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*Thomas H. Benton.*

# THIRTY YEARS' VIEW;

OR,

A HISTORY OF THE WORKING OF THE AMERICAN  
GOVERNMENT FOR THIRTY YEARS,

FROM 1820 TO 1850.

CHIEFLY TAKEN

FROM THE CONGRESS DEBATES, THE PRIVATE PAPERS OF GENERAL JACKSON  
AND THE SPEECHES OF EX-SENATOR BENTON, WITH HIS  
ACTUAL VIEW OF MEN AND AFFAIRS:

WITH

HISTORICAL NOTES AND ILLUSTRATIONS, AND SOME NOTICES OF EMINENT  
DECEASED COTEMPORARIES:

BY A SENATOR OF THIRTY YEARS.

*Benton, Thomas*

IN TWO VOLUMES.

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of people in our widely extended country; and if the question of rechartering were not decided now, it would hazard these great and complicated interests. Mr. M. said he attached no importance to this argument. The stockholders who met lately at Philadelphia thought differently, for, by a solemn resolution, they left it discretionary with the president of the bank to propose the question to Congress when he saw fit. If they had thought that a postponement would have endangered their interests, would they not have said so? This fact does away the argument of the member from South Carolina. The bank question was decided by the strongest party question which could be put to this or any House. It has been twice discussed within a few years. It was rejected once in the Senate by the vote of the Vice-President, and it afterwards passed this House with a majority of two. It would divide the whole country, and excite on that floor, feelings of the most exasperated bitterness. Not a party question? Does not the member from South Carolina [Mr. McDuffie] remember that this question divided the country into federalists and republicans? It was a great constitutional question, and he hoped all those who thought with him, would rally against it in all their strength. But why refer it to the Committee of Ways and Means? It was committed before to a select committee on national currency. If the question was merely financial, as whether we should sell our stock, and, if we did, whether we should sell it to the bank, he would not object to its being referred to the Committee of Ways and Means. But it was not a question of revenue. It was one of policy and the constitution—one of vast magnitude and of the greatest complexity—requiring a committee of the most distinguished abilities on that floor. It was a party question in reference to men and things out of doors. Those who deny this, must be blind to every thing around them—we hear it every where—we see it in all which we read. Sir, we have now on hand a topic which must engross every thought and feeling—a topic which perhaps involves the destinies of this nation—a topic of such magnitude as to occupy us the remainder of the session; I mean the tariff. I hope, therefore, this memorial will be laid on the table, and, if not, that it will be referred to a select committee.”

Mr. Charles Johnston, of Virginia, said :

“The bank has been of late distinctly and repeatedly charged with using its funds, and the funds of the people of these States, in operating upon and controlling public opinion. He did not mean to express any opinion as to the truth or falsehood of this accusation, but it was of sufficient consequence to demand an accurate inquiry. The bank was further charged with violating its charter, in the issue of a great number of small drafts to a large amount, and payable, in the language of the honorable member

from New-York [Mr. Cambreleng], “nowhere;” this charge, also, deserved inquiry. There were other charges of maladministration which equally deserved inquiry; and it was his [Mr. J.’s] intention, at a future day, unless some other gentleman more versed in the business of the House anticipated him, to press these inquiries by a series of instructions to the committee intrusted with the subject. Mr. J. urged as an objection to referring this inquiry to the Committee of Ways and Means, that so much of their time would be occupied with the regular and important business connected with the fiscal operations of the government, that they could not spare labor enough to accomplish the minute investigations wanted at their hands. We had been further told that all the members of that committee were friendly to the project of rechartering the bank, and the honorable gentleman [Mr. Mercer] had relied upon the fact, as a fair exponent of public opinion in favor of the bank. He [Mr. J.] added, that although he could by no means assent to the force of this remark, yet that it furnished strong reason for those who wished a close scrutiny of the administration of the bank, to wish some gentlemen placed on the committee of inquiry, who would be actuated by the zeal of fair opposition to the bank; he conceded that a majority of the committee should be composed of its friends. He concluded, by hoping that the memorial would be referred to a select committee.”

