UNITED STATES BANK.

HOUSE OF REPRESENTATIVES.

FEBRUARY 28, 1832.

The House resumed the consideration of Mr. CLAYTON's resolution for a Select Committee to enquire into the *management of the Bank of the United States*, with power to send for persons and papers.

Mr. PATTON of Virginia, said, when he obtained the floor yesterday, he wished to present to the consideration of the House, a few reasons which satisfied his mind that they ought to adopt the resolution offered by the gentleman from Georgia. It was not, Mr. P. said, his wish or expectation that the delivery of his remarks should have been postponed by an adjournment—a circumstance which he regretted, because it placed him in an attitude which gave too much solem-

nity and formality to the small part which he intended to take in the discussion and might possibly have excited some expectation of a more elaborate, and thorough examination of the subject than any thing he might say would be likely to satisfy. He did not design to say one word about the question, whether the charter of the Bank ought to be renewed or not. To discuss that question, said Mr. P., upon the proposition now before us, would, in my estimation, be ill-timed, premature and disorderly. Whether that institution has dispensed blessings or inflicted curses on the country—whether it has brought with it "airs from Heaven," as its friends say it has—or "blasts" from the other place—as is imputed to it by its foes, are enquiries not proper now to be made. They ought to be reserved for a more suitable occasion.

more suitable occasion.

If I were to judge, said *Mr. P.* of the character which this discussion is to assume, from the manner in which I have heard it spoken of by members out of doors, it is to be conducted in a spirit on either side, which I can neither participate in nor sympathize with. I have heard it said that it was upon the proposition now before us, that the battle on the question of renewing the charter of the Bank of the United States, was to be fought. *And I have* heard it charged that it was a manœuvre; this proposition for *enquiry*, designed to evade and prevent a direct decision upon the merits of that question during the present session of Congress. *I take leave to say that* I will fight no such battle, on any such ground. *It is not an appropriate field.* We are not ready for the fight. We have not our arms and ammunition. For myself I do not wish to be consider-*ed as having* enlisted under the banners of either of the contending armies. I have *no such* decided and

inexorable opinions, upon the subject in dispute, as to be ready to engage pell mell and with headlong precipitation into the conflict. I will enter upon the investigation of the claims of the United States Bank to a renewal of its charter with none of the spirit of a partizan. Estimating the question as an extremely important, as undoubtedly it is a very interesting one to a large portion of *the people of the Union*—so many considerations and enquiries of intrinsic delicacy and difficulty, both as to its constitutionality and expediency, are involved in the enquiry; that it behoves us to enter upon it with a *calm*, dispassionate and deliberate judgment, with an eye single to the *ascertainment of* truth and the promotion of the public good, and to follow whithersoever they may lead. It is in this spirit *I wish to examine it.* And after having done so, when we have reached the true battle ground, *and have* an open field and a clear sky, I shall be ready to take

my place in the conflict, and endeavor to do my duty in the station I shall occupy. I utterly disclaim being influenced in my support of this resolution, by any hope or expectation that the enquiry it proposes, would have the effect of preventing the direct and deliberate action of Congress on the Bank question during the present session. When we have the materials for a full and fair examination of its merits before us, neither in this or in any other form will I lend my countenance to any scheme to get rid of that question by a side blow, by a decision not upon the merits, whereby the country would be left in a state of uncertainty, as it is now, as to what will be its ultimate fate. It is due to the country, to a just regard to the great interests depending upon it, to the recollection of the vast influence it exerts over the currency, and commercial exchanges of the whole Union, whether for

evil or for good, that we should not get rid of it by any *indirection*, but meet it in the spirit I have indicated. I have heard it intimated that some such scheme, (whether truly I know not,) was to come in the shape, of a motion for indefinite postponement, or some such question, which did not necessarily involve a decision on the merits of the claim for a renewal, from some one who was both a friend of the Bank, and a friend of the President, and that its adoption was to be recommended upon political or party grounds. I care not whether the fact be so or not, but take this occasion to say, that I will not contribute my aid to any such movement for any such purpose. As a political friend and supporter of the Chief Magistrate —a sincere and decided friend, I should regard it as the greatest injustice to him to pursue a course calculated and designed to shield him from the responsibility, which in the event of the bill for the renewal of the charter, being passed both Housses, would devolve upon him, of disappointing and displeasing his friends in some quarter or another, no

