

REMARKS

Mr. MANGUM, of N. Carolina.

On the motion of Mr. TALLMADGE to refer the plan of a Fiscal Agent to a Select Committee of nine, to be appointed by the Chair.

Mr. MANGUM, of North Carolina, who had obtained the floor yesterday, rose and addressed the Senate in an unusually animated speech in opposition to the project of the Secretary of the Treasury for an Exchequer Board.

Mr. M. commenced with a promise, very frequently made in Congress, to occupy but a short time in the remarks he had to offer. It was not his design to go into anything like a regular dissection or severe analysis of the tremendous project submitted in the Secretary's report; yet, inasmuch as very strenuous efforts were making to pre-occupy the public mind in its favor, Mr. M. did desire to express his views of the scheme; in presenting which he desired it to be clearly understood that he spoke for no interest, clique, or party, either in the Senate or out of it; the opinions he should express were his own.

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To the honorable Senator from New York (Mr. Tallmadge) he would say that, although he was willing to do anything which could consistently be done, to relieve the distresses of the country, and was prepared to receive and consider whatever that Senator and his committee might propose as a substitute for this scheme, yet he greatly feared that their efforts to prepare such a measure would be wholly unavailing: he feared so. How did it happen that nobody could be found to come into this new project? Was it not, obviously, because old principles had been abandoned? Whatever motives might have led to the presentation of such a scheme, whether it had been conceived with a view to secure, or to hold power, it was altogether a new conception, and one that seemed utterly alien to the feelings of the time.

ject, and their familiarity with all the leading points involved, here, at this late hour, a project was presented as occupying an intermediate ground, and all men of all parties were called upon to come together and unite in supporting it.

For a long week Mr. M. had pondered the project, and had endeavored to divest his mind of every feeling but a desire to find the truth. He had viewed the proposal, not like the advocate who had written this report, but like an honest man, determined to do his duty. And he was compelled to come to the conclusion that even in the worst of times this Government had ever yet seen, never had there been so bold, so reckless a push for absolute power, as was now unblushingly made in the paper before the Senate.

What a concentration of power did it not attempt to achieve! In the present prostrate and down-trodden condition of our State Banks—he spoke of that spurious and multitudinous herd which had sprung up under the misrule of a late Administration—institutions rotten throughout and tottering to their fall—if the Government should at once furnish to the people a paper currency which should be in sound and general credit, in those Banks would pop, one after another, like guns discharging in a burning ship; from one end of the Union to the other. This Government machine, fabricating a paper like this, was to spring up amid the general blight and barrenness as "a vivifying and fructifying germ" of public prosperity, (he used the language of the eloquent author of the report.) Yes—no doubt; and when it should have germinated and sprouted; when it should have "put forth its root downward and borne fruit upward," while the whole land round about was a barren desert; when it should have spread its branches far and wide, and covered the whole land with its shade—then, oh, yes—then we were to lie down in that "tranquillity and repose" which the writer of this report thought so desirable—the repose, the stillness of an inexorable, mean, mercenary despotism.

This capital was in a strange condition. Not a nail reached it from any quarter of the country which did not bring the evidence of real distress, of the most appalling suffering. Our proudest cities, so far from being exempt from the general lot, were the very theatres where calamity was most severely felt. It would be an interesting inquiry to ask how all this was brought about. Mr. M. would not detain the Senate, or weary those who understood the entire case as well and better than he did, by retracing the course of events which had induced a state of things so deplorable. Congress had stricken down that institution which, until 1836, had exerted so efficient a power in regulating the currency: when, at once, the Bank mania had swept over the land, and they came up, from the destruction of the old institution, like frogs from the waters of the Nile, until the country was covered with them. The policy of the State Governments, meanwhile, had created an immense debt, and the means of payment did not exist; and thus the People were reduced from the condition of the brightest and palmiest prosperity to the deepest distress and dependence. The expedient which had been resorted to of borrowing foreign capital had produced for a time a fictitious prosperity. But while the nation was revelling in all that abundance produced by the influx of borrowed wealth—while all was going on gloriously, and a stranger would have supposed that the country had attained to the highest pitch of national strength and public

