

STAR & REPUBLICAN BANNER.

G. WASHINGTON BOWEN, EDITOR & PROPRIETOR.

"The liberty to know, to utter, and to argue, freely, is above all other liberties."—MILTON.

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SPEECH OF

Mr. James Cooper, of Pa.,
ON THE SUB-TREASURY BILL.
Delivered in the House of Representatives,
June 22, 1840.

[CONCLUDED.]

Mr. Chairman, I now turn to inquire what is to be the effect of this measure upon the prosperity of the country—what is to be its practical operation? One portion of the supporters of this bill, avow its object to be the establishment of an exclusive metallic currency; another portion say, that it is designed to separate the Government from the banks, without any intention to destroy them; that is, the Government will not use them as fiscal agents, or receive their notes in payment of any debt due to it. I shall first inquire, what effect an exclusive metallic currency will produce upon the country; and then I shall examine what is to be the result of a separation of the Government from the banks, in the sense contemplated by those who advocate the bill upon this principle.

The money in circulation in any country, including specie and convertible bank paper, is the representative of the value, not of the whole property of the country, but of that part of it (including labor) which is in the market to be sold and bought, or, in the language of the Senator from Pennsylvania, (Mr. Buchanan) in his speech upon this bill, it is the representative of "the entire exchangeable property of a country"; that is, if the entire circulating medium of this country, including specie and bank paper, be two hundred and twenty-five millions of dollars, (the probable amount,) and you reduce it two-thirds, by striking out of circulation one hundred and fifty millions of dollars, or the paper portion of it, you bring down the property of the country to one-third of its present value, and you reduce the price of its products and the wages of the laborer in the same proportion. Let me illustrate my meaning: A man owns a farm, which, in the present state of the currency, (two thirds being paper) is worth \$3,000. Strike out of circulation the paper portion, or two-thirds of the whole currency of the country, and you reduce the value of the farm to \$1,000. Or, suppose that in the present state of the currency, wheat is worth one dollar per bushel, and corn forty-five cents; reduce the circulating medium of the country two thirds, and you reduce the price of these products two thirds; wheat will then sell but for thirty-three cents per bushel, and corn but for fifteen cents. As things now stand, the common day laborer can earn fifty cents per day; but reduce the currency to one-third of its present amount, or to the hard money standard, and you reduce his wages in the same proportion. He can then earn but seventeen cents per day. And the mechanic will be affected in the same way. The job for which he now gets three dollars, will then bring him but a dollar. But the reduction which would take place in the value of property, in the price of the products of the farmer, and in the wages of the laborer, by converting this into a hard money Government, would be much greater than I have supposed, particularly the wages of the laborer. Let us look at the price of labor and the condition of the laborer, in some of the hard money Governments of Europe, to which we have been referred for examples.

In Germany, common laborers receive on an average less than six pence per day, without board. The fare of the laboring classes is exceedingly coarse.

In South Holland, laborers receive from three pence to four pence per day, with board. At Antwerp, five pence per day.

In Sweden, laborers who are well skilled, receive seven pence or eight pence per day; the unskilled but three pence or four pence, and board themselves. They live chiefly on salt fish and potatoes.

In France, common laborers receive less than six pence per day; and M. Dupin, an eminent French statesman, says that "two-thirds of the population, or twenty millions, are deprived of the nourishment of animal food, and live wholly on chestnuts, maize, and potatoes."

"This is the condition of the laboring classes in the hard money countries of Europe; this is the condition to which the policy of the present Administration will reduce the American laborer. But I will perhaps be told, that it is not the design to make this an exclusively hard money Government; and I know that there are certain Janus-faced gentlemen, who can quote one part of their speeches to prove that it is not, and another, that it is the design. But there are others who have spoken out without prevarication.

The Senator from Mississippi, (Mr. Walker), a leading friend of the Administration, says in his speech on this bill: "We have heard much, Mr. President, of a convertible currency; it is injurious, as I have shown, by inflated prices and diminished industry, even when convertible."

