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PROCEEDINGS AND DEBATES

OF THE

CONVENTION

OF THE COMMONWEALTH OF PENNSYLVANIA,

TO PROPOSE

AMENDMENTS TO THE CONSTITUTION,

COMMENCED AT HARRISBURG MAY 2, 1838.

1839

VOL. VI.

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Reported by JOHN AGG, Stenographer to the Convention :

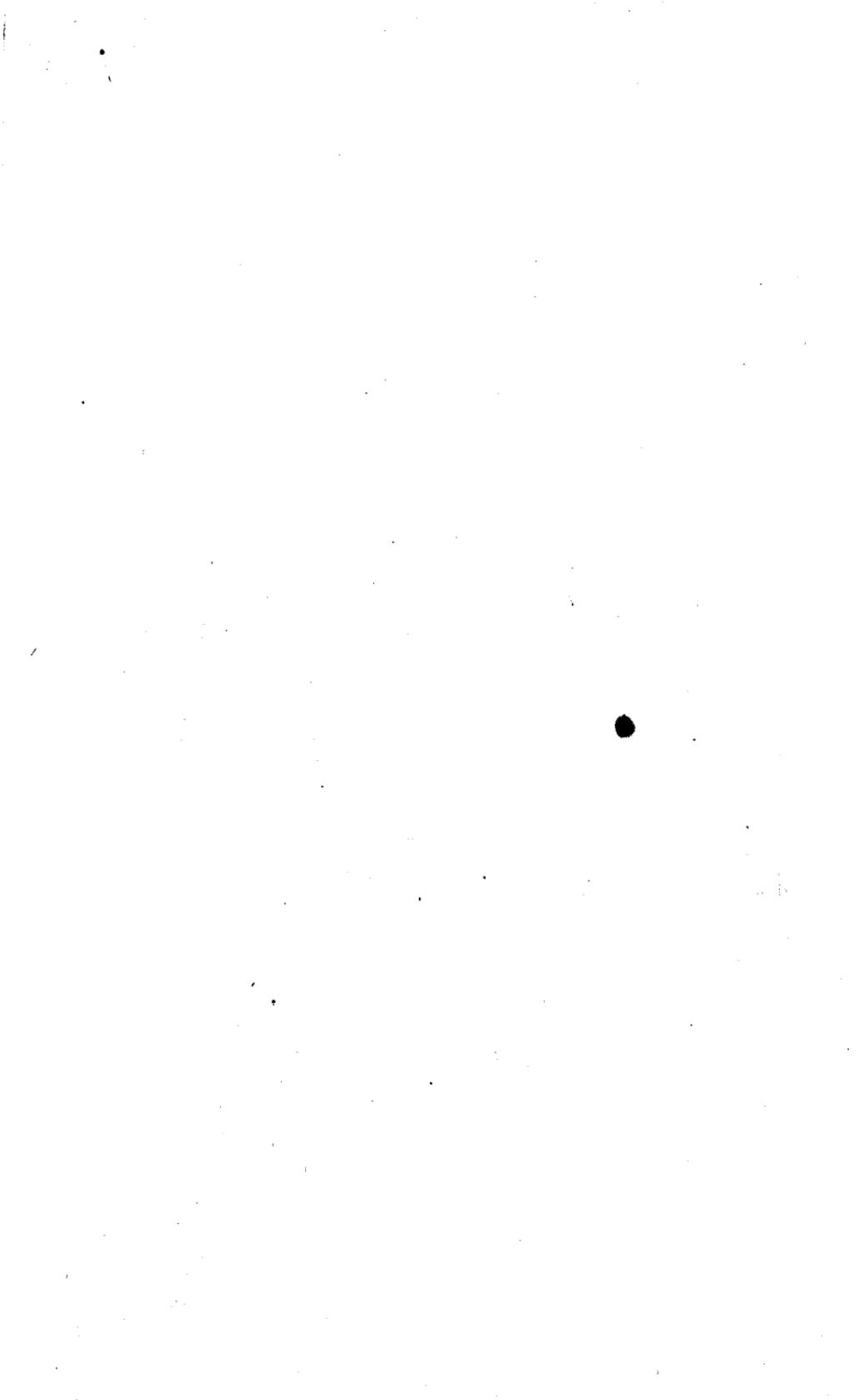
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1838.



PROCEEDINGS AND DEBATES

OF THE

CONVENTION HELD AT PHILADELPHIA.

TUESDAY, NOVEMBER 28, 1837.

In pursuance of the order of the 23d instant, the Convention assembled this day, at the Musical Fund Hall, in the city of Philadelphia.

The PRESIDENT laid before the convention, the following communications, viz :

LIBRARY, MONDAY EVENING, }
November 27, 1837. }

DEAR SIR—In obedience to an order of the directors of the library company of Philadelphia, I have the honor of communicating to you, for the information of the members of the Convention, the subsequent resolution, which was adopted unanimously by the board.

Resolved. That the free use of the books in the library be tendered to the members of the convention of this commonwealth, which is to meet in this city on the 28th instant, in as full and ample manner as if they were members of the company."

By order of the directors,

GEORGE CAMPBELL,

Secretary of the Library Company of Philadelphia.

The Hon. JOHN SERGEANT,

President of the Convention, &c.

The library is open every day (Sundays excepted) from one o'clock, P. M. until sunset.

PHILADELPHIA, 27th November, 1837.

SIR—The directors of the Atheneum of this city, beg leave, through you, to offer to the members of the Convention for revising the constitution of this commonwealth, the free use of their rooms every day during

their residence in Philadelphia. The rooms are open every day (Sundays excepted) from eight in the morning till ten o'clock at night.

I have the honor to be,
With great respect, sir,
Your obedient servant,

PETER S. DU PONCEAU,

President of the board of directors of the Atheneum of Philadelphia.

Hon. JOHN SERGEANT,

President of the Convention, &c.

PHILADELPHIA EXCHANGE, }
November 28, 1837. }

To the President, officers and members generally, of the Convention to propose amendments to the constitution of Pennsylvania.

GENTLEMEN—The executive committee of the Philadelphia Merchants' Exchange, through me, would most respectfully tender to you the use of their reading room during your session.

Gentlemen will please leave their names at the foreign letter office, and receive tickets of admission.

I am, very respectfully, gentlemen,
Your obedient servant,

J. COFFEE,

Superintendent.

Which were severally read and laid on the table.

The PRESIDENT also laid before the convention a letter from P. Augustus Sage, accompanied by a recommendation signed by Samuel W. Neal and others, praying that he may be appointed German printer for the convention.

Which was read and laid on the table.

Mr. DENNY submitted the following resolution, viz :

Resolved, That the President of the Convention be and is hereby authorized to make such arrangements as may be expedient for procuring the attendance each day, of some one of the clergy of this city, to open the session of the Convention each morning, with prayer.

Mr. DENNY moved that the Convention now proceed to the second reading and consideration of the resolution, and the motion was agreed to—ayes 41, nays 35.

Mr. DUNLOP, of Franklin, moved to postpone the further consideration of the resolution until to-morrow.

Mr. DENNY thought that there existed no good reason for this postponement. He would regret that the convention should discontinue the practice which had been heretofore pursued, unless any good reason could be shewn for so doing.

Mr. DARLINGTON expressed a desire that the consideration of the resolution should be postponed.

Mr. STEVENS moved that the further consideration of the resolution be postponed indefinitely. He submitted this motion, not because he was opposed to the resolution, but because the members had shewn before the convention left Harrisburg, that they did not consider the services of the clergy as worth a farthing. There were many members, who, after the clergy had rendered faithful services, refused to give them a single farthing. The debate on that subject was disgraceful. Whether listening to prayers where they are so much needed would be productive of a dangerous union of church and state, he left others to determine.

Mr. CURLL, of Armstrong said, it was due to those members who voted against the resolution to compensate the clergy, to say that they were willing to pay these gentlemen for the services rendered, out of their own pockets. But they are unwilling to sanction the drawing of this money from the public treasury.

Mr. CHAUNCEY, of Philadelphia, asked for the yeas and nays on the question of indefinite postponement, and they were ordered.

The question was then taken, and the motion was decided in the negative, as follows, viz :

YEAS—Messrs. BROWN, of Northampton, Brown, of Philadelphia, Carey, Cleavinger, Coates, Cope, Craun, Darlington, Darrah, Dillinger, Earle, Fleming, Foulkrod, Fry, Gilmore, Hastings, Hayhurst, High, Hopkinson, Houpt, Jenks, Keim, Konigsmacher, Krebs, Magee, Martin, M'Dowell, M'Sherry, Overfield, Reigart, Riter, Serrill, Smyth, of Centre, Stevens, Taggart, Weaver, Young—37.

NAYS—Messrs. Agnew, Ayres, Baldwin, Barnitz, Bedford, Biddle, Chandler, of Philadelphia, Chauncey, Clapp, Clarke, of Beaver, Clark, of Dauphin, Clarke, of Indiana, Cochran, Cox, Cunningham, Curll, Denny, Dickey, Dickerson, Doran, Dunlop, Farrelly, Forward, Fuller, Hays, Helffenstein, Henderson, of Allegheny, Hiester, Hyde, Ingersoll, Kennedy, Kerr, Lyons, Mann, M'Cahen, M'Call, Meredith, Merrill, Montgomery, Pennypacker, Pollock, Porter, of Lancaster, Purviance, Read, Saeger, Scheetz, Scott, Shellito, Sil, Sterigere, White, Sergeant, *President*—52.

The question having recurred on the motion of Mr. DUNLOP, to postpone the further consideration of the resolution until to-morrow.

Mr. FLEMING, of Lycoming, moved to amend the motion so as to make the postponement until Saturday next. He explained his motion, stating it to be his desire to postpone the further consideration of the subject until the members should have all come in. There are many gentlemen who might wish to speak on the subject. He hoped the convention was not in that condition which would render it necessary that the resolution be adopted this morning. From the feeling which he discovered to exist throughout the state, since the adoption of the resolution at Harrisburg, a few days ago, he had come to a determination, under all the circumstances, to vote against the resolution. He would vote against the appointment of any one who was not an officer of this body. If gentlemen desired to employ the clergy, he must submit to the sense of the majority, but he would raise his voice against it. The people did not expect the passage of any such resolution. In these remarks, he begged it to be understood that he intended no disrespect to the clergy. He had the highest respect for them. But he hoped his motion to postpone this resolution until Saturday, would prevail.

The question was then taken on the motion of Mr. FLEMING, and decided in the negative—yeas 40, nays 41.

PROCEEDINGS AND DEBATES.

Mr. M'DOWELL, of Bucks, moved to amend the resolution by striking therefrom all after the word "Resolved," and inserting in lieu thereof the words following, viz: "That the President be authorized to employ the clergy of this city, to open the convention with prayer every morning."

Mr. M'DOWELL explained that he had not offered this amendment because he was in favor of the passage of the resolution. But if the clergymen were to be employed by this convention to pray for us, he wished to use in the resolution that precise language which would indicate that employment. On a former occasion, the word "invite" was used, and many gentlemen of the convention thought from this, that the clergy were to be considered as invited guests and not hired ones. The resolution was similar to that which had passed before. If we had a right to employ the clergy, it ought to be done on the principle, that the laborer is worthy of his hire. If so, we ought to pay these gentlemen for their services, as others are paid. Let it be so, and let it be done understandingly, and let the people know what is done. He was opposed to the resolution, and against voting money out of the treasury for any such purpose. He believed that if prayers were necessary for the members of the convention, as he had no doubt they were, it would be better they should be prayed for elsewhere, as was the case when they were at home. Those who wished to do the praying of the convention might do it, but he did not see the utility or necessity of adopting such a resolution as had now been offered. He would appeal to gentlemen, and he was sure he might appeal to the people, to say if the prayers which were regularly made at the last session had been of any service. But if gentlemen wished to make the experiment here, be it so. We are an experimental people. There was not, however, the same necessity for continuing these prayers here, that there might have been at Harrisburg. Here we have churches at every man's door.

Mr. M'CAHEN, of Philadelphia county, asked for the yeas and nays on the motion of Mr. M'DOWELL, and they were ordered accordingly.

Mr. BROWN, of Philadelphia, said he had a few remarks to make before the question was taken. When this subject was last up for consideration at Harrisburg, he had anticipated that some difficulty might hereafter arise, and that difficulty was now before us. He intended to vote against the resolution, against the amendment, and against the whole matter in whatever shape it might be presented. It was well known that when this subject was first introduced, violence was done to the consciences of some of the members of this body, in the attempt to bring it up at all. Some regarded it as an attempt to force certain religious tenets upon their consciences. At a subsequent period he had voted to open the proceedings with prayer; but all would recollect the unpleasant discussion which arose on the resolution providing for the compensation of those who had officiated. That compensation was voted to the dissatisfaction of a large number of gentlemen. With these facts before him, and looking to the difficulty which might hereafter arise in reference to compensation, he did not wish to place the members of the convention, and more especially those who might entertain peculiar opinions on religious doctrines, in a very disagreeable position. He had no doubt that the convention would get along very well without any prayer, although it might be better

and more appropriate that the proceedings should be opened with prayer. But as this could not be done in such a manner as to secure unanimous approbation, he should vote against it.

In these remarks, he did not intend to convey any disrespectful allusion to the clergy. As a class of men he felt the highest respect for them, for their character and their usefulness; but in this particular place, he did not think that the good which might be expected to flow from their services, would be sufficient to compensate for the wound which would be inflicted on the feelings of certain members of the body, if the services of these gentlemen were accepted.

Mr. DUNLOP, of Franklin county, said that he objected to the phraseology of the amendment of the gentleman from Bucks county, (Mr. M'Dowell.) He (Mr. D.) thought there were something disrespectful in it. These clergymen were not brought up for trial before the convention. They have been brought here, (said Mr. D.) of our own accord, and it would be derogatory to use the term "employed," and in a manner, too, that might be injurious to their feelings. If we are to pass on this subject to day, I hope we shall take up the original resolution, and reject this amendment.

I confess I did not like the resolution which was brought up at Harrisburg, for the payment of the clergymen who officiated during our sessions there. But that is a different thing from a simple proposition to open our proceedings with prayer. This could not affect unpleasantly the feelings of any man. The question of compensation is not now before the convention—it is simply a question of prayer. I am in favor of it; I think it will give some more dignity and solemnity to the proceedings of this body and I shall, therefore, vote for it. When the question of compensation comes up, it will then be time enough to discuss it. But we have nothing to do with that question at the present time.

Mr. M'DOWELL, of Bucks county, said he regretted to find that any injurious construction could be placed on the terms of his amendment; and he would assure the convention that nothing could be further from his wishes than to introduce any proposition reflecting in any manner upon the characters or calling of the gentlemen referred to. He expressly disclaimed any such design.

The object he had in view, in offering this amendment, was simply to put this matter on such ground as to prevent the possibility of a recurrence of the difficulty which presented itself at Harrisburg, and which it would be remembered, arose from the use of the word "invitation." I have no objections, (said Mr. M'D.) that these gentlemen should be invited, if necessary, to pray for the souls of the members of the convention; but if we are to have them so to do, I wish to use that term. Let us call things by their proper names. I merely desire that we should state the fact as it is; if the services of these gentlemen are to be rendered gratuitously say so; if they are to be paid for, say so. Whatever we do, let it be so intelligible as to avoid all future embarrassments.

Mr. BALDWIN, of Philadelphia city, said he felt authorized to say that the clergymen who tendered their services here, did not expect to receive any compensation. Indeed, he believed it was the intention of those gentlemen to disclaim compensation, if it was tendered to them. He did

not believe they would receive it. He hoped therefore, that this consideration would not be thrown in the way as an obstacle against the proposition to open the session of the convention each morning with prayer.

He must confess that he felt some surprise at the fears which had been expressed by some gentlemen, in relation to the conscientious scruples of certain members of this body, on religious matters; for when the question of conscientious scruples was fairly before them in another and not less imposing form, some of them did not manifest quite so sensitive a disposition. All that was contemplated by this resolution was, that we might each morning ask the blessing of Almighty God on the labors of the convention. He could not conceive what reasonable objection could be made to this proposition by any gentleman, however sensitive might be his feelings, or however peculiar the religious doctrines which he possessed.

Mr. MARTIN, of Philadelphia county, said that he was not in favor of opening the daily deliberations of this body with prayer; but if it was the opinion of the majority of the convention that it should be so, he would cheerfully acquiesce in the decision. In that event, he preferred the amendment of the gentleman from Bucks, because it placed the matter in the proper light. The convention would thus be aware of the course they were taking, and would obviate all further difficulty.

Mr. SHELLITO, of Crawford county, said that he should vote at all times in favor of obtaining the services of clergymen to open the daily sessions of this body. He thought it right and proper; and his feelings had been much hurt at seeing the difficulty which was raised about this matter before the adjournment at Harrisburg.

And the question on the amendment was then taken, and decided in the negative as follows, viz:

YEAS—Messrs. Dillinger, Hastings, Martin,—3.

NAYS—Messrs. Agnew, Ayres, Baldwin, Barnitz, Bedford, Bell, Biddle, Brown, of Northampton, Brown, of Philadelphia, Butler, Carey, Chandler, of Philadelphia, Chauncey, Clapp, Clarke, of Beaver Clark of Dauphin, Clarke, of Indiana, Cleavinger, Coates, Cochran, Cox, Crain, Cunningham, Curll, Darlington, Darrah, Denny, Dickey Dickerson, Doran, Dunlop, Earle, Farrelly, Fleming, Forward, Foulkrod, Fry, Fuller, Gilmore, Hayhurst, Helffenstein, Henderson, of Allegheny, Hiester, High, Hopkinson, Houpt, Hyde, Ingersoll, Jenks, Keim, Kennedy, Kerr, Konigsmacher, Krebs, Long, Magee, Mann, M'Cahen, M'Call, M'Dowell, M'Sherry, Meredith, Merkel, Montgomery, Overfield, Pennypacker, Pollock, Porter, of Lancaster, Purviance, Reigart, Read, Riter, Saeger, Scheetz, Scott, Serrill, Shellito, Siil, Smyth, of Centre, Sterigere, Stevens, Taggart, Weaver, White Young, Sergeant, *President*—86.

So the amendment was negatived.

A motion was then made by Mr. KEIM, of Berks county.

To amend the said resolution by adding to the end thereof the words as follows, viz: "Provided that they render services without pay from the public treasury."

And, the question having been taken, the said amendment was rejected.

Mr. DARLINGTON, of Chester county, then moved to postpone the further consideration of the said resolution until to-morrow.

Which motion was decided in the negative; yeas 35—nays 39.

So the motion was rejected.

The question recurring on the adoption of the resolution;

Mr. EARLE, of Philadelphia county, said it was known that this was a matter which had excited considerable feeling before the adjournment at Harrisburg, and, as had been remarked by the gentleman from the county of Lycoming, (Mr. Fleming) it had also excited much attention among the citizens of the state. Most of them, (said Mr. E.) consider that this convention has violated the constitution which it assembled for the purpose of amending; and which constitution declares that no man shall pay for any ministry against his consent. The convention has done this against the will of the people of the commonwealth, and I say that most of our citizens believe that we have grossly violated the constitution.

This being a very interesting subject, not only to the members of this body, but to the people generally, I think it desirable that we should have a full vote. The resolution is the same in all its essential features as that which was offered at Harrisburg. It is said now that we shall not be called upon to compensate those gentlemen for their services; but gentlemen should recollect that we thought precisely the same thing on a former occasion at Harrisburg. Yet, contrary to our expectations we were called upon to pay and it was thought mean in those gentlemen who objected to pay the same sum to these clergymen for the few minutes services which they rendered, as a member of this body received for his whole time. This pay is as high, perhaps, as that which is received by the bishops of England, under the curse of an established church. Sir, I protest against drawing any thing from the pockets of our citizens against their consent, for the purpose of compensating clergymen, of whatever denomination they may be. We have no right to do so. I believe that it is transcending our powers. I rose, however, principally for the purpose of expressing a hope that the convention will agree to have the vote of the whole body taken on this resolution. There are a number of members absent, and if we postpone the consideration of the subject for two or three days, we may calculate on a full attendance, and on a full expression of the sense of this convention. With this view, and to give all the members an opportunity of recording their votes, I move to postpone the further consideration of the resolution until Friday next. And on that motion, I will ask the convention to indulge me with the yeas and nays.

Mr. REIGART, of Lancaster county, said that he hoped the motion to postpone would not be agreed to. The members of the convention were as well prepared to vote now as they would be at any subsequent period; and it seemed to him that to say that certain gentlemen were not in their seats, was no sufficient argument on which to ground a motion for postponement. If gentlemen were not here in their places, all that we could say was that they ought to be here. They knew that this was the day fixed upon for the meeting of the convention in this city; and the responsibility and the consequences of their absence lay with them, and not with gentlemen who were prompt in their attendance here, and ready to resume their labors.

We have been told, said (Mr. R.) by the gentleman from the county of Philadelphia, who has last spoken, (Mr. Earle) that the people of the commonwealth are greatly agitated on this subject. Sir, this is a very astonishing discovery to me. I have heard nothing about it; and I appre-

hend that the people do not suffer themselves to be thrown into great trouble by trifles of this kind. The gentleman from the county of Philadelphia, it seems to me, has alarmed himself needlessly on this subject. Does he really think that the people care whether the clergy pray for us or not? Is it a matter of any consequence to them? Certainly not. Why then should they be in the state of agitation represented by the gentleman? I am of opinion that it would comport with the dignity of this body, that its daily sessions should be opened with prayer, and we have been told by the gentleman from the city of Philadelphia, (Mr. Baldwin) that compensation would not be asked, and that he did not believe it would be accepted, even if tendered. Where then can be the difficulty? We are acting here on assumed premises; we are debating this question, as if the clergymen at Harrisburg had solicited compensation. Such is not the fact; they did not ask it, nor do I believe that the gentlemen who may render service here will ask it. The sum which we appropriated at Harrisburg, was a voluntary contribution—nothing more. I hope that the sense of the convention will be taken at once on this resolution, and let gentlemen vote either in the negative or the affirmative, as may seem proper to them.

Mr. DARLINGTON really hoped that the convention would see the propriety of postponing this question for a short time; and although it appears to be no good argument with the gentleman from Lancaster, (Mr. Reigart) that the members from Chester are not all in their seats, certainly as a matter of courtesy they ought to be allowed time to get here before the question was pressed. He hoped the day of courtesy had not passed by, and as this matter was considered to be a matter of importance by those who were here, certainly it would be considered the same by those who were absent. All he asked was that we might have a full attendance when the vote was taken, so that there might be a full expression of sentiment on the subject, and then let the decision be as it might, he would rest satisfied. It did, therefore, seem to him that the motion of the gentleman from the county of Philadelphia to postpone until Friday next, ought to prevail.

Mr. CHANDLER, of Philadelphia, regretted that this question had occupied so much of the time of the convention, as it has, and he regretted that it should be deemed necessary to discuss a question of this kind, as to whether a body assembled upon the important duty of proposing amendments to the fundamental law of our state, should have invoked upon its proceedings the blessings of Almighty God every morning. The gentleman from the county of Philadelphia, who made this motion, appears to have made it under the impression that these clergymen were to be paid for their services.

Now, this was not the question. The question was not whether we would pay them three, four, or five dollars a day, but whether we will invite them to perform this service; and invoke the divine blessings upon our daily labor. He had a great respect for the gentleman from Chester, (Mr. Darlington) and for the suggestions he had made in relation to the absence of his colleagues, and no gentleman in this convention could have a stronger friendship for the gentleman or a higher respect for his suggestions, but he could not think that the convention ought to postpone this question out of courtesy to the gentlemen's colleagues, because of their

absence. He did not recollect of any time during the sitting of the convention when all the members were present, consequently it could not be expected of us to postpone questions of this kind, because of the absence of some of the members of the convention. If the question pending was one of those important questions which the convention primarily assembled to consider, and a number of the members were absent and we were appealed to for a delay of the matter, then with the gentleman from Chester, he should deprecate the idea that the day of courtesy had passed by, but this question he could not at all consider as merged in that or as being of sufficient importance to be delayed for nearly a week, because of the absence of some of the members of the convention. If it was asked that they should pay these clergymen, as had been done in Harrisburg, then the question would arise whether they should or should not receive a compensation, but it had already been stated by his colleague from Philadelphia, (Mr. Baldwin) that the clergy of this city did not desire any compensation.

He therefore hoped that no motion would be made by any gentleman to pay the clergymen who might officiate here; and that we might at once take the vote upon the question, whether or not we will open our session with prayer and have the divine blessings invoked upon the labors of the body. With these views he should vote against the motion to postpone.

The question was then taken on the motion to postpone to Friday next, and decided in the negative—yeas 35, nays 54, as follows:

YEAS—Messrs. Bedford, Brown, of Northampton, Brown, of Philadelphia, Butler, Carey, Cleavinger, Coates, Curll, Darlington, Darrah, Dillinger, Earle, Fleming, Foulkrod, Fry, Fuller, Gilmore, Hastings, Hayhurst, High, Houpt, Jenks, Keim, Krebs, Magee, Martin, M'Dowell, M'Sherry, Overfield, Read, Riter, Serrill, Smyth, Taggart, Weaver—35.

NAYS—Messrs. Agnew, Ayres, Baldwin, Barnitz, Bell, Biddle, Chandler, of Philadelphia, Chauncey, Clapp, Clarke, of Beaver, Clark, of Dauphin, Clarke, of Indiana, Cochran, Cox, Crain, Cunningham, Denny, Dickey, Dickerson, Doran, Dunlop, Farrelly, Forward, Hays, Helffenstein, Henderson, of Allegheny, Hiester, Hopkinson, Hyde, Ingersoll, Kennedy, Kerr, Konigsmacher, Lyons, Mann, M'Cahen, M'Call, Meredith, Merkel, Montgomery, Pennypacker, Pollock, Porter, of Lancaster, Purviance, Reigart, Saeger, Scheetz, Scott, Shelitto, Sill, Steigere, Stevens, White, Young, Sergeant, *President*—54.

The question then recurred upon the original resolution, and being taken, the vote stood—yeas 57, nays 33, as follows:

YEAS—Messrs. Agnew, Ayres, Baldwin, Barnitz, Bedford, Bell, Biddle, Butler, Chandler, of Philadelphia, Chauncey, Clapp, Clarke, of Beaver, Clark, of Dauphin, Clarke, of Indiana, Cochran, Cox, Cunningham, Curll, Denny, Dickey, Dickerson, Doran, Dunlop, Farrelly, Forward, Fry, Hays, Helffenstein, Henderson, of Allegheny, Hiester, Hopkinson, Hyde, Ingersoll, Kennedy, Kerr, Lyons, Mann, M'Call, Meredith, Merkel, Montgomery, Pennypacker, Pollock, Porter, of Lancaster, Purviance, Reigart, Saeger, Scheetz, Scott, Shelitto, Sill, Steigere, Stevens, Taggart, White, Young, Sergeant, *President*—57.

NAYS—Messrs. Brown, of Northampton, Brown, of Philadelphia, Carey, Cleavinger, Coates, Crain, Darlington, Darrah, Dillinger, Earle, Fleming, Foulkrod, Fuller, Gilmore, Hastings, Hayhurst, High, Houpt, Jenks, Keim, Konigsmacher, Krebs, Magee, Martin, M'Cahen, M'Dowell, M'Sherry, Overfield, Read, Riter, Serrill, Smyth, Weaver—33.

So the resolution was adopted.

Mr. FULLER, then submitted the following resolution:

Resolved, That it is inexpedient for this convention to debate or vote on any abstract question, not having for its object an amendment to the constitution.

Mr. FULLER then moved that the convention proceed to the second reading and consideration of this resolution, and on that motion called for the yeas and nays, which were ordered, and were yeas 41, nays 50, as follows :

YEAS—Messrs. Bedford, Brown, of Northampton, Brown, of Philadelphia, Butler, Clapp, Carke, of Indiana, Cleavinger, Crain, Curll, Darrah, Diffinger, Earle, Foulkrod, Fry, Fuller, Gilmore, Hayhurst, Helffenstein, High, Hyde, Ingersoll, Keim, Kennedy, Krebs, Lyons, Magee, Mann, Martin, M'Call, M'Sherry, Merkel, Overfield, Purviance, Read, Riter, Scheetz, Shellito, Smyth, Taggart, Weaver, White—41.

NAYS—Messrs. Agnew, Ayres, Baldwin, Barnitz, Bell, Biddle, Carey, Chandler, of Philadelphia, Chauncey, Clarke, of Beaver, Clark, of Dauphin, Coates, Cochran, Cope, Cunningham, Darlington, Denny, Dickey, Dickerson, Doran, Dunlop, Farrelly, Fleming, Forward, Hastings, Hays, Henderson, of Allegheny, Hiester, Hopkinson, Houpt, Jenks, Kerr, Konigsmacher, M'Caheh, M'Dowell, Meredith, Montgomery, Pennypacker, Pollock, Porter, of Lancaster, Reigart, Saeger, Scott, Serrill, Sill, Sterigere, Stevens, Young, Sergeant, *President*—50.

So the question was determined in the negative.

Mr. CHAUNCEY, of Philadelphia, moved that the convention adjourn ; but afterwards withdrew the motion.

Mr. HIESTER, of Lancaster, offered the following resolution, which was read a first and second time :

Resolved, That until otherwise ordered, this Convention will meet at half past nine o'clock, A. M., daily, Sundays excepted.

Mr. READ, of Susquehanna, moved to amend by striking out all after "Resolved," and inserting "That when this convention adjourns, it will adjourn to meet at half past nine o'clock to-morrow morning, and that such be the standing hour of meeting till otherwise ordered ; and that the convention will each day, except Saturday, take a recess from one till three o'clock, P. M."

Mr. M'CAHEN, of Philadelphia county, moved to amend the amendment by striking out "half-past nine," and inserting "ten ;" and striking out "three" and inserting "four."

Negatived.

Mr. INGERSOLL, of Philadelphia county, asked a division of the question to end with the words "till otherwise ordered."

Mr. HIESTER modified his resolution, by adding, "and that the order for a daily recess be rescinded."

Mr. STEVENS, of Adams, moved to amend by striking out all after the word "ordered," and inserting "and that the convention will every Monday, Wednesday, and Friday, hold evening sessions, beginning at seven o'clock, P. M."

Mr. EARLE, of Philadelphia county, was very much gratified that the gentleman from Adams (Mr. Stevens) had offered such an amendmant, and would have great pleasure in voting for it. He thought it of great importance to the convention and the public at large, that the business now before the body should be disposed of as soon as possible. Evening sessions might be held three times a week, and the other three nights gentlemen could devote to the study of ancient history—to the history of

the republics of former ages, and thus, perhaps, the better enable them to discharge their duties here. This was, probably not only the most laborious, but the most belabored body that had ever assembled in the United States, and it had sat a longer period than was usual for one of the same character. For one, he was willing to make a personal sacrifice to dispatch the business, with as little delay as could be avoided.

Mr. STEVENS said, he was afraid when the gentleman from the county of Philadelphia (Mr. Earle) rose and expressed his approbation of the resolution as amended, that he had not perceived it proposed to dispense with afternoon sessions. He (Mr. S.) was convinced that if the convention were to meet in the afternoon, but little business would be done. He thought more business would be done if they met at seven o'clock in the evening, because they could then sit out a debate. If they would not agree to meet in the evening, it would be better to sit as long as they chose, without fixing any particular time for adjourning. The gentleman from the county of Philadelphia had well said that this convention was not only the most laborious, but the most belabored body that had ever sat in the United States. He hoped that the amendment would be adopted.

On motion of Mr. CUNNINGHAM, of Mercer,

The Convention adjourned.

WEDNESDAY, NOVEMBER 29, 1837.

Mr. SILL, of Erie, submitted the following resolution, viz :

Resolved, That the thanks of this convention be tendered to the Library company of Philadelphia, the Atheneum of Philadelphia, and the Philadelphia Merchant's Exchange, for their kindness and hospitality in offering to the members of the convention, the privilege of their respective associations, and that the secretary be directed to furnish each of them with a copy of this resolution.

Mr. SILL moved that the convention proceed to the second reading and consideration of this resolution, which was agreed to, and the resolution was then read a second time and adopted.

The convention resumed the consideration of the resolution relative to the time of the daily meetings, offered by Mr. HEISTER, of Lancaster, as follows, viz :

Resolved, That, until otherwise ordered, this convention will meet at half past nine o'clock, A. M., daily, Sundays excepted, and that the order for a daily recess, be rescinded.

To which Mr. READ had moved an amendment, to strike therefrom all after the word "resolved," and inserting in lieu thereof the words as follow, viz: "That when this convention adjourns, it will adjourn to meet at half past nine o'clock to-morrow morning, and that such be the standing hour of meeting, till otherwise ordered; and that the conven-

tion will each day, except Saturdays, take a recess from one till three o'clock, P. M."

The question being on the motion of Mr. STEVENS, to amend the amendment, by striking out all after the word "ordered," to the end, and inserting in lieu thereof the words as follow, viz: "And that the convention will, every Monday, Wednesday and Friday, hold evening sessions, beginning at 7 o'clock P. M."

And this resolution being under consideration,

Mr. HEISTER modified his resolution, so as to read as follows, viz:—

"Resolved, That, until otherwise ordered, the convention will meet at half past nine o'clock A. M., daily, Sundays excepted, and will take a recess on Mondays, Wednesdays and Fridays, from two to seven o'clock P. M., and that the existing order for taking a recess, is hereby rescinded."

After some discussion, the question was taken on the amendment to the amendment, offered by Mr. STEVENS, and it was decided in the negative.

The question recurring on the amendment offered by Mr. READ,

Mr. SMYTH, called for a division of the question, so as to take the question first on the first clause of the amendment, as follows, viz:

Resolved, That when this convention adjourns, it will adjourn to meet at half past nine o'clock to-morrow morning, and that such be the standing hour of meeting till otherwise ordered.

Mr. DUNLOP moved to amend, by striking out "half past nine," and inserting, in lieu thereof, the word "ten," which was decided in the negative.

The first division of the amendment was then agreed to.

The question being on the second branch of the amendment, in the words following, viz:

"And that the convention will, each day, except Saturday, take a recess from one till three o'clock,"

Mr. DUNLOP moved to amend this branch of the amendment, by striking out the word "three," and inserting, in lieu thereof, the word "four,"—which was negatived.

Mr. STEVENS moved to amend the amendment, by striking therefrom, all after the word "ordered," and inserting, in lieu thereof, the following, viz:

"And will meet every afternoon, except Saturday and Sunday, at half past three o'clock."

Mr. DUNLOP asked for the yeas and nays on this question, and they were ordered.

The question was then taken on the amendment of Mr. STEVENS, and decided in the affirmative, as follows, viz:

YEAS—Messrs. Agnew, Baldwin, Barnitz, Bell, Biddle, Bonham, Brown, of Northampton, Brown, of Philadelphia, Carey, Chambers, Chandler, of Philadelphia, Chauncey, Clarke, of Beaver, Clark, of Dauphin, Cleavinger, Coats, Cochran, Cope, Cox, Crain, Cunningham, Curl, Darrah, Denny, Dickey, Dickerson, Dillinger, Donagan, Dunlop, Earle, Farrelly, Fleming, Forward, Foukrod, Fry, Harris, Hastings, Hays, High, Hopkinson, Keim, Kerr, Konigsmacher, Magee, M'Cahen, M'Call, Meredith, Merri'l, Merkel, Montgome y, Pennypacker, Porter, of Lancaster, Purviance, Reigart, Riter, Se ger, Scheetz, Sill, Snively, Stevens, Stickel, Taggart, Weaver, White, Young, Sergeant, *President*—66.

NAYS—Messrs. Ayres, Bedford, Clapp, Clarke, of Indiana, Darlington, Fuller, Gilmore, Hayhurst, Henderson, of Allegheny, Heister, Haupt, Hyde, Ingersoll, Kennedy, Krebs, Lyons, Mann, M'Dowell, M'Sherry, Myers, Overfield, Read, Ritter, Serrill, Shelito, Smyth, of Centre, Sterigere, Woodward—28.

The second division, as amended, was then agreed to, and the resolution, as amended, was adopted.

Mr. AGNEW called for the second reading and consideration of resolution No. 125, relative to the admission of persons upon the floor.

The resolution was taken up, and read as follows:

Resolved, That from and after the 27th instant, the thirty-seventh rule of this convention shall be altered, that the same shall read as follows, viz: "None but the members of the convention and its officers, the mayor, recorder, and members of the council of the city of Philadelphia, and such stenographers, reporters, or other persons as shall have permission given them by the President, shall be permitted to come within the bar of the convention, during its sessions."

Mr. AGNEW moved to modify the resolution by striking out the words "from and after the 27th," so that the order might take effect immediately.

He had intended, he said, before the convention left Harrisburg, to have offered the resolution, but business prevented him from so doing. The only alteration necessary in the standing rule of the convention on this subject, was one admitting the mayor, recorder, and the common councils of the city of Philadelphia.

Mr. DARLINGTON said the existing rule gave all the direction that was necessary, to the President, and the matter had better be left in his hands. He saw no necessity for altering the rule.

Mr. AGNEW saw, he said, very great propriety in the alteration proposed. It was due from us to the authorities of the city, as a mark of respect. The propriety of the resolution was self-evident.

The motion was agreed to.

On motion of Mr. STERIGERE, it was ordered that a copy of the resolution be sent to the mayor, recorder, and common council of the city.

Mr. DICKEY asked the second reading and consideration of resolution No. 123, respecting the order of business.

The resolution was read as follows:

Resolved, That the committee of the whole be discharged from the further consideration of the seventh article of the constitution; that the consideration of the ninth article in committee of the whole, be dispensed with, and that the convention will proceed immediately to consider, on second reading, the amendments already made to the constitution, in committee of the whole; and that this convention will adjourn, *sine die*, on the 25th day of December next.

Mr. M'CAHEN asked the yeas and nays on the motion to consider, and they were as follows, viz:

YEAS—Messrs. Agnew, Baldwin, Barnitz, Bell, Biddle, Brown, of Lancaster, Chambers, Chandler, of Philadelphia, Chauncey, Clapp, Clarke, of Beaver, Clark, of Dauphin, Coates, Cochran, Cope, Cox, Cunningham, Darlington, Denny, Dickey, Dickerson, Dillinger, Dunlop, Forward, Harris, Hays, Henderson, of Allegheny, Heister, Hopkinson, Kerr, Konigmacher, Lyons, M'Call, M'Sherry, Meredith, Merrill, Merkel, Montgomery, Pennypacker, Pock, Porter, of Lancaster, Purviance, Reigart, Saeger, Scott, Sill, Snively, Stevens, Weidman, Young, Sergeant, *President*—51.

NAYS—Messrs. Ayres, Bedford, Bonham, Brown, of Northampton, Brown, of Philadelphia, Clarke of Indiana, Cleavinger, Crain, Curll, Darrah, Donagan, Earle, Farrelly, Fleming, Foulkrod, Fry, Fuller, Gilmore, Hastings, Hayhurst, High, Houpt, Hyde, Ingersoll, Keim, Kennedy, Krebs, Magee, Mann, Martin, M'Cahen, M'Dowell, Myers, Overfield, Read, Riter, Ritter, Scheetz, Sellers, Shellito, Smyth, of Centre, Sterigere, Stickel, Taggart, Weaver, White, Woodward—47.

So the question was decided in the affirmative.

The resolution was then read a second time.

W. WOODWARD, as an amendment to the resolution, moved that the convention do now proceed to the consideration of the orders of the day.

The **PRESIDENT** said the motion was not in order.

Mr. WOODWARD said, if it was not in order, he would move the postponement of the resolution under consideration, in order to enable him to make the motion.

Mr. DICKEY hoped, he said, that the resolution would not be postponed, and that the gentleman from Luzerne would toe the mark on the question.

The convention had now been in session three or four months, and it was time for them to see some probable limit for its duration. The people were wearied with the length of the session, and they expected us to fix a period for the termination of our labors. It was not at all probable that the session would soon come to a close, unless we fixed a time in advance, for an adjournment, *sine die*, with a determination to adjourn at that time.

The time, as fixed in this resolution, might be too short,—but it was long enough when it was offered. The convention then refused to read it a second time.

His present object was to proceed at once with such amendments as we had out of committee, and he trusted that the convention might be ready to adjourn by the 25th of December. If that time was too short now, it was not when he offered it. He would like to see how gentlemen would vote on this question now, and the people would have an opportunity of seeing who offered obstacles to the completion of the business of the convention.

There was but one amendment to the 7th article, and there was no necessity for any discussion of that, in committee of the whole. We were now on the 7th article, and the amendments thereto had received their quietus. Unless we got to the second reading soon, our labors would not terminate with the present winter. There was no necessity, in his opinion, for remaining longer in committee. The amendments to the 7th article, which might be offered, could be discussed as well in convention.

Unless we took the course which he recommended, his legislative experience told him that we should prolong the session, procrastinating all the business until the time came when we must adjourn, and then there would be a necessity for closing the business in hurry and confusion. It was impossible to say when we could adjourn, until we fixed the day for adjournment. He was willing to fix upon any time short of the 10th of January. The people would then be better satisfied with the labors and issues of the convention, than they would if we sat here till spring.

Mr. BROWN, of the county of Philadelphia, said the convention must be satisfied that the gentleman from Beaver had a very strong desire to save us the trouble of thinking for ourselves.

This was the second, third, or fourth time, that he had interposed a proposition to prevent the convention from bringing its labors to a regular termination.

The gentleman's experience in regard to the legislature, was perfectly just; but there, business, when left unfinished at the end of one session, in consequence of fixing a day of adjournment, may go over for completion to the next session. But, in this body, the case was very different. We were under the necessity of bringing our business to a final close. There was no body to come after us, to which we could leave our business.

There would not probably be another convention in Pennsylvania, for many years; and it was of the last importance that we should do our work thoroughly. There was no parity between the two cases, and the example of the legislature could not, therefore, be safely followed by us. What right have we to adjourn before we complete our business? We were sent here to perform certain business, and, until we do it, we have no right to go home. The people expect us to go through with the work, and to do it well and thoroughly. He supposed that when the convention had finished, they would adjourn. To suppose otherwise, would be a reflection on the convention, and one which they did not deserve.

If we looked back upon the proceedings of the convention, would it be found that they had lost any time? They had been laboriously and diligently employed the whole time. The convention would be ready to adjourn when they completed their business, and not before. The changing of this present constitution, which, in some respects, had always been more or less odious to the people, had been postponed for fifty years, and now, that a convention was assembled, it ought to go through with the work committed to it.

There was one very important purpose for which the people wished and expected us to remain in session, and to proceed with our business, without hurrying to a premature close. There was nothing that the people had more at heart, than some amendment, limiting and restricting the corporations. That subject was still undisposed of, and the gentleman shewed an eager haste to hurry through, and neglect and avoid it. But, he would take it upon himself to say, and he said it with a knowledge of the wishes and feelings of a large portion of the members of this body, that a majority of the convention are disposed to do something upon the subject of corporations, and to fetter and regulate them hereafter. This was one of the most important questions before us. He had a deep and abiding feeling in regard to this matter, and he would not favor any project which looked to its neglect or postponement. The people looked with anxious eyes to the proceedings of this body on this vast subject, hoping that some new rules would be prescribed for the regulation and restraint of the overgrown monster of corporate power. He was for doing the work of the people well, let it require ever so long a time. If it could not be done in six months, let us take a year for it, or two years. The time we spent in the work, was of very little importance in comparison

with the manner in which we should finally execute it. He was willing, for this great object, to make a sacrifice of private interest, and leave his business as long as any one would. He cared not from whom came the cry that we had been too long in session,—he was for going on, and going through.

He had no doubt that the people would approve of the work, if it was well done; and, if it was not well done, they would, and with good reason, complain, whether we took a long or a short time to finish it.

If the gentleman from Beaver would serve the people, he would shun the course pointed out by his own legislative experience, and go regularly on through the work.

Mr. REIGART said he had voted for the consideration of this resolution, but he should not vote for its adoption. We were called on by the gentleman from Beaver, to toe the mark on this question. That cry may be useful in other places, but it will be of no use here. He had voted for the consideration, in order that the gentleman might see who would, and who would not vote for the resolution. He, for one, would not consent to cut off the business, and close the session prematurely. The gentleman would see, that he, for one, would vote against the resolution. Why should we not take up the seventh article in the committee of the whole, and discuss it. We have discussed the other six articles in committee, and, if we pass over this, the people will think there is something wrong. As the gentleman from Beaver had given his reasons why we should defer the discussion of corporations to the second reading, he would offer a reason why we should discuss it in committee of the whole. In the committee there may be a full and free discussion, without any restraint. But, in the house, each member is restricted from speaking more than twice on the same question. He would prefer to vote down this resolution, and when we were ready to adjourn, we, doubtless, should adjourn. It was said that we should not consider it in committee of the whole, because, there will be there an elaborate discussion. But the people want an elaborate discussion. It was important that they should be able, through our words, to judge of our actions here. The argument on the subject of corporations will be of great interest and importance to the people, and will enable them the better to judge whether we settle the matter properly. Let the people have full light on the subject. He should be obliged to vote against the resolution unless it should be postponed, or withdrawn.

Mr. FORWARD supposed, he said, that it was in order to put out some reasons for acting upon this resolution, and in so doing he could not keep out of view the object of the mover, as by him declared. If the object and tendency of the resolution was to smother and cut off a free debate, he was opposed to it. If its object was to prevent any gentleman from offering any amendment to the resolution in committee, he was opposed to it. But if the resolution would neither smother debate, nor preclude amendments, then it was resolved into a mere question of economy of time. Each member would be allowed to speak twice in the convention upon each question, and there would be afforded an opportunity for a very full and ample discussion. He doubted the propriety of going into committee of the whole at all. Minutes were kept in the committee of the whole, and they were recorded and printed. Whether the records

were kept in convention or in committee appeared to him to be of very little consequence. He was prepared to say that little or nothing was gained by going into committee of the whole, except the advantage of affording an opportunity to the presiding officer of the body to participate in the debates. It appeared to him that we had gained nothing by the committee of the whole, and he was in favor, therefore, of dispensing with it, in future. Suppose you go on in convention, instead of the committee of the whole, on the seventh article, and consider amendments on the subject of corporations, and then have a full and ample discussion; Will it not save time? He had no farther interest in the matter than the economy of time, and if he supposed that the proposition would preclude any one from participating fully in the debate on the subject, or from offering any amendment that he might wish, he would be opposed to it.

In regard to the time of adjournment, it was his wish that gentlemen would fix it. Some certain time ought to be fixed in advance, and it would be the means of facilitating and expediting our business. As to the period of time which it was proper to fix, he had not made up his mind. He was anxious to have the opinions of gentlemen on the subject. Let us have the opinions of the members of this body, as to the time which it is proper to fix for the completion of our labors. Fixing such a time, will operate as a pledge, that our business will, within that time, be brought to a close, though it may require more exertion to complete it. He would propose that the resolution be so modified, as to fix upon the fifth or the tenth of January, for the termination of the labors of this body. If, however, when the time approached, it should be found too short for the purpose of enabling us to bring the work to a satisfactory close, the period might be prolonged.

He was very desirous that every question in relation to the subjects before us should be fully discussed, and that every gentleman should be fully heard, but he was also anxious to expedite the completion of the business of this body, and to close the session in as short a time as was consistent with the proper and satisfactory despatch of our business. He would thank gentleman to express their opinions on this subject. In his opinion we might save time by dispensing with the committee of the whole hereafter; and by fixing a day for the final adjournment, we should be likely to work up to it.

