

Will contend, that by this you are authorized to make contracts and go in debt. There is an important clause of the constitution which gives to the U. States power to call out the militia of the states for particular purposes. Show me this spot in the constitution which authorizes the payment of the militia. Not one. The power to call them out implies the power to pay them. It inevitably follows that the power to lay and collect taxes and raise a revenue implies the power to take care of it. Will gentlemen pretend to deny it? What is the argument of gentlemen on this point? They say it is true that a bank is necessary for the safe-keeping and paying the debts of the United States; but, say they, the banks of all the states are open to you. How does this doctrine apply to the United States? Have not the states themselves denied the connection of the state and federal governments? Can I quote a state which does not afford an example of this disposition? The seat of a gentleman of high standing in the Legislature of Virginia was vacated merely because he was a contractor for carrying the mail. Will then the state of Virginia, who is so jealous of your influence over her officers, permit you to exercise that influence by placing your money under officers created by her? Let gentlemen examine this question. The argument will not bear them out. In the state which I represent also, a law has been passed to prevent a person from holding any office or appointment at the same time under the state and federal governments. What right have the directors in a state bank appointed by the state to contract with the general government to keep its money? I deny their right.

Putting the state banks out of the question, it is necessary that we should create means by which we can transfer the money of the government without expence, hazard or loss? I will state a case. We have an army in the city of New Orleans, which must be paid. By paying the money at Baltimore or Philadelphia, it is transferred to the paymaster at New Orleans without costing you a cent. Is not this convenient, expedient, necessary to comply with the interest of the United States in the case I have stated? I do not believe it possible, taking the ground that they have a right to place money in the banks of the individual states, that such a connection between them could ever be established as with the same ease, convenience and safety as at present to pay in the different parts of the Union money which the United States are bound to pay. I ask the question—Will a bank in North Carolina trust a bank in New-Hampshire? No; but the state and every individual in it would trust the Bank of the United States. You could not establish a connection between North Carolina and New Hampshire so that either would trust the other. The establishment of the Bank of the U. States affords in this case a facility useful and absolutely necessary in my opinion to carry on the measures of government. How will putting down the Bank of the United States have an effect to lessen the quantity of paper in circulation? If I could think so I would join the gentleman most seriously; but the very contrary, in my opinion, would be the effect. The Bank of the United States and its paper serves as a controlling power, keeps the state banks in proper bounds; and prevents them from issuing a vast quantity of paper which would inundate the country. They are very confident if they issue too much paper, that there will be a run upon them; because the interest of the United States Bank and the state banks do not at all times go hand in hand. At this time it certainly restrains the circulation of state bank paper.

It is said, sir, that the states are not compelled to do particular acts which they are required to do. To be sure the states have the physical power, but they are bound by the same solemn oath to carry into effect the constitution of the United States that the members of this House are. It may as well be said that the state legislatures may if they chuse refuse to appoint Electors to vote for President and Vice-President, or elect Senators; but the obligation upon them is as strong as upon any other department of the government, as it is upon the members of this House to perform its duties. They have taken a solemn oath and must perform its obligations.

Sir, there is one part of this constitution which in my humble opinion gives the power completely. It is a part of the constitution which I never heard any gentleman mention, nor any writer on the subject. I may put erroneous construction on it; but if I am correct, the conclusion is inevitable. In the 10th section of the first article, it is said, "No state shall coin money, emit bills of credit; or make any thing but gold and silver coin a tender in payment of debts;" and the interpretation which I give to it is that the United States possess the power to make any thing besides gold and silver a legal tender. If this then be the correct construction, it is a clause which I have never before heard relied on. If what I conceive to be the fair interpretation be admitted, it must follow that they have a right to make bank paper a tender. Much more, then, sir, have they the power of causing it to be received by themselves in payment of taxes. If they have power to make paper of any description whatever receivable in payment of all debts whatever, can any one deny that they have a power to make it a tender in payment of taxes or debts to the United States? After admitting the power, will you place the exercise of it in your Secretary of the Treasury, or in the hands of fifteen or twenty men whom you call directors? But I might not have voted against concurring with the committee in striking out the first section of the bill if I stood on this ground alone.