prosperity, a sudden reverse was experienced. The foreign debt was demanded: the means of meeting the demand were not to be found. Individual and public distress soon spread in every direction. The extremity of pressure gave birth to the revolting idea of repudiation. If, then, to the reflux current, which was fast sweeping away the means of wealth, we added this hateful doctrine of repudiation, and the still more anti-American doctrine—and, I may add, in my judgment the atrocious doctrine—of the repeal of charters, and the destruction of vested rights, and add yet to these the tergiversations and treachery, in public and the falsehoods, forgeries, frauds, and all the other forms of dishonesty in the walks of private life, was it any wonder that men who possessed capital should lock up and hoard their resources, and not expose them to a mass of population already deeply tainted, and more and more imbibing the poison of agrarian principles?

In a state of things like this, or rather upon the approximation of this state of things, the American People had risen as one man, and thrown off, by a burst of indignation, the individual whose mal-administration had, as they believed, brought about this unparalleled state of corruption and distress. They thought that they were about to substitute for their reckless misrule their own system of remedial measures. Every one knew how they had been balked in that expectation. The history of this national crisis would be read by our patriotic children with wonder, as a page exhibiting the strangest, most unaccountable, and most useless tergiversation which the whole volume recorded, or it would be closed and passed with loathing and repugnance. The People had been utterly disappointed. The measure proposed by their friends in Congress as the only panacea for the public ills had been offered, adopted, and vetoed at the Extra Session. And here Mr. M. must be suffered to say, that, although voting for that measure, he had always felt great doubt in regard to its immediate efficiency. He had had his own misgivings as to its effecting at once all that good which his friends in their sanguine moments promised themselves, and perhaps thoughtlessly, promised to others. He had never been a friend to Banks; he had never touched a Bank by any vote of his until last summer. The entire system was bottomed on such principles that it appeared to him to carry its own death within itself. The measure which the Whigs had proposed, he believed, might indeed mitigate, and for a time repress the evils connected with it. It might withstand something of that surge-like force with which the mad excesses of the system were sweeping over the country.

But there still appeared to him to remain one great desideratum, which nothing had as yet been able to supply, and that was, a principle within the system itself which should operate to check excessive issues, and prevent those fearful alternations of expansion and contraction which so shook the system throughout the mercantile community. If any such remedy had yet been discovered, Mr. M. was acquainted with it, and it certainly had never been applied. Whatever might be said of the regulating power exerted over the State institutions by a Bank of the United States—and such an institution did exert that power to a certain extent—yet still, in proportion to the degree of confidence which the public might repose in any of these State Banks, they were invariably disposed to push their issues to extremes. Mr. M. was no Bank agent nor Bank man, and he admitted that the tendency of a United States Bank, in exerting a regulating power, would be to break such of the State Banks as were essentially unsound—an operation which, however salutary in the end, could not be attended with a vast amount of private distress in their respective vicinities. The mere displacement of capital which was necessarily involved in subscribing to so great a number of Banks was in itself a great evil, and must necessarily produce great distress in the money market. Then the explosion of rotten Banks which must necessarily accompany a reform in the currency would be productive of great calamity. On the whole, he believed that the community had gone so far in the multiplication of Banks, and in all those habits to which this gave rise, that it would require a long course of years to bring the country back to a sound monetary condition. For these extended and inveterate evils Government possessed no panacea. It might do something by the establishment of a well-regulated National Bank, but even under the effect of such a measure many evils must still continue to exist. Nothing could effectually redeem the nation, nothing could ever restore the palmy days of her past prosperity, but patient labor, general habits of economy, and the retrenchment of individual expenditure.

But now what did we behold? In the distressed and prostrate condition of the whole business of the country—a condition rendered still more distressing from the defeat of every plan of relief—we had now a project started, of which he would again say that it was the boldest push for absolute power which the people of this country had yet witnessed; and further, which was the most portentous BRIBE to be found in the history of modern times. Yes, a bribe; the most open and barefaced that ever was offered. In many parts of the country the People were sleeping on a volcano; their condition was in the last degree distressing and dangerous; they were, in fact, almost beggared; and when once a man was made a beggar, a very slight effort was sufficient to render him a slave. In their necessity they lifted up their eyes to the Government for aid. And what was it now proposed that the Government should now do? Step forward and offer them a bank, with money facilities far greater and far better calculated for the amelioration of their distress and the relief of their immediate wants than any National Bank which their best friends had ever devised.