And again, he says: "During the recent canvass in my own State, I called the attention of my constituents to the condition of the agriculture of Cuba, within three days' sail of our coast, as contrasted with that of Louisiana and Mississippi. And what is the result? Why, years ago, Cuba, though laboring under the disadvantage of a wretched Government, still, with her exclusive specie currency, conquering the tariffs of Europe and America, filling the world with her exports, sold at a profit, and enjoying, through her great and prosperous cities, an annual commerce of forty-three millions of dollars, from a population of less than a million, and but little more than half a million of whites. Sir, as a Mississippi, I will not draw the gloomy picture of our own embarrassments. But, sir, I will ask the cause of the difference. We have in Mississippi an infinitely better Government than Cuba, a much more enlightened and energetic people, a more fertile soil, and a more healthy climate. Why, then, are we so embarrassed, while Cuba is so prosperous? No other cause can be assigned than the bank paper system of the one, and the solid specie currency of the other."

Again, he says: "The reason, then, and all experience, are against the banking system, even while the paper is convertible; and it ought to be safely and gradually, but ultimately, entirely abandoned."

The Senator from Missouri, (Mr. Benton), who is to be the successor of General Harrison, provided the crumbling party of the present Administration can ever be rallied in sufficient strength, says:

"To our Southern States—to the whole cotton, rice, tobacco, and sugar growing region, now so grievously afflicted with the ravages of the paper system—to all this region, I would say, study the financial history of Holland, France, and Cuba. Follow their example. Emulate their solid currency. Imitate them!"

Again, he says: "The Government it belongs to preserve the sacred currency of the constitution. To this Government it belongs to do this; and to a long series of measures pursued for this purpose, for the last ten years, the establishment of the independent Treasury now comes in as the crowning act to seal and consummate the whole."

The Senator from South Carolina, (Mr. Calhoun), now the Fabius of the present Administration, but who formerly claimed to be the Marcellus of the country, after a long argument to prove that all bank paper is unconstitutional, concludes by asking, "can you doubt that the currency [of the constitution] was intended to be specie?"

The gentleman from Ohio, (Mr. Duncan), the leader of the Administration party in this House, says:

"If this measure is distress and panic in the country? What is the cause of it, but your miserable banking and credit system—a system that the united efforts of democracy have been directed to overthrow, so far as it is exclusive monopolistic and partial in its operation; a system, which, so long as it exists, will produce periodical derangements of the currency of the country, and distress with those who trade upon capital not their own."

Mr. Chairman, I will do the gentleman, whose remarks I have just quoted, the justice to say, that with them there is no variation or contradiction. They all, boldly and openly avow the object of the present measure, to be the establishment of an exclusive metallic currency in this country.

"Study" (exclaims Mr. Benton) "the financial history of France, Holland, and Cuba. Emulate their solid currency. Imitate them." What! Emulate the policy of France and Holland, whose laborers receive but four pence or six pence a day, and who are compelled to subsist wholly upon chestnuts, maize, and potatoes! Is this the policy to be pursued towards the free laborers of the United States? Are they to be reduced to the condition of the oppressed, down-trodden poor of the old, decaying nations of Europe? This measure, sir, will bring them to that condition, and it is advocated on that ground. Hear the Senator from Pennsylvania, (Mr. Buchanan) he says:

"In Germany, where the currency is purely metallic, and the cost of every thing is reduced to a hard money standard, a piece of broad cloth can be manufactured, or fifty be completed to support his family, and to purchase his labor and materials at the same rate of prices which he receives for his manufactures. On the contrary, he goes home, purchases his labor, and returns to his factory, with a piece of cloth which costs him as much to manufacture, at half their cost in this country, and again returns to inundate us with foreign woolsens, and to ruin our domestic manufactures. I might cite many other examples, but this, I trust, will be sufficient to draw public attention to the subject. This depreciation of our currency is, therefore, equivalent to a direct protection granted to the foreigner over the domestic manufacturer. It is impossible that our manufacturers should be able to sustain such an unequal competition."

