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The Lincoln Republican.

"The tendency of Democracy is toward the elevation of the industrious classes, the increase of their comfort, the assertion of their dignity, the establishment of their power."

BY ROBERT WILLIAMSON, JR.

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Twenty-seventh Congress.

REPEAL OF THE INDEPENDENT TREASURY LAW.

DEBATE IN THE SENATE. WEDNESDAY, JUNE 9, 1841. REMARKS OF MR. BENTON.

Mr. Benton, after waiting some minutes for the noise in the galleries to cease, said the lateness of the hour, the heat of the day, the impatience of the majority, and the determination evinced to suffer no delay in gratifying the feeling which demanded the sacrifice of the Independent Treasury system, should not prevent him from discharging the duty which he owed to the friends and authors of that system, and to the country itself, by defending it from the unjust and odious character which clamor and faction had fastened upon it. A great and systematic effort had been made to cry down the Sub-Treasury by dint of clamor, and to render it odious by unfounded representation and distorted descriptions. It seemed to be selected as a subject for an experiment at political bamboozling; nothing was too absurd, too preposterous, too foreign to the truth, to be urged against it, and to find a lodgment, as it was believed, in the minds of the uninformed and credulous part of the community. It was painted with every odious color, endowed with every mischievous attribute, and made the source and origin of every conceivable calamity. Not a vestige of the original appeared; and, instead of the old and true system which it revived and enforced, nothing was seen but a new and hideous monster, come to devour the people, and to destroy at once their liberty, happiness, and property. In all this the opponents of the system copied the conduct of the French Jacobins of the year '89, in attacking the veto power reserved to the king. The enlightened historian, Thiers, has given us an account of these Jacobinical experiments upon French credulity; and we are almost tempted to believe he was describing, with the spirit of prophecy, what we have seen taking place among ourselves. He says that, in some parts of the country, the people were taught to believe that the veto was a tax, which ought to be abolished; in others that it was a criminal, which ought to be hung; in others again that it was a monster, which ought to be killed; and in others, that it was a power in the king to prevent the people from eating or drinking. As a specimen of this latter species of imposition which was attempted upon the ignorant, the historian gives a dialogue which actually took place between a Jacobin politician and a country peasant in one of the remote departments of France, and which ran in about these terms: "My friend, do you know what the veto is?" "I do not." "Then I will tell you what it is. It is this: You have some soup in your parrot; you are going to eat it; the king commands you to empty it on the ground, & you must instantly empty it on the ground; that is the veto?" This said Mr. B. is the account which an eminent historian gives us of the means used to bamboozle ignorant peasants and to excite them against a constitutional provision in France, made for their benefit, and which only arrested legislation till the people could speak; and I may say that means little short of such absurdity and nonsense have been used in our country to mislead and deceive the people, and to excite them against the Sub-Treasury here.

It is my intention, said Mr. B. to expose and to explode these artifices; to show the folly and absurdity of the inventions which were used to delude the people in the country, and which no Senator of the opposite party will so far forget himself as to repeat here; and to exhibit the Independent Treasury as it is—not as a new and hurtful measure just conceived; but as an old and salutary law, fallen into disuse in evil times, and now revived and improved for the safety and advantage of the country.

