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SPEECH OF MR. RAYNER. (OF HERTFORD.)

Delivered in the House of Commons of North Carolina, December 14, 1838, on the Resolutions of Instruction to our Senators in Congress.

Concluded.

But sir, the paramount and greatest objection to this system, is, that it requires gold and silver to be paid by all debtors of the government in payment of the public dues. Now, sir, if I were disposed to compromise my opinions for the purpose of settling this matter, yet while the specie clause is retained and insisted upon, I never could consent even to entertain the proposition. It is contrary to all former usage, and will unsettle and disarrange the whole business transactions of society. There is only so much specie in the world; this, of itself, disconnected with the system of credit which is based upon it, is not sufficient by two-thirds, to perform the commercial business of the world. This specie, according to principles as certain and unerring in their nature, as those laws of physics which cause water to seek a level, or a stone to gravitate to the earth, will diffuse itself throughout all commercial countries in due proportion to their relative business and their weight in the scale of commerce. And whenever you draw an undue proportion of the precious metals from one country to another, more than is required by the commercial relations existing between them, reaction will as certainly follow, as effect follows cause, and commercial embarrassment is the inevitable result; for the republic of commerce, like that of letters, is one and indivisible. It makes no difference that countries may be separated by rolling oceans or conical mountains, if they belong to the great commercial family of nations—their interests are as much identified to relation to commerce, and as likely to be affected, one by a derangement of the currency of another, as if the whole commercial world was consolidated into one vast empire. Sir, you might as well attempt to destroy the influence of the glorious literature of England, as of her commercial regulations; you might as well attempt to destroy the power which is exercised over the public mind in this country by the burning pages of Scott, Byron, and Bulwer, as to avoid the impulses which are given to commerce from that great focus of the commercial world.

Taking it for granted, then, that we cannot abstract from other nations more than our proportionate share of the precious metals without disturbing the known laws of commerce, let us see what is our condition.

It is, I believe, generally admitted by the most skillful financiers in our country, that all the specie in the country does not fall short of 60, nor exceed 80 millions of dollars—while we employ about 350 millions of capital to do our business. Well, now, suppose that the establishment of this system, as contended for by our great legislator T. H. Benton—*for I insist, that he is "his author, its projector," and would, no doubt, wish to be its "final executor," but that he has in a measure been supplanted by another—suppose, I say, it should ultimately succeed in banishing all paper from circulation—must not the price of every article fall in the ratio of 350 to 80—and would not bankruptcy, wretchedness and ruin follow in its train? Even admitting the scheme were practicable, and that that result would be beneficial to posterity does any one believe that the present generation ought to make so great a sacrifice for that which is to come? But admitting, on the other hand, as contended by others of its friends, that its object is not to destroy all paper, and will not be the result, still the abstraction of at least 30 millions of specie from the business capital of the country will be the consequence, and a shock to credit and a revulsion in trade will necessarily follow, which will agitate this nation from its centre to its circumference. Perhaps gentlemen will deny that it will abstract that amount of specie from the business of the country. Well, now, sir, has this administration shown any disposition to curtail the expenses of the government? Do they not continue their wasteful and extravagant expenditures of the public money, although your treasury is bankrupt? And I insist, that all the money that is required for the expenses of the government, when under the control and management of a party known to be hostile to the whole credit system, will be of the uncertain and fluctuating character to constitute a basis for any permanent banking transactions. It will be "here today, and gone to-morrow." It can be transferred at any moment from one place to another, whenever the Secretary in his great wisdom may think the public interest requires it. And if checks drawn upon the depositaries should ultimately become the medium of payment to the public creditors, (and it is reasonable to suppose that in most cases they would prefer those checks,) and thus enter into the channels of circulation, millions of the gold and silver of the country will then accumulate in the hands of the public officers, and that represented only dollar*

for dollar by these government drafts.

Again, sir, I believe the tendency of this specie provision will be to the destruction of all the local banks of our country. One good ground for this belief is, that it had its origin in a feeling antagonistic to the banks. If it goes into operation now, it will be under the administration of men who are known to be hostile to, and who will consequently administer it to the annoyance and destruction of the banking system. The tendency of the specie to accumulate in the hands of the depositaries, will keep up a constant drain upon the vaults of the local banks, which will cripple their operations, and keep them in a state of constant dread and alarm; for they would not know at what moment they might be called upon to discharge every dollar in their vaults, in order to enable them to meet any great excess of revenue liable to be produced by the fluctuations of trade. And again—refusal to receive their notes by the government, will stamp discredit on their very faces; it will alarm the ignorant and the timid, and, at every temporary fluctuation in trade or business, their notes would pour in upon them. Now, sir, I am not to be understood as standing up here as the especial advocate of banks. I know it is fashionable, in a certain quarter, to denounce every man as a bank-bribed aristocrat, who dares to utter a word in defence of these valuable institutions. It is a matter of but little moment to me, if my name should be associated with the distinguished patriots of the country, in being denounced as bank-bought, or as an aristocrat. I suppose I should rather consider it as a compliment. I will remark, however, that so far from my being interested in banks, except as a member of the community at large, I know perhaps less about the details of banking transactions, than of any other political question to which I have ever turned my attention. My opinions, in regard to them, are drawn from general principles, and from disinterested observation.

