

him not only to protect his own powers, but as an additional guard to the Constitution. I am not the advocate of Executive power, which I have often been compelled to resist, when extended beyond its proper limits, as I shall ever be prepared to do when it is not any I the advocate of Legislative or Judicial. I stand ready to protect all, within the sphere assigned by the Constitution, and to resist them beyond. To this explicit and comprehensive provision of the Constitution, in protection of the veto, there is but a single exception, resulting, by necessary implication, from another portion of the instrument, not less explicit, which authorizes each House to establish the rules of its proceedings. Under this provision the two Houses have full and uncontrollable authority within the limits of their respective walls, and over those subject to their authority, in their official character. To that extent, they may pass joint resolutions, without the approval of the Executive; but beyond that, without it, they are powerless.

There is in this case special reasons why his approval should not be evaded. The President is at the head of the administrative department of the Government, and is especially responsible for its good management. In order to hold him responsible, he ought to have due power in the selection of its agents, and proper control over their conduct. These banks would be by far the most powerful and influential of all the agents of the Government, and ought not to be selected without the concurrence of the Executive. If this substitute should be adopted, and the provision in question be regarded such as I consider it, there can be no doubt what must be the fate of the measure. The Executive will be bound to protect, by the intervention of its constitutional right, the portion of power clearly allotted to that department by that instrument, which would make it impossible for it to become a law, with the existing division in the two Houses.

I have not yet exhausted my constitutional objections. I rise to higher and to broader, applying directly to the very essence of this substitute. I deny your right to make a general deposit of the public revenue in a bank. More than half of the errors of life may be traced to fallacies originating in an improper use of words; and among not the least mischievous is the application of this word to bank transactions, in a sense wholly different from its original meaning. Originally it meant a thing placed in trust, or pledged to be safely and secretly kept till returned to the depositor, without being used by the depository, while in his possession. All this is changed when applied to a deposit in bank. Instead of retaining the identical thing, the bank is understood to be bound to return only an equal value; and instead of not having the use, it is understood to have the right to loan it out on interest, or to dispose of it as it pleases, with the single condition, that an equal amount be returned, when demanded, which experience has taught is not always done. To place, then, the public money in deposits, in bank, without restriction, is to give the free use of it, and to allow them to make as much as they can out of it, between the time of deposit and disbursement. Have we such a right? The money belongs to the people—collected from them for specific purposes—in which they have a general interest—and for that only; and what possible right can we have to give such use of it to certain selected corporations? I ask for the provision of the Constitution that authorizes it. I ask, if we could grant the use, for similar purposes, to private associations or individuals? Or if not to them, to individual officers of the Government; for instance, to the four principal receivers under the bill, should it pass? And if this cannot be done, that the distinction be pointed out.

If these questions be satisfactorily answered, I shall propose others still more difficult. I shall then ask, if the substitute should become a law, and the twenty-five banks be selected, whether they would not in fact be the Treasury? And if not, I would ask, where would be the Treasury? But if the Treasury, I would ask, if public money in bank would not be in the Treasury? And if so, how can it be drawn from it for the use of the Treasury, for the purpose of trade, speculation, or any other use whatever, against an express provision of the Constitution? Yes, as expressed in article 9, section 1, and the clause next to the last.

No money shall be drawn from the Treasury, but in consequence of appropriation made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

How clear! How explicit! No money to be drawn from the Treasury, but in consequence of appropriation made by law; that is, the object on which the expenditure is to be made, to be designated by law, and the sum allotted to it, specified, and yet we have lived in the daily and habitual violation of this great fundamental provision, from almost the beginning of our political existence to this day. Behold the consequences! It has prostrated and engulfed the very institutions which have enjoyed this illicit favor; and tainted, above all other causes, the morals and politics of the whole country. Yes, to this must be traced, as one of the main causes, the whole system of excessive revenue, excessive expenditure, and excessive surpluses; and to them, especially, the list, the disastrous overgrowth of the banks and the currency, and the unexampled degeneracy of public and private morals, which have followed. We have suffered the affliction; may the blessing, which follows chastisement, when its justice is confessed, come in due season.

