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ANSWERS

OF

EX-GOV. POLK,

TO TWO SERIES OF INTERROGATORIES PROPOUNDED TO HIM AND GOV. JONES, THROUGH THE PRESSES OF MEMPHIS;

TOGETHER WITH A

LETTER,

TO THE PEOPLE OF TENNESSEE,

DISCLOSING HIS VIEWS ON THE SUBJECT OF THE PUBLIC EXPENDITURES, THE PUBLIC DEBT, THE TARIFF, AND BANK OF THE UNITED STATES; WRITTEN IN PURSUANCE OF AN AGREEMENT BETWEEN HIMSELF AND GOV. JONES, ENTERED INTO DURING THE PRESENT CANVASS.

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MEMPHIS:

1843.



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## GOV. POLK'S ANSWERS.

Columbia, May 15, 1843.

To H. VAN PELT, Esq., Editor of the Appeal:

SIR:—At the earliest moment of leisure which I have had, since I received, through the Memphis papers, the two series of interrogatories propounded to me by a portion of my fellow citizens of Shelby county, I have prepared my answers, and herewith transmit them to you, that they may be published through the same papers which conveyed to me the interrogatories.

I am very respectfully,

Your ob'dt serv't,

JAMES K. POLK.

To Messrs. G. W. Smith, R. E. Titus, C. Stewart, and others:

GENTLEMEN: My attention has been called to the interrogatories—addressed by yourselves and others—to Gov. Jones and myself through the columns of the Memphis Appeal—and I respectfully submit to you and through you to the public my response:

Your first interrogatory is as follows:

1st. Are you for or against the first Bank Charter passed at the extra session of the late Congress commonly called *Clay's Bill*—which was vetoed by Mr. Tyler?

I answer that I am “against the first Bank Charter passed at the Extra Session of the late Congress, commonly called *Clay's Bill*, which was vetoed by Mr. Tyler.” In a speech delivered at Pulaski on the 29th of September last, and which was afterwards published in some of the newspapers, I stated the character of the Bank which was proposed to be established by that Bill. I beg leave to refer you to the following extract from that speech, to wit:

“The time was, and but a few years ago, when the avowed bank party in this state was exceedingly small. All the prominent and leading men of the party who were now its advocates, including members of Congress, members of the Legislature, and others, were opposed to a National Bank. They supported with great unanimity Gen-

eral Jackson's Veto of the Bank bill in 1832. They supported Judge White and this same Mr. Tyler for the Presidency and Vice Presidency in 1836, with their known and publicly avowed opinions against an incorporated National Bank of any kind. They had since that time changed their opinions. That, certainly they had a right to do; but it came with an ill grace from them to censure those who had not changed with them—one of the greatest difficulties which the opponents of a bank had had to encounter in this State, had been in meeting the vague generalities in which the Bank advocates had dealt. They all, with perhaps rare exceptions, professed to condemn and oppose the late bank of the United States, or any other bank organized on similar principles. They would say, we are opposed to the old Bank, but we are in favor of a new Bank, with suitable restrictions and modifications. What these modifications and restrictions were they would not specify. They talked of them in general and vague terms, but their plans of a Bank they did not and would not give. Some, to be sure, had in their minds an uncertain and undefined notion of the plan of a bank with which they would be pleased, such as that there should be no private stockholders, and that it should be owned by the General Government and the States. Many honest men had been made to think that a proper sort of bank might be framed that might be useful. He said he regarded it as fortunate in the future discussions of the subject that the party advocating a Bank, in this state at least, had at length been driven from their vague generalities. They have brought in and passed a bank charter at the extra Session of Congress. Mr. Clay was its author—President Tyler vetoed it, and because he had done so, they had denounced him as a traitor, and had burnt and hung him in effigy. If President Tyler had signed that bill they said the whole scheme of Federal measures would have been complete. That bill, then we must presume, contained their plan of a Bank, and to get it they were now prepared to elect Henry Clay President of the United States.”

“Now, what was that bill, and what was the kind of bank which they promised by it to the country if they continued another Presidential term in power? A slight inspection of its provisions would show that it was an old fashioned incorporated Stock Bank, to be owned in part and in fact controlled by private stockholders, retaining all the bad features of the late bank and embracing others that made it even more objectionable than that bank, bad as it was.—Its capital stock was to be thirty millions of Dollars, with power reserved to increase it to 50 millions after the year 1850. One third of the capital stock, or Ten Millions of Dollars, was to be subscribed for

by the United States, and two thirds or Twenty millions of dollars, was to be subscribed for by individuals, companies, corporations, or States. The Ten millions of dollars to be subscribed by the United States, was to be raised by borrowing the money. A public debt of Ten Millions of dollars was by the charter authorised to be created, and for that purpose a public stock of the United States was to be issued, bearing interest at the rate of five per centum per annum, which was not to be paid until after the expiration of fifteen years. This loan must most probably, he might safely say, certainly have been made from foreigners. Thus presenting a nation of seventeen millions of freemen in the humiliating, if not degrading attitude of borrowing money on interest from foreigners to make a bank upon.—The interest on the loan which was to be paid half yearly, was five hundred thousand dollars a year, and would have amounted for the fifteen years (sooner than the expiration of which it could not be redeemed) to seven millions five hundred thousand dollars. The Bank was to be located at Washington City, and was to be governed by nine directors, three of whom were to be appointed by the United States, and six by the private stockholders. All know that six would control three—so that the bank itself would in fact have been under the absolute control of the private stockholders. Indeed this seemed to have been designed by the charter itself—for it was provided that “not less than five directors shall constitute a board for the transaction of business, of whom the President shall always be one, and at least three of the five shall be of the directors elected by the stockholders.” This provision made it absolutely impossible even in a thin board, for the three Government directors in any possible case, to constitute a majority. The principle board were empowered to appoint the directors or managers of the branches. The public monies were directed to be deposited with the bank, and as a considerable amount of it would necessarily be always on hand, it would be used and traded upon as banking capital. The taxes paid by the people for the support of Government would constitute a part of the banking capital, to be loaned out, and upon which the private stockholders would make profit. This was the outline of Mr. Clay’s Bank Bill which President Tyler vetoed. He had searched in vain through its provisions for those restrictions and limitations which were so often and so vaguely spoken of, and which were to prevent it from running into all the corruptions and abuses of the late Bank of the United States. The United States was made by this charter to go into partnership with the private stockholders, to place all the revenues in the concern, and was yet placed in a minority in the directory, and was therefore deprived of all power or control over them. Who would probably have become the private stockholders in such a bank? In the West and South, where there was but little surplus capital, and where money, bore high rates of interest, but little if any would have been taken. Scarcely a share of the stock of the late Bank of the United States was at any time owned in Tennessee. There could be no doubt that much the larger por-

tion of it would have either been taken at first or been ultimately owned by the Federalists of the northern and eastern sections of the Union, who were the largest capitalists of the country. This was the case with the old Bank. And though stock could not be taken directly by foreigners, there was no doubt but that much of it would have been ultimately held by them under cover of secret trusts in the name of others. He could have no doubt that if it had been established it would have soon become an immense political engine of deadly hostility to the purity of elections, and to the liberties of the people, and would have been wielded by a corrupt faction, as was the late Bank of the United States, and for the worst of purposes. The thanks of the country, he had no hesitation in saying, were due to Mr. Tyler for having arrested it as he did by his Veto.

“Was this the kind of Bank which the body of the party in this State wanted. He thought he could answer with certainty that it was not. And yet this was Mr. Clay’s Bank, and to get it, they were now told by leading public men and newspapers, they must vote for him to be President of the United States. He did not deem it necessary, and if he did, time would not allow him to enter upon the general discussion of the Bank question and the currency on that occasion. He would only add that neither a National Bank or any other Bank could prevent commercial revulsions or furnish a remedy against hard times. When we had a National Bank we had witnessed such times, and when we had none we had witnessed them.”

Your second interrogatory is as follows, to wit:

2d. Are you in favor of restoring the principles of the Compromise Tariff Bill of 1833.

I answer, that I am.

Your third interrogatory is as follows: to wit:

3d. Do you approbate the course of the Whig nominees for the Senate of the United States at the last regular Session of the General Assembly, to wit: E. H. Foster and S. Jarnagin, in refusing to declare their opinion upon the subject of the Bankrupt Law, and other subjects, and the right of instruction when called upon by one branch of the elective power?

I answer that I cannot approve the “course of the Whig nominees for the Senate of the United States, at the last regular session of the General Assembly” or of any other aspirant or candidate for public station, in refusing to declare their opinions freely and without reserve, upon all public subjects, upon which they may be interrogated by a portion of the constituent body. The right of instruction by the constituent body to the Representative or public agent, and the duty of the latter to obey in good faith or resign, is one of the cardinal principles, held

by the political party of which I am a member. Destroy this principle, or permit the candidate for office by his silence to evade it, and be thereby at liberty to act as he pleases, after he is elected, is to place the servant above his master. No man in my opinion who denies the right of instruction, or by his silence, refuses to admit it, ought to be intrusted with the care of the public interests.

Your fourth interrogatory is in the following words, to wit:

4th. Do you believe, that under the constitution of the United States, Senators in Congress may be elected by the separate action of the General Assembly?

I answer I do. Some of the States elect in that mode; and the constitutionality of such elections has never been denied or questioned.

Your fifth interrogatory is as follows, to wit:

5th. Did the proposition made by the Democrats in the last Legislature to elect one member of the Senate of the United States of the Whig party, and the other of the Democratic party meet your approbation, or did you approbate the refusal of the Whig members to accept such proposition?

I answer that under the circumstances as they existed, the proposition of compromise, in the election of United States Senators made by the Democratic party in the last Legislature, did meet my approbation. By the popular vote, it was apparent, that the political parties in the State, were very nearly equally divided. By the elections of members of the General Assembly, it appeared that one party had a majority of three in the popular branch, and the other of one in the Senate. There being three times as many Representatives as there are Senators, it follows, that one Senator represented precisely as many people as three Representatives; and that the majorities in the respective Houses, were precisely equal. I was desirous that the State should be represented in the Senate of the United States, and believed at the time the proposition of compromise was made, that it was fair and proper; and that if it had been acceded to it would probably have been satisfactory to the moderate men of both parties. When the proposition of compromise was rejected, my opinion was and is, that the majority of the Senate acted properly, in insisting up-

on a mode of election conceded to be constitutional, by which the rights of their constituents could be preserved, and the election of Senators be prevented who concealed their opinions on public subjects, and refused to avow them when respectfully asked by a portion of the constituent body to do so.

Your 6th. and 7th. Interrogatories are as follows, to wit:

6th. Are you in favor of withdrawing the proceeds of the public lands from the support of the Federal Government, and supplying the deficit occasioned thereby in the National Treasury by an increased Tariff—are you in favor of appropriating the proceeds aforesaid to meet the current expenses of the Government, and reducing to that amount the Tariff?

7th. If you are in favor of distributing the proceeds of the public lands among the States, are you of opinion that such distribution should be confined to the lands within the limits of the cession of Virginia and other States to the United States—or are you in favor of distributing also the proceeds of the lands purchased by the United States from France, including Louisiana, and the lands purchased by the United States from Spain, including the Floridas?

I answer that I am opposed to the policy of “withdrawing the proceeds of the public lands from the support of the Federal Government” and distributing them to the States, but would retain the moneys, derived from the sales of the lands in the Treasury, and apply them to the payment of the necessary expenses of the General Government. I would retain and thus apply the moneys derived from the sale of the lands, whether embraced in the cession from the States, or the lands purchased by the United States, from France and Spain. It has been sometimes assumed (erroneously as I think) that the lands embraced in the cession from the States, were conveyed in trust, and upon that ground it is said the moneys derived from them, may be distributed. I do not regard the acts of cession as containing such a trust; but if they did, the cost of extinguishing Indian title, of Indian wars, rendered necessary to get possession of them; of surveys, of salaries of officers, and other expenses of bringing them into market, it will be found on examination, have cost more than the United States have ever received from the sale of lands,—bringing the lands actually indebted to the Treasury. The lands purchased from *France* and *Spain*, it is not pretended constitute a trust fund, and

it cannot be maintained that upon that ground the proceeds of their sale can be distributed. For my views on this subject I refer you to my published address to "the people of Tennessee," bearing date on the 25th March, 1841. In that address I said:

"The distribution of the proceeds of the sales of the public lands among the states, and the consequent increase of the Tariff to supply an amount of revenue equal to that which may be abstracted from the common treasury, will undoubtedly be among the measures of the new administration. This is not a new question.—It has been repeatedly before Congress. It was brought up by Mr. Clay during the administration of Gen. Jackson, and was deliberately considered and settled at that time. At the session of 1832, 3, a Bill for that purpose passed both Houses of Congress, and was sent to the President for his approbation and signature, on the last day of the session. The President did not approve it, but not having time, before the adjournment to prepare his reasons, withheld it until the opening of the next session in December, following, when he communicated a message containing them, to the Senate of the United States. The President placed his objections to the measure upon Constitutional grounds, as well as upon the grounds of its inexpediency. All the members of both Houses of Congress from this State, who were present at the vote, except one\* of the Representatives, voted against it. *Judge White*, and *Judge Grundy* voted against it in the Senate; (see *Senate Journal*, 2d Session 22 Congress, p 138.) *John Blair*, *William Hall*, *Jacob G. Isaacks*, *James Standifer* and myself voted against it in the House; (see *Journal of the House of Representatives*, 2d Session 22d Congress, p 460.) Three of our Representatives were not present at the vote, but it was well known at the time that they concurred in opinion with a majority of their colleagues, and would have voted against it if they had been present. The veto of the President was every where approved by the Republican party, and by none was it more heartily or generally approved than by the people of Tennessee. The measure had been recently revived, was the subject of protracted discussion in the late Congress, and from the developments before us, will be passed as an administration measure in the next."

