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icP Letters on business connected with this establishment, must be addressed-H. L. Holmes, Editor of the North-Carolinian, and in all cases post-paid.

REPORT

Of the MINORITY of the SELECT COMMITTEE of the House of Representatives, appointed on the 17th January, 1839, to inquire into the causes and extent of the late defalcations of the custom-house al New-York and other places. CONGRESS OF THE UNITED STATES. In the House of Representatives,)

January 17, 1839.

"Resolved, That the communication from the President of the United States, of the Sth of December, 1838, relating to the defalcation of the late collector of the port of New-York, except so much as relates to the modification by the House, by ballot, whose duty it shall be to inquire into the causes and extent of the late defalcations of the custom-house at New-York and other places, the length of time they have existed, the correctness of the returns which have been made by the collectors, naval and other officers, and the deposite banks, resaid defalcations as may be deemed material misunderstanding on this subject, to develope their true character.

"Be it further resolved, That said committee be required to inquire into, and make receivers, and disbursers of the public money, which may now exist: who are the defaulters; the amount of defalcations; the length of time they have existed, and the causes which led to send for persons and papers."

The minority of the committee, appointed un-der the above resolutions of the House of Representatives, beg leave to report,

That the committee entered on the duties assigned them soon after the passage of the resolutions. At their first meeting and organization in the City of Washington, a resolution was offered in these words:

"Resolved, That the President of the Unitto be furnished by the proper Executive Departments, with a table showing the defalcations which have occurred among the collectors, receivers and disbursers of public money, and other public officers, since the 4th day of March, 1829; the names of the defaulters; the amount of each defalcation; when each case occurred: the length of time each case has existed; what steps have been taken by the proper departments or officers to prosecute the defaulters, and to secure the United States in each case, and what defaulters are retained in the same offices in which they became defaulters, or have been appointed to other offices."

Which, in the opinion of two of the undersigned, the third not being then present, was



"Character is as important to States, as it is to individuals; and the glory of the State, is the common property of its citizens."

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the subject before the committee in a substantive form, and to call for a distinct expression of opinion, by proposing the following resolution :

"Whereas all proceedings of an inquisitorial character, and conducted in secret, are at variance with the principles of Republican Government, and abhorrent to the feelings of the American people:

"And as justice demands that all persons, whether they be officers of the Government or private citizens, who, in the course of this investigation, may be implicated or charged with official misconduct, or being concerned in aiding or abetting such misconduct, should have immediate and prompt notice of the charge, so that if innocent they may repel it; of the revenue laws, be referred to a Select and that, whatever may be the nature of the Committee of nine members, to be appointed charge, it is but reasonable and just that the same be publicly brought forward and publicly answered:

"And as the members of the committee have no reason or desire to disguise or couceal from the public view all or any of its actings and doings in the exercise of the delicate and responsible commission imposed on spectively, and all such facts connected with them; to the intent, therefore, of having no

"Be it resolved, That it is' the opinion of this committee that, though a select committee, appointed by the House of Repsesentareport of any defalcation among the collectors, tives of the United is not a secret committee; that though invested with the power of inquiry, as contained in the resolutions of the House, that power ought to be exercised in an open and public manner; and should be not to them; and that said committee have power | only free from any direct charge of concealment, but from the remotest suspicion of it.

"And be it further resolved, That all un proceedings of this committee shall be open and public, as being the mode, in the opinion of this committee, best calculated to attain the ends of justice, to satisfy the just expectations of the people, and to protect the rights and privileges of American citizeus."

Which, after an amendment offered, were all finally laid on the table, to the astonishment ed States be requested to cause this committee and mortification of the undersigned, and no doubt to the surprise of the people of the U. States. Under these extraordinary circumstances, the proceedings of the committee heing secret or public, according to the judgment, discretion, or caprices of witnesses or members of the committee, the investigation was carried on. Numerous witnesses were examined as to the extent of the defalcation.