"Sir, I solemnly believe that if we could but reduce this measure to a thing like reasonable liberality, New England would become the most prosperous manufacturing country that the sun ever shone upon. Why cannot we manufacture goods, and especially cotton goods, which will get us here an enterprise proverbial throughout the world? Land is also cheaper here than in any other country on the face of the earth. We possess every advantage which Providence can bestow upon us for the manufacture of cotton; but they are all counteracted by the folly of man. The raw material costs us less than it does the English, because this is an article, the price of which depends upon foreign markets, and is regulated by our own inflated currency. We therefore, save the freight of the cotton across the Atlantic, and that of the manufactured article on its return here. What is the reason that, with all these advantages, and with the protective duties, which our laws afford to the domestic manufacturer of cotton, we cannot obtain exclusive possession of the home market, and successfully contend for the markets of the world? It is simply because we manufacture at the nominal price of our own inflated currency, and are compelled to sell at the real prices of other nations. Reduce our nominal to the real standard of prices throughout the world, and you convert our cotton into a thing like reasonable liberality. Who will use the paper of the banks? The Government will not take a dollar of it. The bill declares that it shall not, after the period to which I have referred. Who,

then, I repeat, will use the paper of the banks? Why the people. Is not this establishing two currencies—one for the Government, and another for the people? Certainly it is. The Government and the officeholder will have, (as they have now,) gold and silver. The people must take, as they take now, depreciated bank paper. But it will be depreciated to a far greater extent than it is now, because the specie basis will be reduced, by locking up the gold and silver of the country in the vaults of the receivers. In this way, at least ten millions of dollars will be subtracted from the specie capital on which the banks carry on their transactions, or from the general circulation of the country. And what would be the condition of the country, if we should hereafter have, as we have once had, a surplus revenue of fifty millions of dollars? This revenue must be collected in specie, and will be locked up in the vaults of the receivers; add to this, the ten millions which is necessary to be kept on hand to defray the current expenses of the Government, and there will not be left a specie dollar to circulate in the country; and besides this, you read bank paper entirely, utterly worthless. But I will be told, that in future there is not likely to be an accumulation of surplus revenue; and certainly this seems probable, when the Government is every day going into debt. But if our finances were managed with the same economy that they have been by other administrations, an accumulation of revenue would take place, which would produce the consequences I have pointed out. Thus has the policy of this administration placed the people, in the strange position, where they must regard wild extravagance as a smaller evil than a prudent economy!

Mr. Chairman, I desire to see our manufacturers prosperous, and shall aid with the most hearty good will in affording them protection; but God forbid that I should ever so legislate, as to build up fortunes for them, at the expense of the happiness and comforts of the laborer. But it is not only the wages of the laborer that would be reduced by this system; the whole property of the country, the grain and cattle, and all the produce of the farmer, and the prices of the mechanic, will fall to the specie standard; or, if the position which I before assumed, be true, to one-third of their present value. But, it is said, if the price paid for labor should be reduced, (which is admitted,) by reducing the circulating medium to the specie standard, that this will not injure the laborer, because all the necessaries and comforts of life will be reduced in the same proportion. But is this so? If the American laborer were content with the mere necessities of life, it would be partly true; but he is not satisfied to live on "maize and potatoes," with a little meat once a week; he wants his coffee, and his tea, and his sugar; habit has made them necessary to his comfort and that of his family. Will the price of these be reduced? They are foreign products. Will they be regulated in price by the state of our currency? Not at all. The price of these things will remain the same, while his ability to procure them has been reduced to one-third of what it was before. But there are many other things which will not be reduced in the same proportion as the wages of labor. The cloth, necessary to clothe himself and his family, will not be reduced in as great a proportion as the wages of labor; or the object esteemed so desirable by the Senator from Pennsylvania, (Mr. Buchanan), will be defeated. His object, as avowed, was to increase the profits of the manufacturer, by reducing the wages of the laborer; but if the price of the manufactures be reduced in the same proportion as the wages of the laborer, the profits of the manufacturer are not increased, and he is no better off than he was before the reduction in the price of labor took place.