"The proposed distribution is in truth, but a branch of Mr. Clay's famed 'American System'—a system embracing as its primary and leading objects, a high protective tariff: a profuse and wasteful expenditure of public money for objects of Internal Improvement, and high prices of public lands; a system which operated so unjustly and oppressively upon the Southern and planting states, as to compel its advocates reluctantly to yield to the 'Compromise Act' of 1833. Mr. Clay is the author of the measure, as he was of the 'American System.' The limits of this address will not allow me to enter upon an extended argument of the question. A few of the principal points of objection are all that can be here stated. If the

\* *Thomas D. Arnold.*

receipts from the sales of the public lands, amounting to several millions annually, shall be abstracted from the Treasury and given to the States, it follows that an equal amount must be raised by an increase of the tariff, or by a tax in some other form, to supply the deficiency; and if raised by an increase of the tariff, it requires no argument to prove that the tax will be paid in unequal proportions by the people of the different sections of the Union—the Southern and planting States bearing much the greater part of the burden. To avoid this objection, and to conceal from the tax paying portion of the Union, the fact, that the ultimate effect, if not the main object of the measure, will be to afford a plausible pretext for an increased protective tariff, it is said that the increased tax may be levied on Wines, Silks, and other luxuries. Still it will be a tax upon labor, and will naturally affect the value of our products given in exchange for them. Must it not strike the advocates of distribution too, that the power of this argument is lost, when they reflect, that if luxuries are not sufficiently taxed, that the better plan would be to leave the moneys arising from lands in the Treasury, to defray the public expenses, as far as they will go, and to lighten the duties on necessary and increase them on luxuries?

"In another view, the proposed distribution is a tariff measure. If it prevail, Massachusetts, Vermont and other States, containing within their borders no portion of the public lands will be immediately vested with a local pecuniary interest in them. The public lands will, in effect be mortgaged to the several States, in proportion to the Federal representation in Congress, and they will have an interest in having them sold at the highest possible rates. They will have an interest in opposing the graduation or reduction of price, and in opposing the grant of pre-emptions at low rates to that hardy an enterprising race of pioneer occupants who have gone with their families to the West, built their 'log cabins,' opened their little farms and settled upon them, because they would apprehend that the amount of their respective dividends in the distribution would be thereby diminished. The manufacturing states would have a peculiar interest in resisting the reduction of price or the grant of pre-emption to settlers at a low rate, because to keep up the price of the lands, and withhold grants of pre-emption would be to check emigration, retain the laboring population at home, and thus reduce the wages of labor, and increase the profits of the capitalists engaged in manufactures. The manufacturing interests would be advanced by another reason. They would receive their federal proportion of the distribution, and would not contribute in the same ratio in the payment of the tax to supply the deficiency. They would in addition to this receive the bounties to their manufactures, which an increased tariff would afford, whilst these bounties would be paid by the South; in every view of the measure, it is an auxiliary to the protective policy. It is presented, it is true, in the seductive, but at the same time deceptive and disguised form, of giving money to the States out of the Federal Treasury, when it is in truth laying new burdens on the people. The manufacturing

States so understand it, and hence the Legislatures of Vermont, Rhode Island, Connecticut, New York, Pennsylvania, Delaware and some other States have during the past and present year, passed legislatives Resolves instructing their Senators and requesting their Representatives in Congress to advocate the measure. The State of Connecticut publicly declares that such is her object by passing resolves, at the same time instructing her Senators and Representatives in Congress to "resist by all constitutional means every attempt to destroy or impair the protective policy," and to use their exertions to procure the passage of such laws as will effectually protect the labor of this country, the manufacturing labor of course is meant. The Legislature of Pennsylvania, in the month of January last, avowed in direct terms that an increase of the tariff was their object. They passed a resolve instructing their Senators and Representatives to advocate and vote for the distribution, and passed a second Resolve in the following words viz :

*"Resolved, That our Senators be further instructed and our Representatives are requested to vote for such remodification or adjustment of the tariff, as may increase the revenue derived from imports equal to the wants of the National Government, so that at no time hereafter, under any pretext whatever, shall any money arising from the sales of the public lands be used by the General Government."*

"All the Resolves referred to were passed by Legislatures, a majority of whose members were the political friends and supporters of the present National Administration. They have all been officially communicated to the Executive of this State, (as I presume they have been to the Executive of all the States,) with a request that the same may be laid before the next General Assembly of Tennessee. The States of Alabama and Mississippi have passed Resolves responsive to the Resolves of Connecticut, in which they maintain the old ground of the South against the "protective policy." That this State will maintain similar ground with her Southern sister States, when the Resolves of Connecticut come to be considered by her Legislature, I cannot doubt; in the face of this evidence before us, none can be so blind as not to see that the measure to distribute the proceeds of the sales of the public lands among the States, is but the pioneer step to the revival of a "protective tariff."

"But there are other reasons which are conclusive against it. If the money derived from the public lands be taken from the Treasury, and abstracted from the use of the Government to be distributed among the States, the States would receive it in sums diminished not only by the cost of distribution, but would be subjected to the additional cost necessarily incident to the collection of an equal sum by a tax in another form. In a more fiscal point of view, therefore, the policy of the measure cannot be justified.—

But there is still a higher and a weightier objection. The public lands are the common property of all the States, and when the money derived from them is collected and placed in the Treasury, it goes into the common fund of the Nation, and is subject, as all other public monies

collected from other sources are, to be applied to defray the necessary expenses of Government.—When in the Treasury, it cannot be distinguished from money collected by duties on imports, and the Government possesses the same power to distribute or give away money derived from the one source, as the other. What would be thought of a proposition to distribute or give to the States, as a mere donation, the money collected by duties on imports, thereby creating the necessity for a new tax, or increased tariff, to supply the deficiency, and yet there is the same constitutional power to do this, that there is to distribute the money derived from the lands. To distribute or give away to the States money in the Treasury derived from other sources, would be in effect to make the Federal Government the tax gatherer for the States, a power not conferred upon that Government by the Constitution; and in this view the measure presents such insuperable objections to my mind that I cannot yield to it my support.

"Should the policy of distribution prevail, another consequence which will follow will be the revival of that splendid and wasteful and corrupting System of Internal Improvements by Federal authority, which was checked and arrested by the Veto on the Maysville Road Bill. Indeed, a system of Federal internal improvements is the hand-maid of a protective tariff, and furnishes the absorbent or sponge which is to suck up the revenues necessarily collected by a high protective tariff, and whether prosecuted in the form of direct appropriations from the Treasury or through the agency of the States, the effect is the same."

Your 8th Interrogatory is as follows, to wit:

"8th. Are you in favor of restoring to Gen. Jackson the fine imposed on him by Judge Hall at New Orleans, immediately after the siege of that city; and if so, are you in favor of doing so without condition or restriction—or would you impose as a condition of such restoration a provision in the act approving the conduct of Judge Hall implying a censure of Gen. Jackson?"

I answer that I am in "favor of restoring to Gen. Jackson the fine imposed on him by Judge Hall immediately after the siege of New Orleans, and I am in favor of restoring it, without condition or restriction. I would not in the act of restoration, approve the conduct of Judge Hall, and thereby imply a censure of General Jackson. I believe that the declaration of martial law by Gen. Jackson was probably the only means of saving New Orleans. I believe that the act which was charged against General Jackson to be a contempt of judicial authority, was one which was necessary and proper for the continual safety of New Orleans. I believe that the conduct of Judge Hall was unpatriotic and vindictive, and the fine which Gen.

Jackson was required to pay under his sentence, ought to be restored to him with interest from the date of its payment.

Your 9th interrogatory is as follows, to wit:

9th. Are you in favor of the bill reported by a Whig committee of the Senate of the United States in the last Congress, proposing to pay the heirs of *Gen. Hull* his salary as Governor of Michigan, from the time he surrendered himself and the American army to the British commander during the last war, until he was exchanged for, tried by a Court Martial of American officers, sentenced by them to be shot, and pardoned by President Madison.

I answer that I am opposed to "the Bill reported by a Whig committee of the Senate of the United States in the last Congress, for the benefit of the Heirs of *Gen. Hull*, not being able to perceive any principle of patriotism or of justice, which would entitle them to the donation which it proposed to make to them. In striking contrast with the proposition made for the benefit of the heirs of *Hull*, is the refusal of the same committee of the Senate, to restore to *Gen. Jackson*, the fine imposed on him at New Orleans, without accompanying it with a provision, acquitting Judge Hall of all improper conduct, thereby implying a censure on the conduct of General Jackson. The difference between the conduct of *General Hull* and *General Jackson* is, that the former commenced the war with disgrace to himself and the latter closed it with honor to himself and his country. The Whig committee of the Senate, proposed to reward the heirs of the former and refused to do justice to the latter by restoring to him his own money, improperly taken from him, by a vindictive judge, without accompanying it with a condition, implying a censure, and thereby inflicting a wound upon his reputation.

Your 10th interrogatory is as follows, to wit:

10th. Are you of opinion that it was constitutional or expedient to pass the act which was passed at the extra session of Congress donating to *Mrs. Harrison*, widow of the late President Harrison, about twenty-three thousand dollars of the public money?

I answer that in my opinion it was not constitutional or expedient, to make the donation which was made by Congress to *Mrs. Harrison*, widow of the late President Harrison. Congress possesses no power to make mere donations, such as I regard this to be.

The precedent if followed will lead to the worst of consequences. Upon the same principle, upon which the grant was made to *Mrs. Harrison*, similar grants may be made to the widows of our ministers abroad, of the members of the cabinet, of members of Congress, of the Judges of our courts, and other civil officers, who may happen to die whilst in the public service. The precedent is a dangerous one, and if followed may lead to the establishment of an immense civil pension list, such as exists in the English monarchy. In the short debate which occurred in the Senate of the United States, whilst the Bill granting this donation to *Mrs. Harrison* was pending before that body, a distinguished Senator declared that, "The aid of precedent is invoked in this case, but in vain. It has no precedent, but will form a dreadful one."

\* \* \* \*

And again he said "At the head of these cases so cited, stands the act for the benefit of *Mrs. Brown*, widow of General Brown, which was passed by Congress, in the year 1828, and gave to her the remainder of her husband's pay for the year in which he died, that is to say about nine months pay."

"I was contemporary with this case—know all about it—acted a part in it—have its history in my mind, as well as in the debates of the day—and can show that it has no analogy to the present case, and was respectably opposed at the time as being without warrant from the Constitution—of evil example—and would be quoted in after times for even worse acts. I voted against it, and so did many others, and among them those who were usually found standing as a body guard around the constitution. The votes against the bill was, Messrs BELL, BENTON, BRANCH, CHANDLER, COBB, DICKINSON, ELLIS, FOOT, KING of Alabama, MACON, NOBLE, PARRIS, TAZWELL, TYLER, WHITE and WILLIAMS. We were sixteen who stood together on that occasion—a number not large,—but graced with some names which have weight with the country. This case of *Mrs. Brown's* is quoted as a precedent for *Mrs. Harrison's* bill, but most unjustly. It is a military, and not a civil case. Her husband died in the army, and the reporter of the bill (*General Harrison*) produced the statements of the Surgeon General of the Army, (*Dr. Lovell*) and of another physician, (*Dr. Henderson*) to prove that General Brown died in consequence of a disease contracted in the public service, and was to be classed with those who were killed in the line of their duty. "It will be seen (said *General Harrison*) that the Surgeon General asserts that if General Brown had lived, and retired from the army, he would have given him a certificate for a full pension under the existing laws of the country."—This was the argument of

General Harrison, and in conformity to it, proposed a preamble to the bill in these words:—*Whereas the late Major General Brown died in consequence of indisposition, contracted in the service of the United States, &c.,* and another member of the Senate, now a Senator (Mr. Berrien) offered an amendment to the body of the bill, declaring the reasons for this grant in these words: *Whose death is supposed to have been caused by disease contracted while in the service of the United States on the Niagara frontier.* This preamble and this amendment were not adopted, for fear they would make precedents; and now the act become a far more dangerous precedent without these clauses than it would have been with them.

“Such was the case of Mrs. Brown—a military case—coming within the equity, as the friends of the measure agreed, of the then existing pension laws. And this case is to be made a precedent for Mrs. Harrison, whose case is a civil one, and incapable of being assimilated in a solitary particular with the one to which it refers for justification. Such is precedent—such the folly—the danger of construing our Constitution by precedent? The first instance is got upon one reason, the next upon another, and so on, until all reasons are lost sight of; the Constitution itself is lost sight of—and the Legislature reigns supreme without a limit upon its power, or a guide to its acts!”

The other precedents usually quoted, bear as little analogy to the case of Mrs. Harrison, as does that of Mrs. Brown.—The grant to *La Fayette* for example was based upon the ground of military services rendered in the War of the Revolution, for which he had never been adequately compensated. The case of Mrs. *Decatur*, and the officers and crew of the vessel commanded by her late husband, the gallant commodore *Decatur*, was not an application for a donation, such as was granted to Mrs. Harrison, but was a claim presented for prizemoney, under the equity of the act of Congress, which grants prize-money to the captors of vessels of war from a foreign enemy. *Decatur* and his officers and crew performed one of the most gallant deeds, of any age, by recapturing the Frigate *Philadelphia* under the wall and guns of Tripoli. By the order of the commander of the squadron before he set out on the expedition, he set fire to the vessel and burned her after she was recaptured, when, but for such orders, he could have brought her safely out. His widow after his death, and the brave officers and seamen, who were with him, claimed that they were equitably entitled to prize-money. This is the cause of Mrs. *Decatur*, sometimes referred to, and there are no points of analogy between it and the cause

of Mrs. Harrison. The one is a claim; the other is a mere naked donation. I cannot refer to the other precedents quoted, without swelling this answer to unreasonable length. I will only add that it is the principle involved in the grant to Mrs. Harrison, to which I object.

Your 11th. Interrogatory is as follows, to wit:

11th. Are you in favor of the tariff act now in force passed by the last Congress?

I answer that I am not in “favor of the tariff act now in force, passed by the last Congress.” It is in my opinion, in many of its provisions, highly protective, and not designed as a revenue measure. For my views as expressed at some length upon the subject, I refer you to a speech delivered by me at Pulaski, on the 29th of September, 1842; and also to one delivered by me at Jackson, on the 3d of April 1843; both of which have been published.

Having now, gentlemen, answered your several interrogatories as I trust, satisfactorily; and having also answered certain other interrogatories, propounded by others of my fellow-citizens of Shelby county—I shall forward both answers, by the next mail to Memphis, to the end that they may be published.

I am, gentlemen,

With high respect,

Your obedient serv't.

JAMES K. POLK.

COLUMBIA, May 15, 1843.

