowed the pretension. Its opponents would have scouted it. Yet, when the govern-

ment directors protested against a usurpation so unexpected, it may be added without undue strength, so astounding, what do the managers do? They show defiance. They resolve that it shall be followed up with renovated vigor, and for indefinite periods. Here is a temper sufficient, it might have been supposed, to awaken the reflecting. Never was more signally illustrated the principle of power adding to itself. The claim is one which the bank, at the time of its origin, or in the days of its weakness, would never have dreamed of making. It knew too well the sensitiveness of Congress to any thing that might have started the bare possibility of such an institution ever going into the political field at all, no matter what the purpose or provocation. It knew too well what had been said, whether rightfully or not, of the old bank, to run the most remote hazard of exciting fears which, more than any other cause, prevented the renewal of that expired charter. To be told that local banks spend their money freely on contingent objects, is no answer. It is confounding all distinctions. It is like the bank transacting business with less than seven directors as a board, though it is made a "*fundamental*" article in its charter, because local banks act on similar principles. The national bank was for national purposes. Its notes being receivable every where for demands of the nation, gives them (nothing else would) circulation every where. Hence their restricted or abundant issue makes, for the time being, money scarce or plenty through the nation; in other words affects its whole currency, its whole property. And hence the wisdom of Congress in providing that so vast a discretion should not be exercised but by a competent number of the directors. Yet, the analogies of state banks in their business, are to be held up as guides for such an institution, against the words of its charter, and the national objects in granting it!

The defenders of the bank treat these extraordinary resolutions as nothing. They take post upon their innocence. It is the only resource left to them. They would compare things the most unimportant, with things the most momentous. Let us hear in a word what their ground is. They allege that stationary, for example, must be purchased for the bank; and would there be harm in the board passing an order to that effect, although they did not accompany it with any appropriation or limit for the sum? *Stationary!* and is the common sense of the nation to be so dealt with? The purchase of paper and account books might well enough indeed be ordered, without limiting the sum. But who so wanting in perception as not to see, that, under the resolutions in question, ANY THING may be done in the way of employing and PAYING the PRESS? that no line would or could be drawn between the "*information*" to be written down and disseminated through the country, and political matter that would run into it? that the whole country might thus be flooded with partizan publications, of every drift and hue, according to the temper of the pens employed? All this is evident. It is scarcely hidden under the surface. Accordingly the positive proof corresponds with the inevitable anticipation. Those who have read Senator Benton's speech, and other speeches, may see what description of "*documents and papers*" were prepared and circulated. The resolutions were an entering wedge, wide

enough to admit every thing. Fifty thousand dollars actually expended under them, with a justification of their principle, and the admission that there was no stint to the appropriation for carrying them into further, and, it may be added without the slightest exaggeration, boundless effect, is the most alarming fact that has occurred in our history. Its direct tendency is TO CORRUPT THE PRESS OF THE NATION. There is no getting rid of this conclusion, if we consult reason. The more we reason, the more the conclusion binds. The premises are not too narrow. They are ample; most abundant. All that men want, to achieve the greatest possible results in the physical world, is a grapple or hold in the first instance. So in the moral world. So, most especially, with the press; the workings of which may be so intense, so amazing, when once a pass is opened to the right lever. The Bank, armed with the principle embedded in these resolutions, is essentially enabled to gain over this most potent of all engines in a popular government, to its own purpose, whatever it may be. The mind must pause, to estimate the mischief which here bursts upon it. It must give itself up to reflection, to survey the consequences which may ultimately flow to the destiny of the nation. If, even now, we see that it pollutes social life, if even now it exhibits the degrading spectacle of elections, from a President's to a Constable's, marshalled under *bank* and *anti-bank* tickets, throughout vast portions of our territory, what may it not arrive at in future? I do not suppose, far from it, that all presses that defend the bank, do so from enlistment in its service; but amid the din and fury which prevail, who can doubt that much comes from sordid inducements supplied by this institution? What observer of the ordinary springs to human action, so asleep in this instance? what imagination so incredulous under proofs so glaring and probabilities so vehement? But by the principle explicitly maintained, *any sums* may be expended as freely as any hitherto, for hunting down a President like a counterfeiter, and so, follows from it, unavoidably, all others who oppose the bank. Is not this giving up the whole dispute? Is it not fearful ground taken by the bank, and as true as fearful, and as presumptuous as true? Any citizen who will escape from the shackles of the bank, place himself in a position to look at it, as incontestable facts really warrant, and then listen to the dictates of a right judgment, may see enough to appal him. Such was the effect of these facts upon me, who had formerly been the Bank's friend; such their irresistible effect.