Thus, sir, you see that there are many things necessary to the comfortable subsistence of the laborer, which will not be reduced in price by the operation of the hard money system. Foreign products, great quantities of which are consumed by the American laborer, will not be reduced at all. The clothing necessary for himself and family, will not undergo a corresponding reduction. The taxes which he must help to pay, directly or indirectly, for the support of the Government, will not be diminished; for those who are so anxious to reduce his wages, and the price of the products of the farmer, will take good care that their salaries shall not be cut down. So, sir, we see it is not true that the laborer will not be injured, by bringing down his wages to the hard money standard of Holland and Germany.

There are many things necessary to his comforts and convenience, as we have seen, which will undergo no reduction, or but a small one; and all these must be purchased out of wages diminished to one-third of their former amount. Is not this a cruel policy which falls with such blighting effect on the helpless poor man?

But, Mr. Chairman, I now proceed to examine the effect to be produced by "severing the connexion between bank and State," as it is expressed by gentlemen. The gentleman from Massachusetts, (Mr. Williams), I mention him because I was present when he pronounced his oration upon the bill—declared that the connexion between bank and State ought to be severed; but, that he was not for destroying the banks. My colleague (Mr. Wagoner) declared himself to the same effect. Now, sir, what is meant by "severing the connexion between bank and State?" How far is the separation to take place? Banks, whether specie paying or otherwise, are no longer to be used as the fiscal agents of the Government; and after a certain period, fixed in the bill, (the 30th of June, 1843,) all "duties, taxes, sales of public lands, debts and sums of money, accruing or becoming payable to the United States, and all sums due for postages," shall be collected in gold and silver. The banks, however, are not to be destroyed, and will still exist. But the Government, in none of its departments, for any purpose, will receive a dollar of their paper. Duties, taxes, postages, every thing is to be paid in gold or silver. Who will use the paper of the banks?

The Government will not take a dollar of it. The bill declares that it shall not, after the period to which I have referred. Who,

then, I repeat, will use the paper of the banks? Why the people. Is not this establishing two currencies—one for the Government, and another for the people? Certainly it is. The Government and the officeholder will have, (as they have now,) gold and silver. The people must take, as they take now, depreciated bank paper. But it will be depreciated to a far greater extent than it is now, because the specie basis will be reduced, by locking up the gold and silver of the country in the vaults of the receivers. In this way, at least ten millions of dollars will be subtracted from the specie capital on which the banks carry on their transactions, or from the general circulation of the country. And what would be the condition of the country, if we should hereafter have, as we have once had, a surplus revenue of fifty millions of dollars? This revenue must be collected in specie, and will be locked up in the vaults of the receivers; add to this, the ten millions which is necessary to be kept on hand to defray the current expenses of the Government, and there will not be left a specie dollar to circulate in the country; and besides this, you read bank paper entirely, utterly worthless. But I will be told, that in future there is not likely to be an accumulation of surplus revenue; and certainly this seems probable, when the Government is every day going into debt. But if our finances were managed with the same economy that they have been by other administrations, an accumulation of revenue would take place, which would produce the consequences I have pointed out. Thus has the policy of this administration placed the people, in the strange position, where they must regard wild extravagance as a smaller evil than a prudent economy!

But, sir, I will proceed to show that the effect of this bill must be, either to establish an exclusive metallic currency, or create two currencies—one for the Government and another for the people. The bill provides, that after the 30th of June, 1843, the Government shall not receive, for any purpose, as well as the Government, receive nothing but gold and silver, then we have an exclusive metallic currency, and of course, along with it, "the blessings and benefits" which will flow from diminished prices! But the banks continue to exist, they must exist for the people. The Government will have nothing to do with them—they will not receive a dollar of their paper. If their paper continues to circulate, it must circulate amongst the people. Is not this to establish two currencies, the better for the Government, and the baser for the people? Gentlemen can take which horn of the dilemma they please. They can either take their stand along with the hard money admirers of Germany and Holland, where wages are six pence a day, or along with those who are for paying all the dues of Government in gold and silver, while the people are to be left to use depreciated bank paper.