But I take a still higher ground. I strike at the root of the mischief. I deny the right of this Government to treat bank notes as money in its fiscal transactions. On this great question, I never have before committed myself, though not generally disposed to abstain from forming or expressing opinions. In all instances in which a National Bank has come in question, I have invariably taken my ground, that if the Government has the right to receive and treat bank notes as money, it had the right, and was bound, under the Constitution, to regulate them, so as to make them uniform and stable as a currency. The reasons for this opinion are obvious, and have been so often and fully expressed on former occasions, that it would be useless to repeat them now; but I never examined fully the right of receiving, or made up my mind on it, till since the catastrophe in May last, when, as I have said, entirely separated the Government from the banks. Previous to that period, it was an abstract question, with no practical bearing; as much so as is now the constitutional right of admitting Louisiana into the Union. Things are now altered. The connection is dissolved, and it has become a practical question of the first magnitude.

The mover of the substitute assumed as a postulate, that this Government had a right to receive in its dues whatever it might think proper. I deny the position *in toto*. It is one that ought not to be assumed, and cannot be proved, and which is opposed by powerful objections. The genius of our Constitution is opposed to the assumption of power. Whatever power it gives is expressly granted; and if proof were wanted, the numerous grants of powers for more obvious, and apparently much more safe to be assumed, than the one in question, would afford it. I shall cite a few striking instances.

If any powers might be assumed, one would suppose that of applying money to pay the debts of the Government, and borrowing it to carry on its operations, would be among them; yet both are expressly provided for by the Constitution. Again, to Congress is granted the power to declare war and raise armies and navies; yet the power to grant letters of marque and reprisal, and to make rules for the regulation of the navy and navy, are not left to assumption, as obvious as they are, but are given by express grant. With this, and other instances not less striking, which might be added, it is a bold step to assume, without proof, the far less obvious power of the Government receiving whatever it pleases in its dues as money. Such an assumption would be in direct conflict with the great principle which the State Rights party, with which the Senator (Mr. Rives) classes himself, have ever adopted in the construction of the Constitution. But, if the former cannot be assumed, it would be in vain to attempt to

prove that it has been granted, or that it is necessary and proper to carry any of the granted powers into effect. No such attempt has been made, nor can be, with success. On the contrary, there are strong objections to the power, which, in my opinion, cannot be surmounted.

If once admitted, it would lead by consequence to a necessary interference with individual and State concerns never contemplated by the Constitution. Let us, for instance, suppose that, acting on the assumption of the Senator, the Government should choose to select tobacco as an article to be received in payment of its dues, and to be sold in it as any other drug, which would be the consequence? The consequences! In order to make its taxes uniform, which it is bound to do by the Constitution, and which cannot be done unless the medium in which it is paid is so, the Government would have to assume a general control over the great staple in question; to regulate the weight of the hogshead or package; to establish inspections under its own officers in order to determine the quality, and whatever else might be necessary to make the payments into the Treasury uniform. So likewise, if the still greater staple, cotton, be selected, the weight of the bale, the quality of the cotton, and its inspection, would all necessarily fall under the control of the Government; and does not the Senator see that the exercise of a power that must lead to such consequences—consequences so far beyond the sphere assigned to this Government by the Constitution, must be unconstitutional? Nor does the objection extend only to these and other staple articles. It applies with equal, if not greater force, to the receiving of the notes of State banks, as proposed by the substitute, in the dues of the Government and the management of its fiscal concerns. It must involve the Government in the necessity of controlling and regulating State banks, as this substitute abundantly proves, as well as the whole history of our connection with them; and it has been shown that banks are, at least, as far removed from the control of this Government as the cultivators of the soil, or any other class of citizens. To this I might add another objection, not less strong, that for the Government to receive and treat bank notes as money in its dues, would be in direct conflict, in its effect, with the important power conferred expressly on Congress, of coining money and regulating the value thereof; but as this will come in with more propriety in answer to an argument advanced by the Senator from Massachusetts, (Mr. Webster), I shall now state his argument, and reply to it.