We hear of the respectability and purity of the directors as a guarantee against danger. I wonder at such an argument. It is unworthy of thousands who inconsiderately give into it. It marks forgetfulness of all safe principles in public affairs. It marks forgetfulness, we may hope, of the true character of the American people. It is like the Bank's plea of *self-defence* for going to war with the Government. It is specious, but will not bear an instant's examination. It goes to show the cloud of error that seems to have darkened all sides of this discussion. When the country put its reprobation on the sedition law, was its doom averted by the personal characters of those who upheld it? I allow to the Bank Directors every respectability; but is any higher claim to be made for them, than for the Bayards, the Rutledges, the Harpers, the Traceys, the Sedgwicks of that day? Lord North, who would have

enslaved our fathers but for their resistance, who also, as minister, scattered largesses all about him, was of unblemished rectitude as well as eminent accomplishments in private life. Look at the present Whig aristocracy who wield the Government of England! How many of them are of exalted personal worth; but would we, of this Republic, adopt their opinions and practises—their pension list—their sinecures—their church establishment—their red book, and all else? The argument requires but to be stated, to be exploded. It suits not the understanding of a people accustomed to right maxims in government. It should not for a moment close their mouths, or repress their authorized indignation. It is flying from the point to exclaim, that we dare not charge the Directors with wanting private honor or honesty. We have no such charge to make. But we will make any, that duty requires; nor should public attention be diverted by what seems designed to carry menaces, if to carry any thing, from the precise and only question. That question is, had the Directors, in their corporate capacity; power to vote the corporate funds, for the purposes mentioned in their resolutions; the funds belonging in part to the nation, and to vote them without the least limitation? I pronounce it a high-handed abuse of authority, without the slightest pretext of right, or semblance of justification—full of danger as well as of unlawfulness. I have given my reasons. The more carefully I examine them, the more I trace them up to first elements; the more force do they acquire in my mind. The merit of boldness the resolutions certainly have, and of much candor; but if to be tolerated, if to be carried into effect at the will of the Bank, I shall think the sources of public liberty among us, poisoned for ever. That institution will become, that institution must become, the master power in the State. No demonstration in physics, no apothegm in morals, ever rested on foundation more immutable, than will this truth in politics. And are an intelligent people, a people watchful over public liberty, to be driven from them by dogmas and sophisms? Never: they will exercise their rights, longer than the Bank can exercise its usurpations. As another excuse, it is sometimes said, that the latter did not, after all, succeed at the last election; as if this proves any thing more than that fifty thousand dollars were not enough! But who can say what a million may achieve on future occasions; or *more* if more be required! The undivided profits of the Bank, its mere sums to play with, have sometimes been more than a million, much more; the whole of which, by its own unwarrantable claim, it may expend upon the press, besides its other means of influence!

