we are two to one; he has nothing but a little knife about him, he is dead asleep too! hear how he snores.' 'Do my bidding,' said the old man sternly; 'would you have him wake and rouse the neighborhood with his screams?'

As it was, the horror stricken dealer, under the bed, could scarcely suppress a shriek but he saw that the son left the light in the outer room, and then pulling the door partially after them to screen the rays of the lamp from the bed, he saw the two murderers glide to the bed side, and then heard a rustling motion as of arms descending on the bed-clothes, and a hissing, and then a gasping sound, that turned his soul sick, he knew it came from knives or daggers penetrating the heart or vitals of a human being like himself, and only a few inches above his own body. This was followed by one sudden and violent start on the bed, accompanied by a groan. Then the bed, which was a low one, was bent by an increase of weight, caused by one or both the murderers throwing themselves upon it until it pressed on the body of the traveller. There was an awful silence for a moment or two, and then the host said. "He is finished—I have cut his throat; take the money, I saw him put it under his bolster." "I have it, here it is," said the son: "a purse and a pocket book." The traveller was then relieved from the weight that oppressed him to suffocation, and the assassins, who seemed to tremble as they went, ran out of the room, took the light, and disappeared altogether from the apartment. No sooner were they fairly gone than the poor dealer crawled from under the bed, took one desperate leap and escaped through the little window by which he had seen enter the unfortunate wretch who had evidently been murdered in his stead. He ran with all his speed into the town, where he told his horrid story to the night-watch. The night-watch conducted him to the burgomaster, who was soon aroused from his sleep and acquainted with all that had happened.—In less than half an hour from the time of his escape from it, the horse dealer was again at the murderous inn with a magistrate and a strong force of horror-stricken inhabitants and the night-watch, who had all run thither in the greatest silence. In the house all seemed as still as death, but as the party went round to the stables, they heard a noise; cautioning the rest to surround the inn and the out-houses, the magistrate with the traveller and some half dozen armed men, ran to the stable door; this they opened and found within the host and his son digging a grave. The first figure that met the eye of the murderers was that of the traveller. The effect of this on their guilty souls was too much to be borne; they shrieked and threw themselves on the ground, and though they were immediately seized by hard gripping hands of real flesh and blood, and heard the voices of the magistrate and their friends and neighbors denouncing them as murderers, it was some minutes ere they could believe that the figure of the traveller that stood among them was other than a spirit. It was the hardier villain, the father, who on hearing the stranger's voice continuing in conversation with the magistrate, first gained sufficient command over himself to raise his face from the earth; he saw the stranger still pale and haggard, but evidently unhurt.

The murderer's head spun round confusedly, but at length rising, he said to those who held him, "Let me see that stranger nearer; let me touch him—only let me touch him!" The poor horse-dealer drew back in horror and disgust. "You may satisfy him in this," said the magistrate, "he is unarmed and unnerved, and we are here to prevent his doing you harm." On this the traveller let the host approach, and pass his hand over his person, which when he had done, the villian exclaimed, "I am no murderer! who says I am a murderer!" "That will be seen soon," said the traveller, who led the way to the detached apartment, followed by the magistrate, by the two prisoners, and all the party which had collected in the stable on hearing what had passed there. Both father and son walked with considerable confidence into the room, but when they saw by the lamps the night watch and others held over it, that there was a body covered with blood lying on the bed, they cried out, "How is this! who is this!" and rushed together to the bed side. The lights were lowered; their rays fell full upon the ghastly face and bleeding throat of a young man. At the sight, the younger of the murderers turned his head and swooned in silence; but the father, uttering a shriek so loud, so awful, that one of the eternally damned alone ought equal its effect, threw himself on the bed and on the gashed and bloody body, and murmuring in his throat, "My son! I have killed mine own son!" also found a temporary relief from the horrors of his situation in insensibility. The next minute, the wretched hostess, who was innocent of all that had passed, and who was, without knowing it, the wife of a murderer, the mother of a murderer, and the mother of a murdered son—of a son killed by a brother and a father—ran to the apartment, and would have increased ten-fold its already insupportable horrors by entering there, had she not been prevented by the honest townspeople. She had been roused from sleep by the noise made in the stable, and then by her husband's shriek, and was now herself, shrieking and frantic, and was carried back into the inn by main force. The two murderers were forthwith bound and carried to the town gaol, where on examination, which was made the next morning, it appeared from evidence that the person murdered was the youngest son of the landlord of the inn, and a person never suspected of a crime more serious than habitual drunkenness; that instead of being in bed, as his father and brother had believed him, he had stolen out of the house, and joined a party of carousers in the town; of these boon companions, all appeared in evidence, and two of them deposed that the deceased, being exceedingly intoxicated, and dreading his father's wrath, should he rouse the house in such a state, and at that late hour, had said to them that he would get through the window into the little detached apartment, and sleep there, as he had often done before, and that they two had accompanied him, and assisted him to climb to the window.