> The undersigned will not go into a detailed statement of the heads or items, such as forfeitures, penalties, bonds, &c., upon which Swartwout based his speculations, but refer the House to the journal of the committee. They will simply remark that the bond it m gave the facility and laid the foundation of the

principal part of the defalcation. These peculations commenced at an early period of unauthorized by the terms of the spirit of the Swartwout's official life, and went on increasresolutions of the House, which are confined ed and increasing until its close. The art and

tom house, and the naval officer, intended as checks upon the collector, were kept in total ignorance as to the true state of the accounts; and, as the Treasury Department depended on their statements, it was equally ignorant. Two of the witnesses, Ogden and Phillips, cashier and assistant cashier of the custom house, say they frequently made no entry at all in the cash book, of moneys abstracted by Swartwout for his private expenses. When bonds were paid no credit was given for them. The cash book being in the possession of

these individuals, they furnished such statements to the auditor as suited their purposes, and concealed the accurate and true state of the account. Some effort was made in the course of the investigation to show that Swart-wout always made to the Departmentat Washington true and accurate statements of the aggregale amount of his accounts, and thereby drawing an inference that, if they had been

carefully examined, the defalcations could soon have been detected. The undersigned are of opinion such is not the fact, and that it was scarcely possible, under any circumstances, to make the detection in any other manner than by the personal inspection of the bonds and the books of the custom house. On this branch of the subject we beg leave to refer to the testimony of Mr. Woodbury and the First Auditor at Washington, as contained in the journal. Mr. Fleming, the auditor at that time, and now auditor of the custom house, a very respectable and intelligent witness, testifies that he had suspicions in June, 1837, that there was a deficiency in the bond account. He communicated the suspicion to Mr. Phillips, the assistant cashier, who answered him in a very laconic manner, "that credit was given in the cash book for all the woords that were paid; the rest were in suspense." He also states, that though the accounts of Swartwout, transmitted to the department at Washington, contained a true and accurate statement of the aggregate amounts, there was a deficiency and concealment of the true cash balance, as was afterwards discovered by the examination of the cush book of the custom house, in a sum exceeding 600,000 dollars. In this manner the fraud carried on was kept secret. Mr. Fleming also states that, but for the suspension of the payment of the bonds, and specie payments by the banks, the frauds could not have been carried on without ex-

citing suspicion and leading to detection. Great credit is undoubtedly due to the pre sent collector and auditor of the custom house for making the discovery as early as it was made. The urgency of the former to have his accounts settled and prepared for transmission to Washington, in a great degree produced and hastened a developement. But for this circumstance the combination and conspire v existing in the custom house to defraud the government, would have had the effect to con- bond bears date in 1834, but remained in the ceal it a much longer time.

It may be confidently asserted that under the

collector, was peculiarly hazardous under the administration of the late collector, whose business habits did not quality him for a strict scrutiny into the fiscal affairs of his office. By it an opportunity was afforded and temptation given, to peculation in the custom house. The causes which combined to produce the

lefalcation are various.

The first was the unfortunate appointment by the President and confirmation by the Se-nate, for two successive terms, of a man like Swartwout, who, from habits and pursuits, was collector at New York; a port the most important in the Union, and where one-half, if not two-thirds, of the revenue of the Government

is collected. The second, the disposition of Swartwout to engage in large and hazardous speculations; a passion the most lasting in its excitement, and most disposed to increase by the food it feeds on. And in an officer of the Government, intrusted with large sums of money, the most dangerous in its operation upon him as an individual, as well as the Government .--There is much testimony on this head. Some of the witnesses, best qualified to judge, the brokers of New York, state in technical language, he was a great operator in stocks in Wall street. Swarwout sometime winning, at others losing, large sums of money. The evidence as to loss or gain, is by no means satisfactory.