Mr. BELL had not intended, he said, to offer any remarks on this subject, but he had listened to all the reasons which had been urged on both sides of the question, with a view to put himself in a position to vote correctly upon the resolution offered by the gentleman from Beaver. He had voted for the consideration of the resolution, and would vote for it if it was now offered again. But he was really very sorry that the gentleman from Beaver had put himself in such a passion about the matter. It was a subject for a calm and deliberate consideration, and there was no occasion for any excitement in relation to it. The gentleman ought to reflect that the subject is so far new to us that some of us have not given to it that close attention, which his long legislative experience had enabled him to do. He had an undoubted right to know our opinions on the subject, and to demand the yeas and nays; but he ought not to menace us with the yeas and nays, and such heavy responsibility to our consti-

uents upon a question, upon which we are not yet prepared to act. He trusted the gentleman would reconsider his determination and not precipitate our action on the resolution before we were prepared for it. The same gentleman was too much in the habit of driving us to party decisions, and holding over us the yeas and nays as a scourge. But he hoped that he would on this occasion compose himself, and address us in a calm and dispassionate manner, which was very peculiar to him, but which was very suitable to the subject presented by him for our consideration. The gentleman proposed nothing less than a change of the whole course of action of the convention. After the course of proceeding had been so well settled and approved, we were called upon suddenly to abandon it, and try a new mode of getting through our business. The various articles of the constitution had been committed to the committee of the whole, and there passed in review. The various amendments to them had passed their first reading, and he hoped we should be allowed to go on in the same manner through the remaining articles. It was too late, after all we had done, to change the course of procedure. What have we been doing? He asked the question emphatically. We have been engaged in passing in deliberate review before us all the articles of the constitution. But now, at the moment when we have arrived at an article, and a subject, to which the attention of the people is directed with the most intense anxiety, and upon which they were especially desirous that the convention should act, and act deliberately and definitively, the gentleman wished to hurry us over it, and drive us to the second reading. It is a subject upon which the eyes of the whole commonwealth are anxiously turned, and, in regard to which, any mistaken action on our part would be especially prejudicial to the public interests, and, instead of two readings upon it, which have been allowed for all minor topics previously, we are told by the gentleman from Beaver that we shall have but one.

He submitted whether this was not an inconsistent and hazardous proposition, and whether, if it was adopted and persisted in, it would not bring upon this body much severe and well deserved animadversion. Would it not give rise to the supposition and suggestion that we were afraid to meet the most important and exciting question of the day—the question as to the restrictions proper to be imposed upon legislative action on the subject of corporations? Should we be supported by public opinion in any attempt to evade this question, or in hurrying it carelessly over? He did not pretend to have so much legislative experience as the gentleman from Beaver undoubtedly possessed, and, indeed, he knew very little of the practice of legislative bodies: but he had still heard something and read something on the subject. What was the course of proceeding in all deliberative bodies? An ordinary law must pass through three readings, all of which cannot be on the same day. This was a necessary check to be put on party legislation.

Should we be told, then, that the fundamental law of the land, is of less consequence, and required less deliberation, and fewer parliamentary precautions against hasty decisions than ordinary laws which can be altered every year if found injudicious? Shall we be told that three readings are necessary for a bill relating to a county road, and that but one reading is necessary for an amendment to the constitution relative to the all important subject of corporations? In the first place, it is requisite

that time should be afforded, in committee of the whole, for propositions of amendment. There should be time also, to discuss the subject in all its bearings, and carefully to consider each proposition. In the next place, there should be an interval between the first and second readings for reflection upon the subject. Members should have an opportunity deliberately to weigh the subject before they were called upon to give their final vote. But what, on the other hand, is the proposition of this resolution: To deprive the convention of an opportunity to consider the subject deliberately, or at all.

As to the time of adjournment proposed to be fixed, it would be of little use. It would fix nothing. If, when the time came, we were not ready to adjourn, we must alter it, and, sir, it will be necessary to alter, if any day which has been suggested by the gentleman from Beaver or the gentleman from Allegheny should be fixed upon. He should be compelled to vote against this branch of the resolution, believing as he did that it was too early, as yet, to fix the day of final adjournment. He was as anxious as any one could be to economize the time of this body, but he could not consent to do it at the expense of the public interests.

You fix the 25th day of December, as the day of adjournment. Does it enter into the conception of any man that this convention must adjourn on that day, whether we have completed our labors or not? Or that, by simply fixing the day, we bind ourselves to adjourn? Surely not, sir; if we are not ready to adjourn, we know that we shall not adjourn. What do we gain then by fixing a day? Can any advantage possibly result from it? Such is the peculiar character of the business which this body is called to transact, that it is utterly impossible to anticipate when we shall have completed it, or when we shall be ready to go home and to present the result to our constituents. It seems to me that it is idle and useless to fix upon any particular time, knowing as we do that we must finish the work we have begun before we finally separate. I shall, therefore, vote against that branch of the resolution which sets a certain time as the period of our adjournment.

Mr. EARLE, of Philadelphia county, said that he confessed he felt some surprise at the remarks which had been made by his friend from the county of Allegheny, (Mr. Forward) who, if he (Mr. E.) recollected right, in the first part of the session of this convention, and indeed throughout, down to the present time, had always stood up as one of the most earnest advocates of ample discussion and of full time for consideration and reflection. He had been constantly opposed to any thing like precipitation or haste.

At a very early stage of the proceedings of this body, said Mr. E., after the period of three weeks had passed away without any action on a single proposition in relation to the impeaching power—and when an amendment was pending, in which seven or eight long speeches had been made all on one side, and none upon the other—and when probably not more than five or six gentlemen were disposed to vote on the other side, I suggested to that gentleman the propriety of dispensing with further speeches, as the opinions of almost all the members seemed to be on one side of the question. I well recollect that, for making the suggestion, I received a severe reproof from that gentleman, for attempting to check

free debate upon any subject having reference to an amendment to the constitution. Time after time, when I have been anxious to sit an hour or two longer, in order that we might get through with some particular question then pending, the gentleman from Allegheny has said that he wanted time for reflection.

Let us adjourn, said he, and give us time to reflect on what we are about to do; let us have the proposition printed. And thus, to have a few lines printed, he would urge an adjournment, and put the commonwealth to additional expense. And, as far as I know, the gentleman has always been the advocate of the most unlimited discussion, and he has always been ready to increase the expenses of the commonwealth by voting for any proposition which would give facilities to the freedom of debate, I would not be understood as censuring the gentleman for having pursued this course; and I only recur to it now, because it appears to me that the course he is pursuing at present, is not consistent with that which has been adopted by him. Does not the gentleman believe that some of the amendments which have been adopted will again be changed? Does he not expect that such will be the case? Take, for instance, the amendment on the subject of education. Does he expect that this will stand as it is? And is he willing to give us only one hearing, and one chance to vote on three of the most important articles of the constitution? It is said that legislative experience is to instruct us. Let us, then, recur to that experience, and let me ask whether it is not a fact that, when the day of adjournment has been fixed, many bills of the greatest importance are not passed, of which many of the members are in total ignorance? Is not this notoriously the fact? And is it not true that the first intimation which they receive of the passage is from the public journals? On one occasion, as I have been told, when the day of adjournment had been agreed upon, a bill was passed fixing the time of holding the court, in the new county of Monroe, and not three members knew any thing about it. And I have been told further that a gentleman who had been deputed by the county to prevent the passage of the act, sat by the fire in the hall while the bill was read by its title, and he did not know that this was the bill. Are we to pass upon the constitution in a similar manner? What is this resolution? Is it a resolution providing that, on second reading, we may offer amendments to the constitution? What are its terms? "That the committee of the whole be discharged from the further consideration of the seventh article of the constitution, that the consideration of the ninth article in committee of the whole be dispensed with, and that the convention will proceed immediately to consider, on second reading, the amendments already made to the constitution in committee of the whole," &c. Such is the proposition of the gentleman from Beaver; a gentleman who has been loud in his denunciations of every thing in the shape of gag law.

And are we now to have that law applied to us by the very gentleman who, during the first meetings of this convention, declaimed so loudly against it? Are we to have our mouths sealed up by the very gentleman who, at one time, thought that the previous question should not be applied on a particular subject, after a whole week's discussion had been heard upon it? And does he now rise and offer a proposition depriving us of an opportunity to express our sentiments at all? A proposition.

which is to cut off entirely the consideration of the constitution? Are we to give the go-by to many of those important amendments to which the people have so loudly called our attention? Is nothing to be done on the subject of corporations? Are we, after all our loud promises, to put no check on the legislature in this respect? Are gentlemen at last afraid to toe the mark? Are they afraid to give us a chance to protect and secure the rights of the people in reference to corporations? Are they not willing that an opportunity shall be given to us to amend the bill of rights? Is the gentleman from Adams county, (Mr. Stevens) who voted to take up this resolution, ready, in the face of the wishes of his most ardent friends and admirers in this state, to cut us off from an opportunity of doing that great work of justice—that is to say, the extension of the trial by jury to every human being? Our country has been disgraced by mob-law? Are we to do nothing to check its progress? Are we to take no heed of the recent lesson we have had, in the horrible murder of one of our people for the mere exercise of the free right of discussion. I allude to the tragedy at Alton. I wish to do something towards the suppression of this mob-law which is making such frightful strides over our land; and I apprehend that if something is not done, the day is not very far distant when our happy form of government must end in a despotism. I have heretofore offered resolutions upon this subject—will that gentleman give me an opportunity to take a vote upon them?

Again, sir, it would be a most outrageous fraud—and I use terms without intending personal disrespect to any gentleman here,—to cut us off from the consideration of the bill of rights. And why? It will be recollected that, upon many occasions, amendments have been offered by gentlemen to several articles of the constitution, and that, in consequence of suggestions from different quarters, that they would more properly belong to the seventh article, or to the bill of rights, they have been withdrawn with the intention of offering them at a subsequent period to one or the other of those articles.

And there have been cases in which amendments have been voted down, because they were thought properly to belong to the bill of rights. To adopt this resolution, then, would be to take gentlemen by surprise; it would be a legal fraud—because a legal fraud, we know, implies honesty of purpose.

There is also another point of view in which I think the proposition of the gentleman from Beaver (Mr. Dickey) is wrong. A favorite object with many of us has been to insert a provision in the constitution, by which it would be placed in the power of the people, whenever any amendments were required, to cause these amendments to be made without the great trouble and expense attending the call of a convention. A committee was raised, by a unanimous vote I believe, to report a clause upon future amendments. It was made, providing the manner in which future amendments should be submitted to the people for their adoption or rejection. The motion of the gentleman from Beaver, cut off the consideration of that report altogether, and leaves the present constitution in the same imperfect condition in that particular as the constitution of 1790.

For these reasons, Mr. President, I hope that the resolution will be rejected, and I hope that those gentlemen who wished to hasten the close

of the labors of this body will take a more effectual mode of doing so. I have always voted to sit the longest number of hours proposed. It has been a source of regret to me, that the yeas and nays could not be called on questions of daily adjournment; and it is my intention to offer a resolution providing that the daily hour at which we adjourn shall be entered on the journal. If gentlemen are anxious to dispose of the business before us with greater despatch, let them sit a greater number of hours. Let them work as long as those who pay us work. This is the true way of bringing our labors to a more speedy termination. It is a singular fact, and one which deserves particular notice, that the gentlemen who have advocated this improper suppression of the yeas and nays, have always been found to vote in favor of the shortest number of hours. I do not say that this is the case with all of them. The gentleman from Beaver, (Mr. Dickey) probably has not, but in some instances I know that such has been the case. I do not blame them for their votes; I only ask them to pay a little more regard to the consistency of their conduct. If some of the members of the convention think that the subjects which come up for our action here, require reflection out of doors—that they are of such immense magnitude that they cannot be acted on without reflection out of doors, I have nothing to say in opposition. But, let me ask, do not these things prove the inexpediency and the impropriety of all attempts to precipitate our proceedings to a termination? Surely they do, sir. If gentlemen desire it, I am willing to sit here in despatch of the public business, from seven to twelve hours, or even any greater number, so that we may be enabled the more speedily to get through with our labors. We certainly can sit seven or eight hours a day without inconvenience to ourselves, or injurious consequences to our health; and by adopting a more expeditious mode of calling the yeas and nays, I have no doubt that we may save several entire days between this time and the period of our final adjournment. I am for despatching the public business as quickly as it can be done with safety, but I wish to adopt the right method of accomplishing that object.

Mr. M'CAHEN, of Philadelphia county, said that if the gentleman from Beaver, (Mr. Dickey) who had offered this resolution, was serious in his desire to bring the labors of the convention to as speedy a termination as possible, the time-saving machinery which he (Mr. D.) had invented would not have the intended effect. It was a very easy matter when the convention was tired of discussion on any subject, to move the previous question; and in that way, all unnecessary or protracted debate could be cut off. The gentleman from Beaver tells us, said Mr. M'C., to toe the mark—to place our names on the records. If I am not very much mistaken, he will find that a majority of this body will toe the mark against this resolution. If the motion to postpone shall prevail, it will negative, for a time at least, the proposition of the gentleman from Beaver. I cannot, however, think that he is serious in offering it. Under the plan proposed by him, we shall consume more time than in the discussion of the various questions in the committee of the whole. Look at the time which has already been lost. Where should we have been now if this question had not been got up? We should have been in committee of the whole, and, in all probability, should have made considerable progress in our business. I hope that the motion to postpone will be agreed to.

Mr. DICKEY, of Beaver county, said that to meet the objections which had been raised by several gentlemen against his resolution, in the form in which it now stood, he would modify it to read as follows, viz :

Resolved, That the committee of the whole be discharged from the further consideration of the seventh article of the constitution, that the consideration of the ninth article, and any new articles reported by committees, be dispensed with in committee of the whole, and that the convention will proceed immediately to consider, on second reading, the amendments already made to the constitution in committee of the whole, or any new articles reported by committee, or amendments that may be offered ; and that this convention will adjourn *sine die* on the tenth day of January."

Mr. D. then resumed. At the time I first offered this resolution, Mr. President, I did not advert to the fact that some of the committee, to whom the various articles of the constitution had been referred, had reported new subjects, for the action of the convention. Among those new subjects there is an article of a very important character, which provides for the limitation of the amount of the public debt of the state of Pennsylvania. There may be some of them, matters of importance, which do not recur to my memory at this moment. In offering this proposition, I had no desire nor design to cut off, or, in any manner, to cramp the discussion of all the subjects which have been, or might be brought to the notice of the convention, and that came within the proper sphere of its action, but I felt anxious that our time should be economized as much as it possibly could, with a due regard to the duties which still remain to be performed ; and, for this reason, I was anxious to get out of the committee of the whole, and to proceed at once to second reading. There is not an amendment which has been offered, or which may hereafter be offered, which cannot be amply considered and discussed on second reading ; and it is also to be remembered, that all these amendments, after having been agreed to on second reading, must again come up, on third reading, for their final passage, although they will not there be open to discussion.

I ought to say a few words in reply to the objections of the gentleman from the county of Philadelphia, (Mr. Earle.) He resorts to a disingenuous argument, when he says, that it will not be in order to offer any amendment on second reading. And I regret that a gentleman who professes to be scrupulously careful of the interests of the people ; who sets himself up as so great an economist of time—and who, it will be recollected, got up an economizing committee not long ago, should be found opposing any plan which could be reasonably devised for the more speedy termination of our labors. I confess, however, that some allowances are to be made for that gentleman. I fear the "occupation of Othello" may be taken away ere long ; and then the gentleman will no longer have an opportunity of making long speeches on the subject of reform.

As to the gentleman from Lancaster county, (Mr. Reigart) I have no doubt that he will toe the mark on this or any other subject ; and one of the effects of my amendment will be, to deprive him of the pleasure he has so long enjoyed in occupying the chair.

I hope that the motion to postpone will be rejected ; and that the convention will agree to proceed at once to second reading. We shall thus dispose of the business before us with much more despatch than we otherwise can, and we shall give an assurance to the people that there is

some prospect that our labors will be brought to a close within a reasonable period of time. That reasonable time would be betwixt this and the day fixed in the resolution, that is to say, the tenth day of January next. If we come here with a settled determination to work, we can, by that time, mature all such amendments as it is probable will be agreed to by the people. But, in any event, whether this resolution is adopted or not, I trust that the question will be met by a direct vote; that the people may know who are in favor of, and who are opposed to it.

Mr. STEVENS said, he believed the immediate question before the Chair was on the motion to postpone the further consideration of the resolution for the present?

The Chair said, that was the question.

Mr. STEVENS. The argument, however, Mr. President, has been on the resolution. I am glad to see our discussions in the city of brotherly love, open with so much personal kindness and good feeling towards each other. I hope it may continue, as it must have a strong tendency to harmonize our feelings and facilitate the progress of our labors here! I can also see that the immediate question has been very generally adhered to, though I can not discover how an argument against certain gentlemen is to be construed into an argument against this resolution. This is a matter which, I suppose, is understood by the gentlemen themselves, though I am at a loss to comprehend it.

I was one among the number of those who voted to take up this resolution, and I shall now vote against the resolution to postpone. But I do not mean to say that, because I voted to take it up, or because I shall vote against its postponement, I am therefore willing to vote for its adoption in the present shape. It is open to amendment, and it is right that we should inquire whether we can not do any thing that will better answer the purpose desired. I should be sorry to apply the gag to any member of this body, nor do I think that the resolution will have that effect. I rejoice that the gentleman from the county of Philadelphia, on my left, (Mr. Earle) has come forward in so valorous a manner to attack an individual here, because he feels that he is secure in his own section of the country. The gentleman is welcome to all the laurels which he can gather in such a warfare. I should have hoped, however, that the very common virtue of hospitality might have prevented him, here upon his own threshold, from attacking gentlemen, strangers in his land, with an energy and a vehemence that we might look to see in an arena of gladiators.

But, sir, I am glad that the gentleman has thrown off the mask, and that he is determined to shew his constituents that his duties have been of a very laborious character, and how willing he is to work hard all day for the good of the dear people; for sure I am that no man loves them so much—no man hugs them so closely to his heart, as does the gentleman from the county of Philadelphia. I rejoice that an opportunity has been offered to him, to manifest how much he loves them. I fear that the letter writers have not done the gentleman sufficient justice; and some one who is on the "Pennsylvanian" has not noticed his merits as fully as he ought to have done. It makes me happy, however, to see that his constituents will not remain ignorant of his great deserts, and of

his surpassing love and affection for them; for here they are, to gaze upon him and to bear witness to his mighty efforts in their behalf.

This, however, was not the object for which I rose from my seat. I rose principally for the purpose, of saying, that the insinuation thrown out by the gentleman, that because the gentleman from Adams—meaning myself—had voted to take up this resolution, at the present time, therefore he intended not to move certain amendments to the ninth article, is without foundation. The gentleman gives way to groundless fears and apprehensions. The proposition in the bill of rights in relation to the trial by jury, I consider to be of more importance than any other proposition which has been, or hereafter may be brought before us; and when it comes up, therefore, I shall listen with great delight to the eloquent arguments we may look to hear from the lips of the gentleman from the county of Philadelphia, (Mr. Earle.) I shall vote, however, against the motion to postpone, because I wish that some decision should be had on the resolution at this time. I wish to amend it by striking out the whole, except so much as fixes some certain day—be it the fifth, seventh, tenth, or any day in January, as the time for the adjournment of the convention; and leaving the business, in other respects, to proceed precisely in the same manner as it has done heretofore. I think that we should fix the day by resolution: for I believe that if we do not, we shall never fix it by our proceedings. I do not think that our business will ever approximate to a conclusion if this course is not adopted. I am, therefore, earnestly in favor of it. Are we not as far off as we were six months ago? All deliberative bodies are, I will not say hardened sinners, but they are careless, they scarcely ever repent till death is placed just before them. And we will never work until we know that our time is drawing to a close; at least we shall work too long on one chip of timber, until we have cut it all up, leaving nothing for the people. Let us then fix a day on which we will adjourn, and let us measure our debates accordingly. I am in favor of proceeding with the discussion of the question in reference to corporations, and which we have been told has caused so much trouble and agitation in the commonwealth. Let gentlemen discuss it freely and fully; for the harder you blow the bubble, the sooner it is sure to burst. If it had not have been for this bubble, the conservatives would not have been in a majority in this body. Nothing short of the revolutionary doctrines which have recently been promulgated, would have given us a majority here, or would have opened our eyes to our true condition. Let them, then, go on. I want to see all the remaining propositions of the gentleman from Susquehanna, (Mr. Read) brought up here. I want to see them discussed. I want to hear the new-fangled doctrines that are to be put in Dutch and in English. Let them come, and we may then expect to see in the state of Pennsylvania, a second edition of the movements which have taken place among the people of the state of New York. I say, let the gentlemen talk. Out of their own mouths they shall be condemned.

Although, therefore, I shall vote against the motion to postpone, I shall vote in favor of such a modification of the resolution as will confine it to fixing a day of adjournment; and then, probably, though I do not as yet know, I may vote against the whole proposition. I wish to ease as much as possible the burdens of the gentleman from the county of Philadelphia, and his fellow laborers in the field.

Mr. CURLL, of Armstrong county, said he had been much amused to discover the strange evidences of economy evinced by the gentleman from the county of Beaver, (Mr. Dickey) and the gentleman from Adams, (Mr. Stevens.) It would be remembered that, at the commencement of the sessions of the convention, the radicals of this body—as members of a certain party had been denominated—were anxious to take up the constitution of 1790, article by article, and section by section, and so to proceed in the regular order to amend it. With this plan, said Mr. C., we could not succeed. Some nine standing committees were appointed; and, if I do not much mistake, no gentlemen were more anxious to secure the appointment of those committees, than the gentleman from Beaver county. The appointment of these committees, I regard to be one of the principal reasons why the session of this convention has been protracted to so great a length. I have no doubt that if we had proceeded at once to the consideration of the constitution of 1790, without previously referring it to a committee, we should by this time, if not sooner, have arrived at the termination of our labors. Much time has been lost in irrelevant discussions. Sundry propositions have been offered, unconnected in any way with amendments to the constitution. The first of these was to cut off the representation of the county of Philadelphia, in the legislature of Pennsylvania. Another was, to cut off every member of this body from the privilege of holding office under the amended constitution, which we are about to submit to the people; and I know that the people I represent here have complained for a long time that we were sitting here so long, not on account of amendments to the constitution, but in the discussion of useless and absurd propositions which were thrown into this body, of a nature calculated to excite deep political feeling and controversy. The gentleman from Beaver has all at once become a great economist;—he is very anxious that we should get through with our business. I will say to the gentleman that no man is more anxious to come to a close than I am, but will not give any sanction to any proposition which will choke off important discussions. I well recollect that when my honorable friend from the county of Philadelphia, (Mr. Ingersoll) presented several propositions on the subject of corporations, it appeared as if a fire brand had been thrown in among us. The friends of certain corporations took the alarm. Every means was resorted to, and, among others, the aid of ridicule was called in to put an end to these proceedings. And now, in committee of the whole, the gentleman from the county of Susquehanna, (Mr. Read) has presented to us various propositions on the same subject. Does the gentleman from Beaver county wish to choke them off? He should be cautious what he is about. The people of the state of Pennsylvania, are more unsettled and more anxious about this very subject of corporations, than about any other which has been, or can be brought up for action in this body. The people look confidently to this body, to do something by way of placing future restrictions on the legislature, in relation to what I believe to have been an unwarrantable course of proceeding in the incorporation of so many institutions. I look upon these as aristocratic monopolies, taken from the people by the legislature, for the purpose of being bestowed upon a few persons. This, in my opinion, is a course of conduct not to be borne. The people will not submit to it, and they never will be satisfied unless these matters are fully discussed here. And

whether it is in our power to effect any thing or not, we shall have satisfied them that we have done our duty, if we shew them that we have recorded our names in favor of such amendments as we believe best calculated to promote the peace, the happiness and the prosperity of the people.

I shall, therefore, vote against this resolution. I hope it will be rejected by a decided vote. I am not to be frightened, nor drilled by any modern politician. My course is onward, and I shall not be stopped by any impediment which may be laid in the way. I will toe the mark, without any persuasion or threat: I disregard both. I will do any thing which I believe will secure to the people the enjoyment of their most dear and inestimable rights. I say, I shall vote against this proposition, and against every proposition of a similar tenure; and I am willing to abide the consequences.

Among other subjects which have been brought to our notice as requiring the action of this body, was a report by the gentleman from Adams, (Mr. Stevens) in relation to secret societies. What is to be done with that? Is it not to be discussed? Are we to give the go bye to the subject, in relation to which the gentleman said that the people of Pennsylvania would not accept of any amended constitution unless something was done; that there were eighty thousand people, I think he said, in this state who demanded some provision in relation to these secret societies, and to the administration of extra-judicial oaths? Is the gentleman willing to give up this favorite theme on which he has so often tuned his harp? Sir, it is astonishing to see that all these momentous questions are to be laid on one side, the very moment we reach the city of Philadelphia. What will the people say as to the influence which has been brought to bear upon us? Shall we now shew them that we are willing to give up the consideration of all the important subjects which yet remain to be acted upon, and to proceed merely to the second reading of the amendments? I hope that the good sense and the honesty of this convention will induce it to oppose this resolution, and to go perseveringly on with the prosecution of our labors. I am willing to work as long as any man; but I am not willing to convert myself into a galley slave. The people wish us to amend the constitution; and not to give our time to the discussion of mere abstract propositions, tending to no end but to excite political feeling and animosity. I hope that every gentleman here will be actuated solely by a consideration for the public good, and a desire to do nothing except that which he conscientiously believes is calculated to promote our moral, political and social happiness.

Mr. BROWN, of the county of Philadelphia, said that the gentleman from Adams, (Mr. Stevens) had made use of terms in relation to those who had brought forward propositions proposing restrictions upon corporations, which he did not entirely understand and had said that "they" would be condemned by their own acts. Now, who did the gentleman mean when he said "they." Certainly he could not mean his own friends, and those who had acted with him from the beginning of our labors to the present time.

He (Mr. B.) found on our files a resolution submitted by the gentlemen from Union, (Mr. Merrill) containing the following amendment, to be pro-

posed to the constitution: "Distinct and dissimilar subjects shall not be included in the same law, and in no case shall one bill contain more than one act of incorporation."

This was a restriction upon corporations proposed by a friend of the gentleman's, and one too which he believed would go far towards preventing the enormous accumulation of acts of incorporation. Again, in resolution number thirteen, on our files submitted by the gentleman from Lancaster, (Mr. Reigart,) provision is proposed to be made "that the legislative power, so far as relates to the chartering of incorporated companies ought to be restricted and that no act of incorporation, which may be futurely enacted, ought to continue in force for a longer period than twenty years, without the renewed action of the legislature, in its favor, except incorporations for public improvements, where two thirds of the legislature may concur in passing the same."

Here, sir, is another very prominent restriction upon corporations, proposed by a gentleman not belonging to that party which the gentleman must have alluded to when he said "they."

Again, in resolution number sixteen, which was submitted by a gentleman from Lancaster, (Mr. Heister,) another gentleman who could not be designated under the gentleman's cognomen of "they," he found the following sentiments: "that no act of incorporation shall be hereafter passed without a reserved power of revocation by the legislature, nor for a longer period than twenty years, unless it be incorporations for public improvements, or for religious or charitable purposes." Let gentlemen mark this and observe by whom it was introduced, "that no act of incorporation shall hereafter be passed without a reserved power of revocation by the legislature." This was not submitted by a gentleman of the party to which the gentleman from Adams has alluded, and is the author of it to be condemned?

Again: in resolution number eighty, submitted by Mr. Saeger, he found the following provision: "That after the adoption of the constitution, no bank or banks shall be chartered or rechartered, unless the commonwealth holds or take not more than one third, nor less than one fifth of the capital stock thereof, nor shall any of the said banks divide more than seven per cent, per annum of profits among its stock holders, one and a half per cent for contingent funds, and the residue of dividend, if any over and above that as aforesaid, seventy-five per cent to be paid to the state treasury, and twenty-five per cent in addition to stockholders. Charters not to be for a longer term than twenty years, with such other privileges and restrictions as the legislature may direct by law."

Here, sir, we have the restriction proposed to be put upon corporations not holding charters more than twenty years and of not dividing more than seven per cent, which must be admitted by all to be a considerable restriction, and this is proposed to be made by a gentleman of the same party with the gentleman from Adams.

Again: in resolution number one hundred and nineteen, submitted by Mr. Forward, he found the following restriction proposed to be made, "that the dividends of all banks which may hereafter be created shall be restricted to seven per cent. per annum, upon the amount of capital stock actually paid," and "that no bank which may be hereafter created shall make

loans or issue its notes until one third of its capital stock shall have been actually paid."

Here, again, were restrictions offered to be placed upon corporations by another political friend of the gentleman. Again, in resolution number one hundred and twenty, submitted by Mr. Purviance, it was proposed to be "*Resolved*, that a new article of the constitution be added so as to provide that all banks hereafter to be renewed, shall be subject to the following restrictions:"

"I. At least one third of the capital stock to be reserved for the state.

"II. A proportion of power in the direction of said banks shall be reserved to the state equal at least to its proportion of stock therein.

"III. The state and the individual stockholders, shall be liable, respectively, for the debts of the banks in proportion to their stock holden therein.

"IV. No bank shall commence operations until half of the capital stock subscribed for, be actually paid in gold or silver.

"V. In case any bank shall neglect or refuse to pay on demand, any bill, note or obligation, issued by the corporation, the holder thereof shall be entitled to receive and recover interest thereon, until the same shall be paid, or specie payments are resumed, at the rate of twelve per cent per annum, from the date of such demand, unless the general assembly shall sanction such suspension of specie payments."

Here we find no less than six resolutions, and there may be more, offered by different persons, all going to place restrictions upon corporations, and he did not think, therefore, that it was assuming too much when he said that there were a great many members of this convention who wished to have this subject considered. He did not think he assumed too much when he said that this was no party question, and that restrictions upon corporations were desired by all parties. It was not advocated here by any particular party, but was a question of deep and abiding interest to all parties, and in all sections of the state, from the lakes of the Delaware, from the east to the west, and from the north to the south. He took it for granted, from the expressions which had been laid before the convention, that it was as important a question as any which had been brought to the notice of this convention.

Mr. EARLE merely rose to say a word in vindication of himself, in relation to the personal feelings and want of hospitality which had been attributed to him. He thought he could safely appeal to the members of this convention, for the fact that no member of this body had been so frequently personally attacked as himself. He had not taken his seat in the convention a week before his private conversations were introduced into the discussions of the body, and into the reports, in the public prints accompanied with his name.

Among the first observations he made, at the meeting of the convention at Harrisburg, he was called to account for, by certain gentlemen, and personally assailed in consequence thereof. It was his intention now, and always had been his intention, to shun every thing of the kind, and he would now say, that he intended no personal disrespect to either of

the gentlemen to whom he had alluded, as he entertained the highest respect for them both. He had only wished to do that which a great master of logic had designated as a most powerful means of appealing to gentlemen. He only wished to apply the *argumentum ad hominem* to them, and this he wished to do in the spirit of brotherly love. He thought the gentlemen's great anxiety for hasty action, was inconsistent with all their previous principles and professions. The great philosopher of our own country, Benjamin Franklin, found it necessary to lay down general rules for the government of his own private conduct, in order that he might do that which was right; and he now only referred gentlemen to those general rules of propriety for the government of a body of this kind and having done so, he left them, hoping they might have their proper influence. He would merely say in conclusion, that he disclaimed all personal feelings and personal allusion on the present occasion.

Mr. FORWARD said he did not rise to complain of any want of hospitality, on the part of any gentleman, so far as he himself was concerned. He rose, however, to notice the *argumentum ad hominem*, which the gentleman had applied to some of us. The gentleman persists in ascribing to us not only what we did not avow, but what we expressly disclaim. He (Mr. F.) had stated in the outset that, if the tendency of the resolution would be to prescribe, smother up, or preclude discussion, he would oppose it.

Before he had said a word to the convention on the subject, he had interrogated an experienced gentleman in this way: Will this resolution cut off amendments, or stifle discussion? The answer was that it would not. He assumed then, that it would not, and of course the *argumentum ad hominem*, and all the other learned arguments of the gentleman did not apply. When gentlemen talk about this resolution suppressing amendment and debate, he and those who acted with him would say distinctly that it was not their object to preclude amendments, or to preclude discussion. His object was to facilitate the labors of the convention, and he would ask any gentleman whether we could not debate every question as freely, in convention, as in committee of the whole. How many questions have been passed hastily through committee of the whole, without paying proper attention thereto, knowing that they would be brought up again on second reading. He was convinced that some subjects had passed through committee of the whole which would receive more discussion on second reading than they had received in committee, and when they come up again on second reading, we will have a repetition of the whole of the arguments made use of before, with such additional suggestions as may present themselves to gentlemen. He might be mistaken in the opinion he had formed, but it did appear to him that if we now proceeded to second reading and took up the amendments we had already passed upon, and then take up the seventh article and the bill of rights, that we would facilitate the business of the convention, and save a great deal of time. This was his object and his only object in supporting this resolution, and he hoped it would prevail, as he was exceedingly anxious that the convention might get through with its labors at an early day, so that he might have the opportunity of returning to his home and his business.

Mr. FLEMING said that this question had had a wonderful effect

inducing gentlemen to give their experience, to the good citizens of Philadelphia, showing how the business of the people of Pennsylvania had been done, and it has had no other effect, and was not going to have any other effect that he could perceive.

The gentleman from Beaver, (Mr. Dickey) in the outset, took upon himself to regulate our proceedings, and to point out and mark for us the lines by which we were to travel to do the business which the people required of us to do, and does the gentleman now intend to overrule his own proposition first made, and destroy all the land marks by which we have been travelling all the past summer? Was he to charge the gentleman with being foresighted; and with being able to see the effect of any particular system, which he might suggest to this body? He was satisfied to labor under the system, which has been first put upon us by the gentleman from Beaver, and as we had got along pretty well under it, and got nearly through in committee of the whole, he could not consent, without some good reason, to depart from it. We have all now become accustomed to work under the gentleman's first system, and it was no small matter to break in upon us inexperienced members, who lack the parliamentary knowledge of the gentleman from Beaver, with a new system which we know nothing about. He did not want to get into convention until we have had one reading of the entire constitution, in committee of the whole. This discussion which we have had this morning, is part and parcel of the same matter which we have had repeated in this convention, day after day and week after week; the same two penny song which we have had here ever since this convention assembled. It was not so material how we get at our labors, so that we get at them, and do them, and he wanted to do them, and do them too in the mode in which we have been accustomed since the commencement of our session. We have had the mode and manner of doing business pointed out to us, and we have travelled in the line marked out by the gentleman from Beaver; and he was satisfied to proceed in that course, until we get through first reading, and then we will get into convention; and the gentleman from Lancaster, will at a proper time, be deprived of the pleasure of presiding over the deliberations of this body. He should, therefore, go for a postponement of the resolution, and would do so without travelling to the state of New York, for arguments to support him; but he would take occasion here to suggest, that, perhaps there was more in the gentleman's resolution than at first met the eye. It may be, perhaps, that that gentleman, with his usual tact and discrimination, after the passage of the resolution, if it should pass, may tell us that we have agreed not to do certain things, because of the passage of the resolution. He hoped the resolution might be postponed, and that we would get to the orders of the day, and proceed to the business which we were sent here to perform, as early as possible.

We have now just got into new seats, and he hoped we might have the privilege of working a few days under the old system, and if we were to change our system, let us change by degrees. He did not like to have too many new things pressed upon him at one time, and trusted we would pass over this resolution at present, and proceed to the consideration of the seventh article in committee of the whole immediately.

The question was then taken on the motion to postpone the resolution, which was decided in the affirmative; yeas 62—nays 42, as follows:

YEAS—Messrs. Ayres, Bedford, Bell, Bonham, Brown, of Lancaster, Brown, of Northampton, Brown, of Philadelphia, Butler, Carey, Clarke, of Indisna, Cleavinger, Coates, Cochran, Crain, Cunningham, Curl, Darrah, Dillinger, Donagan, Doran, Earle, Fleming, Foulkrod, Fry, Fuller, Gilmore, Harris, Hastings, Hayhurst, Helfenstein, High, Houtp, Hyde Ingersoll, Keim, Kennedy, Krebs, Lyons, Magee, Mann, Martin, M'Cahen, M'Dowell, Merrill, Myers, Overfield, Reigart, Read, Riter, Ritter, Scheetz, Sellers, Shelito, Smyth, Sterigere, Stuckel, Taggart, Weaver, Weidman, White, Woodward—62.

NAYS—Messrs. Agnew, Baldwin, Barnitz, Biddle, Chambers, Chandler, of Philadelphia, Chauncey, Clapp, Clarke, of Beaver, Clark, of Dauphin, Cope, Cox, Darlington, Denny, Dickey, Dickerson, Dunlop, Farrelly, Forward, Hays, Henderson, of Allegheny, Heister, Hopkinson, Jenks, Kerr, Konigsmacher, M'Call, M'Sherry, Meredith, Merkel, Montgomery, Pennypacker, Pollock, Porter, of Lancaster, Purviance, Saegar, Scott, Serrill, Sill, Snively, Stevens, Young, Sergeant, *President*—42.

So the resolution was postponed indefinitely.

SEVENTH ARTICLE.

On motion of Mr. WOODWARD, the convention then went into committee of the whole, Mr. REIGART in the chair, and proceeded to the consideration of the seventh article of the constitution.

The question pending was the amendment submitted by Mr. READ, to the third section of the article, in the following words:

“SECTION 3. No bank shall issue any bill, check, promissory note, or paper credit, of a less denomination than ten dollars; nor after the fourth day of July, 1842, of a less denomination than twenty dollars.”

Mr. READ called for the yeas and nays on this amendment, which were ordered.

Mr. STEVENS, then moved to amend the amendment by striking out all after the word “dollars,” where it first occurs, and on this motion called for the yeas and nays, which were ordered.

Mr. MERRILL hoped before a vote would be taken on this proposition, we would hear something from the mover of it, in relation to the propriety of adopting it. It appeared to him, to be a novel proposition, and no one could tell what would be the effect of it, if it was adopted. Could any man pretend to predict what would be the effect, in times like the present, of preventing the banks from issuing bills of a less denomination than ten or twenty dollars? Why, sir, the whole currency of the state would be shimplasters, which few persons would know any thing about, and which would pass no where but in the immediate vicinity of the place at which they were issued. He had been told by a gentleman who had recently travelled through the state of Ohio, that they had none of these shimplasters there, and what was the reason of it? It was because the banks issued notes as low as one dollar, and there was sufficient specie in circulation to make change below that. Banks were not there as here, restricted in the issue of notes, and the effect of it was favorable to the people, where the banks were unrestricted. How was the proposition of the gentleman from Susquehanna

to have a beneficial effect? Will it not have a tendency to increase individual notes to an alarming extent? Does any body believe that it will have the effect of introducing silver and gold into circulation? If it would do this, let gentlemen make it so appear to him, and he would go for it; but, if it had been submitted for the mere gratification of individual feeling, without there being any probability of its being beneficial to the community at large, he must oppose it. Let gentlemen, therefore, show us that this proposition will be valuable, and lead to good results, as they ought to be prepared to do, when they introduce propositions of this kind, and if they cannot do so, it is enough for us to say, that we will vote against it. A mere proposition which stood unsupported, was such a proposition as he was unwilling to vote for.

Mr. READ said he had already had an opportunity of expressing his views and sentiments somewhat at large to the convention on this subject; and when the gentleman from Union spoke of his having brought forward this proposition unsustained by any arguments, it must be on the supposition that he had utterly failed to sustain it in the argument he had made. He would however, now, refer the gentleman to what he then said to show him that our present system is a bad and vicious system, and a system founded upon fraud; and he had brought forward this proposition, with others which he intended to submit, when a proper time arrived, for the purpose of curing or attempting to cure the existing evils in the banking system. The gentleman speaks of this matter as though he supposed the present situation of the currency, or rather the situation in which we are placed without a currency, was to continue as long as the constitution exists. He knew that we were somewhat under the dictation of the rag barons, but he did not know that we had come under the yoke to such an extent, that we were to remain fifty or one hundred years, in this degrading position, with the knee bowed to the bank aristocracy. This is farther than he had supposed any gentleman would have gone, in acknowledging the power and authority of banks to rule this country.

His object and his only object in proposing to the committee this amendment was for the purpose of gradually removing the community from the curse of a depreciated paper currency, the evils of which we witness daily and hourly in the transaction of the ordinary business of the country. His object was gradually to relieve the community from this kind of currency, and adopting a system, in the due course of time, which would give us a sound circulating medium. If you go on to permit a circulation of bills of a less denomination than ten dollars, the consequence will be that you will always have a small note circulation to some extent, and you will never have an entirely metallic circulation for small transactions. Now he took it for granted that the present shin plaster currency was not to last for any great length of time. He meant a great length of time compared with the time which the constitution would be in force; then the effect of his proposition would be, that all payments under ten dollars must be made in gold and silver, and he would ask gentlemen if that was not a consummation devoutly to be wished for? Was there a single member of the convention who would not like to see such a result effected.

The amendment submitted by himself goes also to prohibit the circu

lation of bills of a less denomination than twenty dollars, after the year 1842, and this part of the proposition was introduced for the purpose of carrying out the same principle, with a view that all the small business transactions of the people shall be conducted in the legal and constitutional currency. Look at the condition of this country for the last six months? was there any reason, or could any gentleman assign a sufficient reason why the banks of this state, or of the United States had suspended specie payments? He called upon gentlemen to give the reason, if a reason can be given. If a reason can be given for it, he desired to know it; and, if no reason can be given, then our present condition is without a cause, and the whole of our embarrassments have been brought about by the power which has been growing up among us gradually for the last quarter or half a century, which was pressing down the people, and burdening the community in such a way as not much longer to be submitted to by a free people.

The present state of our monetary affairs cannot last for any length of time; and ought not we, in framing our fundamental law, and is it not the imperative duty of the convention, to adopt some effective measure to secure the people from the evils attending the existing state of affairs, and to provide and establish for them a uniform currency. Is it not the duty of the framers of a constitution for the government of the state, to guard the community in all time to come against a curse similar to that under which we are now laboring—a curse brought upon us without any cause, and for which no good reason could be assigned—a curse which had been brought upon us by the mere caprice of those who have so concentrated their influence, as to raise the moneyed power of the commonwealth against the civil power.

He apprehended that no gentleman of this committee could vote in favor of the amendment proposed by the gentleman from Adams, or against the amendment he (Mr. R.) had submitted, who was desirous of having, if nothing more, at least the appearance of reform, in regard to our monetary system.

It seemed absolutely necessary that something of this kind should be done. He had already expressed his views generally on this subject. He would record his vote in favor of the amendment on which he now called for the yeas and nays.

Mr. STEVENS said he was sorry the gentleman from Susquehanna, (Mr. Read) had thought proper to let loose his budget, without letting us have his whole project, and that he should have called the yeas and nays on the amendment. But he (Mr. S.) had risen simply to withdraw his motion, and to move to strike out all after "section 3" in the amendment proposed by the gentleman from Susquehanna, (Mr. Read) and to substitute the following:

"The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people."

Mr. BIDDLE said, Mr. Chairman, I do not rise to enter on the arguments which the question before the committee presents. I cannot, however, remain silent in regard to several declarations made by the gentleman from Susquehanna, (Mr. Read.) He has said the suspension

of specie payments was a mere matter of caprice. Caprice! Who, that recollects the state of the community in May last—the utter prostration of confidence—the numerous bankruptcies—the wide spread dismay—the apprehension which every man felt, each succeeding morning, as he repaired to his place of business, lest some new and astounding calamity should overwhelm him and his fortune;—who, with this state of things in view, will say that at such a crisis, the suspension of specie payments was a matter of caprice?

Sir, the gentleman from Susquehanna has not hesitated to make bold charges against the banks. Truth must be spoken—justice requires it. The suspension of specie payments was the natural, the necessary consequence, of a long continued war waged by that government which was bound to foster and protect the best interests of the nation, against the property, the industry, the enterprise and the commerce of the community.

The gentleman has reiterated his charges against the moneyed aristocracy. What is the moneyed aristocracy? The wealth of the country. By whom is that wealth held? By the people. In no part of the world is property so generally distributed, so equally divided; some fortunes of vast magnitude have been accumulated by individuals—but the richest men among us have been the architect of their own fortunes—the poor—who, by labor, industry, intelligence, enterprise and frugality, have reaped their reward, and amassed their estates. Are such men to be denounced? The instances are not frequent of immense wealth; the general distribution of property among children, soon wastes away the largest estate.

By the moneyed aristocracy of our country, perhaps, it is intended to embrace only the banks. If so, sir, let me ask what is it that procures for the industrious the wealth of the rich, on which to exercise their ingenuity and display their enterprise? The banking capital. Gentlemen avow that they would destroy the credit system. The credit system is the system of a free people—that which diffuses activity, energy and resources, throughout the mass of society.

The gentleman has said that caprice dictated the suspension of specie payments. If he alludes to this commonwealth—and with it alone are we specially interested—then, sir, I inquire whether it was not the duty—a duty due to the people—on the part of the banks of this city and state, to suspend specie payments at the time they did? The banks in New York had suspended specie payments—those in the southwest had done so too. What would have been the course of things, if in Philadelphia specie payments had been continued. Every debtor in Philadelphia would have been called on to pay his foreign creditor, and the payment would have been in specie—all capital deposited here would have been withdrawn, in specie—all the notes of our banks, wherever distributed, would have been returned upon them for payment, in specie—one continuous demand for specie would have been made, until it had been all carried to where it would command the highest premium. In fact, it is known that, in twenty-four hours after the suspension, nearly a million of dollars would have been carried out of this city. During all this time, let it be borne in mind that we could not have got back a single

dollar, for all else had suspended; and to our demand the answer would have been, 'we have stopped specie payments.'

It requires no argument to prove that the banks throughout the state were similarly situated. If then the banks had gone on paying specie, they would have, in a very short time, been compelled to stop—not as a measure of prudence and self-defence—but because there was no specie left in their vaults. It would have all departed to other states. What then would have been our condition? That is if the policy of the gentleman from Susquehanna had been adopted. Then our bank notes would have been paper money literally—for they would have had no specie basis—and when the time for the resumption of hard money payments shall arrive, the banks of this commonwealth, instead of being among the most safe and well fortified, would have been powerless; and our great commonwealth, now holding her just position among her sister states, would have been prostrated—the last to return to that condition the gentleman professes so much to desire.

Sir, a constitution is not intended for a day, or a year—it is designed to be applicable to all times, and to suit the varying aspects of society. Legislation is the remedy for ordinary mischiefs; it is adequate to restrain improper issues of small notes, and to provide such safeguards in banking, as from time to time experience may point out to be wise. Every constitutional restriction is so much taken from the general liberties of the people; let us impose none not necessary. Every useless restraint, by producing dissatisfaction and a consequent effort to get rid of it, in so much impairs the durability or security of the constitution itself. Let the provisions of our organic law be few—simple—such as are clearly calculated to secure the rights, and conduce to the well being of all.

I am not satisfied that the amendment proposed by the gentleman from Susquehanna, is of this character; I shall vote for the amendment to the amendment, offered by the gentleman from Adams, (Mr. Stevens.) If the gentleman from Susquehanna really desires a resumption of specie payments, he is taking the course best calculated to defeat his object. Infusing suspicion into the minds of men may induce them to hoard their dollars in garrets and cellars, but confidence alone is the talismanic influence which will once more give renovated energy to the business of our country.

I rose, sir, not to make a speech, but on the impulse of the moment, to repel some of the allegations which I considered unjust and calculated to do great mischief.

Mr. STEVENS, of Adams, said, that he did not rise to answer the stereotyped anathemas of the delegate from Susquehanna, (Mr. Read) which he had felt himself in duty bound to level against the banks, and those who were unfortunate enough to have money, but merely to say that he (Mr. S.) had offered his amendment to relieve the gentleman from the unpleasant situation in which he might find himself at home.

It was known that the Bank of the United States by its charter, which this convention had declared to be inviolable, was authorized to issue ten dollar notes for twenty-nine years to come—no restriction could, therefore, be imposed on that institution in regard to twenty dollar notes. It seemed to him as if a scheme had been entered into between the delegate

from Susquehanna and the Bank of the United States, against all the other banks—for, if that bank was to issue these notes, as it must do, for twenty-nine years to come, and the other banks were restrained, then it followed that after July 1842, almost the whole circulation of the United States would be in the notes of the “monster.” And, what a situation should we be in! all the little vipers we attempted to crush would be made food for the appetite of the great “monster.”