What is it, Mr. President, which constitutes the system called and known by the

name of the Sub-Treasury, or the Independent Treasury? It is two features, and two features alone, which constitute the system—all the rest is detail—and these two features are borrowed and taken from the two acts of Congress of September first, and September the second, 1789; the one establishing a revenue system, and the other establishing a Treasury Department for the United States. By its 30th section, gold and silver coin alone was made receivable in payments to the United States; and by the second of them, section four, the Treasurer of the United States is made the receiver, the keeper, and the payer of the moneys of the United States, to the exclusion of banks, of which only three then existed. By these two laws the first and the original financial system of the U. States was established; and they both now stand upon the statute book, unreppealed, and in full legal force, except in some details. By these laws, made in the first days of the first session of the first Congress, which sat only under the Constitution, gold and silver coin only was made the currency of the Federal Treasury, and the Treasurer of the United States was made the fiscal agent to receive, to keep, and to pay out that gold and silver coin. This was the system of Washington's administration; and as such it went into effect. All payments to the Federal Government were made in gold & silver; all such money paid remained in the hands of the Treasurer himself, until he paid it out; or in the hands of the collectors of the customs, or the receivers of the land offices, until he drew warrants upon them in favor of those to whom money was due from the Government. Thus it was in the beginning—in the first and happy years of Washington's administration. The money of the Government was hard money; and no body touched that money but the Treasurer of the United States, and the officers who collected it; and the whole of these were under bonds and penalties for their good behavior, subject to the lawful orders and general superintendence of the Secretary of the Treasury and the President of the United States, who was bound to see the laws faithfully executed. The Government was then what it was made to be—a hard money Government. It was made by hard money men, who had seen enough of the evils of paper money, and wished to save their posterity from such evils in future. The money was hard, and it was in the hands of the officers of the Government—those who were subject to the orders of the Government—and not in the hands of those who were subject to requisitions—who could refuse to pay, protest a warrant, tell the Government to sue, and thus go to law with the Government for its own money. The framers of the Constitution, and the authors of the two acts of 1789, had seen enough of the evils of the system of requisitions under the confederation to warn them against it under the Constitution. They determined that the new Government should keep its own hard money, as well as collect it; and thus the Constitution, the law, the practice under the law, and the intentions of the hard money and Independent Treasury men, were all in harmony, and in full, perfect and beautiful operation under the first years of General Washington's administration. All was right, and all was happy and prosperous at the commencement. But the spoiler came! Gen. Hamilton was Secretary of the Treasury. He was the advocate of the paper system, the Banking system, and the funding system, which were fastened upon England by Sir Robert Walpole, in his long and baneful administration under the first and second Georges. Gen. Hamilton was the advocate of these systems, and wished to transplant them to our America. He exerted his great abilities, rendered still more potent by his high personal character, and his glorious Revolutionary services, to substitute paper money for the Federal currency, and banks for the keepers of the public moneys; and he succeeded to the extent of his wishes. The hard money currency prescribed by the act of September 1, 1789, was abolished by construction, & by a Treasury order to receive bank notes; the fiscal agent for the reception, the keeping, and the disbursement of the public moneys, consisting of the Treasurer, and his collectors and receivers, was superseded by the creation of a National Bank, invested with the privilege of keeping the public moneys, paying them out, and furnishing supplies of the paper money for the payment of dues to the Government. Thus, the two acts of 1789 were avoided, or superseded; not repealed, but only avoided and superseded by a Treasury order to receive paper, and a Bank to keep it and pay it out. From this time paper money became the Federal currency, and the Bank the keeper of the Federal money. It is needless to pursue this departure farther. The Bank had its privileges for twenty years; it succeeded in them by local banks—they superseded by a second National Bank—it again by local banks—and these finally by the Independent Treasury system—which was nothing but a return to the fundamental acts of 1789.

This is the brief history—the genealogy rather—of our fiscal agents; and from this

it results that after more than forty years of departure from the system of our forefathers—after more than forty years of wandering in the wilderness of banks, local & national—after more than forty years of wallowing in the slough of paper money, sometimes sound, sometimes rotten—we have returned to the points from which we set out, and our own officers to keep it. We returned to the acts of '89, not suddenly and crudely, but by degrees, and with details, to make the return safe and easy. The specie clause was restored, not by a sudden and single step, but gradually and progressively, to be accomplished in four years. The custody of the public moneys was restored to the Treasurer and his officers; and as it was impossible for him to take manual possession of the moneys every where, a few receivers general were given to him, to act as his deputies, and the two mints in Philadelphia and New Orleans, (proper places to keep money, and their keys in the hands of our officers,) were added to his means of receiving and keeping them. This return to the old acts of '89 was accomplished in the summer of 1840. The old system, with a new name, and a little additional organization, has been in force near one year. It was worked both well and easy; and now the question is to repeat it, and to begin again where Gen. Hamilton started us above forty years ago, and which involved us so long in the fate of banks and in the miseries and calamities of paper money. The gentlemen on the other side of the House go for the repeal; we against it; and this defines the position of the two great parties of the day—one standing on ground occupied by Gen. Hamilton and the Federalists in the year '91, the other standing on the ground occupied at the same time by Mr. Jefferson and the Democracy.