The third cause which contributed in some degree, was the want of a regular and periodical examination of the bond account in the Auditor's office in Washington. One of the witnesses, and a clerk in that bureau, says the bond account, prior to the defalcation, had not been examined since 1832. Before that time, it had been the practice in the office. Why it was abandoned we know not, unless from an opinion it was not necessary, or that there was not a sufficient number of clerks to discharge the duty, at all times very onerous, there being, at a moderate calculation, not less than thirty thousand bonds taken a year in New York alone. But whatever may have produced the abandonment of the practice, it was calculated to lead his successor in office into error .--That successor would naturally follow the practice existing at the time in his bareau, as the one adopted from experience, and found to answer the public exigencies. No blame can, therefore, be attributed to the present First Auditor, he having been, previous to these occurrences, but a short time in office, and of course not well qualified to judge of the practical utility in this particular branch of his duty. On this subject we beg leave to refer to

his testimony as contained in the journal. The fourth cause, was the non-execution of Swartwout's official bond for a great length of time after his last appointment in 1834. The custom house unexecuted until 1837 when it was certified by the district attorney of New

upon a pension, than to have them remain in office but the shadows of themselves. Upon the principle of economy alone, so dear, to the American people, the course suggested would be highly advantageous to the country,

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The fifth cause was the irregular and loose manner in which the whole business of the custom house was conducted, and which has been adverted to before in this report, and from the fact that the naval officer, who, under the laws, was intended as a check upon the collector, has not, in the execution of his totally disqualified to discharge the duties of functions, supervised the accounts with that care and diligence the importance of the subject demanded.

The sixth cause is to be found in a practice grown up of late years; the keeping by the collector what is termed a suspense account, under which head he retains large sums of money to meet protests and suits upon duties over-paid, &c. and which, for his own security, he is in a great measure compelled to retain, the courts of justice having determined in such cases that he is personally liable .---Whether these decisions are founded on true and just principles and national policy, the undersigned will not undertake to decide, but they may be permitted to remark, the sooner there is some legislative action on this subject, the better for the country and the collectors.

The seventh cause was the convulsion and total derangement produced in the business of the custom house by the suspension of the payment of bends by Government, and the sus-causes are contained in the answers of Mr. Woodbury in these words:

"Question 37. What amount of bonds were due or running to maturity a short time before, at the the time, and during the time of the convulsion produced by the suspension of specie payments by the banks, and coming under the instructions of the Solicitor of the Treasury in May, 1837.

"Answer. In reply, I would state that the amount of bonds falling due between the first of May and the first of October, 1837, in the United States, was probably from five to six millions. I have not examined to see the exact amount. But of those some were put in suit, and neither paid nor postponed under the instructions of the Solicitor in May, 1837; and others were paid without suit or postponement; so that the amount postponed under these instructions were estimated to be not far from four millions of dollars.

"Qestion. What amount of bonds came under the provisions of the acts of Congress of 1837; the one produced by the fire in New York, and the other produced by the suspension of specie payments by the banks?

"Answer. In reply, I state that the postponements actually made under the two acts in October, as to former bonds and merchandise on which cash duties had accrued,

the country. It would have had a tendency to give official countenance to this act of the banks, so unjust and highly injurious to the interests of the people, and calculated to fix a stain on the national character. If an option had been left him, he could not, as a public officer and a patriotic man, have hesitated in looking to, and beholding on this great emer-gency, to the individual responsibility of the bondsmen, rather than receive the paper of banks, which had taken the law into their own hands, had legislated for themselves, and themselves alone, and had violated the obligations of their charters, and the faith pledged to the public. This cause, therefore, opened a field for those engaged in the frauds and speculations by placing the money of the people in the hands of Swartwott and his subordinates: uncontrolled by law, and was seized upon to carry on a most daring system of robbery and plunder.

