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**Remarks of Mr. Tallmadge,**  
In defence of the people of New York, against the charge of bank influence in the result of their election.

Delivered in the Senate of the U. S. Feb. 8, 1838, in reply to Mr. Hubbard of N. H.—The Sub-Treasury Bill being under consideration.

Mr. President—The Senator from New Hampshire, (Mr. Hubbard,) who has just taken his seat, introduced in the course of his remarks, the subject of the late elections. He read, with approbation, that portion of the President's Message which charged the result of those elections to the interference or the influence of the Banks; and he undertook, by this means, to explain the result in New York. Sir, I am not in the habit of interfering with the concerns of other States, or of attempting to explain the causes of political movements in them. But, when I find one "poaching upon my manor," and endeavoring to account for matters which he can but ill comprehend, I feel it my duty to interfere.

I rise therefore, not to enter upon the immediate merits of this Sub-Treasury scheme, but for the sole purpose of setting the gentleman and the country right, upon this allegation of Bank interference or bank influence in the recent election of the State of New York.

Sir, I saw with pain this charge in the President's Message. I felt humiliated that it should emanate from him. I felt that the honor of my native State was wounded, and that the wound was inflicted by one of her sons. Had any other man occupied the Executive Chair, I would have lost no time, after the delivery of the Message containing that unwelcome and unmerited aspersion, in repelling it in a manner and with a spirit becoming the occasion. But, sir, the relations which have always existed between the President and myself, rendered the task one of reluctance and of delicacy; and but for the introduction of it into this debate, by the Senator from New Hampshire, I might have submitted to the mortification of the charge, from my unwillingness to encounter it from such a source. As it has been thus introduced, I will endeavor to show that it has been made without the slightest possible foundation, and wholly unjustifiable, let it come from what quarter it may, or let its endorsers be whom they may. In saying this, I speak from my own personal knowledge and observation to a great extent, and from an intimate acquaintance with the concerns of the State, and the causes which influence the minds of her citizens in political matters. Previous to the extra session of Congress, when the Globe, the reputed organ of the Administration, put forth Gouge's Sub-Treasury scheme, with his money drawers and hydrostatic balance, and all the other paraphernalia which accompanied it, and seriously recommended it to the public consideration, it was received and treated as a mere matter of burlesque—as the dream of a visionary. No one, for a single moment, supposed, that it would ever be brought forward by the President for the consideration of Congress. The whole country was astounded, when the Executive, at the extra session did recommend it. The people then perceived, that the "untried expedient" from the banks of the St. Lawrence had been put forth in the official organ, as a mere feeler. And with the characteristic boldness of all experiments, it was determined, that if it did not conform to the public pulse, the public pulse should be made to conform to it. To accomplish this there must be no apparent force nor unnecessary rashness. Hence, the Executive, with great meekness and humility, expressed his entire willingness to co-operate in any other measure, if this should not meet the approbation of Congress. This declaration was received with great satisfaction by those who foresaw, from their knowledge of the business-wants of the country, that such a measure would be destructive of its best interests. They hoped to be able to demonstrate its utter impracticability and inapplicability to the state of the times; and that then the President would cheerfully unite with them in some plan which would afford relief to a suffering and almost desperate community. It was, however, soon perceived, from the pertinacity with which this unexpected measure was urged forward by its advocates, that the whole power of executive influence was brought into requisition in order to force it through in the shortest possible period and before the people

had time to deliberate upon it, or to send their remonstrances against a project so fatal to their interests and so destructive of their hopes. I will not detain the Senate with a history of its progress. It is familiar to us all—suffice it to say, that the bill passed the Senate, and was laid on the table in the other House by a decisive vote. This was deemed equivalent to a rejection of the bill. It could not have been called up again at this session if it had been desired. Many voted against the State Bank deposit system, which was offered as an amendment, for the express purpose of killing the bill in its original shape. After all this the President, in his next Message, seems to think that Congress, at its extra session, made an expression against a National bank; against the State banks; but not against the Sub-treasury project! And as the late elections were carried by bank influence, he deems those overwhelming expressions of the popular will as no evidence that the people are against this wild and visionary scheme! He considers his election as evidence that a majority of the people of the U. S. are against a National Bank, because he had expressed himself decidedly hostile to such an institution. I am free to admit that his inference is as fair as can be drawn from a popular election where a thousand other considerations enter into the canvass. But it cannot be disguised that many electors, who were in favor of a National Bank, always voted for Gen. Jackson, notwithstanding his avowed hostility to it. He had a personal popularity which scarcely any man before him possessed, and which I hope to see no man hereafter enjoy. Often have I heard it said by many, that although they disapproved of his measures, they would still support him, because they believed him honest, and would not suffer him to be abused for the honest exercise of his opinions, though they led to the adoption of bad measures. Sir, this feeling was extended to the present Executive in his election. He was known to be the favorite candidate of the late President, and many electors supported him on account of their ancient prepossessions in favor of Gen. Jackson. I say then, that the success of a candidate for office, who is for or against a particular measure, is not conclusive evidence that the people accord with his views on that measure.