matter what might be his course in relation to it. Sir, it is not to be disguised; the evidence is all around us, that an effort is making to give great importance and influence to the Bank of the U. States in the pending Presidential canvass. In one quarter of the Union where the institution is supposed to be very popular, the enemies of the President assail him on the ground that he is an enemy of the Bank. In another quarter where the Bank is supposed to be in rather bad odour, his enemies enforce their opposition, by asserting and endeavoring to prove that he will certainly approve a bill for the renewal of the charter. And it must be confessed that the same game is played by some of his friends in the same quarters of the Union, they representing him where the Bank is unpopular, as its inflexible and uncompromising foe, and where it is in favor, as ready to give his approbation to the charter, with certain restrictions and modifications. I for one will

not take a hand in any such game, nor do any thing with a view to prevent its being ended. On the other hand I will not hasten my steps inconsiderately, nor consent to precipitate a decision on so important a question, for the mere purpose of compelling the President to act upon it for the gratification of those who imagine that his action upon it, whatever it may be, will seriously affect his re-election.

Our course ought not to be governed or influenced on such a question, by any reference to its possible effect to elevate one man or depress another.

I believe the suspicion, (if any foundation were to be given for it by the friends of General Jackson, pursuing the course I have deprecated,) that he wishes to shrink from any responsibility his station imposes, would be infinitely more fatal to his popularity, as it ought to be to his character for purity, patriotism and firmness, than any decision that he might make, favorable or unfavorable, upon the Bank, or any other great question on which he might be called to act. I have confidence—entire confidence, in his purity, patriotism and firmness and believe he is the last man who would desire such a course to be pursued by his friends as would be calculated to subject him to suspicions so unworthy of him. I do not believe that the proposition now before us has been prompted by any motive to embarrass, for the purpose of delaying the decision of the Bank question. But whatever may be the views and motives of others, it receives support from me for no such motive or end.

What is it? It asks that an enquiry may be instituted into the condition of a large monied corporation, having vast influence upon the currency and commerce of the nation, invested with vast powers which it has been clothed with for twenty years, and those powers carrying with them exclusive and valuable privileges during the same period of time. We are called on by this corporation to continue these powers, to renew these privileges, and to allow it to enjoy these profits for another period of 20 years. A member rises in his place, in this House, and presents a long list of charges, grave charges, and seriously affecting the integrity and fidelity with which the powers hertofore conferred have been exercised—declares that he verily believes these charges or many of them can be sustained by proof, if you will furnish the means of making the investigation.

It is not wonderful that an application so reasonable as this, should be resisted by the friends of the institution—supposing the charges to be sustained—the facts to be proved—it would appear that the institution had exceeded its chartered limits—had abused its powers—had employed its funds in bribery—had committed a fraud upon its charter for the purpose of doing indirectly that which the authority to do when asked from Congress was refused—and that it had been guilty of usury. And yet in the face of such grave charges as these, we are called on hastily and blindly to re-create this corporation.

Not to do an act of ordinary legislation which could be repealed next year if it was found, that it had been unwisely enacted; but to make a law which divests us the power of similar legislation for twenty years. Pass the bill for the renewal of the charter without enquiry, and it cannot be recalled—"*volat irrevocabile verbum*"—no matter how clearly the proofs of usurpation, abuse and corruption may then appear. And yet you cannot allow the enquiry. And why not?

The first objection seems to be, that the charges are not sufficiently minute—not accompanied with detailed specifications of time, place and manner. This objection seems to be in the nature of a special demurrer to the indictment against the bank, as the gentleman from Georgia called his charges—an appellation which, perhaps, was not exactly appropriate. I would call it a presentment, and the Congress of the United States, the grand jury whose duty it is to investigate the charges, to hear the proofs, to examine the witnesses. But we are told by

the gentleman from South Carolina, (Mr. McDuffie,) that these charges are accompanied by no proof. Why the very object of the resolution is to procure the proof—if we had the proof, the inquiry would be idle and unnecessary, and yet, we are told we shall not have the investigation, because we do not produce that which it is the very purpose of investigation to procure, and which, from the very nature of the subject, cannot be procured, but in the mode indicated by the resolution.—Sir, this is mockery.