Finally the vote was taken, and the memorial referred to the Committee of Ways and Means but by a slender majority—100 against 90—and 24 members absent, or not voting. The members of the committee were: Messrs. McDuffie, of South Carolina; Verplanck of New-York; Ingersoll, of Connecticut; Gilmore, of Pennsylvania; Mark Alexander, of Virginia; Wilde, of Georgia; and Gaither, of Kentucky.

## CHAPTER LXIV.

### BANK OF THE UNITED STATES—COMMITTEE OF INVESTIGATION ORDEKED.

SEEING the state of parties in Congress, and the tactics of the bank—that there was a majority in each House for the institution, and no intention to lose time in arguing for it—our course of action became obvious, which was—to attack incessantly, assail at all points, display the evil of the institution, rouse the people—and prepare them to sustain the veto. It was seen to be the

policy of the bank leaders to carry the charter first, and quietly through the Senate; and afterwards, in the same way in the House. We determined to have a contest in both places, and to force the bank into defences which would engage it in a general combat, and lay it open to side-blow, as well as direct attacks. With this view a great many amendments and inquiries were prepared to be offered in the Senate, all of them proper, or plausible, recommendable in themselves, and supported by acceptable reasons; which the friends of the bank must either answer, or reject without answer; and so incur odium. In the House it was determined to make a move, which, whether resisted or admitted by the bank majority, would be certain to have an effect against the institution—namely, an investigation by a committee of the House, as provided for in the charter. If the investigation was denied, it would be guilt shrinking from detection; if admitted, it was well known that misconduct would be found. I conceived this movement, and had charge of its direction. I preferred the House for the theatre of investigation, as most appropriate, being the grand inquest of the nation; and, besides, wished a contest to be going on there while the Senate was engaged in passing the charter; and the right to raise the committee was complete, in either House. Besides the right reserved in the charter, there was a natural right, when the corporation was asked for a renewed lease, to inquire how it had acted under the previous one. I got Mr. Clayton, a new member from Georgia (who had written a pamphlet against the bank in his own State), to take charge of the movement; and gave him a memorandum of seven alleged breaches of the charter, and fifteen instances of imputed misconduct, to inquire into, if he got his committee; or to allege on the floor, if he encountered resistance.

On Thursday, the 23d of February, Mr. Clayton made his motion—"That a select committee be appointed to examine into the affairs of the Bank of the United States, with power to send for persons and papers, and to report the result of their inquiries to the House." This motion was objected to, and its consideration postponed until the ensuing Monday. Called up on that day, an attempt was made to repulse it from the consideration of the House. Mr. Watmough, a representative from Pennsylvania,

and from the city, a friend to the bank, and from his locality and friendship supposed to be familiar with its wishes, raised the question of consideration—that is, called on the House to decide whether they would consider Mr. Clayton's motion; a question which is only raised under the parliamentary law where the motion is too frivolous, or flagrantly improper, to receive the attention of the House. It was a false move on the part of the institution; and the more so as it seemed to be the result of deliberation, and came from its immediate representative. Mr. Polk, of Tennessee, saw the advantage presented; and as the question of consideration was not debatable, he demanded, as the only mode of holding the movement to its responsibility, the yeas and nays on Mr. Watmough's question. But it went off on a different point—a point of order—the question of consideration not lying after the House has taken action on the subject; and in this case that had been done—very little action to be sure—only postponing the consideration from one day to another; but enough to satisfy the rule; and so the motion of Mr. Watmough was disallowed; and the question of consideration let in. Another movement was then made to cut off discussion, and get rid of the resolution, by a motion to lay it on the table, also made by a friend of the bank [Mr. Lewis Williams, of North Carolina]. This motion was withdrawn at the instance of Mr. McDuffie, who began to see the effect of these motions to suppress, not only investigation, but congressional discussion; and, besides, Mr. McDuffie was a bold man, and an able debater, and had examined the subject, and reported in favor of the bank, and fully believed in its purity; and was, therefore, the less averse to debate. But resistance to investigation was continued by others, and was severely animadverted upon by several speakers—among others, by Mr. Polk, of Tennessee, who said:

"The bank asks a renewal of its charter; and ought its friends to object to the inquiry? He must say that he had been not a little surprised at the unexpected resistance which had been offered to the resolution under consideration, by the friends and admirers of this institution—by those who, no doubt, sincerely believed its continued existence for another term of twenty years to be essential to the prosperity of the country. He repeated his surprise that its friends should be found shrinking from the investigation proposed. He would not say that such resistance

afforded any fair grounds of inference that there might be something "rotten in the state of Denmark." He would not say this; for he did not feel himself authorized to do so; but was it not perceived that such an inference might, and probably would, be drawn by the public? On what ground was the inquiry opposed? Was it that it was improper? Was it that it was unusual? The charter of the bank itself authorized a committee of either House of Congress to examine its books, and report upon its condition, whenever either House may choose to institute an examination. A committee of this House, upon a former occasion, did make such an examination, and he would refer to their report before he sat down. Upon the presentation of the bank memorial to the other branch of the legislature, a select committee had been invested with power to send for persons and papers, if they chose to do so. When the same memorial was presented to that House, what had been the course pursued by the friends of the bank? A motion to refer it to a select committee was opposed. It was committed to their favorite Committee of Ways and Means. He meant no disrespect to that committee, when he said that the question of rechartering the bank was known to have been prejudged by that committee. When the President of the United States brought the subject of the bank to the notice of Congress in December, 1829, a select committee was refused by the friends of the bank, and that portion of the message was referred to the Committee of Ways and Means. Precisely the same thing occurred at the commencement of the last and at the present session of Congress, in the reference which was made of that part of the messages of the President upon the subject of the bank. The friends of this institution have been careful always to commit it to the same committee, a committee whose opinions were known. Upon the occasion first referred to, that committee made a report favorable to the bank, which was sent forth to the public,—not a report of facts, not a report founded upon an examination into the affairs of the bank. At the present session, we were modestly asked to extend this bank monopoly for twenty years, without any such examination having taken place. The committee had reported a bill to that effect, but had given us no facts in relation to the present condition of the bank. They had not even deemed it necessary to ask to be invested with power to examine either into its present condition, or into the manner in which its affairs have been conducted.

"He would now call the attention of the House to the examination of the bank, made by a committee of this House in the year 1819, and under the order of the House. He then held the report of that committee in his hand. That committee visited the bank at Philadelphia; they examined its books, and scrutinized its conduct. They examined on oath the president, a part of the directors and officers of the bank. And what

was the result? They discovered many and flagrant abuses. They found that the charter had been violated in divers particulars, and they so reported to this House. He would not detain the House, however, with the details of that document. Gentlemen could refer to it, and satisfy themselves. It contained much valuable information, as bearing upon the proposition now before the House. It was sufficient to say that at that period, within three years after the bank had gone into existence, it was upon the very verge of bankruptcy. This the gentleman from South Carolina would not deny. The report of the committee to which he had alluded authorized him to say that there had been gross mismanagement, he would not use any stronger term, and in the opinion of that committee (an opinion never reversed by Congress) a palpable violation of the charter. Now sir, this was the condition of the bank in 1819. The indulgence of Congress induced them not to revoke the charter. The bank had gone on in its operations. Since that period no investigation or examination had taken place. All we knew of its doings, since that period, was from the *ex parte* reports of its own officers. These may all be correct, but, if they be so, it could do no harm to ascertain the fact."