By reference to the testimony, it will be seen the large defalcation occurred on the bond account, and in the first and second quarters of 1837, a short time prior and subsequent to the suspension of specie payments by the banks. The bond account, however, had been deranged, no doubt, in a very considerable degree, before 1837, by the renewal of bonds, under the acts of Congress, occasioned by the fire in N. York, and the advantage taken of it.

The eighth cause, and one of the principal, was a combination of unprincipled officers in the custom house, to defraud the Government and plunder the people. Without this combination, Swartwout could not have concealed his frauds a day-certainly not a week. That men of former good character and standing in society should have entered into the conspiracy, aiding and abetting Swartwout in his peculations of the public purse, is a subject not only of deep mortification, but a national disgrace:

It is a remarkable instance of the corruption of the times in which we live. It becomes still more remarkable from the fact, that one of the men, (Phillips, the assistant cashier of the custom house,) so aiding Swartwout in his peculations, when examined as a witness, and the question propounded to him by a member of the committee, "why, knowing as he did, Swartwout was defrauding the Government, he did not give information to the Treasury Department?" answered with great cooln as and composure, in conformity with the custom horse practice, and the reason given for it by Mr. Shultz, "that he was the clerk of Mr. Swartwait, and did not like to disclose the secrets of his employer." Apparently con-sidering as a virtue his fidelity to a public officer who, with the witnesses' co-operation and active agoncy, was defrauding the people. These developments, and the inferences

turally drawn from them, must irresistibly leau the House to the conclusion, that the safety of the public money, imperiously demands that no officer of the custom house, connected with its fiscal concerns, should be appointed by the collector himself; but should receive the appointment from the Government, and give his sole allegiance to the country.

Other causes, not known, may, and no doubt did, contribute to produce the defalca-tions. The subject matter, however, both in relation to the extent and the causes of the defalcation, is still involved in some uncer-tainty. The character of the testimony is more than doubtful. Some of the witnesses, and those best acquainted with the facts, were active agents, if not participators, in the frauds: the fountain, therefore, from which we derive our information, or the greater portion of it, is impure and defiled. No reflecting man, acquainted with the operations of the human heart, and the springs of human action, will or can place much reliance in testimony thus characterised and stamped with the impress of fraud and profligacy. Each man and the House collectively will give credence to it according to the degree of credulity he or they may possess; and, at last, a great deal must depend, like the mysteries of our holy religion, upon the faith of the individual searching for truth. This disposition Swartwout made of these enormous sums abstracted from the public coffers is an enigma not easily solved. The evidence furnishes no clue to it. The inconsiderable sum left in the hands of Ogden, and the value of the real estate in different parts of the Union, form but a very inconsiderable item on the credit side of the account; and some of the witnesses say Swartwout is now a needy man. That he should have been possessed of so little property can only be accounted for on philosophical principles, and the natural operation of the human mind .--Money thus acquired is not long retained .--It is soon dissipated in extravagancies that leave no trace behind him. Much credit is due to Mr. Hoyt, the present collector of New York, and the Solicitor of the Treasury, through whose instrumentality the money in Ogden's hands, and the security afforded by the real estate, were obtained.

to the late defalcations, and could not be construed to include defalcations as far back as the 4th of March, 1829, which had been heretofore reported to Congress by the Secretary of the Treasury, and no action had thereon by the House.

Under this view of the subject, and believing it to be the first step to give a latitudinarian construction to the powers delegated, and which opinion was confirmed by subsequent events, one of the undersigned deemed it a duty he owed to the House, to offer an amoudment in these words : "To strike out the words 'defalcations which have occurred among the collectors, receivers, and disbursers of public money, and other public officers, since the 4th day of March, 1829,' and insert and not heretofore reported by the departments to Congress and the country.""

The amendment was rejected, and the originial resolution adopted.