He asserted again and again, both now and at the extra session, that it is the duty of the Government not only to regulate, but to furnish, a sound currency. Indeed, it is the principal argument relied on by the Senator in opposition to the bill, which he says abandons this great duty. Now, if by currency be meant gold and silver coins, there will be but little difference between him and myself. To that extent the Government has a clear and unquestionable right by express grant; but if he goes farther, and intends to assert that the Government has the right to make bank notes a currency, which it is bound to regulate, then his proposition is a radical one, though differently expressed, with that of the Senator from Virginia, (Mr. Rives), and all the arguments I have urged against it are equally applicable to his. I hold, on my part, that the power of the Government on this subject is limited to coining money and regulating its value, and punishing the counterfeiting of the current coin; that is, of the coins made current by law, the only money known to the Constitution. It is to make a distinction between money, or currency, if you please—between that which will legally pay debts, and mere circulation, which has its value from its promise to be paid in the former and under which classification, bank notes, as well as bills or promissory notes of individuals, fall—between them in their nature private and local, and cannot be brought to the level of currency, or money, in the transactions of Government, without counting as such, more or less, with the object of the Constitution in vesting the very power in Congress, which I shall now proceed to show.

It will hardly be questioned, that the object was to fix a standard in order to furnish to the Union a currency of uniform and steady value, and was, therefore, to be the same sentence with the relative power to fix the standard of weights and measures—the objects being similar. Now, if our experience has proved any thing, it has simply shown that so long as the Government is connected with the banks, and their notes received in its transactions as money, so long it is impossible to give any thing like stability to the standard of value; and that the power of coining and regulating the coin, becomes, in a great measure, a mere nullity. Every dollar issued in bank notes when it is made the substitute for money, drives out of circulation more or less of the precious metals; and when the issue becomes exorbitant, gold and silver almost entirely disappear, as our experience at this time proves. The effects are analogous to alloying or clipping the coin, as far as stable standard is concerned; and it would be not less rational to suppose, that such a power on the part of individuals, would be consistent with a uniform and steady currency, than to suppose the receiving and treating bank notes as a substitute for money by the Government would be. The only check or remedy is to restrict them to their proper sphere—to circulate in common with bills of exchange or other private and local paper, for the convenience of business and trade, so far from such a course operating injuriously on the people, or from being liable to the charge of forming one currency for the people and another for the Government, as has been so often and with such effect repeated—it is the very reverse. Government, by refusing to receive bank notes, as it is bound to do, would, in fact, furnish a choice to the people, to take either money or notes at their pleasure. The demand of the Government will always keep a plentiful supply of the former in the country, so as to afford the people a choice, while the opposite would expel the money, and leave no option to them but to take bank notes or worse, as at present.

I have now shown how it is proposed to form the league of banks, and have presented the constitutional impediments that stand in the way. These are numerous and strong; so much so, that they ought to be irresistible with all except the latitudinarian in construction; but I cannot expect they will produce their full effect. I know too well the force of long-entrenched impressions, however erroneous, to be sanguine—how strongly the mind rebels against the expulsion of the old and the admission of new opinions. Yet, in this case, where we clearly see how gradually and silently error creeps in under the disguise of words applied to new and totally different ideas, without exciting notice or alarm; and when we have experienced such deep disasters in consequence of parting from the plain intent and meaning of the Constitution, I cannot but hope that all who believe that the success of the Government depends on a rigid adherence to the Constitution, will lay aside all previous impressions, taken up without reflection, and give to the objections their due weight.