The deceased had reached the window once, and as they thought would have got safe through it, but, drunk and unsteady as he was, he slipped back: they had then some difficulty in inducing him to climb again, for, in the caprice of intoxication, he said he would rather go and sleep with one of his comrades. However, he had at last effected his entrance, and they, his two comrades, had gone to their respective homes. The wretched criminals were executed a few weeks after the commission of the crime. They had confessed every thing, and restored to the horse dealer the gold and the paper money they had concealed, and which had led them to a deed so much more atrocious than even they had contemplated.

MESSAGE
FROM THE
PRESIDENT
OF THE UNITED STATES.

To the two Houses of Congress, at the commencement of the first session of the twenty-fifth Congress.

Fellow Citizens of the Senate, and House of Representatives.—

The act of the 23d of June, 1836, regulating the deposits of the public money, and directing the employment of state, district and territorial banks for that purpose, made it the duty of the Secretary of the Treasury to discontinue the use of such of them as should at any time refuse to redeem their notes in specie, and to substitute other banks, provided a sufficient number could be obtained to receive the public deposits upon the terms and conditions therein prescribed. The general and almost simultaneous suspension of specie payments by the banks in May last, rendered the performance of this duty inperative, in respect to those which had been selected under the act, and made it, at the same time, impracticable to employ the requisite number of others upon the prescribed conditions. The specific regulations established by Congress for the deposit and safe keeping of the public moneys, having thus unexpectedly become inoperative, I felt it to be my duty to afford you an early opportunity for the exercise of your supervisory powers over the subject.

I was also led to apprehend that the suspension of specie payments, increasing the embarrassments before existing in the pecuniary affairs of the country, would so far diminish the public revenue that the accruing receipts into the Treasury, would not, with the reserved five millions, be sufficient to defray the unavoidable expenses of the government, until the usual period for the meeting of Congress; whilst the authority to call upon the states for a portion of the same deposited with them, was too restricted to enable the department to realize a sufficient amount from that source. These apprehensions have been justified by subsequent results, which render it certain that this deficiency will occur, if additional means be not provided by Congress.

The difficulties experienced by the mercantile interest, in meeting their engagements, induced them to apply to me, previously to the actual suspension of specie payments, for indulgence upon their bonds for duties; and the relief authorized by law was promptly and cheerfully granted. The dependence of the Treasury upon the avails of these bonds, to enable it to make the deposits which the states required by law, led me in the outset to limit this indulgence to the first of September, but it has since been extended to the first of October, that the matter might be submitted to your further direction.

Questions were also expected to arise in the recess, in respect to the October instalment of these deposits, requiring the interposition of Congress.

A provision of another act, passed about the same time, and intended to secure a faithful compliance with the obligation of the United States, to satisfy all demands upon them in specie or its equivalent, prohibited the offer of any bank note, not convertible on the spot into gold or silver at the will of the holder, and the ability of the government, with millions on deposit, to meet its engagements in the manner thus required by law, was rendered very doubtful by the event to which I have referred.

Sensible that adequate provisions for these unexpected exigencies could only be made by Congress; convinced that some of them would be indispensably necessary to the public service, before the regular period of your meeting; and desirous also to enable you to exercise, at the earliest moment, your full constitutional powers for the relief of the country, I could not, with propriety, avoid subjecting you to the inconvenience of assembling at as early a day as the state of the popular representation would permit. I am sure that I have done hat justice to your feelings, in believing that this inconvenience will be cheerfully encountered, in the hope of rendering your meeting conducive to the good of the country.