But, said Mr. P. it is again objected by the honorable gentleman from South Carolina, (Mr. McDuffie) that the resolution ought not to pass, because public credit, and especially bank credit, is so fragile and delicate a thing, that like female reputation, even a suspicion, however unfounded, does it serious injury, and consequently, we ought not to listen to suspicions and charges, and give countenance to them, by instituting an inquiry into their truths. This is to give the delicacy and presumed chastity of public credit, a holier sanctity than has ever been given to a female reputation. It was said of Cæsar's wife, that she ought not only to be chaste, but unsuspected, that is—unsuspected, because above suspicion.

But here where we have suspicion and charges avouched by the gentleman from Georgia, as to his belief of their truth, and susceptibility of proof, we are not to inquire, because public credit is so delicate, that serious injury may be done. Public credit under the care of the Bank of the United States. The bank is roundly charged with having "played the wanton," and we must turn a deaf ear to the charge for fear of injuring the character of the guardian and the ward. Instead of this being to treat public credit like female reputation, it seems to me more like placing a delicate, modest and innocent girl into the care and custody of one who *is charged* with being a bawd of 20 years standing, guilty of venal prostitution for the gratification of her lust of power and money, and giving "base bribes" to procure certificates of good character, and "buy golden opinions from all sorts of men."

With due deference to the gentleman from South Carolina—for whose integrity and candor I feel every possible respect, and for whose ability I entertain an almost unbounded admiration—the whole of his prompt and powerful argument, to show that the charges against the bank were unfounded in law and fact, was nullified by the admission made at the close of his remarks, that if the charges had been presented *one* month *sooner*, no objection would have been made, and he, as the friend of the bank, would have advocated an inquiry into them by a select committee for that purpose. One month is a

short time to cause an inquiry to be barred by the statute of limitations. Shall we be precluded from an inquiry just and proper, for enabling us to determine upon the granting of a charter for 20 years, by a delay of one month in bringing forward the charges? You must take care not only to come with all your charges, specifications, and proofs; and then you may be turned out of doors, not because you do not shew proper grounds of inquiry, but because you come one month too late! And without any regard to the charges, we are asked to divest ourselves of all legislative power upon this subject by a hasty and precipitate act. I do not wonder at the course of the gentleman from South Carolina. He is a zealous, ardent, and devoted advocate of the

bank on principle, thinks it has conferred unnumbered benefits upon the country. He has entire confidence in the integrity and fidelity with which it has been conducted. He, therefore, may well turn a deaf ear to accusations against it. This abiding confidence may possibly mislead him into the indulgence of too much indifference to the charges. But we who have had no such opportunity of acquiring confidence in the management of the institution, who may not be so well satisfied as to its conduct or its beneficient effects, can hardly be expected to shut our eyes and our ears to charges and to proofs which seriously effect, *prima facie*, the integrity of its administration; to require us to do so, would be to exact from us a faith as meek, submissive and fanatical, as that of the deluded Hindoo, who throws himself on the ground before the car of his idol, and is crushed under its enormous weight.

[Here Mr. McDuffie said, the gentleman from Virginia had not correctly understood what he had said. He stated that, even now, inopportune as the time was, if any charge were preferred on the authority of a single witness, cost what it might, he would be in favor of the inquiry. He had also said, that when, in the early part of the session, the gentleman from Georgia (Mr. Wayne) moved for the appointment of a Select Committee for the reference of the memorial of the Bank, he would have been in favor of it, if any charges demanding investigation, and sustained by the testimony of a witness of respectable character, had been made.]

Mr. PATTON continued. I doubtless did misapprehend the gentleman, and acquiesce in the correction he has made. But it makes but little difference in the force of the argument, and only makes it necessary to inquire if proof ought to precede investigation, which I am willing to submit to the judgment of the House. I agree, we ought not to listen to every idle tale, to countenance every vague suspicion or loose accusation, that might proceed from the jealous hostility of a personal or political foe. But, if we ought not to institute a solemn investigation into the condition and management of the Bank, upon such a basis as we now have, we may employ what terms we please in the charter, for subjecting the institution to the supervisory control of Congress, and yet, to every practical purpose, it will be independent of you.

Most of the abuses and misconduct with which the Bank is charged, and is most likely to be chargeable, can only be exposed by seeking for the proof of them in its own vaults; in its books and papers; in the bosoms of its own officers: and if, peradventure, an individual should be able to prove an instance of abuse, how probable is it that a remote and humble individual, making a charge upon a great and powerful corporation, would expose himself to the mortification of having his complaints treated with contumelious neglect, and himself scoffed at here.