I come now to the next point, to show how this league is to be revived or stimulated into life. Till this can be done, the substitute, should it become a law, would be a dead letter. The selection is to be made from specie paying banks. None but such can receive the public deposits, or have their notes received in the dues of the Government. There are none such now. The whole banking system lies in ruins, and must be revived before it can bare-untouched by the Government. No one is bold enough to propose an union with this lifeless mass. How then is the vital spark to be revived? How the breath of life, the Promethean fire, to be breathed into the system again, is the question—This is the task.

The mover tells us that it must be the work of the Government. He says that it is bound to aid the banks to resume payments; and for that purpose ought to hold out to them some adequate inducement. He tells us that they have been long preparing, and had made great efforts, but can go no farther; have rolled the

round, huge rock almost to the summit, but unless the Government put forth its giant arm, and give the last push, it will roll back and rush down the steep to the bottom, and all past labor be lost. Now, what is this adequate inducement? What this powerful stimulus, which it is proposed the Government should apply, in task 1? The substitute shall answer.

I propose under the 1st of July next, for the period of re-emption, that, as an inducement to resume, it should, out of the twenty-five of the most respectable specie paying banks, to be the depositaries of the public moneys, and the fiscal agent of the Government, as has been already stated. It also proposes, to make the notes of such banks as may resume on or before that day, exclusively receivable in the public dues. Here is a *quid pro quo*; something proposed to be done, for which something is to be given. We tell the banks plainly, if you resume, we, on our part, stipulate to take twenty-five of you our fiscal agents and depositaries of the revenue; and we further stipulate, that the notes you resume by the time fixed, shall have the exclusive privilege forever of having their notes receivable in the dues of the Government, in common with gold and silver. If the banks perform their part, we shall be bound in honor and good faith to perform ours. It would be a complete contract, as obligatory as if signed, sealed, and delivered. Such is the inducement.

The next question is, will it be adequate? Yes, abundantly adequate. The battery is strong enough to awaken the dead to life; the consideration sufficient to remunerate the banks for whatever sacrifice they may be compelled to make, in order to resume payment. It is difficult to estimate the value of these high privileges, or prerogatives, as I might justly call them.—They are worth millions. If you were to enter into a similar contract with an individual, I doubt not that he could sell out in the market for at least thirty, forty, or fifty millions of dollars. I do then the mover the justice to say, that his means are ample to effect what he proposes. As difficult as is the work of re-emption—and difficult it will be to turn out to be when tried—the inducement will prove all sufficient. But the re-emption, however desirable, may be purchased too dearly; and such would be the case, should the project succeed. Not only is the offer too great, but the mode of effecting it is highly objectionable.—Its operation would prove not less disastrous than the bargain has been shown to be unconstitutional, which I shall now proceed to establish.

The offer will have a double effect. It will act as a powerful stimulus to re-emption, but will act at the same time with equal force to excite a struggle among the banks, not only to resume themselves, but to prevent others from resuming. The reason is clear. The advantage to each will increase, as the number of the remaining banks decreases; and of course, the great point of contest among the strong will be to restrict the proffered prize to the smallest number. The closer the monopoly the greater the profit. In this struggle, a combination of the few powerful and wealthy banks, the most respectable on solid, as designated in the substitute, will overthrow and trample down the residue.—Their fall will spread desolation over the land. Whatever may be the fate of others in this desperate contest, their one in relation to which no doubt can be entertained; I refer to the United States Bank of Pennsylvania, a long man and an outscorer; and which, for the sake of booty, but with no personal disrespect to the distinguished individual at its head, I shall call Mr. Biddle's bank. That, at least, will be one of the winners—one of the twenty-five to whom the prize will be assigned. It has resources, its wealth and influential connections both at home and abroad, the skill and ability of the officer at its head, and what is less honorable, the great resource it holds in the notes of the late United States Bank, of which more than six millions have been put into circulation, in violation, to say the least, of a trust, constituting more than five-sixths of all its circulation, and which it is not bound to pay—its notes, for the most part, amounting to twenty-five millions, and which may be used in any way, if not prevented—would place it beyond all doubt among the victors.