Gentlemen, I must hope for your excuse in making an allusion, not called for, I admit, by your resolutions; but which forces itself upon me when I recollect that it is to a portion of my fellow countrymen in Vermont I am addressing myself. You have, in that State, a large if not predominating number of citizens whom I hold in the highest respect, from the knowledge I have had of others elsewhere, entertaining the same principles. I mean anti-masons. The belief they had, which I shared with them, of the influence of the masonic institution over the press, was among the primary inducements to their political association. Now, I declare,

on the fullest attention I have been able to give both subjects, that I think the Bank, under the tenets it avows, a foe more dangerous to the press, than the lodges of the whole Union put together. If the co-associates of the former; at its central head, and five and twenty out posts, be not connected by oaths, they much more than make up for this, by money; an agent more steady, more active, more efficient by far, when the supply is abundant, than any other conceivable agency, in withdrawing presses from their independence. The machinery of this monied institution, over the great space that it sweeps, may be moved by equal unity of impulse and design, and with tenfold power. I leave this topic, resorted to simply for this illustration, and, with it, leave this branch of your inquiry.

If I do not go into further reasons for not rechartering the bank, than those given by yourselves, as I have brought them under review, it is because I deem these enough. I think that there are others, and decided ones, furnished by its own manifesto. Alike clear am I, that the treatment of the government directors, as made known in their memorial, is destructive of fundamental objects in the charter. If I do not enter upon a development of this assertion, it is not that it would not, in my judgment, bear it, and a strong one; but it would overload my letter, and may at this day be dispensed with. But I cannot avoid a passing allusion to the vital error in the bank, springing from the spirit of usurpation I aimed at unfolding, which would view the government directors in no other light than the ordinary directors, who represent the pecuniary interest of the stockholders. So thought not the statesmen best fitted to instruct us on the point; the Hamiltons, the Dallases, the Madisons. So would not have thought *the bank* in the days of its origin and weakness. Nor would its defenders, in those days, have ventured to term the representatives of the collective people of the Union at its board of direction, *spies*, for doing what has lately earned this title. Their phraseology would have been more guarded.

II. How far the bank has caused the pressure in the money market, is a question not resting on grounds so palpable as the one I have been considering. Perhaps it is premature to attempt any answer to it at present, the House of Representatives having, by its late resolution, charged the committee of investigation to ascertain, if this can be done, whether the bank "has had any agency, through its management or money, in producing the existing pressure." The incipient report of that committee, its mission unexpectedly terminated, its object contumaciously baffled, is now before the nation. There I leave it for consideration. If an image of the true majesty of the nation is any where to be seen, it is where its assembled Representatives sit. To them I leave the high duty of passing upon the Report; of vindicating their own and the nation's authority, their own and the nation's dignity, as they may think each has been newly infringed. Nor have I at hand the latest statements from the bank. On this account, also, I am less able to meet your second inquiry. The removal of the deposits was nothing more than transferring the money of the government from the Bank of the United States and its branches, where it had been kept before, to State Banks, where it is to be kept in future. The coun-

try was not deprived of a single bank note, or a single silver dollar, by this step. In point of fact, it fell out, from the state of foreign exchange, that silver dollars were imported at about this epoch; so that of hard money we had more, within a few months after the deposits were removed, and of paper money not less. It seems difficult at first to believe, under this state of things, that distress could have been produced without a plan to bring it about, lurking somewhere. On the supposition of such a plan, nothing easier than its accomplishment, by those working the money-springs of the country.

I have before me, a letter recently received from a London correspondent, perfectly acquainted with the operation of the stock and money markets of that great world. In the course of it, he remarks upon the "wonderfully small amount of capital withdrawn or added, that will be sufficient to make money scarce or plenty all over a country." I give his words, and they are true. We have the authority of the President of the bank, than whom no one is better informed or more capable of judging, that at a moment of impending scarcity in our country, in 1825, a scarcity threatening disastrous consequences to its general business, abundance was restored by the increase of bank loans on a single morning, in New York, to the amount of only fifty thousand dollars. It would seem, on the same authority, that England was mainly saved from worse disasters the same year, by the unexpected arrival from France of so small a relative sum as two hundred thousand sovereigns; the simple explanation of all which is, that it is the public fears or confidence which, for the most part, keep money locked up, or open its receptacles to the public wants. It is evident, that it lies with those who stand highest in the money market, to operate most upon both.