To Messrs. Wyatt Christian, J. T. Leath, and others:

GENTLEMEN:—I have received through the Memphis Enquirer the communication of yourselves and other citizens of Shelby County, addressed to Gov. Jones and myself, propounding to each, certain interrogatories upon public subjects, to which I now proceed to reply.

Your first interrogatory is as follows, viz:

“1st. Are you in favor of a mixed currency of paper money and the precious metals?”

I answer that I am in favor of such currency—and for my views as expressed on the subject, I refer you to my Message to the General Assembly of this State, of the 22d of October 1839. In that message you will find that after earnestly urging the propriety of an early resumption of specie payments by our Banks, I say:

"Banks, and the use of Bank paper and credits, have become from long habit interwoven and intimately connected with all our extensive commercial operations, and if it be conceded that their employment to a reasonable extent, in conducting our trade, has in the existing state of our currency, become conducive to our prosperity, it must also be allowed that no Banks or Bank issues should be tolerated which do not rest on a solid and substantial specie basis, and be required to meet the demands of trade.

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The circulation which they issue should be based upon a solid metallic foundation, such as will ensure an ability at all times to meet their liabilities promptly, and its quantity should be kept as nearly as practicable at the same amount, varying as it necessarily must to a small extent, with the seasons of shipment of our produce to market, and the return of the proceeds; but this variation need not be such as to effect materially, the amount or value of their circulation." \* \* \* \*

To those views I now add, that in my opinion the precious metals should be the basis of whatever paper circulation may be authorised or tolerated by law. Like individual debtors, Banks should meet their liabilities honestly and promptly, and whenever they fail to do so, I hold it to be the duty of the Legislative power to take efficient means to compel them to do their duty.

To your second and third interrogatories, which are in the following words, to wit:

"2d. If so, from what source should paper money emanate; from the State Governments or General Government?"

"3d. If from the General Government, in what mode should the people receive it—through the agency of a Bank, or otherwise?"

I answer that the States, having exercised the power of chartering Banks of issue, from an early period of the Government, and with the general acquiescence of the people—and being in this respect, beyond the power and control of the General Government—all must expect and concede that there must and will continue to be a State Bank paper circulation; whether a National Bank exists or not. There was a State Bank paper circulation during the whole period of the existence of the two Banks of the United States—and if another National Bank were established, there would undoubtedly still continue to be such a circulation. Many of the State Banks have charters which have many years to run, and some of them I believe to be perpetual. The establishment of a National Bank therefore, could not supercede them,

but must, if established, issue a paper which would circulate with State Bank paper. The State Bank circulation would constitute much the largest amount of the aggregate paper circulation, and the experience of the twenty years of the existence of the late Bank of the United States proves, that the paper of State Banks, used as it was by the great mass of the people in their daily transactions, was at much more ruinous rates of depreciation than it now is. The rates of exchange between different sections of the Union were higher, and exchanges more difficult to be obtained than they now are, without a Bank of the United States. I am therefore, in favor of a circulation to consist of the precious metals and the paper of specie paying State Banks, convertible on demand into specie—and should any such Bank suspend payment, or refuse to redeem its circulation in specie, I would adopt the most rigid means within the power of the Legislature to compel such Bank to pay, and in the event of failure, I would put it into a state of liquidation and wind it up. I will add further, that I would not yield my individual assent to the chartering of any future Bank by State authority, without making the Stockholders liable in their individual estates for the payment for the paper which they issue; I would place them upon a footing with other partnerships. Capitalists form partnerships and invest their money in merchandizing, manufacturing or other business, with a view to make profits, and are liable in their individual property for the payment of the debts of the firm; and I can see no good reason why capitalists who join together and invest their money in the business of Banking with a like view to make a profit, should not in like manner be held liable to pay the joint debts of the Banking corporation, or firm. I am opposed to the chartering by Congress of a National incorporated Bank—I believe that Congress possesses no constitutional power to charter such a Bank, and if it did, it would in my opinion, be inexpedient to exercise it.—These opinions I have long held. The reasons for them have been often communicated to the public in writing, in printed speeches, and in public debates before many thousands of my fellow-citizens of Tennessee, and I presume that it cannot be necessary that I should here repeat them.

To your fourth interrogatory, in the following words, viz:

"Are you in favor of the Sub-Treasury System passed by Congress in 1840, and repealed in 1841."

I answer that I am; and for my views as given at some length on the subject, I refer you to my two published addresses to "the people of Tennessee," the one bearing date on the 3d of April, and the other on the 25th of March, 1841. In my address of 1839, I avowed myself to be "in favor of keeping the money of the people in the Treasury of the people under the care of officers elected by the people and responsible to them, where it can at all times be commanded for public purposes, and not in Banks, not elected by the people and not responsible to them, to be loaned out for private purposes."

In speaking of a fiscal agent of Government, I said in that address:

"The Bank of the United States had been tried and proved faithless. The State Banks had been tried and proved faithless. Was it not time to devise a system which should fulfill the requirements of the Constitution, and prevent any money from being "drawn from the Treasury but in consequence of appropriations made by law?" It has been the endeavor of the President and of the Republican party, for almost two years, to introduce such a system.— They propose to establish an Independent Treasury—a Treasury independent of Banks—a Treasury in fact, and not in theory. They propose that the Government shall keep its own money in its own Treasury, where it can, at all times, in peace and in war, be commanded for public uses. To a proposition so simple, and which, in earlier days of the Republic, would have struck every mind as self-evident, many objections have been started, some of them plausible, but none of them substantial."

In my address of 1841, I said:

"Another measure of the party in power is proclaimed to be the removal of the public money from the constitutional Treasury, where it is now kept, and where it has been kept safely under a financial system that has thus far worked well, and which will no doubt continue to work well, if it be preserved. Where it is proposed to place the public money, if the Independent Treasury law shall be repealed, has not been distinctly avowed. It was undoubtedly at one time, intended by many of the leading men of the party, to place it in the United States Bank of Pennsylvania, and thus bolster up that rotten institution by furnishing to it the money of the public to Bank and to speculate upon. That Bank, which it will be remembered Mr. Biddle declared was stronger under the charter from Pennsylvania, than under that from the United

States; and in reference to which Gen. Harrison, in his letter to Sherrod Williams, dated "North Bend, May 1st, 1836," declared "Pennsylvania has wisely taken care to appropriate to herself the benefits of its large capital;" it has, however, recently gone down, and now lies a heap of ruin in a state of utter prostration, if not of insolvency.

The market price of its stock is down below twenty dollars in the hundred. They cannot therefore place the public money in the Bank.— Where else will they put it? Most of the Banks of the United States have suspended specie payments. Will they place it in their keeping, and if they do, will they receive and pay out to the Pensioners, the labourers on the public works, and other public creditors, their depreciated paper? Do they mean that the taxes of the people, paid for the support of Government shall be furnished to these, or any other Banks, to be a part of their banking capital?

If it is not to be so kept and used, where is it to be kept? There is no National Bank, and if one was created, it could not be put into operation in less than twelve or eighteen months so as to receive them. And yet it is manifest that the immediate repeal of the Independent Treasury System, is one of the leading measures of the party in power.

It is not now my purpose to enter upon the argument of the policy of the Independent Treasury System, or of the necessity which led to its adoption. These have been often presented to my fellow-citizens, and if necessary, will be again, in my personal intercourse with them. It has been sometimes urged by my political opponent, that I, at one time, gave my support to the State Bank Deposit System. This was fully explained in my address to the people in 1839. In that address I stated that the late Bank of the United States had been tried and proved to be a faithless fiscal agent. For its long catalogue of crimes and misdemeanors, General Jackson withdrew the public money from its keeping, and dismissed it as a fiscal agent of the Government.— The State Banks were again employed. At that time they were generally in good credit. They paid specie for their notes, and it was believed they would continue to do so, and that as between their employment and that of the Bank of the United States, they were to be preferred. It was believed that they would be faithful, and might be convenient fiscal agents. The Government was willing to try them; upon trial they proved to be unfaithful, and the State Bank System of fiscal agency utterly failed.

It is unnecessary to enquire whether the failure of the State Bank Deposit System in 1837, happened from accident, an inherent defect in the system, from inevitable necessity, by design or by fraud. It is enough that it has once happened to put the Government on its guard against a recurrence for the future. After the Bank of the United States had been dismissed as the fiscal agent of the Government, and the public money had been placed in the State Banks, it was deemed to be proper to pass a law "regulating the deposite of the money of the United

States in certain local banks." A Bill with that object was accordingly introduced at the session of Congress of 1834-'35. It was violently opposed by all the friends of the Bank of the United States, and all those who were in favor of restoring the public money to the keeping of that institution. After a protracted discussion, and after the bill had been matured, and was ready for the final action of the House, a proposition of amendment was made by a gentleman, (Mr. Gordon) who disapproved the removal of the deposits and was avowedly in favor of their restoration to the Bank of the United States—to dispense with the use of all Banks as fiscal agents. The proposition was presented in a crude and undigested form. It provided no vaults or other place in which the public money could be safely kept. It provided no punishment for the fraudulent or improper use of it. It contained none of the guards and checks of the present Independent Treasury law, by which the public money is so amply secured in the Treasury, against peculation and fraud. It was a naked proposition without details, and had it been adopted, would have been wholly impracticable. It was not brought forward in a manner, or under circumstances to attract the serious consideration of any considerable portion of either party in the House, and the highest evidence that it was only intended to embarrass the measure before the House, consists in the fact, that all who voted for it, with a single exception, were the friends of the Bank of the United States, and in favour of restoring the custody of the public money to that institution. The fact that it was intended only to embarrass the measure before the House, and to coerce the restoration of the deposits to the Bank of the United States, has been distinctly admitted by one of the friends of the Bank, who voted for it, (Mr. Wise, of Va.) in a letter addressed to his constituents, on the 24th of March 1840. In that letter he says:—"I am asked whether I voted for what is called Gordon's proposition in 1837, and for my explanation of that vote." And after making some explanation, he adds:—"And I now declare that I would not have voted for either of these propositions if there had been the least prospect of its passage. This I expressly declared to Gen'l. Gordon in relation to his amendment, when he first named it to me."

The struggle at that Session (1835) was between the Bank of the United States on the one hand, and the regulation of the deposits by law in the State Banks on the other. The friends of the Bank of the United States, insisted that the deposits should be restored to that institution. The opponents of the Bank insisted that so utterly faithless as a fiscal agent had that Bank proved itself to be, that they ought not to be restored, and that in the existing state of things, it was proper to pass a law, to regulate their safe-keeping in the State Banks—calculating, doubtless, that if no law was passed, that that system of deposit would soon get into confusion and the Government be compelled to return the public money to the Bank of the United States.

The condition of the State Banks at that time,

and their condition after they suspended specie payments in 1837, was widely different. Whilst they paid specie and faithfully performed their duties as fiscal agents, it was considered that their employment was to be preferred to that of the Bank of the United States. When they ceased to pay specie, and faithfully to discharge their duties to the public, they were dismissed.—Whilst they paid specie the friends of the Bank of the United States objected to their employment, but when they failed to pay specie they became their apologists and advocate. On the other hand, whilst they paid specie the opponents of the Bank of the United States were willing to try them, but when they failed to do so, they were unwilling longer to continue the deposit of the public money with them. The Bank of the United States and the State Banks have both been tried, and proved faithless; the Government learned wisdom from experience, and proposed to establish an Independent Treasury—a Treasury independent of Banks—a constitutional Treasury in fact, and not in theory only.—Such a Treasury has been established, and I see no reason why it should be discontinued, and the Government resort back again to the Bank deposit system, either State or National."

I now only add—that I have seen no reason to change my views as expressed in these addresses. The constitution of the United States contemplates a public Treasury. It provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law."—Such a Treasury is provided by the Independent Treasury Act, called by you "the Sub-Treasury System." It provided that the public money, between the periods of collection and disbursement, should be kept in the vaults of the Treasury at Washington, and in strong boxes provided at the principal points of collection, that it should be under the lock and key of the Government—under the care of officers elected or chosen by the people according to the forms of the constitution of the U. States—that these officers should be placed under bonds with approved security, be under oaths, and be subject to ignominious punishment by long imprisonment in the common jail or penitentiary for a violation of their duty.—The system had worked well and was working well, when the party in power, at their extra session of Congress in 1841 repealed it. It is an error to attribute the defalcation of *Swartwout* and others to this system.—They occurred long before the Independent law was passed. *Swartwout's* defalcation commenced, (though he was not detected until afterwards) during the period when the

Bank of the United States was the fiscal agent depository of the public money. The party in power repealed the Independent Treasury act, but have provided no substitute in its place. They have been in power more than two years, and where yet is the substitute which they have provided? They have left the public money to be kept under the act of 1789—which provides that it “shall be received and kept by the Treasury of the United States.” They have left it to the discretion of their President, Mr. Tyler, to direct the place and manner in which it shall be kept. When the same thing occurred after the removal of the deposits from the late Bank of the United States by Gen. Jackson, and before the act was passed regulating their keeping in the State Banks, the same party charged that there was a union of the purse and the sword in the hands of the President which was dangerous to liberty, and yet, the moment they obtained possession of power, they did the same thing themselves. The charge that there was a union of purse and sword was false. They however, made it, and if they still maintain its truth, they have themselves united them.

But the party in power may say, that they have attempted to furnish a substitute by passing *Mr. Clay's* Bank Bill “To incorporate *subscribers* to the Fiscal Bank of the United States,” vetoed by Mr. Tyler. That Bill proposed to make that Bank the fiscal agent and keeper of the moneys of the U. States. It provides that the “deposits of the money of the United States” should be made in that Bank and that “all public monies on deposit in said Bank, or standing on its books to the credit of the Treasury, shall be taken and deemed to be in the Treasury of the United States.” This Bank then—by *Mr. Clay's* Bill was to be the Treasury of the United States. Mr. Clay's Bill provided that the United States was to subscribe for one third of the Capital Stock and other Stockholders for the remaining two thirds of the stock. It provided that the Bank should be governed by *nine* Directors, *three* of whom were to be appointed by the United States, and *six* of whom by the other Stockholders. The public money was to be placed in its keeping, and when there, was declared to be considered in the Treasury of the United States. The Treasury of the

United States was thus to be placed, out of the power and control of the Government and in the keeping of six out of nine Bank Directors not elected or appointed by the Government or people of the United States, owing no responsibility to either, under no bonds, no oaths, and subject to no punishment for an abuse of their trust. Such was the fiscal agency by Mr. *Clay's* Bank Bill. I fully submit to you, gentlemen, whether such a treasury or plan of fiscal agency, is one which you can approve, or which you prefer to the Independent Treasury System, under which the Government kept control of its own money by placing it in a *Treasury* in fact, and not in theory only, under the care and control of responsible agents, selected by the people according to the constitution and laws.