He trusted that every man who had any regard for his own rights and those of his children, would see the necessity of voting against a provision so fraught with evil as this was. He felt sure that the gentleman from Susquehanna, must have been persuaded, by some of the arts of the cunning great “monster” itself, which were said to characterize it, to offer the proposition he had done—for it was decidedly in favor of it. If the amendment of the delegate should prevail, we should be under the claws of the “monster,” like a toad under a harrow. He (Mr. S.) hoped it would be voted down. His desire was to put all the banks on the same footing as the Bank of the United States.

Mr. BELL, of Chester, said, that with the usual address and experience which distinguished the gentleman from Adams, (Mr. Stevens) he had introduced a proposition here, which he called an amendment, but which he (Mr. B.) did not regard as such. For a long time past the public attention had been called to, and the public mind engrossed with, the consideration of this important subject. No one, he believed, who had paid the least regard to the current of public opinion, would venture to deny that there was a general expectation that this convention would insert in the constitution some substantial restriction of legislative power, in relation to banks and corporations. He believed that in this convention, there was a majority composed of men of all parties, who were not only willing, but anxiously desirous to meet the expectation thus entertained by the people. And, when he spoke of the people, he did not speak in the sense in which they were commonly spoken of. He knew they wished some check to be imposed on legislative action, in regard to corporations generally.

He had risen for the purpose of giving briefly the reasons for the vote he was about to put on the record. The gentleman from Adams, (Mr. Stevens) with his usual adroitness, had introduced a shadow, but what he (Mr. S.) called a substance. What was the delegate's proposition? Why, he proposed to give the legislature only a power which it had heretofore exercised. The proposition runs—“The legislature *shall*,” &c. The gentleman uses the imperative word “shall,” which means “may,” also.

He (Mr. B.) conceived it to be wholly unnecessary to give to the legislature, a power which they already possessed, and exercised when they thought proper. The proposition was calculated to effect no other object than to defeat that which a majority here were anxious should be accomplished. He was throwing a tub to the whole introducing a nominal restriction, having no substance, and leaving the legislature to exercise their discretion as they did at present. As he (Mr. B.) had already said, then, he would vote against the amendment of the delegate from Adams, because he regarded it as utterly useless, and effecting nothing that was desirable. He should feel himself compelled, also, to vote against that of

the gentleman from Susquehanna. He had been at a loss all the morning as to how he should frame his vote. While many of the party with whom he associated, were in favor of the gentleman's (Mr. Read's) amendment, yet he (Mr. B.) could not make up his mind to vote for it. At the proper time, he himself would propose some restrictions that were called for by the public at large, with regard to the granting of incorporations, and especially those of a monetary character. But, in relation to the amendment, to which he had just referred, he would observe that he was in favor of giving the legislature the same power of restricting corporations as it now possessed; but, the amendment did not go far enough. It was inexpedient, too, inasmuch as its effect was to prevent the legislature from exercising their discretion, and thus, perhaps, carrying out the will of the people. He thought that a discretionary power might be safely confided to it. He was not one who distrusted the integrity of the legislature. Entertaining confidence in their integrity, capacity and judgment, he was for leaving them unshackled, as the time might arrive, (although we could not now interfere with the monetary system) when some clause might be demanded, to prevent, for instance, even the issue of fifty dollar notes, as well as those of any other denomination.

He hoped that before the present discussion was brought to a close, the delegate from Susquehanna, would offer something that would restrain the power of the legislature in regard to granting charters of incorporation and particularly banking; but, at the same time, while it accomplished that desirable end, it should allow the people an opportunity, at all times, of having their wishes carried out. Every one knew and admitted that banks were now so interwoven with our commercial and trading interests that they could not be wholly dispensed with, and all that was required of us, was, to impose such restrictions on them, as shall promote the happiness and prosperity of the people.

Mr. CHAMBERS, of Franklin, said, the question presented by the amendment and amendment to the amendment, was, whether the committee would, by the insertion of a provision in the constitution, impose a restriction on the legislature in reference to the denominations of paper that shall be issued by banking institutions; or, whether the subject shall be left to legislative discretion: For his own part, he confessed that he was in favor of leaving the subject entirely to the action of the legislature, who would be guided by circumstances and the wishes of the people, in what they did. Their legislation, on a matter of this sort, had reference, in some measure, not only to that of other states, but to that of the congress of the United States.

What, he asked, was the amendment of the delegate from Susquehanna? The terms of his amendment did not go as far as the remedy he prescribes. He had told us that his purpose was to limit state issues, by excluding from circulation bank paper of certain denominations. Now, he (Mr. C.) would inquire whether the amendment was to limit the circulation of bank paper? No; it was an amendment to restrict the legislature from issuing bank paper of certain denominations.

Suppose that we were to take away from the legislature the power hereafter to act under circumstances which might be beneficial to the currency of the country, should we not be doing too much, and would it not be a subject of great regret? And, by so doing, would we not leave our

whole state open to the issues and circulation of the larger notes, and also, to the circulation of the notes of banks of other states, similar in amount? The terms of the amendment left us exposed to all these evils. Whatever the legislature might do, with a view to improve the currency, must be done in conjunction with the congress and the government of the United States. He hoped that the time was not far distant when congress and the government would consider it to be their duty to regulate the commerce and the currency of the United States. When they should be thus dispised, the result would be to give stability to, and improve the currency. Congress had recently legislated in reference to the kind of bank notes that shall be receivable in the payment of the public dues. It had already had, and would continue to have, a very favorable operation in reference to the improvement of the currency. The power of congress, and the influence of its legislation, prevailed, not only over the state of Pennsylvania, but all parts of the Union.

The amendment of the gentleman from Susquehanna, (Mr. Read) would be entirely inoperative, unless carried farther. Believing, then, as he (Mr. Chambers) did, and as he had already stated, that this was a subject for legislative action; and, believing also, that the powers of congress, as far as they could be legitimately exercised, should be directed to it—he would vote against the amendment of the delegate from Susquehanna, and in favor of that of the gentleman from Adams, which left it to the legislature to act on the subject as they might deem best calculated to promote the public welfare.

Mr. READ, of Susquehanna, would say a few words in reply to what had fallen from the gentleman from the city, (Mr. Biddle) in reference to the allegation that he (Mr. R.) had made, that the banks of Philadelphia had suspended without sufficient reason. The gentleman seemed to suppose that because he had shown that other state banks had adopted this outrageous proceeding, a few hours before those of Philadelphia, that, therefore, he had given a good reason for the course taken by the latter. He did not think so. His hostility was not intended to apply to the banking system of Pennsylvania merely, but to that of the whole Union. Now, unless, as he had said a few days ago, there was something radically wrong—rotten at the root of the system, then he would ask, what reason there was for the Bank of the United States to suspend at the time it did? He believed that the news of the suspension in New York, had been received in Philadelphia five or six hours only, before the banks here followed the example of the others.

He verily believed that the suspension of specie payments, throughout the Union, was not the result of necessity, but was brought about by a conspiracy between the Bank of the United States and other banks. There were facts and circumstances which went strongly to show that they suspended in obedience of the mandate of that bank. What real cause could there be for that suspension? Were we bankrupt? No. What was the condition of the country? It was the most prosperous country in the world—had been in a state of peace for the last quarter of a century, and was free from a national debt, and yet, strange to say, a general suspension took place! Taking, then, into consideration, all the advantages to which he had alluded, could any one give him any rational account how this general bankruptcy could exist? They could not.

The only inference deducible from the state of things that he had detailed, was rottenness in the banking system itself. That was the cause of the suspension.

The gentleman had alluded to the pretended interference of the general government with the currency, and the war waged by it against the banks. The charge was utterly groundless, and had been reiterated over and over again, until the boys in the streets no longer believed it. It was now entirely threadbare. The transactions of the general government, with respect to the moneyed affairs of the country, was, in comparison with the business of the Union, as a drop in the ocean.

He would repeat now what he had said at Harrisburg, that the present state of things was not the result of the measures of the late administration; but that, on the contrary, those very measures had retarded this general bankruptcy of the country for two or three years.

He had a word or two to say to the gentlemen from Chester, and Franklin, (Mr. Chambers.) They objected to his (Mr. R's.) amendment because it did not go far enough, and while it proposed to restrict the denomination of our own state notes, yet it would induce an influx of small notes from other states. He wished to know whether we could touch the banks in any way? If his amendment should be agreed to, he would follow it up by another to prevent the influx of small notes from other states—for he was opposed to allowing any to come in, except such as the legislature might think proper. He wished to know whether it was possible to touch in any shape or form bank paper.

Mr. SERGEANT, said he thought the gentleman who had just taken his seat, had given the most conclusive evidence of the impropriety of introducing this subject into the convention. He had shown, beyond all question, that it was one which belonged to ordinary legislation. He (Mr. S.) would tell that gentleman, that we were not fit to be trusted with the subject. Yes, he would say upon the authority of that gentleman's own speech, we were not fit to be trusted with it. What, he asked, had the gentleman done? Why, without one particle of proof, he had charged a conspiracy against all the banks in the Union, including the Bank of the United States, to suspend specie payments. He had done this without the least shadow of evidence. That gentleman was a lawyer, and knew what was the meaning of the word "conspiracy." He knew it was an infamous crime. And he (Mr. S.) presumed that when a lawyer used the word here, he meant it in his legal sense. If not he would say so. Had ever such a thing been heard of in a body composed of so many intelligent and respectable men, as that a sentence of condemnation for an infamous offence should have been thrown out, without there being—he believed in his conscience—any evidence whatever to sustain the charge? How was such a charge to be met? He took it for granted, that the gentleman believed it, or he would not have said it. In the name of all that is just, was it possible that the gentleman had come to this conclusion? What is it? Why, that all those engaged in the business of banking in the United States, were guilty of a conspiracy to bring about a suspension of specie payments. He would ask whether the gentleman knew who the bankers were—what manner of men they were? Had he (Mr. Read) no friend—no acquaintance among them?

Was there not one righteous man to save them, that the gentleman ventured thus to fulminate his wrath against the whole banking interests of the United States?—that he charged them with a foul conspiracy? What, he (Mr. S.) again asked, could be done with such a charge without one word of evidence to sustain it. As he had said before, so he would say now, that he disbelieved it. He disbelieved it; he denied it, and he challenged the gentleman to bring forward his proof. He (Mr. S.) was in the city of Philadelphia, within hearing of that body of gentlemen who were the directors of banks in the city and county of Philadelphia. He knew many of them personally; he knew them individually; he knew their conduct. He knew them too, to be among the most respectable men in the community—not only here, but throughout the state of Pennsylvania, and he would ask what right any gentleman had to pronounce condemnation of conspiracy against them?

Mr. READ explained. I did not speak of any gentleman personally. I spoke of corporations, and not of any gentleman connected with them.

Mr. SERGEANT resumed. He accepted most cordially the gentleman's explanation. But, what did the gentleman mean by "corporations," he would be glad to know? Were corporations "conspirators?" He (Mr. S.) had heard it said of them, as a matter of reproach, that they were "things without souls"—"legal entities"—"bodies of men." He denied the charge, and he challenged the gentleman to prove there had been a conspiracy by a corporation. He (Mr. S.) denied that a corporation was capable of a conspiracy. The gentleman had alluded to the Bank of the United States, and he (Mr. Sergeant) had appealed to him, as a lawyer, to say whether the above was not the sense in which he used the word, and he had not answered the question.

What, he would again inquire, did he mean by corporation? Things legal, or ideal? Were they, as corporations, capable of making a conspiracy? No. All the crime that had been committed must have been by the managers of the bank: they must be the men who were to blame. Therefore, he would call on the gentleman, in the name of common justice to say why, and on what ground, he made this charge of conspiracy against these corporations. He had seen, with regret, that the convention were disposed to take all power to themselves, and that the legislature and the people did not seem to be thought of. When this convention was first assembled, the people had no more idea of our entering into the question of specie payments than into the constitution of the moon. How, he asked, came the question to be introduced? The legislature had not yet assembled: it would meet on Tuesday next. It had not, therefore, yet had an opportunity of acting on the subject. The gentleman did not know, and could not know how they would act, being fresh from the people and understanding the matter as well as this body could do. Then why, in the face of all this, should there be this indecent haste to anticipate the legislature? Was it that the legislature could not be trusted? Why not be trusted? The members of this convention were elected before the suspension of specie payments, while the members of the legislature were elected since. Were they, then, not as competent to act on the subject as we were? Were they not as able to provide for the exigency as we were? But, it seemed, that we must not

wait for the action of the legislature: we must anticipate and forestall them.

Why was this? The legislature had given us no cause to distrust it. Was it for the sake of coming to the question of the suspension of specie payments? Was it for the sake of arguing the question whether the general government was not the cause of that suspension? Was it not for the purpose of proving, as the gentleman attempted to do the other day, that the general government was not the cause of it? He knew that gentleman had volunteered something of the sort a few days ago, and, therefore, he himself now introduced the subject as a bone of contention. His (Mr. S's.) colleague, had this morning adverted to the subject, and the gentleman from Susquehanna said that he had in a former speech given his sentiments at length. That speech was delivered before the convention removed from Harrisburg to this city, and there it was, that this bone of party contention, was first thrown among us. Were we, he asked, under these circumstances, to dodge—to evade it, and be charged afterwards with having yielded to the accusation? How were we to conduct ourselves in regard to it? For his own part, he could say, that he had enjoyed the advantage of hearing all the questions connected with the currency, very ably discussed at Washington. He had had an opportunity as far as he was able, of judging what would be improvements—what would be beneficial, and what would not. Ought he, with such an example before him, to yield himself to a question of that sort? Should he say what judgment had been pronounced upon it from the east to the west? Should he, too, set up for a prophet? Should he take the subject up, prematurely, with a view of influencing that question? No, by no means. He would be countenancing the introduction of a subject foreign to the purposes for which this convention was assembled.

The gentleman had said that it was his intention to propose another amendment, the object of which was to exclude from circulation in Pennsylvania the notes of other states. He would put it to the gentleman to say, whether—as he understood the gentleman had eight or nine amendments to bring forward—it would not have been best and fairest to have brought them all forward, so that they might be examined and printed? He (Mr. S.) at present, knew of but two—the one already disposed of, and the one under consideration. The convention was entirely ignorant of the others. But, he was wandering from the point. The purpose for which he had risen, was, to defend a highly respectable and meritorious class of our fellow citizens, from what he conceived to be a most unjust and unfounded charge made against them.

He remembered to have heard it said in Harrisburg that the last bank to yield to the suspension, was the Bank of the United States. What an age we live in! Not long ago a letter was published in all the newspapers, charging that the banks which had suspended specie payments, had done so in order to sell their specie to the Bank of England! Had any proof of it appeared? On the contrary, had it not been shown there was no foundation for the statement? Had it not appeared that instead of the banks selling their own specie, they had now more of it than they had before?

Now, he would ask the gentleman from Susquehanna, whether, in his long legislative career, he never voted for the charter of a bank? And

further, he would ask him if there was not a bank in his own county? He would ask if he did not know the directors of those banks; and especially that in his own county? And then, he would ask, whether he meant to include them in this general denunciation? And, if he said, he did not—then he (Mr. S.) would ask upon what ground of evidence or authority, the directors of the Bank of the United States were included, who were among the most respectable individuals in the city of Philadelphia, and for whom there was as much respect felt, as for any man with whom the gentleman could be acquainted. He (Mr. S.) wished to bring it down to this: that the nature of the charge might be understood and rightly appreciated. When that was done, he had no concern about it.

On motion, the committee rose, reported progress, and asked leave to sit again; and,

The Convention adjourned.

THURSDAY, NOVEMBER 30, 1837.

The PRESIDENT laid before the convention the following communication, viz:

HALL OF THE FRANKLIN INSTITUTE, }
November 29, 1837. }

SIR:—I have the honor to transmit to you the annexed copy of a resolution, passed by the board of managers of the Franklin Institute of the state of Pennsylvania, for the promotion of the mechanic arts.

Resolved, That the members of the state convention, now assembled in this city, be invited to use the library and reading room, and to attend the lectures of the institute whenever it may suit their convenience, during their stay in the city.

I have the honor to be,

Very respectfully,

Your obedient servant,

WILLIAM HAMILTON,

Actuary.

HON. JOHN SERGEANT,

President of the Convention.

Which was read and laid on the table.

The PRESIDENT laid before the Convention a letter from John P. Roberts, praying for the appointment of doorkeeper or sergeant-at-arms of this convention, in case a vacancy should occur.

Which was laid on the table.

Mr. STERIGERE, of Montgomery, presented two memorials from citizens of Bucks county, praying that a constitutional provision may be made denying the right of suffrage to persons "of the negro race."

Which was laid on the table.

Mr. REIGART, of Lancaster, submitted the following resolution, which was laid on the table for future consideration, viz :

Resolved, That no company shall be hereafter created by the legislature with banking or discounting privileges, without the concurrent action of two successive legislatures.

Mr. DENNY, of Allegheny, submitted the following resolution, which was laid on the table for future consideration, viz :

Resolved. That the thirteenth rule for the government of the convention be, and the same is hereby repealed.

SEVENTH ARTICLE.

The Convention again resolved itself into a committee of the whole, Mr. REIGART in the chair, on the report of the committee to whom was referred the seventh article of the constitution.

The committee resumed the consideration of so much of the amendment to the report of the committee, as declares it inexpedient to make any alteration in the third section of the constitution, which is as follows, viz :

"SECT. 3. No bank shall issue any bill, check, promissory note, or paper credit, of a less denomination than ten dollars, nor, after the 4th day of July, 1842, of a less denomination than twenty dollars."

And the question being on the motion of Mr. STEVENS, to amend the amendment, by striking therefrom all after "sec. 3," and inserting in lieu thereof, the following, viz :

"The legislature shall provide wholesome restrictions on all banking institutions, within this commonwealth, so as to promote the best interests of all the people."

Mr. READ, of Susquehanna, rose and said, it was his fortune yesterday, whether good or bad, he would not say, to offend the ears, and disturb the delicate nerves of the President of this assembly. He had, in consequence, brought out unawares, the most extraordinary burst of passion from that quarter. It was most mysterious, both the matter and the manner, with which he had been answered. It was mysterious, because he was not aware that the gentleman had any interest in any bank; and if there existed no secret motive, no covert design, nothing which could actuate to that mysterious agency of passion, he (Mr. R.) was at a loss to account for its exhibition, without any cause but the mere announcement by him, of a fact known to every body, and which was as clear as that the sun is now shining

If the honorable President supposed that there was any thing in the atmosphere of the place to which the convention had been brought, aided by his vote, which could have the effect of deterring the representatives of a free people from speaking what they may think proper—any thing in the menacing tone he (the President) had thought it right to assume, or his angry looks, to prevent any one from stating the opinions fearlessly which he entertained, the gentleman had reckoned without his host. The

honorable President had started with a declaration that this is a subject with which this convention is not fit to be trusted. Aye, the convention of the people assembled in this hall is not fit to meddle with a subject which the people, for years past, have agitated, and which lies at the foundation of our free institutions! Not fit to be trusted! This convention not fit to be trusted with the people's concerns! Did the President mean to say the convention is not to meddle with this money power, which you have created? A money power so holy and powerful, that you, the people in convention, dare not to touch it with your profane hands! Was this the intention of the President! Was it his design to say that the banks were beyond control, and that they cannot be touched. If such was his intention—if that was his purpose, let me tell the honorable gentleman, that the high ground he had thought proper to take on the subject, is only calculated to hasten the downfall of his darling banks, or darling bank, for he seems to have taken under his protection the whole banking system. The people are not so far subjugated by this power yet, although they have borne for months the great injuries it has brought upon them without much complaining. They will yet rise in their strength, and teach the President that he must not take the high ground that the banks of Pennsylvania stand on such an elevated position that they are not to be touched, and that the delegates of the people are not to dare to meddle with any thing so sacred.

The honorable President was offended because he (Mr. R.) had said that the present condition of things was brought about by a conspiracy. Aye, sir, a conspiracy: and that gentleman, being a lawyer, knows well what a conspiracy is: a combination to effect an unlawful purpose by concerted action. The President had called on him for proof of the charge. Would he have proof of the existence of the ebbs and flows of the tide? Would he ask for proof that the sun is shining, or that the needle points to the magnetic poles? Had the President a right to call for proof, when it was at hand, on every side of him? Proof that the present state of things is the result of conspiracy. He had already defined conspiracy. What is it? It is doing an unlawful act by combination. Is there a man on this floor who will say that the suspension of specie payments in May last, was a lawful proceeding? To prove that it was unlawful, it is only necessary to state the fact. It was a matter of concert. Was it so? That it was so, is nearly as evident as that it was unlawful. How happened it that it was on this tenth of May, in preference to the tenth of April, or any other month, that the banks should have simultaneously suspended specie payments? He said, simultaneously, because it spread over the whole Union, like a flash of lightning. Some of the banks might have held off a day. The Pennsylvania banks might, because the New York banks did, and the New York banks, because the Pennsylvania banks did. But the time was so short in which this event traversed the Union, that it was perfectly correct to say it was simultaneous; and a simultaneous suspension without adequate cause, was a conclusive evidence of concert, to his mind. Yet the honorable President complains, when we state these facts, which are so plain to every one, that we pronounce condemnation without trial.

The fact was as plain to his (Mr. R's.) mind as that the sun is shining, and so it must be to every mind, except where its vision has been obscu-

red by prejudice, or by passion, or any other cause. It is as evident that there was a concerted action, as that the tide ebbs and flows. There is as much proof of it, as there can be of any self evident fact. The banks closed at the same time, without sufficient cause, and with specie in their vaults. There is no man who will believe that this was done without concert of action. If more proof were required, it was to be had; it could be found in this city. He would ask the gentleman to account for the admitted fact, that shinplasters were seen in this city the day before the banks suspended specie payments, and that these, and the counterfeits, made their appearance on the next morning. He had never heard this fact contradicted. There was a concert of action in this proceeding among the banks in this city, and all the other principal banks in the United States. Perhaps the large banks did not consult the smaller ones, and those which lay the most remote. But he did charge, and on evidence which could not be mistaken, on the banking corporations, not on individuals, that whether lawful or not, there was a combination formed between them for the doing of an unlawful act.

But, the gentleman (Mr. Sergeant) said—why not leave this subject to the legislature—a body fresh from the people? Why forestall them? He (Mr. R.) would say, what every gentleman knew to be the fact, that at the time the suspension of specie payments took place, the legislature was not in session. The germs of that suspension, however, had been in existence for years, and the people of the commonwealth were not so ignorant as not to foresee and foretell the precise result. “Why anticipate the legislature? Why not leave the subject for the action of the legislature? We had seen no reason to distrust them, said the gentleman.” Why, the very evil of which we complain, (said Mr. R.) has been created by the legislature. The gentleman says he sees no reason to distrust them. I believe he thinks so. He (Mr. R.) believed in his soul that it was not true they could be trusted. Not see any reason to distrust them, when all the evils with which we are surrounded are attributable to them! Whoever had looked on the action of the legislature in reference to this subject, with a scrutinizing eye, for a few years past, must have seen cause to distrust them. They had pursued a most ruinous course of legislation for want of the very restrictions we ask to impose on them.

What, he would inquire, had they done in regard to this subject? And what reason had we to suppose they would remove the evil which they had voluntarily brought upon us? This was a subject of legislation! said the gentleman. As well might you put the lamb under the protection of the wolf. The people looked to this convention for security against the continuance of the evil. And the reckless course of the legislature, of late years, had been the principal cause why the people decided on calling this convention, although there were many other abuses which required to be remedied. It had been a subject of almost universal complaint, that the legislature was acting in the most uncontrolled and reckless manner—covering the whole commonwealth with corporate bodies, and making privileged classes, and investing with power to do acts, which, if performed by individuals, in their personal capacity, would subject them to incarceration in a common jail. And, if the gentleman had mixed at all with the people he must have known it.

He (Mr. Read) had had some little experience in legislation, and had cause to know that some little restriction was necessary to correct the evil, and to prevent the people from being robbed of their vested rights—not only inalienable rights, but those vested in the people. The legislature dared to trade for *bonuses*—to grant charters of incorporation, in consideration of their being paid! We were told here that those who had vested rights in these corporations could not be deprived of them—that we must not touch them—that it would be unjust—that they are sacred—that we must not express our sentiments, lest the President of this convention should throw himself into an “agony of passion!” But, the gentleman, not satisfied with this burst of passion, had even gone so far as to refer personally, to his (Mr. R’s.) acts, as a member of the legislature, some years ago, and asked if he had never voted for any banks? He (Mr. R.) answered—“Yes, for many.” He voted, too, for the little bank in the county of Susquehanna. But, it was at a time when a sort of monomania had seized upon all classes of the community—when all were laboring under a common error—when we could not foresee that the banks would raise themselves above all power. It was under this delusion that he had voted for banks. In some old book it was said that “wise men change their opinions, but fools never.” If he understood the gentleman, he (Mr. R.) was threatened with the vengeance of that little viper, if he exposed its operations. He cared not for the vengeance of that little viper, nor any other. He had voted for that bank, one thousand five hundred of his constituents being in favor of it, and not one remonstrance against it. Although he had voted for it, he did so contrary to his own opinion; but he was overruled, and acted only in accordance with the doctrine, that a representative of the people has a right to act according to the instructions of his constituents.

The President had said, and he supposed it arose from a previous conversation that was held here, that he (Mr. R.) voted against a provision proposed to be inserted in that bill—making individual stockholders liable, and which the members from the city of Philadelphia said they would vote against, if it was offered. Now, it happened that the provision was never offered in the senate, though talked of, and offered in the house and withdrawn. But, if it had been proposed in the senate, he would have voted for it. This was his answer to the arraignment of the honorable President, in regard to the little viper, which as he (Mr. R.) had stated in his general declaration, did not go into operation until after the suspension. He, therefore, did not include it in his denunciation of a combination among the banks, to bring about a suspension. But he had no doubt that it would have joined in the unlawful combination and conspiracy, if it had gone into operation previously, as the very first act of the directors was a breach of their charter.

The honorable President of this convention might threaten and denounce as much as he pleased, but nothing that he could say either on this, or any other subject, would deter him (Mr. Read) from speaking his candid sentiments. The charter of the bank in question, required the stock to be paid in gold and silver, and their very first act was a resolution to receive the notes of other banks. Thus of the ten thousand dollars of the capital stock of that bank, which was paid in as the first instalment, only five dollars was paid in specie and the remaining nine thousand nine

hundred and ninety-five dollars, were paid in the notes of broken banks. Of course he had no doubt that that bank would have acted as the other banks did, had it been in its power.

The President of this convention had said that he had proved most conclusively that this was a subject for legislation. Now, might he (Mr. R.) not turn on him, and say, it was a subject of too great importance to be left to the unlimited power of the legislature. When he (Mr. R.) was told that the bank power was so tremendous—was so entirely above the people—was so holy that it must not be polluted by the profane hands of the people, did the gentleman not show that this was a subject vastly too important to be left to the legislature, although it had pursued a reckless course—a course which would in a short time, bring down the vengeance of the people, and prostrate the darling system of the president of the convention? He maintained that it was absolutely necessary to put down that viper which bid defiance to the people, and was preying upon the vitals of society—yet, judging from the vote which was taken a few days ago, it was to be sustained. He (Mr. R.) had now said all that he had to say, and he trusted that no political feeling would be permitted to weigh against amendments which might prove highly beneficial as guards, limitations, and restrictions, in all time to come, and thus protect the people from a curse so great.

Mr. SERGEANT said, that he had no doubt the gentleman from Susquehanna (Mr. Read) weighed more accurately than he (Mr. S.) did, the political or party effect of what might be said or done in this convention. He (Mr. S.) had more self-regard than to be guided or governed in his duty here, by any such considerations. He despised such calculations. He would despise himself if he could enter into feelings of this sort, in connexion with the inquiry as to what should be done by this convention. If the prophecy of the gentleman was to be realized, that the banks and their defenders would be swept down, then he would leave the gentleman free and pre-eminent. If such was to be the effect, he (Mr. S.) would tell him that if he carried out his doctrines—his pre-eminence would be of that character which ought not to give him any satisfaction, as it would be founded on the ruin of his country. And, if the delegate from Susquehanna valued the success of his party above the welfare and well-being of society, he was welcome to enjoy it. He (Mr. S.) wished no share in it. He had not taken upon himself the defence of the banks, nor had he said one word as to the character of the limitations which should be imposed on the banks. The gentleman had gone too far in attributing to him that which he did not say.

He called upon the gentleman, in justice, not to make language for him, and answer it himself. The delegate might talk about an "agony of passion;" he might insinuate as to covert motives, or concealed motives; yes, he might insinuate personally as much as he pleased, he would disregard it, but he would not be driven into a position which the gentleman deemed most convenient to himself. He placed himself on the interests of his country, and if the delegate could not rise above party zeal and political feeling, then he (Mr. Sergeant) could not follow him.

He took his stand on the welfare of his country; but the gentleman's object was of a political character. He desired to "raise the whirlwind" in the hope that he would be able "to direct the storm." The gentle-

man spoke of an "agony of passion" and of covert motives. Now, if the gentleman had any thing to say, he had better let it come out. He defied him to sustain any charge that he had made against a thousand of the most respectable citizens in the United States. The gentleman had talked of an "agony of passion"—of covert motives, &c. Men are differently constituted by nature; some are easily thrown into a feeling of effervescence, while, in others, their feeling lies smouldering, ready to burst forth at the fitting opportunity. No sight of wrongs done to a fellow-being could ever excite *this* passion—this feeling. It was a cool deliberate passion which worked forth to destroy. What, he asked, had we seen in this convention? What had we heard? The legislature and the justices of the peace abused without reserve. And now too the banks are abused without reserve. But, the gentleman said, it was not any individual. No, it was not an individual. If it had been, it would be far more fair and harmless, for the individual would have an opportunity of vindicating himself. They were corporations that were attacked. And, how did it happen that the learned gentleman came to be so well informed as to know what these men did? The gentleman undertook to tell us what was done by the banks in Susquehanna county. He hoped the gentleman would excuse him, when he said that he (Mr. Sergeant) had not said one word in relation to the Susquehanna bank, nor would he believe a single word spoken against it by the gentleman from Susquehanna, who had derived his information from one of the directors. If any individual director was to make any charge against an honorable delegate here, he would not believe it, unless an opportunity was first afforded him of being heard. The gentleman had again misrepresented what he (Mr. S.) had said.

He did not ask him whether he had ever voted for a bank in Susquehanna county, with a view to shew that he was inconsistent. If the delegate chose to change his course every day of his life, he (Mr. S.) cared nothing about it, he had not asked the question to test his consistency. But, he put the question to the gentleman to say, when he voted for a bank, what sort of men were intrusted with the management of it. He was speaking to some corner of the human heart, where there might be a remnant of justice left, in order that he might bring home to the gentleman the injustice of denouncing whole bodies of men residing in various parts of the United States. The gentleman did not use the word "conspiracy" lightly. And, did he not say that he founded the charge on facts and circumstances which had come to his knowledge? But, he did not favor us with these, any more than with his six or seven projects of amendments. What, then, did the gentleman say? He charged the Bank of the United States and other banks with conspiracy. He knew that a conspiracy was an infamous offence, and he would find it so laid down in the book that he had been consulting. The gentleman had adverted to the fact, of our being in Philadelphia, as the cause of the denunciation against him. It was true (observed Mr. S.) that many members of this convention were now in the midst of their families, for whom they entertained the highest regard, and among their associated friends whom they respected, and had no fear of.

The delegate from Susquehanna, living as he did in the dwelling of a Philadelphia family, would not, he (Mr. S.) presumed, like to say any-

thing that was calculated to give offence to its members. He would put to the gentleman the case of his own house: supposing some individuals to call in, and by imputation, or otherwise, were to insult and abuse his family, would he (Mr. Read) not feel excited and bound to resent such conduct? And, when he (Mr. S.) and other members representing the city, heard charges made against individuals that they knew to be unfounded, were they to sit still, and not defend those who were thus wronged and defamed? It was unreasonably to expect such a thing. Were our lips to be sealed because the gentleman from Susquehanna was with us, while he indulged in censure and rebuke? He conceived not. That gentleman was always kind, always bland, always courteous, always in good humour! And he never said anything in a rough or offensive manner, except this morning! He was, indeed, the very model of all that was agreeable and mild and becoming! But, it was not every one who was so gifted, and therefore the gentleman ought to bear with them. The gentleman had now, it appeared, got at the truth of there having really been a conspiracy! He had got hold of the shinplasters. He had been told, and he believed it to be true, that they were the foundation of it—and that they were issued on the day the suspension took place. Now, he (Mr. S.) would ask, was this a fact? Was the gentleman sure of it? He did not say that it was so, but that he had been told so—that he had heard so, and that he believed it. His (Mr. S's.) information, however, on the subject was very different; it was—that a meeting of the city council took place on the evening of the next day, and adopted certain measures which were carried into effect in a day or two afterwards. He did not know the fact of his own knowledge; but he had every reason to believe it to be correct. He greatly deplored the introduction of matter of this kind into the convention. The gentleman had taken up a very advantageous position for himself, when he charged him (Mr. S.) with saying that this convention was not to be trusted with the subject.

He (Mr. S.) had remarked upon the disposition there was in the convention, to anticipate the action of the legislature, as if that body was not to be trusted, and to suffer the knowledge of their own power to carry them too far. This was the purport of what he had said. The delegate could not have heard him (Mr. Sergeant) or he would not have fallen into the error he had. He (Mr. S.) had said, that he thought the gentleman's argument would prove that the legislature was not fit to be trusted with the subject. And, this was exactly what the gentleman had not answered. No doubt, he thought, that he had triumphantly answered that part of the argument which applied to the convention. But he had not answered the other. He (Mr. S.) had also said, that the gentleman had made a serious charge against respectable men here and elsewhere, which had no foundation, and which he had not attempted to prove. With regard to some other charges which the gentleman had made, he (Mr. Sergeant) would tell him, that he did not think himself bound to answer every charge which he might choose to make. The gentleman had said that conspiracy was concerted action for an unlawful end. And what, he (Mr. S.) would ask, was concerted action for an unlawful end? It was conspiracy. And, what was conspiracy? An unlawful offence. The delegate had not, by his explanation, altered the character of the

act: it stood exactly where it did; and he might just as well have refrained from entering into any interpretation of his meaning. Why was it that the legislature was not to be trusted? Was not this charge against the legislature of the same character as the rest—gratuitous and without foundation? The delegate from Susquehanna had been a member of the legislature for many years. He would ask him if he ever considered himself as not fit to be trusted? And if he did not, then he (Mr. S.) would be glad to know why other members were not to be trusted. He called upon the gentleman to say who was the member of the legislature that was not to be trusted?

What is the reason that the legislature is not fit to be trusted. Where is the man in that body who is not trustworthy? Name him. But those who bring these accusations deal only in generalities. Who is he that says the constituted authorities of Pennsylvania are unfit to be trusted? Is he dissatisfied with our free institutions? Does he desire to see a despotic authority established instead of our free constitution? If he does not wish this, what does he mean by bringing such charges in public, against the legislature. Charges, which if true, would go to prove that our experiment of a free government has failed. But the charges are not established. I deny them entirely, as utterly untrue. The conception itself originated in an inordinate love of power—in the heart of an individual, whom ambition has corrupted, whether he knows it or not, and who would make use of the little brief authority which he here exerts to overwhelm all the institutions of the commonwealth. Who are the representatives in the legislature? They are free people of the commonwealth of Pennsylvania. Who choose them? The free people of the commonwealth of Pennsylvania. If the people elect them of their own free will, what right has any one to say that they are not fit to be trusted? Does he not, in making such a charge, slander the free people of Pennsylvania; and does he not assume that he and not we ought to choose those who are to legislate for us? It is the aim and tendency of all public bodies to arrogate to themselves as much power as they can, and I am sorry to say that I have witnessed the very strong prevalence of that feeling in this convention.

Now, I can tell the gentleman that if this people choose to send representatives to the legislature who represent their wishes and not his, they have a right to do it, and I defy him to prevent it. I deny that he has any control over them, and assert that there is nothing in the constitution of Pennsylvania, which places my constituents under the domination of the gentleman from Susquehanna. They are free men and have a right to a free choice of those who are to represent them. They are satisfied with their conduct, and the allegation against them that they are unfit to be trusted, they know to be unfounded.

But the gentleman from Susquehanna says he knows that the suspension of specie payments by the banks was a matter of conspiracy. Well, if he knows it, it must be either through some source of information peculiar to himself, or a source that is open to every one. Now, I presume that he has no peculiar and exclusive means of information, and I take it for granted that he knows nothing at all about it. If he relies on general information, he cannot know what he says he knows; for I deny that the facts of the case, as generally known, bear out his assertion. I ask

the question what the banks were to get by a suspension of specie payments? What have they gained by it? Were they able to go on? Were they able to continue to pay specie? I would like it, if the gentleman would go a little deeper into this matter, and tell us how the banks could have avoided the suspension of specie payments. I tell the gentleman that it was the interest of the community, under the pressure of a great public exigency, that commanded the banks to suspend specie payments; and every man who will take a full and impartial view of the subject, must come to that conclusion. I ask the gentleman to take up the case of any particular bank and tell us how it could have avoided the suspension of specie payments. In the first place, they must have called in their debts, to the very great pressure of the community. But what amount of debt must they call in, in order to get a certain amount of specie? I take it for granted, that the gentleman, before making such positive assertions, must have examined all these questions closely, and I regret that he has not given us the result of his inquiries. It appears, from the report of the secretary of the treasury, that, in order to get in three dollars of specie, they must call in ten dollars of debt. Now, I want to know if the gentleman thinks it was the bounden duty of the banks to persist in sustaining specie payments, at the cost of the ruin of all the creditors to the banks.

The general ruin of the community would have been the result, as every one knows, of an attempt by the banks to continue the payment of specie. Does the gentleman then require that the community should be ruined for the sake of continuing the payment of specie by the banks? Does he mean gravely to say that the interests of the public were not to be consulted in the matter?

What evil has resulted from the suspension? I ask this question, taking it for granted again that, as the gentleman has examined the whole subject, he is prepared to answer me. As he knows all about it, I will take the liberty of asking him whether a bank note is not worth as much now as it was five years ago. Take a five dollar note of any bank of fair standing, and I ask if it will not buy more than it would do a year ago? The paper of the banks has actually a greater value now than it had before the suspension of specie payments. Every body understands that it was the interest of the banks to continue the payment of specie. A continuance of the suspension will, I admit, result in very great inconvenience to the public. It will result in the loss of the standard of value, and we shall have a fluctuating and unequal medium. But, on the other hand, I assert that a refusal of the banks to adopt the measure of suspension would have been attended with the ruin of the country. But what is there, sir, in the suspension of specie payments, by the banks, that justified the gentleman's charge of a conspiracy? Is it because it was simultaneous, or nearly so? That is a proof that there was no preconcert. One bank followed another in adopting this measure, in quick succession. At New Orleans and at New York it took place nearly at the same time, and in a few hours after the suspension by the New York banks, those of Philadelphia followed. The crisis had arrived which rendered the measure necessary, and the Pennsylvania Bank of the United States was the last bank that yielded to that necessity.

Who was to stand and who was to fall, when the whirlwind which the

gentleman says he predicted, came. I wish to know from one who is so kind as to wish the whole country to be ruined rather than that the banks should suspend specie payment. If he did not wish this, let him come forward and shew us how the banks could have saved the community and maintained specie payments. I do trust that no bank will ever be so cruel, so much attached to its own interests as to insist upon maintaining specie payment, at the hazard of placing a whole community into distress and ruin. Let the gentleman tell us what the banks could have done more than they did.

If we look at a state paper which was issued at Washington at the early part of the last session, we shall find that an attempt was there made to raise the same axe against the banks which the gentleman from Susquehanna has uplifted here. It was proposed to issue a commission of bankruptcy against all the banks in the country; thus locking up four hundred millions of bank capital, and debts and credits to the amount of eight hundred millions more. That was the proposition of the President, in his message at the special session, and the proposition now brought forward by the gentleman from Susquehanna is akin to it. Here is a plan to take twelve hundred millions of dollars and place them in the hands of the officers of the federal government, all of whom are under the immediate direction of the executive. What a scope for plunder! What a splendid opportunity for effecting a consolidation of power in the hands of the President! Congress repudiated the scheme. Now, I ask whether there is any truth or knowledge in the congress of the United States, or whether the gentleman from Susquehanna means to march up to the line, and say, that the representatives in congress are not fit to be trusted. The President and his party had a majority in both houses of congress. The committees to which that part of the message was referred were composed chiefly of friends of the administration. In the house the committees there were seven administration out of the nine members of which the committee consisted.

But this guillotining process, which the gentleman from Susquehanna now recommended, their own committees, composed of their own friends, could not and would not espouse. They have refused to adopt any measures against the banks up to this day. I will ask the gentleman no questions in regard to this matter; but I will request him to look at the President's message, recommending that a commission of bankruptcy be issued against all the banks, to look at the construction of the committees, and to read their reports, and then to refer to the fact that both houses of congress indignantly rejected the proposition. I call the gentleman's attention also to the fact that the President himself, when a member of the senate of the United States contended, that such a bank law would be a violation of the constitution of the United States.

But are not the legislatures of the several states to take such steps as may be proper in relation to the suspension of specie payments by the banks? Why is the gentleman in such haste to take the management of the business out of the hands of the legislature of this commonwealth? Is it because the one hundred and thirty-three here are to be trusted, while the other hundred and thirty-three are not? The gentleman said, in one of his speeches, that he had proved that the suspension of specie payments was not owing to the acts of the government. But what was so very

satisfactory to his own mind, might not be equally so to all. The speech was read, and I have understood that it has been printed. The gentleman has not favored me with a copy of it, and I have not seen it, though I should be glad to do so. The gentleman must, however, allow me to say that until the strong light which he has shed on this subject shall reach my mind, I must be content with the feeble light which shews me that the crisis was brought upon the country by that succession of executive usurpations which began with the despotic measure of the removal of the deposits, and with the specie circular in 1833, and continuing till this hour.

I do not undertake to convince the gentleman of this, but I claim to tell him that I believe, as much as I believe any thing, that, step by step, the executive has encroached upon the other branches of the government, and trampled upon the rights of a free people, until, at last, they have risen with all their energies and thrown off the spoilers. Talking of prophecies, who predicted that Maine would say to the destroyers of public liberty and prosperity, we will have you no longer to direct our affairs? Who predicted that Rhode Island would say this, and who foresaw that the great state of New York, and the north western states would join in the same declaration? They have said this in such terms that if the doctrine of instruction is true and binding, every representative from the states north and east of Pennsylvania, who supports the policy of the administration, does so, in violation of the rights, and in opposition to the will, of his constituents. If they mean to deny the right of instruction, and oppose the will of their constituents, it is well. We shall see the result of that. No one prophesied these things; perhaps no one foresaw them. I care nothing about making prophecies, especially; but I will mention it as an astounding fact, that there has never been a free election, since the convocation of the present congress, in which the voice of the people was not declared against the miserable policy of the administration.

What we in Pennsylvania shall do, remains to be seen. I cannot say what will be the result, but God grant that her heart and mind be found in the right place, and that she will come under the whig banner. I do not desire to be forced into these things. I did not seek this discussion, but was forced into it. What is to be gained by the proposition of the gentleman from Susquehanna? What is the spirit from which it came? What is the end in view? Is not the work of making a constitution of a higher nature than the pitiful pursuits of party? Are we to come here to debate and debate till the end of time, in order to influence the elections? Are we sent here for that purpose? No. We are sent here for a much higher object. We came here to discuss the great principles of government, and whoever brings in the fire-brand of party, with a view to party objects here or elsewhere, every such man is guilty of a violation of duty to the people of Pennsylvania—of his obligation to support a free government. Every such man sacrifices the noble objects for which he was sent here, to the pitiful purpose of individual gain. I again say that I did not wish to descend to reply to all these topics. We were challenged to discuss them, and to answer the allegations that were made. The gentleman from Susquehanna brought us out, by calling us defenders of the banks. We do defend the banks, so far as it is necessary to defend

them, in order to secure justice and the rights of the country, and not further.

I answer for no one but myself, and I tell the gentleman that his prophecies will have no weight with me. His warnings are unheard, and his menaces unheeded. I mean to stand by what is right, even if it be unpopular for a time. If he cannot go along with me, then we must separate, and I hope we shall do it peaceably. But I will never come under an engagement to stand by silently, and hear my fellow citizens traduced by any body.

Mr. HAYHURST said, Mr. Chairman—The amendment proposed by the gentleman from Adams is good in itself, but it contains no more than negative virtue; that is, it leaves us where we are, and does *no harm*. I attempted to show, on a former occasion, that mere absence of evil is not good cause for adopting any proposition, and I consequently feel bound to oppose the present, on that ground. Coming from an interior county, somewhat remote from the seaboard, and removed from the greatest commercial transactions of the state, I may perhaps represent a community who have felt the mutations in the currency less severely than those who are more closely connected with stock operations: yet, young as I am, both in years and experience, and crude as my ideas may be, I propose before I sit down, to lay them before this convention in order to give the older and more experienced members, and those better acquainted with financial operations, an opportunity to correct any errors into which I may have fallen.

I approach this subject, divested of prejudice, and with no other than Pennsylvania feelings; my desire and my pride is to promote the well being and prosperity of my native state, and I avow myself ready at all times to advance that end by every means in my power, regardless of the dictates of party animosity and sectional prejudice.

Sir, I do not recognize declamation as argument, or hard names as sound logic, but shall yield only when I am convinced, by arguments void of such appendages, that my positions are unsound, and I invite others to view this subject in the same spirit, and join with me in devising some means to guard this commonwealth against future occurrences of a nature similar to those under which she is now drooping. This request is not made under the domination of past feelings, but it is made under most ardent feelings for Pennsylvania's welfare. I care not to whom the honor of advancing the permanent interests of Pennsylvania is ascribed, whether to this man or that, or this set of men or another, all I desire is to see her prosperity secured, her greatness increased and her happiness promoted. Let the man who shall achieve this great work have his name emblazoned in gilded characters on the surrounding canopy, and let the name be that of any individual within hearing of my voice, the result will increase my happiness, and the actor's fame cannot embitter my enjoyment.

We have been told that the legislature will assemble shortly, and that this matter can be safely left with them; and then we are interrogated; "why this haste to act upon this subject here?" Sir, the legislature now about to assemble will have completed their labor and retired to their homes, long before this constitution can be ratified by the people; any thing we can do will not interfere with the deliberations of that body.

Let the legislature act, if in their wisdom they see cause, but their action cannot preclude the action of this body, though they have as ample power now, as they will have, in case the amendment now under consideration shall be adopted.

The legislature have ample power to impose every restriction now, yet, what have they done? But suppose the restrictive power be left wholly in the legislature, will it not follow that *partial* restrictions will prevail? Will not that body act in accordance with the spirit of the day in which they are acting, as heretofore? Now I wish myself and my fellow citizens of every party and every place, put upon the footing of equal and exact justice. I desire that all institutions existing at any given time may enjoy equal privileges, so far as the similarity of their pursuits will permit; and in order to produce that result I believe the restrictions should exist in your fundamental law. The people of this great state should arise in their omnipotence, and say to their servants in the legislature, "thus far shall ye go, but no farther, and here let your hands be stayed." But we have been told that this will be disrespectful to that body, and argue distrust on our part. Does it not imply equal distrust to impose any check on that body in any other matter? Yet you have defined their powers in many cases fearlessly. But have you not done more? You have said to the people themselves, you may elect any individual you choose, to fill the executive chair two terms or three terms of three years each, if you choose, but oftener in succession you shall not. Now has this restriction imposed upon the people, by themselves, been construed as a token of distrust? Does any man infer from this that the people are incapable of self government? Most certainly not. Then I hold that it is not disrespectful to impose the same terms and checks on the servants, that you do on the sovereign.