I look upon the abuses of banking, as one of the necessary and indispensable evils of free government; especially when unworthy men are trusted with the reins of power. We cannot expect to arrive at perfection in the arrangement of any system; 'tis contrary to the dispensations of an all-wise Providence, that man should reach perfection in this state of probation. Ever since our first parents were driven from the bowers of Eden, under the unalterable decree—"Cursed is the ground for thy sake; in sorrow shalt thou eat of it all the days of thy life,"—man has had his happiness alloyed with pain, and seen all his vain efforts fall far short of their design.

Because the banking system has been abused, because its excesses have caused a temporary derangement, it is no reason why we should denounce it as altogether pernicious, and discard it from our confidence entirely. There is not one of the blessings with which Providence has gifted us, that may not, by improper use, be converted to our destruction. The fire which prepares our food and ministers to our comfort, when in the hands of the incendiary may be employed in laying our dwellings in ruins and demolishing the works of ages. The very clouds of heaven, whose showers purify the atmosphere and fertilize our fields, when lashed into tempest, lay low in a moment the structures of the artist and the labors of the husbandman, scattering ruin and desolation in their train. Besides, there are associations connected with the history of the banking system, which identify it with the very name of liberty. Look at the origin of banks. Do you find them first springing up in a land of despotism, or a land of freedom? The Bank of Venice, established in 1171, that of Genoa, in 1345, and that of Amsterdam, in 1609, were the three first banks known to the commercial world; and let it never be forgotten, that they were not only established in free governments, but that it was in an age of despotism, and when the glimmerings of freedom had just begun to dawn. These banks were the legitimate offspring of commerce, for every one at all acquainted with history, knows that those enterprising cities were engaged in commerce, while the surrounding world was locked up in the chains of the feudal system. Look at England, that country from whom we obtained our earliest ideas of liberty, enjoying a degree of freedom unknown to the rest of Europe, her arts and her arms the admiration of the world, her literature, brightening by its persal, the face of genius in every clime where civilization has dawned, her navies covering every ocean, her manufactures clothing every people, "from Greenland's icy mountain, to India's coral strand." In that country, the banking system has found especial favor, and has been used as one of the main agents of her greatness and glory. The Bank of England was chartered in 1694, only six years after the celebrated revolution of '88, which placed on a firm basis the rights of the citizen, and fixed definite and prescribed limits to the prerogative of the crown, at a period when the minds of the English people were peculiarly sensitive in regard to a violation of their rights. The charter

of that institution has since received seven successive renewals; and so apparent has been its utility to the great body of the nation, that it has never assumed a party character, in all the violent struggles for power between the great rival parties in that country.

Look, on the other hand, to those countries where there are no banks, and where gold and silver is the only currency. Look to Spain, once the mistress of the mines of Peru—degradation and misery is the characteristic of her people. The Chastilian blood of her ancient chivalry flows dull and sluggish through the veins of their degenerate posterity, whom all the efforts and improvement of the age cannot rouse into action. Look to Italy; all the associations of her former glory cannot awaken her from the slumber of ages; penury and want, wretchedness and hunger, stalk amid the ruins of the Coliseum, and banditti plot their infernal schemes where, once, "a Roman Senate sat."

Look to the South American states, the very countries in whose mountains lie embedded the precious metals, whose exclusive use certain politicians believe to be a panacea for all the "ills that government" is heir to, and what do you witness calculated to rejoice the heart of the philanthropist? Anarchy and revolution, violence and priestcraft, are the leading incidents in their history. With all their gold and silver currency, and with the bright example we have set before them, they seem destined to slumber in obscurity, and only to be aroused at intervals by the earthquake sounds of violence and commotion.