The Democracy oppose the repeal, because this system is proved by experience to be the safest, the cheapest and the best mode of collecting the revenues, and keeping and disbursing the public moneys, which wisdom of man has yet invented. It is the safest mode of collecting, because it receives nothing but gold and silver, and thereby saves the Government from loss by paper money, preserves the standard of value, and causes a supply of specie to be kept in the country for the use of the people and for the support of the sound part of the banks. It is the cheapest mode of keeping the moneys; for the salaries of a few receivers are nothing compared to the cost of employing banks; for banks must be paid either by a per centum, or by a gross sum, or by allowing them the gratuitous use of the public money. This latter method has been tried, and has been found to be the dearest of all possible modes. The Sub-Treasury is the safest mode of keeping, for the receivers general are our officers—subject to our orders—removable at our will—punishable criminally—suable civilly—and bound in heavy securities. It is the best mode; for it has no interest in increasing taxes in order to increase the deposits. Banks have this interest. A National Bank has an interest in augmenting the revenue, because thereby it augmented the public deposits. The late Bank had an average deposit for near twenty years of eleven millions and a half of public money in the name of the Treasurer of the United States, and two millions and a half in the names of public officers. It had an annual average deposit of fourteen millions, and was notoriously in favor of all taxes, and of the highest tariffs, and was leagued with the party which promoted these taxes and tariffs. A Sub-Treasury has no interest of this kind, and in that particular alone presents an immense advantage over any bank depositors, whether a national institution or a selection of local banks. Every public interest requires the Independent Treasury to be continued. It is the old system of '89. The law for it has been on our statute book for 52 years. Every citizen who is under 52 years old has lived all his life under the Sub-Treasury law, although the law itself has been superseded or avoided during the greater part of the time. Like the country gentleman in Moliere's comedy, who had talked prose all his life without knowing it, every citizen who is under 52 has lived his life under the Sub-Treasury law—under the two acts of '89 which constitute it and which have not been repealed.

We are against the repeal; and although unable to resist it here, we hope to show to the American people that it ought not to be repealed, and that the time will come when its re-establishment will be demanded by the public voice.

Independent of our objections to the merits of this repeal, stands one of a preliminary character, which has been too often mentioned to need elucidation or enforcement, but which cannot be properly omitted in any general examination of the subject. We are about to repeal one system without having provided another, and without even knowing what may be substituted, or whether any substitute whatever shall be agreed upon. Shall we have any, and if any, what? Shall it be a National Bank, after the experience we have just had of such institutions? Is it to be a non-descript

invention—a fiscality—or fiscal agent—to be planted in this District because we have exclusive jurisdiction here, and which, upon the same argument, may be placed in all the forts and arsenals, in all the dock yards and navy yards, in all the light-house and powder magazines, and in all the Territories which the United States now possess? Do they object to this clause? Not at all. They rejoice at it; for they receive, at second hand, all that comes from the Government. No officer, contractor, or laborer, eats the hard money which he receives from the Government, but pays it out for the supplies which support his family; it all goes to the business and productive classes; and thus the payments from the Government circulate from hand to hand, and go through the whole body of the people. Thus the whole body of the productive classes receive the benefit of the hard money payments. Who is it then objects to it? Broken banks and their political confederates are the clamorers against it. Banks which wish to make their paper a public currency; politicians who wish a National Bank as a machine to rule the country. These banks and these politicians are the sole clamorers against the hard money clause in the Sub-Treasury; they alone clamor for paper. And how is it with the other clause, the one which places the custody of the public money in the hands of our own officers, and makes it felony in them to use it? Here is a clear case of contention between the banks and the Government, or between the clamorers for a National Bank and the Government. These banks want the custody of the public money. They struggle and fight for it, as if it was their own; and if they get it, they will use it as their own, as we all well know. Thus, the whole struggle for the repeal resolves into a contest between the Government and all the productive and business classes on the one side, and the Federal politicians, the rotten part of the banks, and the advocates for a National Bank on the other.