The committee being impressed with the belief that the great object of the House in raising the committee, was to investigate the causes and extent of the defalcations at the custom-house at New York, deemed it proper to adjourn to that city where the defalcations swers: had arisen, the witnesses, or actors in the same resided, and the documentary evidence was to be found. In pursuance of this determination, the committee assembled on the 24th of January, in the city of New York, and, without loss of time, engaged in the arduous duties of the investigation. At the suggestion of one of the members, whether the committee were to carry on their investigation open to cashier. the public at large, it appeared to be tacitly agreed that such a course was calculated to embarrass the committee, as they had no power to suppress disorder in case any should arise; but no intimation was given that the forfeitures? And, if not, why? proceedings of the committee should be a secret. In the mean time paragraphs appeared in the newspapers of New York, stating that the committee sat with closed doors. It was evident, also, from the wide and extended range of the investigation, that many persons were likely to be implicated, both officers of received from the marshal for forfeitures? the Government and private citizens. The undersigned believed that the committee, though a select committee, was not a secret committee; that the House, when it passed the resolutions, never intended the proceedfeelings of the American people. The mino- actions of the collector." rity of the committee entertaining these sentiments, and not knowing the views of the majority upon this interesting subject of secrecy, and finding, though other persons were the same time were admitted into the committee room, thereby subjecting the proceed- Shultz's testimony is considered. ings of the committee to misrepresentation, and the action of individual members to sus-

management with which they were concealed will attract attention. One occurrence referred to in the testimony is not the least remarkable in this extraordinary affair. When Swartwout, in 1834, was re-nominated by the then President of the United States, the no-

mination was referred, as usual, by the Senate, to a committee, which committee was composed of a majority opposed to the then Administration. In the investigation of Swartwout's accounts before that committee, suspicion arose that he was in default. Mr. Shaltz, the then auditor of the custom-house, witness examined by this committee, was a called upon by the committee of the Senate to aid them in the examination, and to give them information in regard to Swartwout's accounts; the words, the late defalcations prior to 1838, and after, it is presumed, a thorough investigation, the committee reported favorably to the Senate, and the appointment was confirmed law.

by the then existing Senate, composed of a majority of Senators opposed to the Administration, though there was at this time a defalcation to a considerable amount, known to Mr. Shultz, but not communicated to the committee of the Senate, as will be seen by reference to the following questions and an-

"Question 26. Did you know, when you were before the committee of the Senate, in 1834, that Mr. Swartwout had not paid over to the cashier the sum of more than 30,000 dollars, received by him for forfeitures?

"Answer. I knew that Mr. Swartwout had at that time more than 30,000 dollars for forfeitures, which he had not paid over to the

"Question 27. Did you inform the committee of the Senate, or any officer of the Treasury Department, that Mr. Swartwout had not paid over the money received by him for

"Answer. I did not; because I did not think it my duty. Question 33. Why did you not regard it

as your duty to inform the Secretary of the Treasury, or the committee of the Senate, that Mr. Swartwout had not paid over the money

"Answer. Because we clerks of the custom house consider ourselves as in the service of the Collector, and not in the service of the U States. The collection law does not seem to regard the clerks of the collector as in the serings of the committee to be kept secret: that vice of the United States, as the markers and justice required that prompt and early notice weighers, &c. who are appointed by the Treashould be given all persons accused; and the sury Department. We have always thought charge should be made in a public manner, ourselves the private assistants of the conec-the accused confronted with the accuser, and tor. It was my duty to render the accounts that secret inquiries were unknown to the iruly, and credit the United States truly, as constitution, and alien to the practice and I did; but not to inquire into the private trans-

These answers afford a valuable instance of custom house morality and patriotism.

That the defalcations should have been so long concealed from the Department and the excluded, two or three witneeses at one and public, though at first a matter of surprise, will create no great astonishment when Mr.

> The manner of keeping the accounts in the custom house was calculated to effect the ob-

existing laws, and, indeed, under any safeguards that may be established to protect the public purse, without honor and integrity in the public office, it may and will be plundered, and the fact concealed for a considerable time without the possibility of discovery.