To the bill in its present shape I should have no hesitation in giving a decided negative; but there is a plan on which I would vote for the renewal. Sir, I ask gentlemen who have voted against it on constitutional ground to meet me on this point—the plan is, that the additional stock shall be taken wholly by the United States; that they shall be bound to distribute it among the individual states, having respect to their relative numbers, at its par value. The states would take it if they think proper; if taken there is an end to the violation of state rights. In a plan of this kind, a distinction is brought to the mind of every man, whether he will prefer the interest of the great body of those people who are represented in the state legislature, or whether he will support the interest of a few who think proper to incorporate themselves for the support of a bank. The true question is, whether the emoluments of the banking system should belong exclusively to a few or collectively to the whole United States. I

therefore hope the first section will not be stricken out. In discussing the details such a plan would be more interesting than any other can be to the states. The advantages of such a system must be seen. The anxiety evinced for the renewal of this charter and the credit of the state banks altogether, in consequence of the money made by the banking system, is then done away. The money arising from the profit of the banks will belong to the states in their individual capacity, and the taxes of every individual lessened in proportion to its share of the capital. Let gentlemen bring the question home to them; let them examine how it concerns their constituents, & put the question which of the two will interest the great body of the people the most.

Putting down the charter of the U. S. bank will not put an end to the banking system. Cast your eyes about you at what has taken place at the last sessions of the state legislatures? Has one of them adjourned without establishing a bank? It is bank paper as much when issued from state banks as when from the bank of the U. States. There is no sort of difference. If this question had not been attacked on constitutional ground; if it had been left merely to expediency, I should not have troubled the House on the subject. I know too little of the concerns of a bank to think of making a speech on the details alone. But I know how much interest moves us on this question. When you place money in the state banks, you give a complete license to the state banks to issue what they please. What was the loss of paper money during our revolution? Did it not fall on those who had given credit; and are we prepared to meet such a shock as that? Could we have stood it in any other cause than that in which we were engaged? Here let me enter my protest against the banking system altogether; but we have it. Is not the consequence more dangerous—Will not the loss ultimately be greater, to let the state banks issue paper at will, than to control them by the bank of the U. States?

If the doctrine which gentlemen advance about putting the finger on that part of the constitution which gives power to carry on the government itself be true, we may as well quit legislation altogether. You cannot go a single step without calling in the aid of implication. When a means is necessary and expedient; when the operations of government cannot as well be carried on in any other way as by it, then it is necessary, and, being necessary, is constitutional.

Mr. M'Kim.—Mr. Speaker.—The subject now under discussion involves an important constitutional principle, which presents to my mind an insuperable objection to the passage of the bill. It is not, however, my intention to enter on a discussion of the constitutional principle which has a bearing on the bill. That part of the subject has been ably and critically discussed by my honorable friend from New-York (Mr. Porter) and by other gentlemen, who have spoken on the same side of the question. On this part of the subject, sir, I will only observe, that a former Congress having decided the constitutional question, for themselves, by passing the law to incorporate the bank; the tribunals of the nation having sanctioned it, as it respected themselves; or the several states having, without rebellion, but not without murmuring and complaint, acquiesced in such decision, cannot quiet my conscience, nor satisfy my mind on the subject. The question now recurs; I have to act on it, and I must decide for myself. I will now endeavour, Mr. Speaker, to submit to the house a few deatulatory observations, which have for their object to explain some of the practical operations of the banking business; to show the probable effect of the dissolution of the bank charter, and to answer some objections which have been raised against its being suffered to expire.

It has been urged as a motive for the renewal of the charter, that the concerns of the bank have been conducted with impartiality to persons of different political opinions. In answer to this, I beg leave to read part of a speech, said to be delivered on the floor of this house, and reported in one of our public papers, and also a letter from a gentleman in Baltimore, to whom the speech alluded. "It has been asserted (says this speech) during the last winter, that the branch bank in Baltimore had accommodated only one particular class of political gentlemen. He [Mr. Stanley] had it from good authority that a distinguished republican house in Baltimore, of which a member of the Senate was partner, had obtained a greater portion of discounts than any other merchants in that place." The letter to which I alluded, is in the following words: "Dear Sir—Will you have the justice to state to the house of representatives, as early as you have an opportunity; and in direct contradiction of the unfounded assertion contained in the enclosed, that the Republican house in Baltimore, of which a member of the senate is a partner, has received but two discounts from the branch bank of Baltimore, to wit: one of nineteen hundred and sixteen dollars and fifty five cents, and one of eighteen hundred dollars; the first on the 4th of April, and the second on the 14th of May, 1798; although the transactions of the house, with that bank amount to nineteen hundred and thirty six thousand, three hundred and twenty two dollars, fifty cents."