Sir, the Independent Treasury has been organized—I say organized—for the law creating it is fifty-two years old—has been organized in obedience to the will of the people, regularly expressed through their representatives after the question had been carried to them, and a general election had intervened. The Sub-Treasury was proposed by President Van Buren in 1837, at the called session; it was adopted in 1840, after the question had been carried to the people, and the elections made to turn upon it.—It was established, and clearly established, by the will of the people. Have the people condemned it? By no means. The Presidential election was no test of this question, nor of any question. The election of Gen. Harrison was effected by the union of all parties to pull down one party, without any union among the assailants on the question of measures. A candidate was selected by the Opposition for whom all could vote. Suppose a different selection had been chosen, and he had been beaten two to one: what then would have been the argument? Why, that the Sub-Treasury, and every other measure of the Democracy, was approved two to one.—The result of the election admits of no inference against this system; and could not, without imputing a thoughtless versatility to the people, which they do not possess. Their representatives, in obedience to their will, and on full three years' deliberation, established the system in July, 1840; is it possible that, in four months afterwards—in November following—the same people would condemn their own work?

But the system is to be abolished, and we are to take our chance for something, or nothing, in the place of it. The abolition is to take place on the instant of the passage of the bill—such is the spirit of hatred against it; and the system is still to be going on, after it is abolished, for some days in the nearest parts, and some weeks in the remotest parts, of the Union. The Receiver General in St. Louis will not know of his official death until ten days after the event; in the mean time, he is acting under the law, and all he does is void. So of the rest. Not only must the system be abolished before a substitute is presented, but before the knowledge of the abolition can reach the officers who carry it on, and who must continue to receive and pay out moneys for days after their functions have ceased, and when all their acts have become illegal and void.

Such is the spirit which pursues the measure—such the vengeance against a measure which has taken the money of the people from the hands of the banks. It is the vengeance of the banking spirit against its enemy—against a system which deprives them of their prey. Something must rise up in the place of the abolished system until Congress provides a substitute, and that something will be the local banks which the Secretary of the Treasury may choose to select. Among these local banks stands that of the Bank of the United States. The repeal of the Sub-Treasury has restored that institution to its capacity to become a depository of the public moneys; and well and largely has she prepared herself to

have seen ourselves paid in gold for years past, after having been for thirty years without seeing that metal. No, sir, no.—Neither the payers of money to the Government, nor the receivers of money from the Government, object to the hard money clause in the Sub-Treasury. How is it then with the body of the people—the great mass of the productive and business classes? Do they object to this clause? Not at all. They rejoice at it; for they receive, at second hand, all that comes from the Government. No officer, contractor, or laborer, eats the hard money which he receives from the Government, but pays it out for the supplies which support his family; it all goes to the business and productive classes; and thus the payments from the Government circulate from hand to hand, and go through the whole body of the people. Thus the whole body of the productive classes receive the benefit of the hard money payments. Who is it then objects to it? Broken banks and their political confederates are the clamorers against it. Banks which wish to make their paper a public currency; politicians who wish a National Bank as a machine to rule the country. These banks and these politicians are the sole clamorers against the hard money clause in the Sub-Treasury; they alone clamor for paper. And how is it with the other clause, the one which places the custody of the public money in the hands of our own officers, and makes it felony in them to use it? Here is a clear case of contention between the banks and the Government, or between the clamorers for a National Bank and the Government. These banks want the custody of the public money. They struggle and fight for it, as if it was their own; and if they get it, they will use it as their own, as we all well know. Thus, the whole struggle for the repeal resolves into a contest between the Government and all the productive and business classes on the one side, and the Federal politicians, the rotten part of the banks, and the advocates for a National Bank on the other.