There have been causes at work to create a demand for money which would have rendered the supply more difficult than usual, had the deposits not been removed. I here particularly allude to the change in our commercial code, by the law that took effect last spring and summer, shortening credits for duties on large portions of merchandise imported, and requiring cash payments on other portions where formerly credit was given. This cause has not been overlooked by able speakers in Congress; but little comparative stress has been laid upon it, although it deserves so much. It is computed that a demand for additional sums to an amount scarcely less than ten millions of dollars, has arisen in the port of New-York alone, within the year, from this single cause. But for its operation this money would have been left in the hands of the merchants, instead of being paid away at the custom house. It would have been, in effect, a loan of so much to them by the government until the terms of credit existing previously, had run out. With this money, many of them would perhaps have made another voyage, or otherwise employed it, so as to have paid the duties when the time came round, with the chances of a surplus, through gains which they would thus have had an intermediate opportunity of acquiring. Even if the deposits had not been removed, the Bank would not readily have been able to supply this demand, to which others from the same cause must be added for other parts of the country; at least if we take its own declara-

tions, for it holds to the prudence of diminishing, not increasing, its loans as the expiration of its charter draws near; and it has no right to build upon the charter continuing longer than March, 1836. For one, I entertained doubts of the propriety of this change in our commercial policy, and expressed them, under an official call from the Senate in 1828. Whilst desirous of seeing manufactures encouraged, commerce had its equal claims; and I did not think our country then old enough, or our merchants as a body then rich enough in independent capital, to dispense with a provision in the laws, though aware of the objections made to it, which, on the whole, had aided in advancing our commercial prosperity with a rapidity perhaps unexampled in the same compass of time. The change having been made, we must hope for the best; but the first year has brought a heavy demand for money hitherto unknown among our merchants at periods so short. It would have been referred to universally as one cause of the pressure, and an important one, but for the policy of keeping political excitement exclusively to the deposit question.

Coming more directly to the point you propound, I have to speak on it thus: By the bank's own committee, we are informed, that during the two years between May 1830 and May 1832, its loans amounted to more than twenty-seven millions of dollars. Those at the first date were only forty-three millions and a fraction. For this great increase, the bank accounts, in part, if not entirely, so far as its *means* to lend were concerned: but the motives to the increase, must be weighed by the country. It led to an amount of outstanding loans, equal to seventy millions of dollars. The calling in of this sum, within the short remnant of the bank's existence, could hardly have been done, had the deposits remained, without pressing on its debtors. Accordingly it appears, that between May '32 and November '33 it reduced its loans thirteen millions. By December '33 the reduction was sixteen millions. Part was, of course, after the deposits had been removed. But it seems, that whilst the deposits were reduced during the months of August, September, October, and November last, only two millions and a half in amount, or thereabouts, the loans were reduced, during the same time, more than nine millions. These facts show violent openings and shuttings in the floodgates of this great institution, letting money in and out with a quickness, and in an amount, not usual among careful bankers. It gives a suspicion, not wholly unreasonable, in coexistence with political events, that both had some reference to the bank's own aims in regard to the renewal of its charter. If the suspicion be well founded, the pressure is accounted for. The disappearance of money from the channels of circulation in a great commercial country, and its return again, although so often depending on mere confidence, and always to be effected by concert among powerful capitalists, will sometimes spring from causes that seem to elude search, because interwoven with the complicated and unseen operations of trade throughout the world. This will be more the case in a country where, as the United States, there is an undue proportion of paper money; besides that fluctuations are more likely to occur in such a country within its own limits, and on the scale of its own operations.