During the earlier stages of the revulsion through which we have just passed, much acrimonious discussion arose, and great diversity of opinion existed, as to its real causes. This was not surprising. The operations of credit are so diversified, and the influences which affect them so numerous and often so subtle, that even impartial and well informed persons are seldom found to agree in respect to them. To inherent difficulties were added other tendencies, which were by no means favorable to the discovery of truth. It was hardly to be expected, that those who disapproved the policy of the government in relation to the currency, wo'd, in the excited state of public feeling produced by the occasion, fail to attribute to that policy any extensive embarrassment in the monetary affairs of the country. The matter thus became connected with the passions and conflict of party; opinions were more or less affected by political considerations; and differences were prolonged which might otherwise have been determined by an appeal of facts, by the exercise of reason, or by mutual concession. It is, however, a cheering reflection, that circumstances of this nature cannot prevent a community so intelligent as ours from ultimately arriving at correct conclusions. Encouraged by the firm belief of this truth, I proceed to state my views, so far as may be necessary to a clear understanding of the remedies I feel it my duty to propose, and of the reasons by which I have been led to recommend them.

The history of trade in the U. States for the last three or four years, affords the most convincing evidence that our present condition is chiefly attributed to over-action in all the departments of business; an over-action deriving, perhaps, its first impulses from antecedent causes, but stimulated to its destructive consequences by excessive issues of bank paper, and by other facilities for the acquisition and enlargement of credit. At the commencement of the year 1834, the banking capital of the U. States, including that of the national bank then existing, amounted to about two hundred millions of dollars; the bank notes then in circulation to about ninety-five millions; and the loans and discounts of the banks to three hundred and twenty-four millions. Between that time and the first of January 1836, being the latest period to which accurate accounts have been received, our banking capital was increased to more than two hundred and fifty-one millions; our paper circulation to more than four hundred and fifty-seven millions. To this vast increase are to be added the many millions of credit, acquired by means of foreign loans, contracted by the states and state institutions, and above all, by the lavish accommodations extended by foreign dealers to our merchants.

The consequences of this redundancy of credit, and of the spirit of reckless speculation engendered by it, were a foreign debt contracted by our citizens, estimated in March last at more than thirty millions of dollars; the extension to traders in the interior of our country of credits for supplies, greatly beyond the wants of the people; the investment of thirty nine and a half millions of dollars in unproductive public lands, in the years 1835 and 1836, whilst in the preceding year the public sales amounted to only four and a half millions; the creation of debts, to an almost countless amount, for real estate in existing or anticipated cities and villages, equally unproductive, and at prices now seen to have been greatly disproportionate to their relal value; the expenditure of immense sums in improvements which, in many cases, have been found to be ruinously improvident, the diversion to other pursuits of much of the labor that should have been applied to agriculture, thereby contributing to the expenditure of large sums in the importation of grain from Europe—an expenditure which, amounting in 1834 to about two hundred and fifty thousand dollars, was, in the first two quarters of the present year, increased to more than two millions of dollars; and finally, without enumerating other injurious results, the rapid growth among all classes, and especially in our great commercial towns, of luxurious habits, founded too often on merely fancied wealth, and detrimental alike to the industry, the resources, and the morals of our people.

It was so impossible that such a state of things could long continue, that the prospect of revulsion was present to the minds of considerate men before it came.—None, however, had correctly anticipated its severity. A concurrence of circumstances inadequate of themselves to produce such wide spread and calamitous embarrassments, tended so greatly to aggravate them, that they cannot be overlooked in considering their history. Among these may be mentioned, as most prominent, the great loss of capital sustained by our commercial emporium in the fire of December, 1835—a loss, the effects of which were undeniably felt at the time, because postponed for a season by the great facilities of credit then existing; the disturbing effects, in our commercial cities, of the transfers of the public monies required by the deposit law of June, 1836; and the measures adopted by the foreign creditors of our merchants to reduce their debts, and to withdraw from the United States a large portion of our specie.