Mr. Clayton then justified his motion for the committee, *first* upon the provisions of the charter (article 23) which gave to either House of Congress the right at all times to appoint a committee to inspect the books, and to examine into the proceedings of the bank; and to report whether the provisions of the charter had been violated; and he treated as a revolt against this provision of the charter, as well as a sign of guilt, this resistance to an absolute right on the part of Congress, and most proper to be exercised when the institution was soliciting the continuation of its privileges; and which right had been exercised by the House in 1819, when its committee found various violations of the charter, and proposed a *scire facias* to vacate it:—which was only refused by Congress, not for the sake of the bank, but for the community—whose distresses the closing of the bank might aggravate. *Next*, he justified his motion on the ground of misconduct in the bank in seven instances of violated charter, involving forfeiture; and fifteen instances of abuse, which required correction, though not amounting to forfeiture of the charter. All these he read to the House, one by one, from a narrow slip of paper, which he continued rolling round his finger all the time. The memorandum was mine—in my handwriting—given to him to copy, and amplify, as they

were brief memoranda. He had not copied them; and having to justify suddenly, he used the slip I had given him—rolling it on his finger, as on a cylinder, to prevent my handwriting from being seen: so he afterwards told me himself. The reading of these twenty-two heads of accusation, like so many counts in an indictment, sprung the friends of the bank to their feet—and its foes also—each finding in it something to rouse them—one to the defence, the other to the attack. The accusatory list was as follows:

*FIRST: Violations of charter amounting to forfeiture:*

"1. The issue of seven millions, and more, of branch bank orders as a currency.

"2. Usury on broken bank notes in Ohio and Kentucky: nine hundred thousand dollars in Ohio, and nearly as much in Kentucky. See 2 Peters' Reports, p. 527, as to the nature of the case.

"3. Domestic bills of exchange, disguised loans to take more than at the rate of six per cent. Sixteen millions of these bills for December last. See monthly statements.

"4. Non-user of the charter. In this, that from 1819 to 1826, a period of seven years, the South and West branches issued no currency of any kind. See the doctrine on non-user of charter and duty of corporations to act up to the end of their institution, and forfeiture for neglect.

"5. Building houses to rent. See limitation in their charter on the right to hold real property.

"6. In the capital stock, not having due proportion of coin.

"7. Foreigners voting for directors, through their trustees.

*SECOND: Abuses worthy of inquiry, not amounting to forfeiture, but going, if true, clearly to show the inexpediency of renewing the charter.*

"1. Not cashing its own notes, or receiving in deposit at each branch, and at the parent bank, the notes of each other. By reason of this practice, notes of the mother bank are at a discount at many, if not all, of her branches, and completely negatives the assertion of 'sound and uniform currency.'

"2. Making a difference in receiving notes from the federal government and the citizens of the States. This is admitted as to all notes above five dollars.

"3. Making a difference between members of Congress and the citizens generally, in both granting loans and selling bills of exchange. It is believed it can be made to appear that members can obtain bills of exchange without, citizens with a premium; the first give nominal endorsers, the other must give two sufficient resident endorsers.

"4. The undue accumulation of proxies in the hands of a few to control the election for directors.

"5. A strong suspicion of secret understanding between the bank and brokers to job in stocks, contrary to the charter. For example, to buy up three per cent. stock at this day; and force the government to pay at par for that stock; and whether the government deposits may not be used to enhance its own debts.

"6. Subsidies and loans, directly or indirectly, to printers, editors, and lawyers, for purposes other than the regular business of the bank.

"7. Distinction in favor of merchants in selling bills of exchange.

"8. Practices upon local banks and debtors to make them petition Congress for a renewal of its charter, and thus impose upon Congress by false clamor.

"9. The actual management of the bank, whether safely and prudently conducted. See monthly statements to the contrary.

"10. The actual condition of the bank, her debts and credits; how much she has increased debts and diminished her means to pay in the last year; how much she has increased her credits and multiplied her debtors, since the President's message in 1829, without ability to take up the notes she has issued, and pay her deposits.

"11. Excessive issues, all on public deposits.

"12. Whether the account of the bank's prosperity be real or delusive.

"13. The amount of gold and silver coin and bullion sent from Western and Southern branches of the parent bank since its establishment in 1817. The amount is supposed to be fifteen or twenty millions, and, with bank interest on bank debts, constitutes a system of the most intolerable oppression of the South and West. The gold and silver of the South and West have been drawn to the mother bank, mostly by the agency of that unlawful currency created by branch bank orders, as will be made fully to appear.