As to the other part of the inquiry, viz. whether

a restoration of the deposits, without a change in the course pursued by the bank, would tend to relieve the pressure, it may be despatched very briefly. I cannot even touch it, however, without ever premising how much I should deplore the restoration, could I conceive it possible, of what I think were so justly taken away. But I do not believe that the restoration, were it possible, would do good, under any course that the bank would pursue. The step would tend to fresh embarrassment rather than relief. The bank would probably not receive them back unless it expected to be rechartered; so at least I should conjecture. The time has arrived when it is apparent that it must be looking to measures for narrowing its business. It ceases to exist, by the present law, in less than twenty-two months. It has two years of partial life afterwards, but not for banking. It is for nothing more than for the purpose of bringing or carrying on suits, and the sale of property.

III. Your last question is, whether I think "the late vote of the Senate of the United States, censuring the President for the removal of the deposits, warranted by their constitutional powers?"

And here, what answer can I give? What is left for me to say, after the convictions I have been expressing? The question, in effect, has been answered. It has been answered, unless I am to fling away all regard for what I conceive to be the character of our institutions in their very essence, and the highest dictates to public administration under them. With the views I entertain of both, that there should have been room for the question, is, with me, the source of surprise. I am at a loss, not for matter, but expression. I hardly know how to proceed. An imperious institution, feeling its power, but forgetting its sphere, girds itself for battle. The object of its attack, is the executive branch of the government. The motive to the attack, the opposition which the latter made to the renewal of its charter; made constitutionally, through official communications to both Houses of Congress, and on convictions of public duty. The means of attack, the treasure under its control, partly belonging to the nation, yet most unwarrantably applied in gaining over, as far as it could, the press; that clamor, and passion, and every kind of movement, might be rallied against this branch of the government. The ultimate scheme of attack, to draw public opinion to its ends, giving out that the public good was identical with its own; as if, being charged like the first power in the State with the public good, the preparation and circulation of "*documents and papers*" were the appointed means of fulfilling this call upon the superintending authority! All this is proved; proved, as by the verity of legal records. The bank has set down much, in its confession. The executive head of the government seeing it all, and more, sees also his duty. He stands not with arms folded. Under the highest obligations to his country, he takes the field too. He discerns a foe there, armed cap-a-pie for war; not with the weapons of chivalry, which might have alarmed him less, but weapons of avarice. He resolves to eject it from the public enclosure into which it had unlawfully broken. He resolves to drive it from this arena of its bustle and noise, with the club nearest at hand, and likely to be most effectual. He resolves to cripple its power

of mischief, by diminishing its means of mischief. He resolves to remove from its keeping the public treasure, of which it proved itself so dangerous a depository. And this, *this* is his crime! Why, to my judgment, he has earned gratitude, instead of censure. Not the doom of the constitution-breaker, but laurels due to the watchful patriot, should await him. *This* is the light in which I view his conduct. How then am I to proceed? In truth, I am embarrassed. Principles of transcendent importance come into my mind, accompanied by solitudes and forebodings. The celebrated Castruccio Castracani, of Lucca, about to die, when factions tore his country, desired to be buried face downward, saying that in a short time affairs would be all topsy turvy, and then he would be in the same posture with other men. So, for I can get no better illustration, I should think affairs in our Republic topsy turvy, if the constitution has been broken by the President. I should think wrong turned into right, and right into wrong. I should think that a bank committing and avowing usurpations, never before avowed, I dare say, in any country under the sun, even if committed, was about to rule our country; a country full of hope and glory, hitherto, but darkened of both. I should think the constitution not worth living under. I should think its primordial principles all reversed: that like an inverted cone, it was tottering on its apex, instead of towering from its base. I should think that future Presidents would have no motive for detecting public abuses, but the strongest for hiding them. I should think that penalties were to be annexed to official integrity, and bounties to official delinquency. It is so that I should think Castracani's condition of things realized among us: even so. I should see more grounds for public grief, than I have ever seen before—more for public despondency.