However unwilling any of our citizens may heretofore have been to assign to these causes the chief instrumentality in producing the present state of things, the developements subsequently made, and the actual condition of other commercial countries, must, as it seems to me, dispel all remaining doubts upon the subject. It has since appeared that evils, similar to those suffered by ourselves, have been experienced in Great Britain, on the continent, and, indeed, throughout the commercial world; and that, in other countries, as well as in our own, they have been unfairly perceived by an undue enlargement of the boundaries of trade, prompted, as with us, by unprecedented expansions of the systems of credit. A reference to the amount of banking capital, and the issues of paper credits put in circulation in Great Britain, by banks, and in other ways, during the years 1834, 1835, and 1836, will show an augmentation of the paper currency there, as much disproportioned to the real wants of trade as in the United States.

With this redundancy of the paper currency, there arose in that country also a spirit of adventure in speculation, embracing the whole range of human enterprise. And as profusely given to projected improvements, large investments were made in foreign stocks and loans; credits for goods were granted with unbounded liberality to merchants in foreign countries; and all the means of acquiring and employing credit were put in active operation, and extended in their effects to every department of business, and to every quarter of the globe. The reaction was proportioned in its violence to the extraordinary character of events which preceded it. The commercial community of Great Britain were subjected to the greatest difficulties, and their debtors in this country were not only suddenly deprived of accustomed and expected credits, but calls upon for payments which in the actual posture of things here, could only be made through a general pressure, and at the most ruinous sacrifices.

In view of these facts, it would seem impossible for sincere inquiries after truth to resist the conviction that the causes of the revulsion in both countries have been substantially the same. Two nations, the most commercial in the world, enjoying but recently the highest degree of apparent prosperity, and maintaining with each other the closest relations, are suddenly, in a time of profound peace, and without any great national disaster, arrested in their career, and plunged into a state of embarrassment and distress. In both countries we have witnessed the same redundancy of paper money, and other facilities of credit; the same spirit of speculation; the same difficulties and reverses, and at length, nearly the same overwhelming catastrophe. The most material difference between the results in the two has only been, that with us there has also occurred an extensive derangement in the fiscal affairs of the Federal and State Governments, occasioned by the suspension of specie payments by the banks.

The history of these causes and effects, in Great Britain and the United States, is substantially the history of the revulsion in all other countries.

The present and visible effects of these circumstances on the operations of the government, and on the industry of the people, point out the objects which call for your immediate attention.

They are—to regulate by law the safe-keeping, transfer and disbursements of the public moneys; to designate the funds to be received and paid by the Government; to enable the Treasury to meet promptly every demand upon it; to prescribe the terms of indulgence, and the mode of settlement to be adopted, as well in collecting from individuals the revenue that has accrued as in withdrawing it from former depositories; and to devise and adopt such further measures, within the constitutional competency of congress, as will be best calculated to revive the enterprise and to promote the prosperity of the country.

For the deposit, transfer, and disbursement of the revenue, National and State banks have always, with temporary and limited exceptions, been heretofore employed; but although advocates of each system are still to be found, it is apparent that the events of the last few months have greatly augmented the dislike, long existing among the people of the United States, to separate the fiscal operations of the government from those of individuals or corporations.

Again to create a national bank as a fiscal agent, would be to disregard the popular will, twice solemnly and unequivocally expressed. On no question of domestic policy is there stronger evidence that the sentiments of a large majority are deliberately fixed, and I cannot concur with those who think they see, in recent events a proof that these sentiments are, or a reason that they should be, changed.

Events similar in their origin and character, have heretofore frequently occurred, without producing any such change; and the lessons of experience must be forgotten, if we suppose that the present overthrow of credit would have been prevented by the existence of a national bank. Proneness to excessive issues has ever been the vice of the banking system; a vice as prominent in national as in state institutions. This propensity is as subservient to the advancement of private interests in the one as in the other; and those who direct them both, being principally guided by the same views, and influenced by the same motives, will be equally ready to stimulate extravagance of enterprise by improvidence of credit. How strikingly is this conclusion sustained by experience. The bank of the United States, with the vast powers congress has bestowed upon it, did not or could not prevent former and similar embarrassments; nor has the still greater strength it has been said to possess, under its present charter, enabled it, in the existing emergency, to check other institutions, or even to save itself. In Great Britain, where, it has been said, the same causes have been attended with the same effects, a national bank, possessing powers far greater than are asked for by the warmest advocates of such an institution here, has also proved unable to prevent an undue expansion of credit, and the evils that flow from it. Nor can I find any tenable ground for the re-establishment of a national bank, in the derangement alledged at present to exist in the domestic exchanges of the country, or in the facilities it may be capable of affording them.