[Here Mr. Stanley explained. Perhaps it had not been his good fortune to be understood in the remarks which he presumed were alluded to by Mr. M's correspondent. It was his mea sag, if not his words, that although impartiality had been charged in the distribution of the favours of the bank of Baltimore, he had been informed from good authority, that of its discounts more than one half had been obtained by gentlemen of politics opposite to those of the bank; and that in the purchase of bills of exchange for government, this bank had purchased a larger amount from the house alluded to (Smith and Buchanan) than from any other house in Baltimore.]

I am satisfied, said Mr. M. with the explanation, I have not introduced the speech and letter, so much to support my argument, as to do justice to my friend; nor can I vouch for the correctness of the report.

It has been stated that 19 or 20 millions of dollars are due to this bank whose charter is now about to expire; that if the charter is not renewed, it will produce great distress, and general bankruptcy will ensue; that the bank in winding up its concerns, can receive nothing but specie, which will exhaust the resources of the other banks and individuals, and thereby produce a result the most disastrous to the mercantile interests of the nation. This statement is incorrect. By the returns from the treasury, it appears that no more than \$1,318,024 was due to the bank; and that the bank is indebted to the public, and to individuals, in the sum of \$11,542,320; and all the offsets it had, against this heavy debt, are the above sum, due from different state banks of \$1,318,024.

Mr. M. illustrated this position, by the following detailed statement of the account, which he read in his place.

The bank owes to government for deposits	\$ 2,498,362
It owes individuals for deposits	\$ 3,891,680
It owes for its notes in circulation	\$ 5,157,378
Total amount of its debts	11,542,323
Deduct from the amount of debts due by the bank, its only offset	1,318,024
Leaving a net balance of the debts due from the bank, of	10,242,296

This, sir, is the present situation of the expiring bank, by its own showing.

Gentlemen have involved the subject in obscurity, by supposing the fifteen millions of dollars, held by the bank in discounted notes, as a debt due to the bank. Sir, there is not one cent of these notes due, except a small sum that is in suit. If these notes were really due, it would materially change the state of the account. It would then pos-

sess the means of spreading terror, if it was disposed unnecessarily, so to do; but we must take the account as it is; and if we would know how it stands, at any particular time, we must judge of it as we do of a race, by viewing both sides at the same point of time. Judging in this way, we find that this bank now owes a net balance of upwards of ten millions of dollars.

Now sir, I would ask, can any gentleman believe, that it will be in the power of a bank, thus heavily indebted, far beyond the extent of its present means, to spread such terror, and produce such distress, as has been stated, when it is deprived of the public and private deposits, of which it will be deprived, when it is known that the charter will not be renewed. It is true that while these funds, the debts it owes, and a continuance of the public deposits, are suffered to remain in its possession, it may do much to create distress; while these funds are in its hands, it can employ the whole pecuniary resources of the nation, to coerce other banks, and individuals into its measures, if it were so disposed.

I wish it to be clearly understood, that I do not mean to say, or to insinuate, that this bank has unnecessarily used coercion, to create distress, or to obtain the object of its wish, a renewal of its charter. But while these funds remain in its hands, they produce this effect.—They render it a measure of prudence and necessary precaution in other banks, not to issue their paper, to aid the customers of this bank, and others indebted to it, to retire their notes; and this operates powerfully on my mind, as a reason for urging a speedy decision of the question. I am of opinion if this question is settled, let it be determined as it may, that all the difficulty and distress, resulting from the probable dissolution of the charter, will soon be dissipated and things resume their usual course. If the charter is not renewed, the expiring bank will lose its power of holding other banks in check, by the withdrawing of the public and private deposits; which being placed in other banks, will increase their means of giving aid to those who have paper to retire from the expiring bank. This bank having now no other than its own natural means, will no longer be an object of dread to other similar institutions—they may now freely lend their aid to relieve the distressed, and their increased means will be adequate to the object.

(Mr. M'Kim's speech concluded, and Debate continued in our next.)

CONGRESS.

IN SENATE.—TUESDAY, FEB. 19.