There is one view of this subject which ought to induce the House to institute an investigation into the condition of the Bank, and its past management, if there was no charge made against it at all, avouched or unavouched.

What is it, said Mr. P., that we shall be soon called on to do? To revive and continue, for a term of twenty years, the charter of a corporation which has already been in existence for twenty years, or will have been at the expiration of its present charter; a corporation which is, in some respects, the guardian of the public credit, and of the whole currency of the Union; the depository of the millions of public revenue annually collected; an institution unquestionably, for some purposes, potent for good, if well administered, and, which every body must admit, almost omnipotent for evil, if unfaithfully, injudiciously, and corruptly managed. If this institution be, as its friends say, so powerful and salutary in checking, controlling, and regulating the State institutions of a

...ing, and regulating the State institutions of a similar character, and thus regulating currency, and sustaining commerce, it may be said to be to the State banks what the great central luminary is to the solar system, controlling, sustaining, and preserving the inferior orbs, giving them light, heat, and motion. Is it not most strange, that, after it has exercised these vast powers for twenty years, the creator of this great instrument of its beneficence should make no inquiry how it has performed these great functions? that it should not ask, have you been faithful to the many things over which you have been made ruler? have your powers been exercised so as to confer blessings, or abused so as to spread ruin? have you kept the State banks, the commercial planets, moving in their proper orbits? have they been drawn so much within the reach of your power as to be withered and consumed, or made to "shout mad-

ly from their spheres," producing chaos? When I regard the immense extent of influence which such an institution may exercise upon the commercial prosperity of the country; the almost unlimited extent to which it may control the whole currency of the nation; that it is the keeper of the public treasury, and directly and palpably interested in increasing the public revenue to the highest possible amount; I am amazed that any man can doubt about the propriety of making a thorough and jealous scrutiny, not because charges are made, merely; but, even in the absence of any charge, it ought to be dictated by the exercise of even the most ordinary prudence, and ought to be gone into as a matter of course. We surely would not act otherwise in common life, and in relation to our own individual business and interests. Would any one of us, if called from home, for even five or six years, during which time his affairs

were conducted by an agent, renew the authority of this agent for five or six years more, without looking at all into the manner in which he had performed his trust in the first instance? Would he, ought he, to rely upon the general statements of the agent himself? Even if he had heard no charges of misconduct and mismanagement, he would go to the best sources of information within his power, and ascertain if the stewardship had been faithful. Imagine a large capitalist, employing a confidential factor, with full power and authority to use his credit and his name, without other security than the interest

and integrity of the factor; that, after the continuance of this connection for twenty years, the factor asks that a contract may be entered into, continuing their relations for another twenty years, without any power in the principal to remove him, and dissolve the connection, is it conceivable that any man could be so mad, so fatuitous, as to agree to such a proposition; again put his credit and all his funds into the hands of the factor, without the slightest examination into his accounts and his conduct, for the previous twenty years?

I do not mean to enter upon a detailed examination of all the items of complaint against the Bank, but to examine one or two of them; and if it shall appear, in relation to them, that the Bank has apparently violated its charter, and abused its power, it ought to be sufficient to show that we want no other evidence that a further and fuller investigation ought to be made. We shall want no witness—no voucher. If one instance of flagrant abuse can be made

out, I would act upon the principle "*ex uno disce omnes*," so far as to vote for the enquiry. For this purpose, in the first place, I ask the attention of the House to the practice of the Bank, for several years past, in issuing checks or bills of exchange drawn by the branches on the mother Bank; bills of exchange, as they are denominated by those who justify the practice here; bank notes, as the Bank itself designates them.

What, asked Mr. P. is the history of this practice? The charter forbids the Bank from issuing any bank bills or notes, which are not signed by the President of the Bank, and countersigned by the Cashier. I have heard it said, that, when the qestion of creating the Bank was under consideration, in 1817, the impossibility of these two officers signing as many notes of the smaller denominations as might be thought convenient or useful for the Bank, was anticipated. Yet the authority to sign notes for circulation was restricted, as before stated. It was intended that the Bank should not have it in its power to supply the