Your 5th and 6th Interrogatories are in the following words, to wit:

“5th. Are you in favor of a tariff or direct taxes for the support of the General Government?”

“6th. If a tariff, do you approve of such a tariff as would give protection to home industry against foreign industry.”

I answer that I am opposed to a system of direct taxation, and am in favor of a moderate scale of duties, laid by a tariff on imported goods for the purpose of raising the revenue which may be needed for the economical administration of the Government. In fixing the rates of a tariff, my opinion is, that the object in view should be to raise the revenue needed by Government leaving the interests engaged in manufactures, to enjoy the incidental advantage which the levy of such duties will afford them. If by “giving protection to home industry,” you mean to assert the distinct principle, that a tariff is to be laid solely or in any extent not for revenue, but for the protection of capitalists who have made their investments in manufacturing establishments, so as to compel the consumers of their articles, the agriculturists, mechanics, persons employed in commerce and all other pursuits to pay higher prices for them, then I say that I am opposed to such a principle, and to any tariff which recognizes it. “Home industry,” terms so often used by the advocates of the protective tariff system, are comprehensive in their meaning, and by a just legislation should be made to embrace the industry employed in agriculture, in the mechanic arts,

in commerce and all other pursuits, as well as the industry employed in manufactures. I have at all times been opposed to prohibitory or high protective tariff laws, designed not for revenue, but to advance the interests of one portion of the people employed in manufactures, by taxing another and much the larger portion, thus making the many tributary to the increased wealth of the few.

I am opposed to the tariff act of the late Congress, considering it to be in many respects of this character—and, indeed, so highly protective upon some articles as to prohibit their importation into the country, altogether. I am in favor of repealing that act, and restoring the compromise tariff act of March 2d, 1833: believing as I do, that it would produce more revenue than the present law, and that the incidental protection afforded by the 20 per cent duty, especially when this would be paid in cash, and on the home valuation, will afford sufficient protection to the manufacturers, and all that they ought to desire, or to which they are entitled.

Your last interrogatory is in the following words, to wit:

"7th. Are you in favor of the election of U. States Senators by joint ballot of both Houses of the Legislature? If not, by what mode should they be elected?"

I answer, that by the Constitution of the United States it is provided that "The times, places, and manner of holding elections for Senators and Representatives shall be *prescribed in each State by the Legislature thereof*; but that Congress may at any time by law, make or alter such regulations, except as to the places of choosing Senators." The Legislature of this State have never *by law prescribed the times, places or manner* of electing Senators. Our practice has been to elect by joint ballot. In other States a different mode has been adopted, and in some of them the practice has been to choose by the concurrent vote of the two Houses—each House acting in its separate and distinct Legislative character, as it does in passing laws or performing any other Legislative act. Senators elected in each of these modes have been permitted to take their seats and serve as such—no constitutional question as to the "*manner*" of their election, so far as I know, having been raised.—I think then, in the absence of any Legislative provision prescribing the "*manner*," that it rests in the sound discretion of each House

of the Legislature, to select the mode or manner, which in its judgement will best subserve the public interest. The mode by *concurrent vote* of each House is concededly constitutional, and if by insisting upon it as the preferable mode—that be the only means of effecting a great public good, or preventing a great public injury—such as preventing the election of persons to the Senate of the United States who conceal their opinions upon public subjects interesting to the people, and who refused to make them known, or to say whether they admit or deny the right of instruction, when respectfully interrogated upon these points by any portion of the constituent body. In such cases, or similar, I hold that either branch of the Legislature, would only be justified in adhering, but it would be due to the rights of their constituents, whose interests were to be deeply effected, that they should adhere to the *manner*, by which these rights would be protected and preserved. The chief, if not the only value of the right of suffrage consists in the fact, that it may be exercised *understandingly* by the constituent body. It is so, whether the immediate constituency consists of the Legislature, as in the case of the election of the U. States Senators, or of the people in their primary capacity, in the elections of their Executive or Legislative agents. In either case the constituent has the right to know the opinions of the candidate before he casts his vote.

I have now, gentlemen, answered your interrogatories. I have also answered certain other interrogatories propounded through the public papers at Memphis, by a portion of your fellow-citizens of Shelby County—and as the answer to each set of interrogatories, is, in some degree, connected with the answers to the other—some of the interrogatories in both being upon the same subjects—I shall forward both answers by the next mail which leaves for Memphis, that they may be published.

I am gentlemen, with high respect,

Your obed't serv't.

JAMES K. POLK.

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### Gov. Polk's Letter.

*On the Public Expenditures, Public Debt, Tariff, &c.*

TO THE PEOPLE OF TENNESSEE.

The subjects of the public expenditures,

the public debt, the tariff, and Bank of the United States, having been discussed by my competitor and myself in the pending gubernatorial election, and differing as we did in our respective statements of facts upon some of these subjects, it was at my instance that it was agreed at Carrollville, on the 12th of April, 1843, that we would write out and print our respective views and opinions.

I affirm that the present administration have not redeemed the pledges made to the people prior to the Presidential election of 1840, that they would in the event of their success, reduce the public expenditures.—They charged in 1840, that the expenditures of the late administration were recklessly and profligately extravagant, and that they would bring them down. Mr. Clay in his speech delivered at Taylorsville, in the county of Hanover, in the State of Virginia, on the 27th of June, 1840, promised that “a pruning knife, long, broad, and sharp, should be applied to every Department of the Government. There is abundant scope for honest and skilful surgery. The annual expenditure may in reasonable time be brought down from its present amount of about forty millions to near one-third of that sum.” Similar promises—some of them even more extravagant—were made by other leading men, and by leading journals of the same party.

They have been in power more than two years, and I affirm that, instead of reducing, they have largely increased the public expenditures; and this I proceed to establish. I will first examine the expenditures of the year '40, being the last year of Mr. Van Buren's term, and the expenditures of the year 1841 and 1842, being the first two years of the term of the party in power; and will then examine the expenditures of 1837, 1838, and 1839, being the first three years of Mr. Van Buren's term.

Mr. Ewing, the Secretary of the Treasury appointed by General Harrison, in his report on the State of the finances made to the extra session of Congress, on the 2d of June, 1841, states, the precise amount of the expenditures for 1840, as they appeared on the books of the Treasury, as follows, viz:

“The expenditures for the same year (1840) were for—

Civil list, foreign intercourse and miscellaneous	\$5,492,030	98
Military Department	10,866,246	45
Naval Department	6,031,088	88
Public Debt	11,982	77
And outstanding warrants issued prior to 1st January, 1841	1,116,334	28
Treasury notes redeemed including interest	4,045,802	05
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	\$27,863,475	41
Deduct from this aggregate sum the “Public Debt;” outstanding warrants, and Treasury notes redeemed; not chargeable to ordinary expenditures of the year	5,474,119	10
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Making the precise amount of ordinary expenditures for 1840	\$22,389,356	31
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Mr. Fillmore, the late whig chairman of the Committee of Ways and Means, in a speech delivered by him in the House of Representatives, on the 9th of June, 1842, states the ordinary expenses for that year, at this precise sum.		
The expenditures for 1841, stated by the Register of the Treasury in an official communication dated “Treasury Department, Register's Office, February 8, 1843,” are as follows, viz:		
Civil, miscellaneous and foreign intercourse	\$6,377,153	49
Military Establishment	13,594,796	66
Naval Establishment	5,910,322	67
Interest, &c., on Public Debt	99,497	84
Redemption of Treasury notes including interest	5,501,190	90
Trust funds	314,567	47
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Making the aggregate sum of	\$31,797,530	03
Deduct from this aggregate sum “interest on public debt, Treasury Notes, redeemed with interest, and trust funds,” making the amount of ordinary expenditures for 1841	5,915,256	21
Making the amount of ordinary expenditures for 1841	\$25,882,373	82

Take from this sum the ordinary expenditures for 1840, as shown above

22,389,356 31

Leaves the increase of expenditures for 1841 over 1840 of

\$3,492,817 51

But it may be said that a part of the year of 1841, viz: from the 1st of January to the 3d of March of that year inclusive, belonged to Mr. Van Buren's administration, and that the present administration are only responsible for the expenditures subsequent to the 3d of March, 1841.

To meet this suggestion should it be made, I will now state from an official document—laid before the late Congress by the Secretary of the Treasury at its second session, Doc. No. 259—the amount which was expended by the party in power from the 4th of March, '41 to the 4th of March '42, viz:

Civil, miscellaneous and foreign intercourse	\$6,292,211 56
Military Establishment	13,635,411 95
Naval Establishment	6,300,592 95
Treasury notes and old funded debt	7,038,187 91
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	\$33,266,403 47

Deduct from this aggregate sum "Treasury notes and old funded debt"

7,038,187 91

Leaves the expenditures for one year commencing on the 4th of March, '41, and ending on the 3d of March, '43, the sum of

26,228,215 56

Take from this sum the expenditures for 1840, as shown above

22,389,356 31

Leaves the increase of expenditures for the year from the 4th March, '41, to the 4th March, 42, over the expenditures of '40, the sum of

\$3,838,859 25

But it has been said, that the appropriations for '41, were made by Mr. Van Buren's expiring Congress, before their adjournment on the 3d of March of that year, and that the Whig party expended the appro-

priations which they had made for the year. To this I answer, that the Congress which expired on the 3d of March, '41, did make appropriations which they deemed to be sufficient for the public service for that year.—With the sums thus appropriated the Whig party were not satisfied, but called an extra session of Congress together which cost the nation in defraying their own expenses 376,477 dollars and 60 cts.—and that Congress at that extra session, made additional appropriations for the service of '41, over and above the amount which had been deemed necessary by the preceding Congress, of the sum of 5,043,705 dollars 02 cts.

The expenditures for '42, as stated by the Register of the Treasury in an official communication, dated "Treasury Department, Register's Office, February 8, 1843," are as follows, viz:

Civil, miscellaneous and foreign intercourse	\$6,673,978 81
Military Establishment	8,828,894 14
Naval Establishment	8,334,932 66
Interest, &c., on Public Debt	4,011,059 32
Redemption of Treas'y Notes including interest	8,063,709 61
Trust funds	309,622 35
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	\$32,622,196 89

Deduct from this aggregate sum, "interest on Public Debt, redemption of Treasury Notes, including interest and trust funds"

8,783,381 28

Leaving for ordinary expenditures of '42

\$23,838,815 61

Take from this sum the expenditures for '40, as shown above

22,389,356 31

Leaves an increase of expenditures for '42 over '40, of

\$1,449,459 30

It will be observed too, that in the expenditures of '42, the item of "Interest, &c., on Public Debt" is swelled up to 411,059 dollars 32 cts—much the larger portion of which consists undoubtedly, of interest paid on the new funded debt, which the party in power have created since they came in, which ought properly to be charged to them as an increased item of expenditure.

If this be done, the excess of expenditure for '42 over '40, will be increased by that sum.

It cannot then be controverted, that the expenditures of '41 and '42, have been increased over those of '40. That they have been unnecessarily increased, is further manifest from the fact, that the late administration contemplated and recommended a reduction below the expenditures of '40.—The Secretary of the Treasury in this report made to Congress on the 7th of December '40, on the state of the finances, and submitting estimates of appropriation for '41, proposes a reduction, and assigns the reason why such reduction should and ought to be made. In that report the Secretary of the Treasury states:

“It is believed that the ordinary expenses of '41, ought to fall some millions below those of '40—as the pensions have diminished by deaths, fewer Indians remain to be removed, several expensive public buildings have been mostly finished, and hostilities with the Seminoles must be near to a close.”

The Secretary accordingly in that report estimates “the expenditures for '41—for ordinary purposes—if congress make no reduction in the appropriations, requested by the different departments at \$19,250,000.”

This was the sum which was deemed to be ample for ordinary expenditures for 1841. The whig Congress met in extra session, and not only made new appropriations to the amount of \$5,043,705 02, but they expended for ordinary purposes, as has been already shown, for 1841, the sum of \$25,882,273 82.

Take from this the above estimate of the expenditures deemed proper	19,250,000 00
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Leaves an excess of expenditure by the whig Congress over the estimate of the Secretary of the Treasury of the sum of	6,632,273 82
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This is the practical application by the whig Congress of Mr. Clay's pruning knife, which in his Hanover speech, he promised would be used in cutting down the expenditures of the Government.

To evade the force of these truths which cannot be controverted, without falsifying

the official records, from which they are taken, some of the leading men and public journals of the whig party, go back to the commencement of Mr. Van Buren's administration, and parade before the public, not the ordinary expenditures as made, but the gross sums, without abstracting from them the public debt and Treasury notes with interest redeemed, and the trust funds, which all know constitute no part of the ordinary expenditures of the Government.—The chief document to which they are in the habit of referring, is one which has of late become somewhat celebrated. It is called by them, House Document No. 31, laid before the House and ordered to be printed by Mr. FILLMORE, the late whig Chairman of the committee of ways and means. From one column of that Document, they read and print the gross sums without deducting, as is done in another column of the same document, the public debt, Treasury notes and trust funds paid out for 1837 and 1839. By this process they state the expenditures for 1837, to be 37 millions and a fraction; for 1838, 39 millions and a fraction; and here they stop. But turning to other columns of the same table, they will see that the amount of “payments on account of public debt and trust funds,” for 1837, were 5,676,856 97; the same items for 1838 they would find were \$7,911,042-16; and the same items for 1839, they would find were \$12,171,219 71. By making those deductions, in the same way that the same items (not being properly items of expenditure) have been deducted from the years 1840, 1841, and 1842, as above set forth, the statement stands as may be found in another column of the same document No. 31—as follows, to wit:

For 1837,	\$31,588,180 18
For 1838,	31,544,396 19
For 1839,	25,443,716 94

And this same Mr. Fillmore, the late whig Chairman of the committee of ways and means, in a speech delivered by him in the House of Representatives, on the 9th of June, 1842, is compelled to make, and does make these corrections. But these are not the only deductions which are to be made from these years. There were causes of extraordinary expenditures which did not exist in the years 1841 and 1842 as

stated by the Secretary of the Treasury in his Report of the 7th December, 1840, which has been already referred to. The chief items of an extraordinary character, and which do not belong to the ordinary expenses of every year, are the cost of Indian wars, the payment for Indian lands, the cost of removal of Indians, the erection of Custom Houses in some of the principal cities, the erection of buildings for new Treasury and Patent offices, and a Penitentiary House at Washington. These and other extraordinary items amount to many millions, which ought to be deducted.