But, Mr. Chairman, there is another portion, and a very large portion of the community, upon whom this measure will operate with most disastrous force—I mean the indebted portion of the community. With every other civilized, enlightened nation, it has been the policy in latter times, to meliorate as far as possible the condition of the unfortunate debtor class. The legislation of the civilized world is tending in that direction, producing the enactment of bankrupt laws—laws for the relief of insolvent debtors; and imprisonment for debt, that relic of barbarism, has been abolished in several of the States of the Union. But what do we propose? We are not only behind the age, but we are going backwards. We do not only refuse to legislate for the benefit of the poor man, and the indebted man, as a wise and humane policy would dictate, but we legislate to destroy them; sir, to destroy them. I have already shown that the effect of this measure will be to reduce the price of property, and all the products of the country; in the same proportion that it will reduce the circulating medium of the country. That is, if it should reduce the circulating medium to one-third of what it is at present, property and produce and labor will be worth in money just one-third of what they are worth now. Indeed, the advocates of the bill admit this; and it was one of their arguments, that the reduction in the wages of labor, would not injure the laborer, because the property of the country, its products, every thing necessary for his subsistence, would be brought down in the same proportion.

Have you considered, sir, the vast amount of indebtedness existing in this country—the amount of debt owed by its citizens to foreign nations and to one another? Have you reflected how much this measure will curtail their means of payment, by reducing the value of property and the profits of industry? Look at the condition of the man who has purchased a farm for \$8,000, on which he has paid one-half, relying on his industry and a liberal price for his produce, to enable him to pay the balance. In the mean time this measure becomes a law; his farm—all his property and produce are brought down to one-third of what they were worth when he purchased; and the means upon which he relied for payment of the balance, are so greatly reduced, that it is with difficulty he can provide subsistence for his family, without paying his debts. To pay his debts, his farm must be sold; but under the operation of this hard money system, it will sell but for \$2,000, or one-third of what he paid for it in better times. This will not pay the debt; and his industry will no longer avail him to pay it; for industry as well as property will be blighted by this measure. Thus, after his farm is gone,

and all his former earnings with it, a debt will be left hanging over his head, to paralyze his efforts and create despondency. Let gentlemen consider how many thousands of their fellow citizens are in this condition—how many farmers have purchased farms which are unpaid for—how many mechanics and laboring men of all descriptions, have purchased homes for their families, relying upon their industry to pay for them, for which they are still in debt—how many are in debt for the means upon which they started in business, which will be rendered unproductive by the operation of this measure. We can only approximate the truth on this subject, but from the best information I can obtain, I am satisfied that at least four-fifths of the voters of the United States are in debt at this time. And can you doubt, sir, are you so far blinded by party feelings as to doubt, that this measure will be injurious to all who are in debt? Will it not reduce the value of the property out of which these debts are to be paid? Will it not diminish the profits of industry and the rewards of labor of those who have nothing else to rely on to pay what they owe? For whom, then, do you legislate? For the many or the few? I had thought, sir, that Government was established for the benefit of the governed, and to promote the greatest good of the greatest number; and that this was eminently the design of a Republican Government. But, I repeat the question, for whom do you legislate? For whose benefit is this measure of Government, which has been pressed with such pertinacity upon the people, intended? Not for the benefit of the many; for four-fifths of the people will be injured, greatly, permanently injured by it—not only those who are in debt, but the laboring man, who is out of debt, whose comforts will be reduced, by reducing the wages of his labor, the means by which he provided these comforts. It is upon this class, the laboring class, upon whom the effects of this measure will fall with greatest force, and upon whom the greatest and most permanent injury will be inflicted. It will reduce the American laborer, to the condition of the laboring classes of Europe. He will not only be deprived of the comforts and conveniences which he has enjoyed, but he will be fettered down to the condition of his birth never to rise from it. Heretofore, by his labor, he could not only procure the comforts and conveniences of life, but he could educate his children, and fit them for those stations of honor and usefulness, which are open, in this country, to the generous ambition of the son of the poor man, as well as of the rich. But hereafter, industry will be unavailing to this end; it will enable him to earn but a bare subsistence for himself and his family; while his children will be deprived of the blessings of knowledge.