It occurs to me that the evils incident to banking or a credit system, are its liability to sudden expansion and contraction, and consequently it is the duty of this body to do all in their power to prevent these contingencies. And as the power to contract suddenly flows from a prior expansion, the means which prevent the first will avert the latter evil. Let us now inquire what causes usually produce an expansion of bank issues or a resort to enlarge credits, and see if the very cause which induces individuals to rush into ruinous speculations, may not induce the legislature to charter banks, as heretofore, without the salutary checks contemplated in the amendment now under consideration. The inducements to expansion are, amongst others, the four following, which I propose severally to examine in their order, to wit:

First. Great increase of opportunities for speculations in land.

Second. Great increase of importation, or extraordinary influx of foreign merchandize.

Third. Great increase of companies for internal improvements.

Fourth. Increase of banks.

Now, sir, gain, profit, or the accumulation of wealth, is the ruling passion with most men, and that which furnishes the greatest facility for the accomplishment of that object is usually adopted, without very carefully scanning its effects upon society. When, therefore, large bodies of valuable lands are thrown into market at a reduced price, the temptation is very

strong to rush precipitately into speculations which may prove detrimental in the end, because the opportunity seldom occurs and will be of short duration.

On these occasions, money, or its representative, is in great demand, great increase of interest is offered, and of course no stratagem is left untried to bring either the one or the other into market to supply the call—and as more than a certain limited amount of money is out of the question, the representative is required to make up the deficiency whether great or small. It is but natural that people on these occasions of rare occurrence should step beyond the line of moderation for a moment, and require an increase of that representative, beyond the ratio the basis can sustain—and the people being thus infatuated, will in their excitement, petition the legislature for an increase of banks, and extension of privilege to issue notes. Some of the petitioners may be aware of the danger, but the greater number, misled, for the moment, by the *apparent* prosperity of the country, are really anxious to crown their wishes by obtaining the means of making purchases, while the opportunity remains. Hence petitions flow into the legislature from all sections, praying for an increase of facilities. Under these circumstances is it not natural, nay, it is not right, that the legislature should listen to the prayer of their constituents? Has the time ever been that the legislature would disregard the prayer of the people? But suppose it were not the duty of that body to regard the wishes of their fellow citizens—suppose we deny the doctrine of instruction—is it not natural to expect that the members of that body would be influenced by feelings, and *interests*, if you please, common to them and their constituents? But suppose this were not the case, where is the legislature possessed of moral courage sufficient to resist this tremendous current of popular *craving*? Even if convinced that the request is unwise, and ought not to be granted, it would be but human to yield to the torrent of opinion. In these circumstances, the legislature are required, by the amendment, to introduce “wholesome restrictions.” Mankind are naturally frail, the creatures of habit and fashion, and hence arises the necessity of written laws and known bounds, before the time for using them arrives. The legislature are required to restrict; yet such is the construction of that body that the very duty of each member forbids his complying with such requisition. And how? Every member is elected with a view to procure for his particular constituents some local object, which they desire and which perhaps he, in common with them, believes would be beneficial. Suppose this local demand to be for a bank with unlimited privileges. Now, sir, is this member doing more than his duty to his particular constituents, if he use every honorable means in his power to subserve their interest, and procure the granting of their prayer? Or would he not be rather chargeable with a dereliction of duty if he were to adopt measures calculated to defeat their views? In this state of things, a representative would soon perceive the impossibility of attaining his wishes, when every one but himself saw that his project ought not to prevail, and would strengthen his by coupling it with one, two, or ten similar local matters, every one of which are perfectly indifferent to him, or perhaps contrary to his judgment. In this way a bill is passed, containing an indefinite number of propositions, when, if they were detached, there would be a very large majority against the passage

of every one of them. In common parlance this mode is called "*omnibus making*" or "*log rolling*." One of the restrictions necessary, as well in regard to granting charters, as to other things, is to prohibit the legislature from blending or coupling two or more distinct matters in one bill.

Yet, if we adopt the amendment under consideration, it would go to supersede his necessary bound to legislative power, because, from its very general terms, it seems to indicate that no other or more particular or definite restriction is to be adopted.

Thus the very construction of the legislative department of our government, incapacitates it from adopting the very measure deemed wholesome by it. The members are expected to serve their constituents; and can any one believe *his* local bill will pass if he votes against the passage of all similar bills introduced by *others*? And can any one for a moment suppose that a bill to charter "forty-two" banks ought to pass? Do you suppose that any *omnibus* ever did pass that did not contain many provisions that would have been negatived by overwhelming odds, if they had stood on their own merits.

Now, I do not assert, and I hope I shall not be understood to say, that the legislature have acted fraudulently or unfaithfully. On the contrary, I concede that they acted according to the noblest principles of human nature. They performed their duty to the people who sent them, though for that purpose they resorted to means calculated to injure the commonwealth at large. They acted according to instruction, they listened to the prayers of the people coming from all parts of the state, at different times, for different objects. And what could they do less under the circumstances. But, sir, the people did not petition collectively or for similar objects. They had no unity of purpose. Nay, they would, with one voice, denounce the whole measure of the scheme as subsequently matured by their representatives, if it had been presented as a whole. Yet their representatives, each to gain his own favorite project, vote for the whole. Now this arises from human frailty, human imperfection, joined with an over-wrought desire to please; and as the cause of this evil has its origin in our weakness—is it not the dictate of humanity to throw a guard round the accessible point, to guard that which is frail, to prop and support the weak? I conceive that it is, and hence I desire to have a barrier placed in the fundamental law to prevent the legislature from being pressed into such measures; and hence I contend it is no disrespect to that body to restrict them in regard to granting acts of incorporation. Nay, I assert that that body have a right to expect such a protection from this body through the approbation of the people. If a restriction against coupling distinct subjects in one bill, and a restriction on granting charters is placed in the constitution, it will support and strengthen human weakness and be an effectual apology for a member to his constituents for not doing what we all in our calmer moments, admit ought not to be done.

In what I have said, I do not mean that the people are not competent to govern themselves, without lessons from us. The community will, no doubt, act correctly—and will certainly not go wrong for any considerable length of time. If they should be in error for a moment, such is their elasticity of character, that they will soon rectify themselves and be right

at last. But, sir, while I freely admit this, I beg leave to say that the deed will have been committed, wrong as it may be, before the error is discovered. In the excitement of the moment an expansion of credit will be asked for and granted—a charter will be granted or some similar deed done—and alas! when the error is committed, it is irretrievable. And why? Because, although you take the land of the farmer at your own price for public use whenever you deem the public good or the public necessity requires it, yet you have by the adoption of a resolution (the passage of which I had the honor to oppose a few days ago) thrown out a very strong insinuation that banks and incorporated companies are to be exempt from similar exactions for similar reasons. Therefore a charter once obtained without limitation cannot be restricted even if the public good does require it, for an equivalent to be ascertained by a jury of the vicinity. This being the case, can we be too careful in granting charters? Ought the safeguard to rest with the legislature alone, to be exercised, at a time, and on an occasion when they are least capacitated to act dispassionately. But I have said the people will not go astray for any considerable length of time. Granted. But what avails the discovery of the fault, if the power to correct it shall have passed away. The community may indulge in regret at the misfortune, but the arm of redress is paralyzed.

But secondly—an expansion of currency may be asked for in consequence of the increase of importation, or extraordinary influx of foreign merchandize. Expansion and increase of importations may be reciprocally cause and effect. That is, increase of means may produce increase of importation, and increase of commodities in market may induce an increase of credit or paper currency. In either case the primeval cause of misfortune must be ascribable to expansion, and we must resort to the only corrective in our power.

Now sir, the extraordinary influx of foreign merchandise may arise from causes in our own borders, and, in that case, the direct remedy may be partially in our power; but such influx is more commonly produced by causes remote from us, and over which we have no control whatever. Such influx may arise from causes in our sister states, but more frequently it has its origin in the policy of the various governments of Europe. Hence it is entirely beyond our power to prevent it or even avert it by direct action. It therefore becomes our duty to apply the only corrective within our reach, which is to prevent such an increase of artificial capital or its representative, as will enable the sanguine speculator, aided by the votary of fashion and luxury, from accomplishing their purpose of profit, and flooding the country with an immense amount of unnecessary articles, for the payment of which, she is destitute of *real* means, and takes them only as a *lien* on her *future* resources. We are asked to leave the regulation of the currency, on such occasions, with the legislature, although we admit that the regulation of that medium is our best means of preventing excessive importations: and excessive importations, are, as I hope to show, one great cause of the revulsions which we so often experience in our monetary and commercial affairs. Now sir, will not the legislature be liable to every influence in this case, to which they were exposed in the case of domestic speculations. I presume they will, because human nature will still be the same—the temptation the same—

and the means equally convenient. In this case we shall not only cripple ourselves, and ruin our citizens, by floating with the tide, and listening to the song, but sir, we are in danger of doing more. We are liable, by imprudently providing artificial means of purchase, to aid in making ourselves, in effect, tributary to Europe. If this result follows from an unguarded increase of paper currency, what more important duty devolves on us, on every Pennsylvanian, than to guard this accessible avenue by every firm, moderate, durable and effective means within our reach? It is the more emphatically our duty, because the evil is one that increases itself in a ratio far beyond its own previous increase. And why? Because the artificial stimulus afforded to dealing by corporate credit, induces individuals—by the splendid appearance of *apparent* prosperity—to extend their credit, in their private capacities, to the utmost possible tension: and thus is produced a multiplication of credits, a multiplication of speculation, and in the end a multiplication of misfortunes in geometrical proportion when compared with its prime cause.

Thirdly—A great increase of companies for internal improvement may be the means of expanding the medium of value, because, when numerous companies go simultaneously into operation, they necessarily require vast sums of money with which to carry on the business. In fact the whole of these companies have for their object the creation of wealth, and facility of communication, and hence it almost necessarily involves the increase of means, either *real or artificial* for paying the operatives, because things cannot be created without materials. Now sir, the simultaneous creation of many improvement companies, may and commonly does drive the community into improvements beyond the amount of their means. This is proved by the number of companies who have suspended operations and asked aid from the state: by vast increase of wages, and the number of European emigrants who flow to this country on such occasions.

The legislature, having created so many companies, are justifiable, perhaps, in providing the ways and means of carrying their projects into execution. The charters, having been granted by "log rolling" or otherwise, is it reasonable that the legislature will refuse to listen to the demand of these very companies and the citizens of the districts in which they are located, for additional facilities in procuring money or its representatives? Is it probable that that body would return to their constituents and leave themselves obnoxious to the charge of having been unscriptural, "unwise builders," who commenced building, without first having counted the cost and provided the means for defraying it. Thus then the legislature is not the safe depository of this regulating power, because consistency, excitement and popularity, all conspire to lead that body into extremes.

Fourthly—The increase of banking institutions has a direct and powerful tendency to produce expansion, because each institution will be anxious to do business. They will all invite customers. And the greater the increase of banks, the greater will be the exertions of each to introduce its paper into wide circulation. If the legislature is left unrestricted, the great number of bank charters will be passed by coupling a number of similar bills together; and thus while the granting of one charter

creates a demand for more currency, you, at the same time, establish another which will, at all hazard, supply it.

This process offers temptation to every avenue of human weakness. It holds out prospects of wealth without labor, and entices the unwary to follow the impulse of *fashion*, when untoward adventures are the ruling stimulant. Now, if it is humane to guard the intemperate against excess of ardent spirit, it must be humane to protect the incautious against the seductions of *apparent* prosperity and imaginary wealth. All the reasons against leaving this subject wholly to the legislature, which apply to the first branch of my argument, bear with double force here, because in this case the temptation is not only to over *issue* but to over *create* the means of issuing; which all tends to show the necessity of a check, not only in regard to issues and profits in banking, but also in regard to the nature and number of charters. If the position I have taken be true, it demonstrates that the same power that grants a privilege ought not to hold the measure of extent, for the same reason that the legislature ought not to create an office, and then appoint the officer, with out the intervention of any other department.

I have spoken of *real* and *apparent* prosperity. Let me now point the difference and my meaning. This I cannot do better—being a rural man—than by using a rural simile.

Suppose a respectable farmer to own a farm of good land, upon which he lives comfortably, in the same style in which his neighbors do. He attracts no notice. But, suppose he is actuated by a spirit of avarice or adventure, to commence building mills and manufactories, and erecting splendid improvements on his farm; for the purpose of doing which, he borrows large sums of money. And suppose, at the end of some years, he finds that his annual income has fallen short of his expenditures, and that owing to his want of experience and skill, his improvements have cost him more than they are really worth; though he may not be actually insolvent, yet is he really prosperous? Most certainly not. He is now worth less clear estate than when he began. Yet will not spectators who know nothing of his affairs, who are ignorant of his debts, conclude that the man whose possessions have so far increased in a short space of time is prosperous? Indeed can any man demonstrate to the contrary? Will not the splendour of his equipage, and his increased importance in his neighborhood, induce all to believe his circumstances are flourishing? And will they not hence be inclined to “do likewise.” Now this is *apparent prosperity*, as distinguished from *real*. The farmer appears to be more wealthy, but is in reality worth less—and I infer that the rule which applies in an individual case, applies with equal force in a national point of view.

Now as we see a bulky body farther, and more readily than a small one, so we sooner observe, and are consequently more inclined to pattern after a man in expanded circumstances, than to follow his more prosperous, though less showy neighbor: and hence as man is, by nature, an imitative being, it is the more necessary to prevent this undue expansion and unsolid growth. Many expanded individuals make up an unsound community, and any number of unsound individuals never can make a sound or prosperous commonwealth; therefore, to insure the latter you must preserve the former.

Now, sir, do not understand me to undervalue credit or to wish to destroy it. On the contrary, I wish to support it, and that too in its most efficient shape. But I hold that the individual is best off who has most credit and uses least, and so of a community. I assert that the safe policy of all nations is to maintain inviolably good faith and its concomitant, good credit, and that to do so, it is necessary to be as little dependent on the proceeds of such credit as possible. Credit should be reserved as a contingent fund to meet exigencies. Whose credit is best, the man who has it extended to the utmost tension, or the one who only casually asks aid from that source? The latter undoubtedly; and the same argument applies to communities.

But while I would support credit I would also profit by the experience of by-gone times. I would not cripple commerce or impede manufactures by imposing unnecessary or arbitrary restraints on the expansion of real credit. I would not impose on our institutions absolute checks more severe than our relation to our sister states will justify. That is, I would not narrow her banking or *credit issuing* privileges so as to make it advantageous for capitalists to send their means out of the state. I would not restrict so as to drive capital out of the state, or compel our citizens to pay a higher rate of interest, in order to retain it. Yet I believe that paper issues may be much curtailed, and the profits of banking much reduced by a self-regulating process, without producing these results. I hold sir, that the currency is like still water; if let alone, it will level itself; and hence all we need to do is to prevent interested or excited persons from destroying that level, and in order to produce such result, I conceive some check should exist in your constitution.

I would restrain the propensity of expansion, as it were by a *safety valve*; I would permit profit to rise to a certain height and then check its further progress by the discharge of a *valve* which the tide of profit itself shall open.

Instead of having the currency governed by the principle that "much wants more," I would have it regulated in such manner that the greater the excess of paper is over the metallic basis, and the more rapid its increase, the less productive it shall become. By this process I do believe the currency will be guarded against those sudden expansions, and consequent contractions, which have in all times proved ruinous to the mercantile and manufacturing interests, and through them to all other classes.

While I admit that the insolvency of banks has produced serious inconvenience to individuals and to the community, I consider that *inconvenience* but a secondary object when compared with the greater one arising from expansion. The evils arising from insolvency extend little further than to note holders, while those of expansion pervade all classes of society, and are exceedingly demoralizing in their tendency. For this reason, I am much more sedulous to guard the community against the latter, than the former, misfortune.

I would be governed not by the excitement of the present day, not by the temporary evils which we have recently felt, not by the ephemeral policy of a particular class or party; but I would be instructed by the experience of past times, by accidents and occurrences, the excitement of which has passed away.

Can we be blind to the revolutions which have taken place in the currency since the adoption of the present constitution? Can we forget that three such revolutions have taken place within the last thirty years! And seeing the evil, can we, should we neglect the remedy? I have no idea that any measure, or any train of means can entirely prevent the evil complained of, but as far as human imperfection can go, we are in duty bound to go.

Is it right, is it humane for a great commonwealth to use her influence to entice her citizens to unfurl their sails in a brisk gale, when that commonwealth knows by experience that that gale is the harbinger of a tornado which will engulf them in inevitable ruin? Yet an undue expansion produces the very ruin portrayed, and we know by experience that ruinous effects always follow such causes. Shall we sit coolly by, and leave these things wholly to the legislature, when experience has taught us that that body can impose only partial restrictions? It cannot be denied that, under existing regulations, and the amendment proposes more, the legislature have erected banks with different powers: and, under such discretion, similar enactments must ever prevail.

But, sir, why are civilized nations governed by written promulgated laws? Why are we forbidden in the constitution of the United States to pass *ex post facto* laws? It is because every man has a right to be punished by the law which exists when he commits a crime, lest, in the excitement attendant on its commission, the community should decree too severe a doom. The same rule holds good in regard to the protection of property. Is it not fair that he who acquires property should know as nearly as possible under what tenure he holds it? Is it not right that he should know how to estimate its value at all times? And, to arrive at these results with certainty, is it not as essential that the people should know, by promulgated laws, *not easily mutilated*, how far the legislature may go in expanding the currency, as it is that the criminal should know the law under which he is to suffer?

By comparing civil and criminal law do not understand me to mean, that any criminality attaches to granting or accepting bank charters. I do not assert that the legislature have, on any occasion, been actuated by dishonest motives. On the contrary I hold them innocent till proved guilty. While I admit the errors which have been committed, I deprecate the idea of calling them crimes.

But, sir, is not this very fact a powerful argument in favor of restriction? If an honest and intelligent legislature, under the excitement of the moment, have expanded deceptive credit, to the ruin of our institutions and prospects, is it not proof positive that some check is necessary. Now that the legislature did so *expand*, in the days of Simon Snyder, is matter of history, and therefore not to be questioned here. Let us then profit by experience. Let us take away the opportunity of committing such errors; let us take them away the more particularly, because such errors, if committed, are, as we have heretofore declared, irretrievable. The necessity of guarding this avenue is increased by the prior action of this body, so far as its influence extends.

It is true that the proposition of the gentleman from Susquehanna, if adopted alone, will go a very little way towards correcting the evil complained of, but may be useful in promoting that end, if connected with

other measures. But the amendment of the gentleman from Adams seems intended to cover the whole ground, and therefore, if adopted, will preclude all the measures necessary to complete the corrective.

The proposition to make individual stockholders in any way liable has already been negatived, and therefore I take it for granted that such a measure is to form no part of our restrictive system. It therefore becomes proper to make up your chain of protection of other materials.

From what has already been done here, I take it for granted that we are not to look back—I take it that we cannot curtail a privilege once granted even for an equivalent. Now I confess I had no share in making that decision—nay I opposed it with all my feeble efforts on a late occasion, but it prevailed, and I am convinced that it *will prevail*. Hence, I doubt the propriety of adopting the latter part of the proposed amendment, which goes to prevent the issue of notes under twenty dollars after a limited time. I am the advocate of equal privileges, and as there now exists an institution, with privilege to issue ten dollar notes for some twenty-eight years to come, I doubt the propriety of limiting all banks, hereafter created or renewed, to a higher amount. Such a measure would tend to favor the existing institution. Indeed, I am not certain that such a provision would not be inconvenient to the community. At all events, I think it better—if the proposition of the gentleman from Adams were rejected—to divide the amendments which will be then pending, and adopt the same, so far as regards ten dollar bills, and reject the rest. We can then introduce a provision for future amendment, and the residue of the amendment can be adopted, when all existing banks shall have expired, provided the public good, and our then existing relations with sister states, shall require it. As at present advised, I feel disposed to call for such division, if the opportunity be afforded.

Sir, in making these observations I have been actuated alone by patriotic feelings. If I am over zealous, I beg that it may be ascribed to my ardent desire for the welfare of my native land. If my positions are unsound, I desire correction. My intention is to support the weak, caution the sanguine, check temerity, encourage productive industry and promote the stability of our financial regulations. If the proposition of the gentleman from Susquehanna has any such tendency, it is so far good. If it be in whole or in part adopted, I propose, if opportunity offers, to follow it up by the following provisions, which will, I humbly conceive, taken in connection with such further provisions as this convention may adopt, go far, very far to reach the object in view. As it would be out of order to offer to amend I merely bring the proposition into view of the convention.

SECT.—No bank hereafter chartered, re-chartered or extended, shall, issue notes or bills of credit exceeding _____ for every dollar of capital actually paid in, in gold or silver.

SECT.—No bank hereafter chartered, re-charted or extended, shall during the first year after the date of such charter, issue notes or bills of credit exceeding the amount of capital actually paid in, and shall not increase its issues at any time beyond the ratio of _____ per cent per annum, of its last previous year's issue.

SECT.—When the nett profits of a bank shall exceed _____ per cent per

annum on its capital stock, and the same shall have exceeded the last annual profit, one fifth part of the amount of such profit, then ——— per cent of all such excess shall be paid into the state treasury.

SECR.—No bank now in existence, which shall neglect or refuse to conform to the foregoing regulations and restrictions, within ——— years after the adoption of the amended constitution, shall be re-chartered or extended on any terms.

Now sir, I do not expect that the propositions which I have had the honor of submitting to you are perfect. I am conscious that they may require much correction, but still I humbly conceive they do contain the basis of such restrictions as will tend to remedy the evil now existing.

Sir, the greatest possible evil which can overtake us as a civil community, is caused by a currency which is liable to fluctuations, and hence we ought to guard against such contingencies. We ought to impose as great restrictions as our relative condition with other states will justify; we ought to impose such as will secure the stability of our currency; but we ought to leave the legislature free to impose greater whenever, the public good and our exterior relations permit or require it.

But, sir, I think it necessary to check the legislature in this matter, not only for the purpose of preventing too great indulgence, out of which springs expansion, but for the purpose of preventing too rigid a contraction, when that body shall have discovered that the community have overtraded. By avoiding the first you may possibly prevent the last.

My policy is to provide a moderate corrective, and thus by constitutional provision, prevent the sudden correction and disastrous change which have heretofore arisen from legislative interference.

Shall we now disregard the admonitions of past times? I hope not. I hope yet to find in this convention gentlemen enough who will reason calmly and dispassionately with me, who will with me lay aside excitement and endeavor to devise some means to arrest that fatal expansion in all future time, which has in times past, by its reaction, overwhelmed its unfortunate thousands. I ask gentlemen to consider this subject well, and inquire whether the future prosperity and greatness of Pennsylvania do not depend on devising safe and permanent means of guarding her citizens against the re-action of her own policy. If they do, then it remains only to inquire whether the propositions now under consideration or those which I have had the honor to submit, tend to that end, and act accordingly.

But, sir, we have had some argument and some difference of opinion too as to the cause of the late disastrous fluctuations in the currency. Now I conceive it matters little to the statesman—important as it may be to the politician—from what cause or causes these difficulties have arisen, because it is the duty of a statesman to provide a remedy against the recurrence of similar effects from every cause. If we can prevent future misfortune, we have done a greater act than we should perform in ascertaining the cause of existing evil. Let us therefore cease disputing about immaterial things, and proceed, hand in hand, to prevent future misfortune, by every means in our power.

MR. DORAN did not know, of all the questions which had been brought before this convention, of one of a more important character to the whole people of this commonwealth than the one now under consideration. He

did not believe there was one of the questions which have been before us, which come home to the pursuits and avocations of men more nearly than the one connected with the regulation of the currency of the country. Nay, sir, he would go a little further and say, that he did not believe there was one more closely connected with the moral and intellectual developments of the community, than the one which operates upon the banking system of the country. Sir, what is the state of the banking system at the present day? And what is the amount of capital invested in banking operations in our own state. He found by the returns made to the Auditor General, in January last, that the banking capital invested in Pennsylvania, amounted to the enormous sum of fifty-seven millions nine hundred and sixteen dollars. This matter which the people of this state were so deeply engaged in, was the very matter which we are called upon to regulate and control, so that the prosperity of the community might be protected. Was he to be told then, after this, that this was not a matter connected with the people of this country? And that it was a matter not connected with the best interests of all those individuals who compose the commonwealth of Pennsylvania? Was he to be told by any gentleman on this floor, that the introduction of this subject, which was of such vital interest to the public, was a fire-brand brought into the convention to agitate and discompose it, without any practical or useful results to the people who sent us here? Sir, he would beg leave to differ with the President of the convention in relation to this matter. He begged leave to make issue with the gentleman in relation to this matter; and he felt quite sure that the members of this convention would support him in the proposition that this was not a fire brand thrown into the convention; but that it was a legitimate subject for discussion; and one of those subjects too in which the prosperity of the people of this country was intimately connected; therefore it becomes the bounden duty of every member of this convention to examine the propositions which may be submitted on this subject, and vote upon them understandingly. He would beg leave now to offer his thanks to the gentleman from Susquehanna for bringing up this proposition. He differed from the gentleman the other day on the proposition, to make the stockholders of banks responsible for the debts of the banks, but on this proposition, which goes to protect the property of our citizens, and to protect the labouring classes of the community, he would join the gentleman, heart and hand, and he trusted the votes of the delegates of this convention would support the gentleman in the ground he had taken.

Mr. DORAN here gave way to a motion, by Mr. INGERSOLL, that the committee rise, which was agreed to.

The PRESIDENT having resumed the chair:

Mr. CHANDLER, of the city, asked leave to make a motion to dispense with the afternoon session for to-day in order that the gallery of the convention might be so improved as to prevent the noise, which was so annoying to the convention.

Leave being granted, Mr. CHANDLER submitted a motion that when the convention adjourns, it adjourn to meet on to-morrow morning at 9½ o'clock, which was agreed to; and,

The convention adjourned.

FRIDAY, DECEMBER 1, 1837.

Mr. COATES presented a petition from citizens of Lancaster county, praying that the right of trial by jury may be extended to every human being; which was laid on the table.

Mr. HASTINGS presented a petition from citizens of Warren county for the establishment of a court of chancery, which was referred to the committee on the fifth article.

Mr. DARLINGTON, of Chester, submitted the following resolution, viz :

Resolved, That the thanks of this Convention be tendered to the managers of the Franklin Institute, for their polite offer of the free use of their library and reading room and privilege of attending their lectures, and that the Secretary be requested to furnish them with a copy of this resolution.

Mr. DARLINGTON moved the second reading and consideration of this resolution, and the motion being agreed to, the resolution was considered and adopted.

Mr. DENNY, of Allegheny, moved the second reading and consideration of the following resolution, which was offered by him yesterday, viz :

Resolved, That the thirteenth rule for the government of the Convention be, and the same is hereby repealed.

The question being put, the motion was decided in the affirmative, yeas 35, nays 33.

Mr. DENNY made a brief explanation of his reasons for offering this resolution. He stated that he had been induced to offer it, at the request of several gentlemen, on account of the difficulty of being heard. The repeal of the rule would be found convenient, because any gentleman would be permitted to take any position, for the purpose of speaking, which the courtesy of any other might give. There was no such practice in the house of representatives of Washington, as we have established here. They have no such rule. Members there may speak from every part of the house. From some parts they could not be heard at all, while from others they could be heard well. In this hall, we have already found that there are parts from which gentlemen could speak with more ease than from others. His resolution had been suggested by these reasons, at the instance of several gentlemen, and he believed that no possible inconvenience could result from the repealing of the rule.

Mr. M'SHERRY, of Adams, expressed a hope that the rule would not be repealed. It was a good rule; and before its adoption there was great confusion in the house. It was frequently very difficult for the President to designate the gentleman who rose to address him before this rule was adopted. But now he has a plan before him, and can determine at once and without any inconvenience.

Mr. FORWARD, of Allegheny, differed from the last gentleman who spoke. Every member should be heard by all. Was it true that there were positions from which no member, unless he had the voice of a Stentor, could be heard? There were seats from which no one could

make himself heard. The rule was adopted at Harrisburg, in reference to the place where we assembled. If we do not agree to change the course here, we ought to cast lots for seats, as it was proper that every gentleman should speak from a position where he could conveniently be heard.

Mr. MERRILL, of Union, thought there should be no difficulty in rescinding the rule. Yesterday, his friend from Columbia made some remarks, none of which could be heard by those who were behind him. That gentleman had a good voice and a distinct enunciation, but not a word was heard at a distance of 30 feet. He wished that every one might have an opportunity of being heard.

Mr. CHAMBERS, of Franklin, was in favor of the adoption of the rule in regard to speaking from the member's own seat, with reference to the room in which the convention held their sessions at Harrisburg. Was there any inconvenience there? The member who addressed the Chair was known by his speaking from his seat. He hoped the practice would now be changed to suit the change of the room. It was painful to speak without a prospect of being heard. Speaking out of place could now produce no inconvenience, because the members were all known to the President, speak from what position they may. It was but seldom that the courtesy of occupying another seat would be asked or required.

Mr. SMYTH, of Centre, thought that, before they changed the rule, gentlemen ought to point out the place from which they could be best heard. Those who spoke from the centre of the room could not be heard but a short distance on the left. He would be pleased that gentlemen would designate the place from which members could be heard best.

Mr. M'SHERRY supposed it might be better to suspend the rule than to repeal it altogether.

Mr. STERIGERE, of Montgomery, said that when there was no noise he could hear every gentleman distinctly. But there were some advantages which would result from a change, not a repeal of the rule. He would move to amend the resolutions, so as to make it read as follows: "No member shall be permitted to make a motion, or present a paper, unless he be at his own desk."

Mr. DENNY acceded to the proposition of the gentleman from Montgomery, and modified his resolution, so that it should read as follows, viz :

Resolved, That the thirteenth rule be altered to read as follows: "No member shall be permitted to make a motion or present a paper, unless he be at his own desk."

The resolution, as thus modified, was then agreed to.

SEVENTH ARTICLE.

The convention again resolved itself into a committee of the whole, Mr. REIGART in the chair, on the report of the committee to whom was referred the seventh article of the constitution.

The question being on the motion of Mr. STEVENS, of Adams, to amend the amendment submitted by Mr. READ in the third section, by substituting the following, viz :

“The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people.”

Mr. DORAN, of Philadelphia county, resumed his remarks. He thought the intimation which had been given by the Chair on the subject of confining the debate very proper. It was very true that many collateral points were frequently introduced which were not calculated to elicit truth, or throw light on the great questions under discussion. But he would request the Chair to inform him, and, through the Chair, he would propound the question to the convention, if it was not in order to discuss now the matters contained in the amendment of the gentleman from Susquehanna, and if so, if these matters did not involve the subject of the currency of the country. He had yesterday taken the liberty to say, very respectfully, that he viewed the subject as the most important that had ever been discussed before this convention. This he had said, and he could again say that no subject could be of greater importance than that which relates to the currency of the country, to the circulating medium, and which looks to a change in that circulation which has been established for so many years: and when an attempt is made by the convention to control the limit of this important discussion, it does that which operates directly on the interests and avocations of every member of the community, however humble he may be.

He had suggested with great respect that it was an error to suppose that the gentleman from Susquehanna, (Mr. Read) had introduced his proposition as a firebrand. He did not think it was introduced for any such purpose: but knowing the honesty of the gentleman, he believed it to have been introduced for the best purpose, with a view to promote the happiness and prosperity of the people. But, while he conceded to the gentleman from Susquehanna all possible credit for honesty and sincerity, he (Mr. D.) did not wish to be understood as going the length to which that gentleman had gone in his remarks.

I (said Mr. D.) am not in favor of prostrating all banks. I will not say that there has been a conspiracy entered into between the banks of the city and county and others to ruin the country. I have always considered the course of the banks, in suspending specie payments, as an act of self-defence. When the banks of New York suspended, it became absolutely necessary for the city and county banks in Pennsylvania to take the same course. What was their situation in May last when the suspension took place. What were their liabilities? They had demands against them to the amount of thirty millions and had only six millions of specie in their vaults. When the banks of New York had gone on until their vaults had been drained, the consequence would have been, that every man who could have laid his hands on a Philadelphia note, would have brought it in, and demanded payment for it. Then the New York merchants would have come to Philadelphia, and collected the sixteen millions which our banks had in circulation in these notes, and to meet which they had only six millions of specie. It is one thing to be insolvent, and another to be unable to pay. Whoever looks at the situation of the banks in this state, at the time when this suspension took place, will easily understand how they might have been perfectly solvent and yet unable to pay their notes which were in circulation, in specie.

Were the banks of Philadelphia to go on, while those of New York were unable to pay? By the operation which I have described, all the specie in their vaults would have been drawn out by the New York merchants, and shipped to England, to pay a foreign debt. Would it have been right for the banks of Philadelphia to accommodate the New York merchants to this extent, and under these circumstances, to enable them to send to England the specie to pay off their debts to that country? I do not believe that they should have done this: and, however much I may be opposed to some of the banks—especially to the Bank of the United States—I feel myself constrained to declare on this floor, that I do not believe there has been any act of conspiracy between the banks, but that the suspension of specie payments was an act called for by circumstances, and was necessary to enable them to sustain themselves. But how did this suspension of specie payments come on? Was it in consequence of the acts of the government of the United States? I think not. I do not think it was produced by the treasury circular; nor do I believe that the prospect of carrying into effect the project of a sub-treasury system had any effect upon this movement of the banks. I believe it has been the inevitable result of the character of the banking system, which has been decided by Lord Liverpool, as rotten, and the worst system that could have been devised. When the banks are in possession of money, they discounted with much liberality, and there was a general expansion of credit and trade. The merchants contracted their debts, under the impression, that, through the remittances from the west in payment for their goods, they would be able to liquidate their debts. The fire which took place in the city of New York in 1836, destroyed property to the amount of twenty millions, and entirely destroyed so much of the circulating medium. In consequence of this calamity, in the spring, when the merchants had their money to pay, they had to look entirely to their western remittances, and these did not come, because of the failure of the crops. When the English called for their debts, the merchants could not discharge them without draining our country of her gold and silver. And how much gold and silver had we to meet this demand? It appeared, on examination, that we had about twenty-eight millions in gold and silver, to pay a debt of forty millions. How then could the banks have acted otherwise than to withhold the means from the merchants who were draining their vaults? The merchants drew specie as long as they could, and transferred it to England as fast as they could, until the banks of New York, for their own protection, suspended specie payments. And who could blame them for doing so? Were they to suffer the specie to be all drawn from their vaults, and to be sent out of the country, and never to return?

He did not believe that this country was in that prosperous condition, which had been represented by the honorable President of the convention. He did not believe we were so happy and prosperous, as we were this time last year; and he did not believe that money was as plenty as it was this time last year; and although you may be enabled to buy as much with five dollars at the present time, as you could this time last year, it did not follow from that, that the country was as prosperous now as it was then. He would now take upon himself to assert the fact, that if you could buy as much at this time with five dollars as you could last

year, it was a strong indication that the country is less prosperous now than it was then. Why is it that you can buy as much now with five dollars as you could then? It is, sir, because money is not so plenty, and not so easy to be had. It is because the merchant is compelled to make sacrifices to meet his engagements. It is because there is not that circulating medium in the country, which there was in 1836. The banks have been compelled to call in their loans, and what has been the consequence? Why, the merchants have been compelled to make sacrifices, and sell their goods for less to meet their engagements with the banks; and this accounts for the fact, that five dollars will buy as much at this time, as it would this time last year. But he would allude to one fact, known to every gentleman on this floor from the city and county of Philadelphia, which would show the disastrous condition of the country at the present time.

It is a well known fact, that in Philadelphia, at the present time, you cannot obtain money on a mortgage on the best real estate, without paying a premium for it. He would ask the learned President of the convention, how this came to pass, if the country was in so prosperous a condition? Why was there this difficulty of obtaining money on a mortgage, if we are in as prosperous a condition as we were this time last year? Sir, the truth is, we are in a lamentable condition; the truth is, that the merchants of this country are in a lamentable condition; the truth is, the laboring classes of the community are in a lamentable condition; the truth is, that every man in society, whether his dealings are on a large or small scale, was at this time in a most disastrous condition; and a condition, which he verily believed, arose from the errors existing in the present banking system. It is in consequence of excessive bank credit, and of excessive bank issues, that we have been brought into this lamentable condition. How, then, are we to rectify this evil? Something must be done. It is admitted on all sides, that something must be done to remedy this evil. This was no party measure. As had been truly said by his colleague, propositions had emanated from all parties in this convention, proposing restrictions upon the banks. More than that, sir, we have heard the cry raised in all parts of Pennsylvania, and by all parties in the commonwealth, that the banking system was defective, and required remedy. What then is to be done? We have found that an evil exists, and what remedy is to be applied to this evil. That is the question, and that is the inquiry which is to be made; and if in the course of this inquiry, we can arrive at the truth, he took it for granted, that the introduction of that truth, was not throwing a fire brand into this convention, or into the society in which we reside.

He did not believe that a proposition of the kind, introduced by the gentleman from Susquehanna, was calculated to remedy the evils we complain of; but we must do it gradually; we must do it slowly; we must do it by degrees; and the maxim which is applicable in the ordinary transaction of life—*festina lente*—will apply in this case. We must not do it at once, by annulling all bank charters and destroying all banks. We must not destroy the circulating medium which we have; and whatever is to be done, must be done gradually, and slowly; and it must be done with a proper respect for the interests of those individuals, who have invested their property in banking corporations. In

the history of this country, we have already seen the bad effects resulting from the rapid reduction in the circulating medium of the country. Mr. Crawford, secretary of the treasury, in his report on the currency in 1820, states that the circulation of the country, from 1816 to 1819, had been reduced from one hundred and ten millions, to forty-five millions; thus making a reduction in the space of three years, of sixty-five millions of dollars.

Well, sir, what was the consequence of this sudden reduction in the circulating medium of the country? Why, disasters, and distress exceeding those of the present day, came upon the community. The mercantile classes were ruined, and industry had no rewards; the farmer saw his crops rotting in his fields, and the whole country presented the appearance that it would have presented if it never had been cultivated. Is not this a lesson for us? If we are to learn any thing from the lessons of experience, does this not teach us of the danger to be apprehended from tampering with the currency of the country, so as to produce sudden contractions or expansions. If any thing is to be done with the currency, it must be done gradually and securely, and in such a way, that every man in the community will enjoy the benefit of the change, without feeling any of its inconveniences in his person or his property. How then is this to be effected. How is the currency to be reformed? Is it to be reformed, as the gentleman the other day proposed, by making the stockholders responsible? He did not think it was. What would be the effect of that measure? Why, sir, it would be the destruction of the banking system in Pennsylvania. It would give rise to fraud and prevent the investment of trust money into their institutions; and with all these bad effects it would bring disaster and ruin on the country. It was in this view, that he (Mr. D.) voted against this proposition; and because he did not think that to be a proper regulation. He thought it a measure too agrarian, too radical, and he was going to say too Jacobinical, but he would not make use of that term in this convention. He did, however, think that it was a measure too ultra to produce a proper effect on society. The banking system was admitted to be defective; but how was a remedy of it to be accomplished? That was the question. Was it to be accomplished by destroying the banks at once; by repealing the charters of all those banks which have suspended specie payments; or would it not be accomplished better, by adopting some measures which would have a tendency to reduce and limit the amount of the paper circulation of the country; and by saying that after a certain date, bank notes of a certain denomination shall not pass. He did not go for the destruction of the paper system, but he would go for such regulation of it as would make the precious metals, the metallic currency, the practical currency of common life—the medium of ordinary transactions; that it should become the money of the farmer, the mechanic, the laborer and the tradesman; that it might secure to the laborer, the fruits of his industry, and secure to the community an exemption from those disastrous fluctuations, which we have witnessed, prostrating the value of property and labor; and which, he firmly believed, arose from an unrestricted paper currency. He would go for that system which would secure to the banks themselves, a fund for recruiting their own resources, whenever they should be exposed to an extraordinary pressure.

The repealing all bank bills under the denomination of twenty dollars, with a solid circulation of gold and silver, he apprehended would be productive of the happiest effects. And this scheme was neither wild nor visionary; neither was it original with the gentleman from Susquehanna. It was not a rash experiment, but was a matter that experience had already sanctioned; it was a matter that time had passed judgment upon. It was a matter which had been tried in England, and found successful; and when we come to apply it to this country, we do it with all the lights of experience before us. Why was it, that there was not a stoppage of specie payments in England, when it took place in this country? He asked the members of this convention, why this had not occurred? He asked the respectable President of this convention, why it was, that when the banks of this country suspended specie payments, the banks of England did not? This was a question which he wished to put to gentlemen, and when they answered it to his satisfaction, he would perhaps yield to them.

Now, he took it that the reason which enabled England to go on without suspending specie payments, arose from the circumstance, that they had more gold and silver in that country. He took it, that if they had only had twenty-eight million of specie in England to sustain their paper currency, that the pressure which came upon this country, and compelled it to yield to the force of circumstances, would have come upon England also, and compelled her to yield. But in England, where they had a paper currency of one hundred and fifty millions, they had a metallic currency of one hundred and fifty millions to support it. They had the fountains of wealth at hand to replenish their exhausted resources. They had a specie dollar to replace every dollar in circulation, and we have seen the result of it there. Then, when we have found that such has been the effects of the system in England, we cannot but desire that such a system should be introduced here.

He would now take the liberty of reading one or two authorities on this point, to show that his friend from Susquehanna, was not so visionary and original, in the proposition he had submitted to the consideration of the convention. He would read some extracts from "Adam Smith's Wealth of Nations"—a book of the very best authority, and one which no gentleman could pretend to gainsay. Mr. D. then read the following extracts:

"The commerce and industry of the country, it must be acknowledged, though they may be somewhat augmented, cannot be altogether so secure, when they are thus, as it were, suspended upon the Daedalian wings of paper money, as when they travel about upon the solid ground of gold and silver. Over and above the accidents to which they are exposed, from the unskilfulness of the conductors of this paper money, they are liable to several others, from which no prudence or skill of those conductors can guard them."

Again he says: "The circulation of every country may be considered as divided into two different branches; the circulation of the dealers with one another, and the circulation between the dealers and the consumers. Though the same piece of money, whether paper or metal, may be employed sometimes in one circulation and sometimes in the other;

yet as both are constantly going on at the same time, each requires a certain stock of money of one kind or another, to carry it on."

Again he says: that "paper money may be so regulated, as either to confine itself very much to the circulation between the different dealers, or to extend itself likewise to a great part of that between the dealers and consumers. Where no bank notes are circulated under ten pounds value, as in London, paper money confines itself very much to the circulation between the dealers. When a ten pound bank note comes into the hands of a consumer, he is generally obliged to change it at the first shop where he has occasion to purchase five shillings worth of goods; so that it often returns into the hands of a dealer, before the consumer hath spent the fortieth part of the money. Where bank notes are issued for so small sums as twenty shillings, as in Scotland, paper money extends itself to a considerable part of the circulation between dealers and consumers."

Again this writer says: "It were better, perhaps, that bank notes were not issued, in every part of the kingdom, for a smaller sum than five pounds. Paper money would then probably, confine itself, in every part of the kingdom, to the circulation between the different dealers, as much as it does at present in London, where no bank notes are issued under ten pounds value; five pounds being in most parts of the kingdom, a sum which, though it will purchase, perhaps, little more than half the quantity of goods, is as much considered, and as seldom spent all at once, as ten pounds are amidst the profuse expense of London. Where paper money, it is to be observed, is pretty much confined to the circulation between dealers and dealers, as at London, there is always plenty of gold and silver. Where it extends itself to a considerable part of the circulation between dealers and consumers, as in Scotland, and still more in North America, it banishes gold and silver almost entirely from the country; almost all the ordinary transactions of its interior commerce, being thus carried on by paper. The suppression of ten and five shilling bank notes, somewhat relieved the scarcity of gold and silver in Scotland; and the suppression of twenty shilling notes will probably relieve it still more. Those metals are said to have become more abundant in America, since the suppression of some of their paper currencies. They are said, likewise, to have been more abundant before the institution of those currencies."

Now, sir, Adam Smith, was not a radical. He was not a Jacobin. No, sir—he believed him to have been a conservative. He believed he was one of those who might have come under the appellation of a whig, a modern whig he meant. Certainly, he was to be considered a conservative. He was a man not disposed to root out every institution of the country. Adam Smith declares in his work, that when the paper money system of a country is based upon a metallic currency, of dollar for dollar, it is safest; and where the paper currency is the currency between dealer and dealer, and the metallic currency between dealer and consumer, the country is always in a prosperous condition. His doctrine is, that the circulation between dealer and dealer may be of paper, but that the circulation between dealer and consumer, should be of the precious metals, and this result he holds, is to be secured, by prohibiting the issue of bank notes for a less sum than five pounds; and he further holds, that if such restrictions be adopted, there will always be plenty of gold and silver in

circulation, performing all the offices of exchange in the ordinary transactions of society, while the use of paper will be confined to commercial operations on a larger scale.

Adam Smith was not the founder nor the advocate of an unrestricted paper system; and appeared only to wish it to be made use of in the larger transactions of commerce, as between dealer and dealer, and, owing to England pursuing this course of policy, in a great degree, was to be attributed her present prosperity. Smith's work appeared in the year 1776, the year of the breaking out of the American revolution, and the parliament of England passed a law in 1777, prohibiting the issue of notes of a less denomination than five pounds.

Yes, sir, so well satisfied were they of the truth of Smith's doctrine, that in the year 1777, parliament passed a law prohibiting all bankers from issuing notes of a less denomination than five pounds. This continued to be the policy of the government of England, until the year 1797, when, in consequence of the great embarrassment brought upon them by the revolution in France, the Bank of England suspended specie payments, and commenced the issue of notes of the denomination of one and two pounds. In 1819, parliament passed an act, directing a resumption of specie payments in the year 1822, and that, after the year 1824, the circulation of all notes under five pounds, should be prohibited. Well, sir, specie payments were resumed; but such was the influence of the Bank of England and the bankers, that that part of the act to go into operation in 1824, was suspended and did not go into operation until 1829; and what was the consequence? What was the consequence of suspending that part of the act of parliament, prohibiting the circulation of notes under five pounds? Why, in 1825, there was another panic and pressure in England. The same disasters which have taken place in this country came upon England. The moment she suffered notes under five pounds to circulate, disasters of a most painful kind came upon the country, and convinced all parties, that banking must be placed on a more solid and stable ground; and it was found that that part of the act of parliament of 1819, which had been suspended, must be enforced for the security, the happiness and the prosperity of the country. In the year 1826, Lord Liverpool and Mr. Robinson, introduced into parliament, and carried a bill, providing for the prohibition, after April 1829, of all small notes under the denomination of five pounds. This law was passed, notwithstanding the opposition to it of the banks, and those engaged in the banking interest.

Here is an example, if you want one, of the propriety of placing restrictions upon banking. Here is the example of England, which has always looked to the interests of the merchants and those engaged in the mercantile interests. Here is the example of a nation, which has been denominated a nation of shopkeepers, sanctioning prohibitions on banking, and establishing the very system which the gentleman from Susquehanna wishes to introduce into the commonwealth of Pennsylvania. Nay, more sir, all the great men of England have sanctioned this doctrine. It has not been the opinion of one party there, but it has been the opinion of all parties. This system has been sanctioned by Lord Liverpool, and Peel, and Canning, and Huskisson, and Brougham, and Wellington, a man whom gentlemen could not look upon as a radical; and what was

the effect of these measures when introduced into England? Why, sir, the effect of it was to give her a metallic currency, and to protect her from panic and pressure. Sir, do gentlemen know the amount of the circulating medium of England? Are they acquainted with the amount of gold and silver as well as other circulating medium there.

The amount of gold and silver some years ago in England was thirty millions of pounds sterling. Mr. Gallatin, in his work on banking, states that in 1830, there was one hundred and fifty millions of specie in England, and their paper circulation was of a like amount, one hundred and fifty millions. Thus for every dollar of paper circulating in England, there was a dollar in specie to meet it; and, Mr. Gallatin says further, "that by the suppression of all notes of a less denomination than five pounds sterling, the amount of the circulating metallic currency in England has become equal to that of bank notes of every description." Here is a strong argument in favor of a metallic currency. There is dollar for dollar in England, and she escaping the panic and pressure which we are laboring under.