Mr. John Bell of this State, in a speech made in Congress, as early as January 20th 1841, admitted—that “For the service of the Florida war in 1838, there were appropriated and expended, upwards of SIX MILLIONS OF DOLLARS. This, all must admit, should be deducted from the ordinary expenditures of 1838. In confirmation of the admission here made, a distinguished member of Congress (Mr. John W. Jones of Va., late chairman of the committee of ways and means) on the 12th of July 1841, made a fair exposition of some of these items of extraordinary expenditures, not belonging to the ordinary expenditures of any year; and I here give it as conveying the facts, and my own views in as conclusive and clear a light as I could present them, to wit:

“I ask if it was not in fairness due to the late administration to have stated what we here all know to be true.—that, while the expenditures were large, they were rendered necessary by extraordinary causes, which had not existed for a series of years before, and are not, I trust, likely to operate as a drain upon the Treasury hereafter. In confirmation of this, you have only to turn your attention to the millions which have been expended in the suppression of Indian hostilities, and for the removal of various Indian tribes beyond our territorial limits; with a view in the one case, to protect our defenceless inhabitants from the cruel barbarities of a savage foe—from the tomahawk and scalping knife; and in the other to restore peace and quiet to a large portion of our country, who had a right to claim protection at the hands of this Government. And who is there of any party that would not have been willing to draw the last dollar from the public Treasury if he could, by such extravagance, have saved but one woman, or one child, from the butchery of the savage? During the late administration there were expended upon these objects \$13,711,317. The further sum of \$3,795,826 has been expended in the purchase of land from the various Indian tribes, and in extinguishing In-

“dian titles within the States, thus putting it in our power to get rid of hordes of ruthless savages, and to receive in the rich domain which has been acquired an ample equivalent. The list of expenditures, also, shows that the sum of \$3,520,624 was applied to the erection of durable fire-proof buildings for the preservation of the public archives, records, &c. Sir, since you and I have been members of this body, we have been waked up at dead hours of the night from our beds of rest by the alarm of the fire-bells, to behold our public buildings wrapped in flames, and the morning sun has risen upon the smoking ruins. It has been principally to replace these buildings, and to provide custom houses in our large commercial cities, that this expenditure has been rendered necessary.”

These statements are verified by the public records. Make, then, the deductions of these and other extraordinary items and also of the public debt and treasury notes redeemed, and trust funds, and the gross sums quoted from *one column*, without reference to the other columns of Mr. Fillmore’s celebrated House Doc. No. 31, and it will be found that the ordinary expenditures for the years 1837, ’38 and ’39, as well as 1840, are below the ordinary expenditures for 1841 and ’42.

It has been vaguely and erroneously charged in the present canvass for Governor, that Mr. Van Buren found upwards of \$31,000,000 in the treasury when he came into office, and that he spent or wasted it, and that on that account his administration is not entitled to credit for public debt, Treasury notes redeemed and trust funds. To expose this error, it is only necessary to refer to the report of the Secretary of the Treasury of the 6th Dec. 1837—in which the Secretary after setting forth the nominal balance appearing on the books of the Treasury, states:

“Before adverting to other topics, it will be proper to explain what portion of this balance will not immediately be either available or applicable to public purposes.”

“The first three instalments of deposits, with the several States, which have recently been placed with them to the credit of the Treasurer for safe keeping, in conformity to the provisions of the act of 23d June 1836, are included in it.”

“As the subsequent law of Oct. 14, 1837, prohibits the recall of these deposits, till otherwise directed, this large amount will till then, be unavailable for any purposes of the General Government. It is \$28,101,644 97.”

The Secretary of the Treasury in that report, after enumerating other unavailable funds, says:

“If the aggregate of all these, amounting to

\$33,101,644 97 be deducted from the balance of \$34,187,143 29 above mentioned, the residue of the public money, that, on the 1st of January next, will probably be then both available and applicable to general purposes, will be \$1,085,498 32."

There is one other fact connected with the expenditures for 1837, '38 and '39, which it is proper should be stated. The Executive at the commencement of each regular session of Congress, submits an estimate of the sums deemed to be necessary for the service of the ensuing year. Congress may in their discretion appropriate less or more than the sums asked. It appears that for these years the appropriations made, greatly exceeded the estimates. The precise amount of excess for each year may be seen by reference to a report made by the Secretary of the Treasury to Congress on the 2d March, 1841, being No. 226, of Senate Document, 2d Session 26th Congress. It appears from the report that the Executive estimated for the service of 1837, the sum of \$22,720,107 37, that Congress exceeded that estimate in the appropriations, by the sum of \$17,035,901 18. For 1838, the estimate was \$22,735,249 19. Congress exceeded this sum in their appropriations, by the sum of \$12,566,678 80. For 1839, the estimate was \$23,509 95. Congress exceeded this sum in their appropriations by the sum of \$1,439,021 11. One cause of this increase may have been the extraordinary calls upon the Treasury for the objects already mentioned. Whatever the cause may have been, the fact is well known, that the body of the party now in power in Congress, and especially from the northern and eastern sections of the Union, the Journals of Congress prove, have for many years, as well during Gen. Jackson's and Mr. Van Buren's administrations, as during the two years they have held power themselves, voted for the largest appropriations which have been made. The truth is, that larger expenditures constitute a part of their settled policy.

Intimately connected with the public expenditure is the *public debt* which the party in power have contracted within the last two years. The following official statements from the Treasury prove the precise amount of increase from the 4th of March 1841—up to the 13th February 1843. The fol-

lowing are the statements from the Treasury, viz:

1. "*Amount of the Public Debt on the 4th of March, 1841.*"

"Old funded and unfunded debt:	
Funded debt—int. and principal,	\$296,642 05
Unfunded debt—old Treasury	
Notes	4,595 29
Mississippi Stock	4,320 09
Registered Debt	26,622 44—35,537 73
Debt of the corporate cities of the	
District of Columbia, assumed	
by the United States	1,500,000 00
Treasury Notes	5,648,512 40

Total debt \$7,480,592 18

Treasury Department, Register's Office, }  
February 13, 1843. }

T. L. SMITH, Register.

2. "*Statement of the Public Debt, 13th Feb. 1843.*"

Old funded and unfunded debt:	
Funded debt—int. and principal	\$288,306 50
Unfunded debt—old Treas-	
ury notes	\$4,314 44
Mississippi Stock,	4,320 09
Registered debt	26,622 44—35,259 97
Debt of the corporate cities of the	
Distict of Columbia assumed	
by the United States	1,380,000 00
Treasury notes	11,711,210 17
Loan of 1841 and 1842	13,974,445 11

Total debt \$27,389,221 65

Treasury Department, Register's Office, }  
February 13, 1843. }

T. L. SMITH, Register."

Take the amount as here stated, on the 4th of March 1841, from the amount on the 13th February 1843—and the precise amount of increase of *debt* will be ascertained—viz:

Am't on the 13th Feb. 1843	\$27,380,221 65
Am't on 4th March, 1841	7,480,592 18

Showing the precise amount of increase of public debt to be \$19,908,529 74

And how is it possible that this plain record taken from the books of the Treasury, can be contradicted or falsified? And yet attempts are made to do this. Upon several occasions during the pendency of the present gubernatorial caavass, the statement of an address made by a whig meeting held in Virginia, has been relied on to prove that a distinguished member of Congress of the democratic party, (Mr. CHARLES J. INGER-SOLL, of Penn.) had admitted that the whig party had inherited 22 millions of this debt from Mr. Van Buren's administration. This

authority I presume will not again be relied on, especially after the public shall have seen or read the following contradiction of it from *Mr. Ingersoll* himself:

PHILADELPHIA, March 24, 1843.

SIR: I am much obliged by your letter of the 16th instant, because it enables me thro' you—you are at liberty to use this answer as you please—to deny and refute the totally unfounded statement which you inform me appears in the address of the whigs of Virginia, that I acknowledged, in an address to my constituents, that the public debt at the close of Mr. Van Buren's administration, was twenty-two millions of dollars.—I never said so, wrote so, or thought so, or any thing at all like such an acknowledgment. I have not seen the whig address you refer to, and have not at hand the letter to my constituents to which I suppose it may allude. In that letter, I believe I stated the public debt in September, 1842, at twenty-two millions of dollars; which was done for the purpose of showing that it had risen to that amount in about one year after two sessions of Congress of whig rule; the first act of which Congress was for borrowing twelve millions of dollars, followed up afterwards by a second act for borrowing five millions more, and then a third act for converting six millions of the loan into an issue of treasury notes bearing interest at six per cent., because the loan could not be negotiated at par—one of these acts of Congress containing authority hitherto unheard of in time of peace and plenty, to dispose of the loan under par. At least seventeen millions of the twenty-two I stated, were therefore, whig debts, and so I stated, and, according to what I have always understood and believed, the only debt left by Mr. Van Buren's administration was a treasury note debt of about five millions, which the income of the country would have paid off and extinguished without difficulty or further appropriation.

I am respectfully,

Your obedient servant,

C. J. INGERSOLL.

It will be seen from the official statement of the Register of the Treasury, that of the 7,480,692 dollars, and 18 cents, stated to be the debt on the 4th of March, 1841, that the administration of Mr. Van Buren is only chargeable with the amount of Treasury

notes outstanding, being 5,648,512 dollars and 40 cts.—the other items having descended from previous administrations. From this latter sum should be deducted also 572,718 dollars and 46 cents, that being the amount stated by Mr. Ewing in his report to the extra session of Congress to be in the Treasury on the 4th March 1844, and also the sum of about half a million of dollars which was in fact in the Treasury, being the proceeds of one of the bonds of the late bank of the United States, held by the United States, which had been paid, but which by mistake or omission Mr. Secretary Ewing in a subsequent report to the Senate of the United States admitted he had failed to state to be in the Treasury. It is now, however for the first time attempted by public men of reputation to make it appear that 'appropriations' and 'public debt' are synonymous terms. "It has been left to these days of enlightened economy to make the discovery that this (appropriation's is a debt." An appropriation is an authority by law, to draw money from the Treasury and apply it to specified objects and purposes. By the Constitution no money can be "drawn from the Treasury but in consequence of appropriations made by law." Though the Treasury be overflowing, not a dollar can be drawn from it until an 'appropriation' law authorizes it to be done. Appropriation laws are passed annually before Congress adjourns, and they constitute the authority to use or apply the public money to public purposes. And was it ever heard of before that these laws constitute a national or public debt? At the end of every year large amounts of appropriations remain in the Treasury unexpended, and pass over to be expended for the next year. It often happens too that large amounts of appropriations remain unexpended for long periods of time, and in that case they go to the surplus fund, and cannot be used until a new appropriation law authorizing that use is passed. As had been the practice and was their duty, Mr. Van Buren's expiring Congress passed the usual appropriation laws, before their adjournment on the 3d of March, 1841, for the use of Gen. Harrison's administration. If they had not passed them his administration could not have gone on, and now the amount of these appropriations for the current year and the outstanding balances of appropria-

tions are charged, I repeat, for the first time, by any public men of reputation to be a debt. Instead of calling them appropriations as they have always been called, they call them *liabilities*, and insist that a liability is a debt. By a cautiously prepared resolution passed by Congress in 1842, a call is made on the officers of the Treasury to report "the amount for which the Treasury was liable on the 4th March, 1841—on account of appropriations of all kinds, undrawn on that day &c."—The Report from the Treasury technically responds to the call, and states:

"Specific appropriations of all kinds—undrawn on the 4th of March, 1841, \$27,134,721 30  
 Indefinite appropriations drawn between the 4th of March and 31st of December, 1841, 1,771,269 46

And by adding these items to the Treasury notes then outstanding they get the aggregate sum of \$31,665,269 39; which they attempt to parade as a public debt. Suppose the same principle be applied at the close of Mr. Adams's administration on the 4th of March, 1829—the day on which Gen. Jackson entered on the duties of President. On that day the amount of undrawn appropriations for the services of 1829, with the unexpended balance of appropriations of former years, was \$26,379,941. Was this sum ever dreamed of as a debt inherited by Gen. Jackson from Mr. Adams' administration? Apply the same principle to the close of Gen. Jackson's on the 4th of March, 1837—the day on which Mr. Van Buren entered on the duties of President. On that day the amount of undrawn appropriations for the service of 1837—with the unexpended balance of appropriations of former years—was \$57,258,625. Was this a debt inherited by Mr. Van Buren from Gen. Jackson's administration? We all know that no national debt existed at that time. Apply the same principle to the 4th of March of the present year (1843) of the whig administration. If the undrawn appropriations on the 4th of March, 1841, were liabilities and therefore a debt, the undrawn appropriations on the 4th of March, 1843, were liabilities also and therefore a debt. On that day the amount of undrawn appropriations—for the year 1843—and the first half of 1844—were \$29,214,185 71. De-

duct appropriations for Post Office, 4,545,000 00

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\$31,669,185 71

Unexpended balance of appropriations of former years—as they were ascertained to be on the 1st January, 1843, 10,412,003 00

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Making of undrawn appropriations \$35,081,188 71

Add to this "the public debt on the 13th February, 1843" as shown by the official statement of the Register of the Treasury, 27,389,221 65

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Making \$62,470,410 36

So that upon the principle assumed by some of the whig party as applied to the 4th of March 1841, there were on the 4th of March 1843, liabilities or debts amounting to the sum of \$62,470,419 36

Deduct from this the amount of undrawn appropriations on the 4th of March, 1841, which they insist were liabilities on that day and therefore a debt, \$31,665,269 39

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Showing upon this principle an increase of liabilities or debt of this sum \$27,805,140 97

If the Whig leading men be right in assuming that undrawn appropriations constitute a liability on the Treasury and therefore a debt—it follows from the facts here stated that they found these liabilities on the 4th March, 1841, to be \$31,665,269 39

And left the same kind of liabilities or debt on the 4th of March, 1843, at \$62,470,410 36

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Showing an increase of public debt upon this principle in two years, of \$27,805,140 07

If this principle be correct, every administration must of necessity inherit a public debt from its immediate predecessors; al-

though the nation as was the case when Gen. Jackson retired, may be free from public debt and owe nothing.