He starts without proper weights, and will lead the way from the first. Who the others may be is uncertain; this will depend mainly upon his good will and pleasure. It may be put down as certain, whoever they may be, that they will be powerful, and influential, and not unamiable to his interest or aggrandizement. But the mischievous effect will not be limited to this death-like struggle, in which so many must fall and be crushed that might otherwise weather the storm. The forced re-emption for such it will be in effect, would be followed by wide-spread desolation.—It is easy to sink to suspension, but hard to return to re-emption. Under the most favorable circumstances, and when conducted most leisurely and cautiously, the pressure must be severe; but if coerced or precipitated by banking laws or temptations such as this, it will be ruinous. To make it safe and easy must be the work of time. Government can do but little. The disease originates in excessive indebtedness, and the only remedy is payment or reduction of debts. It is estimated that when the banks suspended payments the community was indebted to them the enormous sum of \$475,000,000. To reduce this within the proper limits is not the work of a few days, and can be but little aided by us. The industry and the vast resources of the country with time, are the only remedies to be relied on for the reduction; and to these, with the State Legislatures and the public opinion, the re-emption must be left. To understand the subject fully, we must look a little more into the real cause of the difficulty.

This enormous debt was incurred in prosperous times. The abundant means of the banks from the surplus revenue, and a combination of other causes, induced them to discount freely. This increased the circulation, and, with its increase, its value depreciated, and prices rose proportionally. With this rise, enterprise and speculation seized the whole community, and every one expected to make a fortune at once; and this in turn gave a new impetus to discounts and circulation, till the swelling tide burst its barriers and deluged the land. Then began the opposite process of absorbing the excess. If it had been possible to return it back to the banks, the sources from which it flowed, through its debtors, the speculating, enterprising, and business portion of the community, the mischief would have been, in a great measure, avoided. But circulation had flowed off into other reservoirs; those of the unemployed men and bankers, who hoard when prices are high, and buy when they are low. The portion thus drawn off and held in deposit, either in banks or the chests of individuals, was as effectually lost, as far as the debtors of the banks were concerned, as if it had been burnt. The means of payment were thus diminished; prices fell in proportion, and the pressure increased as the amount in circulation was greatly reduced, till the banks were afraid to discount, lest, on re-emption, the hoarded mass of deposits held by individuals or other banks, should be let loose, and, in addition to what might be put into circulation should discount be made, would cause another inundation to be followed by another suspension. How is this difficulty to be safely surmounted, but by undoing the hoarded means? And how is this to be done, without degrading the currency question? This is the first and necessary step. That one, all will be able to calculate, and determine what to do. The period of inaction and uncertainty must cease, and that of business resume. Funds that are now locked up, would be brought again into operation, and the channels of circulation be replenished in the only mode that can be done with safety. This thinking I am now and have been from the first in favor of an early decision, and advice to all coercion, or holding out temptation to resume; leaving the discount to the gradual and safe operation of time, with as little tampering as possible. In the mean time, I hold it to be unwise to cease discounting, and to adopt an indiscriminate system of curtailment. Its effects are ruinous to the business of the

country, and calculated to retard, rather than to accelerate a re-emption. The true system, I would say, would be to discount with business paper as freely as usual, and curtail gradually on permanent debts. The former would revive business, and would increase the debts to the banks less than it would increase the ability of the community to pay them.

Having now shown how this league, or combination of banks, is to be formed and revived, with the difficulties in the way, it remains to determine what will be the true character and nature of the combination when formed. It will consist of State banks retaining their original powers, that of discounting and all, without being in the slightest degree impaired. To these the substitute proposes to add important additions: to receive their notes as gold and silver in the public dues; and to give them the use of the public deposits, and to organize and blend the whole into one, as the fiscal agent of the Government, to be placed under the immediate supervision and control of the Secretary of the Treasury. Now what does all this amount to? Shall I name the word—be not startled: A BANK—a Government Bank—the most extensive, powerful and dangerous, that ever existed. This substitute would be the act of incorporation; and the privileges it confers, so much additional banking capital, increasing immensely its powers, and giving it an unlimited control over the business and exchanges of the country.