whole circulation, and to drive the notes of the State Banks out of circulation. It was created for national purposes, and to subserve great and general interests; designed to preserve the State Banks in a condition of healthful vigor, not to destroy them. Whether I am correctly informed or not, (and I do not vouch for it,) as to this having been considered when the charter was granted, it is certain that the Bank, in 1820 and 1821, felt itself trammelled by the restriction, and, in each of those years, the Bank presented its memorial to Congress, complaining of this limitation upon its power to issue notes; and asked to be allowed to appoint an Agent and a Register, with authority for the purpose of signing and countersigning notes, in the same manner as the President and Cashier were authorized. The memorial

in the House of Representatives was referred to a Select Committee, composed of the friends of the Bank, (or at least a majority,) and a bill passed the Senate, giving the authority which was asked, and also referred to the same Committee. Neither the memorial nor the bill were reported upon by the Committee. Some two or three years afterwards, I am correctly informed, in 1826, the Bank, finding it could not procure the authority which it asked from Congress to do it directly, set about contriving some ways and means to do the same thing indirectly; and they accomplished it by adopting these things which the gentleman from South Carolina calls bills of exchange. Now, it is true, they are, when first issued, bills of exchange, or checks upon the mother bank, *in form*, but not in substance. In terms they are so, but not in reality. They have the outward

show and appearance of the ordinary bank notes. They issue from the branch banks in the same way, and for the same purposes, as bank notes: they are not treated by those who receive them, nor designed by those who issue them, to be treated as bills of exchange. They are issued and re-issued precisely as bank notes. What are the incidents of a bill of exchange? One is, that it must be presented in a reasonable time for payment, if no time of payment be expressed; and, if not paid, reasonable notice must be given, that is, by the next mail, in order to fix the liability of the drawer and endorser. A Tennessee farmer or Kentucky hog-drover would look

very queer, if, on presenting one of these *bills of exchange*, which he was simple enough to think looked very much like a bank note, to the branch at Nashville or Lexington, he were to be told, we cannot pay this; this is a bill of exchange; we have not promised to pay it; you must go on to Philadelphia, and present it at the mother Bank; if it is not paid, give us notice by the next mail, and then we will see about it. Again, bills of Exchange are intended for remittance, not for circulation as currency. These notes or bills are intended for and used as currency. Another quality of a bill of exchange is, that when it has been once paid and taken in, it has performed its function; is dead; cannot be revived. These

"*Things* one knows not what to call,
"Their generation's so equivocal"—

Are issued to day in payment to A. B. received back from C. D. to morrow, and re-issued to E. F. the next day. It is not necessary to introduce authority to show that a fraud upon the statute is a violation of it. This principle as it happens, is clearly and expressly stated

by the Supreme Court in the case of the United States vs. Owens, which I shall have occasion presently to refer to on another point of the discussion. Have we not reason to believe, nay is it not proved, that the charter has been violated in this particular? The charter does not give authority to issue notes signed by any body but the President and Cashier of the mother bank. Conscious of this, application is made to the only power that can confer it—it is refused; and straightway the Bank does indirectly what it is forbidden to do directly, and issues bank notes in the disguise of bills of exchange. The facts I have stated as to the manner in which these bills or checks are employed, are

notorious. But I have in my hand express proof, in a letter from the President of the Bank to the Secretary of the Treasury, written in answer to certain resolutions which lately passed the Senate on this subject. In answer to the first resolution, calling for the amount of the *paper currency in circulation*, in the form of orders, drawn by the Presidents of the branch banks on the Cashier of the Bank of the United States, he answers: of five dollar drafts, $1,991,000; of ten dollar drafts, $2,438 000; and of twenty dollar drafts, $610,000. Total in circulation now, $5,029.000. I understand, the statement which accompanied this letter, and which I have not seen, shows that about $8,000,000 in these notes have been issued, of which $3,000,000 are in the vaults of the Bank ready to be re-issued as

occasion may require. Another fact which appears from another statement which accompanied the letter is, that silver coin and bullion, about the amount of the issue of these notes, was drawn from the branch banks which issued them, and entered to the parent bank, since each branch bank began to issue the notes, and about in the proportion that they were issued. This would be very natural and proper, if these notes were what they profess to be. If they were really and bona fide bills of exchange, or checks on the mother bank, it would be all fair and right, that the specie should go where they were to be paid. But how is the fact? In answer to another

resolution, the President of the bank says: "The branch drafts being in practice substitutes *for branch notes, are considered in all respects the same*, like branch notes those of five dollars are received at all the branches; those above five dollars are not necessarily received." And in answer to another inquiry, viz: "whether there is any instruction from the directory of the Bank of the United States command-

ing the drawers of those orders to cash them at the branches where drawn," he answers thus: "no instruction was given, none such being necessary. The authority to *issue branch drafts* instead of branch notes was understood to place *both on the same footing.*" It included of course the obligation to pay them by the branch issuing them, to receive them, at all the branches for sums of five dollars, and to receive them for any sum on account of the government. These being the conditions *which attach to all the issues of the Bank.*"

