

**REMARKS OF MR. ROOT,
OF NEW YORK.**

The following resolution offered by Mr. CLAYTON being under consideration:

Resolved, That a select Committee be appointed to examine into the affairs of the Bank of the United States, with power to send for persons and papers, and to report the result of their inquiries to this House.

Mr. ROOF said it was not his purpose to take a general view of the vast subject before the House, nor should he undertake to reply to the voluminous and protracted statements and arguments of the gentleman from Georgia, nor to go into an examination of the numerous questions brought to the consideration of the House by the memorials and petitions from various parts of the Union, as well as by the observations of gentlemen who have engaged in this discussion — He intended to confine himself exclusively to the resolution under consideration. But if he should happen, in the judgment of some gentlemen, to appear somewhat erratic, he hoped it would not be ascribed to any intention of departing from the rule of order, but rather to the extent and fruitfulness of the subject. He could not submit to the concessions even of the gentleman at the head of the Committee of Finance, and certainly not to the claim of his honorable colleague, [Mr. Cambreleng,] to have an investigating Committee composed exclusively of members opposed to the Bank. Parliamentary history had been referred to, and with much force, to show that in all cases of scrutiny, the Committee should consist of members opposed to the thing scrutinized and anxious to expose its faults. But in his judgment, this was an exception, and perhaps the only one to be found

in the whole course of legislation in which it would be proper to confide an enquiry into its affairs, to a Committee, of which the majority should consist of the friends of the institution. He knew that parliamentary usage, in almost every other case, would require an opposite course. But, in this case, a majority of the Committee ought undoubtedly to consist of the friends of a national bank. He said he was not particularly friendly nor inimical, to the existing Bank of the United States; but it was to a National Bank, that he desired the investigating Committee to be friendly. But first, it would be proper to enquire who were to be considered its friends? Gentlemen might be decidedly in favor of a Bank of the United States, though perhaps not in favor of the existing institution. He considered those entitled to be denominated its friends, who held the opinion that a National Bank is necessary and proper to carry into execution certain powers delegated to Congress in the Constitution. Those who believed a Bank a necessary instrument, in the hands of the Treasury Department, for the collection, preservation, transmission, and disbursement of the national revenue, were entitled to be considered friends of a National Bank—those who believed it to be necessary, in order to the production of a uniform national currency, in which the collection of all duties, imposts and excises, shall be uniform throughout the United States, according to the require-

ment of the Constitution—those who believed, that without such an institution, a sound and uniform national currency could not exist, and that an equality in the payment of taxes could not be effected, were the friends of a Bank.

Who were the enemies of the Bank? Those who held that there existed no power in the constitution authorizing Congress to create such an institution as a national Bank. All who believed that the operations of government could as well be carried on through the instrumentality of State or local Banks.—All who thought that the local Banks in the different States might advantageously be used as depositories of the national revenues. Those who believed that these local Banks can be employed as proper agents for the collection of custom house bonds, for transmitting the national funds from one part of the United States to another or to foreign countries, as the wants of the government might require, or for the payment of government dues, either as pensions, or otherwise—and, who held that there was no need of a national institution for all or for any of these purposes; these, indeed, might be very properly denominated enemies to the Bank.—

supposing the House to contain a majority (as he hoped and believed it did, a large majority) of the friends of a national Bank; what would be the first and proper subject of enquiry? The government was now in partnership with the Bank as at present established. He hoped the government would be yet more largely concerned as partners,—much more so than it had been for the sixteen years past. According to his proposition, which some days ago was ordered to be printed, and which he intended to move as an amendment, when the bill shall be taken up for consideration, the government would advantageously hold twenty-two fiftieths of its stock, and appoint eleven twenty-fifths in its direction. The only subject of inquiry would seem to me, whether government should continue its present partners, or seek new ones. If, indeed, as some gentlemen seem to suppose, a national bank only operated to create a monopoly for the stockholders, and that it was calculated to bear down the liberties of the country by the weight of its power, then it would be proper to raise a committee, containing a majority of its enemies, that they might search out its hidden pollutions, and expose its deformities to public view and to public execration. But considering a National Bank as an instrument of the government, created for government purposes, then it would be proper that its concerns should be looked into by those who believed that such an instrument was useful, necessary, and proper, and ought, in some shape, to be continued, and by those who can carefully examine into the fitness of the partners to be associated.