Begging pardon of the house for pursuing this idea so far, I will return more directly to the subject. I will take it for granted, that with the destruction of banks will necessarily come the destruction of credit. This, I think, is easy of demonstration. In the first place, credit—that is, credit in the general sense in which it is understood, in this country—is unknown in those countries in which banks do not exist; and even in our own country, those sections in which credit is most easy to be obtained, are also most remarkable for the quantity of capital invested in banking, as well as for their industry and enterprise. In fact, bank notes are nothing but the representatives of credit; and a bank is nothing more than a market where credit is sold. In the second place, that portion of the community who avow their preference for the abolition of all credit, and who are so loud in their denunciations of the mercantile class—the very soul of whose existence is credit—are the same who are most conspicuous in their opposition to what they term the monopolies and exclusive privileges of the banks. It is the same spirit which excites opposition to both, and which would destroy with the banks all credit and confidence in the various transactions between man and man.

Destroy credit, and you deprive enterprise of its main stimulus, and indigent merit of its only heritage. Destroy credit, and, to use a remark of an eloquent Senator, "capital is hoarded and labour starves." Without credit, what would be the situation of the poor but meritorious young man, who enters upon the great theatre of life friendless, parentless and moneyless? He must languish in obscurity forever, struggling, but in vain, against the resistless tide of fortune. Destroy credit, and many a young man who might, with the advantages of credit, be able to wing his way with an eagle's flight to the highest pinnacle in the temple of fame, would have to pass his days in toiling for the physical necessities of life, and at last go down to the grave "forgotten and unknown."

Destroy credit, and what must be the situation of that man, who, from affluence to-day, is, by the caprice of fortune, tomorrow reduced to want? He must see the wife of his bosom deluged in tears, and his famishing children crying for bread; and all he can do, will be to look on in sorrow and gnash his teeth in anguish. But, by the blessings of credit, the youth in poverty, and the husband or father in misfortune, if he has character and merit, can easily obtain not only a supply for his present wants, but also a means for future enterprise. But while advocating a well-regulated system of banking, I am not to be understood as defending that wild and extravagant system which has been brought upon us by the rash and wicked measures of this and the preceding administrations. In their zeal to destroy the Bank of the United States, and to enable the country to dispense with its agency, they have deluged the country with what they now denominate "bank rags," and have converted into a curse that which, under a wise policy, would have operated as a blessing. Banks can only prove beneficial so long as they are restrained within proper limits as to their number, so long as their issues are restricted to the wants and business of the community, and so long as they are held to a strict accountability for a violation of their chartered privileges. I admit the banking system has been abused; that it has been pushed to a ruinous extent, which has threatened to destroy, not only the prosperity, but the commercial credit of the country. And who have done

this? Who have been in power while this state of things has been carrying on? Why, the very men, as I have attempted to show, who are now so vociferous in their denunciation of all banks.

Although the abuses of banking have brought incalculable evils upon the country, still they have taught us a lesson, from which we may profit for the future. It has opened the eyes of the people to the hypocrisy of those in power, and convinced them there is no confidence to be placed in their professions. It has taught us there is a limit in the banking system, beyond which we cannot go with safety, and has afforded us experience, by which we may be enabled to avoid for the future the rocks and shoals on which we have been so nearly wrecked.

Another objection, sir, to the specie feature is this: It makes an odious discrimination between the government and the people. The government belongs to the people, and it should use, in the administration of its functions, the same medium of currency as that used by the people. Requiring specie in all dues to the general government, while the state governments receive paper, and the people use it in all their various transactions, is calculated to give the general government an alien character. You thus weaken the bonds of that Union, which I look upon not only as the palladium of our civil liberties, but as the bulwark of our national defence. And, sir, I admonish those who administer the general government to beware how they abuse further the patience of this people. Let them send out their tax-gatherers to collect all the specie in circulation, and to annoy and circumscribe the operations of our state banks, and my word for it, the value of the Union will not only be calculated, but set at naught. You will have again to resort to your proclamations and your bills of blood; you will have to call again upon the myriads of federal power to enforce your system at the bayonet's point. Think you, sir, the people of this country will ever consent that the office holders—men who, by their habits, their employment, and their associations, have no sympathy in common with the great mass of the community—think you, I say, that the people will suffer these men to receive the reward of their prostitution and devotion to power in gold and silver, while they, themselves, have to use bank paper? No, sir, never! They never will consent to purchase the benefits of this union at the price of liberty, and at the sacrifice of their dearest rights and interests.