Mr. M. said that it might be worth while to go into a brief comparison between a Bank of the United States and the project proposed in the report before the Senate. A Bank

of the United States, when first started, naturally displaced a large amount of capital; it produced a great want of currency, and then it went on to bank on the existing capital in its hands and in the country. But this Exchequer Board added by a stroke of the pen thirty millions to its capital, and by dealing in exchange was enabled to extend it to a hundred or a hundred and fifty millions more; for such were the wants of the country, and so long had they continued and accumulated, that its business would absorb the whole of that amount. Look at the demon of speculation once be conjured up and turned loose upon its wild schemes of adventure, and no man could set limits to its demand. To offer to a famishing People a supply like this, was, he repeated it, the greatest bribe which the history of modern times could show. An ambitious President, with a term of three short years to run, having at his disposal a drilled corps of office-holders, and holding under his control a subsidized press, ruling over a People whose spirits were broken by a long pressure of want and calamity, and with the means of presenting them with an immediate relief in their distress, might perpetuate his power in spite of all efforts to resist him.

The plan proposed to add to the business capital of the country a sudden and vast increase, to be effected by a mere stroke of the pen. The immediate effect would be sudden and universal relief, comparative ease, and apparent affluence; but, as had been ably shown by the Senator from Pennsylvania, the entire history of the world went to show that while this was always the first effect, the certain tendency was to depreciation, and the final issue in every case had been a general explosion. What a spectacle did the Senate exhibit? When the parties it contained were just upon the eve of a great contest, while the Whigs were in a position in which it was supposed they might dictate terms to the President, and while gentlemen on the other side seemed to exhibit a disposition more yielding to the powers that be, and when many an adverse attitude towards each other who ought to be fast friends, there came in this project. It was presented, among others, to the gentleman from Pennsylvania, (Mr. Buchanan,) and what was his course? Though strongly disposed to regard any thing from the President with a favorable eye, and though speaking of him personally in the kindest language, he still expressed the most decided opposition to the measure. He could not go for it; and why? Because he held the project dangerous to the public liberty. And the honorable Senator apprehended that, should a second Aaron Burr mount the Presidential Chair, an engine like this might tend to perpetuate power in his own hand, and might render him the most absolute of rulers. Certainly the temptation would be great—the bribe was enormous. Thirty millions of capital springing up as exhalation, at a sudden and yet as unsubstantial; branches spread all over the Union; a productive tariff; the Briarane power of the Post Office Department, with its eight millions of dollars; a universal system of railroads and canals; and all this in an agrarian and mercenary age, it did certainly present a mass of power difficult to resist, and appalling to contemplate. Then to all this must be added the entire power of patronage; the ability to confer the distinctions of place, the more substantial profits of office, and all the weight of political honors and confidence. Put it all together, and Mr. M. would not trust any mortal man with its possession. If even the Father of his country could return from the grave, and would ask for such a trust, Mr. M. would not put it into his hands, unless he had first received a revelation from heaven that it would live forever.

He considered it among the worst signs of the times, and a fact well calculated to fill the bosom of the patriot with despondency, and to turn his eye with doubt upon the future, that this project was looked at in the country simply in its money aspect. It was examined and discussed solely as a measure calculated to effect efficient relief and to remove men from that grid-iron of suffering on which they were now bound. Certainly it was a scheme well pitched to suit the present tone of the public mind. It exhibited a shrewd acquaintance with the character and present condition of the American People. The manner in which the project was in some places received, and that too where there was an accumulation both of knowledge and of intellectual strength, seemed, in this respect, to justify the anticipations of its author. Every mind like these could look at it as a money measure alone, and seemed entirely to disregard the deep and dangerous tendency which lay concealed beneath its surface.