"14. The establishment of agencies in different States, under the direction and management of one person only, to deal in bills of exchange, and to transact other business properly belonging to branch banks, contrary to the charter.

"15. Giving authority to State banks to discount their bills without authority from the Secretary of the Treasury."

Upon the reading of these charges a heated and prolonged discussion took place, in which more than thirty members engaged (and about an equal number on each side); in which the friends of the bank lost so much ground in the public estimation, in making direct opposition to investigation, that it became necessary to give up that species of opposition—declare in favor of examination—but so conducted as to be nu-



gatory, and worse than useless. One proposition was to have the investigation made by the Committee of Ways and Means—a proposition which involved many departures from parliamentary law—from propriety—and from the respect which the bank owed to itself, if it was innocent. By all parliamentary law such a committee must be composed of members friendly to the inquiry—hearty in the cause—and the mover always to be its chairman: here, on the contrary, the mover was to be excluded: the very champion of the Bank defence was to be the investigating chairman; and the committee to whom it was to go, was the same that had just reported so warmly for the Bank. But this proposition had so bad a look that the chairman of the Committee of Ways and Means (Mr. McDuffie) objected to it himself, utterly refusing to take the office of prosecutor against an institution of which he was the public defender. Propositions were then made to have the committee appointed by ballot, so as to take the appointment of the committee out of the hands of the Speaker (who, following the parliamentary rule, would select a majority of members favorable to inquiry); and in the vote by ballot, the bank having a majority in the House, could reverse the parliamentary rule, and give to the institution a committee to shield, instead of to probe it. Unbecoming, and even suspicious to the institution itself as this proposition was, it came within a tie vote of passing, and was only lost by the casting vote of the Speaker. Investigation of some kind, and by a select committee, becoming then inevitable, the only thing that could be done in favor of the bank was to restrict its scope; and this was done both as to time and matter; and also as to the part of the institution to be examined. Mr. Adams introduced a resolution to limit the inquiry to the operations of the mother bank, thereby skipping the twenty-seven branches, though some of them were nearer than the parent bank; also limiting the points of inquiry to breaches of the charter, so as to cut off the abuses; also limiting the time to a short day (the 21st of April)—March then being far advanced; so as to subject full investigation to be baffled for the want of time. The reason given for these restrictions was to bring the investigation within the compass of the session—so as to insure action on the application before the adjournment of Congress—thereby

openly admitting its connection with the presidential election. On seeing his proposed inquiry thus restricted, Mr. Clayton thus gave vent to his feelings:

“I hope I may be permitted to take a parting leave of my resolution, as I very plainly perceive that it is going the way of all flesh. I discover the bank has a complying majority at present in this House, and at this late hour of the night are determined to carry things in their own way; but, sir, I view with astonishment the conduct of that majority. When a speaker rises in favor of the bank, he is listened to with great attention; but when one opposed to it attempts to address the House, such is the intentional noise and confusion, he cannot be heard; and, sir, the gentleman who last spoke but one in favor of an inquiry, had to take his seat in a scene little short of a riot. I do not understand such conduct. When I introduced my resolution, I predicated it upon the presumption that every thing in this House would, when respectfully presented, receive a respectful consideration, and would be treated precisely as all other questions similarly situated are treated. I expected the same courtesy that other gentlemen received in the propositions submitted by them, that it would go to a committee appointed in the usual form, and that they would have the usual time to make their report. I believed, for I had no right to believe otherwise, that all committees of this House were honest, and that they had too much respect for themselves, as well as for the House, to trifle with any matter confided to their investigation. Believing this, I did expect my resolution would be submitted in the accustomed way; and if this House had thought proper to trust me, in part, with the examination of the subject to which it refers, I would have proceeded to the business in good faith, and reported as early as was practicable with the important interests at stake. It has been opposed in every shape; vote upon vote has been taken upon it, all evidently tending to evade inquiry; and now it is determined to compel the committee to report in a limited time, a thing unheard of before in this House, and our inquiries are to be confined entirely to the mother bank; whereas her branches, at which more than half the frauds and oppressions complained of have been committed, are to go unexamined, and we are to be limited to breaches of the charter when the abuses charged are numerous and flagrant, and equally injurious to the community. We are only to examine the books of the parent bank, the greatest part of which may be accidentally from home, at some of the branches. If the bank can reconcile it to herself to meet no other kind of investigation but this, she is welcome to all the advantages which such an insincere and shuffling course is calculated to confer; and the people of this country are too intelligent not to understand exactly her object.”