The Senator from Virginia (Mr. Rives) was right in supposing that this new trial of the experiment would be made under very different circumstances from the first, and would have a different termination. That, too, like this, was a bank—a Government Bank, as distinguished from the late bank, to which it was set up as a rival, and was at the time constantly so designated in debate. But the circumstances now are so different—very different, and so would be the result of the experiment. This bank would not be the same rickety concern as the former. That ended in anarchy, and this would end in despotism. I will explain.

The former failed not so much in consequence of the adverse circumstances of the times, or any essential defect in the system, as from the want of a head—a common sentiment—to think, to will, and to decide, for the whole, which was indispensably necessary to ensure concert and give unity of design and execution. A head will not be wanting now. Mr. Biddle's bank will supply the defect. His would be not only one of the remaining banks, as I have shown, but would also be one of the twenty-five to be selected. If there should be the temerity to omit it, the present project would share the fate of its predecessor. Mr. Biddle's bank, at the head of these excluded, would be an overmatch for the selected, in skill, capital and power; and the whole league would inevitably be overthrown; but if selected, its vast capital, its extensive connections, its superior authority, and his skill, abilities and influence, would place it at the head, to think and act for the whole. The others would be as dependent on him, as the branches of the late bank were on the mother institution. The whole would form one entire machine, impelled by a single impulse, and making a perfect contrast with its predecessor in the unity and energy of its operations.

Nor would its fate be less disastrous. Anarchy was inaugurated on the first from the beginning. Its deficiency in the great and essential element, to ensure concert, was radical, and could not be remedied. Its union with the Government could not supply it, nor assist its destiny. Be very different would be the case of the present. All its intimate union with the Government, for which the substitute provides, to its other sources of power, and it would become irresistible.—The two, Government and bank, would unite and constitute a single power; but which would gain the ascendancy—whether the Government, or whether certain individuals, for whatever it might be, it would form a despotic monarchy; (if I may be permitted to use an English and a Greek word), altogether irresistible.

It is not a little surprising that the Senator from Virginia, (Mr. Rives), whose honorable country could not be so far from the embryo of a Government bank in the bill, should overlook this regular incorporation of one by his own substitute. Out of the slender materials of Treasury warrants and drafts to pay public creditors, or transfer funds from place to place, as the public service might require, and four principal receivers to keep the public money, he has conjured up, with the aid of a vivid imagination, a future Government bank, which he told us, with the utmost confidence, would rise like a cloud, at first as big as a hand, but which would soon darken all the horizon. Now, it is not a little unfortunate for his confident predictions, that these seminal principles from which the bank is to spring, have all existed from the commencement of our Government in full force, except the four receivers, without showing the least tendency to produce the result he anticipates. Not only so, but every civilized Government has the power to draw Treasury warrants and transfer drafts; nor has the power in a single instance terminated in a bank. Nor can the fact, that the money is to be kept by receivers, contribute in the least to produce one. The public funds in their hands will be as much beyond the control of the Executive, as it was in the vaults of the banks. But, to shorten discussion, I would wish, how can there be a bank without the power to discount or to use the deposits? and out of which of the provisions of the bill could the Treasury, by any possibility, obtain either, under the severe penalties of the bill, which prohibits the touching of the public money, except on warrants or drafts, drawn by those having authority, in due form, and for the public service. But the danger which an equal imagination anticipates hereafter from the bill, would exist in sober reality under the substitute. There it would require neither fancy nor conjecture to create one. It would exist, with all its faculties and endowments complete; discount, deposits and all, with which, immense means, guided by a central and directing head, and blended and united with the Government, as to form one great mass of power. What a contrast with the bill! How simple and harmless the one, with its four principal receivers, twice as many clerks, and five inspectors, compared with this complex and mighty engine of power! And yet there are many, both intelligent and patriotic, who oppose the bill and support the substitute, on the ground that the former would give more patronage and power than the latter! How strange and wonderful the diversity of the human mind!