But it was said that the project was to be modified. It was a return from the committee in quite a different shape. Now, if his honorable friend from New York, (Mr. Tallmadge,) who was at the head of that committee, and for whom no man entertained a more sincere respect, and on whose purity and patriotism, moderation and sagacity, no man could more implicitly rely, should be able to accomplish such a modification of the scheme as should strip it of its more dangerous and alarming features, Mr. M. would not merely receive the proposal with candor, but would cheer its adoption. His heart would rejoice within him at the thought that such a thing were possible, but he greatly feared that it never could be accomplished. That instanter mind which was supposed to have conceived and elaborated this production, seemed to him, by expressions scattered in various parts of it, to present to the Senate this alternative, "either take this or submit to the Treasury." If that were the alternative, Mr. M. would not hesitate for a moment. He would incomparably rather adopt the sub-Treasury than this monstrous Juggernaut, whose murderous car would make its way over the neck of a prostrate people.

In regard to the sub-Treasury, Mr. M. observed that he had first formed his opinion of it while in private life, and he confessed that it then struck him that, considered *per se*, in the language of the Court, it was a measure whose benefits were more enhanced by its friends, and whose evils were more ex-

aggerated by its enemies, than truth would justify. As a measure for the restoration of the currency, he considered it wholly inefficient; but his chief objection to it had been on account of that spirit of solitude and isolation which so strongly pervaded it, and which he did not deem respectable, and which went to divorce the Government from the community. As held up in that scheme, the Government resembled the captain of some ship which was overtaken in a storm, who, instead of sticking to his ship and his passengers, took to the life-boat, succeeded in securing himself on some rock, unsubmerged in the sea, and left his vessel to her fate, to be shattered on the reefs or to founder in the waves. To this feature of the scheme, Mr. M. had felt the utmost aversion. The strenuous opposition which that plan received from the Whigs was directed not so much against the plan itself, as it then stood, as against what they apprehended it would grow to be; but even their utmost fears never magnified it into such an overshadowing and all-grasping institution as was presented in this bill. True, indeed, it was of the same species, but it had not attained any thing like the same size or strength. It hid its face modestly behind a veil, so that its features were but dimly seen; but this looked out, impudently with the countenance of a harlot—it stared the public in the face without a blush.

The certain effect of the adoption of this scheme must be to destroy the local banks throughout the United States, with the exception of those in the great commercial centres; and there its effect would be so powerful and so concentrated, that local banks would become extinct, for the plain reason that they would be profitless. Mr. M. did not know that he would weep many tears over them. Such would be its effect in the great commercial emporium of New York, and such it might have been in Charleston—a city which might have enjoyed a similar distinction, had it not been for the fatal malaria and the yellow fever. He feared, however, that the climate and the God of Heaven had put that forever out of the question.

One of the most striking things attending this project was that it should have originated in the Virginia school of politics; and that its supporters, if it had any, should be found in that quarter. Mr. M. felt a deep veneration for the ancient Dominion. No man entertained a higher respect for the principles she inscribed upon her banner in '98 and '99—a period in which she had resisted the vices of the age. Her politicians opposed a United States Bank, because there was no warrant for it in the Constitution. Her patriots had even been foremost in contending not only for public liberty, but private right. And although, in the creation of such a corporation, they might restrain it, fetter it, manacle it, in any manner they pleased, yet still its inherent power appeared in their eyes so formidable and tremendous that public liberty could not live by its side. But here there emanated from that ancient Dominion a system in which all the banking faculties were fully developed; a monster, which might not merely act upon and influence the Government, but was fixed upon it as a part and parcel of the Government itself. Yes, it was a Virginian who could advocate a scheme like this! How Virginia, which had felt such dread of a corporation, whose charter it could modify as it pleased, could ever go for a project like this, was a thing he could not understand. But if he witnessed a course like this, he certainly should cease to take lessons in political integrity from the ancient Dominion. Not a single banking power could be mentioned that was not fully developed in this scheme. Here was the power of issue, the power of deposit; and the power of lending the public money, the power of discount, effected by an evasion. It was true that the kites raised under this system would remain less time upon the wing, but their flight would be extended over a wider circuit.