Among the abuses cut off from examinations by these restrictions, were two modes of extorting double and treble compensation for the use of money, one by turning a loan note into a bill of exchange, and the other by forcing the borrower to take his money upon a domestic bill instead of on a note—both systematically practised upon in the West, and converting nearly all the Western loans into enormously usurious transactions. Mr. Clayton gave the following description of the first of these modes of extorting usury :

"I will now make a fuller statement ; and I think I am authorized to say that there are gentlemen in this House from the West, and under my eye at present, who will confirm every word I say. A person has a note in one of the Western branch banks, and if the bank determines to extend no further credit, its custom is, when it sends out the usual notice of the time the note falls due, to write across the notice, in red ink, these three fatal words—well understood in that country—'Payment is expected.' This notice, thus rubricated, becomes a death-warrant to the credit of that customer, unless he can raise the wind, as it is called, to pay it off, or can discount a domestic bill of exchange. This last is done in one of two ways. If he has a factor in New Orleans who is in the habit of receiving and selling his produce, he draws upon him to pay it off at maturity. The bank charges two per centum for two months, the factor two and a half, and thus, if the draft is at sixty days, he pays at the rate of twenty-seven per centum. If, however, he has no factor, he is obliged to get some friend who has one to make the arrangement to get his draft accepted. For this accommodation he pays his friend one and a half per cent., besides the two per cent. to the bank, and the two and a half per cent. to the acceptor ; making, in this mode of arrangement, thirty-six per cent. which he pays before he can get out of the clutches of the bank for that time, twelve per cent. of which, in either case, goes to the bank ; and so little conscience have they, in order to make this, they will subject a poor and unfortunate debtor to the other enormous burdens, and consequently to absolute beggary. For it must be obvious to every one that such a per cent. for money, under the melancholy depreciation of produce every where in the South and West, will soon wind up the affairs of such a borrower. No people under the heavens can bear it ; and unless a stop is put to it, in some way or other, I predict the Western people will be in the most deplorable situation it is possible to conceive. There is another great hardship to which this debtor is liable, if he should not be able to furnish the produce ; or, which is sometimes the case, if it is sacrificed in the sale of it at the

time the draft becomes due, whereby it is protested for want of funds, it returns upon him with the additional cost of ten per cent. for non-payment. Now, sir, that is what is meant by domestic bills of exchange, disguised as loans, to take more than six per cent. ; for, mark, Mr. Speaker, the bank does not purchase a bill of exchange by paying out cash for it, and receiving the usual rate of exchange, which varies from one-quarter to one per cent. ; but it merely delivers up the poor debtor's note which was previously in bank, and, what is worse, just as well secured as the domestic bill of exchange which they thus extort from him in lieu thereof. And while they are thus exacting this per cent. from him, they are discounting bills for others not in debt to them at the usual premium of one per cent. The whole scene seems to present the picture of a helpless sufferer in the hands of a ruffian, who claims the merit of charity for discharging his victim alive, after having torn away half his limbs from his body."

The second mode was to make the loan take the form of a domestic bill from the beginning ; and this soon came to be the most general practice. The borrowers finding that their notes were to be metamorphosed into bills payable in a distant city, readily fell into the more convenient mode of giving a bill in the first instance payable in some village hard by, where they could go to redeem it without giving commissions to intermediate agents in the shape of endorsers and brokers. The profit to the bank in this operation was to get six per centum interest, and two per cent. exchange ; which, on a sixty days' bill, was twelve per cent. per annum ; and, added to the interest, eighteen per cent. per annum ; with the addition of ten per centum damages if the bill was protested ; and of this character were the mass of the loans in the West—a most scandalous abuse, but cut off, with a multitude of others, from investigation from the restrictions placed upon the powers of the committee.