The State elections, in my judgment, were more conclusive against the Sub-treasury, than the President's election was against a National Bank. There were, undoubtedly, other causes which mingled in the contest. But still, the expression of the popular will, in every State where an election was held after this project was first recommended by the Executive, was such as ought to have commanded his respect, and prevented him from again urging a measure so odious to the people, and if carried out, so fatal to their prosperity.

But, Mr. President, this hard money policy must be persisted in. The Executive had embarked in it, and he seemed determined that no obstacles should impede his progress. He therefore, charged all this outbreaking of the people to the influence of the Banks, and considered it as no evidence of an honest opinion against this ill-fated measure—notwithstanding the decisive vote against it in the House of Representatives—notwithstanding his declared willingness to adopt any substitute for it, it is again brought forward with the same expressed deference to public opinion, and again urged with the same open contempt of it.

Sir, this charge, though general in its terms, seems peculiarly intended for the State of New York. As a representative of the people of that state, I repeat it, as unworthy of the Chief Magistrate, as it is undeserved by them. In the lawful exercise of the elective franchise, they have seen fit to rebuke the administration for its destructive policy, and their action is attributed to the influence of the Banks! They saw industry paralyzed, the energies of a whole population frozen up, business of all kinds at a stand, the wives and children of a portion of them famishing for want of bread, and suffering for want of clothes to cover them, and they resorted to the ballot box as the only means in their power to express their approbation, and that expression, thus made, is charged to the influence of the Banks! Sir, the President has forgotten the character of the people of his own State. He treats them as mere slaves—as men born to obey the Executive mandate, and not to think or act for themselves. Sir, let me tell you, that the people of New York know their rights and know how to maintain them—and as long as I remain here, they shall not want a representative to assert them on this floor. No man, be he high or low, shall go behind the ballot box to canvass the motives of my constituents, without being rebuked for his present presumption. I care not what the result of an election may have been, when the people have spoken, their voice is to be respected and obeyed—and they shall not be called to an account, with my consent, by an officer of the Executive Government, for their conduct in their local elections. No matter what party succeeds, such a charge is an indignity to the whole people. I am utterly astonished to hear it from such a quarter. I knew that the official organ here, and other Loco-foco prints, had, in this way, attempted to account for this overwhelming result in New York—but I also knew this charge, from such sources, had been indignantly repelled by the Democratic press of the State—and notwithstanding all this, the President, as in the case of the Sub-treasury, adopts the repudiated explanation of the Globe, and ushers it forth to the world.

Sir, I have said that there was no pretence of foundation for his charge. It will demonstrate by statistics and by figures, as clear as any proposition in Euclid, the truth of my assertion. New York has 56 counties—all, except 13, have one or more banks—of those thirteen, five are opposition, and eight are administration counties. These eight counties gave the administration a majority at the Presidential election in 1836, of 6,781. In 1837 they gave 2,617—making an opposition gain of 4,164 in a net vote of less than 18,000. These are counties where there are no banks. It is another remarkable fact that the opposition gain in these eight counties is nearly double what the other counties in the State averaged in their gains. Now, sir, if the banks influenced the result of the election, why do we find the administration losing more, in proportion, in counties where there are no banks, than in those where there are banks? The truth is, the influence of the banks, as such, was exerted on neither side—but so far as there was an influence exerted by their officers or those connected with them it was greater on the part of the administration than the other. There never was a charge made which is so entirely destitute of any one circumstance to justify it, and which so entirely fails.—Coming from such a source, it is an assault upon our free institutions. It is impeaching the principle of self government. What becomes of our boasted liberty, if the petty incorporations of the States can so far influence the exercise of the elective franchise, that the expression of the ballot box is not to be taken for what it is intended to represent? What will be our character abroad? The eyes of all Europe are turned to our experiment of self-government, and are confidently expecting a failure of the system, which we have predicted would regenerate the civilized world. What will they now think, when they have the authority of the Chief Magistrate of this nation, that in the great State of New York, the "Empire State," the influence of her local banks has controlled her elections, so that their results cannot be relied on as any evidence of the popular will? Sir, under such an imputation as this, a citizen of the United States in a foreign land, would blush for his country. And should he repeat it, he would be confronted with the President's Message, as conclusive evidence in support of the charge. As to my own State, so far as my action will go, I will endeavor to wipe out the blot from the fair escutcheon of her fame.