The whole plan was, in fact, nothing else but the Fiscal Corporation of his friend from Georgia, (Mr. Berrien,) which was last summer left opposed to the open air, with all the winds and storms of Heaven beating upon it, till at last there came a thunderclap which prostrated it in utter insensibility. But now behold it picked up, resuscitated, set upon its feet, and removed beneath the friendly shelter of the Treasury building. Mr. M. could perceive no points of diversity between the two. The Fiscal Corporation bill, though it had been approved at headquarters, and drawn almost by Executive dictation, nevertheless encountered the Presidential veto; and, should the present bill pass both Houses, he would not risk his life upon it, but he would not mind risking a few yellow boys, that this bill also would share the same fate. If Congress could not get what the President had expressly promised them, what ground had they to expect that of which they had received no promise?

The course of gentlemen on the other side Mr. M. regarded as most unkind, in determining to stand still where they were, and compel the friends of this measure to come to them. Would it not have been more becoming, if a promise must be effected, that each of the parties should yield a little ground? It seemed very manifest that this measure had been framed with the designed object of securing the support of the honorable Senator from Pennsylvania and of the gentleman from South Carolina, since it was an amalgamation of the original conception of President Jackson, once and still so great a favorite with the first gentleman and a scheme of the honorable Senator from South Carolina himself. The two seemed to have been nicely dovetailed into each other. It was a very true that when Jackson threw out the institution of such a project, the United States Bank was in the height of its power. But, although the power of General Jackson was irresistible, not only by the general multitude, but by those who stood at the head of society, the project met no favor. It was repudiated on all hands, and in all quarters; yet that very plan was the basis of the present measure. To this had been superadded the scheme of the Senator from South Carolina. This latter plan Mr. M. had never particularly examined. A might be expected it was bold and original in its character, and might be feasible. This was substantially the same scheme; for, whatever gentlemen might say about the difference between the proposed paper issue of this Exchequer bank and a Government paper money, to all practical effect there was no difference; for this new money would *de facto* rest on the faith of Government alone and would be as completely irredeemable as if it were declared so on its face. When it was issued in the proportion of three to one—when it grasped every, even the minu-

test concern of private life—when it inundated itself every where, and intermingled itself with all the relations of society, how could it be expected that the Government should redeem it? Was it ever designed or expected that it should?

Mr. M. said that here there was an Administration of Whigs, which came forward and placed itself upon a measure which derived its origin in General Jackson, and in part from intellectual ingenuity of another scarcely less distinguished. Thus it stood, other. Under such circumstances, he confessed that he had no hope of seeing any thing done for the currency. There remained a barrier yet to be surmounted. When the vengeance of Heaven descended upon the man of their choice all their expectations as a party were at once defeated, and they found in the chief seat of power a man who had with them no sympathy. Under circumstances like these what hope could be cherished? If, indeed, the same vengeful stroke had descended from the sky upon the Whigs, and if the Whigs had been the only party of the People had both fallen, it was possible that some of our Lilliputian politicians, fellows vying to throw their feet into the wheels of the thread-rod about the many limbs and muscles of one who was to them as an intellectual giant, might have been marching along with high airs of pride and triumph in the Whig track and under the Whig banner. But, alas! he lived—Richard King of Lion yet lived, and the Devil was unchained, and King John, instead of looking to the welfare of the State, was busy only in the effort to surround the common enemy with barriers and palisades. To the Whigs, an immense advantage was shown in these Lilliputian heroes, who were drunk and shivered in the chilling shade. Though we had a Tiber and a Gooch creek, we had no Tarpeian rock; but had thrown himself, Curtius-like, into the gulf, and might have been some hope that this country would have conducted the Government on the principles which the People had sanctioned. And who could tell, perhaps there might be a hope yet. [A laugh.]

When the Government treasury was entrusted to existing corporations, there was something of a mutual liability between them; but here, in this bill, we found an immense machinery, flooding the country with million upon million, and no power any where but in the will of the sovereign to control it. In a free Government Mr. M. would never consent to trust such a power anywhere. While private claims, the clearest and most indubitable justice were constantly rejected from year to year, because the Government could not be sued, would they invest with the like prerogative of unaccountability an institution with all the powers to be enjoyed by this Exchequer. For one, he never would consent to it.