The supporters of the institution carried their point in the House, and had the investigation in their own way ; but with the country it was different. The bank stood condemned upon its own conduct, and badly crippled by the attacks upon her. More than a dozen speakers assailed her : Clayton, Wayne, Foster of Georgia ; J. M. Patton, Archer, and Mark Alexander of Virginia ; James K. Polk of Tennessee ; Cambreleng, Beardsley, Hoffman and Angel of New York ; Mitchell and Blair of South Carolina ; Carson of North Carolina. Leavitt of Ohio

The speakers on the other side were: McDuffie and Drayton of South Carolina; Denny, Crawford, Coulter, Watmough, of Pennsylvania; Daniel of Kentucky; Jenifer of Maryland; Huntington of Connecticut; Root and Collins of New-York; Evans of Maine; Mercer of Virginia; Wilde of Georgia. Pretty equally matched both in numbers and ability; but the difference between attack and defence—between bold accusation and shrinking palliation—the conduct of the bank friends, first in resisting all investigation, then in trying to put it into the hands of friends, then restricting the examination, and the noise and confusion with which many of the anti-bank speeches were saluted—gave to the assailants the appearance of right, and the tone of victory throughout the contest; and created a strong suspicion against the bank. Certainly its conduct was injudicious, except upon the hypothesis of a guilt, the worst suspicion of which would be preferable to open detection; and such, eventually, was found to be the fact. In justice to Mr. McDuffie, the leading advocate of the bank, it must be remembered that the attempts to stifle, or evade inquiry, did not come from him but from the immediate representative of the bank neighborhood—that he twice discountenanced and stopped such attempts, requesting them to be withdrawn; and no doubt all the defenders of the bank at the time believed in its integrity and utility, and only followed the lead of its immediate friends in the course which they pursued. For myself I became convinced that the bank was insolvent, as well as criminal; and that, to her, examination was death; and therefore she could not face it.

The committee appointed were: Messrs. Clayton, Richard M. Johnson of Kentucky, Francis Thomas of Maryland, and Mr. Cambreleng of New-York, opposed to the recharter of the Bank; Messrs. McDuffie, John Quincy Adams, and Watmough, in favor of it. The committee was composed according to the parliamentary rule—the majority in favor of the object—but one of them (Colonel Johnson of Kentucky), was disqualified by his charitable and indulgent disposition for the invidious task of criminal inquisition; and who frankly told the House, after he returned, that he had never looked at a bank-book, or asked a question while he was at Philadelphia; and, Mr. Adams,

in invalidating the report of the majority against the bank, disputed the reality of the majority, saying that the good nature of Colonel Johnson had merely licensed it. On the other hand, the committee was as favorably composed for the bank—Mr. Adams and Mr. McDuffie both able writers and speakers, of national reputation, investigating minds, ardent temperaments, firm believers in the integrity and usefulness of the corporation; and of character and position to be friendly to the institution without the imputation of an undue motive. Mr. Watmough was a new member, but acceptable to the bank as its immediate representative, as the member that had made the motions to baffle investigation; and as being from his personal as well as political and social relations, in the category to form, if necessary, its channel of confidential communication with the committee.

The committee made three reports—one by the majority, one by the minority, and one by Mr. Adams alone. The first was a severe re-primand of the bank on many points—usury, issuing branch bank orders as a currency, selling coin, selling stock obtained from government under special acts of Congress, donations for roads and canals, building houses to rent or sell, loans unduly made to editors, brokers, and members of Congress. The adversary reports were a defence of the bank on all these points, and the highest encomiums upon the excellence of its management, and the universality of its utility; but too much in the spirit of the advocate to retain the character of legislative reports—which admit of nothing but facts stated, inductions drawn, and opinions expressed. Both, or rather all three sets of reports, were received as veracious, and lauded as victorious, by the respective parties which they favored; and quoted, as settling for ever the bank question, each way. But, alas, for the effect of the progress of events! In a few brief years all this attack and defence—all this elaboration of accusation, and refinement of vindication—all this zeal and animosity, for and against the bank—the whole contest—was eclipsed and superseded by the actualities of the times—the majority report, as being behind the facts: the minority, as resting upon vanished illusions. And the great bank itself, antagonist of Jackson, called imperial by its friends, and actually constituting

a power in the State—prostrate in dust and ashes—and invoking from the community, through the mouth of the greatest of its advocates (Mr. Webster), the oblivion and amnesty of an “obsolete idea.”