Although advantages of this sort were anticipated when the first bank of the U. S. was created, they were regarded as an incidental accommodation; not one which the Federal Government was bound or could be called upon to furnish. This accommodation is now, indeed, after the lapse of not many years, demanded from it as among its first duties; and an omission to aid and regulate commercial exchange, is treated as a ground of loud and serious complaint. Such results only serve to exemplify the constant desire, among some of our citizens, to enlarge the powers of the government, and extend its control to subjects with which it should not interfere. They can never justify the creation of an institution to promote such objects. On the contrary, they justly excite among the community a more diligent inquiry into the character of those operations of trade, toward which it is desired to extend such peculiar favors.

The various transactions which bear the name of domestic exchanges, differ essentially in their nature, operation and utility. One class of them consists of bills of exchange, drawn for the purpose of transferring actual capital from one part of the country to another, or to anticipate the proceeds of property actually transmitted. Bills of this description are highly useful to the movements of trade, and will deserve all the encouragement which can rightfully be given to them. Another class is made up of bills of exchange, not drawn to transfer actual capital, nor on the credit of property transmitted, but to create fictitious capital, partaking at once of the character of notes discounted in bank, and of bank notes in circulation, and swelling the mass of paper credits to a vast extent in the most objectionable manner. These bills have formed for the last few years, a large proportion of what are termed the domestic exchanges of the country, serving as the means of usurious profit, and constituting the most unsafe and precarious paper in circulation. The species of traffic, instead of being upheld, ought to be discountenanced by the government and the people.

In transferring its funds from place to place, the government is on the same footing with the private citizen and may resort to the same legal means. It may do so through the medium of bills drawn by itself, or purchased by others; and in these operations it may, in a manner undoubtedly constitutional and legitimate, facilitate and assist exchanges of individuals founded on real transactions of trade. The extent to which this may be done, and the best means of effecting it, are entitled to the fullest consideration. This has been bestowed by the Secretary of the Treasury, and his views will be submitted to you in his report.

But it was not designed by the constitution that the government should assume the management of domestic or foreign exchange. It is indeed authorized to regulate by law the commerce between the states, and to provide a general standard of value, or medium of exchange in gold or silver; but it is not its province to aid individuals in the transfer of their funds, otherwise than through the facilities afforded by the Post Office department. As justly might it be called on to provide for the transportation of their merchandise. These are operations of trade. They ought to be conducted by those who are interested in them in the same manner that the hundred difficulties of other pursuits are encountered by the other classes of citizens. Such aid has not been deemed necessary in other countries. Throughout Europe, the domestic as well as the foreign exchanges are carried on by private houses often, if not generally, without the assistance of banks. Yet they extend throughout distinct sovereignties and far exceed in amount the real exchanges of the United States.

There is no reason why our own may not be conducted in the same manner, with equal cheapness and safety. Certainly this might be accomplished, if it were favored by those most deeply interested, and few can doubt that their own interest as well as the general welfare of the country, would be promoted by leaving such a subject in the hands of those to whom it properly belongs. A system founded on private interest, enterprise, and competition, without the aid of legislative grants or regulations by law, would rapidly progress; it would be free from the influence of political agitation, and extend the same exemption to trade therefrom; and it would put an end to those complaints of neglect, partiality, injustice and oppression, which are the unavoidable results of interference by the government, in the proper concerns of individuals. All former attempts on the part of the government to carry its legislation, in this respect, further than was designed by the constitution, have in the end proved injurious, and have served only to convince the great body of the people, more and more, of the certain dangers of blending private interests with the operations of public business; and there is no reason to suppose that a repetition of them now would be more successful.