And who is this President? Not desiring an answer from among the many who assisted in raising him to power, but would now trample upon him, I will hazard it myself, being of neither class. I will strive to make it impartial. I will aim at sheer justice. Does he bridle men's tongues, put an iron mask round their heads, thrust them into dungeons? Not so. Assailed by freemen every day, inveighed against in the strongest language of accusing eloquence, handed over to sharp condemnation before his country and the world, all he asks is a freeman's privilege of being heard, which is refused him. If Castracani's ghost could return, it might think this strange, considering whom we call tyrant. It might inquire, "who thus takes, not the *life* of a veteran soldier in days past, serving his country with renown,—no, such a soldier is generally willing to lay down his life; but who rivets upon him chains of dishonor? Who dooms him to this agony, yet will not listen to his defence? the body over whose deliberations the sages of the revolution presided—Clinton—Jefferson—Adams? Impossible! But if otherwise, in what moment of forgetfulness has it happened? What omens, what unhappy divisions does it portend? Is your faithful republic to fall?" So might his spirit speak. So might it carry back to its shades, the impression of violated justice.

Again, if it be asked, who is the President, again I will answer. I will strive to see things as they were, and as they are. To the cause of the difference

—its frightful cause—may our people every where get awake. May their voice re-establish the safety and dignity of the Republic, rescuing both from the grasp made at them. It is now less than a year since this same President passed through the city, so near to which I live as sometimes to catch in the wind the echo of its bells. Its inhabitants came forth to greet him as one moving mass. They "climb'd to walls and battlements, to towers and windows, yea to chimney tops," and there they sat, almost the livelong day, to see the man who, more than any, was believed to have saved the Union from impending wreck. All parties seemed to unite, all hearts to expand. The morning beamed as with enthusiasm and joy. So he passed through the Jerseys—New York—New England,—as in one long line of triumph. The classic capital of the latter, kindling at the sight of Bunker's Hill, as he of New Orleans approached, seemed especially emulous in fervent demonstrations. Not content with the pageant of the streets, unsatisfied with out-door honors, it laid also at his feet those of literature and science; it crowned him with chaplets in its revered halls of learning. And now, all are gone! Rejoicings are at an end! The voices are hushed! No, they burst out in other tones! Within a year, a "little year," all are to be turned to maledictions *because he removed the deposits!* No other charge is brought against him. He stands where he did. There is but this single, solitary exception. *He has removed the deposits!* Was ever, in any age or nation, such an effect seen, from such a cause? Was ever moral proof more clear, than that this nation is under wrong influence? That which ought to have gained its chief magistrate double glory, his sagacious estimate and resolute punishment of misdeeds, is made the cause of his loudest persecution. The patriotic tendencies of the nation, its noblest impulses as they were rising, the bitterness of party as it seemed expiring, a disposition to harmony—to a magnanimous oblivion rather than vengeful recollection of the faults of public men—all these good feelings and prospects are changed and blasted by a bank! *The deposits have been removed, and bolts fall thick upon Andrew Jackson.* An "arrowy sleet" darkens the horizon. The worst passions are roused throughout a great but insulted nation, by the mercenary influence of a bank! For conduct that ought to have consigned it to universal condemnation, he simply removes the deposits; when, as in an instant, testimonials of respect—jubilees of welcome—strains and acclamations that rent the very air—plaudits—flatteries—all, all, are turned to execrations! May the nation soon put an end to the cause of so much moral and public mischief, May it effectually put down the bank, never to rise more. This is my hope, my aspiration.