As he contemplated the subject, the government employs the Bank to transact various kinds of business and to perform certain duties and offices, which would otherwise be done by agents and officers with salaries or fees, or a percentage by way of commissions. Instead of this host of officers and agents, the government associated with itself a company of individuals with a definite capital which they were allowed so to manage as to make a reasonable profit to themselves, while, at the same time, they performed as officers of the government, certain prescribed duties in the collection, preservation, transmission and disbursement of its funds. The Bank, in these respects, was an agent, an officer of government.

He insisted that it was the duty of government to obtain the discharge of these services on as low terms as was practicable. In paying its officers of every kind, government never ought to give a greater salary or higher fees than would be sufficient to induce persons competent to the duties to engage in its service. Upon this principle he would not give the stockholders in the Bank a greater share of the probable profits than what would be sufficient to induce prudent capitalists to embark in the enterprize. By a company thus associated with the Government, the revenues could be transmitted and disbursed at a much cheaper rate than by the employment of wagoners, paymasters and other agents, and by the loan officers, as formerly, in the different States, with the retinue of clerks, messengers and waiters, with all their contingencies. By the present mode, through the instrumentality of the Bank, the expense to agents and brokers, and sometimes a high premium on exchange, is saved to the Government. Considering a Bank thus circumstanced as a friend in partnership with the Government—as an instrument appointed by it for useful and important functions, that Government ought to inquire, in a friendly spirit, whom it would like to have as partners. It should enquire to ascertain whether the present partners ought to be continued, or whether they deserved to be laid aside and others taken in their place. Now he would ask whether it is not better to have a

he would ask whether in private life, if the enquiry whether certain persons were, or were not, to be continued as partners, would such an enquiry be confided to persons who were confessedly hostile to all partnership whatever? or ought it not, in reason, to be entrusted with those who believed that a partnership was advantageous, who have a friendly feeling towards the parties, and who desired that, if worthy and competent they might be continued?

The Bank of the United States had been treated on that floor as if it were an alien—as if it were an institution hostile to the Government—and as if the friends of Government, as of course, must be hostile to the Bank. How happened this? Why must the Bank be thought hostile to the Government? Why was it treated as such a fearful monster?—as a monopoly that was bearing down the liberties of the country? It was impossible that a National Bank, constituted as it would be, in the event of his amendment's being adopted, should be opposed to the Government. The creature and instrument of the Government, opposed to the Government! It could not

be. The Government had control over all its concerns. It was a mere instrument in the hands of the Treasury. It never could continue in existence, if opposed to the Treasury, and to the Legislature. The proposed enquiry being as to the fitness of the existing partners for the management of the concerns of a National Bank, it follows, that the Committee should not be composed of individuals opposed to any institution of the kind. A majority of the Committee should believe that a National Bank is necessary and proper, for carrying into execution certain powers contained in the Constitution. He would state a proposition on this subject, which might be regarded as paradoxical, but was, nevertheless, true. It is this: that the constitutionality of the Bank depends upon its expediency, and its expediency upon its constitutionality. If it is constitutional, it is expedient; and if it is expedient, it is constitutional. The one depends upon, and is the necessary consequence of the other. For if a Bank is necessary and proper to carry into execution other delegated powers it is expedient that one be created. If it is expedient to have a Bank, it is because it is necessary and proper to carry into execution other delegated powers, and is therefore constitutional. If it is not expedient, it is because we do not need it,—because we can do well enough without it. Then we have no right to create it. It is unconstitutional. If then it is constitutional and expedient it is the bounden duty of Congress either to re-charter the present Bank or to create a new one. Which of the two,

should depend upon the terms and conditions of the grant and the advantages conceded to the United States. With equal, or pretty nearly equal advantages reserved to the United States the present Bank if approved, on examination, should have the preference. What, the present Bank! when it has been treated before this House like a felon! It has been accused, nay, indicted for seven felonies and fifteen misdemeanors. Whether it was "*felony without benefit of clergy*" he had not been advised. He had seen, years ago, in the newspapers that the Legislature of Georgia had declared a certain offence to be "*felony without benefit of clergy.*" By whom is the Bank to be tried on this indictment? His colleague [Mr. Cambreleng] was for a packed jury. Such a trial would but illy comport with the benignity of the common law. That provided for a trial in cases of indictment, by the neighbors and friends,—of the vicinage;—not by a jury of aliens. He was willing the Bank should be so tried on this indictment. Several of the crimes whereof it stands charged had occurred prior to the year 1819. At that period there was a full inquiry. The institution was then arraigned at the dread bar of the House of Representatives of the nation, and there fully acquitted. Its offences appeared to have been imposed upon it by the force of circumstances and it received a

full pardon. The House of Representatives issued the proclamation by the unanimous vote of all in that body who were of opinion that a national Bank could exist under the constitution. Those who voted against it then, voted against it as some will now, not for its offences but because it was a Bank. That was its crime,—the unpardonable sin of being a *Bank*.