Now if gentlemen are really conscientious in their support of the specie feature of the sub-treasury, why not carry the system fully out? If it is proper for the general government, it is also proper for the state governments. Why then do they not introduce a bill, requiring the sheriffs of the different counties, or officers to be appointed for the purpose, to receive nothing in payment of taxes but gold or silver, dispensing altogether with the agency of banks, and requiring the collecting officers to keep in their own hands the money when collected, and to pay it out to the public creditors upon the warrant of the treasurer? Appropriating at the same time, a sufficient sum to purchase iron safes, vaults, &c. in which the collecting officers are to keep the public money; and authorizing the treasurer to transfer any amount of the funds of the state from one point to another, "at his discretion, whenever the public service shall seem to him to require it." I say, if the friends of the administration believe such a scheme practicable for the general government, why not propose a similar one for our own state? Because they know they dare not. Because they know the people of this state would then have practical experience of the workings of the system; and they know further, that it would be greeted with indignation "long and loud" from Currituck to Macon.

Gentlemen talk of a divorce; but, sir, pass this sub-treasury bill, and you will have effected a divorce with a vengeance. You will have divorced the affections of this people from the government of the Union. And this, sir, is no time to encourage a feeling of disaffection to the Union, a feeling which unfortunately, I fear, is beginning to pervade every section of our country, and every department of society. Yes, sir, it is enough to make the heart of the patriot bleed, to see with what coolness the dismemberment of these states is contemplated. But a few years since, the very name of disunion was reprobated with abhorrence; now, it is as familiar as household words. And what is the cause of this? Are men less patriotic now than they were then? Do they less appreciate the value of the Union? No, sir, it is because the government is administered with an utter disregard to the people's interest, and solely with a view to the preservation of power. And carry out this system, and you will give to your federal government the character of a cruel task master, who will rule you with a rod of iron, and chastise you with a whip of scorpions. Gentlemen tell us that, in the destruction of the United States Bank, they strangled a monster; but in establishing this system,

you rear up a monster of still more hideous mien, which will extend his Brazen arms into every village and hamlet in your country, to grasp every dollar of gold and silver in circulation, which, once having clutched, he will hold with the gripe of Shylock. The effect of your boasted divorce will be to establish a still more adulterous marriage between money and power, the offspring of which will be a fiend, whose appetite nothing can satiate but the blood of your people.

But gentlemen say they must have a divorce between the government and the banks. And, sir, why? Is not the government the property of the people, established by their own consent, and for the purpose of preserving their rights and promoting their interests? It is the creature of their choice; not imposed upon them by foreign power, but assumed by their own free will and consent. Well, what are the banks? Were they imposed upon us, contrary to our consent? Are they exclusive privileges, unwarranted by our free institutions? Sir, the representatives of the people have ever thought otherwise; it is they that established them, and they that continue to sustain them. Here then, are two great agencies; the federal government established for certain great purposes, and the banks of the country, established for the purpose of aiding the wants of trade and the convenience of commerce. Now, sir, if one of those great agencies can the better perform its functions by employing the aid of the other, where is the objection? Why insist upon a divorce, unless the connection has been an unhappy one, or in some way productive of evil results? That the connection was an unhappy one, so far as relates to the agency of the late Bank of the United States in keeping and disbursing the public money, cannot be asserted. For of the many hundred millions entrusted to the fiscal management of that institution, not one dollar was ever lost to the government; while, at the same time, its transfers were always made with certainty and despatch. While, on the other hand, the bank, owing, among other causes, to the increased credit which it obtained from its connection with the government, furnished a currency unequalled for soundness or uniformity, and regulated the exchanges upon the most admirable footing, and brought them down to the lowest possible cost at which funds can be transmitted from one section of the Union to another. So we see that the connection had a happy influence, first upon the people by the improvement effected in the currency and exchanges, and secondly upon the government, in the security and disbursement of the public funds. True, sir, the connection between the government and the pet banks was an unhappy one; and well it might be, for it was not a lawful connection, but a vile prostitution of themselves on the part of the latter for "filthy lucre." But let it be recollected, that the authors of that connection were the same men who are now attempting to consummate their financial tinkering by fastening upon their country this sub-treasury system.

But, say they, it is not a sub-treasury—it is an independent treasury we want. An independent treasury! Do gentlemen expect to hoodwink us in this way? Do they expect this "Ethiopian to change his skin," by their calling him another name! The obstinacy with which they cling to this name, as though they expected thereby to hide its deformities, reminds me of a passage in Paul Clifford, where the cunning Augustus Tomlinson is represented as persuading the youthful Clifford to take to the character of highwayman. "I own to you frankly," said Paul, "that somehow or other I have doubts whether thieving be really the noblest profession I could follow." "Listen to me, Paul," answered Augustus: "all crime and all excellence depend upon a good choice of words. If you take money from the public, and say you have robbed, you have indubitably committed a great crime; but if you do the same, and say you have been relieving the necessities of the poor, you have done an excellent action. If in afterwards dividing this money with your companions, you say you have been sharing booty, you have committed an offence against the laws of your country; but if you observe that you have been sharing with your friends the gains of your industry, you have been performing one of the noblest actions of humanity. . . . We are never rogues, so long as we call ourselves honest fellows; and we never commit a crime, so long as we call it a virtue." And so the advocates of the sub-treasury seem to think. Call it a sub-treasury, and its real character will be exposed—a treasury under the control of the President and his Secretaries. But call it an independent treasury, and it immediately becomes "a great measure of deliverance and liberty!" Judging, however, from the "signs of the times," the people of this country do not seem as likely to be swayed by such logic as was the plastic mind of young Clifford; for the former seem to understand its duplicity with as much facility as was the latter captivated by it. An independent trea-