Then, why not introduce this system into this country? England has escaped the panic and pressure, and if she has escaped it, surrounded by so many difficulties, why would we not have escaped it, if placed in similar circumstances in regard to our currency. A metallic currency is a thing much needed in this country, and what are the means of obtaining it? How is so desirable a result to be accomplished? He took it, that it was to be accomplished by the very measure proposed by the gentleman from Susquehanna. He took it, that it was to be accomplished by reducing the paper circulation of the country; by confining it to those transactions which were carried on between the dealer and the dealer; and allowing a metallic currency to circulate between the dealer and the consumer; or in other words to have the larger transactions conducted in a paper currency, and the smaller transactions of society in a metallic currency.

Sir, whenever there are two currencies of the same denomination, a metallic and a paper currency, the latter will be confined to the neighborhood of its emission, because of its local character and value, and the former will go abroad in the commerce of the world; because of the universality of its value. The specie will go abroad, while the paper will remain at home, to perform its office, which it can do as well in the day of prosperity; but in this is the danger, because when the day of adversity comes, we are not prepared for it.

He would now take the liberty of reading an extract from a work which he considered of high authority on this subject. It was a pamphlet published in the city of Philadelphia, in the year 1811, by Doctor Bollman, a man who certainly had reflected much upon the banking system. In page 71 of his work, he says: "We have seen that the circulating medium, that is, the gold and silver, *leaves* the country which has learned to do without it. Indeed, why did the Girards, the Kochs, the Simms, &c. borrow the specie from, or take it from the banks? Was it to put it into their chests? Certainly not; or to build ships with it? or buy lots and sugar and coffee? Bank credits and bank notes would have done as well; then it must have been to send it where bank credit and bank notes would not answer the same purpose—that is, abroad. And,

if so, can it have been for the pleasure of making it travel backwards and forwards? No one will suppose it. It must have been to bring back something else, that yielded a profit in its stead. Then if it has gone abroad and has not come back, how can it be here? and if it is not here, how can it represent our houses, our ships, our farms, our forests—and circulate between man and man? and keep us active, and industrious, and civilized.”

Now, here is an American authority on the subject. But he would go a little farther, and take the authority of Edmund Burke, who, in writing a letter to Mr. Canning, in 1797, at the time Mr. Pitt's bill was brought forward in parliament, for the issue of one pound notes, made use of these memorable words: “Tell Mr. Pitt that if he consents to the issue of one pound notes, he will never see a guinea again.”

Sir, his prophesy was correct, for in the course of six months after the passage of that act, every guinea had disappeared, and from that time to the year 1822, when specie payments was resumed, there was not a guinea to be seen in the ordinary circulation of England. In 1829, when another struggle took place respecting a metallic currency, all men bore testimony to Mr. Burke's axiom.

The chancellor of the exchequer said, “there was a natural antipathy between the one pound note and the sovereign. They would not exist together, for the note soon drove the sovereign out of circulation.”

The Duke of Wellington said: “The experience of the last few years had proved the truth of the theory that one pound notes and gold sovereigns could not circulate at the same time. If you are to have gold in circulation, you cannot have one pound notes.”

Mr. Huskisson said, that “when the paper is let in the gold will disappear. They might vote the money, they might coin it, but how could they retain it in the country?”

We have coined a metallic currency but we have not kept it. General Jackson brought us in twenty millions of dollars; and it was not here many months till it disappeared and its place was supplied by the paper currency of the country. Then how are we to attain this great object of keeping a metallic currency in the country, but by carrying out the measure proposed by the gentleman from Susquehanna; by prohibiting the circulation of notes under a particular denomination, in order that their place might be supplied by a metallic currency.

This, sir, is not even a new idea in this state. In the year 1830, an act was passed prohibiting the circulation in this commonwealth, of notes of a less denomination than five dollars. Previous to that time we had notes in circulation, of the denomination of one dollar and two dollars, and every person of all parties saw the evil effects of it; and men of all parties agreed that it was necessary to place this restriction upon banks for the good of the community, and the prosperity of the state.

Well, suppose you adopt this measure, what effect will it have on the circulation of Pennsylvania? How will it operate? What is the amount of the paper currency at the present time? Why, we have now a circulation of about one hundred and twenty millions. Mr. Gallatin estimated, that prohibiting the circulation of notes under five dollars, would make a reduction of the paper currency of about six millions, and

the prohibiting the issue of notes under ten dollars of about seven millions, making thirteen millions, which was equal to one fifth of the whole paper circulation. Then suppose all the notes under twenty dollars were prohibited from being issued, that would produce a diminution of one-fifth more.

Thus, by the suppression of all notes under twenty dollars, we would gain an aggregate reduction of two-fifths of the whole paper circulation of the country. Then two-fifths of one hundred and twenty millions, would be forty-eight millions, but say forty millions, and you have eighty millions left. This would be replaced by forty millions of the precious metals which, added to the twenty eight millions of gold and silver in circulation, would give sixty-eight millions of solid circulation which would add greatly to the wealth and prosperity of the country. A system of this kind would secure to the laborer a proper reward for his industry, and would protect us from the ruinous and disastrous fluctuations which we have all experienced.

He would give his most cordial support to the present proposition of the gentleman from Susquehanna, because he believed it calculated to do much good. He believed, if we had had such a provision as that in our constitution, instead of having a paper circulation of one hundred and twenty millions, based upon twenty-eight millions, that we would have had a sound and substantial basis, amounting perhaps to one hundred millions of dollars, and under this conviction he tendered his most cordial support to the measure brought forward by the gentleman from Susquehanna.

MR. CLARKE, of Indiana, said he had desired to be excused from discussing this question at present, as he was unwell and not prepared to do it ample justice. He had hoped that some gentleman more competent to the task, would have taken the floor; but inasmuch as the question was about to be taken, he yielded to an imperative sense of duty to deliver his sentiments on the subject. He knew not how soon free discussion might be arrested by a call for the previous question. Gentlemen of the conservative party had lately become very familiar with the previous question, and had arrested debate on some very important questions, (said Mr. C.) by putting the screws to us; and the previous question might be again sprung upon the convention before they were aware of it. He deprecated such a use being made of that rule of the house. The party to which he belonged had never called the previous question before the subject was fully discussed. Fair, open and honorable debate ought to be allowed, and fair reports should be made of what gentlemen say, but he was sorry to observe that some of the *penny-a-liners* who write for the conservative presses in this city had attacked, misrepresented, and annihilated his friend from Susquehanna, (Mr. Read) and they might perhaps, attack and annihilate all who were opposed to the banks. I suppose (said Mr. C.) that before we leave Philadelphia, these scribblers will not leave of us a single vestige more than was left of the Kilkenny cats after their fight.

He was surprised to see the President and other gentlemen of the convention exhibit such a warmth of feeling on the bank question. He could only account for it on the principles of the old proverb that "the truth bites sore." In some observations which he had made at Harrisburg

respecting the manner in which the United States Bank of Pennsylvania obtained its charter, he had said that the act was passed with indecent haste. To this expression the President of the convention had taken exception, and had taken him to task for speaking so disrespectfully of the legislature and of the institution. He had hoped that the worthy President had said all he wished to say on that subject, but to his surprise he found the President in his remarks of yesterday, harping on the same string. That expression, indecent haste, seemed to be an indigestible one, and stuck in the President's stomach. He had used the expression because he did not think of a milder one, and although he had been sorely belabored on this account, yet he was prepared to say, and would now say, that the passage of the act chartering the United States Bank of Pennsylvania, was the most outrageous and high handed act of tyranny and aristocracy which he had ever witnessed. He knew the risk he ran in speaking against that bank, or any other bank, in this place. But being a free representative of a free people, from a mountain district, he was not afraid to 'beard the lion in his den,' and say those things of banks and bankers which he thought they merited, even in this city of brotherly bankers.

The subject (said Mr. C.) is of immense importance not only to ourselves but to posterity, not only to our own state, but to the Union and the world. He acknowledged his inability to do the subject full justice, as he was no lawyer, nor was he a public speaker; but he had the honor to represent four counties which, he was happy to say, contained no bank; nor was there a bank in any adjacent county to the south, west or north of the district he represented: he could therefore speak his sentiments with entire freedom, and he hoped with impartiality.

The party with whom he had the honor of acting were accustomed to have their motives and principles misrepresented. They were called jacobins, levellers, agrarians, 'locofocos' and other such names. He knew that they were accused of agrarianism, desiring to equalize property, &c. but he denied that any such thing was desired by any of them. They were not so radical as that. They only went so far as the Declaration of Independence, which declares all men to be born free and equal. He did not say that all men were equal in intellect or industry, but that they ought to be so politically: they are equal in their inalienable rights, and he wished to protect the people in the enjoyment of these rights.

The question before the committee was whether the banks should be restrained from issuing small notes. It was proposed by the amendment before the committee to prohibit them from issuing notes under ten dollars, for the present, and under twenty dollars after the year 1842. It must be conceded by all honest men, that abuses had grown up under the present banking system, and that some restriction was necessary. He was very sorry to hear his friend from Chester, (Mr. Bell) declare that he could not vote for this amendment because it was insufficient to cure all the evils appertaining to the present system of banking. It was not proposed as a remedy for *all* the evils of banking. The amendment that had been proposed the other day to make stockholders liable in their individual capacity for the debts of the company, was offered as one correction in part, of the evils we suffer, and this amendment was offered as an additional safe-guard. He was sorry that the convention had thought proper

to negative the first of these ; and the declaration of the gentleman from Chester, made him apprehensive that this might share the same fate. These amendments were intended only as the pannels of a fence which when followed up, might make a complete enclosure, so as to hedge in the lawless manufacturers of rag money. Our President has deprecated the throwing of the fire-brand of party among us. He (Mr. C.) had observed that the conservatives had been rallied by the gentleman from Beaver, and he regretted that party spirit had, apparently, blinded the " wigs" and antimasons to all the evils of the banking system ; but it was vain to reason with men whose political system is based on avarice : " for the love of money is the root of all evil." Avarice, Mr. Chairman, is the most incurable vice of the human heart. Avarice is the vice of old age. We have seen, and heard, and read of many instances of prodigals being reformed, but it is a remarkable fact, that there is no account in sacred or profane history, of a miser ever having repented. Men (said Mr. C.) were originally created equal in rights and privileges, but that equality had been destroyed in all countries and in all ages, by force or fraud. Savages and barbarians used force in dispoiling others of their property ; while fraud was resorted to in civilized communities. The simple, the honest, the unsuspecting have been defrauded of their earnings, and of their rights, by kings and nobles, demagogues, quack doctors, pettifoggers and speculators of all grades and conditions. The gentleman from Philadelphia, on his right, (Mr. Biddle) deprecated this constant changing ; but, sir, this cry against change, is and has been in all ages and all countries the war-cry of those who are for perpetuating abuses. But in the march of civilization and the progressive improvement of mankind in government, changes become necessary to secure to the productive classes their inherent rights, and to restore to them those of which they had been divested by force or fraud. He therefore gloried in standing there as the feeble advocate of such a change in our present pernicious banking system, as will have a tendency to restore their lost rights to the productive classes of society.

It may be necessary, Mr. Chairman, to make a few observations respecting corporations for money making purposes. In a free country such corporations are radically wrong. They are against the genius and spirit of our free institutions. They are unequal, unjust, and fraudulent : unequal because they make distinctions among the citizens who ought all to possess the same opportunity of advancing their interests ; unjust, because they give advantages to a favored few that are denied to all others ; fraudulent, because they take the power from the many and give it to the few. Should a few designing men ask the legislature for a donation in money without equivalent, it would be immediately refused, as all would see that any sum taken from the treasury would be drawn from the pockets of the people : but the same men ask for a charter of incorporation under some plausible pretext of public good by which they can realise the same amount. If the charter be granted, it is equally true, though it may not be readily perceived, that the people, the whole people, are divested of their rights to the extent of the favor or privilege included in the grant. Such charters are therefore fraudulent and unjust. Another objection to corporations for money making purposes, is, that they are monopolies, such as the corrupt monarchs of the old world have been in the habit of bestowing

on their favorites. Our coal companies, companies for making coke, and for other business objects, are of this kind. They are also objectionable because they are perpetuities, and as such they render nugatory our wholesome laws for the distribution of estates, and those forbidden entails, as through them property was handed down from one generation to another. They are an aristocracy that will naturally and necessarily create and perpetuate abuses. It is true the stockholders may die, or be changed, but the corporation still lives; and whoever has the management of such corporation, will use all the power transmitted to them or within their reach; for man is seldom known to relinquish power, and is generally indisposed to inquire into the justice of its origin. Ay sir—(said Mr. C.) such corporations are aristocracies of the worst kind. If we must have an aristocracy, he preferred one of noble blood—even though their

“ Ancient but ignoble blood
 “ Had crept through scoundrels ever since the flood.”

Or a nobility whose warlike ancestors carved out their titles with their swords. He wished to shun all aristocracies, but, above all, the cent per cent Shylock aristocracy, which would always take the pound of flesh if they could get it.

Another objection he had to such corporations, was their tendency to multiply drones in society. Mr. Chairman, (said he) if you have ever kept bees, you must have observed, that young hives have no drones, but old hives which have many drones, cease to be productive of much good; for, judging from the size of the drones, it is probable they consume twice as much honey as the same number of working bees. If a hundred men be associated together, and all divide the labor equally among them, a moderate quantity of labor would sustain them, but if twenty of the hundred contrive to live by their wits, and consume or destroy twice as much as the same number of laborers, it must be evident that the remaining eighty producers must labor one-third more than if all were to do their proportion. This with me, sir, is an insuperable objection against all corporations for money making purposes. It is a fallacy to say that corporations create wealth. Labor, and labor alone, is the source of all wealth. It is a misstatement of terms to say that corporations give the laborer employment. Labor, which produces all, gives to corporations their profits. Labor provides our food, procures us clothing, builds our houses, and gives to us all the comforts and benefits which we receive from man. Industry not only creates the wealth and adds to the happiness of society, but it also conduces to health and good morals.

Corporations (said Mr. C.) are of several kinds:—1st, those for civil purposes, such as incorporating cities and boroughs. Against this kind there can be no objections: they are necessary for the civil policy of the government. 2d. Those for religious, charitable, and literary purposes; these are also necessary, in order to hold and manage funds for the specific objects of the institutions. 3d. Incorporations for public improvements; such as turnpikes, bridges, rail roads and canals,—justifiable, when the objects are beyond the reach of individual enterprise, and because they are part of the highways that government is bound to provide for its citizens. The corporations he had mentioned were a convenient distribution of the minor powers of government to which no well founded objection could perhaps be made, except that the officers of such corpo-

rations sometimes use their "little brief authority" in a manner vexatious to the citizens. Sir, (said Mr. C.) corporations for money making purposes are detestable. Their tendency is to create dependents; and thus make slaves of the laborers, and tyrants of the managers of such corporations. They serve to extinguish the spirit of freemen, and render all who are in their power subservient to their will. Is this doubted? Let those acquainted with our iron works answer. He knew that many of our iron-masters were among the most worthy citizens of the state; he had, however, sometimes witnessed and often heard of the hands employed at iron works having been taken by the manager to the polls, and there used as mere automatons to put in their votes. He wished to see the bounds of freedom enlarged, so that every man could feel that he was a freeman. He asked if it was denied that the hard fisted laborer was thrown out of employment in order to make him vote as the bankers wished him.

Much has been said about English wealth and the splendour of English manufactures, but look, sir, at the operatives under the English factory system, who are ever on the verge of pauperism. Such systems cannot produce freemen. They may produce and concentrate wealth; but wealth acquired in that way has been there, and will be here, often used for corrupt purposes. But a yet more iniquitous feature in such corporations was a legal exemption of the stockholders from liability for the debts of the company. Such exemption violates a fundamental principle of our nature: for profit and responsibility were the original condition of our being. It is said in Divine Writ, "In the sweat of thy face shalt thou eat bread." Bread is the profit, and sweat the responsibility. It is wrong, therefore, for legislators at attempt to separate them. This example, sir, is a bull of indulgence to authorize lying and the commission of fraud with impunity. It is a passport to enable men of sinister designs to prey upon the fruits of labor,—to make the rich richer, and the poor poorer. It is a legal cloak to cover the speculator from the consequences of his own improvidence. Cloaks, sir, have been worn for many purposes:—

"And for a mantle large and broad
"He wrapt him in religion."

This corporate exemption is a mantle to cover political deceivers. We have, Mr. Chairman, companies incorporated for all purposes; for digging coal; for making coke; for building a tavern, here in this city; and even a blacksmith shop, in Chambersburg obtained the honor of an act of incorporation; and if they are permitted to proceed without restriction, they will in time monopolize all the profitable business of society. Yes, sir, they are our masters already—they judge our judges; they govern our governors; and through their borers, they dictate law to our legislature.

Nothing on earth can save the productive classes from becoming mere hewers of wood and drawers of water to the monopolists, but the awakened energies of a free people. But, sir these corporate bodies sometimes fail, and when they fail, I ask you who suffers? Let me mention one or two examples. Some twenty years ago before the turn-pike roads were completed over the mountains, when mush-room banks sprung up like Jonah's gourd in a night, the laborious wagoner toiled

through the mud and delivered goods in Pittsburg for seven dollars a hundred, received his reward in rags that would not pay his toll fifty miles east of Pittsburg. At that time a few merchants took it into their heads that the wagoners were charging too much for hauling, they therefore formed a transportation company, and obtained from the legislature an act of incorporation. This company, sir, for some time went on swimmingly. They injured the honest wagoners for the time being, but at the end of eight or nine months failed, leaving their creditors to suffer a loss—as I have been informed—of about a hundred thousand dollars.

Some fifteen years, since a few farmers in Chester county, without adverting to the law of demand and supply, took it into their heads that the brewers of this city did not give them enough for their barley: they therefore established a brewery of their own, and obtained from the legislature an act of incorporation. A few years were sufficient to wind up this concern, also, but, it is believed, without much loss to the public. A similar catastrophe happened to a company of farmers in Westmoreland county, who established a joint stock store. These last, however, were unincorporated, and were therefore liable for what debts they might contract. These cases have been mentioned to show the impropriety of granting acts of incorporation for any thing within the reach of individual enterprise.

I am now going (said Mr. C.) to take a nearer view of the question, and to examine the subject of banks and banking. Banking, sir, modern banking, I hold to be a device of Satan. It contains within it all the evils inherent in other corporations for money making purposes, and also the gambling and swindling principles of lotteries. These may be harsh terms, but is it not notorious that modern banking promotes gambling in stocks; in goods; in western wild lands; in town lots; and in cities on paper, to the detriment of lawful industry? Banking also swindles society by producing fluctuations in the value of the currency, and the refusal of the banks, last May, to pay their debts, has the character of swindling. Bankers could increase or diminish the currency at pleasure: was it too much to believe that they did so to promote their own interests! There were two things for the directors to consider—1. To make money for the stockholders. 2. To make it for themselves. The last was evidently the greater object, and would be first attended to. Modern banking, sir, is not exactly the philosopher's stone, but it enables the bankers to transmute the sweat of labor into oil and wine, and milk, and honey, for their own benefit. Our President has asked what the banks gained by this suspension? I answer they have gained what all dishonest or insolvent men desire, they have gained time. But, sir, they appear to have gained more than time, for I observe that since the suspension they have been making large dividends of four to six per cent, on their nominal capital for the last six months. Now, sir, if any other than a banker should loan his money at more than six per cent. per annum he would be punished under your laws for usury; but your bankers, sir, are allowed to divide eight, ten and twelve per cent. and that too at the time they refuse to pay their debts in the constitutional currency of the country.

Our President says the community would have been ruined if the banks had not suspended. What community, pray? Not the farmer, nor the mechanic, nor the laborer; no sir, none of these; for in the part

of the state where I reside, panics and pressures have been known only through the medium of newspapers. The "community," I take to be a few merchants in our cities who have overtraded. This community, sir, reminds me of the observation that "Boston in Massachusetts, and Massachusetts is the United States." But how was the community to be ruined? Why a gentleman from the city, on my right, (Mr. Biddle) says, if the banks of Pennsylvania had not stopped payment, they would have been stripped of their specie; and permit me to ask of what use has that specie been to the public since the 10th of May? Stripped of specie, indeed! As well might the specie, for all the benefit the public have received, have remained in the mines. The wholesome maxims of private life can never be violated with impunity. If it be morally wrong for an individual to refuse to pay his debts, while he has specie in his possession, it is also wrong for incorporated bankers to refuse to pay theirs. It may be objected that by paying it out, the specie would have left the country. This I deny. Had it not been for the "shinplasters," first issued by this city and followed by this city's imitators throughout the country, necessity would have kept the specie in the country and in circulation.

I can here give you the example of the village in which I reside, and in the neighboring country. The citizens of Blairsville determined at a public meeting, early in the season, that they would neither issue "shinplasters" nor give them currency. What, then, was the consequence? Why, that we always had specie change, a little scarce at first while the panic lasted, but, latterly, nearly enough for all the purposes of life. It is demonstrated that the specie could not have left the country, because the value of specie, as of every thing else, increases with its scarcity, and when the scarcity enhances the value to the point of exchange it must cease to flow out of the country. The banks ought to have paid as long as they were able, and then we should have had plenty of specie in circulation.

I object, sir, to banking because it encourages the violation of the moral law. One injunction of the Apostle Paul is "Owe no man any thing." But banking, in opposition to that precept, encourages the contraction of debts. A direction of the wise man, is, "Be thou not one of them that strike hands or of them that are sureties for debts," but it is a principle in banking to require surety. How many thousands have been ruined by indorsing notes for discount in bank! Even our modern novelists and dramatists when they wish a hero reduced from wealth to poverty, usually represent him as bailing a friend. And why, sir, are so many ruined by bailing? Because, sir, it is a moral evil: a special curse seems to follow the transaction. Another objection (said Mr. C.) which I have to the system is that your bankers are wholly irresponsible; the individual stockholders cannot be sued for the debts of the concern, and what individual, let me ask, can contend with the bank itself? Those who are near to it are deterred by the dread of its influence, and those who are far off, cannot leave their homes to prosecute it for its broken "promises to pay." Banks, sir, are lawless. Witness their defiance of law since last spring. And strange to say, they have found supporters and defenders in that party who are great sticklers for the "supremacy of the laws and the constitution,"—that party who shed oceans of crocodile

tears over the fate of the poor Indians,—and many of whom with equal sincerity wail over the manacles of the negroes,—a party who are horrified at all appearance of Lynch law, but who can look on with complacency, and even defend the lawlessness of the banks. I am, sir, against all violation of law, whether by Judge Lynch or by the gentlemen bankers. Our President has deprecated, in strong terms, the remark of the gentleman from Susquehanna, (Mr. Read) in calling the bankers conspirators, and said that the banks were conducted by honorable men. Honorable men? What, Mr. Chairman, is the standard of honor? I have heard of the honor of duellists, and the honor of gamblers, and I have even heard of honor among thieves; and Sir John Falstaff has given us his definition of honor:—yet I am at a loss to know that standard of honor by which bankers regulate their conduct in refusing to pay their debts. It has been said that “shame is as a man takes it;” the same perhaps may be said of men’s notions of honor. But, said the President, they cannot have been guilty of conspiracy because they are honorable men. In Mark Anthony’s well known harangue, it is said, that those who slew Cæsar were “all honorable men” and yet those honorable men were *conspirators*. The bankers were said to be honorable men. I, sir, judge of men’s honor by their actions. I cannot call it honorable for men to league together to shun payment of their just debts. Our President professes to disbelieve the statement of the gentleman from Susquehanna, (Mr. Read) respecting the Susquehanna Bank violating the law of its creation in depositing its first instalment in a broken bank: and why does he doubt it? Because a dear bank has been detected in the very act of violating the law: and, he, as a lawyer, knew that the best point in the law, under such circumstances, was, to deny the fact. But as they are both lawyers, I leave that matter between them.

Here Mr. CLARKE yielded the floor; and,

The committee rose and reported progress, and obtained leave to sit again; and,

The Convention adjourned.

FRIDAY AFTERNOON, DECEMBER 1, 1837.

SEVENTH ARTICLE.

The Convention again resolved itself into a committee of the whole, Mr. REIGART in the chair, on the report of the committee to whom was referred the seventh article of the constitution.

The question being on the motion of Mr. STEVENS, of Adams, to amend the amendment presented by Mr. READ, in the third section, by substituting the following, viz :

“The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people.”

Mr. CLARKE, of Indiana, resumed his remarks.

Let us now inquire what are alleged to be the benefits arising from banks. I suppose the friends of banks will say banks lend money, and also keep the money of others safe on deposit; and, also, that they facilitate exchanges between one district and another. They are, I believe, also held to be useful as reservoirs of credit. These, sir, are the principal uses claimed for banks. Let us examine these things, a little, in detail; and first,—I suppose it will be admitted that none should lend money, but those who have money to lend; and if so, I know no reason why a man may not lend his money, or authorize an agent to do so for him. In those districts of the country where there are no banks there are men who have money to lend, who increase in number as the country increases in wealth. Such men lend their money to worthy and deserving men, at six per cent per annum, at long terms, often for one, two, or more years. Any honest, worthy man, who is in need of money, can procure it from such men, without being subjected to expense and loss of time in presenting a note at bank every sixty days, and paying interest beforehand. It is beneficial to society, and good neighborhood, that the lender and borrower be brought face to face. Being both accommodated, the one in obtaining use of the money, and the other in obtaining interest, they acquire a mutual friendship. Active men, in the prime of life, require money, while men advanced in life, prefer withdrawing their capital from business, and loaning it for the interest. I am clearly of opinion that, if the business of borrowing and lending were free from the interference of banking, interest would settle down below six per cent per annum, because investment in lands in the country, does not ordinarily yield more than three per cent. I have understood that in the neighboring counties of Bucks, Berks and some others, money, for some years back, was worth but five per cent. I therefore conclude that banking is unnecessary, so far as the mere lending of money is concerned.

The second alleged benefit of banks, is, keeping deposits. Now, sir, I believe that most men can keep all the money they handle. If, however, in cities and large towns, it is inconvenient or insecure for mer-

chants and others to retain money in their own possession, it would be easy for them jointly, to employ persons, for a small compensation, to keep it for them. If, however, banks of deposit are necessary, they should be on the principle of the old Bank of Amsterdam, the amount of specie deposited being equal to the paper issued. The third use claimed for banks, is to facilitate exchanges. What is the nature of exchanges? Is it not the exchange of the product of labor in one district for the product of labor in another district? Exchanges are therefore mercantile transactions, and by the laws of trade, must maintain nearly a common level. It is only when one district of country purchases more than it can pay for, that the rate of exchange will be against it; and, here sir, banks utterly fail, as pretty pictures, on silk, paper will not ultimately pay the debt, however they may postpone the day of payment. There is one apparent exception to this rule, and that is, the rate of exchange will always be against the country that produces the precious metals. The precious metals increase in value, from the mines of Mexico and South America, until they are worked into plate and worn out in Asia: therefore there will be a small exchange against Mexico and in favor of New Orleans; against New Orleans in favor of New York; and against New York in favor of London. This is like the fall in a stream; and is equal to the cost and risk of transmitting the bullion from its place of production to where it is required. The transmission, is a commercial transaction, and ought to be left to the merchant to regulate in his own way, just as our own foreign exchanges are now done, unconnected with any interference of government, or any chartered privilege.

I now, sir, come to the last thing I shall notice on this branch of the subject, that of the alleged use of banks as reservoirs of credit. I know, sir, that credit is necessary in a civilized and free country; but, sir, a wholesome credit, is that confidence which man puts in his fellow man, from his known integrity and ability to fulfill engagements. A wholesome credit is therefore personal, and should be left free from legal restraint, nor should it be stimulated by legal combinations. But the credit of banks is false. They issue what purports to be money, but is not money. They call a thing valuable which is wholly valueless. They issue pretty pictures, on silk paper, promising to pay money, which it is notorious they cannot pay, as is evident from their conduct the last half year; and for these false promises, fools pay them interest, which interest, is extracted from the labor of an unsuspecting community. These reservoirs of credit, are often pernicious to young men, to the thoughtless, the inexperienced, and the sanguine. A facility of obtaining loans, leads to improvident extravagance and want of prudence, and causes men to despise the slow accumulations of honest labor. It induces them to anticipate the earnings of the future, and leads to excess which often ends in ruin. But the greatest objection I have to these reservoirs of credit, arises from their tendency to expansions and contractions. They expand the currency at times until the necessities of life arise beyond the reach of the poor; and when they contract, the poor are thrown out of employment. The laborer, Mr. Chairman, is the last to receive benefit from a rise of prices, but the first to suffer the evils of a diminished currency. The expansions of bank credit lead to gambling speculation.

The managers of banks have only to make money scarce and purchase

property when prices are low, and, again, to expand and make money plenty, and then sell at the advanced prices; and in this way our banded brotherhood of bankers may, in time, monopolize not only the property, but the profitable business of the country. Here let me call your attention to one other evil of the paper system. I mean the facility with which it is counterfeited. Why, sir, are counterfeiting and forgery such common crimes? Is it not because the inducements to these crimes spring from the banking system? But, Mr. Chairman, I wish to take another view of the evils of this system: the pernicious effect it has on agriculture, manufacturing and mining. However the farmer may be flattered for a time with the name of high prices for his produce, it is demonstrable, that the fictitious price created by a redundant currency, is injurious to the country, and must ultimately re-act upon that most useful class of our citizens. It will probably be admitted by all that we should not only raise all our bread stuffs in this country, but, also, produce a surplus for exportation. Why, then, have we been for the last two years importing provisions from Europe? It is not because the *nominal* wages of labor was so high, owing to the quantity of paper money afloat, that too large a proportion of society has been withdrawn from agriculture? The farmer found himself unable to hire labor at a price that would enable him to compete with foreign grain in our own markets, much less to send our grain to foreign markets: because instead of our own productions going abroad to bring money home, our money must be sent abroad to purchase provisions. The paper system is equally injurious to the manufacturing and mining interests, by putting a fictitious price on those articles which sustain miners and manufacturers.

To illustrate, I will suppose that under a particular state of things, American iron can be manufactured for one hundred dollars per tun, and that foreign iron, of a good quality, may be delivered for eighty dollars per tun. If congress impose a duty of twenty-five per cent on foreign iron, it will be evident that the importer cannot afford to under-sell our manufacturer; but if, at the same time, the banks increase their issues twenty-five or fifty per cent, it will increase the price of labor, of provisions, and all other expenses of the iron master, in nearly the same proportion. Hence, under this state of things, American iron cannot be manufactured under one hundred and twenty-five or one hundred and thirty dollars per tun; thus giving the foreigner an advantage in our market, even after paying the duties imposed for protecting American labor. It is, therefore, obvious that the increase of the paper currency, counteracts the effect of the tariff for benefiting our own manufactures. The same reasonings apply to mining. Why is coal brought from Halifax and Liverpool, when the mountains of Pennsylvania contain enough to supply the world? A sound currency, free trade, and moderate protection, are all we require to cause our mining, manufacturing and agricultural interests to flourish, despite of foreign competition.

One of the most obvious evils, Mr. Chairman, of this pernicious banking system, is the constant tendency to create a redundant currency, and thus to lead men from sober habits of industry into wild schemes of speculation, landing them, after a career of extravagance, in insolvency. That the present banking system is productive of a long train of evils, is undeniable;—evils, in my opinion outweighing all the advantages

claimed for it by its friends. It becomes a serious inquiry, whether they are evils that admit of cure, and if so, what remedy is likely to be effectual. Many restrictions have been proposed, deemed more or less efficacious; but the most effectual would be a liability of the stockholders for the debts of the concern, a limitation of the issues, and a limitation of the dividends. I am sorry that the first proposition of the gentleman from Susquehanna, (Mr. Read) to make stockholders of banks liable for the debts, was voted down, by a majority of this committee. Had that proposition prevailed, it would have secured the caution and prudence of individual responsibility necessary for the economical prosecution of every business in life. The best guaranty for prudence, is a liability to the penalty of loss following mismanagement. Another remedy thought effectual by many, is a limitation of the dividends or profits in banking. If the bankers are not allowed to divide more per cent. on their capital, than honest men are permitted to lend their money for; say six per cent per annum,—or say seven per cent. to cover contingencies,—then inducements to over issues would be taken away; for they would not be likely to extend their business beyond the dividend allowed by law. But, in my apprehension, the most effectual cure for the evils of which we complain, would be the amendment now before you, prohibiting all banks from issuing notes under ten dollars, immediately, and under twenty dollars, after the year 1842. The amounts proposed are those which have been generally proposed through the democratic press of the state, and they have my hearty approbation so far as they go to remedy the evil; but I must acknowledge that my individual opinions are yet more radical on this subject. I would be willing to prohibit the circulation, after a few years, of all bank bills under fifty or a hundred dollars. My reason, sir, is, that as you forbid the circulation of small bills, you increase that of specie in the same ratio. I have an ardent desire to saturate the country with specie, that the farmer, the mechanic, the laborer, and the small dealer, may transact all business in a solid currency, having the faith of the whole world for its support. If we must and will have paper, I wish to see such a basis for it, as will prevent fluctuation. But, it will not do to keep that basis in the banks, for experience has shown that the more specie they have in their vaults, the more they inundate the country with paper. I, therefore, wish to see specie, not in the vaults of the banks, but in the hands of the productive classes of the community. It is needless to add that specie and bank paper of the same denomination, will not circulate together. This is shown by the "shinplasters" driving the specie change from circulation. Why is it that gold has not circulated? Is it not because no man will pay five or ten dollars in gold, as long as he has a five or a ten dollar note to give? But gentlemen say it is the business of the legislature, and not of the convention, to make these restrictions.

The gentleman from the city on my right, (Mr. Biddle) is against any restrictions on the legislature, and the gentleman from Franklin, (Mr. Chambers) is also disposed to leave the subject to the discretion of the legislature; and our worthy President (Mr. Sergeant) deprecates mistrusting the representatives of the people. Now, sir, I beg leave to differ from these gentlemen. I disavow all unnecessary reflection on our law makers, but duty compels me to state that our legislature, if not the most

corrupt, are at least the most accessible to importunity, of any of the branches of our government. It is well known, sir, that crowds of interested applicants attend at Harrisburg every winter, and that those applicants contrive to procure the passage of laws for selfish and sinister purposes. They are familiarly called "middle house-men," "lobby-members," or "borers." It is to guard our legislature from the importunities of such men, that I wish to see wholesome restrictions on banking in our constitution.

The gentleman from Franklin has also objected that if our own banks are prohibited from issuing notes under twenty dollars, we will be exposed to notes of other states, and inundated with other bank paper, over which we have no control. This, sir, was the argument used against repealing the lottery act granted to the Union Canal company, that for a long time disgraced the statute book of Pennsylvania, and demoralized her citizens. It was then urged that if we had no lottery of our own, that lottery tickets from other states would be sold as readily as ever, and thus carry out of the state, the money that ought to be retained in it. But the moral sense of the community triumphed. The Union Canal lottery was repealed. The sale of lottery tickets of other states was forbidden under severe penalties, and we have the satisfaction to know that no lottery office is kept, openly, in the commonwealth. Just so will it be with the bank notes of the forbidden denominations. They can, by legislative enactments, be entirely excluded from circulation. We had similar predictions, sir, when the law was under discussion in 1828, for prohibiting the circulation of the one, two and three dollar bank notes; but that bill became a law, the prohibited notes went out of circulation, and Pennsylvania abounded with silver change, while the neighboring states of Ohio, New York, New Jersey and Delaware, were overrun with paper trash. I apprehend no difficulty from the insertion of the prohibition into the constitution. If the former act filled the state with silver change, the proposed prohibition would also fill it with a gold currency. Here let me notice one or two objections. It is objected by the friends of the present banking system, that there is not specie enough in the country. To this I reply, that coin is but a measure of value. A dollar is our unit for measuring value, as a pound is for measuring weight, a gallon for capacity, or a yard for length. With this difference alone, the measures of length, weight and capacity, are kept stationary by the dealer, while in the case of the measure of value, the measure itself is handed over as an equivalent. But, sir, the bankers have invented a false and fraudulent measure, as false, as false balances, which are severely denounced in Holy Writ. Your paper system may be compared to a yard stick composed of *gum elastic*, which can be expanded or contracted at pleasure. A dealer, sir, with such a measure, must be very deficient in tact or shrewdness, if he can not keep himself safe, let who will suffer.

But, sir, a word or two concerning the scarcity of specie. It is of little consequence whether a day's wages of labor be represented by a dollar, by seventy-five cents, or by fifty cents, provided all other things which the laborer may wish to procure be in the same proportion; hence the specie now in the United States, will serve as well for measuring value, as if it were double or treble the amount, but if it is in less pro-

portion than in the rest of the world, specie will flow to us from other countries, for money like water, will find its level. Again, sir, gold and silver are produced just as you produce salt or iron. Increase the demand and you increase the production. When iron falls in price, our furnaces go out of blast. When iron rises, more ironworks are put into operation. When the price of salt is low, those wells on the Kiskiminitas, which yield from nine to fourteen barrels of salt in twenty-four hours, can alone be worked, but when salt rises, four or five barrel wells are brought into requisition. Just so will it be with the gold mines in the southern states. If you increase the demand for gold, mines of less value will be worked, while those mines that now yield a profitable return for the labor required, will be worked much more extensively. I think, sir, that a former secretary of the treasury, stated in one of his annual reports to congress, that it would require about eleven dollars for each person in the United States to give a suitable amount of currency. We number at this time, perhaps, about 16,000,000. We ought, therefore, now to have about \$176,000,000. I believe it will be conceded that there is now, or at least was last May, when the banks stopped payment, about \$80,000,000, in gold and silver, in the country. We have therefore but to double this sum, to have nearly the amount required. This can be done, if necessary, in eight or ten years, without embarrassment.

Permit me, Mr. Chairman, to call the attention of the committee to another evil of our present banking system: an evil that I deprecate, and dread the consequences of, more than any that has yet been mentioned, and that is, the tendency of the banks to interfere with the politics of the country.

This is a deplorable evil. It has, within a few years, produced a state of political feeling and animosity between the parties, and among neighbors, such as has not been witnessed since the black cockade times of high toned federalism, in '98, excepting the blue light toryism of the last war.

The gentleman from the city, (Mr. Biddle) has spoken of the warfare of the government against the institutions of the country. The warfare of the government against the institutions, indeed! What institutions? The United States Bank; a creature of its own creating. Sir, the gentleman is in error in calling it a war of the government. It was, sir, a desperate and reckless war of that overgrown, corrupt institution, for a prolongation of its existence and exclusive privileges. Instead of quietly submitting to the laws of the country, and suffering the charter to expire according to the wish of the majority, the managers of that bank, convulsed the country from the centre to the circumference, by a system of expansions and contractions, panics and pressures, and poisoning public opinion through the medium of their hired orators, and stipendiary presses.

But, sir, the efforts of the people, through their executive, to conquer this moneyed leviathan, has been modestly called, by our President, (Mr. Sergeant) "executive usurpation, begun in 1833;" and he has also told us, "that there are \$400,000,000 capital, and \$800,000,000 debts and credits, belonging to the banks of the United States, of which the government wishes to deprive them."

What an awful government we must have! Worse than the grand Turk, or the autocrat of Russia! Who would believe it? That our rulers, elected by the people, should seriously wish to destroy all the moneyed institutions in the country? I certainly should not, had I not been told so by our honorable President; nor can I yet believe it, notwithstanding the authority. It is not so.

President Jackson, like those who elected him, only wished to stay the encroachments of the money power, and to more effectually secure the liberties of the productive classes; and Mr. Van Buren wishes to separate the government from the banks, and to suffer the banks and bankers to manage their own affairs, in their own way, without giving them the taxes raised from the people, as a fund to speculate on.

But our President (Mr. Sergeant) consoles himself with the opinion, that the high handed measures which have been enacted by this tyrannical government of ours, and those which it proposes yet to enact against the interests of the people, will be put a stop to. He tells us that "every where the voice of the people is heard against their despoilers." I know, sir, that the friends of the bank have had a recent triumph in the state of New York; but how, let me ask, has that been effected? Was it not that the speculators, operating through the medium of their democratic legislature, succeeded, from time to time, in inundating the state with banks, combined on the safety fund system; and that these banks, true to their principles, united with the aristocracy against the government of their country, when it was proposed to withdraw the people's funds, on which they speculated?

Sir, the bankers seem now to be in ecstasies with the result of that election, and however paradoxical it may appear, I also am pleased with the result. I am pleased, because it will teach the democrats of New York, and of the Union, how dangerous is a multiplication of banks, and how little trust is to be placed in bankers.

I have known several instances in this state, where democrats were induced to procure an act of incorporation for a bank, and the institution afterwards fell into the hands, and under the control, of their opponents. I have always rejoiced when they got rapped across the knuckles, for having any thing to do with these shaving shops.

In the present condition of society, it appears to be generally conceded that banks are necessary. I am not so Eutopian as to imagine that we ought to destroy all banks immediately, or that the evil can be cured in a short period.

Banking is like a cancer. It has struck its roots into the vitals of society, and seems incapable of immediate cure, without endangering the body politic. I therefore only hope for some present amelioration from the worst of evils, and a gradual cure of the disease, as time and opportunity may offer.

The present amendment, which proposes the ultimate restriction of any issue below \$20, will go far to remedy some of the worst evils. It will leave bank notes of the large denominations, for the use of merchants and traders, and will provide a sound specie basis for the wages of labor. But, sir, if we have no other remedy, I am half inclined to believe that we must adopt the method resorted to in new countries, to stay a conflagration.

gration in the forest—that is, to combat fire with fire. I mean by making banking a free commercial business, open alike to all who may embark in it, and comply with the requirements imposed by law. Such a system, with severe penalties and restrictions, may, after all, be found most beneficial; but in such cases, pecuniary penalties ought to be imposed on stockholders, and the managers of such institutions ought to answer criminally for violating the restrictions imposed by law. I believe that this system is not new. It is practised now in Europe with advantage to the community. It would have at least one good tendency, to make banking purely commercial, and to separate it from politics. The present system of chartered companies, lead those who wish to get a new charter, or an old charter renewed, to take an active part in the politics of the district, in order to secure representation agreeably to their designs. But if men embark into banking, as into other pursuits, under a general law, there would be no inducement for bankers to make common cause, to elevate one party and prostrate another.

I will detain the committee with but one other reason for wishing to see the present amendment carried, and that is, the benefit in a national point of view, to have the country full of the precious metals.

What, let me ask, would be the consequence, if a war should occur with a powerful nation of Europe, and we had but \$20,000,000, as was the case a few years since. But if, by prohibiting small bills, \$200,000,000 should be in circulation, we could sustain a war for several years, and in a pecuniary view, scarcely perceive the effects. One case may be compared to a man who is compelled to go to market to obtain provision for the day; the other, to a farmer, with well filled barns and granaries, sufficient to sustain himself and neighbors, throughout the year. Let it not be objected that Pennsylvania cannot accomplish this. It is sufficient for us to do our duty, and the benefit will be so apparent that others will follow the example.

When that takes place, we shall hear no more of fluctuation, and panics, and pressures. England is frequently convulsed by these revulsions in commerce; owing to her paper system; while we hear but little of them in France, which is, and always has been, a hard money nation.

I have, sir, detained the committee longer than I expected, when I rose to address you.

While I hope that some of the antimasons may rise superior to party, and vote for this amendment, I must say I do not believe they will: such is the difference between faith and hope. The evidences that I have seen of their attachment to the banks, compel me to fear that they will vote against all restrictions.

Mr. MARTIN, of Philadelphia county, rose and said, he was about to give his reasons for his opinions on the question before the committee.

The proposition now offered by the gentleman from Adams, (Mr. Stevens) was to amend the amendment, by striking therefrom all after "section 3," and inserting in lieu thereof, the following, viz:

"The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people."

He was opposed to this amendment, because it was wholly inefficient, and did not fully meet the case. It would be found, in his opinion, wholly inefficient, in practice, to correct any of the evils of the banking system.

He greatly preferred the proposition of the gentleman from Susquehanna, (Mr. Read) which was, that "no bank shall issue any bill, check, promissory note, or paper credit, of a less denomination than ten dollars, nor after the fourth day July, 1842, of a less denomination than twenty dollars."

He had been much experienced in this matter, and was able to say that the amendment of the gentleman from Susquehanna, would much better answer the purpose in view, than the amendment now offered. It provides for the prevention of the issuing of notes of a denomination less than ten dollars. He heartily approved of that amendment, and his experience had enabled him to judge of the expediency of that measure.

In giving his reasons for his approval of the amendment, the committee must, he said, indulge him while he travelled into the merits of the banking system.

When the legislature of Pennsylvania passed the law prohibiting the issue of notes of a less denomination than five dollars, there was a great deal of honest alarm felt in the country, lest the law should have the effect to unsettle the currency, and to pamper the banks, and bring embarrassment upon the business community. The experiment had never been tried, and the people had got accustomed to these small notes, which, when the banks that issued them were sound, were found convenient.

The measure met with an earnest and strong opposition then, but not so strong as at the present time. The legislature, however, passed the law, and the banks were prohibited from issuing any notes under five dollars.

The dreadful consequences that were apprehended from the measure were not realized, and the circulating medium, instead of being deranged, was regulated and strengthened by it. It produced no sudden diminution or debasement of the circulating medium, as has been apprehended and predicted; but in the place of the little bills—the ones, twos, and threes—we soon had a plenty of silver dollars, and half dollars, which was equally convenient, safer, and much more agreeable to the great majority of our farmers, who are nearly all hard money men.

Here, then, was an evidence that the experiment, so far as it had been tried in this state, was eminently successful. Any one who would, till very recently, have questioned its success, or its propriety, would have been thought little short of ridiculous. He had scarcely ever heard a word said against the measure, after it got fairly into operation.

In other states, about the same time, the system of excluding the small bills from circulation, was tried and the result was every where the same. It gave universal satisfaction, and was believed to have had the effect to improve and strengthen the currency,—rendering it more safe and stable, by enlarging the specie basis, and at the same time protecting the poorer class, who were the principal small bill holders, from loss, in case of an explosion of the banks.

He well recollected what was said and thought about the measure, at the time when it was in agitation in this state. It was then believed by many, that it was impossible to obtain a metallic circulation, in sufficient quantity to supply the loss of the ones, twos, and threes. It was soon found, however, that there was no mistake about the matter. There was a plenty of specie brought into the state, to fill up the vacuum produced by the withdrawal of the small notes.

If the amendment to the amendment, offered by the gentleman from Adams, should succeed, the provision would have no force at all. It would deprive the amendment of all its efficiency, putting it in the power of the legislature, if they thought proper, to authorize the issue of small notes.

But, if the amendment, as offered by the gentleman from Susquehanna, should succeed, the currency would be rectified, and put on a secure and stable basis.

He expected, from the adoption of the proposed amendment, all the advantages to the currency, which had been obtained by the restraining law, in relation to the circulation of notes, less than five dollars in denomination.

If the prohibition of notes less than five dollars, should bring silver plentifully in the circulation of the state, why should not the exclusion of all notes under ten dollars, in like manner, bring gold into the state? There was no reason why the effect which he anticipated, should not be produced. We should then have in circulation, a large proportion of five dollar gold pieces.

He had objections to the report of the committee, because the amendment of the gentleman from Susquehanna, covered the whole ground. The report was offered as a sort of excuse for not touching the banking system at all, and the adoption of the amendment to the amendment, offered by the gentleman from Adams, (Mr. Stevens) would have precisely a similar effect. The banking system, with all its imperfections and abuses, would remain precisely as we found it. Was that the object of the majority of the convention? Was it determined to leave this important subject untouched? Was no restriction whatever to be imposed on the banking system? It now looked really much like it.

On the 20th day of November, this committee arrived at the same position where we now are. We had taken up the articles of the constitution of 1790, and travelled along through them, till we got to the position where we now are, in this section. What was the consequence of all the endeavors to move farther? From that day to this, we had encountered a steady and determined opposition to any interference with this subject. We had been able to effect nothing at all in relation to it.

The ground, as soon as we were upon it, seemed to have been enchanted; and all attempts to enter the magic circle, were vain.

It is possible, sir, that they are right, and that we, who are in favor of restricting the banks, and widening the basis of the currency, which is specie, are wrong. But, sir, I am prepared to meet the question, and to show that we are right.