Gentlemen have gone largely and extensively into the question of re-chartering this Bank, and have told us that it would be useless to pass any bill for that purpose, as the President's *veto* would undoubtedly be interposed. Sir, is this an objection to an enquiry into the transactions of the Bank by the friends of a bank? Let us discharge our duty, and let the President perform his. Let each act in its appropriate sphere; unawed and uninfluenced by the other. He had heard members of this House admonished by the Chair that it was disorderly to refer to the proceedings of the other branch of the legislature. It was certainly as improper to allude to what the President might or might not do. The two Houses of Congress should endeavor to do what may appear to them to be right, and rely upon the wisdom of the President for the exercise of his high

wisdom of the President for the exercise of his high constitutional powers. On a great occasion the President had interposed his *veto*. That independent and patriotic act was hailed with loud acclaim from one end of the Union to the other. By that act the name of Andrew Jackson was interwoven in the kindest affections of the people of New York, and nought but a mighty revulsion can rend the web. But does it follow, that he would exercise the like power on every occasion; or, if exercised in this case, that it would excite a burst of applause alike universal? From what has recently taken place in the State of New York, gentlemen might be led to suppose that a *veto* interposed in the case now before us, would meet with an approbation there as deep and as universal as that upon the Maysville Road Bill. But in this gentlemen would find themselves in a great mistake.

The Legislature of New York had instructed her Representatives—no, had instructed her Senators, and requested her representatives, to oppose the renewal of the charter of the Bank of the United States. It was, perhaps, a fair presumption that this vote expressed the views of the people of that State. Gentlemen who belong to distant quarters of the Union, who did not know the management and machinery which was brought to bear upon that question—who were ignorant of that stupendous power in a combination of banks connected together under a specious but delusive pretext of a *safety-fund*, all moved by the same impulse, and directed to the same object, by a great central power, might infer that the people of that State desired the destruction of the United States Bank. The Stockholders, the directors of these banks, thus connected, have a deep interest in its prostration. All the banks in this connection are authorized by the law creating the *safety-fund*, and, as inducement for them to come into the scheme, are authorized to take 7 per cent. on all discounts for more than sixty days. Taken at ninety days, which is the usual practice, it amounts to about $7\frac{1}{2}$ per cent. per annum. Most of the country banks, under this law, transact their business with what may be considered a sort of a mother bank—the Mechanics and Farmers Bank.

... may be considered a sort of a mother bank—the Mechanics and Farmers Bank at Albany. If the Bank of the United States is destroyed, what are the consequences? The immense revenue collected in New York, amounting to about three quarters of that of the whole nation, must be paid into the State banks. They would be relieved from the operation of the branches of the United States Bank at New York, Utica and Buffalo. Under their regulations only 6 per cent. interest can be taken. The State banks are admonished to do the same, or the branch banks would get all the good paper, and the State banks only the doubtful. It would be highly important to their interests to get these branch banks out of the way. Then usury shops would multiply throughout the State under the safety fund, directed by Commissioners appointed by the Banks themselves to mouse out their faults. In the absence of the Bank of the United States, these institutions must be the depositories and disbursers of the public revenue. For these objects they must become in effect National Banks. To all practical purposes, they are necessarily made so by the Government. These are then National Banks—incorporated by the State authorities—governed by managers beyond the control of the Treasury Department and of Congress—institutions not subject to the law—neither indeed can be.—These institutions, Government will be obliged to

These institutions, Government will be under the necessity of employing in its financial concerns. The consequence will be, in New York—without the mighty engine proposed by a Mr. Tilden—the combination of Banks under the control of the Commissioners of the Safety Fund, would be placed beyond the reach of examination of the proper department of the Government. They will manage your money as they may think expedient. The city of New York would become the money market of the nation—it will not be as in bye gone days, when Boston was the focus of capital—no, the sceptre has departed from Judah!—It was an ill gotten sceptre—established at the time of "Free trade and teamster's rights"—when the goods imported into the neutral port of Boston were transported by land to every section of the country—when the difference of exchange between Boston and this place was more than 20 per cent. Sir, the general place of deposit of the revenues of government, must become the head quarters of the money market. The soundness of the currency at any point is calculated by comparison of the exchange with that place. The large commercial places in the neighborhood will maintain a currency nearly equal—how will it be with North Carolina or the far west? In South Carolina the great commercial transactions of Charleston would serve to keep exchange more nearly equal.