The business of the custom house at New York is so various and complicated, that under the provision of the act of Congress, the collector is allowed three months after the expiration of each quarter to make his returns. Frequently from necessity this time has been extended to four months. Two or three months are consumed in the Auditor's and Comptrollers offices at Washington, in auditing and settling these accounts. Until this is done the defalcations cannot be certainly known, so that they may be concealed from five to seven months, and that under the operation of the

By reference to the journal it will be seen that there is some discrepancy in the testimony on the subject of the extent of the loss .--Most of the witnesses agree that the amount of defalcation corresponds with the statements heretofore made by the officers of the Government who were sent to New York, at or immediately after the same was made known, and whose reports have been submitted to the House.

The witness Mr. Shultz, before alluded to, former auditor of the custom house, and who for a long period of time filled that station, reduces by his testimony, the amount in a considerable degree. The House has before seen what reliance should be placed on the evidence his appointment as collector made by the of Mr. Shultz. As additional evidence of the confidence to be given him, the journal is referred to where Mr. Shultz states: the weekly returns made to the Secretary of the Treasury, under the regulation of the department, included the items of forfeitures and penalties, and which, in his opinion, would have enabled the Secretary in fifteen minutes to have detected the defalcation, so far as these items are concerned, though testified to with great confidence, and with an apparent knowledge of the act, is totally disapproved by the chief clerk of the Treasury Department, and the documentary evidence derived from that department, to wit: the weekly returns themselves. Mr. Shultz is also a very aged man, infirm in body and mind, and, like most old persons, better able to give a clear and distinct account of transactions of long standing than recent occur-

rences. But whatever may be the accurate amount the ostensible sum total, established by unquestionable testimony, is very large. The actual or real amount however, lost to the Government, concerning which no information can be obtained, it is impossible to say, and can be only a subject of conjecture.

One fact brought forth by the investigation, is of a remarkable character, and deserves a notice. Mr. Thompson, the cashier of the Bank of America, then one of the deposite banks, states that checks of different amounts some for very large sums, were indiscriminately drawn by Swartwout, or his deputies, and paid by the bank. This practice, dangerpicion and calumny, deemed it proper to bring | ject of concealment. The auditor of the cus- | ous at all times to the Government and the

ork, Mr. Price, and the Comptroller at Washington. For nearly three years, no bond of the collector of New York, the principal port in the Union, was in the Comptroller's office. and the collector was left to carry on the great fiscal operations of the custom house without any security, except that based upon his own responsibility. As to the sufficiency of the security afforded the Government by the bond when executed, that is a subject not susceptible of positive proof until tested by legal decision, and must remain a matter of speculation and opinion.

Should the security in the bond be hereafter found insufficient, it will be attributed to Price. the district attorney of the city of New York, where the surctics resided, and who, before he certified the bond, did make, or ought to have made, the necessary inquiries as to their pecuniary responsibility.

The bond, though executed at so late a period, will protect the Government as far as the amount extends, a large portion of the defalcation having taken place after its execution, and therefore embraced by it.

It is true, little security will be afforded by it to the Government, when the penal sum, contained in the bond, is compared with the large amount of the defalcation; and had a regular account of the bonds been kept in the Auditor's office, there is very strong and conclusive testimony to show it would have neither prevented nor detected the defalcation.

The bond of Swartwout not being executed and deposited in the office, nor any entry of Comptroller of 1834, was such a want of official diligence as no one could have supposed or anticipated, and could not have excited any suspicion in the mind of his immediate successor, (not the present Comptroller, who came into office after the discovery of these detalcations,) so as to induce him to order an examination. He took it for granted the usual course had been pursued in relation to Swartwout's appointment and bond. The neglect therefore, of the former Auditor and Comptroller, in these particulars, is strange and unaccountable.