So far from being true, the very fact of the separation of the Government from the banks, provided for in the bill, would, of itself, be the most decisive blow that could be given against Government patronage, and the union of the two most decisive in its favor. When their notes are received in the public dues as cash, and the public money deposited in their vaults, the banks become the allies of the Government on all questions connected with its fiscal actions. The higher its taxes and dues, the greater its revenue and expenditure; and the larger its surplus, the more their circulation and business, and, of course, the greater their profit; and hence, on all questions of taxation and disbursements, and the accumulations of funds in the Treasury, their interest would throw them on the side of the Government, and against the people.

All this is reversed, when separated. The higher the taxation and disbursements, and the larger the surplus, the less would be their profit; and their interest in that case would throw them with the people, and against the Government. The reason is obvious. Specific is the basis of banking operations; and the greater the amount they can command, the greater will be their business and profits; but when the Government is separated from them, and collects and pays away its dues in specie instead of their notes, it is clear that the higher the taxes and disbursements, and the greater the surplus in the Treasury, the more specie will be drawn from the use of the banks, and the less will be their profit. Every dollar withdrawn from them would diminish their business four-fold at least; and hence a regard to their own interest would inevitably place them on the side to which I have assigned them.

The effects on the industry of the country would be great and salutary. The weight of the banks would be taken from the side of the law measures, when it lay upon the management of the Government, and placed on the side of the law papers. The great divisions of the community, naturally grown out of the fiscal action of the Government. This taxation and disbursement together, and it will always be found that one portion of the community pays into the Treasury, in the shape of taxes, more than it receives back in that of disbursements, and that another receives back more than it pays. The former are tax payers, and the latter the consumers; making the great, essential, and controlling division in all civilized communities. If, with us, the Government has been chosen on the side of the consumers, as it has, it must be attributed to its alliance with the banks, whose influence, through its consequence, at all times, steadily and powerfully, as that side. It is in this medium, and not solely through the banks, that only be traced almost all the disasters that have befallen us, and the great political degeneracy of the country. Hence the protective system; hence its associated and monstrous system of disbursements; hence the collection of specie from the people, thus the Government could employ; hence the vast and corrupting surplus; hence Legislative and Executive usurpations; and, finally, hence the prostitution of the currency and the disasters which grow out of our present deliberations. Reverse this fatal connection, prevent this alliance, and all this train of evils will again follow, with redoubled duration and corruption. Before the connection, affect this bill, and all will be reversed, and we shall have some prospect of restoring the Constitution and country to their primitive simplicity and purity. The effect of the reform on the patronage of the Government would be great and decisive. Banks have wisely said that the "system in the State is a corrupt trade." Violence and coercion are no longer the instruments of Government in civilized communities. Their reign is past. Every thing is now done by money. It is not only the every day of war, but of politics; over which, in the form of patronage, it exercises almost unlimited control. Just as the revenue increases or diminishes, almost in the same proportion is patronage increased or diminished.

But admit, for a moment, that neither the separation nor the connection would have any sensible effect to increase or diminish the revenue, and that it would be of the same amount, whether the bill or substitute should be adopted; yet, even on that supposition, the patronage of the latter would be a hundred fold greater than the former. In estimating the amount of patronage of any measure, three particulars must be taken into the calculation; the number of persons who may be effected by it; their influence in the community; and the extent of the control exercised over them. It will be found, on comparison, that the substitute combines all these elements in a far greater degree than the bill, as I shall now proceed to show. I begin with the number.