It cannot be concealed that there exists in our community opinions and feelings on this subject in direct opposition to each other. A large portion of them, combining great intelligence, activity and influence, are no doubt sincere in their belief that the operations of trade ought to be assisted by such a connection; they regard a national bank as necessary for this purpose, and they are disciplined to every measure that does not tend, sooner or later, to the establishment of such an institution. On the other hand, a majority of the people are believed to be irreconcilably opposed to that measure; they consider such a concentration of power dangerous to their liberties; and many of them regard it as a violation of the Constitution. This collision of opinion has, doubtless, caused much of the embarrassment to which the commercial transactions of the country have lately been exposed.

Banking has become a political topic of the highest interest, and trade has suffered in the conflict of parties. A speedy termination of this state of things, however desirable, is scarcely to be expected. We have seen that for nearly half a century, that those who advocate a national bank, by whatever motive they may be influenced, constitute a portion of our community too numerous to allow us to hope for an early abandonment of their favorite plan. On the other hand, they must indeed form an erroneous estimate of the intelligence and temper of the American people, who suppose that they have continued, on slight or insufficient grounds, their persevering opposition to such an institution; or that they can be induced by pecuniary pressure, or by any other combination of circumstances, to surrender principles they have so long and so inflexibly maintained.

My own views of the subject are unchanged. They have been repeatedly and unreservedly announced to my fellow citizens, who, with full knowledge of them, conferred upon me the two highest offices of government. On the last of these occasions, I felt it due to the people to apprize them distinctly, that in the event of my election, I would not be able to cooperate in the re-establishment of a national bank. To these sentiments I have now only to add the expression of an increased conviction that the re-establishment of such a bank, in any form, whilst it would not accomplish the beneficial purpose promised by its advocates, would impair the rightful supremacy of the popular will; injure the character and diminish the influence of our political system; and bring once more into existence a concentrated monied power, hostile to the spirit and threatening the permanency of our republican institutions.

Local banks have been employed for the deposite and distribution of the revenue, at all times partially, and, on three different occasions exclusively; first, anterior to the establishment of the first bank of the United States; secondly, in the interval between the termination of that institution and the charter of its successor; and, thirdly, during the limited period which has now so abruptly closed. The connection thus repeatedly attempted, proved unsatisfactory on each successive occasion, notwithstanding the various measures which were adopted to facilitate or insure its success. On the last occasion, in the year 1833, the employment of the State banks was guarded especially in every way which experience and caution could suggest. Personal security was required for the safe-keeping and prompt payment of the moneys to be received, and full returns of their condition were, from time to time, to be made by the depositories. In the first stages the measure was eminently successful, notwithstanding the violent opposition of the bank of the United States, and the unceasing efforts made to overthrow it.

The selected banks performed with fidelity, and without any embarrassment to themselves or to the community, their engagements to the government, and the system promised to be permanently useful. But when it became necessary under the act of June 1836, to withdraw from them the public money, for the purpose of placing it in additional institutions, or of transferring it to the states, they found it, in many cases, inconvenient to comply with the demands of the Treasury, and numerous and pressing applications were made for indulgence or relief. As the instalments under the deposite law became payable, their own embarrassments and the necessity under which they lay of curtailing their discounts and calling in their debts, increased the general distress, and contributed, with other causes, to hasten the revulsion in which, at length, they, in common with the other banks, were fatally involved.

Under these circumstances, it becomes our solemn duty to inquire whether there are not, in any connection between the government and banks of issue, evils of great magnitude, inherent in its very nature, and against which no precaution can effectually guard.

Unforeseen in the organization of the government, and forced on the treasury by early necessities, the practice of employing banks, was, in truth, from the beginning, more a measure of emergency than sound policy. When we started into existence as a nation, in addition to the burdens of the new government, we assumed all the large but honorable load of debt which was the price of our liberty; but we hesitated to weigh down the infant industry of the country by resorting to adequate taxation for the necessary revenue. The facilities of banks, in return for the privileges they acquired, were promptly offered, and perhaps too readily received, by an embarrassed treasury.