Mr. President, having shown that the election in New York was in no way controlled by the interference or influence of the Banks, it may not be amiss to inquire what causes produced those results, which were so astounding to the whole Union? Sir, it was the principles understood to be entertained by the administration and its prominent friends, and the measures which they were pursuing to carry out those principles. What were they? They are to be found in the creed of a faction, which had its origin in the city of New York in 1829. I do not say they embraced the whole creed, but I do say they were a part of it. And if any man, at that day, had predicted that a democratic republican administration would have countenanced any portion of the principles of this faction, he would have gained no more credence, nor as much as he now would, if he predicted that, in an equal period, the administration would adopt the other part of the same creed.

Sir, it is hardly to be believed by the people of other states that any portion of those doctrines have been adopted by the administration and its prominent friends. I do not say that they have been; but I say their course of measures has been such as to impress upon the people the belief of their adoption. I will not undertake to go into the documentary evidence at this time, as the ground of that belief, although I may deem it not inappropriate on some other occasion. This faction was the origin of that party which is now termed Loco Foco, and which in the pure days of the democratic republican party, was turned out of Tammany Hall, and held their meetings in the open air, whenever it was necessary to take measures to reduce the price of flour, or carry out any other great principle in political economy! After their principles received the countenance of the administration, they again returned to the old wigwag

—displaced the ancient sachems, and there they now illustrate their ideas of freedom of speech and free discussion, by violent inroads and forcible interruption of the assemblages of quiet & orderly citizens, who happen to entertain opinions on matters of public policy, contrary to their own. They are now the leaders of the party, and are the prominent candidates for Executive favor.

The leading feature of their creed was the destruction of the whole banking system of the country—the repeal of charters, and the abrogation of vested rights. This was a part of their doctrines, and was understood by the people to be the policy of the administration.

Why was it so understood? I will endeavor to answer the question. After the war on the Bank of the United States had ceased, a more ruthless and unrelenting warfare was commenced and carried on against the State Banks. The success which had attended the former emboldened the assailants, and they supposed they could make an easy conquest of the latter. It never occurred to them that they might not be able to bring the same force into the field, in the one case as in the other. They never stopped to inquire whether the people entertained any different views in regard to the State institutions and a national bank. They seemed to have forgotten that during the progress of the first war, they had persuaded the people that there were monstrous evils connected with the one, and equal benefits to be enjoyed with the other.—They left out of view all their promises of a sound currency, and an equalization of the domestic exchange, of the country by means of the State Banks. They forgot the oft repeated pledges and assurances that the State institutions could perform, equally well, all the duties which the Bank of the United States had performed for the government. In short, they had no recollection that those institutions were to give even a "better currency" than we had enjoyed under a national bank.

But, sir, although they had overlooked all these things, the people had not forgotten them. Those who opposed the re-charter of the Bank of the United States, were honest in their opposition. The present generation has principally grown up and come on to the political stage since the incorporation of the Bank of the United States in 1816. They have enjoyed its benefits—and that it possessed great benefits, no rational man has ever denied—but they were not able fully to appreciate them, whilst in the full fruition of them. They could see what seemed to them to be its dangerous powers, and with the assurance that the State Banks could perform all its duties to the government, and confer all its benefits on the people, without possessing those powers, they were content that it should go down, and that the State Banks should be substituted in its place. Another consideration which influenced their action was the popularity of Gen. Jackson, who led the forces in this contest. Many believed in his sagacity in this matter, and pinned their faith upon him; and others, although they doubted the policy of the measure, still believed in his honesty of purpose, and therefore went with him right or wrong. But they had no idea of breaking down the State institutions, so intimately connected, as they believed them to be with the business-wants of the whole country; and when these attacks were made on those institutions, the people began to suspect that they had been used as the instruments in assailing the national bank, with a view of destroying the others in their turn—such they thought they discovered to be the policy of the administration.