The bill provides, as has been stated, for four principal receivers, eight or ten clerks, and a suitable number of agents to act as inspectors, making in the whole, say 25 individuals. These would constitute the only additional officers to keep and disburse the public money. The substitute, in addition to the officers now in service, provides for the selection of 25 banks as receivers. The bill would have, on an average, at the least, 100 officers and stockholders each, making, in the aggregate 2,500 persons, who would be directly interested in the issue, and, of course, under the influence of the Government.

As to the relative influence of the officers and the selected banks over the community, every impartial man must acknowledge that the proportion would be greater on the side of the latter. Admitting the respectability of the receivers and the other officers provided for in the bill, and the officers and stockholders of the banks to be uniformly the same, the issue, still the means of control at the disposition of the former would be nothing compared to that of the latter.—They would be limited to their salary, which would be too small to be felt in the community. Very different would be the case with the officers and stockholders of the banks. They, of all persons, are by far the most influential in the community. A greater number depend on them for accommodation and favor, and the success of their business and prospects in life, than any other class in society; and this would be especially true of the banks connected with the Government.

It only remains now to compare the extent of the control that may be exercised by the Government over the two, in order to complete the comparison; and here again the preponderance will be found to be strikingly on the same side. The whole amount of expenditures under the bill would not exceed \$20,000,000 or \$25,000,000 annually at the very furthest; and this constitutes the whole amount of control which the Government can exercise. There would be no prohibitions, no contracts, jobs, or incidental gains. The officers and salaries would be all. To that extent, those who may hold them would be dependent on the Government, and thus far they may be controlled. How stands the account on the other side? What value shall be put on the public deposits in the banks? What on the recoverability of their notes, as cash, by the Government? What on their connection with the Government, as their fiscal agent, which would give so great a control, over the exchanges and business of the country? How many millions shall these be estimated at, and how insignificant must the salary sum of \$200,000 or \$250,000 appear to those countless millions held under the provisions of the substitute at the pleasure of the Government.

Having now finished the comparison as to the relative patronage of the two measures, I shall next compare them as fiscal agents of the Government; and here let me say, at the outset, that the discussion has corrected an error which I once entertained. I had supposed that the hazard of keeping the public money under the custody of officers of the Government would be greater than in bank. The Senator from New Hampshire and Connecticut, (Messrs. Hubbard and Wiley) were proved from the record, that the hazard is on the other side; and that we have had more by the banks than by the collecting and disbursing officers combined. What can be done to increase the security by positive measures of officers, and greater energy than is strongly illustrated by the fact, that the chairman (Mr. Wright) in his opening speech, that in the War Department there has been no loss for fifty years—from '79 to '82—in the expenditure of public money less than one hundred millions of dollars. I have some pride in this result of an organization which I originated and established when Secretary of War, against the most formidable opposition.

As to the relative expense of the two agencies, that of the bill, as small as it is, if we are to judge by appearances, is the greater; but if by facts, the substitute would be much the most so, provided no change is made in the advantages which the banks would derive from their connection with the Government, as ought in fairness to be done, as the whole ultimately comes out of the pockets of the people.

In a single particular the banks have the advantage as fiscal agents. They would be the more convenient. To this they are entitled, and I wish to withhold from them no credit, which they may justly claim.

The Senator from Virginia (Mr. Rives) appeared to have great apprehensions, that the collection of the public dues might lead to hoarding. He may dismiss his fears on that head. It is not the genius of modern and civilized Governments to hoard; and if it were, the banks will take care that there shall be no extraordinary accumulation of cash in the Treasury. Pass the bill, and I undertake that we shall never again have to complain of a surplus. It would rarely, if ever, in peace and settled times, exceed three or four millions at the outside. Nor is an apprehension that hoarding of specie would lead to war, less groundless. The danger is in another quarter. War is the harvest of banks, when they are connected with Government.—The vast increase of revenue and expenditures, and the