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but Cape Fear and Fayetteville would be far in ar-
rear. What is the difference at this time? Not long
since the difference of exchange between New
York and North Carolina was from 2 to 3 per cent.
How much would it be in the absence of a national
Bank? In Georgia this difference is generally some-
thing more and in Louisiana still greater. Are gen-
tlemen belonging to different and distant quarters of
the Union willing to become the fiscal tributaries to

the City of New York? Willing to promote the object which induced the Legislature of that State to instruct her Senators and advise her representatives to vote against the re-charter of the Bank of the United States?

He would say a few words upon the Branch Bank orders which had been considered so flagrant an abuse of the charter of the Bank—They had been termed a wanton violation of law—a great mischief in society. Not less to be dreaded than “war, pestilence and famine.”—How have these orders become such a great national evil? Why they have circulated in the same manner as Bank notes in the southwestern and western section of the United States. It had been said by his colleague, [Mr. Cambreleng,] that these orders were made payable nowhere—that if paid at all it would be after presentation and protest at the mother Bank, and notice duly given to the Branch from which they were issued. But on examination, these orders turn out to be a very simple and a very common affair. They are bills of exchange accepted. Acceptance, under authority previously given to draw. Payable no where? The uniform practice of paying them at all the branches was enough—

besides, we have the official letter of the President of the Bank to the Secretary of the Treasury, and by him communicated to the receivers of public money. Payable no where? When the objection was first raised to this currency, he did apprehend one difficulty that might attend it—he did suppose that, by means of these orders, drawn by the branches, the Bank might incur debts without their amount being disclosed through the regular returns of the mother Bank to the Treasury Department. But it turns out, that there is no mystery in this matter. These orders are all prepared and registered at Philadelphia, where accounts are kept of their issue, in the same manner as of ordinary Bank notes. Why are these orders issued? Sir, because they were demanded by the institution of the Bank. It was required by its charter to furnish a national currency. There was a physical impossibility in doing it, in the manner expected. Application had been made to Congress, to relieve the affairs of the Bank from this impossibility. The Committee of this House, to whom the subject had been referred, for some reason did not provide the means of relief. The Bank was obliged to furnish a currency that would be received in payment for public dues: thus making duties, imposts and excises, equal throughout the U. States.

Why is this result complained of? It is said to be a great injury to the farmers of the West, and the planters of the South and Southwest. Where is the wonderful injury? Is it that the Bank has furnished them with a currency worth 2 per cent. more than the paper currency of the local specie paying Banks? In some of the States, this currency is worth from 4 to 5 per cent. more than the paper of the local Banks. Is this an injury to the planters and farmers? to furnish them with a currency worth par at Philadelphia? Perhaps not bankable at all places; for instance at New York, Boston and Baltimore; but any broker, for a premium of $\frac{1}{4}$ per cent. would make it bankable any where in the Union. This currency instead of being the subject of reprobation, deserved the highest applause from that portion of the Union from which the loudest reproaches had come. It would be ungracious in him to allege that individuals did not understand their own interests. — But, perhaps, it would give no offence to the planters of the South and Southwest, and the farmers of the West, were he gently to hint to them, in the language of the poet,

“O! Fortunatos nimium—sua si bona norint
Agricolae;” ———

In relation to this resolution, he was not disposed to prevent any inquiry into the transactions of the Bank. He thought it ought to go to a Committee, a majority of which were friendly to the institution of some National Bank. The gentleman who filled the Chair of the House with so much credit to himself and satisfaction to the members of this body surely would not feel offended at being relieved from the thankless task of selecting a Committee for the purpose of making this examination. No person could repose more entire confidence in the integrity and impartiality of the presiding officer of the House than himself—but he was persuaded that it would gratify the feelings of the speaker to be relieved from this task. He would therefore propose to strike the words “appointed” from the resolution—and that the words “of seven to be chosen by ballot” be inserted in lieu thereof. There could be no doubt but the honorable gentleman from Georgia would have that station assigned him on a Committee so chosen, to which his distinguished talents and thorough researches so eminently entitle him.