The only excuse for it is to be found in the fact, a short time anterior to these occurrences, and long before, the heads of these bureaus were two aged men, incapable, from physical and mental infirmities, to discharge the duties imposed on them with the diligence and strict supervising attention that these important offices demanded. The evidence on the journal on this subject is very strong. The retention of aged persons in office, who have grown old in the service of the State, is an evil incident to all Governments, and more particularly to our democratic one. To dismiss an officer under such circumstances is a harsh measure. and well calculated to shock the feelings and enlist the sympathies of the people. To retain him when incapable of performing his functions is dangerous to the security of the public treasure, and injurious to the best interests of the people. Better would it be to let the civil officers of Government, who have faithfully discharged their duty for many years,

are estimated to have been from four to four and a half millions. The amount coming within the operation of relief asked and granted on account of the fire, is supposed to have been about \$1,063,000."

As also to the following question:

"Question 1. Please state, should a combination exist between the district attorney and the collector to defraud the Government, by placing bonds which have actually been paid in his weekly account, transmitted to your department under the head of bonds suspended or bonds in suit, if there are any means in your power, as Secretary of the Treasury, to make the detection, except by personal in-spection and examination of the bonds at N. York?"

Mr. Woodbury answers in the negative and gives his reasons in extense, as will be seen by reference to the journal.

The suspension of specie payments by the banks, so sudden and unexpected, at a period of profound peace, and under the appearance of great uational prosperity, was well calculated not only to derange the business of the custom house of New York, but did convulse the whole trade of this country, and in its consequences affected that of those States or Kingdoms with whom we had commercial relations. A contingency so extraordinary could not have been anticipated, and consequently there were no existing laws to protect the Government from its baneful effects.

By rendering the acts of Congress in relation to the safe-keeping of the public money a dead letter, it made the banks cease to be the depsitories of the public money, took away the authority of the department to receive their paper in payment of public dues, and from necessity threw the payment of the bonds into the custom house, and into the hands of Swartwout and his agents, uncontrolled by any legislative provision, or any other safe-guard that would otherwise have been provided to protect the public purse.

It may be, and no doubt will be said, that notwithstanding this act of the banks, if their paper had been received by the Government, and the bonds still paid in the banks, the loss, or a greater part of it, would not have been sustained. The undersigned will not under-take to decide what would have been its ultimate effect.

The legality and propriety of such a measure, as an act of the Government, is submitted to the good sense and intelligence of the American people. The reason for the Secretary of the Treasury not adopting it, is to be found in the acts of Congress, and the prac-tice of the Government founded thereon, which prohibit the officers of the revenue receiving in payment any thing but gold or sil-ver, or its equivalent. The Secretary of the Treasury was not warranted, by law, to re-ceive the paper of these banks. If he had done so, he would have been liable to impeachment; and, from the known temper of the times, would, in all probability, have been impeached. If authority to receive such paper had been given, it would have been not only a violation of the laws of the land, but ctire, at a certain designated period of life, | disreputable to the officer and degrading to

The money, as Ogden testifies, was intend-ed by Swartwout for other purposes and would have been so applied, but for the sudden arrival and unexpected and vigorous application of the Solicitor of the Treasury to him, as agent of Swartwout; to pay the same to the United States.

During the progress of the investigation, and before it had closed in relation to Swartwout, a member of the committee submitted the following resolution:

"Resolved, That Mr. Hoyt, the collector, be required to furnish this committee with all letters to and from the Treasury Department and the collector of the customs at New York; and also all orders and instructions from the Treasury Department to said collector, since the first day of January, 1837, up to the present day; and the answers of said collector, if any, to said orders and instructions, not already furnished to this comnittee."

This resolution afforded another instance of the construction given by the majority of the committee to the authority contained in the resolution of the House, and opened a wide field of inquiry, never anticipated by the House or the country. One of the under-signed, therefore, moved the following amendnent:

"Provided, The said letters, orders, and instructions have reference to the late defal-