Thus it is admitted by the President of the Bank that these bills of exchange are on the same footing with branch notes—in all respects the same. In other words, that they are *not payable* at the mother bank, because according to the "new lights" which have shone upon the Bank since 1819, the mother bank is not bound to pay the branch notes—*not payable* at any of the branches, but that from which they issue respectively—payable no where, in short, but at the place where, according to the face of the note, they are not payable, and where there is consequently no obligation to pay them." The gentleman from South Carolina says they are payable every where—it turns out they are payable no where—thus verifying the adage that "what is every body's business, is no body's business."

But we are told by the gentleman of South Carolina that one fact ought to settle this matter. The question as to the validity of these notes, and the right of the Bank to issue them, has been decided—adjudicated! and this is announced as if we, the legislators of the nation—the Representatives of the people—were to close our mouths whenever a judicial decision has been made upon any question—as if every judge was to be considered a "sir oracle, and when he opes his mouth, no dog must bark." By whom decided? By one of the Circuit Courts of the United States, (some other court in Ohio decided

the other way.) With every respect for the ability and legal erudition of the judge who decided the case, I must be permitted to protest against yielding such deferential homage to the opinion of every federal judge. It is enough to demand that we should acknowledge the judicial supremacy of the whole Supreme Court, to which I am ready to pay every deference I conscientiously can.

How was it decided? Upon the trial of a criminal for forging one of these branch bank orders. I do not know, of course, how the indictment was drawn, but take it for granted, the district attorney took care to draw it so as to avoid any question not necessarily involved; and if so drawn, the judge had about as much to do with the question whether the order was of valid obligation upon the United States Bank as with the question whether the moon is made of green cheese. The charter of the Bank makes the forging "of any check or order drawn upon the Bank or either of its branches," criminal and punishable as prescribed in the charter. One of these branch notes is certainly an order or check drawn on the Bank of the United States, and if genuine. would have made the individual who drew it and him who endorsed it, liable to the holder, even although neither the parent bank nor the branch whose officers drew and endorsed it were liable, just in the same manner as if a forgery were committed by making a check or order on the Bank of the United States, purporting to be drawn by me in favor of my friend who sits by me, which if genuine, would create no obligation upon the Bank of the United States, as I am sorry to say I have no money there.

On the whole, therefore, I cannot agree with the gentleman from South Carolina, when he says, that if the gentleman from Georgia does not admit these to be bills of exchange, it must be because they are printed and painted. On the contrary, I cannot conceive how any man after this, can vindicate the Bank for creating this spurious circulation, unless he is prepared to admit that this institution can make bank notes in any way, no matter how clearly forbidden by its charter, if it will only print and paint them, and christen them as *bills of exchange, checks, orders, obligations*, or any thing else it may please.

The charge of violation of its charter or abuse of its power in this particular is folly made out. I am not disposed to pronounce a condemnatory judgment against the bank therefor, but surely we are called to inquire of the bank, why it had done this thing? What excuse it has? was it impelled to it by any urgent necessity in reference to the public interests? If it turn out to be so, I would look upon the aberration with an indulgent eye—and would not hold it to the full measure of a stern and inexorable infliction of the legal penalty.

Another charge is fully made out, of a violation of the charter, by the adjudication establishing the fact of usury upon the bank—adjudged not by a circuit Judge, but by the Supreme Court of the United States, in the case of the Bank of the United States *vs.* Owens, &c. 2nd Peters. But it is said the usury is not established, because the case was decided upon a demurrer. That is the very reason it does prove it. The demurrer, which admits the facts, would hardly have been filed in such a case as this, if the bank had not known the facts stated in the plea to be true, and could be proved. It is to be presumed that the bank was well advised, as it is known that it employs the best counsel; as it ought to do, and gives the best fees—of which I do not complain, as I am glad to see my brother chips get such good pickings—when the bank then, as may suppose, told their counsel that the defendant had applied to them for a