How did they discover it? By the principles which seemed to be maintained by the administration and its leading friends. By the manner in which they repudiated the State Bank deposit system after they had suspended specie payments—a suspension brought about by causes beyond their control, and which certain measures of the Executive had essentially contributed to produce; and the subsequent introduction of an "untried expedient" in the shape of the sub-treasury scheme—a scheme fraught with more mischief to the community, with more hazard to the public funds, with a more dangerous augmentation and concentration of Executive power, than has ever been suggested in the history of this or any other government. And here, sir, permit me to say, that when the friends of this abominable measure, for I can characterize it by no milder term, present the alternative of it or a national bank, rest assured that there are thousands and thousands who have been opposed to such an institution, who will, without hesitation, give it their preference. But, sir, that alternative is not yet presented. Gentlemen are attempting to make up a false issue. They vainly imagine that they can conjure up the ghost of the old Bank of the United States to frighten men as they would frighten children. Sir, that day has gone by. The people are looking for relief amidst the

disasters which surround them. They see in the sub-treasury scheme nought but ruin; they look with horror upon its adoption as a consummation of evil; they look to the State bank deposit system as the means of present, and if the anticipations of its friends be realized, of permanent relief. Some of the friends of a national bank have proposed plans for State institutions, which they think will assuage the necessity of a Bank of the United States. A all events, those who are in favor of a national bank know that it cannot be had, if it be had at all, for some time to come; and they know that something must be done for the relief of the country. There is no other plan which can be adopted but the one proposed by the Senator from Virginia. If it answers his expectations, it may satisfy the country; if it does not, the public mind will then be settled down as to what the remedy should be. As to the sub-treasury, I say with the Senator from Massachusetts, give me any thing, or give me nothing, in preference to it.

What farther evidence had the people that the destruction of the State Banks was a part of the policy of the Administration? Meetings were held by the Loco-Focos, at New York, Philadelphia, Cincinnati, and other places where resolutions were adopted against the whole banking system, and in favor of an exclusive metallic currency. These proceedings were responded to by men in high official stations, and their responses were perfectly satisfactory. Being thus sanctioned by men in authority, these wild and visionary doctrines began to spread. Many who had viewed them as destructive of the best interests of society, began to renounce former opinions, and adopt this radical creed, because they believed it met the approbation of those who held the reins of party discipline, and who had the power of party dispensation.

The next evidence of the prevalence of this radical spirit was the manner in which the subject of the suspension of specie payments was treated. By the law of New York, when a Bank neglects or refuses to redeem its notes in specie for ten days, the Chancellor is directed to issue his injunction, close its doors, appoint a receiver, to take charge of its concerns, whose duty it is to proceed to collect the amount due to the Bank, to pay the amount owing by it; and finally, under the direction of the Chancellor, to distribute to the stockholders the residue of its effects, according to their respective interests. There was due to the banks, at this time, by the people of the State, about seventy millions of dollars. A forced collection of this amount, by receivers, would have spread ruin and desolation throughout the whole State. The most valuable estates would have been sold to satisfy these demands. There would have been no competition at the sales—few very few indeed could have commanded the means to become the purchasers. The result would have been that the most desirable property must have been sacrificed, and bought in by some miserly hard money man, who had hoarded his vile trash for the purpose of proving upon the misfortunes of his fellow citizens, or by the receivers for the benefit of the stockholders. In either event, the community would have been the sufferers, and the hope of present business or of future prosperity would have been utterly blighted. Every rational man foresaw this result. The Legislature was then in session, and a law was forthwith passed, by an almost unanimous vote, to suspend the forfeiture of the charters of the Banks for one year. This act of the Legislature was openly denounced by public meetings in the city of New York composed of those claiming to be exclusive friends of the administration. And this denunciation was reiterated, by the official organ of the Government here, claiming to speak the sentiments of the administration on all important public matters.