But, Mr. Chairman, it is not one class of our population alone which is to be injured by this measure. It is not so partial as that. It will affect the whole. The progress of the country in improvement will be checked—it will no longer advance to greatness and wealth and power, with a rapidity which caused the world to look on and marvel. Henceforth we are to go forward at the slow and laggard pace of other nations, whom it has required centuries to perform what to us has been but the work of a generation. But the decree has gone forth; credit must perish, and with it industry and enterprise and commerce; and prosperity already paralyzed will be utterly destroyed. Such, sir, is to be the effect of this measure. But doubtless these great evils will be counterbalanced by still greater benefits. Let us inquire what these are to be.

This bill is intended "to provide for the collection, safe-keeping, transfer, and disbursement, of the public revenue." It has, therefore, three objects: the collection; the safe keeping; and the transfer and disbursement, of this revenue. Under the provisions of this bill, the collection of the public revenue will be effected in the same manner as heretofore. So far, therefore, nothing will be gained, nor any thing lost.

But the manner of keeping, or safe-keeping, the revenue, is to be entirely changed. It was formerly kept in banks, and if it happened to be stolen, the banks and not the Government had to bear the loss. Under the provisions of this bill, it is to be kept in "safes and vaults" in the Treasury building in this city, and in the custom houses at the different points; by receivers to be appointed by the President; and if it be stolen out of the vaults by strange thieves, or by the receivers themselves, the loss falls upon the Government. But I will read you a short paragraph from the Globe of 1834, which contains my views upon this subject, both as to the safety of the public funds, and the increase of Executive power:

"It is as palpable as the sun that the effect of the [Sub-Treasury] scheme would be to bring the public treasury much nearer the actual custody and control of the President than it is now, and expose it to be plundered by a hundred hands, where one cannot now reach it."

Again: "Had such a suggestion come from General Jackson, it would have been rung through the Old Dominion as conclusive proof of all the aspirations which may have been charged to the hero of New Orleans. See here, they would say; he wishes to put the public money directly into the palms of his friends and partisans, instead of keeping it on deposit in banks, whence it cannot be drawn for other than public purposes, without certain detection. In such a case, we should feel that the people had just cause for alarm, and ought to give their most watchful attention to such an effort to enlarge Executive power, and put in its hands the means of corruption."

But in addition to this, which I consider strong evidence, I have some furnished by the record. In the report of Mr. Woodbury of the 9th December, 1839, it appears that the following sums were lost by the Government, through the agency of individuals, in col-

lecting, keeping, and disbursing the public revenue, from 1789 up to 1837.

Losses by collectors of the customs	\$1,193,919 91
" " of internal revenue	442,256 76
" " of proceeds of sales of public lands	397,304 14
" " disbursing officers in civil department	893,023 89
" " Military and Naval Departments	4,058,549 97
Included loss by S. Swartwout	1,225,000 00
" " W. Price, (supposed)	50,000 00

Total loss by the sub-Treasury system, or individual agents	\$8,270,123 37
Loss by the use of banks as depositories of the public money	\$1,157,890 85
Since paid of the last mentioned sum	300,000 00
Total loss by banks	857,890 85
	\$7,412,232 52

From this it appears that the Government has lost \$7,412,232 52 more by individuals than banks. It does not appear, therefore, that this bill will promote the safe keeping of the revenue. I shall now inquire into the cheapness of this kind of agency in the transfer and disbursement of the public funds.

By the act of its incorporation, the bank of the United States was made the depository of the public funds, and was required to transfer and disburse them to the public creditor, without charge, at whatever point the Government should designate. During all the time of the existence of this institution, the public funds were kept safely; not a dollar was lost; nor was the Government at one cent of expense in paying its creditors. Does this continue to be the case? Below is a bill for the expense of transporting about \$27,000 from St. Louis to Wisconsin, and disbursing the same.