discount, which they refused because they were not then discounting upon their own paper. But it was afterwards agreed that if he would take notes of the Bank of Kentucky, then at a depreciation of 46 per cent. in the market, and give them his note for the amount at the par value, bearing interest from the date, he could be accommodated. Such counsel as I have supposed to have been employed; would very naturally have said, your only chance is to deny the legal validity of the defence. If you go before the jury, and the facts are proved, you are gone. If the facts stated in the plea are not true, then you ought not to risk your debt on so nice and delicate a question of law. The Bank knew the facts to be true, and stood upon the law. They played for the last stake and lost it. The effect and force of this case, in establishing the fact that the

Bank has practised usury, it is attempted to remove by a note of the reporter of the Sepreme Court, appended to the report of the case, in which some facts are stated as authentic, which go to show that the Bank had not incurred the moral turpitude of usury. That statement *does not deny* the truth of the material allegation of the plea, that Kentucky bank notes, at the time of this transaction, 1822, were at a depreciation of 46 per cent in the market. I must be permitted to say, that the reporter who is employed and paid by the Government to report the judicial proceedings of the Court, has gratuitously and impertinently interpolated in his book of reports this statement, which had nothing to do with a report of the case and judgment of the Court,

which he says is authentic. It is not said by whom it was avouched—the facts did not appear in the re-co.d—and the probability is that it was made by those interested in the Bank; and this statement is to be regarded as certainly true, so as to preclude all enquiry. There is no doubt, that banks and individuals may be involved in the legal penalties of the usury law, without incurring its moral turpitude. The Courts have decided transactions to be usurious, when neither of the parties had the most remote idea of violating the lww.

But, when a charge of usury is established against such an institution as this, on which we are required to pass a judgment of death or life, when it is shown that it has apparently abused its power, and it has been adjudged that it has violated its charter, surely some explanation ought to be asked for and given.

Another charge made upon the Bank is, that it has pervarted its authority to hold real estate, and used it to pnrposes which are not legitimate.

The charter expressly authorized the bank to acquire real estate, for certain purposes, and in certain specified cases, viz: for its banking houses, by way of mortgage to secure the debt, and by purchase at Sheriff's sale under judgments in favor of the bank. I frankly confess that it is difficult to draw the line so as to prescribe the manner and extent to which it may use and enjoy the land, thus acquired and holden; certainly it is under no obligaton to suffer it to

remain unoccupied and unprofitable; but there is just as little question that this power may be employed most perniciously, and in a manner never contemplated, so as to shock the moral sense of every man in the community. While it may acquire real property, it ought to be disposed of with all the convenient despatch, in reference to the purpose of which it is authorized to acquire it, to get the debt for which it was bound, paid, and while holding it bona fide for this purpose, it may be put to any reasonable use looking at each end; but will any man say, that

having lawfully acquired the real estate, it may hold it forever, even though it should be enabled to sell it so as to pay the debt for which it was bound, and even to a profit; and use it in any way it may please; that having acquired extensive commons, it may

build up cities, and people them with its tenants; buy negroes and stock, and go to farming; become a cotton planter; an extensive wool grower, and manufacturer? I am sure the gentleman from South Carolina would be very unwilling, that this great monied corporation should become a partner in that "great confederacy of interests," "the American System," whereby a combination, would be created more difficult to be broken up, than any which has yet been formed; and an accession of force brought to that system which would constitute it a tower of

strength, only to be overthrown by some such desparate and fatal expedient, as would pull down the Constitution, the Government, and the Union along with it. If ever the Bank should occupy that position, the gentleman from South Carolina may be assured—or there is no truth in the known and ordinary principles of human action—that all the benefits he has conferred on this institution, by his able distinguished, and strenuous exertions in its behalf would be remembered no more, and that it would turn on him with viper ingratitude, and sting the bosom that has warmed it into life.

I will not detain the House by remarking upon any of the other charges, though several of them are fruitful of comment. I am conscious that I have already occupied its time longer than any thing I have said can remunerate for. I will conclude by saying, that if I were the most decided friend of the renewal of the charter of the bank, and was confident that it could remove the well-grounded suspicions which some facts have generated against it, I would regard as fortunate such an opportunity of vindicating it. If I were its worst and most embittered foe, I could wish it no more certain and fatal injury, than that its friends should defeat the passage of the resolution.