If however, the true principle prevails, and the records of the Treasury be true, the Whig party now in power, have increased the Public Debt by borrowing money and issuing Treasury notes on interest by the sum of \$19,908,529 47, as I have already shown. On the other hand, if the Whig principle prevails they have enlarged the debt by \$27,805,140 97. Let them therefore select which of the two principles they may, they have incontrovertibly increased the public debt.

I have no hesitation in expressing my conviction, that if the party in power had not disturbed the land fund by their distribution, and had brought the usual quantity of public lands into market, instead of withholding them from market, for the purpose of reserving the proceeds for distribution; and if they had not disturbed the Compromise Tariff act of 1833—that income into the Treasury would have been amply sufficient to meet all necessary expenditures for 1841 and '42. Instead of this they have by their policy diminished the revenue, increased the expenditures and increased the public debt in time of profound peace with all the world, at the rate of ten millions a year. That the next annual Report from the Treasury Department will show a still greater amount of public debt by an increased issue of Treasury notes, there is no reason to doubt.

The Secretary of the Treasury in December 1840 as I have already shown, estimated the ordinary expenditures for 1841 at \$19,250,000. The actual receipts for the first three quarters of that year and the estimated receipts for the 4th quarter as shown by the late Secretary of the Treasury, *Mr. Forward*, in his Report of 20th December, 1841, were, independent of Treasury notes issued and loans made, 17,145,804 dollars 19 cents; a sum within 2,104,195 dollars and 81 cents of that estimated by the Secretary of the Treasury in the December previous, to be necessary for the service of 1841. That there may be no doubt upon this point, I will give the receipts for 1841, as stated by *Mr. Secretary Forward*, in his Report of December 20, 1841. They are as follows, viz:

\*Receipts into the Treasury du-

ring the first three quarters of the present year (1841) viz:	
From Customs,	\$10,847,557 44
From Lands,	1,104,063 06
From Miscellaneous and incidental sources,	90,691 69
From bond of Bank of the United States,	662,049 47
From Banks which failed in 1837,	51,127 30
The receipts for the 4th quarter it is estimated will amount to— viz:	
From Customs,	4,000,000 00
From Lands,	350,000 00
From Miscellaneous and incidental sources,	30,000 00
From bond of Bank of the U. S.	10,315 23
	<hr/>
	\$17,145,804 19

The revenue from lands would undoubtedly have been increased between one and two millions, had the usual quantity been offered for sale.

I am well satisfied, if the policy of the late administration in regard to reduction of expenditures had been pursued by their successors, that the nation would now have been freed from the increased national debt of near twenty millions of dollars, which by a contrary policy they have within the last two years imposed upon it. The extraordinary causes which led to large expenditures in 1837, 1838 and 1839, had passed off, and did not exist in 1841 and 1842.

## THE TARIFF.

Upon the subject of the tariff, I have but little to add to what I have heretofore often declared to the public. All who have observed my course know that I have at all times been opposed to the "protective policy." I am for laying such moderate duties on imports as will raise revenue enough when added to the income from the sale of lands and other incidental sources, to defray the expenses of Government economically administered. I am in favor of a tariff *for revenue*, and opposed to a tariff *for protection*. I was a member of Congress during the period that this subject excited greatest interest. I was opposed to the protective tariff of 1828 and voted against it. I voted for the act of 1832—because it reduced the tariff of 1828 to lower rates. That made some reduction though not as much as I desired to have made. I voted for the act of

March 2d, 1833 (commonly called the compromise act) which reduced the rates of the act of 1832 to still lower rates, and finally brought the rates of the act of 1832 down to a point at which no article was after the 30th of June 1842 to be subject to a duty higher than 20 per cent. This was the law when the whig Congress came into power. By the tariff act of the 30th August 1842, the compromise act was violated and repealed. I am opposed to the act of 1842, not regarding it to be a revenue tariff, but in many of its provisions highly protective and oppressive in its character. I am in favor of the restoration of the compromise act of 1833.

The condition of the country at the time the compromise act of 1833 was passed can never be forgotten. Its effect in allaying the excitement which threatened the most destructive consequences, was instantaneous. Whilst it was pending before Congress, Mr. Clay in a speech declared:

“But if the measure should be carried by the common consent of both parties, we shall have all security. History will faithfully record the transaction—narrate under what circumstances the bill was passed; that it was a pacifying measure; that it was as oil poured from the vessel of the Union, to restore peace and harmony to the country. When all this was known, what Congress—what Legislature would mar the guarantee? *What man who is entitled to deserve the character an American statesman, would stand up in his place in either House of Congress and disturb the treaty of peace and amity?*”

Such was the language of Mr. Clay upon the introduction of the Compromise Bill. It passed “by the common consent of both parties;” it did “restore peace and harmony to the country” and on all sides it was held “sacred as a treaty of peace and amity” until the whig party came into power.

Mr. Clay in a speech made at Buffalo, in New York, in July, 1830, declared:

“The compromise of the tariff was proposed to preserve our manufactures from impending ruin, menaced by the administration of Gen. Jackson, and would avert from the Union the threatened danger of civil war. If the compromise be inviolably maintained, as I think it ought to be, I trust that the rate of duty for which it provides, in conjunction with the stipulation for cash duties, home valuations and the long list of free articles inserted for the benefit of the manufacturing interest, will insure it reasonable and adequate protection.”

Again Mr. Clay in his Hanover speech in Virginia, on the 27th of June, 1840, de-

clared his intention to adhere to the compromise act in the following terms:

“The question cannot be, ought not be one of principle, but of measure and degree. I adopt that of the compromise act, not because that act is ir repealable, but because it met with the sanction of a nation. Stability with moderate and certain protection is far more important than instability, the necessary consequences of high protection. But the protection of the compromise act will be adequate in most if not as to all interests. The 20 per cent. which it stipulates cash duties, home valuations and the list of free articles inserted in the act, for the particular advantage of the manufacturers will insure, I trust, sufficient protection.—Altogether they will amount probably to not less than 30 per cent.”

And after these and many other similar promises made by the leading members of the whig party in this and other States, the late whig Congress have violated and repealed it.

In a speech delivered by me at Pulaski, on the 20th September 1842, in reference to this subject, I used the following language, viz:

“When the compromise act of 1833 was passed, every interest in the country stood pledged in the most solemn manner to adhere to and abide by it. It was hoped that this agitated and disturbing subject was put to rest for a long series of years, if not forever.”

Had the late administration continued in power, it was certain that we should not now be witnessing the revival of this controversy. In the Presidential canvass of 1840, both parties stood pledged to preserve and maintain the compromise act. General Harrison himself, in his Zanesville letter declared: “I am for supporting the compromise act, and never will agree to its being altered or repealed;” and in his letter to Mr. Senator Berrien, of Georgia, he declared himself to the same effect, and added: “Good faith and the peace and harmony of the Union, do in my opinion, require that the compromise of the tariff, known as Mr. Clay’s bill, should be carried out according to its spirit and intention.” In the discussions which took place in this State not only during the Presidential contest of 1840, but also in the canvass of last year, all the orators of that party stood solemnly pledged that it should never be disturbed. But like all the federal pledges made before the election, this too had been violated, shamefully violated and disregarded. He had himself suspected as much, and from a long ac-

quaintance with most of the prominent men now in power, he was so well satisfied that they intended to break up the compromise, that he had charged all over the state during the last year, and so charged in a published address to the people; that one object of the proposition to distribute the proceeds of the public lands among the States, was to afford a pretext for violating it by increasing the tariff above the maximum rate of 20 per cent. ad valorem, which it prescribed. He had charged further that the deficit created by the withdrawal of the land money, would be supplied by a tax on articles of necessity. This was denied and the people were told that no man in Tennessee would be taxed one cent; that the compromise act would be preserved inviolate, and the deficit produced by the withdrawal of the land money would be made up by a tax on silks and wines and other luxuries, such as the rich used, and the poor could not afford. Many in the crowd present, and thousands in the State, he was sure would remember this. And now how stands the fact? The compromise act had been violated. All the pledges made before the election to preserve it had been disregarded. A tariff bill imposing enormous duties on many articles of prime necessity, far exceeding the rates of the compromise act had been passed. Was this necessity for revenue? It was demonstrable that it was not, and that its object was not *revenue*, but *protection*. Mr. Secretary Ewing in his report of the 2d of June, 1841, estimated that the rates authorised by the compromise act, by which the duty on no article was to exceed 20 per cent., ad valorem, would yield to the Treasury annually \$20,800,000, and he said the "revenues which will accrue from that or nearly proximate rate of duty, will be sufficient to defray the expenses of the Government and leave a surplus;" and "leave also the proceeds of the public lands to be disposed of as Congress shall think fit."—The average income from the lands for a series of years, had been about \$3,000,000 annually. This sum added to the \$20,000,000 estimated to accrue from imposts under the compromise would make an aggregate annual revenue of \$23,000,000 without disturbing the compromise act, a sum exceeding near a million and a half of dollars, that expended in the last year (1840) of Mr.

Van Buren's Administration. It was clear therefore upon the showing of their own Secretaries of the Treasury at the commencement of their power that it was not necessary even without the land money and much less with it, to raise duties above the rates authorised by the compromise act for the purpose of revenue.

In the late tariff act which they had passed, how had they kept their pledge that luxuries and not necessities were to be taxed? That too like all their pledges had been violated.—The late tariff act imposed not only increased but enormous duties upon many articles of the first necessity, and upon some of them, duties so high as to greatly diminish and in some cases prohibit their importation into the country altogether, thus cutting off instead of increasing revenue from them. A slight inspection of the act itself would prove the fact to be so. He would enumerate a few articles with the tax imposed upon them by a new law, as specimens from which its general character could be seen. And whilst he did this, let it be borne in mind, that whilst many articles under the compromise act were taxed lower than 20 per cent on their value, none were allowed to be taxed higher than that rate. The late tariff act imposed a tax of 8 cents per bushel of 56 pounds on salt; 2½ cents per pound on brown sugar; 4 cents per square yard on cotton bagging; 5 cents per yard on gunny-cloth, an article frequently used as a substitute for cotton bagging; on anvils, blacksmith's hammers and sledges, 2½ cents per pound; on mill saws, cross-cut saws, and pit saws, one dollar each; on axes, adzes, hatchets, plane irons, socket chisels and vices, drawing knives, sickles or reaping hooks, scythes, spades or shovels, and iron chains, 30 per cent on the value: on bar iron not made by rolling \$17 and if made by rolling \$25 per ton; on pig iron \$9 per ton; on flannels 14 cents per square yard; on manufactures of wool 40 per ct. on the value; on manufactures of cotton 30 per cent on the value. He might enumerate many other articles, even down to pins, and sewing, knitting and darning kneedles, but those mentioned would sufficiently illustrate the general protective, and in regard to some articles prohibitory character of the tax imposed on many articles, which could be but imperfectly seen by the bare enumeration he had made.

The act contained in regard to some articles of general consumption, what manufacturers call the *minimum principle*, by which the article taxed was assumed to be worth more than it really cost, and the tax imposed on such assumed value. He would take the article of cotton goods to illustrate the practical operation of this principle.—The late tariff act as we had seen, imposed a duty of 30 per cent on the value of cotton goods, but the act also provided that all cotton goods not dyed, colored, painted or stained, not *exceeding* in value 20 cents per square yard, shall be valued at 20 cents and taxed accordingly; and all cotton goods which were either dyed, colored printed or stained, among which were calicoes in such general use, not exceeding in value 30 cents, should be estimated to have cost 30 cents per square yard and taxed accordingly.—Take the article of prints, including calicoes, and what was the tax levied on them? Any importing merchant would tell us that the coarser descriptions of the article could be bought in the foreign market for from 5 to 8 cents per square yard and perhaps lower. Suppose a merchant to import a bolt of such goods. When he arrived in this country with it he produced his invoice to the custom house officer, showed him that the article cost him in the foreign market, 5 cents per square yard. He would be answered by the officer and told: we are required by the tariff law to consider that it cost you 30 cents instead of 5 cents, and must levy a duty of 30 per cent on 30 cents value instead of 5 cents value; that is, six times as much tax would be levied on 5 cts., the real cost, making 180 per cent duty instead of 30 per cent.

The consequence would be that all cotton goods of the coarser description costing under 30 cents per square yard, must either be prohibited entirely or brought in at a greatly increased price to the consumer.—And this was one of the contrivances resorted to, to cheat the people and to enable the home manufacturer to raise the prices and charge the consumers more for similar articles which he made. This was called protection; protection to the northern manufacturer, at the expense of all who bought and consumed cotton goods.

A tax was levied by the law of 8 cents per bushel of 56 pounds on imported salt.—

This was done to protect the interests of a few wealthy salt-makers in the United States, by enabling them to sell the salt which they made at higher prices, and all who used salt were compelled to pay the tax. Foreign salt could be brought in and sold at our ports at from 10 to 12½ cents on the bushel, if it were free of duty.

Brown sugar was taxed 2½ cents per pound; and for whose protection was this? Whilst all the people of the United States were consumers of sugar, it was well known that but a small part of one State and one Territory in the United States produced Sugar. It was equally well known that the Sugar planters were generally very wealthy men, were the owners of large estates in lands and slaves, and it was for their protection, and by enabling them to sell their sugar at higher prices that this tax was laid. Foreign brown sugar could be brought into our ports and after paying freight and charges, could be sold without the duty, at 4 cents per lb., or less; upon its arrival it was taxed 2½ cts., raising the price to the purchaser or consumer to 6½ cents per pound, or at the rate of 62½ per cent on its value. The sugar planter would of course raise the price of his article to that of the foreign, after the tax was laid on it. It might seem strange that the woolen, cotton and other manufacturers, who were the consumers of such articles as salt and sugar, should agree to tax them, but it would not be so when it was remembered, that there must always be a combination of interest when a high protective tariff law was passed. The Sugar and Salt men for example would agree in turn to vote a tax on Woolens and Cottons; and it was by combination such as these, that majorities were ever commanded in Congress, to pass these unequal and oppressive laws.