This subject was committed to me by my immediate constituents of the

county of Philadelphia. They expect me to prosecute it, and I shall do it zealously and faithfully. They are anxious that something should be done in this matter, and believe it to be their interest, and that of the whole commonwealth, both for the present time, and for all time to come, that the proposed restrictions on the banking system, should be adopted.

I, continued Mr. M., shall do my duty in the matter, to my constituents, to the best of my abilities. Though the task is a Herculean one, I shall not be discouraged from it by the powerful opposition which I see arrayed against it.

But what argument is urged against it? Nothing that I have heard is urged, which is entitled to any weight. There are mere bare assertions made, which have not been proved, and are incapable of proof. It is apprehended that the adoption of the restriction will do harm—that it will unsettle the currency, and increase the embarrassments of the business community, who are hardly beginning to recover from the effect of the late convulsion in trade and currency. But I do not believe this. I believe, on the contrary, that the restriction will give stability to the currency, and do more to promote the interests of commerce, than any other measure that we could possibly adopt. It is possible that I am in error. But it is necessary to examine the whole field, and to look at the views of those who are friendly to the present banking system, as well as those who are opposed to it.

I have an important duty to perform, in relation to those who are connected with the banks, against whom charges have been brought. It is my duty, also, to vindicate myself and my constituents, from charges brought against us, not only in this hall, but elsewhere.

But, sir, though I enter zealously upon the discharge of my duties in this matter, yet I am not one of those who are disposed to enter into a ruinous and destructive war against the banking system. I have no disposition to uproot the whole monetary concerns of the country, nor to go back to an exclusive specie currency. My opposition is directed against the corruptions and imperfections of the system, and not against its existence. Under proper guards and restrictions, it may be exceedingly useful to business, and promotive of the best interests of a republican government; but, if left to run the wild career of corruption, and oppression, which it has begun, it will be impossible to foresee how much mischief it may produce. For the interests which are connected with, and dependent upon, the banks, the best thing that can be done, is, to regulate them; and, if this cannot be done, they must, in the end, ruin themselves. But, sir, it is my strong wish and desire, that something should be done, to arrest, and prevent, the evils and corruptions of the banking system, in future, in order to save the system itself. That it is corrupt, as at present managed and organized, I need not go any great length to prove. It has been declared here, by the gentleman from Susquehanna, (Mr. Read) that the late suspension of specie payments, by the banks, was the result of a banking conspiracy. There are many others who believe this, and there are strong reasons for the belief. But, whether this be true to the extent supposed, or not, it is certain that the suspension of specie payments, was the result of the corruption of the banking system. There is no one who is not convinced of that. If there had been no over-banking—no improper expansion of the currency, there would never have existed any neces-

sity for the suspension of specie payments. If this serious evil grows out of the imperfections of the system, certainly now is the proper and accepted time to remedy it, and to put the system upon a proper basis.

It is now nearly half a century since a convention assembled to revise and remodel the constitution of this commonwealth. The corporate bodies which now exist, were not anticipated by the framers of the present constitution. They had no idea that banking or other corporations, would ever have sprung up so thickly under its provisions. Could they have foreseen the course of things during so long a period of time, they would, perhaps, have imposed upon the legislature some restraints in granting corporate privileges, and so regulated the banking machinery, as to prevent the mischievous effects, which it has sometimes had upon the interests of the people. The system has grown up silently, and though unauthorized by the constitution, is not forbidden by it.

The question is, whether we shall suffer the opportunity now afforded us, for supplying the deficiency of the constitution in this respect, and for putting the banking system under the restraints of law, to pass by unimproved. The corporate bodies created under the present constitution will remain in existence, after the adoption of the new constitution. The only question in regard to them, is whether they shall be at all restrained in their action.

What will be the state of the law, should the report of the committee be adopted, and the 3d section of the 7th article remain unaltered? By the 3d section, it is provided, that "the rights, privileges, immunities, and estates of all corporate bodies shall remain, as if the constitution of this state had not been altered or amended." It is quite possible, Mr. President, that, forty-eight years ago, when this constitution was made, the provisions of this section were probably right and proper. But circumstances have since greatly altered, and what was then justifiable and proper, may now be absurd and injurious. What was the condition of the United States in the year 1790, when this constitution was adopted? How many banks do you suppose there were in existence at that time? How many in this state? and how many in the United States? There was but one bank in Pennsylvania—the Bank of North America—and only two others, I believe, in the whole country. There was then, of course, no complaint of evils resulting from banks. The evils which I now so loudly complain of, were not then felt. But, now, when there is a bank at every man's door, the case is very different. The influence of bank operations affects every single individual in the community, and reaches the state and federal governments themselves. I grant, then, that the article now under consideration, was, at the time of its adoption, based on proper principles. It was sound, reasonable and just, towards the one single bank which existed at that day, and the other corporations, some of which were religious and literary, that then existed. But in the progress of time and the onward march of mind, circumstances have so materially altered the face of things in the country, that the same provision would now be extremely hazardous of the public interests. We come to you now, as to the people of the commonwealth, assembled in convention, to alter their fundamental law, and ask you to make some change in relation to this subject; to do something that will check and prevent the great and growing evils of an unrestricted and vast and pow-

erful system, which has been brought into existence under the cover of a constitution which did not contemplate it. That there is an absolute necessity for such provisions on your part, no man can have any reasonable doubt.

Many gentlemen, sir, have not heretofore given much attention to this subject, and have taken it for granted, that the system was all right and working well, and that, if their party was only at the head of the federal government, every thing would go on smoothly and firmly in relation to the banks. But, Mr. President, if gentlemen will take the trouble to look at facts, to survey the banking system as it has been managed here and elsewhere, to go a little into the details of bank operations, they will find that they are entirely mistaken, and that the system is not only capable of abuse, but that it is abused and often in the most shameful manner. They will agree, then, with me, that there are evils in the management of banks which are intolerable, and ought to be prevented by the interposition of the people, acting through a change in the constitution. I will give an instance. The legislature appointed commissioners to examine into the affairs and condition of some of the banks of Pennsylvania, the greater part of whose capital was owned by the state. Three fifths of the stock belonged to the commonwealth. The commissioners discharged their duty, and they made a report, which was authenticated by their oaths and affirmations, legally taken. That report, which will be found upon the journals of the house, will show you that, at that time, as well as since and now, the banking institutions of Pennsylvania were wholly corrupt. This bank, which was chiefly owned by the commonwealth, and ought more especially than any other, to be employed for the public and not for individual advantage, was in the habit of employing its funds so as to enable individuals to make their fortunes, instead of employing them in the legitimate business of banking. The authentic and official records of the state, show that this bank of Pennsylvania was in the habit of lending so much money to one favorite individual, that he was enabled by it to make often nearly one thousand dollars a day. It was proved, sir, that he was enabled by the use of the funds of the bank, which were the common funds of the people of Pennsylvania, to make a thousand dollars a day, for days and months together. The report shows us, Mr. President, that an officer of this bank of Pennsylvania was suffered so to employ its funds for his own private purposes, that for ninety days in succession, he made a thousand dollars a day.

Now, sir, I ask you, and I ask all, whether it is possible that, with such facts as these staring us in the face, we of the people, who are in favor of supporting the rights and interests of the people, can quietly permit this occasion to pass, without an effort to bring the corrupt and lawless moneyed corporations of this state, under the restraints of law? Can it be possible, that any man will justify or approve such a corrupt and dishonest state of things? No, sir, I do not believe that the influence of this convention will be found enlisted in support of corruption. I believe that the convention will be disposed to arrest the evils of the system, by the adoption of the best means within their reach. The only question, in that case, will be as to the nature and extent of the remedy. Is the amendment now offered by the gentleman from Susquehanna, the best proposition that can be adopted? I think the amendment will be

found a convenient mode of effecting the object in view, at least to some extent, though it will not effect all that we wish. It will be one step towards correcting the banking system. But it will be far from putting a complete check to all the evils of which we complain, as belonging to the present system.

While I support this amendment, I do not hesitate to declare, here in my place, that I do not intend to stop here. I intend to do all that in my power lies, to carry out the restrictions upon banks, so as to confine them rigidly within the limits of legitimate and fair transactions.

Well, sir, as I have said before, the constituents whom I represent have been accused of being levellers; men ready and willing to prostrate the institutions of this country—to uproot our banking system—to destroy the banks and to divide the funds among themselves. It is no such thing. I have never seen such a spirit manifested in the part of the country where I reside; nor have I ever seen a single transaction there to justify such a charge. Closely bordering upon us, we have a bank—it is called the Southwark Bank. It was chartered, probably, nearly twenty years ago; and I believe it commenced its operations according to fair principles of banking. If that, and other similar institutions, had continued to transact business on fair and sound principles, the difficulties and perplexities which we now experience, would never have arisen. But, when I speak of the abuses of the banking system, I speak of things which I know, and of facts which I can substantiate. We asked for a bank in the district of Southwark, in the county of Philadelphia. The legislature, in chartering it, designed that it should loan its funds to practical business men. It was expected that its business would be confined to commercial transactions. But what has been the result? Would it be believed, that in a bank, the greater part of the stock of which was owned by the institutions of the commonwealth, and the officers of which were sworn to do certain acts only—the immense sum of \$1,000 per day could be realized on fair commercial transactions; and that, too, for a period of ninety days? No, sir, it can not be, unless we are ready to concede the point, that stock-jobbing and gambling are fair commercial transactions.

Mr. M. here gave way to Mr. WOODWARD, on whose motion the committee rose, reported progress, and obtained leave to sit again.

And the Convention adjourned.

SATURDAY, DECEMBER 2, 1837.

Mr. M'DOWELL presented a petition from citizens of Bucks county, praying for a provision in the constitution prohibiting coloured people from exercising the right of suffrage.

Which was laid on the table.

Mr. STERICERE presented a petition of like import from citizens of the same county.

Which was also laid on the table

The PRESIDENT laid before the convention a letter from the President of the board of inspectors of the Eastern State Penitentiary, accompanied with the following resolutions, viz :

“ At a meeting of the board of inspectors of the Eastern Penitentiary, held November 30, 1837, it was

“ *Resolved*, That the officers and members of the convention, to revise the constitution of the state of Pennsylvania, now held in Philadelphia, be respectfully invited to visit the Eastern Penitentiary whenever it may suit their convenience.

“ *Resolved*, That information in relation to the proceedings of this board in regard to the convention, be transmitted to that body through the President of the board of inspectors of this institution.

“ True extract from the minutes,

“ WM. H. HOOD,
Secretary.

“ EASTERN STATE PENITENTIARY,
“ *Philadelphia, November 30, 1837.*”

Which was read and laid on the table.

Mr. PORTER, of Northampton, submitted the following resolution, viz:

Resolved. That the President draw his warrant on the State Treasurer in favor of Daniel Eckles, for the sum of one hundred dollars, as extra compensation for his services as door keeper.

The resolution having been read a second time, and being under consideration,

Mr. DARLINGTON, of Chester, moved to refer it to the committee on accounts, which was agreed to.

Mr. STERICERE, of Montgomery, submitted the following resolution, viz :

“ *Resolved*. That each delegate and officer of the convention, be furnished with four daily newspapers, or other newspapers equivalent thereto, during the sitting of the convention, in addition to those now furnished to them.”

Mr. STERICERE moved that the convention now proceed to the second reading and consideration of this resolution, but the motion was not agreed to.

Mr. HOPKINSON, of Philadelphia, moved the appointment of a member of the committee on the fifth article of the constitution, to supply the place of Mr. HAMLIN resigned.

And the motion being agreed to, the President appointed Mr. DORAN to be a member of said committee.

Mr. COPE, of Philadelphia, from the committee on accounts, reported the following resolution, viz :

Resolved, That the President draw his warrant on the state treasurer, in favor of Thompson and Clarke, printers of the English Journal for the sum of eight hundred dollars, to be by them accounted for in the settlement of their accounts.

On motion of Mr. COPE, the convention proceeded to the second reading and consideration of the said resolution, and it was then agreed to.

SEVENTH ARTICLE.

The convention again resolved itself into a committee of the whole, Mr. REIGART in the chair, on the report of the committee to whom was referred the seventh article of the constitution.

The question being on the motion of Mr. STEVENS, of Adams, to amend the amendment, moved by Mr. READ in the third section, by substituting the following, viz :

“The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people.”

Mr. MARTIN, of Philadelphia county, resumed his remarks:

Mr. Chairman: When the committee rose last evening, I was about giving my reasons, why I cannot sustain the amendment offered by the gentleman from Adams county, (Mr. Stevens.) I had arrived at that point of my argument which went to shew that the conduct and transactions of these banking institutions, were not such as to conform to the purposes for which they were originally chartered by the legislature; and I alluded particularly to the transactions in the Bank of Southwark, in the county of Philadelphia, of which I myself possess some knowledge.

I have before stated my belief that a well regulated banking system—a system by which the operations of these institutions shall be restricted to commercial transactions, and to the fair and legitimate purposes for which they are created, is an advantage to the state. Of such a system I am in favor. But when they depart from these fair and legitimate purposes—when they pursue a course which is in direct opposition to the letter and the spirit of their charters, I am of opinion that they become instruments of wrong and oppression.

The Bank of the District of Southwark was chartered in consequence of an application made to the legislature by the citizens of that district, of whom I am one. At the time we applied for the charter, we were under the impression, and we did hope and believe that if that bank went into operation, it would so conduct its affairs that the farmer and the mechanic might have the use of its funds; and I think it is quite possible that, in the early stages of its existence, it did so conduct its affairs. At any rate, I have no information which would justify me, in coming to a contrary conclusion. If it was so, there can be no doubt that the bank was of

great use and advantage to that district, because I do believe that the credit system is the poor man's system, inasmuch as it enables him to compete with his more wealthy opponent in business; and competition has always appeared to me to be the life and soul of all business, whatever its character might be.

But, sir, when these institutions step beyond the limits within which they ought to be confined—when they hold heavy sums of money in their hands, which they throw out into other and more improper channels than those in which that money was intended to flow, they cease instantly to be of use or advantage to the community in which they are located; and they become, on the other hand, a grievous burden opposed to, and destructive of, the best interests of the people.

Such, I regret to say, has been the case with the bank to which I have referred. I am not afraid to make this declaration here, because it is susceptible of the clearest demonstration. That bank, I assert, was in the habit of loaning out nearly the whole of its funds to a broker. That broker did not use the funds which he thus received from the banks, for the purposes of legitimate business transactions, but he applied it to shaving notes. I again say, that I speak of facts within my own knowledge.

Now, sir, this being the case—and too much the case generally—for it is a system which has not been confined to this bank exclusively, but has very generally pervaded the banking institutions of the country—the opinion forced itself upon my mind and on the minds of my constituents, that there ought to be some strong and imperative restrictions placed upon the banking system, or otherwise, that it must become decidedly pernicious to the interests of the people. If the banks are to be permitted to loan out their funds to brokers, in order that these brokers may shave the people, they become nothing better than swindling machines. They pervert the purposes of their creation, and instead of being a blessing, they become a curse.

These banking institutions are generally, or I believe I should say always, conducted by a board of directors composed of five, seven, or nine members, who control the whole affairs of the bank; and, if these boards of directors associate with themselves, and in fact incorporate among themselves, brokers, out of doors, to use the funds of the bank for the purpose of what is commonly called “shaving”—a term which is used frequently in our hearing, and which conveys the idea in this city, of notes discounted at rates beyond the regular amount—can they be any thing else than injurious to the people? When the funds of the banks are used for the purpose of exacting high and extraordinary discounts from those individuals whose necessities compel them to borrow money, do they not become the instruments of grievous and intolerable oppression.

But, again, Mr. Chairman, when men placed in a station of such power and authority as that occupied by the directors of banks, turn their attention to this system of stock-jobbing, instead of so disposing of their funds as to give aid and stimulus to the plain straight-forward business transactions going on in the community by which they are surrounded—assisting individuals and adding to the general property of the place by a proper and judicious outlay of their means—do they not secure to themselves an undue advantage over all men who may happen to have funds to loan? Surely, this must be the effect of such a system, and no man

can be considered safe who is within the reach of that bank. This is a serious evil, and one which cries aloud for a remedy.

In making these observations, Mr. Chairman, I do not intend to prefer any heavy charges, or to say a single harsh thing of any particular institution, or the board of directors who may have charge of the funds of that institution. My remarks are directed to the general subject of the banking system, and to the question how far these institutions are adapted, under present regulations, to be of service to the community, for whose benefit they are supposed to be chartered. It is certainly a fact which no man can deny, that this illegitimate practice is carried on in our commercial cities, to a very great extent; and, if such is the case, it is right that a remedy should be applied without further loss of time.

Look at the investigation which took place into the affairs of the Bank of Pennsylvania, located in this city—a bank belonging to the people; and I am justified in so calling it, because any gentleman who will refer to the proper records, will find that a majority of three-fifths of its stock belongs to the commonwealth, and the other two-fifths to individual stockholders.

Now, a board of directors, composed of five, seven, or nine men, turn their attention to stock-jobbing and shaving—they connect themselves with active, shrewd men out of doors, and thus they gain an undue advantage over others who have capital to loan. They not only obtain a knowledge of the individual who is desirous to borrow money, but they can throw him in and out of bank, and shave him just as they please.

Sir, is this a state of things which ought to be tolerated in such a land as this? Ought we not to put an end to it? Does not the system require that some restrictions should be placed upon it? And if so, is it not our duty, constituted as we are for the purpose of securing the people of this state more effectually in the enjoyments of their liberties and rights, to provide such restrictions as seem to us best calculated to remedy the evils complained of? What is the obstacle? Can we devise no restrictions to be placed upon corporate bodies which will prevent a recurrence of abuses such as I have described? Sir, it is my opinion that such restrictions can be found; but I believe that the amendment of the gentleman from Adams county, (Mr. Stevens) does not reach the case. I believe also that it was the design of that gentleman, in offering his amendment, that it should cover the whole of the banking system, that it should comprehend every thing within itself, and I am, therefore, decidedly opposed to its adoption.

The gentleman is adroit in all his movements; he is well skilled, we know, in legislative proceedings; and he has no doubt intended, if his amendment should be adopted, to say to us—we have now done with corporate bodies—we have handed them over to the legislature, to provide such proper and wholesome restrictions as the interests of the people may require, without being imperative, or defining what they are to do. We have no need, therefore, of taking any further steps. This, Mr. Chairman, is not the course which I wish to see pursued on this important subject.

I have heretofore referred to the time at which the convention first arrived at the consideration of this subject, in the third section of the

seventh article of the constitution of 1790. In every instance in which it has been brought before us for discussion, we have found it up-hill work; and every method which imagination could conceive, or ingenuity devise, has been resorted to for the purpose of turning it out of its course. On the 20th of November, after we had been turned back some days from its consideration, we again reached the banking question, on a resolution to appoint a committee to inquire into it; and to make a report to the convention.

What was the consequence then? Why, we had the objections and opinions of respectable men—I say respectable, because I know them to be so in every sense of the term—raised against the appointment of that committee for the alleged reason that it was dangerous and improper ground for the convention to tread upon—that it is a subject with which we had nothing to do—and that, if we meddled with it in any way, we should be the means of bringing loss upon the community.

Sir, I and the gentlemen who are associated with me in opinion on this matter, differ with these gentlemen in the view they have taken. I think it is an honest difference of opinion; I have no doubt that it is. But what were the remarks of gentlemen at that time? We were told that there were two parties; we were told that there were two banners streaming high in air;—and that the one of them bore inscribed on its folds, the words “destruction and ruin.”

Yes, sir, we were told that there were two flags streaming high in air—on the one of which were seen, in bold relief, the words “destruction and ruin,” while, on the other, were to be seen the words “safety and protection.”

Now, sir, it is my belief that the respectable gentleman who made these observations, is entirely mistaken. I beg leave to differ with him, and with all others who hold out the idea, not that there are two banners floating from the shores of the Atlantic to the base of the Rocky Mountains but that one of those banners bears the inscription which he has attributed to it. The gentleman must look again; he sees with an imperfect vision, or he does not read with as much caution as he should. I believe that if the inscription to which he has made reference, and which he reads “destruction and ruin,” were to be construed right, it would be found to bear no other words than “equal rights.” This, sir, is the banner under which I march, and this is the cause in which I have enlisted. The “equal rights of all.” This is our inscription. I am anxious that a fair and right interpretation should be put upon it, and not such as the gentleman has been pleased to give.

Our banner, I repeat, bears upon its front “equal rights,” and nothing further. I always defend my own constituents against unjust charges. Let me invite the gentlemen to go along with me—let us walk into the sunny fields of the south, or into the regions of the west—let us hold up this banner of equal rights—and let us see if the people will hail it. Let us go and visit the gentleman’s own constituents—let us hold this banner aloft before them, and see how they will receive it. Let us travel to the west of this state, or, if the gentleman pleases, through the states still further west. Let us hold up this banner which the gentleman says, is branded with the words “destruction and loco focoism,” and let us see

whether the people there will hail it as more or less than the banner of equal rights.

So much, sir, for the gentleman's opinion of my constituents, and of that branch of the political party of which I am a member. Mr Chairman, I have no cause to be ashamed of my connexion with that party; and I am not ashamed of it. I believe that it is composed of men whose character for integrity, for intelligence and for patriotism, is not excelled by any other body of men in this commonwealth, or in this Union. It is the fashion to proscribe us; it is the fashion to apply injurious epithets, such as levellers, loco focus and the like, and to speak of us as a set of men, bent on the total destruction of the institutions of our country. Sir, I shall not waste the time of this committee, in attempts to confute these charges. Truth is great, and though it may be overshadowed for a season, it will ultimately break forth in all its native strength and glory.

There is one other point, Mr. Chairman, to which I will advert for a moment before I take my seat. The other banner of which the gentleman has spoken, bears upon its front, he says, the words "protection and safety." Yes, sir, "protection and safety," to chartered monopolies, to vested rights. This gentleman differs with me in opinion. I repeat, I have no doubt it is an honest difference. But I wish that we may now be permitted to examine the whole subject carefully, and that we shall not again be turned out of our course by the adoption of the amendment before us. If the gentleman will examine this subject, he will find that it has not been truly described. I will not invite him to march with me to the lofty habitations of those who raise aloft the banner of privileged companies and vested rights. If I did, what should we find? The gentleman from Indiana (Mr. Clarke) has said, we shall find the dyspepsia. I leave them to its tender mercies.

And here, Mr. Chairman, I shall yield the discussion of this question into the hands of abler and better men than myself. I have said thus much, because I thought it my duty to vindicate my constituents against the unfounded charges which have been brought against them.

Mr. CHANDLER, of Philadelphia, rose and said;

Mr. Chairman, when I attempted to catch your eye yesterday, I had no intention of continuing the discussion upon the banking system. Others, sir, will do justice to a question that is likely to occupy a goodly portion of the time of this convention. But there have escaped from certain delegates, in the heat of debate, terms, epithets, and charges, unbecoming the dignity of this assembly, and most undeserved by those to whom they were applied. Some gentleman, sir, has denominated these "stereotype abuse"—the term though technical is not sufficiently strong—they are so battered by many years of use, that they have ceased to make an impression.

The gentleman from Indiana, (Mr. Clarke) has not been deficient in the use of these terms, which he has most lavishly applied to corporations of almost every kind—and to banks in particular. He has hinted at certain failures in some of the eastern turnpike and transportation companies, as indicative of the evils. But that gentleman's knowledge of the history of internal improvement in Pennsylvania, should have induced

him to remember at least, if not point out, that these were the beginnings of that great system of improvement, to which, with the aid of banks, our state owes the development of its natural resources, and the attainment of its present prosperity.

The term *conspiracy* had also been introduced by the gentleman from Susquehanna, (Mr. Read) and applied with great unkindness. And in this charge of conspiracy, the corporation of Philadelphia had been included, by the mention of a report that she had prepared her "shin plasters."—I use the gentleman's words—before the suspension of specie payments. To this slander the President of the convention replied in part:—but as he omitted some of the facts, Mr. C. said he would endeavor to set the affair in a proper light. Sir, though he was not in the city at the time alluded to, the interest which he felt in whatever concerned the credit of Philadelphia, as well as another circumstance, made him familiar with the details of her legislation.

On a Wednesday, in the month of May, the banks announced their determination to suspend specie payments, and such was the effect of that measure, that it was impossible to transact the ordinary business of the market; and it was soon rumored that individuals would attempt to supply the want of coins, by issuing small notes upon their own responsibility.

On Thursday evening, a regular meeting of councils occurred, and the committee on finance presented a bill to meet the wishes of the public—it was enacted into an ordinance—and a printer was forthwith employed to strike off certificates—and on Saturday a few were issued—they had been hastily printed from letter press, not engraved. This is a history of the event, in which I challenge any man to find a single shadow of conspiracy.

Sir, the city councils of Philadelphia are not composed of men so ignorant of what is due to themselves and to their constituents—to the great city for which they legislate, to allow of a single improper influence, such as has been referred to. Sir, there never were in Philadelphia, councils of any party whatever, thus lost to self respect and to the honor of the city, whose character and interests they represent.

The gentleman from Indiana has asked, "what is the use of the specie in banks, when the notes needed to represent it will not command it?" I answer readily, sir. The specie in the banks is of use to give confidence to the community among whom the notes circulate. Receiving, as that community does, the general good character of those by whom the banks are managed, these notes circulate freely, and buy as much now as they did a year ago.

We have been told that banking causes gambling in land. Sir, land speculation has existed ever since men began to have a particular interest in the soil. Men, even in the Bible times—to which the gentleman so often refers—would "join land to land," and "call lands after their name." The truth is, to buy and sell, and to get gain, has been the employment of man from the first ages of society; and this tendency to trade gives activity to capital, and employment to the less favored. It becomes then, a duty, as well as a pleasure, to acquire wealth by honest means, and it could be no part of the intention of Divine Providence, that man

should not give activity to his wealth, and promote thereby industry and reward enterprise.

The gentleman from Indiana has quoted scripture against corporations, and banking in particular. I do not, sir, approve of this mode of dragging in isolated portions of scripture to sustain secular arguments; but, if this mode is to be adopted, I shall have no objection to sustain an argument upon banking even with weapons drawn from that armory. The gentleman may bring scripture to his own and his argument's destruction. So far, sir, is the language of scripture from being opposed to banks, that I find the institution expressly referred to in the book of Luke, in a way to show its stability and to recognize its usefulness.

“Wherefore then gavest not thou my money into the bank, that, at my coming, I might have regained mine own with usury?”

Sir, not only is the banking system here noticed with evidence of approval, but what is more, the bank, the very bank itself is referred to. I again say, that I do not approve of this mode of forcing scripture into an argument, but the gentleman has chosen it; and in his own language I have “put sin against sin.” But, sir, the gentleman from Indiana threatens to let loose the system of private banking against incorporated banks. And the gentleman, I suppose, imagines that this is scriptural—that he can find authority for private banking in the Bible. There was certainly such a system, and those who practised it had probably thought themselves sustained by good authorities, as they had made their way into the very temple. But these private bankers were whipped out with a scourge of small cords, and their tables or banks overturned.

The gentleman from Indiana has declared that the tendency of large establishments, and especially of incorporated manufactories, is to make slaves of the workmen, by subjecting their political action to the will of the owners, and the “iron masters” are instanced as leading up their workmen to the polls like a herd of serfs.

Sir, I know not how it may be in the west; but in this part of the state, if an employer were to attempt such a course, he would find himself in a difficulty not easily to be avoided. Sir, we here consider the workmen as freemen, and it would be considered a gross slander upon their character to impute to them such a servility. The iron masters, however, may be an exception. But, I presume the delegates from Berks and the delegate from Venango, who are iron masters, did not procure their election to this convention by such means.

It is asserted that banking has had a tendency to crush the importation of bread stuffs, and to increase the price of labor.

If the providence of God withheld the “former and the latter rain,” and prevented the fruits looked for at harvest, it appears to me the institutions that provided means for supplying the wants of the people, and preventing some of the evils of famine, deserved praise rather than condemnation. If there was corn in Egypt, it must have been a blessing rather than a curse to procure means for supplying the famished Canaan. The gentleman will perceive how I follow up his scriptural allusions.

As to the increase of the price of labor, I can scarcely imagine that the workingman will ever regard the banks as an evil, if they tend to

enhance the price of his labor, and facilitate his exertions to supply the wants of a family.

Banks, whatever may be said against them by the delegate from Indiana, have materially aided in promoting the internal improvements of the state, and the gentleman himself probably knows better than I do, that there is one corporation of that kind, which must owe all its means of usefulness to a portion of bank bonus.

France and England have been referred to as nations not allowing of bank notes of a small denomination. This argument is easily met by a course of reasoning upon the fiscal concerns of the two countries—but I prefer another, which the gentleman ought to feel, viz: that just in proportion to the enjoyment of civil, religious and political liberties by a people, is the use of paper money—from the gold and the autocracy of Russia to the shin plaster and republicanism of the United States—and the difference in the circulating medium in England and France, shews the approximation of each to the two extremes of power quoted in the other nation that I have just mentioned.

It has been remarked, in reply to my colleague, (Mr. Biddle) that the government and sixteen millions of people had warred against the United States Bank, and put it down. Sir, when the people desire the destruction of any institution in this country, it must come down—but in the case alluded to, permit me to say, that it was a government goading the people to madness by means of its hundred thousand office holding pensioners, and its bribed press, charging them with wrongs, and imputing the cause of sufferings to the bank;—the bank ceased to exist, but the habit of persecution was so strong that its ghost has been tilted at for the last two years.

The gentleman from Susquehanna has intimated pretty strongly a threat that the people would not much longer bear the evils of corporations, of which he is endeavoring to teach them to complain. Sir, the people have need to be raised—they have been crushed by the hand of power, and they have aroused.

Their giant efforts are evident on all hands; their last struggle, glorious and successful indeed, was in New York—and the gentleman will find, that the sleeping lion whom he is endeavoring to awake, is already abroad—and it will be well if those who chained him do not fall into his paws. The people know what are the institutions with which they have flourished—they know that without corporations they could not have prospered—and they will rightly appreciate the efforts of politicians who attempt to hide their abuse of these corporations in attempts to decry their acts.

Sir, the resolution now before the committee of the whole, goes to add something unnecessarily to the constitution. The amendment of the gentleman from Adams, (Mr. Stevens) indeed mitigates, or removes a portion of the evil. But when, at Harrisburg, I asked to have an amendment adopted securing a school commissioner, I was told that, while all agreed in the excellence of the plan, it was thought unnecessary to the constitution, as the legislature was competent to adopt the measure: and, sir, is not all now asked by the most thorough reformer competent to the legislature? It surely is: and I call upon every mem-

ber of the convention to remember the course and effect of the argument against the school commission, a plan as far beyond all these schemes of reform, as the height of good can be above the depth of evil.

Sir, let public schools prevail, and education become common, and you will have less gambling in stocks, and less of that other and worst species of gambling, viz: gambling in politics—to which we owe so much of the evils against which we are now trying to combat. Improve the understanding and cultivate the mind, and we shall have fewer of these appeals to public passion, fewer of these attempts to deceive the people; fewer, indeed, of the attacks upon institutions upon which rests our prosperity, and the happiness of the commonwealth.

Mr. DUNLOP, of Franklin county, said that he thought that the debate had been of a much more discursive character than he should have supposed was believed necessary by the nature of the question pending before the committee. It was, however, right that this should be so; because that question involved the whole subject of the banking system. It involved the mode of remedy for the evils which had been stated to exist in this system, and consequently it brought before us the whole subject of banking.

There being here much confusion in the hall;

Mr. D. said, if I can not keep the audience quiet, I will take my seat. I would rather leave the whole matter to itself, if I did not feel that I owe it to my constituents to say something in regard to it.

Order having been restored, Mr. D. proceeded.

I say then, Mr. Chairman, that this debate has taken a very wide range, and it is proper, for the reason which I have stated, that you should have permitted it to do so. We know that at Harrisburg, if not here, the gentleman who introduced this subject to the consideration of the convention, intended that the debate should be continued until the whole subject had been fully and thoroughly discussed. We knew that the gentleman would not act, as he ought to have acted, by bringing the whole matter at once before us, but that he would introduce gradually a series of resolutions, in such form, and at such time, as suited his own convenience, without regard to that of other members of this body. We knew that he had seven or eight propositions which he intended we should meet when, and as he might think proper. What they were we knew not; they lay concealed within his own breast. No one knew any thing about them except, it might be, a few friends to whom he thought proper to communicate their character and purport. Under these circumstances, therefore, it was right and proper that the most ample latitude should be allowed in the discussion. For my own part, I am inclined to the belief that the gentleman from the county of Susquehanna, (Mr. Read) and his political friends and associates in this body, intended to stake "on the hazard of this die," the last hope of their political existence. I believe that it is the expiring struggle of his whole party. I do not say "party" with any view to throw personal reflections any where; because party is naturally introduced into every political body. I believe, however, that the last hopes of the gentleman, and the party with which he acts, rest upon this question.

Mr. Chairman, there has been a time when the party to which the

gentleman from Indiana (Mr. Clarke) and the gentleman from Susquehanna (Mr. Read) belonged—and when I myself had the honour of belonging to the same party, presented a very different picture from that which we look upon now. Their gallant vessel left the port with prosperous winds and a fine crew; but time after time she suffered from the violence of the gale and the buffeting of the waves: Sail after sail was rent and scattered to the winds—mast after mast was shivered into splinters—until finally she was driven on the rocks, and they are now left with nothing but a leaking boat. She has no crew but a few half-worn out hands who are using all the efforts of which they are capable, to save her from sinking. I believe, sir, that this is the last effort, the last expiring struggle for salvation.

Mr. Chairman, I have no hesitation in expressing my sentiments boldly on this subject; I am not afraid to do so. I am not afraid to declare that I have always been a friend of the banking system, and that I am so now. When I say this, however, I do not mean to say that I admire all the evils of the banking system. Because I am a friend of man—a friend of universal emancipation—a friend to the rights and liberties of the human race, does it follow that I am, therefore, a friend to the licentiousness of liberty? Not at all. In being the friend of man and the friend of human liberty, I am not to be considered as an advocate of their licentiousness. Nor am I to be considered an advocate or an apologist for the abuses of the banking system. That it has its evils, I admit. I say, however, that the gentlemen have mistaken the whole ground of the controversy here; that they have assumed a false and untenable position; though I confess that every possible allowance ought to be made for them, when it is recollected that there is no other ground on which they can place themselves before the people. They assert that the people of the commonwealth of Pennsylvania, are opposed to the banking system. Sir, I do not believe it. I doubt whether the gentlemen themselves believe it. I know indeed that a cry has been raised against this system, not only throughout the commonwealth of Pennsylvania, but throughout the entire length and breadth of our land. From whence has that cry come? From that very crew, aye, sir, from that very crew alone. It came from no other quarter, but from that little low black schooner of which we have heard so much. Is there a whig—is there an anti-mason in the state of Pennsylvania, is there a man of intelligence in the ranks of either of these parties, who declares himself to be opposed to the banking system, if that system is properly managed. No, sir. All the grounds which the enemies of this system paced themselves upon, have been abandoned, and they now find that they are reduced to the pitiful expedient of making war upon a five dollar note; worrying themselves to death about that which the gentleman from the county of Susquehanna (Mr. Read) emphatically dignifies with the name of *a rag*. Is this a course of conduct which ought to be pursued by this convention? Is this the manner in which we hope to give character and dignity to our proceedings here, and to recommend our measures to the approbation and the confidence of the people? Are all the great expectations which have been raised as to the action of this body “sunk to this little measure”? There was a time when we have been agitated with questions about the army and navy, the alien and sedition laws—the tariff and nullification

questions—and subsequently came the question of a national bank. Then came the sub-treasury scheme on which parties might quarrel and split. But, what are we reduced to now? Absolutely to nothing! The sub-treasury scheme is gone—it has no longer any existence—it has vanished and, “like the baseless fabric of a vision, left not a wreck behind.” I suppose it will never be conjured up again; and, even if it should, we have no reason to suffer ourselves to be distressed as to the result. The last cry was against a national bank; that question is now set at rest; it is not urged by any party in the councils of the Union. The Bank of the United States has been pulled down by the efforts of the party, and, if it is even to be resuscitated. I presume it will be by that very party which destroyed it. What ground then is there left for gentlemen to stand upon? Where shall they turn for occupation? To what quarter shall they look for the elements of political strife? Why, even the question of the soundness of the state banks, and their capacity to act as the fiscal agents of the government, has in a great measure passed away. We hear very little about it. It is repudiated by the whigs, and abandoned by the Van Buren party. What then is left to the gentlemen except to quarrel with a five dollar note? to devote their time and attention to the respectable and dignified occupation of worrying a rag? Sir, if it were not for the mischievous tendency of these things, we might almost feel disposed to sympathize with the gentlemen whose energies are devoted to a pursuit so unprofitable and idle!

Before I proceed to the consideration of the general subject before the committee—and I believe that it is deserving of the most serious consideration, and should enlist in its behalf the talents and experience of every member of this convention—I allude to the banking system at this particular crisis in our history—I say before I do this, I shall advert to one or two objections which have been made in the course of the debate by the gentleman from Indiana, (Mr. Clarke) and the gentleman from Susquehanna, (Mr. Read.)

The gentleman from Susquehanna has made an assertion here, which, if it had been made in the bar room of a tavern, or at a township meeting in the county of Susquehanna—as I have no doubt it often has been made—or if it had even appeared in the columns of the country newspapers—those proverbial vehicles of defamation and slander—might, for aught I should care, have passed unheeded by. But, when it is made in an assembly like this, composed as it is, of the representatives of nearly a million and a half of people—when, in a deliberative body such as this, and in the face of his fellow-citizens, the gentleman from Susquehanna, undertakes to declare that the recent suspension of specie payments by the banks throughout the United States, was the result of a conspiracy—I say he ought to be held responsible so far as his responsibility can go;—I mean his responsibility to his constituents—his responsibility to the people of this country:—to the people of the United States, and particularly to the gentlemen of this convention, who may be affected by such a statement. A conspiracy! What does he mean? Does he mean to say that he intended to insinuate, that it was a conspiracy for good? that a conspiracy is merely a combination of men? asserting no evil design? insinuating no evil design? Did the gentleman desire to back out, in the explanation which he gave to the President of this body,

when he quoted from a book to shew that a combination meant simply an association of individuals? No, sir, the gentleman does not mean that; when he says that there has been a conspiracy, he means exactly what he says. He is not in the habit of disguising his meaning in honied phraseology. He calls things by their right names. His verbiage is not so choice, he has not so great a command of language, that he can smoulder it to particular occasions. Nothing of the kind. He is a plain, blunt man; and he applies precisely the words which will express the ideas he intends to convey. When, therefore, he says that the suspension of specie payments, was the result of a conspiracy—he does it for the purpose of bringing odium against the men against whom the charge is brought, and for the purpose of bringing about the very thing which I am now about to attempt—and that is, their defence by a member of this body. I say, sir, that for this declaration he ought to be held responsible. I dare say, he smiles at my simplicity, that I should undertake to be the advocate of banks. But, I am not to be affected by any by-plays of this description. I stand here, sir, without reproach; a man who dare assert my opinion, be the consequences, personal or political, what they may. And when questions of vital interest and importance, are brought up here, I dare to look at them, unconnected with the denunciations of country politicians, or the ravings of bar room demagogues. I look at them for myself, I form my opinions for myself, and I shall express these opinions without fear as to the results.

I know that there are gentlemen around me who will smile at my simplicity. Let them do so. I rejoice to see that the whigs have undertaken the defence of the banks. The gentleman from Susquehanna, intended to cast odium upon them, and to hold them up as fit objects for public scorn and reprobation. He talked of their having defrauded the public—of their having united against the public!

Sir, he intended to say, that the banks had conspired to defraud the people, to the advantage of themselves and to the detriment of the community. I know that he intended his language as odium, and I was going to say, that he had uttered it with the bitterest feeling; for, if there is one thing on earth, against which he is bitter above all others, it is against the banks.

Now, he intended to convey the impression that all the banks, and all persons connected with the banks, had formed a conspiracy throughout the United States, for the disgraceful purpose of cheating their fellow citizens, and of hiding their own iniquity behind their counters. He charged this. He intended that the impression should go abroad, that all the stockholders and directors of the banks were, *pro hac vice*, little better than scoundrels. He meant to hold them up as vile enemies to the public prosperity, who were not worthy of the confidence of the community, but who ought to be held up to the public odium. I put the matter in the very worst light in which it is susceptible of being placed, because I know the gentleman intended that such a construction should be put upon it.

Against whom is it that the gentleman brings these charges? When I put this construction upon his language, he makes no explanation; for he desires to make none. He wishes to stamp reprobation upon every bank; and he wishes that every director and every stockholder of

a bank should be considered as little better than scoundrels. I say, I know, he intended it, and, therefore, I direct my argument accordingly.

Let us look for a moment, who are the persons against whom these charges are brought! Let us look at the gentlemen who compose the bank directors of this commonwealth, who come within the range of our own social intercourse, and of whom we have a personal knowledge. And, let us ask the gentleman, if he can or dare point the finger of scorn to one of them? If he can, I will thank him to touch the individual, that I may know him. If there is among them such scoundrels as he represented, I have the happiness to say, that I am not yet acquainted with him.

There may be some who are held so in public estimation, but if they are so they are *rara avis*; and it would be difficult to point them out. Bank directors are a set of gentlemen possessed of as much integrity as any other portion of the community. This was not only the case in this city, but throughout the country; and when gentlemen make charges against these gentlemen, here in their faces, it only showed the daring of their assertions. The gentleman in his charge has made no exceptions, and there are many members on this floor who are connected with banks.

The gentleman from York (Mr. Barnitz) may tell him he is no conspirator. The gentleman from Berks, (Mr. Keim) might vindicate himself from the charge, and why does he not do it. His honorable colleague, (Mr. Chambers) a gentleman without fear and without reproach, might rise up and tell the gentleman from Susquehanna that he was not liable to this charge. There was also here an honorable gentleman from Bucks, deeply interested in banks, and if all these gentlemen should rise up and demand of the gentleman from Susquehanna, the proof of his charge, he would have to retract. If he (Mr. D.) was the only person in this convention to whom this might be applied, he would not have replied to it. The gentleman might cast his stigmas where he liked, he disregarded them. But, sir, this was no new story; there is nothing new in it. If it had been original with the gentleman there might have been some merit in it. It is, however, the old slang which we have heard for years, and seen published in the *Globe* over and over again. We have seen it promulgated from the *Hermitage*, in a letter of the late Executive of the United States, in which he says, that the history of the world does not exhibit such base perfidy as that of the banks towards the government.

The gentleman from Susquehanna does not go quite as far as his great political leader, and he much wondered at it; for that gentleman had followed him in favor of a Bank of the United States, and against the Bank of the United States. He had followed him in advocating the state banks, when he made his great speech the year before last in Susquehanna county, and he now followed him in crying down those institutions. The fact was, that this gentleman had only borrowed this doctrine from another person, and the assertions which he had made were only made upon public rumor. Now he would ask the gentleman if he was aware of the extent to which this imputation was cast. If there are eight hundred banks in the United States, then there were nine thousand six hundred bank directors. Thus we have nearly ten thousand persons engaged in the direction of banks throughout the United

States on whom this imputation was cast, because it was cast on every individual connected with the direction of those institutions. But the gentleman goes farther, and asserts that there was a conspiracy to suspend specie payments. Now, has the gentleman one solitary fact to produce, to prove that there was a conspiracy to suspend specie payments? Where did this conspiracy take place, and how was it brought about? But, before he proposed to examine this branch of the subject, he wished to take some notice of the explanation of the gentleman, when he said that the conspiracy was a conspiracy of the banks, and not of the individuals who managed them. The banks in their corporate capacity had conspired. Well what is a bank in its corporate capacity? Is it the building, or the act of incorporation passed by the assembly, or was it the charter of the corporation issued by the governor, which constituted the bank? When the gentleman says that the banks have done so and so, what does he mean? Does he mean the officers, the directors? Or what does he mean? He must mean them, because a bank without corporators was incapable of doing any thing. If he were to say that the cutter Gallatin, which went out in search of the piratical vessel, had turned a worse pirate than the vessel she went in search of. If he were to say that she had become a worse pirate than the piratical vessel; what apology would he make for it when called upon? Could he say it was the wood and the canvass and the iron of the vessel that had turned pirate?

No, sir, that would not answer; that apology would not be sufficient for the imputation which he had cast on the gallant commander and crew of that vessel. He would be held responsible to them personally for the charge. Then it was useless for the gentleman to get rid of the charge in this way. When he casts such imputations upon the banks, he must recollect that it will fall upon the managers of the banks. Well, sir, supposing there are eight hundred banks in the United States, and suppose there were three hundred stockholders in each bank, and he took that number because that was about the number of stockholders in the institutions with which he was connected; and you will have nearly a quarter of a million of stockholders of banks in the United States. And was it upon these quarter of a million of citizens that the gentleman from Susquehanna cast these imputations. If you take off the women and children and those who are just coming forward in the world, then those connected with banking in this country will amount to one tenth of the community. Every tenth man in the community is interested in banks, and will the gentleman pretend to say that every tenth man which he meets is a scoundrel. Not a political scoundrel, for they are common enough, but he means a scoundrel morally. He means that they would commit larceny, if they could be protected by the same veil which protects them in the other case. But when the gentleman asserts that there is a conspiracy on the part of the banks to suspend specie payments, he is bound to give us some evidence of it, and where is his evidence of it? He has given us no evidence to prove it, and it is sustained by his bare assertion alone. But what will the gentleman say when he is pointed to the fact which was susceptible of proof, that the first banks to suspend were the pet banks, and that that institution, which was so odious to the gentleman, was the last to come into the measure. This was a fact which must be admitted by all, except those whose visions were obscured by political prejudices.

Sir, the gentleman knows that his assertions cannot be sustained, and he only risks them here to give them the stamp of his sanction so that they may pass current through the county of Susquehanna. Well, sir, where has this conspiracy taken place which the gentleman charges? Does he mean that the banking houses, or the acts of assembly had a conspiracy? Certainly not. Then he must mean the directors, and if they combine, they must have held a meeting, and where did this meeting take place? In what particular place was it held? Can he designate the place? And how was this conspiracy brought about? When the gentleman makes charges of this kind, he ought to be able to substantiate them with some facts. The gentleman can produce no such proof, and he knows his charges are unsustained, and he should not have noticed them, had not the President of the convention given them some importance by noticing them, and they were afterwards reiterated. He now, however, challenged the gentleman to bring forward one single solitary fact to sustain his charge, which applied to two hundred and fifty thousand citizens of these United States.

But, sir, who are the directors of the banks? Were they men who owned enough of the stock of the banks to give them the whole power over the banks, and induce them to commit frauds for their own private emolument. Why one half of the directors in banks in which he was acquainted, did not own more than a thousand dollars worth of stock. They were men selected for character, intelligence, and integrity, without regard to the interest which they had in the banks. Nay, he had known some who owned but one hundred dollars worth, the lowest possible sum which they could hold and be directors. Well, sir, if half the directors in banks owned less than one thousand dollars worth of the stock of those banks they, could not own such a quantity of stock as would induce them to practice fraud for the purpose of benefiting themselves. Then look at the absurdity of making charges of conspiracy against such men. When a man cheats for himself, and defrauds the public for his own advantage, he could see something in it; but when you talk of men owning two and three hundred, or a thousand, dollars of stock in banks, defrauding the public, the thing is absurd in itself. If they were to cheat who would they play the villain for? Not for themselves, their posterity or their friends, because, if the public were defrauded, their friends would be equally defrauded. Sir, the charge is absurd, and an attempt at refutation would be useless. Well, sir, does it follow, that a bank director or stockholder in a bank, is a dishonest man, because of his connexion with banks. If a man owns a horse or any other thing of value, and he sells it and buys one hundred dollars worth of stock with it, does that act make him a villain. Is the man who owns the horse an honest man, and the man who owns the hundred dollars worth of stock a rogue. The argument only needs to be stated, and it bears its refutation on its face. But who are the stockholders in the banks? Are they all the degraded classes of the commonwealth? Are they the out pourings of the penitentiary, or are they the most honest, honorable and upright men in the community? Sir, are they not the most industrious and enterprising part of the community, who by their industry and economy, have become stockholders in banks? Why a great number of the stockholders in these institutions are women and children—aye, orphan children.