sure! I fear, sir, that if this project succeeds, in that attempting to make the government independent of the banks, you will make it independent of the people. In the arrangement of a fiscal system, it is the people's interest that requires your special consideration; whereas the main object of this sub-treasury seems to be, to provide for those who administer the government. Why, the government does not so much require your fostering aid; it is the natural tendency of power to take care of itself; it needs the curb rather than the spur, and despite all the restrictions that may be thrown around it, is continually grasping for more authority, that it may transfer it "from the many to the few." If, then, it is the tendency of government to take care of itself, there is the greater necessity for uniting its destinies with those of the people, so that, in providing for and promoting its own interests, you necessarily compel it at the same time to take care of the people. And by compelling it to use the same medium of payment as that used by the people, you induce it to lend aid and protection to the state institutions; for then it cannot throw discredit upon them, without at the same time affecting its own interests.

I did intend, sir, to have attempted to show that the object was, and the inevitable result of this system, if carried into operation, would be, a great government bank, under the management and control of the Executive, possessing all the evils, and none of the advantages, of a bank duly established by law. I did also intend to have stated the reasons which have brought me to the conclusion, that a well-regulated Bank of the United States is the best remedy which can be applied for the distempered state of the times, and the best agent which the government can employ in the management of its fiscal concerns. But having trespassed so long upon the time of the committee, I will hasten to a conclusion, after stating my "last though not least" objection to this new-fangled scheme.

It is the project, and a favorite project of this administration. Yes, starting and unsound as the reason may seem to some, I repeat, I am opposed to it, because it is another project of the same men who have proven themselves so utterly ignorant of all financial knowledge, so entirely incapable of conducting the destinies of this government, and who, by their corruption and mismanagement, have shown themselves so entirely unworthy the confidence of a free people. I have for a long time believed, sincerely and honestly believed, that the first great duty which every patriot owed to his country, was to assist in pulling down the strong holds of this administration. I believe it the duty of a statesman to view every great question of national policy, which is presented before him, in all its bearings—not only in relation to its immediate objects and direct results, but in its more remote consequences also, and the influence it is likely to have upon after times. If I sustain this measure, it must be with a hope of, and with a view to, its success. And if it succeed, what is the consequence? Why, I aid in establishing this dynasty in power, and in perpetuating upon my country this scene of corruption and misrule, which has so long prevailed. Sir, I cannot, I cannot do it. It is well known to all, that upon the issue of this question the administration must stand or fall; and the peals of victory which have for several months been ringing from the mountains to the Atlantic, and from the Gulf of Mexico to the lakes, give us good reason to hope that the day of our deliverance is drawing near. Even admitting this measure to be harmless, still I believe it better that the country should bear "yet a little longer" the commercial embarrassment which prevails, than that we should have entailed upon us this corrupt dynasty, which has heretofore, notwithstanding all our manly struggles to get rid of it, stuck to us like the shirt of Nessus. And shall I, who have so long denounced their enormities and exclaimed against their misdeeds, shall I come forward and contribute my humble aid to sustain them in power? Never, never, while I recollect the ruin, the misery, the degradation they have inflicted upon my country.

I cannot forgive them for their conduct during the period of the proclamation and force bill, in which they not only preached a crusade against the interests of the south, but led on by the high toned advocates of consolidation, they inflicted a wound upon the rights of the states from which they have never yet recovered. I cannot forgive them for their wasteful extravagance with the public money, appropriating millions for the improvement of remote and unimportant sections merely to purchase political strength; and in paying holders of useless offices, created solely for the purpose of rewarding faithful partizans. I cannot forgive

From an official report of the Secretary of the Treasury, it appears that the expenditures of the government, exclusive of the public debt, were, for the year 1838, the last year of Mr. Adams's administration, \$13,229,333
1836, the last year of Gen. Jackson's administration, 30,968,164
1837, the first year of Mr. Van Buren's administration, 39,164,746