For the purpose of making plain the oppressive operation of the present high tariff. I will trace its effects in taking money out of the pockets of the consumers of brown sugar, and putting it into the pockets of the manufacturers, of this article. From the commercial tables made out at the treasury department, it is ascertained that in 1840, the quantity of brown sugar imported into the United States was 107,953,033 lbs. By the present tariff, every pound so imported must pay into the treasury 2½ cents, making \$2,698,320, the nett amount of revenue to be

collected from this article, taking the importation of '40 as the standard. This amount must be paid in cash by the importer before he can bring his sugar into our market. What then has the consumer to pay? First—he must pay the  $2\frac{1}{2}$  cents on every pound; second he must pay the profit, which the importer charges on the advancement of cash, which I presume is never less than 10 per cent; and third, he must pay the retailer's profit which is at least 20 per cent. So that this account will stand thus:

The consumers will pay the duty of $2\frac{1}{2}$ cents per lb.	\$2,698,320
Importers profit of 10 per cent	269,832
Retailers profit of 20 per cent	539,764
	\$3,507,916

The amount therefore paid by the consumers of brown sugar brought into the country, above the amount which they would pay if there was no tariff is over three millions and a half of dollars, and of this amount \$2,698,320 goes into the treasury. But the brown sugar imported and that manufactured in this country sell at the same price. Whatever amount is imposed as a tax on the imported article is added by our manufacturers to the price of the same article manufactured in the U. States. By reference to the census tables it is found that there was manufactured in the United States in 1840, about 125,000,000 lbs. of brown sugar. The tariff enables the manufacturers to add  $2\frac{1}{2}$  cents on every pound, and 10 per cent on this to correspond with the importer's profit, and 20 per cent to correspond with the retailer's profit—the account will stand thus:

The consumer will pay $2\frac{1}{2}$ cents per lb.	\$3,125,000
For importer's and retailer's profits	937,500
	\$4,062,500
Amount to raise revenue on im- ported sugar	3,506,916
	\$7,570,116

The whole amount paid by consumers of brown sugar is more than seven and a half millions of dollars, above the amount they would pay if there was no tariff. And of this amount only \$2,698,320 goes into the treasury, and \$4,672,146 into the pockets

of the sugar makers, importers and retailers. Estimating brown sugar to be worth 4 cents per lb. at the ports where imported, the tariff of  $2\frac{1}{2}$  cents per lb. is about 62 per cent, or three times as great as it would have been under the compromise act. It is easy then to see the extent of protection extended to the sugar makers, and the amount of oppression imposed upon the farmers and mechanics who consume this article.

I have given this calculation merely to illustrate the effect of the present tariff. By a simple process of calculation any one can estimate the effects produced by the tax upon the other necessaries of life, such as woollen goods, cotton goods, bar iron and salt—they are equally unjust and oppressive. To enable every man to make the calculation on these four leading articles of necessity, I give the following facts from the commercial and census tables.

In 1840 there was imported into the United States—woollen goods, worth \$6,226,639. Cotton goods, worth \$6,504,484. Bar iron, (61,132 tons) \$3,397,480. Salt (8,183,426 bushels) \$1,015,426.

In the year 1840 there was manufactured in the United States—woollen goods 20,696,999 dols. Cotton goods 46,350,453 dols. Bar iron, (197,233 tons) 5,916,990 dols.—Salt (8,179,424 bushels) 772,378 dollars.

In order to show that the tariff passed by the late Congress is not a revenue measure, in a late speech delivered at Jackson, and published, I used the following language:

“No higher than 20 per cent *was* imposed on any article, after the 30th of June '42, until the 30th of August, '42, on which latter day the present tariff law was passed by the whig Congress. The whig Congress laid violent hands on the Compromise of '33, and broke it up. They raised the tariff as high and upon many articles higher than the rates which existed when the compromise act was passed. That it was so high as to be prohibitory on some, and highly protective upon many articles of necessity and common use, was proved by the fact, that under its operation, the revenue to the Treasury from imports had been greatly diminished. The Secretary of the Treasury in his annual report to Congress in December last, states that “the period within which the tariff had been in operation, has been much too short

to furnish any decisive evidence as to its permanent influence on importations. The foreign trade of the country has continued to decline, and importations have been comparatively small since the passage of the act. How far this state of things may have been influenced by the existing system of duties, it is impossible to determine." An official Report from the Secretary of the Treasury to Congress, of the 16th February, 1843, sets forth the accruing duties on imports during the several quarters of the year '42—from which it appears that the accruing duties on imports, during the 1st quarter of that year, that is to say, for the months of *January, February and March*, and whilst the compromise act was in operation and had reached its lowest point of valuation save one, was 6,060,401 89: and that the accruing duties on imports, during the last quarter of that year, that is to say, for the months of *October, November and December*, under the operation of the existing tariff law, was \$2,579,389 28: It appeared therefore, that though the duties were raised to a very high rate under the existing tariff act of the whig Congress—such had been the falling off in the amount of imports, during the last quarter of 1842, that the revenue derived from the customs, was near half a million less than half what they were during the first quarter of '42, when the lowest duties of the compromise act of '33 were in force. It was clear therefore that the late tariff act was not a revenue measure. It had raised the rates of duties so high as to shut out imports and consequently to cut off and diminish revenue."

#### BANK OF THE UNITED STATES.

My opinions in reference to a National Bank have been so fully and frequently expressed in public letters and speeches that no man can have the least difficulty in ascertaining them. I shall therefore content myself with doing little more than quoting a part of what I said at Pulaski on the 29th of September, 1842, on the Bank question. In that speech which was extensively published in the newspapers, I said:

"One of the greatest difficulties which the opponents of a bank had had to encounter in this State, had been in meeting the *vague generalities* in which the bank advocates had dealt. They all, with perhaps rare ex-

ceptions, professed to condemn and oppose the late Bank of the United States, or any other Bank organized on similar principles. They would say, we are opposed to the *old Bank*, but we are in favor of *a Bank* with suitable restrictions and modifications.—What these modifications and restrictions were they would not specify. They talked of them in general and vague terms, but their plan of a bank they did not and would not give. Some, to be sure, had in their minds an uncertain and undefined notion of the plan of a bank with which they would be pleased—such as that there should be no private stockholders, and that it should be owned by the General Government and the States. Many honest men had been made to think that a proper sort of bank might be framed that might be useful.

He said he regarded it as fortunate in the future discussions of the subject that the party advocating a Bank, in this State at least, had at length been driven from their vague generalities. They had brought in and passed a Bank charter at the extra session of Congress. Mr. Clay was its author. President Tyler vetoed it, and because he had done so, they had denounced him as a traitor, and had burnt and hung him in effigy. If President Tyler had signed that bill they said the whole scheme of Federal measures would have been complete. That bill, then, we must presume contained the plan of a bank, and to get it they are now prepared to elect Henry Clay President of the United States.

Now what was that bill, and what was the kind of Bank which they promised by it to the country, if they continued another Presidential term in power? A slight inspection of its provisions would show that it was an old fashioned incorporated stock bank, to be owned in part and in fact controlled by private stockholders, retaining all the bad features of the late bank, and embracing others that made it even more objectionable than that Bank, bad as that was. Its capital stock was to be thirty millions of dollars, with power reserved to increase it to 50 millions after the year 1850. One third of the capital stock, or ten millions of dollars, was to be subscribed for by the United States, and two-thirds, or twenty millions of dollars, was to be subscribed for by individuals, companies, corporations or States.

The ten millions of dollars to be subscribed by the United States, was to be raised by borrowing the money. A *Public debt of Ten Millions of Dollars* was by the charter authorized to be created, and for that purpose a public stock of the United States was to be issued, bearing interest at the rate of five per centum per annum which was not to be paid until after the expiration of fifteen years. This loan must most probably, we might safely say certainly, have been made from foreigners—thus presenting a nation of seventeen millions of freemen in the humiliating, if not degrading attitude of borrowing money on interest from foreigners to make a bank upon. The interest on the loan which was to be paid half yearly, was five hundred thousand dollars a year, and would have amounted for the fifteen years (sooner than the expiration of which it could not be redeemed) to seven millions five hundred thousand dollars. The Bank was to be located at Washington city and was to be governed by nine directors, three of whom were to be appointed by the United States and six by the private stockholders. All know that six would control three—so that the bank itself would in fact have been under the absolute control of the private stockholders. Indeed this seemed to have been designed by the charter itself, for it was provided that “not less than five directors shall constitute a board for the transaction of business, of whom the President shall always be one, and at least three of the five shall be of the directors elected by the stockholders.”—This provision made it absolutely impossible even in a thin board, for the three Government directors, in any possible case, to constitute a majority. The principal board were empowered to appoint the directors or managers of the branches.—The public money was directed to be deposited with the bank, and as a considerable amount of it would necessarily be always on hand, it would be used and traded upon as banking capital. The taxes paid by the people for the support of Government would constitute a part of the Banking capital, to be loaned out, and upon which the private stockholders would make profit. This was the outline of Mr. Clay’s Bank Bill which President Tyler vetoed. He had searched in vain through its provisions for those restrictions and limitations which were so often

and so vaguely spoken of, and which were to prevent it from running into all the corruptions and abuses of the late Bank of the United States. The United States was made by this charter to go into partnership with the private stockholders, to place all her revenues in the concern, and was yet placed in a minority in the Directory, and was therefore deprived of all power of control over them. Who would probably have become the private stockholders in such a bank? In the west and south, where there was but little surplus capital, and where money bore high rates of interest, but little if any would have been taken. Scarcely a share of the stock in the late bank of the United States was at any time owned in Tennessee. There could be no doubt but that much the larger portion of it would have either been taken at first or been ultimately owned by the Federalists of the northern and eastern sections of the Union, who were the larger capitalists of the country. This was the case with the old bank. And though stock could not be taken directly by foreigners, there was no doubt but that much of it would have been ultimately held by them under cover of secret trusts in the name of others. He could not doubt that if it had been established it would have soon become an immense political engine of deadly hostility to the purity of elections and to the liberties of the people, and would have been wielded by a corrupt faction, as was the late bank of the United States, and for the worst of purposes. The thanks of the country, he had no hesitation in saying, were due to President Tyler for having arrested it as he did by his veto.

It will be seen from the foregoing outline of the charter of the Bank passed at the Extra Session of 1841, that in all its leading features it was similar to the late Bank of the United States—Mr. Clay took the late U. S. Bank as his model and he succeeded in securing its passage, similar in all its essential provisions to that ill fated institution, and in some of them worse even than that Bank, bad as it was. The plan of a National Bank with which the people of Tennessee have been deluded by the Whig orators was not once thought of by Mr. Clay and his friends. They never will consent to any other than a stock Bank in which individuals shall have the control. Those who in-

dulge the hope that any other kind of Bank will ever be acceptable to the Whig leaders are destined to continual disappointments.

On this subject I reiterate what I said in my Pulaski speech. Speaking of Mr. Clay's Bank I said—"Was this the kind of bank which the body of the party in this State wanted? He thought he could answer with certainty that it was not. And yet this was Mr. Clay's Bank, and to get it they were now told by leading public men and newspapers, they must vote for him to be President of the United States. He did not deem it necessary, and if he did time would not allow him to enter upon the general discussion of the bank question and the currency on that occasion. He would only add that neither a National Bank nor any other Bank could prevent commercial revulsions or furnish a remedy against hard times. When we had a national bank we had witnessed such times, and when we had none we had witnessed them.

He appealed to the party in this State who advocated the establishment of a National Bank to know if they would be willing to take a bank, and especially such a bank as Mr. Tyler had vetoed, if they had to take with it all the other obnoxious measures of the Federal party. Mr. Clay had declared in his speech against the repeal of the Bankrupt law, that all the measures of the Extra Session constituted *one entire system*, and that no part of it must be invaded or destroyed. Were the bank party in this State ready to support this entire system? Were they willing, for the sake of getting such a bank as that which had been proposed, to support the Bankrupt law, the distribution, the public debt, the protective tariff, and increased appropriations and expenditures? Many of them he knew were opposed to some, and others to all these measures. He had heard many of them declare that they never would vote for any man for any public office who had voted for or was in favor of the bankrupt law; and yet if they voted for Mr. Clay in the delusive hope of getting a Bank, they would vote for such a man and would be virtually voting to keep the bankrupt law in force. And so if they voted for him they would be virtually voting for the protective tariff law and all the other measures which he had enumerated and which they disapproved.

It was a delusive hope that a National Bank could, if established, afford relief to the indebted classes—but if it could, how long must those who were now indebted wait for it? It was certain that no bank charter could be passed during Mr. Tyler's time. His term would not expire before the 4th of March, 1845, a period of near two and a half years. And even should his successor be favorable to a bank, which was most improbable, still, before a bank bill could be passed, there must be majorities in favor of it in both Houses of Congress, which was equally improbable. Should the president and both Houses of Congress be found to be favorable to the establishment of a Bank, Congress would not convene in regular session before December 1845, and no action could probably be had upon the subject earlier than the spring of the following year. It would require a year or more from that time to put it in operation; so that upon the most favorable view which they could take of it, it would be sometime in the year 1847 before it could go into operation. He asked all those who were NOW INDEBTED and looked to a bank to relieve them, if they could wait five years. Should it do all that they vainly hope it would, would it not come too late for them? In the meantime the bankrupt law, the protective tariff, and other ruinous and oppressive measures of the federal rulers would be in full force and operation."

His deliberate opinion was that if Mr. Clay's bank bill of the extra session had passed, that the pressure and tightness of the money market would have been greater than they now were. They were quite as great when he had such a bank in 1819 and '20; the price of property was as low, and our local State currency was ruinously below par. Now what circulation we had was of par funds. Our banks now paid specie and he trusted nothing would occur to debase their circulation or to induce the banks themselves to depart from the specie paying policy which they were now pursuing. At the period referred to, and when we had a National Bank, nothing was more common in many of the States—and States too, in which branches were located—than the passage of relief laws. This proved that the late bank did not and could not alleviate or prevent the pressure and embarrassment

which then existed. Nor could a new bank, if now established do what the old bank could not. But if the bank advocates think it could, still it was now certain that they could not get it into operation in less than five years, and before that time the crisis will have come with a large majority of the present debtors.