Then he presumed the gentleman meant his charge to be personal to the directors, and if so, he would tell the gentleman, so far as he was concerned, that, if he could be so discourteous, he would say it was a falsehood from the gentleman's own brain, without the least particle of proof to sustain it.

With regard to the matter of the suspension of specie payments, if the gentleman was acquainted with the history of the country for the last six months, he would have known that the first bank in the country to suspend specie payments was the pet bank at Natchez, and the first to suspend at New York was the pet Dry Dock Bank. The gentleman knew that it was in the interior of the country where the banks first suspended specie payments, and he might as well talk of a conspiracy among the shooting stars, to produce the phenomenon which we have all been so much pleased to see and read of, as to say there was a conspiracy among the banks. He might as well say when the forest bowed to the breeze, that there was a conspiracy among the trees to adopt that motion. He might as well say when the waves of the sea run before the wind, that there was a conspiracy among them to do so.

Sir, the pressure came upon the banks like a hurricane, and they yielded to it from necessity: and this the gentleman from Susquehanna, in the honesty of his heart, believes; and if he could make him kiss the sacred volume, or see him on his death bed, where the truth is uppermost in the minds of men, he would own the fact. It was idle for the gentleman to talk about a conspiracy, and if the gentleman would listen to him, he thought he could show him and satisfy him that no such thing existed.

Sir, the banks deplored the suspension of specie payments. There was not a bank in the United States, if he might judge from those he knew any thing of, that did not deplore the event of the suspension of specie payments as bitterly as the gentleman could do, and they deplored it with this further merit, that they were sincere in deploring it.

Well, now he should attempt to show why the banks came to this suspension of specie payments. The remedy which is now proposed for the preservation of the gold and silver currency, is not the remedy which will prevent a like misfortune. It is necessary, therefore, that we should show how it was that the banks were forced into the suspension of specie payments:—what remote circumstances operated upon them to drive them into that position which was deplored by every person in the community.

But he would now beg leave to call the attention of gentlemen to a question which had been spoken on here and elsewhere, which had not been properly considered. He alluded to the question of the legality or illegality of the suspension of specie payments; and he contended that the suspension of specie payments was a valid and legal act, and this he could demonstrate, at least to the satisfaction of his own mind. He believed that, according to the true construction of the act of 1824, the suspension was a legal one. To do this, he would turn to the volume of Purdon's Digest which we have treated ourselves to, at page 109, and there he found it set forth that, "the said banks shall not at any time, suspend or refuse payment in gold and silver, of any of their notes, bills, or obligations, nor of any money received upon deposit in the said banks." The law, however then goes on to say that, "upon the refusal of any of the said banks

to pay any of its notes, bills, obligations, or deposited moneys, in gold or silver, at or after the expiration of three months from the time of the first refusal of such bank to pay, as aforesaid, it shall and may be lawful for the proprietor of the same to make application, in writing, to any judge of any court, in the proper county, to allow him or her to make proof of said refusal on oath or affirmation, by one or more disinterested witness or witnesses, before said judge, whose duty it shall be to give at least ten days notice to the president or cashier of such bank of the time and place of making such proof, in order that an opportunity may be afforded for rebutting the same by testimony; and if the facts be substantiated, it shall be the duty of the said judge, to reduce the same to writing, and to transmit the same to the governor. And it shall be the duty of the governor immediately on the receipt of the written proof above specified, to issue his proclamation, declaring the charter of the bank to be forfeited."

Thus, it will be seen, that, at the end of three months, the parties have a right to appeal to a judge, and the judge is bound to transmit the facts to the governor, and, on these facts, the governor is bound to declare the charter void, and it was not void until the governor declared it to be so. But, sir, if the charters of these banks were void before, where was the necessity of the governor issuing his proclamation? No, sir, the corporations, after the suspension, were as good as they were before; every corporate privilege has been preserved. Well, sir, the twenty-second article of this law runs in this way: "In case of the suspension of payment in gold and silver, by any of the banks aforesaid, it shall not be lawful thereafter for such bank to issue its own notes, except to such claimants of deposit money, as may demand them in lieu thereof, or to make or declare any new loan or dividend, until the said bank shall pay in gold or silver, the note or notes, bill or bills, obligation or obligations, which the said bank may have refused to pay as aforesaid."

Now if the act of assembly had stopped here it would have been perfectly plain, that no bank refusing to pay its notes could go on and make loans or issue bills. If the act had stopped here, there would have been no doubt, about its construction; but it goes on and says, "if any such note be issued, except as is above excepted, or any such dividend be made or declared, the directors consenting to the same, shall be liable each in his individual capacity, to pay the amount thereof to any person or persons holding notes of the said bank, or having a claim for deposit money of an equal amount, who shall first sue for the recovery of the same."

If the act had stopped here, there might have been some doubt in relation to it. If it had gone no farther, there might have been some question as to whether the notes which the bank held would be valid, and whether they could be recovered by law.

But the act goes on and provides, "that nothing therein contained shall be construed to prevent the bank from recovering the notes and obligations of those who may be indebted to it as occasion may require."

Now this act first says that no bank shall suspend specie payments, and provides that if it does, it shall be subject to certain restrictions. It then goes on to say, that if the bank issues notes or declares dividends, or discount, it shall be done at the discretion of the directors, but that all the acts of the banks and all individual obligations shall be valid. Now if

the law declares an act valid is it not valid? Then if the act is valid is it not legal? Most undoubtedly it is. Is not this argument irresistible. If the banks goes on to do business and discount notes, and the law makes these notes valid, are they not valid; that is that they may recover upon them under the penalties prescribed in the law. It is true, the law says the banks shall not suspend specie payments, and that certain other things shall not be done, but when the law says that the engagements of the bank shall be valid, and they can conduct their business afterwards and recover their notes, does it not necessarily follow that the suspension of specie payments was not unlawful? When that very contingency is provided for in the law, how is it unlawful. It subjects the directors of the banks to certain penalties, but it does not declare the act unlawful. When we find an act of this kind, we must not take part of it to make up an opinion upon, but we must take it from beginning to end, so that those parts which are contradictory can be reconciled; and so compare it that one part will explain another. This was the mode of coming to the true construction of an act.

Then he would say that, until the governor issued his proclamation declaring the charter of these banks void, they have a right to go on and recover all their engagements as fully as they could before the suspension of specie payments. This he held to be sound logic, if it was not so well expressed. That he would say nothing about; but he would say that the argument was irresistible; and he could not see how any other construction could be given to the act of assembly.

Now when gentlemen talked about the acts of the banks being illegal he wanted to know what they meant. He wished to know if a bank which had suspended specie payments, issued notes afterwards, whether they would not be valid; and whether any obligation entered into by individuals with that bank would be legal and the parties bound by them. Then what does the gentleman from Indiana mean, when he charges the suspension of specie payments as an invalid act. Why, he just means what the gentleman from Susquehanna meant, he means to give it his sanction, so that it may pass current in Indiana county. It is a kind of shin-plaster opinion which passes no where but at home.

Now he should like to do as Bob Sawyer says he did, in the third volume of the Peckwick Papers. He should like to show up the falseness of these charges in their native purity. No, sir, these charges are only intended for home consumption, and home circulation. They are only intended to circulate in particular counties, and he presumed gentlemen cared little how they are received here.

There was another point in the argument of the gentleman from Susquehanna, which he had forgotten to notice. The gentleman had charged that the suspension of specie payments were brought about by a conspiracy of the banks with the United States Bank; or, rather, they had suspended in obedience to the mandates of that institution. Now, sir, does not one point of this charge contradict the other. Why, s.r., look at the absurdity of one bank issuing mandates to another, when they were all on the same footing. Why this beats all the political economy he had ever heard of. It was ridiculous to talk of a mandate from one state bank to another; and the gentleman must recollect that the monster is but a state bank now, and has to take its seat humbly among the other state

institutions. It is shorn of all its power now. It no longer has the control of the public deposits, and manages the fiscal affairs of the government; and it is brought down to the condition of the other banks of this commonwealth. And for the gentleman to say that such an institution as this issued mandates, was perfectly absurd. Well, sir, who issued these mandates? Does the gentleman pretend to say there was any resolution of the directors of the Bank of the United States, directing the banks to suspend specie payments, or does he say that it was the houses, the pillars, or the act of assembly which did it? No, sir, he must mean the directors, and if he means that it was the directors which issued their mandates, how was it done. Was it done in writing? And if so, where is the document? Where is the proof? The gentleman knows there is no such proof, he is as sure of it as he is living. How absurd it is to talk of a state bank issuing mandates. Would such mandates be received by the shrewd Yankees, the high minded Southerners, or the hardy sons of the west? Would they obey these mandates, of such an institution? How could one bank issue mandates to a thousand institutions, scattered over this widely extended country? Sir, there was no such power in any bank in this country, nor was there any such on the face of the earth, for if there is any thing which will elude arbitrary power, it is money. Whenever arbitrary power attempts to seize and convert it into other than the natural channels, that moment every man puts it where power cannot find it. Now, sir, look at the gentleman's two positions; that the banks entered into a conspiracy, or obeyed the mandates of the Bank of the United States. If they did the one, they did not do the other, and both are doubtful. Well then if they are doubtful, the charge is doubtful upon the face of it. It is not these small operations; it is not by declaring on a five dollar note, or worrying a rag, that they are to regulate the currency of this country. He was astonished at the want of foresight of some gentlemen, and the want of knowledge of the causes which had operated on the currency of the country. We must look to the causes which operated on the currency, before we can come to correct conclusions. We are beginning at the wrong end, by beginning to restrict the legislature from permitting banks to issue bills of a less denomination than ten dollars. We must recollect that this is not like a law of the legislature, which can be repealed at pleasure, as the circumstances of the country might demand, but it is a constitutional provision that is to last for ages, and that is to restrict the law making power. He would then say that we ought not to introduce a clause in the constitution to prevent, in all time to come, the issue of notes under ten dollars. He would be glad to see the day when there would be no notes in circulation under ten dollars, if we had sufficient specie to justify it; and if there was gold and silver enough in the world, he would like to see all our currency for small transactions in specie. He should like too, as much as any man, to see a general specie circulation introduced into the country, but this must be done gradually; but this must be done by some skilful persons, and not by those who have been dabbling with the currency for the last five or six years. It must be done by those who understand the range of the finances of the world; and they must find out the causes and apply the remedy in the right way.

He would be glad to see all notes below ten dollars abolished, but he wished to see it done by the legislature, and not by the constitution, so that

it might be modified as circumstances required. If gentlemen wished to preserve the credit of this country, they must take some other mode of doing it, than the prohibiting the circulation of five dollar notes. But he thought it must be evident to every man, that the attempt to enlarge the specie basis of the United States, had been attended with deleterious consequences; and that it has been the means in a great measure of the present disaster. Sir, if we were to forbid the issuing of all sums under ten dollars, what would be the consequence? Would not the bank notes of other states flow into this state and take the place of our own bank notes? Most assuredly they would, and we would be but making room for the enlargement of bank capital in other states, while we would be reducing our own.

As had been said, it was much easier to do away with the one, two and three dollar notes than with the five. And, an individual who understood the subject, had observed that the law in New York, relative to the prohibition of notes of certain denominations, had been one of the main causes, the year before last, of the difficulty which occurred there. But, this was a subject which required to be very delicately touched, and the greatest care observed—the remedy might be worse than the disease. And, it might be “better to bear the ills we have, than to enter upon those we know not of.” He would say, then, it might be better to allow the circulation of notes under ten dollars, under existing circumstances. He was at a loss to see how we could well prohibit them, at least until our specie basis should be enlarged. Did not the gentleman see, notwithstanding the severest penalties were liable to be imposed, that the law was outraged, and that the whole country was inundated with notes, issued by individuals and corporations. Would the gentleman tell us that we could prevent it by making it a capital offence to issue small notes? No, he would not. He (Mr. D.) could not see how the evil was to be remedied. It would be in vain to attempt to punish the holders of these notes. The people would not, and could not do without change, out of five or ten dollar notes, let us pass what penal enactments we would. He did not mean to say that the time might not come when five dollar notes of other states might be excluded from circulation in Pennsylvania. But, at present, it would be perfectly inconsistent with the existing order of things. He knew not what was the amount or the extent of the circulation in Pennsylvania of five dollar notes, but he believed it to be large, and that, if they were to be driven out, it would be found impracticable to get along. One of the effects of excluding them from circulation, would be to trammel our own banks, and let in the notes of other states. If we look at the opinion of Mr. Crawford, as promulgated in his elaborate report in 1821, we should find some of the objections that occurred to his mind in endeavoring to devise a scheme for the attainment of a uniform currency. Notwithstanding that gentlemen, of a certain party, not only in the legislature of this state, but other states, were always so eager to grant bank charters, yet they were the very first to cry out against the banks, and were continually abusing them from Maine to Passamaquoddy, though they had within a few years past, increased their capital to seventy millions of dollars.

Now, when that was the case, coupled with the fact that the Bank of the United States had no control over the state banks, as to the regu-

lation of their issues, how was it possible to prevent the introduction of notes from other states? It could not be done. To prohibit the banks from issuing five dollar notes, would be a decided detriment to them, and be productive of great inconvenience to society at large, which many gentlemen here did not seem to be aware of. If the amendments of the constitution should be adopted, it would be necessary for the succeeding legislature immediately to follow out the provisions of the constitution, and to prohibit the banks of the commonwealth from issuing and circulating any note of a less denomination than ten dollars. And what, he asked, would be the consequence? Why, he entertained no doubt it would result in diminishing the circulation of Pennsylvania one-half, and bring about a depreciation in its value. Another consequence of which would be—a great influx of notes from other states. We could not stop other states from issuing notes under ten dollars. If we had nothing but gold and silver in Pennsylvania, and the banks of other states were to continue issuing one, five and ten dollar notes, it would be found totally impossible for Pennsylvania to carry out her own system for any length of time. These notes would get into circulation. If the government of the United States had a control over the issues of state banks—if the constitution had conferred on it that power, as well as to make state bank notes payable in government paper, then what the gentleman, (Mr. Read) and his friends were so anxious to reach, might be accomplished, viz : an enlargement of the specie basis.

It was scarcely necessary for him, (Mr. Dunlop) to say that the community at large were equally as desirous for the attainment of that object as the gentleman himself. But, inasmuch as the general government had no control, the state banks must have their full swing; and as public opinion fluctuates for, or against banks, so their number would fluctuate. So, also, as the balance of trade fluctuates, so would banks flourish, or be unsuccessful. There could be no controlling power over the monetary system of the country except by the establishment of a national bank.

But the gentleman (Mr. Read) would rather abandon the specie currency. He would rather that the country should be overrun with small bank notes, than that the evil should be corrected by the establishment of a national bank. The only controlling power the government would have was by means of national bank. That the Bank of the United States had a control over the issues of the state banks, had been amply proven. In 1816, the notes of specie paying banks were receivable for the customs of the country. They found their way into the Bank of the United States, and that bank settled up the balance with each of the states. In proportion as the notes of the state banks accumulated in the Bank of the United States, they were obliged to prepare to redeem them. The Bank of the United States was constantly throwing their notes back on them. The revenue being collected through that institution, acting as it did as the fiscal agent of the government it was absolutely necessary that it should have a control over the issues of state banks. If a bank issued too much paper, it was sure to accumulate in the Bank of the United States, which had the control of her balances. So that every bank had to be cautious what it was about, as the Bank of the United States acted as a check upon its conduct. Now, the gentleman knew all this. Had he (Mr. D.) not

seen the gentleman vote for a Bank of the United States? If not, he had seen the gentleman along side of him do so: that was for the resolution in favor of a national bank. And what magic had changed him? How came he to abandon that institution? But this he (Mr. D.) would leave the gentleman to explain to the committee. When General Jackson was in favor of a national bank, the gentleman and his friends were in favor of it too. When General Jackson vetoed the bank, these gentlemen were loud in their opposition to the "monster!" They were in favor of the state banks, while General Jackson was, and when he changed, they changed also. And now, all the policy of these gentlemen was modified down, not to the state banks, but upon the sub-treasury scheme, on which they could not altogether agree. He (Mr. D.) would venture to say that the gentleman from Susquehanna, (Mr. Read) Indiana, (Mr. Clarke) Berks, (Mr. Keim) and the county of Philadelphia, (Mr. Martin) would be before many moons waxed and wained, in favor of a national bank. Their minds would be brought to the conviction, through the influence of those who sat at Washington, that the only safe guard for the currency, was in the establishment of a national bank. He (Mr. D.) maintained that that was the only institution—the only medium by which the congress of the United States, could operate on the reckless course of the state banks, to prevent them from making over-issues. The gentlemen would soon come round to the same opinion ostensibly—he would not say really.

The banking system of the whole world was changing. And, public opinion in this country and in England, was undergoing a complete change. Indeed, there was as much fluctuation in opinion, as in the balance of trade. But, when the gentleman, (Mr. Read) denounces the states for establishing so many banks and issuing so much paper, he ran counter to the principles of his party. Had the gentleman forgotten how those principles were lauded to the skies? Had the gentleman forgotten the language held by General Jackson, on the removal of the deposits, when he stated that the state deposits would take the place of the United States Bank? If time had permitted, he (Mr. D.) intended to have referred to Secretary Taney's circular, addressed to the state banks, in which they were desired to expand their issues to afford ample facilities to the business of the country, in order to counteract the dangerous influences and effects consequent upon the downfall of the Bank of the United States. So late as 1835, Mr. Secretary Woodbury himself wrote to the State Bank of Indiana, desiring it to afford every facility to the trade and business of the country, by expanding their issues. Now, he would ask, was it not most extraordinary that the present state of things had been brought about by that party, who had put down the Bank of the United States—the only certain barrier against excessive issues—and lauded the state banks to the skies, as being able to afford all the facilities of exchange on as cheap terms as the United States Bank—that they too should have urged them in every quarter, from the executive down to Mr. Woodbury, to expand their issues—to flood the country with bank notes? Was it not most extraordinary, that gentlemen standing in the position he, (Mr. Read) did, should now say that the Bank of the United States is odious? He (Mr. D.) was totally at a loss to see how gentlemen could hold such an extraordinary opinion. He knew it was gratifying to them—going through

glory and shame as they were—to tell them that they are faithful soldiers. But, it was strange these gentlemen could not moderate their vengeance against the banks, and afford them some time for penitence. But, the order of the day was “down with the state banks!” The cry went through the country—the state banks must be put down—that they were wild machines—that they were incubuses on society.

He would now say a word or two the gentleman from the county of Philadelphia, behind him.

That gentleman said he did not understand the New York elections—that it was a bank state—that they had the safety fund system, &c. He could not see how it was that a state that had heretofore been in favor of these institutions, could now be opposed to them. The fact is, (said Mr. D.) the people are not opposed to them. They had risen not against them, but to protect them. The people there would not raise a cry against them. Every man knew and appreciated their value, and fully understood the relation which they bear to his individual interests. They knew that to get up a clamor against the banks would result to their own injury. This, then, was the secret of the New York elections. He (Mr. D.) was an advocate for the banking system when placed on a proper foundation. Why raise this cry against the banks? He maintained that they have been of great service to the country. Had they not furnished the means by which our lands had been cleared, and comfortable and commodious dwellings erected? Had they not made Ohio “blossom as the rose,” and spread comfort and prosperity throughout the land? The establishment of banks had very greatly contributed to spread abroad the money of the rich among the industrious poor—while nearly all the railroads, canals, and great public improvements in this state, particularly, could not have been made but for the aid which they have afforded. He ventured to say, that the internal improvements of Pennsylvania would, at this day, have been fifty years behind what they are now, but for the assistance of banks. The gentleman from Indiana (Mr. Clarke) himself, received his salary at a bank, on account of the office of canal commissioner, which he held under the state government.

Here Mr. CLARKE said the gentleman from Franklin was mistaken.

Mr. D. proceeded: Well, the gentleman had received a great deal from that quarter; he wished that he had received more, for he (Mr. D.) knew that his services were faithfully performed, and he deserved it. He would repeat, that banking institutions had been favorable to the improvement of the country; and if they have their faults, let us correct them. He would put it to Albert Gallatin himself to say, whether every banking institution is not defective. There was nothing perfect under the sun—every thing was defective. And, if the gentleman thought he would see the day when banking institutions would be perfect, he would also see human beings perfect. Such a thing was impossible, and those who expected perfection in them, expected too much, and that which was inconsistent with human nature. No man was perfect, therefore no body of men could be perfect, and to blame them for not being so, and expect them to become so, was as reasonable as Dean Swift’s account of the people of Laputa, who began building a house at the top, and did not finish until they reached the bottom. He (Mr. Duntop) would now call the attention of gentlemen to another matter. He would ask them

whether they did not think that banks have a moral and democratic influence, and were calculated to promote the best interests of society? Was not good done by the accumulation of the rich man's money in a bank, and its being loaned to the poor? The man who obtained money through the medium of a bank, and lent it to another who stood in need of it, was doing a good act. He would ask gentlemen to tell him of a more easy and convenient mode of lending money, than in that way? Did not every man know the difference between applying to banks and to men for money? The modern money lenders, were not like those of antiquity. In former times, and before the existence of banks, the money lender was nothing less than a Shylock. It was his habit to wring his "pound of flesh" from the unfortunate debtor. Three hundred years ago, all loans were effected by private persons; and what avarice did they display? And, these were the days that the delegate from Susquehanna, (Mr. Read) would return to—this was the kind of aristocracy he preferred, to what he called the "bank aristocracy" of the present day! There were some money lenders in these modern days, who were not like Shylock, but they were "few and far between"—

"Rari nantes in gurgite vasto."

Speaking, generally, was it not notorious that every money lender was a shaver? He exacts the highest rate of interest. Did the gentleman from Susquehanna desire to place the people at the mercy of the money lenders? He would call on the delegate to turn to the banking institutions of the country, and see whether they get any thing beyond the legal rate of interest? Where could the gentleman find more lenient creditors; men who would step forward and lend their money, not on his property, but on his honesty, honor, and punctuality? Thousands and thousands of men had realized fortunes through the banks, in consequence of the liberality they had shown them, in accommodating them with money for short periods.

The gentleman had declaimed against the extravagance of the banks—of their corrupting the people, &c. This was altogether a mistaken idea. Before the introduction of the banking system, the precious metals were monopolized. They were in the hands of the rich men of every country, and were to be seen on their side-boards, in the shape of vases, dishes and ornaments. Banking institutions were democratic in their character and tendency, essentially so, and the history of the world showed it. They had grown with the intelligence and prosperity of the country, and they had scattered the wealth of the rich among the whole community. And, if in some cases, we see a man running into excesses, it would be very unjust to condemn the whole system on that account. But, he asked, did the gentleman mean to stamp extravagance on every bank director? He (Mr. D.) trusted not, for there was as much frugality among that class of men as among those who received loans. The effect of banking, was, to take money out of the pockets of the rich, to scatter among the poor, and if the borrower, or creditor of the bank, was not able to pay, the community did not suffer, but the bank would. He would maintain, that the banking system had been wrung from the hand of aristocratic power, and that it had ever since gone hand in hand with liberty, and tended to the happiness and prosperity of mankind. He contended, that the rules and regulations of the banks were such, as to have a moral

influence on society, because honor and punctuality formed one of the principle features of the system. If, as the delegate from Susquehanna had argued, banks were an incubus on society; if they had a demoralizing and anti democratic tendency, who, he (Mr. D.) asked, was to blame for it? Why, the party to which the gentleman on his right, had always been attached—who had advocated the putting down of the Bank of the United States—the withdrawal of the deposits, and other measures of that character, from the evils of which the country was now suffering. We had the most conclusive evidence, that from the downfall of that institution—from its mouldering ruins had sprung these mushroom—the numerous state banks, that had been chartered since the attack of General Jackson on the Bank of the United States. In 1811, when the old United States Bank went down, there were only eighty-nine state banks chartered, and he was not certain that they were all in existence at that time. And, the bank was not re chartered until the winter of 1816. What was the result? Why, in four years, there was an increase of one hundred and nineteen banks, making a total of two hundred and eight, in 1815. The banks, therefore, increased in consequence of the destruction of that institution. The regulator of the banking business of the country was withdrawn. He desired the particular attention of the gentleman, (Mr. Read) to the statement that he intended to make; he wished to make no misstatement of facts—to indulge in no political feeling, nor to deal out anathemas, which tended only to destroy the business of the country. The Bank of the United States did not go into operation until 1817. We had no returns of the number of banks in 1816; he, therefore, knew not how many banks there were in that year.

Mr. Crawford, in his report on the currency, in 1820, said the returns were lost or mislaid, he knew not where. Consequently, the returns, up to the time when the Bank of the United States went into operation, were altogether conjectural. No information could be obtained from the archives as to how the fact stood. It was probable, however, that there were more banks in 1817, when the Bank of the United States went into operation. In 1820, we had three hundred and twenty banks. Now, look at that fact. In four years after the downfall of the bank, there sprung up one hundred and nineteen; but, from the time that the new bank went into operation, until 1830, there were but twelve created. Now, we had about a thousand, sprung up since the downfall of the late Bank of the United States. It having been clearly ascertained that those in power intended to prostrate the Bank of the United States, and the people of the different states, although they greatly deplored such a determination, whatever the circumstances might have been which gave rise to it, resolved at the same time, to fill up the chasm occasioned by the withdrawal of that institution, and from that period to the present, nearly five hundred state banks had been chartered.

We have now altogether about one thousand banks; mostly sprung up since the downfall of the United States Bank. There has been spread over the commonwealth, a circulation of one hundred and seventy-seven millions, in the last seven or eight years. The circulation of the banks has been raised from sixty-one to one hundred and eighty-five millions of dollars. I speak generally from memory, but I believe I am correct.

And almost all this amount of circulation was added after the fall of the United States Bank. This is a natural process, as plain to my mind as the sun at noon day, that if the United States Bank possessed a controlling influence, by collecting the revenue upon the issue of the state banks, it follows inevitably, that whenever that regulation was stopped, the whole machinery of the banks would be thrown into disorder and confusion. And, sir, does not our recent experience prove, that such is the inevitable result. In such a state of things, there is no remedy for this multiplication of banks, and there will be no cessation, except we can hope to find it in the cupidity of the human heart, to which, as we all know, there is scarcely any limit. We must have some regulation, or we shall over-bank and over-circulate, until the whole country is over run with paper, and paper too, of a bad quality, which will only circulate at our own fire sides, and will be of little or no use elsewhere. Are we not all aware of the fact, that nothing is so much wanted among us as some such agent as we have lost, to regulate the currency, to equalize the exchanges, and thus to promote the business and prosperity of the country?

But I say, Mr. Chairman, that it is a political axiom; that it is not the over issue of banks that destroyed the country, for so long as the balance of trade is in favor of the community in which the banks is situated, they are more enabled to meet and to take up their issues; and so long as they are doing a prosperous and a safe business, their over-issues can never endanger the country. They may, to be sure, over-trade; but so long as the balance of trade is in our favor, it is not the over-issue of the bank which can change it.

There has been a time, Mr. Chairman, when the domestic bills of exchange in the county, which I have the honor in part to represent on this floor, (Franklin) did not exceed the sum of fifty thousand dollars; and that, at a time not long distant. And, not very long ago, there were business transactions in that part of the country, to the amount of nearly half a million of dollars; *a business furnishing to the county, city funds.* If with such a means, their circulation bore a proportion to their means of redeeming them, all went safely on. But when the means of the country increased, it follows of course, that the banks could sustain a much larger issue; and so long as that business continued—so long as iron, and manufactures, and flour and whiskey, went to the Atlantic cities and established there a fund; in the same proportion, the country banks could do business to a much greater extent. It might have done business to five times the amount, and might have sustained itself. I do not intend to say that such has been the case; I only say, that it might have been the case. But it is a fact, well known to every man of business, that, for the last six or seven years, a most harrassing course has been pursued by the government of the United States, towards the business interests of the country—such a course, indeed, as never before has been witnessed in this country. Sir, the great secret of the difficulties and embarrassments in which we now find ourselves involved, lies deeper than any question having reference only to a five dollar note. And, I say, that a man who attempts to stop the torrent of our present distresses, by secluding five dollars notes from circulation, shows that he possesses no great amount of knowledge as a political economist. He is out of his reckoning, whoever he may be. I would be sorry to stake the little repu-

tation I possess, on such a slippery basis. I will leave it to the gentleman from the county of Susquehanna, (Mr. Read) and the gentleman from the county of Indiana, (Mr. Clarke) to gather what laurels they can as political economists, by undertaking to demonstrate the soundness of doctrines like these. Let them raise their war cry against a five dollar note—a rag, as they call it—as, it is said, that similar disasters to those we now suffer, may be produced by smaller causes than those which have operated in the present instance.

It becomes necessary, then, for us to know, what are the causes. Our embarrassments and troubles are said to have resulted from several concurrent causes, but chiefly they are ascribed to over-trading. Let us examine this position, and see in what manner it is sustained by facts; because in a serious inquiry of this nature, every thing which can not be borne out by the facts, is to be thrown entirely out of view.

The imports of last year, as taken from the report of the Secretary of the Treasury, transmitted to congress in December last, were as follows:

Imports \$189,980,035.

Of exports \$128,642,040.

Balance against us, \$61,000,000, and upwards.

Now, sir, if we imported this amount—if our imports were this much over our exports, of course it is reasonable to conclude, that the balance of trade was against us.

The question then presents itself, what occasioned this excess of importation? I answer, it arose from the enormous increase of banking capital, which resulted from throwing down the Bank of the United States. The banks, by increasing their circulation, enabled their country merchants to purchase a larger quantity of goods: this induced the merchants in the cities, to believe that there was a prosperous state of things, which it was probable might continue; and that it was a duty which they owed to themselves and their families, to take advantage of it. In consequence of this state of things, excessive orders were issued. Gentlemen know that over-trading was the result of over-banking; and they know that over-banking was the result of that policy on the part of the administration of the general government, which threw down the Bank of the United States. And, sir, it is to the overthrow of that institution, that we may, in a great measure, attribute the embarrassments, the disasters and the utter prostration of all the business interests of the country, which we now see every where about us. I am well aware, that over-trading and fluctuations are common to trade. I know that we can not avoid these occasional revulsions, which are incident to trading communities in every part of the world; but I say that such a fearful revulsion, such a disastrous blast, as that which has recently swept away the trade and commerce of our country, could not have occurred, except by means of some very extraordinary circumstances; and these extraordinary circumstances have been, in the present instance, the over-issues of the country banks.

Now, Mr. Chairman, when we see, by the returns of imports and exports which I have just quoted, that there was a balance, to the amount of sixty-one millions of dollars, against the United States, we must bear in mind, that it is not that we owed the sum of sixty-one millions of dollars abroad; for, as it appears, twenty-one millions of dollars were re-ex-

ported. If, therefore, that amount was imported, for the purpose of exportation from the United States, it follows, as a matter of course, that we are not indebted to the amount of sixty-one millions of dollars. We must also take into the account, the amount of money which our merchants made by their trading voyages. A ship, for instance, may go out in ballast, and come in with a cargo. This is so much gain. Or, she may go out with one cargo, and double it on the voyage. This also is so much gain. If, then, we add what we may possibly have made in our trading voyages—the amount of which, however, can not be estimated exactly—we shall find it amounts to a considerable sum. For the last seven or eight years, the balance of the imports of this country, has been always against us on paper, nearly twenty millions of dollars; there has been a fluctuation from fifteen to twenty-five millions of dollars.

We have, then, good reason to conclude that, if a country can endure an amount of importation, so much over the amount of her exports, and for so long a period of time,—I say, it is reasonable to conclude, that this money must be made in the course of our trading voyages. Looking at the difference of the exports and imports for the last several years, it will be found to amount to something like the sum of twenty millions of dollars.

Mr. D. here gave way to Mr. STEVENS, on whose motion the committee rose, reported progress, and obtained leave to sit again.

Mr. RITER, of Philadelphia county, on leave given, presented the following resolution:

Resolved. That this convention with pleasure testify, that Daniel Eckles has performed the duties of doorkeeper, to the entire satisfaction of the convention.

And, on motion of Mr. R., the said resolution was read the second time:

Mr. STEVENS moved to amend the same by adding at the end thereof the words, “and that he be allowed the sum of seventy five dollars extra compensation for his services.”

Mr. EARLE asked the yeas and nays on agreeing to the amendment.

Mr. STEVENS said, if such was to be the course, he would not be instrumental in wasting the time of the convention. He would therefore withdraw the amendment

So the amendment was withdrawn.

And the question having been then taken,

The resolution was adopted.

And the Convention adjourned.

MONDAY, DECEMBER 4, 1837.

The **PRESIDENT** laid before the convention a letter from John Smith, praying for the appointment of serjeant-at-arms of the convention,

Which was laid on the table.

The **PRESIDENT** also laid before the convention a memorial from thirty-two citizens of Philadelphia county, (Southwark) praying that the trial by jury may be extended to all cases, where liberty is at stake.

Which was laid on the table.

The **PRESIDENT** announced the appointment of Mr. Doran, of Philadelphia county, to be a member of the committee on the fifth article, in the room of Mr. Hamlin, resigned.

Mr. **KONIGMACHER**, of Lancaster, submitted the following resolution, which was agreed to :

“Resolved, That the thanks of this convention be tendered to the board of inspectors of the Eastern Penitentiary, for their polite invitation to visit the state prison ; and that the secretary be directed to furnish the board of inspectors, with a copy of this resolution.”

Mr. **STURDEVANT**, of Luzerne, submitted the following resolution, which was laid on the table for future consideration :

“Resolved, That on, and after Saturday next, when this convention adjourns, it will adjourn to meet at nine o'clock in the morning, to continue in session until two o'clock in the afternoon, and that the afternoon sessions shall be dispensed with.”

Mr. **FULLER**, of Fayette, moved that the convention proceed to the second reading and consideration of the resolution offered by him, on the 21st of November last, as follows :

“Resolved, That no member of this convention, who holds stock in any bank within this commonwealth, shall be deemed an impartial voter on any question in which the immediate interest of such delegate shall be involved, by any constitutional provision, either restricting or regulating such banking institution.”

Mr. **FULLER** having demanded the yeas and nays on his motion, the question was then taken and decided in the negative ; yeas 46, nays 62 : as follows, viz :

YEAS—Messrs. Banks, Barclay, Bedford, Bell, Bigelow, Bonham, Brown, of Philadelphia, Clarke, of Indiana, Cleavinger, Crain, Cummin, Curll, Darrah, Donagan, Donnell, Fleming, Foulkrod, Fry, Fuller, Gilmore, Grenell, Hastings, High, Hyde, Iugersoll, Keim, Kennedy, Krebs, Magee, Mann, Miller, Myers, Nevin, Overfield, Read, Riter, Ritter, Sellers, Shellito, Smith, Smyth, Stickel, Taggart, Weaver, White, Woodward—46.

NAYS—Messrs. Agnew, Ayers, Baldwin, Barnitz, Biddle, Brown, of Lancaster, Carey, Chambers, Chandler, of Philadelphia, Chauncey, Clapp, Clarke, of Beaver, Clark, of Dauphin, Cline, Coates, Cochran, Cope, Craig, Crum, Cunningham, Darlington, Denny, Dickey, Dickerson, Dunlop, Forward, Harris, Hayhurst, Hays, Henderson, of Allegheny, Henderson, of Dauphin, Hiester, Hopkinson, Hout, Kerr, Konigsmacher, Martin, M'Call, M'Dowell, M'Sherry, Meredith, Merrill, Merkel, Montgomery, Pollock, Porter, of Lancaster, Porter, of Northampton, Purviance, Reigart, Russell, Saeger, Scott, Serrill, Sill, Snively, Sterigere, Sturdevant, Thomas, Todd, Weidman, Young, Serjeant, *President*—62.

The **PRESIDENT** asked and obtained leave of absence to proceed to Washington, and, under the rule, nominated **Mr. J. M. PORTER**, of Northampton, *President pro tem*, during his absence.

SEVENTH ARTICLE.

The convention again resolved itself into a committee of the whole, **Mr. REIGART** in the chair, on the report of the committee to whom was referred the seventh article of the constitution.

The question being on the motion of **Mr. STEVENS** to amend the amendment proposed by **Mr. READ**, to the report of the committee, by substituting as follows, viz :

“The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people.”

Mr. DUNLOP resumed his remarks :

In detailing the cause of the multiplication of the state banks, and in endeavoring to ascertain from what quarter they had been encouraged, he was unable, in consequence of having left at home the documents to which he had intended to refer, to give full information. He had stated that the party in power had given encouragement to the state banks ; and the evidence of this was to be found in the manuscripts of **President Jackson**, on the removal of the public deposits, in **Mr. Taney's** letter, and in **Secretary Woodbury's** communication to the Bank of Indiana. To him, it was an extraordinary spectacle, when that same party, which trained and encouraged this multiplication of state banks, after doing so, and raising up this family of children, should make a merit of strangling them before the public eye.

He would read an extract from **President Jackson's** manifesto to his cabinet, at the time of the removal of the deposits.

“The funds of the government will not be annihilated, by being transferred. They will immediately be issued for the benefit of trade, and if the Bank of the United States curtail its loans, the state banks, strengthened by the public deposits, will extend theirs.”

This was the theory of the day in prospect.

[**Mr. D.** here referred to **Mr. Taney's** and **Mr. Woodbury's** letters to the banks, and read extracts from those communications, to illustrate the argument.]

Now he would only cite from these, out of the numerous documents which might be adduced, from **General Jackson's** manifesto, to **Mr. Woodbury's** letter in 1835, for the purpose of shewing that, during all that interval, the general government was urging on the state banks to incur liabilities, and enlarge their issues. And now that very same government is seen turning round, and casting its anathemas on these banks, for doing precisely what it had been urging them to do. If the thing was right then, it is right now. If it was not right, those who brought these consequences on the country which we have seen, should not make a merit of strangling the offspring they had brought into existence.

The institution of a national bank is the only agent by which any power can be effectually exercised over the state banks. Any man must be satisfied that the truth of the assertion, that a national bank *does* control the state banks, and that this institution out of power, the state banks have increased with a tremendous rapidity. is demonstrated by the history of the times.

The old Bank of the United States, went out of existence in 1811, and at that time, there were *eighty-nine* banks in the United States. The last Bank of the United States, was chartered in the winter of 1816, and went into operation early in 1817. From the year 1811, to the year 1816, the banks in the United States had increased to *two hundred and forty-six*, being at the rate of one hundred and fifty-seven banks, in the space of five years. About that time, a large batch of banks went into operation, which swelled the total number of banks, in 1820, to *three hundred and eight*, and all this increase was made in less than three years after the United States Bank went into operation. In 1830, ten years afterwards, there had been an increase of only twelve banks—from 1820 to 1830, but an increase of twelve. When the old bank went out of existence, there was an increase of a hundred and fifty-seven banks, within five years.

Was there any man who wanted further evidence than this to convince him of the cause of this increase? But there was one remarkable fact to which no allusion had been made. From Seyberts statistics it appeared that between the years 1811 and 1830, one hundred and sixty-five state banks had gone out of existence. Now, every one was aware that the chief part of this great number of banks, fell soon after the United States Bank went into operation. The history of Pennsylvania shews, that, from 1814 to 1820, a great number of banks were obliged to wind up. The greater part of these banks became defunct, soon after the Bank of the United States went into operation. So that, although the banks had previously been increasing rapidly, there were only twelve new banks established during the ten years afterwards. Let gentlemen look at the history of the country since that period. The state banks have increased from three hundred and twenty, up to *eight hundred*—and are now probably a *thousand*—from 1820 to 1836. When it was understood that the Bank of the United States was to be prostrated, in five years, the banks received an increase of *five hundred and eighty-six*. This is only to be accounted for, by the disposition manifested by the general government, to encourage state banks, and by that of the people to create them. If, from 1811 to 1820, there was an increase of one hundred and fifty-seven banks, created shortly after the old Bank of the United States went out of power, and only an increase of twelve banks during the next ten years; and if, in the next five years, after it was known that the late Bank of the United States was to be prostrated, the increase was at the rate of *one hundred* a year, to what cause could this increase be attributed, but to the operation of the general government on the bank issues. For if the fiscal agency of the government was in the banks, it follows, that this circumstance would increase their liabilities, and that they would be obliged to settle up with the United States Bank, which necessarily held a check over them; and this result will probably now follow, that a great many of the thousand banks now in operation, will be obliged to wind up, which

may lead to a restoration of that soundness of currency, the want of which we now deplore. This argument, was, to his mind, a conclusive one; how it would affect other minds he could not know, that must be according to the impressions they have received. The inevitable consequence of this excessive increase of banks, and of the removal of the power of the United States Bank over the state banks, was a flood of over issues, and the disproportion between the issues and cash liabilities, and the means of these institutions had gone on increasing to an alarming extent. They had gone on to increase bank issues, so as to cause great difficulties, although it was not that which had brought about the embarrassments under which we suffer at the present moment. The causes which had led to these, he would presently endeavor to develop. Over issues of the banks, necessarily increase the amount of money abroad. A new stimulus is given to the spirit of traffic. Country merchants come into the market, and buy liberally. A prospect of immense gain opens before them, and they act on the principle of making hay while the sun shines: purchases are made to a great extent, and this flooding of the market with money, expands business of every description, increases the amount of importations, and produces that unhealthy exaggeration of our credit abroad, from which difficulties must ensue. The value of the imports in the year 1836, was \$189,980,035. This was an increase over the preceding year of twenty-four millions of dollars. The exports of the last year, amounted to \$128,663,040; leaving an excess of imports over exports, of \$61,316,995. What would be the conclusion of every mind on looking at this balance? The problem of the balance of trade is difficult to solve. This country derives great advantage from her trading voyages, to an extent which it is almost impossible to ascertain. He was not, therefore, prepared to deduce his facts with that certainty which he desired. But he would call the attention of gentlemen to the fact that, since the year 1830, our imports have largely exceeded our exports. In the year 1833, the amount of imports was twenty-two millions over what it was in 1832; in 1834, the imports exceeded those of the year 1833, by an equal amount; in 1835, the imports were twenty-eight millions beyond what they were in 1834; and, in the last year, the increase over the year 1835, was fifty-two millions. It appears, then, that now, for a series of years, almost from the commencement of our importations, the imports have exceeded the exports; yet, the country had gone on prosperously, increasing in its resources, in proportion to the increase of its numbers. What, then, was the conclusion to be drawn from this fact? That the country has derived from her commerce, taking the average of the last eight or ten years, advantages which have been beyond those of mere trading. These ought to be deducted in making out the balance of trade, and ought to be added to the actual wealth of the country. The advantages we derive from our trading voyages, may be estimated at an average of twenty millions. Deducting that amount from the aggregate excess of the imports of last year, over the exports, it would leave a balance of trade if against us, of forty-one millions. What makes me inclined to think (said Mr. D.) that the balance of trade should not be taken as it appears on paper, is the fact, that, from 1834 to 1836, the rate of exchange was never against this country, except in two or three slight instances, and then it did not continue in that disadvantageous position for any length of time.

Now, he stated these matters, not for the purpose of making an attack on the administration of the general government, but to shew that the state of things which now exists, is to be attributed to our dependence on the banks, and the effect which has been produced by the operation of the government upon them. The overtrading throughout the country has been the result of the over issues of bank paper, and these over issues have been the consequence of the course pursued by the general government. The country had also sustained a loss from a different source. She had suffered by the fire which was so destructive among the merchants of New York, a loss which is estimated at about twenty millions of dollars, which has contributed to swell the embarrassments under which we have been suffering.

An entire dead loss to the capitalists of the country, and which prevented them from meeting their engagements to that amount. Unless we knew the true origin of the present state of things, it was totally unnecessary and useless to be tinkering with the banks in this convention. We must go farther; we must look to discover where the evils originated in order to remove the causes that produced them. Now, every one knew that the removal of the deposits from the Bank of the United States, produced an accumulation of funds in the state banks; that the downfall of the bank removed all the agency and influence which the government had over the state banks; that the funds deposited in them increased their issues; and that they were told by the secretary of the treasury to loan their funds and to render every accommodation in their power to the business community. The manner, too, in which the transfers of the surplus revenue were made, under the deposit act, combined with the other circumstances he had just adverted to, had all produced the present deranged state of the currency. Instead of permitting the funds to accumulate where they were wanted—where they were payable, Secretary Woodbury undertook to transfer them to where they were not required. He transferred the moneys so as to equalize their distribution; and the result was, that he drew money from whence it was needed, and put where it was not required, in the agricultural and landed districts, and thus gave encouragement to speculation in western lands.

Another cause of the disasters which had afflicted the country and proved greatly injurious to the banks was, the treasury circular, which required that the payment of lands should be in specie only. Every man conversant with the history of the country knew how ruinous the operation of that order was. It was complained of from one end of the country to the other. He would not go into any detail on the subject, as he presumed the convention would not have patience to listen to it.

And, another cause, a very great cause of the derangement of the monetary affairs of the Union, was the passage of the gold bill. It would seem to an ordinary mind that the reduction in value of the gold coin—to bring the proportion of silver nearer to gold than it had heretofore been in this country—changing the relative value of the pure gold in our coin—would produce an influx of foreign gold. It had that effect for a time; but it alarmed the country from whence the gold was exported, and led to an immediate change in their monetary system disadvantageous to the United States. Previous to the passage of the bill, the American dollar

contained two hundred and forty-six and one-fourth grains; but afterwards, only two hundred and thirty-two. The eagle was reduced from two hundred and seventy-six, and a fraction, grains of pure gold, to two hundred and forty-seven and a half. The consequence of which was to reduce the real value of our gold in the market—for, the more alloy that was put in it, reduced the value of the coin itself as a matter of exchange and traffic. Although an eagle might pass for ten dollars as before, yet, when it came in contact with British gold, ours was depreciated. The standard of the British sovereign, or pound sterling, was raised from \$4 80 to about \$4 80½. He did not know that he could explain this matter so well as many gentlemen whom he saw around him.

He begged to call the attention of the committee to some particulars which he had obtained from an ordinance of the old congress, passed on the 8th of August, 1789. By that act, the dollar was to contain 375.64 grains of pure silver, and the eagle 246.268 of pure gold. It was supposed that it would be equal to a Spanish dollar at 4s. 6d. sterling, making a deduction, of course, on account of wastage and expense of coinage. A like allowance of half per cent would be made for gold. The ordinance assumed the standard of purity, both upon gold and silver coin, at eleven parts pure and one alloy. With regard to gold, the standard was the same as in England; but in that country, the silver is at eleven ounces two pennyweights of silver to eighteen pennyweights of alloy. By the act of 1789, the pound sterling was fixed at \$4 44 as a relative matter of exchange for custom house purposes, and continued so till 1832. So, that when it is valued at more than that sum, it is owing to a fluctuation of the exchanges—to the excess of exportations, or some other cause affecting the commercial market. The par value of the pound sterling, being, according to the act of 1789, \$4 44, and it should rise in the commercial community to \$4 87; then that would be a proof that the exchanges are in favor of England, and consequently the pound note is brought up to its real market value. Our gold bill fixed the value of the pound sterling, or sovereign at \$4 80, the true par of which became about 9 7-10 per cent on \$4 44. The operation, then, of the bill was, to raise the value of the British sovereign, while it depreciated our own gold. If it were not for the difference between the value of the paper and silver dollar, the rate of exchange between this country and England would not be above par at this time, because if the par of exchange in England is fifteen per cent—not in silver—but on the commercial pound sterling—the 5½ per cent taken off from the value of specie, would make the par of exchange what he had stated it to be. The exchanges would then be in favor of this country. He had understood that bills on England had been purchased here within a few days, at 14½ per cent. If, then, a resumption of specie payments could be brought about—and which might be easily accomplished if the government would refrain from throwing obstacles in the way—and coin could be provided for paper, the paper dollar would be as valuable for commercial purposes as silver, and then 5½ per cent ought to be deducted. But, so long as the government continued to insist on specie—and although a paper dollar would answer all the purposes of a silver dollar in purchasing the necessaries and conveniences of life—there would be that difference kept up between

them, which must result to the injury of the business of the country, and to the advantage of brokers. He believed that if the government would adopt the recommendation of Mr. Dallas, in 1816, to collect the revenue in the paper of banks at par, though unequal in its operation, it would reduce the difference between the paper and the silver dollar.