It is not the design of this View to explore these reports for the names of persons implicated (some perhaps unjustly), in the criminating statements of the majority. The object proposed in this work does not require that interference with individuals. The conduct of the institution is the point of inquiry; and in that conduct will be found the warning voice against the dangers and abuses of such an establishment in all time to come.

## CHAPTER LXV.

THE THREE PER CENT. DEBT, AND LOSS IN NOT PAYING IT WHEN THE RATE WAS LOW, AND THE MONEY IN THE BANK OF THE UNITED STATES WITHOUT INTEREST.

THERE was a part of the revolutionary debt, incurred by the States and assumed by Congress, amounting to thirteen and a quarter millions of dollars, on which an interest of only three per centum was allowed. Of course, the stock of this debt could be but little over fifty cents in the dollar in a country where legal interest was six per centum, and actual interest often more. In 1817, when the Bank of the United States went into operation, the price of that stock was sixty-four per centum—the money was in bank, more than enough to pay it—a gratuitous deposit, bringing no interest—and which was contained in her vaults—her situation soon requiring the aid of the federal government to enable her to keep her doors open. I had submitted a resolve early in my term of service to have this stock purchased at its market value; and for that purpose to enlarge the power of the commissioners of the sinking fund, then limited to a price a little below the current rate: a motion which was resisted and defeated by the friends of the bank. I then moved a resolve that the bank pay interest on the deposits: which was opposed and defeated in like manner. Eventually, and when the rest of the public debt should be paid off, and the payment of these

thirteen and a quarter millions would become obligatory under a policy which eschewed all debt—a consummation then rapidly approaching, under General Jackson's administration—it was clear that the treasury would pay one hundred cents on the dollar on what could be then purchased for sixty-odd, losing in the mean time the interest on the money with which it could be paid. It made a case against the bank, which it felt itself bound to answer, and did so through senator Johnson, of Louisiana: who showed that the bank paid the debt which the commissioners of the sinking fund required. This was true; but it was not the point in the case. The point was that the money was kept in deposit to sustain the bank, and the enlargement of the powers of the commissioners resisted to prevent them from purchasing this stock at a low rate, in view of its rise to par: which soon took place; and made palpable the loss to the United States. At the time of the solicited renewal of the charter, this non-payment of the three per cents was brought up as an instance of loss incurred on account of the bank; and gave rise to the defence from Mr. Johnson; to which I replied:

“Mr. Benton had not intended, he said, to say a word in relation to this question, nor should he now rise to speak upon it, but from what had fallen from the senator from New Jersey. That gentleman had gone from the resolution to the bank, and from the bank he had gone to statements respecting his resolutions on alum salt, which were erroneous. Day by day, memorials were poured in upon us by command of the bank, all representing, in the same terms, the necessity of renewing its charter. These memorials, the tone of which, and the time of their presentation, showed their common origin, were daily ordered to be printed. These papers, forming a larger mass than we ever had on our tables before, and all singing, to the same tune, the praises of the bank, were ordered to be printed without hesitation. The report which he had moved to have printed for the benefit of the farmers, was struck at by the senator of New Jersey. In the first place, the senator was in error as to the cost of printing the report. He had stated it to be one thousand nine hundred dollars, whereas it was only one thousand one hundred dollars. A few days ago, two thousand copies of a report of the British House of Commons on the subject of railroads was ordered to be printed. Following the language of that resolution, he had moved the printing of another report of that body, which would interest a thousand of our citizens, where that report would interest one. There was not a farmer in