During the long continuance of a national debt, and the intervening difficulties of a foreign war, the connexion was continued from motives of convenience; but these causes have long since passed away. We have no emergencies that make banks necessary to aid the wants of the Treasury, we have no load of national debt to provide for, and we have on actual deposite a large surplus. No public interest, therefore, now requires the renewal of a connexion that circumstances have dissolved. The complete organization of our government, the abundance of our resources, the general harmony which prevails between the different states, and with foreign powers, all enable us now to select the system most consistent with the constitution, and most conducive to the public welfare. Should we, then, connect the Treasury for a fourth time with the local banks, it can only be under a conviction that past failures have arisen from accidental, not inherent defects.

A danger, difficult, if not impossible to be avoided in such an arrangement, is made strikingly evident in the very event by which it has now been defeated. A sudden act of the banks intrusted with the funds of the people deprives the treasury without fault or agency of the government, of the ability to pay its creditors in the currency they have by law a right to demand. This circumstance no fluctuation of commerce could have produced, if the public revenue had been collected in the legal currency, and kept in that form by the officers of the treasury. The citizen whose money was in bank receives it back, since the suspension, at a sacrifice in its amount, whilst he who kept it in the currency of the country, and in his own possession without loss, the current of his business government, placed in the situation of the party involved in embarrassments it could not foresee, had it pursued the course of the latter. These embarrassments are, moreover, augmented by those wise and just laws which forbid it to use a depreciated currency, and by so doing, take from the government the ability which individuals have of avoiding disastrous transactions to such a catastrophe.

A system which can, in a time of profound peace, when there is a large revenue laid by to prevent the application and the use of it by the people, in the manner and for the purposes they have directed, cannot be wise; but who, without painful reflection, that, under it, fifteen events might have befallen us in time of war, and taken from us at the moment we wanted, the use of those very means which we had secured up to promote the national welfare and vindicate national rights? To such embarrassments and dangers will this government be always exposed, if it takes the moneys raised for, and required for public service, out of the hands of its agents, and converts them into a mere right of action against corporations entrusted with the possession of them. Even such results be effectually guarded against by a system, without investing the Executive, or any other department of the government, with any discretion over the banks themselves, whether it be wise or constitutional, that might with reason be objected to, as probably the only government in the world, which, in the management of its fiscal concerns, should be without a preference like these. But this immunity from the only dangers attendant on the surrender of the public money to the custody and control of banks, Though the object is not to the Treasury department, it may be to introduce into the operations of the banks influences the most subtle, insidious, and most selfish.

The use by the banks, for their own profit, of the money deposited with them, has received the sanction of the government from the commencement of its connection. The money received from the people, instead of being kept till it is needed for the purposes consequence of this authority, a fund, on which loans are made for the profit of those who hold the shares of stock in the banks selected as depositories, is loaned out, and often exaggerated accounts of its abundance have been will always cause it to be sought after by the borrowers. I will not stop to consider on whom the patronage of the government is to be conferred, whether the discretion to it is to be conferred, whether it can safely be trusted to Congress or the Executive, or whether it will be subjected to appeals made in behalf of those in which the sympathy of interest can be expected to prevail, unless such a system, are stimulated to the exercise of their fortunate importation; the deposits are regarded as an increase of capital; loans and discounts are rashly augmented; and when the public money is required to require a return, it is attended with embarrassments not provided for, nor foreseen. Thus banks, which themselves most fortunate when the public money received, find themselves most embarrassed at the season of payment suddenly arrives.

Unfortunately, too, the evils of the system are not limited to the banks. It stimulates a spirit of enterprise, and aggravates the fluctuations of commerce and the currency. This result was fearfully exhibited during the operations of the last deposit system, and especially in the purchases of public lands. The order which ultimately directed the receipt of gold and silver in such purchases greatly diminished, could not altogether prevent this evil. It rendered more difficult to be procured those species which the banks could themselves receive at par, and still, being obtained from them as a loan, or as a deposite, which they were again at liberty to loan, it only passed round the circle with diminished speed. This operation could not have been prevented, if the funds of the government gone into their coffers, regularly disbursed, and not into banks, to be used for their own profit, while they were permitted to substitute for its credit in account.