But I must revert to your question, unless answered sufficiently. I would not shrink from a close examination of it if needful; or did I not fear to encroach on your patience. The vote of censure upon the President has, in my opinion, no warrant under the Constitution. It is against its whole spirit, against its justice, and I think against its words. It may be remarked, that the Senate have not, in terms, censured him for the removal of the deposits. Their resolution, as it is finally passed, simply runs, that "the President in the late Executive proceedings in relation to the public revenue, has assumed

upon himself authority and power not conferred by the Constitution and Laws, but in derogation of both." In the elaborate discussions which the subject led to in the Senate, it has been said, and I think justly, that the resolution in this shape is more objectionable than if it had specified some act or acts. In the latter case, posterity could have judged for itself in the matter. If the removal of the deposits had been specified, it might have asked why they were removed. This would have brought out the whole case. The merits on each side would have been known. The resolutions of the Bank appropriating the public money to act upon the Press, and all else that it has done, would have been known. Posterity would then have judged how far there had been any breach of public faith towards such a bank. The charge, as it now stands, is merely a sweeping one. We, of the present day, know indeed that it covers the removal of the deposits, and so may have been meant. It is, in its very nature, criminatory. I do not hold it to have been the province of the Senate, thus to brand a President, if he had done any thing criminal, it would devolve on that body to try him, on impeachment by the House of Representatives. The former ought not therefore to be accusers in any sense, seeing that they may be called upon to be judges. It is blending characters that the Constitution intended to keep apart. There is natural injustice in trying or accusing any man in his absence, no matter how slight the censure, or bare inference to that effect. All our Constitutions, all our laws, of the States and Union, guard against such a course, by their entire spirit, and careful enactments. Still less should it ever be adopted by one branch of the government towards a co-ordinate branch. The artificial claim to legislative rights or privileges, or to incidents growing out of either, cannot extinguish the prior claim to natural and Constitutional justice. The President should not be solemnly charged by either House of Congress with offences of any kind, or with breaches of the law in any way, unless by impeachment, or resolutions intended as its groundwork, and only then by the House of Representatives. He would then have full opportunity of making his defence. This I consider our Constitutional law, in all its broad intendments, flowing necessarily from the words of the clauses that bear upon this subject. The resolution of the Senate runs against them. It has the effect of impeachment as far as intended dishonor is concerned, whilst it al-

lows to the President none of the justice of its forms. In England, the approved mode of proceeding against all State offenders is, as we know, by impeachment. It has been laid by, in revolutionary or arbitrary times. In such times, contending parties attack each other with bills of attainder, and what they call in England, bills of pains and penalties. Our Constitution recognizes neither of these proceedings. The vote of the Senate censuring the President, makes some approximation in principle to the latter so far as laying a foundation for it goes. I repeat, that I can see no warrant under our Constitution for that censure, and none in justice. The President's protest against it, although not placed on the archives of the Senate, is before the reading public of America. It has doubtless reached each of you, and would supersede, did nothing else, the necessity of my enlarging on this head.

My letter is, already, I fear too long, not for the deep interest of the subjects, but your time must be closed. Permit me to say, that I should have written it sooner, but for hindrances since yours came to hand, putting it out of my power.

With renewed expressions of sensibility to the terms in which you addressed me,

I remain your fellow citizen and friend,

RICHARD RUSH.

To E. W. Judd, Silas Wright, John Morton, Asahel Parsons, W. B. Sumner, Chas. Linsley, Benjamin Miner, Jr., Calvin C. Weller, Esq's.

BANK MUNIFICENCE.

The following are some of the patriots who are urging on a civil war because the People will not recharter the British Bank. Look at them! This is the way Nicholas Biddle pays the public servants:

Lawyer Clay's fees,	\$40,000
Lawyer Sergeant's fees, -	40,000
Lawyer Webster's fees and loans,	58,000
Lawyer Johnston's loans,	36,000
Lawyer Poindexter's loans,	10,000
Printer Webb's loans,	52,975
Printer Green's loans,	38,000
Printer Harding's loans,	31,916
Printer Wilson's fee, in part,	580
Balance of Printer Wilson's fee,	1,447
Printers Gales & Seaton's loans,	52,370
Printer Walsh's loans,	6,541

Total, \$467,829