The bill "authorizing the secretary of State to cause a general index to the laws of the United States to be made, printed and distributed," was read a third time; and, on motion of Mr. Crawford, postponed to the 1st Monday in December next.

The President communicated the resolution of the Legislature of Kentucky approving the amendment proposed to the constitution respecting titles of nobility.

Thursday, Feb. 21.

BANK OF THE UNITED STATES. The Senate resumed as in committee of the whole, the consideration of the bill, to amend and continue in force the act entitled "An act to incorporate the subscribers to the Bank of the United States"—passed on the 25th day of February, 1791, (the first section of which was yesterday stricken out.)

On motion of Mr. Leib, the bill was postponed to the 1st Monday in December next.

The following bills were each read a third and last time and passed: The bill to extend the right of suffrage in the Indiana territory; a bill in addition to the act to regulate the laying out and making a road from Cumberland, in the state of Maryland, to the state of Ohio; the bill in addition to the act, entitled "An act concerning Consuls and Vice-Consuls, and for the further protection of American seamen;" the bill establishing navy hospitals; and the bill for the relief of Peter Audrin.

The bill to authorise the payment of certain certificates, credits and pensions, was passed to a third reading.

The President gave notice that he should not attend after this day.

Feb 21. Mr. Leib presented a memorial of the stockholders of the United States, praying an extension of their charter, so as to enable them to settle accounts, &c.—Referred to Messrs. Franklin, Leib, Anderson and Bayard.

HOUSE OF REPRESENTATIVES.

February, 18.

The Speaker laid on the table resolutions of the Legislature of Ohio, approving the measures of the general government, with regard to foreign nations.

On motion of Mr. Haven, the House resolved itself into a committee of the whole. Mr. Cutts, in the chair, on the bill for issuing debentures in certain cases. This bill was reported, unamended and passed to a third reading.

On motion of Mr. Root, the House went into a committee of the whole, Mr. Pitkin in the chair, on the bill for the relief of Lieut. Sirreon Knight. This bill authorises the allowance to Lieut. Knight of the sum of 1454 dollars 40 cents, which were paid by him (as pay-master) to general Wilkinson as an allowance for extra rations, whilst commander of a separate post. This act had not been passed by the accounting officers at the Treasury Department, although the money was paid under the sanction of the Attorney General's opinion and the late Secretary of War.

Mr. Poindexter moved an amendment, to prevent this law being introduced as an authority for the commanders in chief to claim extra rations in future.

Messrs. Goldsborough, Stanley, Pearson and Macon were opposed to the principle of the bill and the amendment, though in favor of the equity of the petitioner's claim.

Messrs. Poindexter, Root, Bacon, Wright, and Holland spoke in favor of the bill.

The question on Mr. Poindexter's amendment was lost. Ayes 25.

Mr. Goldsborough moved an amendment so as to make the word "erroneously" follow the appropriation, applying that term to the payment of the money by Lieut. Knight to Gen. Wilkinson.

Messrs. M'Kim, Bacon, Root and Wright opposed this amendment; and Messrs. Goldsborough and Stanley advocated it. The motion was negatived.

Mr. Stanley then moved to amend the bill so as to direct the Comptroller to commence a suit against gen. Wilkinson for the amount of money received by him from Lieut. Knight.

Messrs. Root and Wright opposed the motion; and Messrs. Stanley and Lyon were in favor of it. Negatived. Ayes 27, Nocs 58.

The committee rose and reported the bill without amendment; which report was concurred in, and the bill ordered to a third reading.

February, 19.

Mr. Love submitted the following resolution: Resolved, That a committee be appointed to en-

quire whether any, and if any, what parts of the act passed the 25th of February, 1791, entitled "An act to incorporate the subscribers to the Bank of the United States," will continue in force after the 1st of March next, in case the charter of the Bank is not renewed; and in that event what remedy will be necessary to provide for the creditors of said Bank, and that they have leave to report by bill or otherwise.

The Resolution was negatived, Ayes 30, Nocs 41.

A message was received from the President of the United States in conformity to the resolution of yesterday; it was accompanied by sundry documents of which 5000 copies were ordered to be printed.

February, 20.

The House resumed the consideration of the bill for the relief of Lieut. S. Knight.