Why was this act thus denounced? Because, if there had been no such interference, the Banks would have all been prostrated, as I have already shown, and we should at once have been brought to the "golden age" which has been so long desired. It is true, the great interests of the community would have been sacrificed. But, what of that? We should have had the "constitutional currency"—a hard money government; "a successful experiment;" and let me add, a prostrate country and a ruined people. Sir, the people were saved from this awful calamity, by the patriotism of the Legislature. The suspension act was not a boon to the Banks; it was a favor to the people. Whilst it saved the Bank charters from forfeiture it saved the people from destruction. Other States passed similar laws, and thus were frustrated the designs of those who deemed the suspension of specie payments the proper occasion, to carry out their favorite plan of breaking down the whole Banking system of the States. I will not say that the President entertained this design. But the people judged him by the effect of his measures. On his call, Congress assembled at the extra session to take in-

consideration the "great and weighty matters" which he was to submit to them. The message was delivered, and the people no longer doubted that the President and the administration intended to destroy the Banks. At all events, they could not doubt that such would be the effect of the measures recommended by him. They could only infer the intent from the result which must inevitably follow.

By the Constitution, it is made the duty of the President, from time to time, to give to Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient. He can recommend no others—and if he deems such as he does recommend, both necessary and expedient, he of course desires that Congress shall adopt them, and that they shall be carried into full execution. He had already seen, that by the intervention of the State Legislatures the bank charters of the different States had been saved from forfeiture, and that the designs of those who wished to destroy them, had been frustrated by those acts. Well now, sir, what were his recommendations, and what their inevitable results? He recommended a "uniform law concerning bankruptcies of corporations, and other bankers," as a measure "fully authorized by the Constitution." Such a law, under his oath of office, he must have deemed "necessary and expedient." And he must, too, have desired its enactment by Congress, otherwise he would not have recommended it. What would have been its effects, its practical operation, if Congress had concurred in the views of the President, and passed a bankrupt law as recommended by him? Why, sir, every bank in the Union would have been forthwith handed over to commissioners to be appointed by the Executive, under such a law, and their concerns closed up—for they had all suspended specie payments, and of course would have come within its provisions. This would have accomplished what was prevented by the action of the Legislatures, namely, a forfeiture of their charters and a consequent destruction of the banks themselves. Sir, I do not state this case too strongly, nor state what has been the inevitable result throughout the Union—there is no escape from it. The President could not but have foreseen this. It was the unavoidable consequence of his recommendations. He must have made it with his eyes open, and seen its effects, unless he was blinded and bewitched by this ignis fatuus of Loco-Focoism. What would have been the effect upon the business and credit of the country? Utter ruin and destruction from one extremity of the Union to the other. Sir, "war pestilence and famine" could not more effectually have done their dreadful work.

Fortunately for the country, Congress did not adopt this recommendation of the President, although it was urged with great power by one of the most prominent friends of the administration, (Mr. Benton,) "law of bankruptcy." Sir, there is another feature of this measure, which deserves consideration. This subject was not new to the President. It had received his careful examination and full deliberation on a former occasion. In 1826, when he stood upon this floor, as a Senator from the State of New York, he manifested on this subject the same principles which I am now endeavoring to maintain. He then represented all the great interests of the State, as I am now attempting to represent them. The banking interest was one of the most important, because it gave life to commerce, stimulated agriculture, aided the mechanic and manufacturing industry of the country, and produced a healthy action in the whole body politic. This was at a period anterior to the origin of the faction in New York, whose doctrines have since been adopted. Mr. Van Buren, in the discussion of the bankrupt bill, at that time before the Senate, opposed its application to banking incorporations, "as an odious exercise of power not granted by the Constitution." In 1836, Senator Van Buren opposes a bankrupt law in reference to our banking institutions, "as an odious exercise of power not granted by the Constitution," and in 1837, President Van Buren proposes "a uniform law concerning bankruptcies of corporations, and other bankers," as a measure "fully authorized by the Constitution." Now, sir, permit me to ask if such a measure was unconstitutional in 1826, can the recommendation of the President make it constitutional in 1837? I should think not unless the Constitution changes as the party changes! But whether it does or not, is immaterial to the present question. The President recommended a bankrupt law in reference to bank incorporations. He must have reviewed his former opinions on that subject. He must have deemed the crisis so important as to overrule his old constitutional scruples, and that it was now "necessary and expedient" that such a law should pass, and thereby rid the country of the curse of paper money, and thus restore the "constitutional currency" of gold and silver.

Gen. Polk

Miller

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