United States to J. D. Sellers, for transporting specie	\$368 00
Do. " "	158 00
Do. " "	227 50
Do. " "	114 00
Do. " "	125 08
Do. " "	8 00
Wm. B. Slaughter, for his services and expenses for transporting \$7,000 in specie	200 00
Wm. B. Slaughter, for transporting money from Milwaukee	510 00
Wm. B. Slaughter, for going to St. Louis, negotiating, receiving and transporting \$20,000, and disbursing the same	800 00
	\$2,610 79

Twenty-five hundred and ten dollars and seventy-five cents for transporting about \$27,000 from St. Louis to Wisconsin and disbursing the same. This bill is now before the auditor for settlement. One of the arguments urged against this measure is, that it will reduce wages. The friends of the Administration may answer this argument by its liberality to its disbursing agents.

Mr. Chairman, I stated in the beginning of my remarks, that while the Bank of the United States was the depository of the public funds, and had the disbursement of them, the character of the Government for punctuality in all its transactions, was maintained with the most scrupulous care. This is not now the case. There is not only a want of punctuality, but the public creditor is often put to the greatest inconvenience. Not long since, a draft was drawn in favor of Rufus Freeman, a pensioner of Wayne county, Ohio, by the Treasurer of the United States, for \$10, on Judge Henderson, the receiver at Cincinnati. This draft was presented, by Mr. Hill, the agent of the pensioner, to the receiver, who refused to pay it, on the ground that he had no funds of the Government in his possession. The draft was then returned to Washington, altered by the Treasurer, and made payable at the Louisville Savings Institution, and sent back to the pensioner. Thus, after three months spent since the pensioner began to collect this pittance—after having been first sent 100 miles to Cincinnati, where his draft was dishonored, he is now furnished with another on Louisville, 150 miles west of Cincinnati, in another State, where he must go or send for his money, or be shamed by some broker. Under the old system of keeping and disbursing the public money, there was no dishonoring of drafts; no disgraceful failures on the part of the Government to meet its engagements; no oppression of the public creditor; by delaying payment when his money was due, or by sending him to remote places to receive it. Let the case of the old pensioner speak for the convenience and punctuality which distinguish the Government at present, in the payment of its creditors through the agency of sub-treasurers. As it turns out that there is neither safety, cheapness, nor convenience in the contemplated mode of keeping and disbursing the public money, we must look for other reasons for passing this bill.—Where shall we find them?

One of the prominent arguments, and one long dwelt upon by the supporters of this bill, is that it has received the sanction of public opinion; and that, therefore, we are bound to pass it. The evidence upon which gentlemen rely to prove that public opinion is in favor of this measure, is the result of last year's elections, and the Administration majority in this House. They should not rely upon the latter circumstance as evidence of public opinion; for it is more than probable that if the Representatives elected by the people of New Jersey were in the seats occupied by those gentlemen elected by this House, the majority on this question, would be the other way. And the evidence furnished by last year's election is no better; the sub-Treasury had been so often rejected by Congress that it was looked upon by the people as a settled question—one which had been abandoned; and, indeed, it was brought prominently forward into the canvass. It was hinted at, to be sure, but it was not made the turning point of the controversy. If it had been, the result would probably have been the same as it was in 1837—the overthrow of the party.

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Losses by collectors of the customs	\$1,193,919 91
" " of internal revenue	442,256 76
" " of proceeds of sales of public lands	397,304 14
" " disbursing officers in civil department	893,023 89
" " Military and Naval Departments	4,058,549 97
Included loss by S. Swartwout	1,225,000 00
" " W. Price, (supposed)	50,000 00

Total loss by the sub-Treasury system, or individual agents	\$8,270,123 37
Loss by the use of banks as depositories of the public money	\$1,157,890 85
Since paid of the last mentioned sum	300,000 00
Total loss by banks	857,890 85
	\$7,412,232 52

From this it appears that the Government has lost \$7,412,232 52 more by individuals than banks. It does not appear, therefore, that this bill will promote the safe keeping of the revenue. I shall now inquire into the cheapness of this kind of agency in the transfer and disbursement of the public funds.