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receive them. The Merchants Bank, her agent in New Orleans; her branch, under the State law, in New York; and her branches and agencies in the South and West, enable her to take possession of the public moneys in all parts of the Union. That she expected to do so, we learn from Mr. Biddle, who considered the attempted resumption in January last as unwise, because, in showing the broken condition of the Bank, her claim to the deposits would become endangered. Mr. Biddle shows that the deposits were to have been restored; that, while in a state of suspension, his Bank was as good as any. In the dark all the cats are of a color, and in this darkness the Bank of the United States found her safety and her security, and her right to the restoration of the long lost deposits. The attempt at resumption exposed her emptiness and rottenness—showed her to be the white sepulchre, filled with dead men's bones.—Liquidation was her course—the only honest—the only justifiable course. Instead of that, she accepts new terms from the Pennsylvania Legislature—pretends to continue to exist as a bank; and, by treating Mr. Biddle as the Jonas of the ship, when the whole crew were Jonases, expects to save herself by throwing him overboard. That Bank is now, on the repeal of the Sub-Treasury, on a level with the rest for the reception of the public moneys. She is legally a public depository, under the act of 1836, the moment she resumes; and when her notes are shamed in—a process now rapidly going on—she may assert and enforce her right. She may resume for a week or a month to get hold of the public moneys. By the repeal, then, the public deposits, so far as law is concerned, are restored to the Bank of the United States. When the Senate has this night voted the repeal, they have also voted the restoration of the deposits; and they have done it willingly and knowingly, with their eyes open, and with the full view of what they were doing. When they voted down my proposition yesterday—a vote in which all concurred on the other side, except the Senator from Virginia, who sits nearest, [Mr. Archer,]—when they voted down that proposition to exclude the Bank of the United States from the list of depository banks hereafter, they of course declared that she ought to remain upon the list, and avail herself of her rights under the revived act of 1836. In voting down that proposition, they voted up the prostrate Bank of Mr. Biddle, and accomplished the great object of the panic of 1833, '34—that of censuring General Jackson, and restoring the deposits.—The act of that great man—one of the best patriotic and noble acts of his life—the act by which he saved forty millions of dollars to the American people, is reversed. The stockholders and creditors of the institution lose above forty millions, which the people otherwise would have lost. They lose the whole stock, thirty-five millions; for it will not be worth a straw to those who keep it; and the only effect of suppressing the rotten list of debts—a suppression in which it is mortifying to see a Southern gentleman concurring—is to enable the jobbers and gamblers to shove it off upon innocent and ignorant people. The stockholders lose the thirty-five millions capital; they lose the twenty per cent. advance upon that capital, at which many of the later holders purchased it, and which is seven millions more; they lose the six millions surplus profits which was repaid on hand, but which, perhaps, was only a bank report; and the holders of the notes lose the fifteen or twenty per cent. which the notes of the Bank are now under par. These losses make above forty millions. They now fall on the stockholders and note holders: where would they have fallen if the deposits had not been removed? They would have fallen upon the public Treasury—upon the people of the United States—for the public is always the goose which is to be first plucked. The public money would have been taken to sustain the Bank; taxes would have been laid to sustain her; the high tariff would have been revived for her benefit. Whatever her condition required would have been done by Congress.—The Bank, with all its crimes and debts—with all its corruptions and plunderings—would have been saddled upon the nation, its charter renewed—the people pillaged of the forty millions which have been lost; Congress enslaved; and a new career of crime, corruption, and plunder commenced. The heroic patriotism of Jackson saved us from this shame and loss; but we have no Jackson to save us now, and military plunderers—devouring harpies—are again to seize the prey which his patriotic arm snatched from their insatiate throats.

The deposits are restored, so far as the vote of the Senate goes; and, if not restored in fact, it will be because policy and new schemes forbid it. And what new scheme can we have. A non-descript, hermaphrodite, jans-faced fiscality, except the fiscal agent? or a third edition of General Hamilton's Bank? or a bastard compound, the obscene progeny of both? Which will it be? Hardly the first need. It comes forth with the feeble and ed. symptoms of an unripe conception, and evidently destined to take the place of