Mr. Pitkin moved an amendment intended to prevent this act being considered as a sanction to the draft on Lieut. Knight by Gen. Wilkinson. A debate took place on this motion. The motion was opposed by Messrs. Root, Wright, Rhea of Tenn. and Newton, and supported by Messrs. Pitkin, Pickman, Tallmadge, Lyon Poindexter, Miller and Stanly. As on a former occasion, the right of a brigadier general to receive extra rations, as commandant of a separate post, was denied on the one hand and maintained on the other.

The question on the amendment was decided in the affirmative. Yeas 62, Nays 45.

The bill passed to a third reading. Ayes 29, Nocs 29. When the bill was killed.

The bill for erecting a light house on Boons Island, Maine, placing buoys near Cape-Fear, N. C. and near Edgar Town, Mass. erecting a beacon on N-w Inlet, N. C. and erecting a column of stone on Cape Elizabeth, Mass. was read a third time and passed.

February, 21.

The bill from the Senate, making provisions for the further disposition of the sections of land, heretofore reserved by Congress, was twice read and referred to committee of the whole.

Mr. Eppes, from the committee of Ways and Means, reported a bill allowing additional compensation to the Post Master General; a bill for repealing the 10th section of the act incorporating the subscribers to the Bank of the United States; and a bill for carrying into effect a treaty between the U. States and Great and Little Osage Indians, concluded at Fort Clark, on the 10th day of November, 1808. These bills were severally read twice and referred to a committee of the whole.

Mr. Lyon, after some preliminary remarks, submitted the following resolution:

Resolved, That additional or original duties ought to be laid on the importation of cord wire, hemp, lead and cotton, and upon all manufactures of which those articles constitute the chief materials.—Referred to the committee of commerce and manufactures.

NON-IMPORTATION.

On motion of Mr. Eppes, The House resumed the consideration of the bill supplementary to the act concerning commercial intercourse, &c.

[This act, it will be recollected, contains but one section, exempting from seizure vessels with their cargoes which had left the ports of Great Britain previous to the 2d Feb.]

Mr. Eppes moved to amend the bill by adding to it the two following sections:

Sec. 2. And be it further enacted, That in case G. Britain shall so revoke or modify her edicts, as that they shall cease to violate the neutral commerce of the United States, the President of the United States shall declare the fact by proclamation; and such proclamation shall be admitted as evidence, and no other evidence shall be admitted of such revocation or modification in any suit or prosecution which may be instituted under the fourth section of the act to which this act is a supplement. And the restrictions imposed or which may be imposed by virtue of the said act, shall, from the date of such proclamation, cease and be discontinued.

Sec. 3. And be it further enacted, That until the proclamation aforesaid shall have been issued, the several provisions of the third, fourth, fifth, sixth, seventh, eighth, ninth, tenth and eighteenth sections of the act, entitled "An act to interdict the commercial intercourse between the United States and Great Britain and France and their dependencies, and for other purposes," shall have full force and be immediately carried into effect against Great Britain, her colonies, dependencies, &c. Provided however, that any vessel or merchandise which may in pursuance thereof be seized, prior to the fact being ascertained, whether Great Britain shall, on or before the second day of February, one thousand eight hundred and eleven, have revoked or modified her edicts in the manner aforesaid, shall nevertheless be restored on application of the parties; on their giving bond with approved sureties to the United States, in sum equal to the value thereof, to abide the decision of the proper court of the United States thereon; and any such bond shall be considered as satisfied if Great Britain shall, on or before the second day of February, one thousand eight hundred and eleven have revoked or modified her edicts in the manner aforesaid.

He said it would be seen that, in the present state of our laws, there was no provision that the non-intercourse act with Great Britain should cease, if after the third day of March, she also should so revoke or modify her edicts as that they should cease to violate our lawful commerce. One of the objects of his amendment was to provide for that contingency. Another provision of the amendment was to remove doubts which might exist in the mind of some as to the operation of the law of May last, and which might give rise to vexatious suits. The committee had thought it proper that in this case the Legislature should step forward and decide; that it was not consistent with the responsibility they owed to the community to turn over to the judicial tribunal's decision of the question whether the non-intercourse was in force or not. These provisions now before the House, were calculated to preserve precisely the present attitude of the U. States, and in wait for events to authorize a change of it. If any such course should be taken as was proposed by a repeal of the law of May last, in what situation, he asked, should we stand both as respects Great Britain and France? You have by law proposed to both certain conditions; and, before the arrival of the period allowed to Great Britain for the repeal of her orders, you would sweep from your