By the act of its incorporation, the bank of the United States was made the depository of the public funds, and was required to transfer and disburse them to the public creditor, without charge, at whatever point the Government should designate. During all the time of the existence of this institution, the public funds were kept safely; not a dollar was lost; nor was the Government at one cent of expense in paying its creditors. Does this continue to be the case? Below is a bill for the expense of transporting about \$27,000 from St. Louis to Wisconsin, and disbursing the same.

United States to J. D. Sellers, for transporting specie	\$368 00
Do. " "	158 00
Do. " "	227 50
Do. " "	114 00
Do. " "	125 08
Do. " "	8 00
Wm. B. Slaughter, for his services and expenses for transporting \$7,000 in specie	200 00
Wm. B. Slaughter, for transporting money from Milwaukee	510 00
Wm. B. Slaughter, for going to St. Louis, negotiating, receiving and transporting \$20,000, and disbursing the same	800 00
	\$2,610 79

Twenty-five hundred and ten dollars and seventy-five cents for transporting about \$27,000 from St. Louis to Wisconsin and disbursing the same. This bill is now before the auditor for settlement. One of the arguments urged against this measure is, that it will reduce wages. The friends of the Administration may answer this argument by its liberality to its disbursing agents.

Mr. Chairman, I stated in the beginning of my remarks, that while the Bank of the United States was the depository of the public funds, and had the disbursement of them, the character of the Government for punctuality in all its transactions, was maintained with the most scrupulous care. This is not now the case. There is not only a want of punctuality, but the public creditor is often put to the greatest inconvenience. Not long since, a draft was drawn in favor of Rufus Freeman, a pensioner of Wayne county, Ohio, by the Treasurer of the United States, for \$10, on Judge Henderson, the receiver at Cincinnati. This draft was presented, by Mr. Hill, the agent of the pensioner, to the receiver, who refused to pay it, on the ground that he had no funds of the Government in his possession. The draft was then returned to Washington, altered by the Treasurer, and made payable at the Louisville Savings Institution, and sent back to the pensioner. Thus, after three months spent since the pensioner began to collect this pittance—after having been first sent 100 miles to Cincinnati, where his draft was dishonored, he is now furnished with another on Louisville, 150 miles west of Cincinnati, in another State, where he must go or send for his money, or be shamed by some broker. Under the old system of keeping and disbursing the public money, there was no dishonoring of drafts; no disgraceful failures on the part of the Government to meet its engagements; no oppression of the public creditor; by delaying payment when his money was due, or by sending him to remote places to receive it. Let the case of the old pensioner speak for the convenience and punctuality which distinguish the Government at present, in the payment of its creditors through the agency of sub-treasurers. As it turns out that there is neither safety, cheapness, nor convenience in the contemplated mode of keeping and disbursing the public money, we must look for other reasons for passing this bill.—Where shall we find them?

One of the prominent arguments, and one long dwelt upon by the supporters of this bill, is that it has received the sanction of public opinion; and that, therefore, we are bound to pass it. The evidence upon which gentlemen rely to prove that public opinion is in favor of this measure, is the result of last year's elections, and the Administration majority in this House. They should not rely upon the latter circumstance as evidence of public opinion; for it is more than probable that if the Representatives elected by the people of New Jersey were in the seats occupied by those gentlemen elected by this House, the majority on this question, would be the other way. And the evidence furnished by last year's election is no better; the sub-Treasury had been so often rejected by Congress that it was looked upon by the people as a settled question—one which had been abandoned; and, indeed, it was brought prominently forward into the canvass. It was hinted at, to be sure, but it was not made the turning point of the controversy. If it had been, the result would probably have been the same as it was in 1837—the overthrow of the party.