He had said that it was not his intention to go into an analysis of the bill, yet there were really one or two things in it which so forcibly struck his mind, and which so palpably demonstrated the illogical character of the most vaunted arrangement in the report, that he could not but refer to them. The first occurred in page 22 of the printed report, where it was asserted that this Exchequer Board was no bank, because it did not collect its capital by subscription—just as if that feature were essential to the existence of a bank. Might not a bank be incorporated and endowed with all banking facilities where this requisite was wholly wanting? What were the Banks of Alabama? This, reason was a sound one, they were no banks at all. The Whigs which the people of that State might well desire to be controlled by [A laugh.] This was a specimen of the inconceivable logic for which this paper had been so highly praised, and praised to by the Senator from South Carolina, whose searching eye any one would have supposed no inoperative conclusion could have escaped. But he supposed that the Senator had been so much gratified and so entirely engrossed by the concessions in the report, that he had not been disposed to look with a microscopic gaze upon its other features.

Again, in page 8, it was contended that this was no bank, because it did not discount. Now here was a double and twisted fallacy; the reason given was untrue in principle and untrue in fact. Untrue in fact, for confessedly the Board would discount bills of exchange; and untrue in principle because a bank may exist without this power. Here was another instance of the impregnable logic of the report, another evidence of that gigantic intellect whose impress was said to distinguish every word and line.

The third fallacy might be found on pages 5 and 6 where the Secretary insisted that the bill proposed no union of the power of the sword, because neither the President nor his Secretary could touch a dollar in the Treasury without an appropriation. Why, had not this always been the case? Yet what had been the ground taken by the Whig party at the time of the removal of the deposits? What had been the outcry on that occasion of this Secretary himself—both master and man? Although every petty Locofoco paper in the country had defended the act on this very ground, that Gen. Jackson could not himself appropriate a dollar of the public money unless by the appropriation of the sword, did the Whigs admit that reasoning as valid? Did they not at the same time contend that that act effected a union of the purse and the sword? And was not the case the same now? In this fallacy there were two truths involved; nay, three. In the first place, the principle was unconstitutional. It was said that neither the President nor the Secretary could touch a dollar of the public money. But this Government had become quite too mercenary a concern for the democracy of the present day, as a substitute they turned the attention to banking, and as the revenue was collected in different parts, they had to do it through the hands of subordinate functionaries, every whizzer-in of a custom-house might appropriate the whole amount to the purchase of exchange. The argument entirely overlooked the fact that the entire revenue might be seized upon without a dollar being appropriated. If this was an example of the severe, consecutive, impregnable logic of the report, he, for one, must have more capacity before he could be able to appreciate it.

Mr. M. said in conclusion, that the Bank in this bill was ultra, beyond any United States Bank that had ever been thought of. When Cæsar, at the head of his victorious legions, broke into the Temple of Vesta, and seized the public treasure, he had not in his hands a power so gigantic as that which was conferred by this bill. It was the long-sought philosopher's stone; the lamp of Aladdin was no touch to it. It converted rags of paper into gold, merely by putting it under the press of the Government.

With all this gigantic scheme, concerted and elaborated by the master-mind of the age, backed by all this force of argument, and defended by all these illogical conclusions, he would not wonder that there was a man in this Senate who would not take it, but this he would say, there was none here who had nerve enough to say "I will take it." "Expedit Herulum." Here might be seen, on a narrow strip of land, which separated on one side the calm, deep blue sea of Whig principles and doctrine; and whose bosom were upborne the destinies of freedom and the hopes of a Democratic and expectant world, from the raging sea of Democracy, whose wild surges were roaring and dashing on the other, the foot-plate of Hercules—but not the impress of the foot; for so narrow was the land and so early were and so nearly did the waters on the one side encroach upon its limits and threaten to mingle with those upon the other, that there was not room for the giant to tread without having a portion of his foot-plate obliterated by the waves.

And, finally, next to the daring and presumptuous attempt at the subjugation of the People by the seducing influence of the money power, that which most offended Mr. M. in this document was the spirit of base and vile subservency and flattery towards the President which every where marked its pages, and which presented the revolting spectacle of a gross and mercenary adulation, in the face and at the sacrifice of principle, nobly avowed and defended for twenty years.