Wide differences of opinion have been expressed by leading men of the whig party, at different periods, in regard to the influence which a Bank of the United States could have in preventing commercial revolutions, or pecuniary pressure—and in producing prosperity in the country. Among these I notice the conflicting opinions of my present competitor (Gov. Jones) as expressed in his message to the Legislature in October, 1842—and of Mr. Clay, as expressed in his speech in Congress, in favor of the Tariff in 1824.

Governor Jones in his message of October, 1842, declares that during the existence of the Bank of the United States, as far as our monetary affairs were concerned, all was calm and quiet. The prices of property and the products of labor were firm and steady—labor received its just reward, and the march of the country to prosperity was firm and decided.”

Mr. Clay in his speech on the Tariff Bill in Congress, in 1824—more than six years after the late Bank of the United State had been in operation—entertained contrary opinions from these and bore a different testimony. Mr. Clay in that speech said: “In casting our eyes around us, the most prominent circumstance which fills our attention and challenges our deepest regret, *is the general distress which pervades the whole country.* It is indicated by the diminished exports of native produce—by the depressed and reduced state of our foreign navigation—by our diminished commerce—*by successive unthreshed crops of grain, perishing in our barns and yards for want of a Market*—by the alarming diminution of our circulating medium—by the numerous bankruptcies, not limited to the trading classes, but extended to all classes of society—by an universal complaint of want of employment, and a consequent reduction of the wages of labor—by the ravenous pursuit after public stations, not for the sake of honors and performance of their duties, but

as a means of private subsistence—by the reluctant resort to the perilous use of paper money—by the intervention of legislation in the delicate relation between debtors and creditors—and above all, by the low and depressed state of value of almost every description of the whole mass of property of the nation, *which has on an average sunk not less than fifty per cent, within a few years.*”

Governor Jones and Mr. Clay cannot both be right. At the time Mr. Clay made his speech in 1824, the bank was in full operation, and yet it had not prevented the state of things which he describes.

Judge White in his speeches against the Bank in the Senate of the United States in 1832 and '34, confirms the statement of Mr. Clay in '24, so far as the pecuniary suffering and distress of the country were concerned. He describes the sufferings of the people during the existence of that Bank, in strong and forcible terms. He gives it as his opinion, that “this Bank then, is the main cause of this suffering and this distress, and to relieve them, we are asked to extend its power six years longer.” \* \* \*

“I have no confidence in such a remedy—it will probably be worse than the present disease.” Such was the testimony, and such the opinions of Judge White. The public, and especially the aged men, will remember how the facts were.

The reasons mainly urged for the establishment of a National Bank, are that it will regulate exchanges, that it will powerfully contribute to the resumption of specie payments by the State Banks, and that it will operate as a relief measure of making money plenty.

The two first named reasons have ceased to have any force in them. The natural operations of trade have regulated the exchanges, so that they are now in as good a condition as it is possible for them to be.—This has been effected by the laws of trade which will never fail to correct any irregularity in exchanges if they are not interfered with by unwise legislation.

When Mr. Clay reported the Bank Bill at the extra session, he said in his report—“It (the Bank) will powerfully contribute to the resumption of specie payments by the State Banks whose existing delinquency *is the greatest source* of all prevailing pecuni-

ary and financial embarrassments." The State Banks in almost all the States have resumed specie payments, and therefore according to Mr. Clay "the greatest source of pecuniary embarrassment" is removed.—This has been effected too without the aid of a National Bank, so that we now have two important questions of currency settled. A Bank of the United States is not necessary to regulate exchanges. A Bank is not necessary to enable suspended State Banks to resume specie payments.

But it is still said that a National Bank ought to be created to relieve the distresses of the people. It becomes those who are indulging the hope that a National Bank can relieve them from pressure to calculate the chances on which their hopes are based. In no event can a Bank be chartered before 1845. Will the relief then be in time?—But how could a Bank give relief? It is said it would increase the circulation—but the question is, how much will the circulating medium be increased by a National Bank with a capital of thirty millions of dollars? I presume that a reference to the amount of the circulation of the late United States Bank with a capital of thirty-five millions will be the surest guide in deciding this question. The returns made by the late Bank of the United States, show that during the first five years of its existence, its average annual circulation was a little less than five millions of dollars! That during the period of the next five years from 1822 and '26 inclusive, its average circulation was about six millions of dollars—that during the next five years, from 1827 to '31 inclusive, the circulation averaged about eleven millions and a half—that in '32 when it was buying up public favor to get a re-charter, its circulation was about twenty-one millions—and that in 1835, the year when its charter expired, it was about twenty-three millions. If we suppose that the proposed new Bank would issue as much as the late Bank, which is hardly possible, then the increase of circulation during the first five years would be about five millions—during the next five years about six millions. How much relief would this give? What effect would it have on the price of property, and the wages of labor? We have now in circulation, probably, from seventy to one hundred millions of bank paper, and forty mil-

lions in specie; the ballance of the specie in the country being in the Banks, making about one hundred and ten, to one hundred and forty millions of circulation.

These estimates of the amount of existing circulation, it is believed approximates correctness. Yet by the proposed new bank, the amount of increase at the end of five years, will only be five millions or one twenty-second to one twenty-eighth added to the amount now in circulation. How utterly absurd to expect relief from a National Bank! If one were in full operation it could only add this small amount to the general circulation—so small that it would be scarcely felt. But it must be borne in mind that in establishing a new National Bank, there will be withdrawn from circulation the specie on which it is based. This will diminish the circulation for the time and unavoidably increase the pressure, at all events at the commencement of its operations.

The increased circulation which such a bank would afford for the first five years, would be about thirty cents per head to the seventeen millions of people of the United States. If the circulation of the new bank were run up to twenty-three millions, the greatest amount ever circulated at any one time by the late bank of the United States, the proportion to each one of the people of the United States, would be about one dollar and thirty-five cents. It cannot be possible that such an increase could bring relief to the debtor classes or any other portion of the people. In deference to the wishes of my competitor, I have thus reiterated my opinions and views on the subject of a National Bank; not that I believe there is the slightest prospect of establishing one, even though every man in Tennessee were in its favor. The elections which have taken place to the next Congress in eleven of the States, as well as other evidences of public opinion, abundantly show that the "idea" of establishing such an institution is indeed "obsolete." Many of the former advocates of such an institution in other parts of the Union have given it up and abandoned it.

JAMES K. POLK.

COLUMBIA, May 17, 1843.

We find the subjoined sensible article in the Ohio Statesman. There is not a parti-

cle of humbug about it; it is made up entirely of *facts* and *figures*—which cannot lie—and as such we recommend it to the calm and deliberate attention of the reader.—Ed.  
APPEAL.

## OUR TRADE WITH GREAT BRITAIN

Among the many false theories which are propagated by the friends of a high protective tariff, there is, probably, none that has been of more service to them than that which represents a high tariff as necessary to enable us to trade with Great Britain upon equal terms. Those who have imbibed this theory are continually asking, "why should we buy of Great Britain, when Great Britain refuses to buy of us? They suppose that the character of our trade with Great Britain, during the latter stages of the operation of the compromise act, was such as to leave a constant balance against us; and they consider the tariff act of the late Coon Congress worthy of especial regard as a means of turning the balance in our favor.

We now propose to show that these whig notions are entirely destitute of any just foundation, and our argument shall consist of actual, stubborn, and incontrovertible **FACTS**.

Under the provisions of the compromise act, the tariff was in the lowest stages of its descent, during the five years from 1837 to 1841, inclusive; and these are the years which would be named by the tariffites, if they were called upon to select the period in which they supposed our trade with Great Britain had been the most to our disadvantage. Never were men more egregiously misinformed. According to the annual official statements of the commerce of the United States, presented to Congress by the Secretary of the Treasury, our trade with Great Britain and her dependencies, during that period of a low tariff, was as follows:

Years.	Imports from B. Dominions.	Exports to Br. Dominions.
1837	\$52,289,557	\$61,117,791
1838	49,051,181	58,843,392
1839	71,600,351	68,168,082
1840	39,130,921	70,420,846
1841	51,099,638	62,376,402
Totals,	\$263,171,648	\$320,926,513
Subtract		263,171,648
Excess of exports		\$57,754,865

It thus appears that, during the five years of a low tariff, Great Britain actually took more of our goods and produce than we did of hers, to the enormous extent of **FIFTY-SEVEN MILLIONS OF DOLLARS!** Of this excess, forty-two millions were taken in the years 1840 and 1841, when the tariff was the lowest. Such facts as these are perfectly irresistible. No honest man, who is made acquainted with them, will dare pretend that a high tariff is wanted in order to regulate our trade with Great Britain.

The truth is, that Great Britain and her colonies have been accustomed to take more than half of the whole amount of our foreign exports. During the years above referred to, the total amount of our exports to all the world, was six hundred millions of dollars, and, as is shown above, three hundred and twenty millions of it was to the British Dominions.

We will now see what was the character of our trade with Great Britain under a high tariff. The five years from 1828 to 1832, inclusive, are known to have been a period in which the tariff was the highest ever imposed on the country. During those five years, it is shown by the official statements of the Secretary of the Treasury, that our trade with Great Britain and her dependencies, was as follows:

Years.	Imports from B. Dominions.	Exports to British Dominion.
1828	\$35,591,484	\$27,020,209
1829	27,582,082	28,071,084
1830	26,804,984	31,647,881
1831	47,956,717	40,001,379
1832	42,406,924	39,268,556
Totals,	\$180,332,191	\$166,009,109

Here is an excess of imports over exports amounting to fourteen millions of dollars.—The fact that there was this balance against us, under our highest tariff, is conclusive testimony against the whig theory. It proves that a high tariff has not that effect upon the balance of trade, which the whigs ascribe to it.

It is sometimes urged by the friends of the protective system, that our wheat growers derive no advantage from the British trade, because Great Britain refuses to take their wheat and flour. Suppose it to be true that she refuses our wheat and flour, have we any right to complain? Does she do us any wrong by raising her own bread stuffs? But it is not true that she takes nothing

from our wheat growers. It appears from the same official statements which we have before quoted, that, during the years 1839, '40 and '41, the exports of wheat and flour, from the United States to the British Dominions, were, in value, as follows:

In 1839	-	-	\$3,718,080
" 1840	-	-	8,555,904
" 1841	-	-	5,234,041

Total in three years \$17,508,825

What think our farmers of this? Is it not an item of some importance to them? Does it not show that they have a very considerable and direct interest in the British trade?

The facts that we have now presented are worth more than all the theories that whiggery has ever invented; and, with every fair minded man, they will go far towards disposing of the whole tariff question. Showing as they do, that Great Britain has been our most profitable customer when our tariff was the lowest, and that her trade was actually disadvantageous to us under our high tariff; they consequently show that, so far as she is concerned, we have great reason to prefer a low tariff to a high one. Such being the case in regard to Great Britain, the high tariffites will find it hard to prove that it is not also the case, as to the rest of the world.

From Kendall's Expositor

#### A HOME MARKET.

One of the delusive arguments of the Tariff advocates is, that it produces a HOME MARKET: The meaning of this is that it increases the number of consumers of produce in comparison with the number of growers.

Does it necessarily follow, that the increase of consumers is a good thing? If it be, why may not Congress pass an act to protect from destruction *crows and black-birds, wolves and squirrels, rats and mice?* They are very considerable Consumers without being producers. If consumption be a good thing, here is a way to obtain it without covering "the body politic" with "sores" in the shape of manufacturing cities.

But, say the Tariff advocates, "*the manufacturing operatives give us something in return.*" Yes, *at double prices.* I have ten bushels of wheat which I wish to exchange for articles of clothing: What boots it to me whether the rats eat up half of it or it be taken from me by a tax on cotton, linen and woollen goods? Are not the rats just as good consumers as the manufacturers when they give me just as good a return?

But if the government ought to legislate with a view to increase the proportion of consumers, there is a more effectual mode: *Force the manu-*

*facturers to break in pieces all their machinery of modern invention and resort to the primitive modes of spinning and weaving.* They would then require five hands, probably ten, for every one now employed, and thus make a most important addition to the number of consumers. But, says the Tariff advocate, "*that would greatly increase the price of goods.*" Very well; is not that the very end at which you aim by a Protective Tariff?—Aye but it would *increase the cost of manufacturing them.*" Ah, that explains your real motive: You want to increase the *price of goods* without increasing the *cost of manufacturing them* and thereby *add to your profits.* While you talk of giving employment to laborers, increasing the number of consumers, making a home market for farmers, &c. &c., you are constantly introducing machines of iron, brass and wood *which neither eat nor drink,* to perform the work of men and women *who do,* and sending back your operatives to the occupations whence they came; or as in England, turning them out to *steal or starve!* Yet, you call on the farmers and others to pay an enormous tax to raise prices and make your *machine* labor profitable; to "*protect*" things of iron, brass and wood from competition with the "*pauper labor*" of Europe?

What is the *fact?* Has the building up of Lowell or Nashua increased the prices of the farmer's wheat or corn in Ohio, Indiana or Illinois? Every man knows better. Has it increased the prices of the farmer's corn and rye raised in their *very neighborhood?* Every farmer 50 years old who lives there, knows better. He knows that their prices, thirty or forty years ago, were higher than they are now. Southern and western corn and flour have been brought, by means of these very manufacturing establishments, in competition with those of the New England farmer, at his own door, *reducing* prices there *without increasing them* in the regions whence the new supplies come. These are notorious *facts*—the strongest of arguments.

To think of increasing the prices of western produce by building up manufacturers, and thus increasing the number of domestic consumers, is as idle as to think of affecting the volume of the Mississippi above or below by throwing the water over the levee at New Orleans with a bucket. The production of that teeming region is too vast to be affected by an operation so minute. The Mississippi must have an ocean to receive the waters of its innumerable fountains, and its valley must have a world for a market. To create a home market for its production in New England or elsewhere by legislation, is just about as ludicrous an operation as digging a home reservoir to receive the waters of its mighty rivers.

As a man of the West we say to the General Government, *clear out our Rivers, protect us from piracy and war on the ocean, and give us the world for a market.* Do this, and in half a century, you will show you results never surpassed in earth for beauty and protectiveness, since God planted the first garden among the four rivers of Eden.



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