In expressing these sentiments, I should be sorry to undervalue the benefits of a salutary credit to any enterprise. The credit bestowed on the industry is the just reward of merit, and an incentive to further acquisition. None oppose it, but those who their country and understand its welfare. The evil is unduly encouraged—when it is made to turn the public mind with the temptations of sudden and substantial wealth—when it turns industry aside from pursuits which lead sooner or later to disappointment and ruin, and becomes liable to censure, and needs correction, when it diverts from helping probity and industry, the ruin to which it leads falls most severely on the great laboring classes, who are thrown suddenly out of employment, and whose the failure of magnificent schemes never can enrich them, are deprived in a moment of the fruits of their resource. Abuses of credit and excesses in speculation will happen in despite of the most salutary restraints; no government perhaps can altogether prevent them, but surely every government can refrain from fostering the stimulus that calls them into life.

Since, therefore, experience has shown, that the deposit of the public money to the local banks is inconsistent with the operations of the government, at least of doubtful benefit to the institutions themselves, and productive of disastrous derangement in the business and currency of the country, is it the part of wisdom again to form the connection?

It is true that such an agency is in many respects convenient to the Treasury, but it is not indispensable. A limitation of the expenses of the government to its actual wants, and of the revenue to those expenses, with convenient means for its prompt application to the purposes for which it was raised, are the means which we should seek to accomplish. The safe-keeping, transfer, and disbursement of the public money can, it is believed, be well managed by officers of the government. Its collection and to a great extent its disbursement also, have indeed hitherto been conducted solely by them; neither National nor State banks, when employed, being required to do more than keep safely while in their custody, and transfer and pay over portions and at such times as the Treasury shall direct.

Surely banks are not more able than the government to secure the money in their possession against accident, violence or fraud. The assertion that they are so must imply that a vault in a bank is stronger than a vault in the Treasury; and that directors, cashiers and clerks, not selected by the government, nor under its control, are more worthy of confidence than officers selected from the people, responsible to the government; officers bound by oath and bonds for a faithful performance of their duties, and constantly subject to the supervision of Congress.

The difficulties of transfer, and the aid heretofore derived by banks, have been less than is usually supposed. The actual accounts show that by far the larger portion of payments is made within short or convenient distances from places of collection; and the whole number of warrants issued at the Treasury in the year 1834—a year, the results of which will it is believed afford a safe test for the future—fell short of five thousand, or an average of less than one daily for each state; in the city of New York they did not average more than two a day, and at the city of Washington ten only four.

The difficulties heretofore existing are, moreover, diminished by an increase in the cheapness and facility of communication; and it may be asserted with confidence that the necessary transfers, as well as the safe keeping and disbursements of the public moneys, can be with safety and convenience accomplished through the agencies of Treasury officers. This opinion has been in some degree confirmed by actual experience since the discontinuance of the banks as fiscal agents, in May last, a period which, from the embarrassments in commercial intercourse, presented difficulties as great as any that may be hereafter apprehended.

The manner of keeping the public money since that period, is fully stated in the report of the Secretary of the Treasury. That officer also suggests the propriety of assigning, by law, certain additional duties to existing establishments and officers, which, with the modifications and safe guards referred to by him, will, he thinks, enable the Department to continue to perform this branch of the public service, without any material addition either to the number or to the present expense. The extent of the business to be transacted has already been stated; and as to the amount of money with which the officers employed would be entrusted at any one time, it appears that assuming a balance of five millions to be at all times in the Treasury, and the whole of it left in the hands of the collectors and receivers, the proportion of each would not exceed an average of thirty thousand dollars; but that, deducting one million for the use of the most, and assuming the remaining four millions to be in the hands of one half of the present number of officers—a supposition deemed more likely to correspond with the fact—the sum in the hands of each would still be less than the amount of most of the bonds now taken from the receivers of public money.

Every apprehension, however, on the subject, either in respect to the safety of the money or the faithful discharge of these fiscal transactions, may, it appears to me, be effectually removed by adding to the present means of the Treasury the establishment by law at a few important points of offices for the deposite and disbursement of such portions of the public revenue as cannot, with obvious safety and convenience