Now, if we could purchase bills of exchange in this market, or in New York, at 15, and specie at $5\frac{1}{2}$, the effect of the gold bill had been to raise the exchange of England at par, 9 7-10 above its previous par price. But, the inveterate hostility of the government to the Bank of the United States, and its eternal cry against the state banks, and its determination to receive nothing but specie, kept up the difference between our paper and silver dollars. In 1815, when the news of peace reached this country, the domestic exchanges fell to almost nothing. In Baltimore they went down to 5, and in New York to 2—being the difference between the paper and the specie dollar. And, when in 1816, congress passed a resolution requiring that the revenues should be collected in gold and silver, the exchange rose to 10, 15, and 20 per cent.

Now, if the government had received the paper, which was every where adopted as the medium of circulation—all that difference of exchange and of value between the paper and silver dollar would have been avoided. So, under the existing state of things, if the government were to pursue this course, the exchanges instead of being at 15, would be at $9\frac{1}{2}$, and thus below par. He would ask any gentleman—and, perhaps, he was showing his ignorance in attempting to speak on so intricate a subject as this was—whether, if he wanted to purchase exchanges, and had silver in his pocket, he could not purchase at 9 7-10? Then, there was no difference. Those who wanted them were very chary what they were about; and it only showed there was no very great demand for bills of exchange.

He believed that with regard to the relative value of gold and silver between England and this country, the exchange was rather in our favor, than against us. And, what did that fact go to prove? Why, that our commercial debt due to England was nearly liquidated, and that British confidence in us was fast returning. The quantity of goods which was now arriving in the country showed that English merchants and manufacturers reposed confidence in our countrymen. If, then, things were so, the banks could resume specie payments if they could enter into any arrangement with each other, but which, however, was not to be expected.

When the tariff act of 1832 was passed, the pound sterling, which had been up to that time valued, by the commercial world, at \$4 44, was changed and fixed at \$4 80 for commercial purposes. It stood at that rate now. But, in consequence of the passage of the gold bill, British sovereigns rose from a par of \$4 44 to \$4 87 $\frac{1}{2}$. The relative portion of grains of pure gold in the sovereign, according to the gold bill, was as 132 is to 447, thus depreciating the value of the coin $15\frac{1}{2}$ grains. In fact, reducing the value of the sovereign from 447 to 432, our gold was lloyed to $15\frac{1}{2}$, the consequence of which was to reduce its value $6\frac{1}{4}$, or -10 less than it was before, and to increase the value of the British sovereign. Formerly our gold coin was worth 6-10 more than the Brit-

sh; but the operation of the gold bill was to increase the value, as he had before stated, from \$4 44 to \$4 87½.

Supposing a British sovereign to be taken to the mint, with a view to obtain the value of it, the seller would receive so much, according to the purity of the coin, and not the stamp on it. The individual would receive 6½ per cent premium, the mint being able to get so much silver for it. Now, what was the consequence of this state of things? Why, foreign gold flowed into the country. It was hinted about at the time the bill was before congress, that the administration intended to fill the country with gold, and said that it would be seen glittering through the interstices of every man's purse. He had been informed that a gentleman in this city imported, at one time, 500,000 British sovereigns, by which, allowing two per cent for shipment and insurance, he must have gained \$90,000 in about 90 days. The passage of the bill had the effect of exciting the cupidity of the brokers in every quarter of the country, and to increase the quantity of gold in the country. The consequence also was, to depreciate our gold, and to make the British gold more valuable. The passage of the bill might *look* very well, inasmuch as it was consistent with the policy of the administration—that was to enlarge the specie basis, but it was injurious in its consequences. If this object could have been safely accomplished, it would have been well, but nothing was so difficult as the science of currency. It required a master hand, and not the ruthless hand of the administration, for difficulty would always arise from changing the relative value of coins, as regarded foreign countries. Either good or ill must flow from the change. He maintained that the gold bill, which had been spoken of as a great measure—as establishing a specie basis, had done great harm instead of good. It was hailed, with approbation, by Cobbett himself, who thought it would be ruinous to the Bank of England—for, he was hostile to that institution and others the kind, as all *loco foco's* were.

As he had already observed, the bill produced a great influx of gold which the French and Neapolitan indemnities increased. It would have been well for the country if it had remained in Europe. But, it was introduced for the purpose of exhibiting before the admiring eyes of the people, the gold humbug of General Jackson. Fortunate, indeed, would it have been, had its effects been felt only in the United States, and abroad. Mr. Woodbury calculated that the specie basis had increased from twenty-five millions to near eighty. He knew not, and he supposed that no one else did know, how the secretary had arrived at this conclusion. He presumed, however, that it was as near an approximation to the truth as could be had. We might conclude that the specie in the country amounted to from twenty-five to eighty-five millions, including all that was in the hands of the people, and the vaults of the banks.

Had it not been clearly proved, that notwithstanding the large amount of specie which had been imported into the country, the banks were compelled to suspend specie payments, and it had not had the effect of keeping them in a sound state? He contended that if there was double or treble the amount of specie that was said to be in the country already it would not prevent the banks from making excessive issues. If there was no national bank—if the only agent was removed, by which

government could control the issues of the state institutions, they would inevitably flood the country with their paper—for they have no restraint on themselves. They would gratify their own cupidity. This necessarily led to bring about a bloated condition of things. Gold and silver were only articles of commerce, and the consequence followed, that whenever the balance of importations was against the United States the specie left the country.

And when the administration, by their gold bill, sunk the value of our gold coin, they disturbed its equilibrium. The greater appreciation of gold and silver in Europe, had driven gold out of this country. In England, there was a great abundance of gold, and they apologised that they could not pay in paper, when it was wanted. He had been informed by a gentleman just returned from England, that gold was very plentiful, while it was a matter of favor to obtain paper. When, then, the administration undertook to change the value of gold, they deranged the commerce of the United States. The reason why gold was shipped to England was owing to its being of more value there, and to our having no control over it.

As he had before said, the effect of the gold bill was, to appreciate the value of the British sovereign, and to depreciate our gold. Our silver was not used in England as coin, but only as bullion; and the consequence of the depreciation of our gold, accounted for the introduction of so much foreign gold. He begged to call the attention of the convention to a paper which he had procured from very high authority. The operation of the gold bill was better explained by watching the operations of the Bank of England. The following list shows what was the amount of bullion in its hands at the several periods thus stated :

On the 26th Nov.	1827	£10,429,000	\$46,351,111
	1828	8,941,900	37,519,555
	1829	8,238,800	36,616,777
	1830	9,329,800	41,465,777
	1831	5,155,600	22,912,666
On the 26th May,	1832	4,919,000	21,862,222
On the 1st Oct.	1833	10,900,000	48,444,444
	1834	<hr/>	<hr/>
On the 26th Dec.	1835	6,626,000	29,451,111
On the 27th Dec.	1836	4,300,000	19,111,111
On the 10th Feb.	1837	4,032,000	17,920,000

These were facts which appeared to be almost incredible, but nevertheless, they were true, being derived from a source entirely accurate, and to be depended upon. It would be observed that just before the passage of the gold bill, the amount of bullion in the Bank of England, was £10,900,000, and in 1837 it had fallen to £4,032,000! It had been stated in the British papers that the course this country was taking, in reference to its monetary affairs, was highly injurious to Great Britain, as it was draining her gold from her. What was the consequence? Why, the Bank of England took the alarm, and stopped the efflux of gold, by withdrawing the liberal countenance they had before given to cotton consignees. They refused to discount bills, and checked the credit which the London and Liverpool merchants had with the United

States. What followed? Many houses were compelled to stop payment, and cotton fell fifty per cent. The protested bills were returned, and many honorable men were reduced almost to beggary. In a few weeks we lost nearly twenty millions of dollars on the price of cotton.

Now, assuming our foreign debt to have been \$41,000,000, and making a deduction of the twenty lost, we should at the time of the panic, have been indebted to England in the sum only of \$21,000,000. It was probably known to every gentleman who heard him, that there was always due to England eighteen or twenty millions, so that but for the fall in the price of cotton, and the other disasters which were mainly attributable to the blind policy of the administration, the country would not have been suffering as it was at present. He, however, did not blame the government entirely for what had occurred. There were circumstances in the trade with England, which he would relate, that were not altogether wholesome. It was hardly creditable to those who were not conversant with business transactions, but it was nevertheless true, that many of the great mercantile houses in England, sent their agents to this country, in order to solicit American merchants to open accounts with them—to draw upon them in goods for the sum, say of £50,000, without having a single cent in their hands, but only an understanding that the funds would be forthcoming. Houses drew drafts on each other. He had been told that houses in the United States sent their agents to England, to establish a connexion, and to open accounts with houses. And these men would draw drafts on certain houses, and when they were near due, would draw on others, and so on, without having any capital of their own. Now, this state of things had been carried to a great and ruinous extent; but, at length, the bubble was burst by the Bank of England, which had been induced to take the steps she did to crush and check the system, and prevent all her gold from being taken out of the country. There was a gross system of credit in the south and west. He had been told that the consignees in New Orleans, and elsewhere would accept the drafts of planters before their crops were ready for market. Now, this system had led to alarming issues of paper, and to an increase in the number of banks. The only efficient remedy, in his opinion, for this evil, was in the establishment of a national bank—an institution which would have some control over the bank issues of the United States. When our merchants failed—when their notes were protested, and when, too, their cotton fell twenty millions in value, what was the consequence? Why, not having exports in which to pay their debts—the country was drained of its specie. We had learnt from the newspapers—for the custom house could give us no accurate information on the subject—that hundreds of thousands of dollars were sent to Europe, time after time, by the packets, in order to pay off the debt due there by the merchants of the United States. We know that a pet bank in the city of Boston was, the day before it suspended, drained of all its specie, except one hundred and seventy-six dollars. What was that bank to do? Ought it to have gone on? He imagined not. He knew, also, of another bank that was drained to five thousand seven hundred dollars the day before it closed, in this city: and had it kept open till the next morning, a demand would have been made on it for half a million of dollars, from New York, to pay off a foreign debt. And if

the money had been paid, runners would have been despatched to the country banks, and demands have been made immediately after the doors were closed. He asked what gentlemen would have had them to do, under such circumstances? Was it right that they should have gone on until they were ruined? If they had done so, they would have spread universal distress throughout the country. This calamity, however, was prevented by the course which the banks thought proper to adopt, which was the safest and best under all the circumstances in which the country was placed. It seemed to him perfectly absurd to hear gentlemen here talk and rail, in the manner they did, against the banks. They said they could not pay their debts! Why, their bills were as good now as they were before, and passed as freely. The banks that stopped did not send a dollar out of the country. Mr. Secretary Woodbury calculated that there were forty millions of dollars in the hands of the people, and the banks had not touched one dollar of that money. But if the banks had gone on paying specie, they must inevitably have failed—all property would have been depreciated in value. And, that was not all—probably, the banks would never have been able to resume, for they could not have met their demands until their credit was restored. He would trouble the committee with another branch of his argument. He was sorry to be under the necessity of occupying so much of the time of the convention, and he thanked them for the attention which they had already paid him. He would ask gentlemen to say what they conceive to be a remedy for the present distressed state of the country. For himself, then, he asserted that those who relied on the state banks to resume specie payment, relied on a broken reed. He did not believe it was in their power to resume, under any circumstances,—not even if the exchanges were in their power, and their vaults are full. There were no less than eight hundred banks, and if they were to meet for the purpose of consulting on the subject, there would be as many different opinions expressed, all in favor of their own interests, and it would be impossible to get them to unite. They could not possibly agree. The banks of those states which had the balance of trade in their favor would probably resume; but those which had a balance against them would never consent to resume, to the injury of the people. They would, of course, be guided by what was best for their own interest, and the public good. He thought that this was fully proved by reference to the condition of the banks at this time, and their situation in 1816. He would ask the committee to turn their attention to what was the condition of the banks at present, and as they stood in 1816. He believed that they were then as well able to resume as they are now. The government lent them its aid, through the secretary of the treasury, (Mr. Dallas) to enable them to resume specie payments, but without effect. That officer, after stating his anxiety to bring about that object, and getting the banks to unite, declared that the attempt was perfectly disorganizing.

He would now ask the attention of gentlemen to the condition of the banks in some of the principal states in this union, for the purpose of satisfying them that it was not in the power of the state banks; and that they were not possessed of sufficient energy to induce them to resume specie payments; and the conclusion which he drew from this, was, that some other means must be adopted to secure the resumption of spe-

cie payments then by appealing to the state banks. These institutions are denounced by the government, and have to encounter its bitter hostility; and there was that difference between the conditions of the state banks now and twenty years ago. The government then was friendly to those institutions, and did every thing which it could to aid them; and now it is doing every thing that it can to injure them in public estimation.

He had taken for data, in relation to the New York banks, the report made to the bank commissioners on the first of November, of the year 1837, by which it appeared that their circulation was \$15,184,702, while their specie was \$3,128,518. That is, that their circulation in proportion to their specie was as five to one. But the proportion of specie to circulation was not always a correct mode of estimating the capacity of a bank to resume specie payments. There is another matter of greater importance than the proportion of specie in circulation; and that is the proportion of specie to the cash liabilities of a bank. For a bank having no circulation, or if it has five dollars in specie for one in circulation, does not show always that it is in a sound condition; because that always will depend on their cash liabilities; the amount of money which they are liable to be called on for. To illustrate this, he would suppose that a man had ten thousand dollars and deposited it in banks. Then he received a credit in the banks for ten thousand dollars, and the means are incurred to that extent; but the owner of the money is liable to draw for this at any moment, and then the bank is no better off. But in the system of banking, the bank does not keep this money in her vaults. She retains a proportion of it—say one-fifth—which bankers call a rest, and what do they with the rest? Why, they loan it out to somebody that wants to borrow money. This eight thousand of the ten thousand dollars are loaned out. Then, suppose the man draws for his money, the bank has eight thousand dollars of liabilities on her hands, and nothing to pay it with—at least nothing from the money on which they made the loan. Then when the eight thousand dollars, or a portion of its retained, and the remainder loaned out, in this way may they go on until their liabilities are far beyond the means of meeting them. Thus, it would be seen, that the proportion of circulation to the amount of specie in their vaults, was but a poor criterion to judge of the condition of the bank.

We have then to resort to another mode to arrive at the truth in relation to the real condition of the banks, and this is a very difficult matter, for it is very difficult to ascertain what the liabilities of banks are; returns to be sure are made to the legislature, but of all the humbugs which we have had, the humbug of bank returns is the greatest. Sir, no man can tell the true condition of the banks from the bank returns which are made to the legislature, and unless we can have returns made out on some other system, we might as well have no returns at all. Then the liabilities of the banks compared with the coin in their vaults, is the true mode of ascertaining what is the capability of the banks to resume specie payments. He had stated the amount of the circulation of the banks of New York, compared with their specie, is five to one, and that was too great a difference for any bank to think of commencing specie

payment upon. He thought we needed no better evidences of the hardihood of the New Yorkers, than their undertaking to tell the banks of this state that they ought to resume specie payments when they themselves had but one dollar to pay five with. But, sir, look at their whole liabilities. Their whole liabilities as near as he could ascertain them amounted to the enormous sum of \$92,589,200. Included in that was the capital of the banks and the amounts due to other banks. Their capital was \$34,351,460, and the amount due to other banks and corporations was \$13,387,982, which, added together, made \$47,737,442. Deduct this from the liabilities of the banks, which amounts to \$95,589,200, and you have the sum of \$47,849,758. Now, he took these \$13,387,982, being set down as due to banks of the state of New York, and here was one of the difficulties of estimating the cash liabilities of the banks of a state, because you could not distinguish between that which was due to banks of that state, and that which was due to banks out of the state. He, therefore, made the cash liabilities of those banks \$47,849,758. Now what is the proportion of this to their specie? Why, it is as sixteen to one. They have sir, but \$3,128,518 to pay liabilities to the amount of \$47,849,758. Sir, it is a most singular matter that the managers of banks with a circulation of five dollars to one, should be so very desirous of resuming specie payments. It seemed to him that there was something deeper in this matter than met the eye. He feared there was some under current at work; because we know the man at the head of it to be one of the most shrewd and cunning men in this country. A gentleman who had been at the head of the treasury department of the United States, and who had cunning enough when he saw the condition of finances of the country, to resign the office, and permit them to be entrusted to more hazardous hands than his own. He confessed ignorance of this matter, but he did not believe that the banks of New York could be serious in undertaking a resumption of specie payments under the circumstances of the case.

May be they were, but he could not think so. Well, let us now turn to some of the other banks and examine their condition. He would now refer to the condition of the Tennessee banks, which information he obtained from the report made to the general assembly, of that state in September 1837. The Farmers and Mechanics Bank of Memphis, on the 27th of September, 1837, had a circulation of \$189,835, with specie in her vaults to the amount of \$51,781, being more than three and a half to one. This appears to be a very favorable condition compared with the New York banks, but when we come to look at her liabilities, which amount to \$917,534, we find that she has but one dollar in specie for every eighteen dollars of liabilities—eighteen to one, this is worse than the New York banks. Let us now look at the condition of the Union Bank of Tennessee. Her circulation, including her post notes, amounts to \$3,860,746; while her specie amounts to \$230,688; thus they have one dollar in specie for seventeen in paper. Well her liabilities including her post notes, is \$994,599, deducting from that, the amount due from banks, which he took to be banks of the state, but of which there was no evidence, the amount remaining would be \$917,534. Thus it would be seen that they had but one dollar in specie to pay nineteen dollars of their liabilities.

He would next take the Planters Bank. On the second of October, 1837, her circulation was \$1,057,900, and her specie was \$242,586, being over four to one, her liabilities exclusive of her circulation, was 2,195,909. Adding to this her circulation, and you have the sum of \$3,253,809, which is to be paid with \$242,586, or in other words, she has but one dollar to pay fourteen with. Now he had heard it said that those Tennessee banks were in a lost condition, and were worse off than many other banks, but the fact was, they were in a better condition than the banks of New York.

He would now notice the condition of the Massachusetts banks. It appeared that their circulation on the 14th of October, 1837, was \$2,117,130, and their specie \$1,075,349, that is, they had a dollar in specie for every two dollars in paper which they had out, which is considered to be a very sound and wholesome condition. Their liabilities amounted to \$6,523,606. Add to this their circulation, and you have \$8,640,736, being eight dollars to one.

Now, the proportion which the coin of a bank ought to bear to its liabilities, is a matter which has never been settled by writers on the subject, and it is therefore left for every bank to use their own discretion on the subject. A bank, in high credit, might extend their liabilities to a very considerable extent. He believed Col. Larrence had said, that they might go as high as fifteen or twenty to one, but seemed at the same time to intimate that it was not prudent to go above five to one, or at most ten to one. This question, however, was still unsettled, and he would take this occasion to say, that this was a question which ought to agitate the minds of the people of Pennsylvania, as much as any other question of banking. The Massachusetts banks were on a very permanent footing, and shewed the wisdom of the persons who had conducted those institutions in that state.

But, sir, look at the Maine banks, that great Jackson state, that granite state, whose mountains and valleys had sung hosanna to the great chief, and see how she stands? Why, sir, the circulation of the banks of Maine, from the best information which he could obtain, was \$1,360,785, while her specie was \$25,294, being a difference of fifty to one. Well, sir, their liabilities were \$8,209,711. From which deduct the amount of their stock, being \$5,157,250, and the amount due other banks, \$321,566, and you have the sum of \$7,730,895. Then, here is the sum of \$7,730,895, to be paid with \$25,294, making a difference of more than two hundred to one.

Now, this estimate he took from a publication by Condry Raguet, and he should be glad to ascertain that there was some mistake in it. He thought there must be some error, but if there was not, he took it that it would not be worth while for the Maine banks to come into the convention.

He would now look at the condition of the Virginia banks. The Farmers and Mechanics Bank and branches had a circulation, amounting to \$2,196,604, and specie in her vaults to the amount of \$225,234, being ten dollars in paper to one in specie. A set of banks with ten dollars in circulation to one dollar in specie to meet it, undertaking to resume

specie payments. Now, sir, nothing but a bloated state of the currency could ever have put these banks in this situation; and, it was a curious fact in the history of the world, that the people of any country could put such confidence in banks, that they could get out ten dollars in paper for one dollar of specie in their vaults; and, however, it might speak for the credit of the gentlemen who managed these institutions, he did not think it spoke much in favor of their discretion. Their liabilities, including deposits, amounted to \$1,019,006, and add to this their circulation, and you have the amount of \$3,215,610, making fifteen dollars of liabilities to one in specie. Now, he could not think that a set of banks, with ten dollars of circulation to one of specie, and fifteen of liabilities to one of specie, could be in earnest in going to a convention for the purpose of resuming specie payments. He rather took it to be what sailors would call, clawing off from a lee shore. A measure to protect them from the suspicion of their inability or unwillingness to come into the measure, that induced them to take this step. There was a remarkable difference between the condition of the Ohio and the Virginia banks. The circulation of the Ohio banks was \$5,957,909, and their specie, \$2,833,295, being two and one-eighth to one, a situation highly favorable to the solvency of those banks, and only exceeded by the Massachusetts banks. Their deposits were \$2,630,872, circulation \$5,957,909, making, added together, \$9,588,781, being less than three and a half to one. Now, how can these banks resume specie payments? If the exchanges of the country were in good condition, what would there be to hinder these banks from resuming specie payments? Why he would tell gentlemen why it was. If they were to do so, all their specie would be drained by the eastern section of the United States, and the one half of their circulation would be thrown in upon them. Yet their condition was a highly flattering one; and with ordinary confidence on the part of the people, they might go on prosperously and safely. If all the other banks were ready to resume, the Ohio banks would be ready to resume any day, but until that was the case, prudence would dictate to them to remain as they were, because so soon as they resumed, the inevitable result would be, that they would be deprived of one-half of their circulation and every dollar of their specie; they would be prostrated with the earth, and instead of standing in the favorable condition as they now do, they would become the scorn and contempt of every one in the community.

Now, in the next place, he would take a view of the banks of Pennsylvania, and in doing so, he desired to say that he had learned from every quarter of the state that the banks of this commonwealth had vastly improved their condition since the suspension of specie payments. He had understood from publications in the newspapers, that the banks of this city had made a reduction of their liabilities of nearly three millions of dollars; and he had also understood that in the city of Pittsburg, they had made a reduction of about a million and a half, and he had understood that the country banks had made a reduction of a considerable amount. If that was the case, he had only to say, that not much reliance was to be placed on the statement he had prepared, because he had taken it from the report of the auditor general, made in November, 1836. By the reports in relation to the improvement of the condition of the banks, he had no doubt their condition had considerably improved.

In November, 1836, however, the circulation of the banks of Pennsylvania was \$23,648,770, and their specie was \$6,607,241, making the difference between the circulation and the specie, as three and a half to one; and that was a very favorable state of things, so far as regards the relative proportion between the circulation and the specie in the banks. Now, the Auditor General made the liabilities of the banks amount to

	\$183,565,169
From this must be deducted the stocks,	\$58,174,336
Due other banks,	6,793,842
Contingent fund,	4,887,908
Exchange account,	1,642,617
	72,869,915
	\$110,795,254

Thus, it would be seen, that their liabilities in proportion to their specie, were as sixteen and a half to one. This was about on the same footing with New York, Tennessee and Virginia, and not quite so good as Ohio and Massachusetts. Now, he would ask any gentleman, if he could, for a moment, believe that all these eight hundred banks which we have in the United States, with their various conditions, and all their different interests and feelings, could ever unite in an effort to resume specie payments which would be effectual; and, if they do unite and agree to resume specie payments, it will only have the effect of producing a general crash, which will prostrate the banks themselves, and operate most deleteriously upon the interests of the community. Besides, this would lead banks to a violation of the law of the legislature, restricting them in the amount of their issues. He knew that such a thing had been done by a bank in this commonwealth; but he would not name the bank, nor would he say there was such a bank in existence now, but such a bank had been in existence. He would not name it, because banks were like the sensitive plant, they shrink from the touch.

He would ask the indulgence of the committee a few minutes longer while he compared the present condition of the banks with the condition of the banks of 1816. It was a matter of very great difficulty to get a true state of the banks in 1816—in fact, it is almost impossible, because Mr. Crawford tells us that the bank returns were lost in 1832. We, therefore, have to resort to the assertions of gentlemen conversant with the subject, as set forth in speeches in congress and otherwise. He had searched the public documents, as published by Gales and Seaton, and other documents, and he would here take occasion to say, that it was the bounden duty of every man in the community, to insist upon the publication of those documents, because they have been stopped after they came up to the year 1815, instead of being carried on through the years, 1816 and 1817, the years of the great experiments being made on the currency; and, therefore, there was but little information on the subject.

Mr. Crawford in his report in 1816, estimates the amount of notes in circulation at \$99,000,000, and the specie in the country, at \$11,000,000, being as nine to one.

Mr. Gallatin, in his excellent remarks on the currency, estimates the

amount differently from Mr. Crawford, without going into any detail, as to the evidence which he has of the facts he stated. He states the circulation of the country to have been \$68,000,000, and the specie \$19,000,000.

Now, this makes about three and six tenths to one. This would be a very favorable state of things and much more so than at present existed. What the liabilities of the banks were at that time, it was impossible for him to know, but Mr. Gallatin has estimated it to be \$45,500,000, to \$17,000,000 in specie.

Now, Mr. Calhoun in his speech in February, 1816, said, "if the banks would regularly and instantaneously begin to dispose of their stock, to call in their notes for the treasury notes they have, and moderately curtail their private discounts—if they would act in concert, in this manner, they might resume specie payments."

Now, to know how these banks stood in the latter part of the year 1816, we need but to return to the report of Mr. Crawford. That report says: "considerable appreciation of that currency took place in the last months of 1816. From that time to the present, the circulation has rapidly diminished.

Mr. Dallas, in his report in 1815, says: "The banks in some states preparing for the resumption of specie payments, have to reduce their issues."

In his report of the 30th September, 1816, he uses this language: "The operation of this measure, (leaving the notes of banks to be taken at par by the collectors where he could circulate them at par, which measure he thought ought to be adopted now,) was undoubtedly severely in many of the collection districts, particularly in the states where the banks, which were preparing for the resumption of coin payments, *had so reduced their issues* of their paper as to render the circulating amount insufficient for the demand."

Mr. Jenkins makes some difference in his statement from the others. He puts the circulation of the banks at \$83,500,000, and the coin at \$15,000,00, being as five and a half to one. He goes on farther to use this language: "The news of peace nearly restored confidence in the state banks. It was expected that immediately on the return of peace, the banks would return to specie payments, and in consequence discounts fell in Baltimore to five and in New York to two. The public, however, were disappointed. The banks, either from a want of ability or disposition, still declined payment in specie, and a defalcation to a greater amount than before followed."

Mr. Webster in a debate in 1816, said: "The solvency of the banks was not questioned. There could be doubt if the banks would unite in the object, they might in three weeks, resume the payment of specie.

Now, we had no way of knowing the condition of these banks, but by the opinions of those men, and their opinions were that the banks were solvent, good for all their liabilities, and able to resume specie pay-

ments in three weeks if they could only unite. Beside this, they had all the aid which the government could afford them, yet they were unable to take a step towards specie payment; and, for the very same reason which operates on this country now, and will continue to operate until we take the same course which was taken then. If we look to the history of the country, we will see that we are situated now very much as we were in 1816. By referring to the documents of that day, we will see, that in the year 1815, our importations were enormous. The return of the customs of that year, shews that the amount of duties collected were about thirty-six millions and that too was before the increased tariff of 1816, went into operation.

Mr. Crawford in his report, speaks of the immense importations and attributes it to the over-issues of the banks. It is true in 1816, the banks began to curtail, but still this did not put them in a condition to resume specie payments. The history of the country shows that we were then very much in the condition we are now. All our banks are not in any better condition now than they were then, yet the history of the country tells us that all the efforts of the government, could not induce the banks to resume specie payments.

But, in 1816, the Bank of the United States, was chartered, and a great national institutions established, and in January it went into operation, and the first action of that bank was to loan the government a large sum for the purpose of sending a commissioner to Europe to import seven millions of bullion; after that there was a convention of the banks, and the United States Bank, told the state banks, that, "we are the agent of the governments, and we will sustain your credit and reputation, as much as lies in our power, if you will resume specie payments." Well, sir, the consequence was, that with the aid of that powerful institution, which had the whole collection and disbursement of the revenues in its hands, which was pledged to their support, specie payments were resumed in May; and he would undertake here to assert that with the same means used, we could now resume specie payments in a shorter time; but, without these means, he firmly believed, that the state banks never can be brought to a resumption of specie payments.

He would beg leave to detain the committee a few minutes longer, as this was an important subject; one which deeply agitated the public mind, and it was a subject on which every man who had any thing to say, ought to say it. He would read an extract from the report of Mr. Dallas. That gentleman when making his greatest efforts to restore specie payments, said: "There was no magic in a mere treasury instruction in the collection of the revenue, which could by its own virtue, charm gold and silver again into circulation. The people individually, did not possess a metallic medium, and could not be expected to procure it throughout the country, as well as in the cities, by any exertion, unaided by the banks, and the banks, too timid or too interested, declined every overture to a co-operation for restricting the lawful currency.

The obvious difference between the situation of the eastern section, and of the other sections of the Union, naturally produced a difference of interests and of disposition upon the question of resuming payments of

coin. The eastern section urged the measure at all hazards; the other sections, and particularly the middle section, objected to it, each bank professing, nevertheless, a willingness to adopt it upon a simultaneous and general movement of the banks directed to that object.

As soon as it appeared upon a reasonable calculation that the subscription to the capital of the Bank of the United States, would be filled, a proposition was offered to the consideration of the state banks for commencing payments of small sums in coin, on 1st October next, upon the principles which with the approbation of all the members of the administration were stated to the President on the 24th July, 1816. But the effort has failed. [See rest of his observations and commentations at the refusal of the banks to resume even partial payments.] The banks proposed the distant day of July, 1817—when congress had required payments in coin—treasury notes and notes of specie paying banks on and after the 20th of February, 1817.

Mr. Pitkins uses this language: "His (the secretary's) first effort was to associate them with a view of furnishing the uniform national currency. It is almost needless to say that this effort did not succeed. His next attempt was "by their agency in circulating treasury notes to overcome the inequalities of exchange; and this he says, was but partially successful."

Thus we have witness that the country was in the same state of things then, that it is now, with this material difference, that then the government was anxious for the resumption of specie payments; that then the government was friendly to those institutions, and that now it is hostile to them and can we expect in this state of things, that the state banks can be successfully called upon for a resumption of specie payments? Gentlemen may flatter themselves as they please on this subject, and they may think that their small tinkering will effect a great national object, but we tell them, it is all in vain. They may lead a horse to water, but they cannot make him drink; they may call spirits from the vasty deep, but will they come? No, sir, gentlemen are not possessed of the power of old Glendower. They may call, and call, but no one will come, and he believed, this object could be effected by no other means, than by the establishment of a national bank. Nothing could effect it, but a great national institution, which could regulate and control the state institutions, and the exchanges of the country. It is not long since that you could get money exchanged for the most trifling sum. You could get paper discounted on Chillicothe, or Louisville, more readily than you can get good notes in this city discounted to-day. We had a currency such as the world never saw, until it was destroyed by the tinkering of a set of men who knew nothing about the currency. Why, sir, if we wanted information in relation to the currency, would we go to the woods of Susquehanna, or Indiana county? Were we to look to such sources as these for information, on the subject of finance? No, sir, we must look to those great masters of finance, who have made it their study for years.

He would refer gentlemen to the opinion of Mr. Gallatin, a gentleman distinguished among the financiers of this country, and who, perhaps, was

better informed on the subject, than any other man, except General Hamilton. He was proud, however, to say that we had a man at this day, whose name he need not mention, that was equally well known as a financier, of the highest order.

Well, sir, Mr. Gallatin tells us that the suspension of specie payments, at the period before alluded to, was caused by the want of a national bank, and he tells us, also, that the renewal of the bank charter, in 1816, was the means of a resumption of specie payments, and the only efficient mode by which it could be done.

The history of the country confirmed the opinions he had entertained, and shewed that they were founded on data, which justified these expressions. If gentlemen wished for the opinion of one more financier he would take one who stands unrivalled, except, perhaps, by that one who had charged him with making mistakes, The President of the United States Bank, when called before congress in 1830—31, gave it under oath, as his opinion, that the downfall of the old Bank of the United States, was the cause of the refusal of the state banks to pay specie, and that the establishment of the bank of 1816, caused the resumption of specie payments, and that the destruction of the United States Bank would cause the same results again. That opinion was of more value, than all the predictions and speculative declarations we could hear from other quarters.

It was said, by the author of Tom Jones, that they who knew much of a matter, should freely communicate their knowledge; and (said Mr. D.,) I take the censure of the proposition, and say, they who knew nothing of a matter, should say nothing.

But, the gentleman from Indiana, (Mr. Clarke) not content with pronouncing opinions, must also touch upon facts. He has determined that the charter of the United States Bank has been obtained by fraud: Yes, sir, by fraud! That he would undertake to pronounce, that it was procured by fraud. This was the charge which was clamored in the columns of the Globe and Keystone.

Mr. Hill, of Westmoreland, a member of the house of representatives, and always hostile to the bank, instituted an inquiry into the manner in which the charter was obtained. He, himself, was placed at the head of the committee to whom this inquiry was confided. With all his assiduity and perseverance, with the power confided to him, to send for persons and papers; after examining witnesses, documents, and men on oath, who were supposed to be concerned in the imputed fraud, not a particular of proof was found to sustain the charge. The only result of the affair was, that Hill was left at home. [Here some one said he was re-elected.] Well then, he ought to have been left at home, and no doubt, will be next time. After thus ransacking the whole state, in search of evidence of any sort, the committee could not produce the slightest proof; yet, the gentleman from Susquehanna had the assurance to stand up, and say, the charter of the bank was obtained by fraud. Who obtained the the vote of the gentleman from Beaver, whose character stands above imputation? Was the gentleman from Adams, who was a member,

bribed to vote for the charter? He would like to know who it was that deserted his duty. The gentleman from Indiana, had called banking institutions devices of Satan. I (said Mr. D.) think he knows better what the devices of Satan are, than I do, and I leave that point with him, with this assurance, that Satan serves his friends no better than he does his enemies, generally leaving them all in the lurch.

Mr. WOODWARD, of Luzerne, moved that the committee rise, and report progress, and the question was decided in the affirmative—ayes 55—nays 33.

The committee, therefore, rose and reported progress, and obtained leave to sit again; and,

The convention adjourned.

MONDAY AFTERNOON, DECEMBER 4, 1837.

SEVENTH ARTICLE.

The committee again resolved itself into a committee of the whole, Mr. REIGART in the chair, on the report of the committee to whom was referred the seventh article of the constitution.

The question pending being on the motion of Mr. STEVENS to strike out the amendment of Mr. READ, and insert in lieu thereof, the following words, viz:

“The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people.”

Mr. WOODWARD said, if gentlemen did not confine themselves more closely to the question, than his friend from Franklin, who had just finished his speech, had done, it would be impossible to assign any limits to our deliberations, or to predict when they would terminate. The question is truly a wide one, as presented by the amendment of the gentleman from Adams, (Mr. Stevens) which proposes to dispense with all constitutional restrictions on banks; but wide as it is, the gentleman from Franklin (Mr. Dunlop) has quite overshot it. The wing of his imagination is too lively—he has soared beyond the subject, and discussed any thing and almost every thing, except the subject. Excessive importations, the New York fire, the gold bill, the specie circular, General Jackson and the sub-treasury project, have been the topics on which the gentleman has diltated. To prove what? That the Pennsylvania banks ought not to be restricted in their issues of paper? No, but to prove the

necessity of a national bank. With a national bank (said Mr. W.) we have nothing to do. We have no power over the subject, and he should not therefore, follow the gentleman through his mazes in an argument against a national bank. Without troubling the committee with any calculations on statistics he, should proceed briefly to submit some general observations on the question, and the only question now before us. That question, in the form it has now assumed, is simply—*shall there be any constitutional restrictions placed on the banks of Pennsylvania?* Gentlemen have argued the question as if it were a question of extermination and not restriction.

They have told us how largely the banks have contributed to the prosperity of our state. They have pointed us to our canals and rail roads, and turnpikes, to our agriculture and manufactures, and to all the monuments of wealth and prosperity which the industry of our people have scattered over this commonwealth, and they tell us that for all these we are indebted to the banks. Then comes the appeal not to destroy institutions which have done the state so much service. Mr. Chairman, it is not necessary to inquire into the justice of the claim that is thus set up for the banks, by gentlemen professing to be their advocates. Sufficient is it to say, that no proposition has been brought forward for destroying the banks, and I presume none will be. Gentlemen need not argue against that. It is not proposed. Reform—restriction are all that are proposed. Reform and restriction, that shall leave the banks in full possession of their capacity to do good, but which shall correct some abuses, and remedy some evils.

On this subject, sir, I wish to be perfectly understood. If we had never had banks, and were now deliberating whether to establish them or not, most assuredly, sir, my vote would be recorded against them. With the opinions which I have gained from experience, I never could assist in laying the foundation of such a system of banking as has grown up in this country. I believe the country would have been at this moment in a better condition physically, politically, intellectually and social, with an entirely different system of banks, or with none at all, than it is now.

But they have been established. They have incorporated themselves into all the elements of our prosperity, and connected themselves inseparably with all the solid interests of the country, and with the habits of the people. They have a place even in the affections of the mercantile portion of the community, and they must be tolerated—they cannot be up-rooted, but they may be restricted.

The restriction now proposed by the amendment of the gentleman from Susquehanna, (Mr. Read) has a two-fold object.

First—to enlarge the metallic basis of the paper issues, so as to render them more secure; and secondly—to provide a sound, safe, specie currency for the mass of the people, and the ordinary business of life. The first of these objects would be so certainly and obviously promoted, to the extent proposed in the amendment, that I need not attempt to add anything to the argument which others have already submitted to the committee. And I regard the other as the main object of the amendment. ▲

large proportion of the people rarely deal in sums of more than ten and twenty dollars. The laborer who receives his well earned wages on Saturday night, may, if he has been frugal and temperate, pay off the bills of the week, and have a few dollars to lay away for future purposes. Ought not a good and paternal government to provide a circulating medium, which that man can receive in safety, so that when he retires to his rest, and rises to the peaceful enjoyments of his Sabbath, he shall suffer no apprehensions that Monday morning will find his money depreciated and valueless? Should he be stimulated to a hasty, and perhaps injudicious expenditure of his earnings, by a fear that a corporation of which he knows nothing may fail, and leave its worthless promises to pay on his hands?

Sir, the founders of this republic never intended to reward the hard hand of daily labor with paper money. They empowered congress to "coin money and regulate the value thereof;" and they secured to every citizen a right to demand his dues in this COINED money, when they prohibited the states from making any thing but gold and silver a tender. This was meant to be the great medium of circulation among the mass of the people. Hard money, gold and silver coin, was provided for the body of the citizens—for the many—the farmer, the mechanic, and the working man, in every business. It was for the mass of the people; government was instituted, and great leading principles agreed on in the form of a constitution; and it is our daily boast that popular rights are defined and secured in the fundamental law of the country—but the banks have defeated the wise and beneficent designs of the federal constitution, in regard to the people's money. They have locked up in their vaults all they could lay hold of, and by spreading panic through the land, have clenched the grasp of every individual who had specie in his possession. Thus have the people been robbed by state corporations of the use of that currency which was provided for them by the general government. And what has been given to us in the place of that currency? Excessive issues of the paper of these corporations, which now they cannot, or will not redeem. Another, and a still more humiliating consequence of thus giving to banks the power over our constitutional money, is seen in the miserable rags which are now forced on the laborer, and which are dignified by the epithet of shin-plasters.

The gentleman from Franklin has adopted a stale slander, which I have seen blazoned in the whig papers, and which, has, perhaps, served its purpose in Maine and New York. I allude to the assertion that the democratic party are endeavouring to provide hard money for the government office holders, and rags for the people. Is that the object of the amendment of my friend from Susquehanna? When we propose to restrict bank issues, so that the business of the community, under twenty-dollars in amount, may be transacted in a metallic currency, and not in rags, are we providing gold and silver for the office holders, and rags for the people? It is a senseless slander. The gentleman sneers at the people in the woods of Susquehanna and Indiana, but let me tell him, that the woods of his own Franklin contain many a man who will understand that it is he and his party that would deprive them of the hard money to which they have a constitutional right. He may learn from one of those impressive

lessons of the ballot-box, that in opposing these wholesome restrictions on bank issues, he is committing the exact sin he charges on others, and is failing entirely to represent the people in those woods, he so much despises.

Mr. Chairman—I have always deprecated the introduction of party topics into the discussions of this body, and hitherto have always avoided them, but gentlemen seem determined to force them on our notice. At the threshold of this debate, the President (Mr. Sergeant) lifted up what he called the whig banner, and he prayed God, that the whole people of Pennsylvania might be brought under it, as they had been in other states. The gentleman from Franklin, who marches under this whig banner, says the democratic party have staked their existence on this question—that they are in their expiring struggle. Well, sir, if they will have it that wholesome restrictions on banks is a democratic measure, against which the whig party will array themselves, be it so. I have no objections; but if this is to be the issue, gentlemen need not flatter themselves that democracy is expiring. I do not regard it as a party question, but as a popular question—one in which the whole people, of whatever party, have an immediate and an immense interest. And, sir, we should do better justice to a suffering community, if we would leave all our party flags outside of the door, and consider faithfully and honestly, what can be done to correct the abuses and evils of the banks. May I not presume there is a majority of this committee thus disposed to do their duty—a majority of plain, practical, honest men, who will not look at the party aspects of the question; but who, yielding to the strong demands of public necessity, will devise and apply some restraint on our banking institutions.

What is the source of existing evils? Whence spring the admitted distresses of the country? Over issues of bank paper. Too many banks, and too much paper money. These, I believe in my very heart, to be the main causes of pecuniary mischiefs in this country. It has been abundantly demonstrated by my friend from Indiana, (Mr. Clarke) and others who have preceded me in this debate, that the over issues of the banks occasioned the suspension of specie payments, and all the evils attendant and consequent on that measure. The gentleman from Franklin, (Mr. Dunlop) set out by denying this, but his candor got the better of his memory before he finished, and he admitted it. The banks themselves admit it; for, according to the gentleman, they have been retracing their steps ever since the suspension. But, it is said; they were forced into ruinous expansions by the general government, and the gentleman from Franklin has searched four hours through all the measures of the last, and the present national administration, to find a suitable apology for the extravagance of the banks. Has he found it? Do the members of this committee see the influence which the gold bill, the specie circular, and the sub-treasury scheme, have had on the issues of our state banks? Is the connexion between these legal causes, and the effects apparent to the vision of this committee.

Whatever it may be to others, this whig mode of apologizing for the vices of the banks, is to me perfectly unintelligible, and more so, since the exposition with which the gentleman from Franklin has favored us,

than it ever was before. A remark fell from that gentleman, which accounts for the conduct of the banks much more satisfactorily than any of his political theories—"the cupidity of man knows no end." Here, sir, in this little maxim, is the whole matter. The cupidity of man, to which the legislature has been too willing a minister, has enshrined itself in bank charters, and, animating and directing the institutions, has made us painfully familiar with the evils of a redundant paper currency. And, as the cupidity of man knows no end, so have the banks observed no limits in their hot pursuit of wealth. Is there no danger in leaving them unrestricted? It has been shown, beyond successful contradiction, that they control the currency of the country—that they have the power of making money plenty or scarce at their pleasure, and of increasing or diminishing the value of labor and property, according to the dictates of the cupidity which controls them. Shall they run unchained till the property of the country is amassed in the hands of a gang of incorporated speculators? Will you leave them to excite the community to overaction in every pursuit of life, and then by a bank contraction, to torture their victim to death? Was it for this, that law was instituted among men? It is for this, the powers of legislation have been too sadly abused in Pennsylvania. Is there no remedy? Yes, sir, there is a remedy within our reach if we will only apply it. It consists in certain specific restrictions, of which the amendment under consideration is one, and which if adopted, as constitutional provision, will be a rule to the legislature in reference, as well to existing charters, as to those hereafter to be granted. I do not suppose the amendment of the gentleman from Susquehanna will be all that is necessary. Far from it. I wish it was; but it will be a link in the chain, by which I would bind the banks. I voted for another amendment also, which would have made stockholders responsible for the debts of the corporations, but it was rejected. I mean to go for limiting their profits to some reasonable per centage on their capital, and when the time comes for moving the amendment, indicated by your resolution lately laid on the table, (to require the concurrence of two successive legislatures to grant any charter.) I pledge myself to go with you in support of it, with whatever ability I have. For any and every proper and judicious measure, which will restrict the legislature in granting bank charters, and save the people from the tyranny of irresponsible corporations, I shall go, not regarding the *flag* under which such a measure may come forward.

Mr. Chairman, let me invite the attention of the committee to some passages in the late able and patriotic speech of Mr. Calhoun, in the senate of the United States, on the divorce bill. They will assist to illustrate the general subject.

"Can it be doubted what must be the effects of a system whose operations have been shown to be so unequal on free institutions whose foundation rests on an equality of rights? Can that favor equality which gives to one portion of the citizens and the country such decided advantages over the other, as I have shown it does in my opening remarks? Can that be favorable to liberty which concentrates the money power, and places it under the control of a few powerful and wealthy individuals? It is the remark of a profound statesman, that the revenue is the state;

and, of course, those who control the revenue control the state, and those who can control the money power can the revenue, and through it the state, with its property and industry of the country, in all its ramifications. Let us pause for a moment, and reflect on the nature and extent of this tremendous power.

“The currency of a country is, to the community, what the blood is to the human system. It constitutes a small part, but it circulates through every portion, and is indispensable to all the functions of life. The currency bears even a smaller proportion to the aggregate capital of the community, than what the blood does to the solids in the human system. What that portion is, has not been, and perhaps can not be, accurately ascertained, as it is probably subject to considerable variations. It is probably between twenty-five and thirty to one. I will assume it to be thirty to one. With this assumption, let us suppose a community whose aggregate capital is \$31,000,000; its currency would be, by supposition, one million, and the residue of its capital thirty millions. This being assumed, if the currency be increased or decreased, the other portion of the capital remains the same, according to the well known laws of the currency; property would rise or fall with the increase or decrease; that is, if the currency be increased to two millions, the aggregate value of property would rise to sixty millions; and, if the currency be reduced to \$500,000, it would be reduced to fifteen millions. With this law so well established, place the money power in the hands of a single individual, or a combination of individuals, and by expanding or contracting the currency, they may raise or sink prices at pleasure; and by purchasing when at the greatest depression; and by selling at the greatest elevation, may command the whole property and industry of the community, and control its fiscal operations. The banking system concentrates and places this power in the hands of those who control it, and its force increases just in proportion as it dispenses with a metallic basis. Never was an engine invented better calculated to place the destiny of the many in the hands of the few, or less favorable to that equality and independence, which lies at the bottom of all free institutions.

“I object to the banking system, because it allots the honors and rewards of the community, in a very undue proportion, to a pursuit the least of all others favorable to the development of the higher mental qualities, intellectual or moral, to the decay of the learned professions, and the more noble pursuits of science, literature, philosophy, and statesmanship, and the great, and more useful pursuits of business and industry. With the vast increase of its profits and influence, it is gradually concentrating in itself most of the prizes of life—wealth, honor and influence, to the great disparagement and degradation of all the liberal and useful and generous pursuits of society. The rising generation cannot but feel its deadening influence. The youths who crowd our colleges, and behold the road to honor and distinction terminating in a banking house, will feel the spirit of emulation decay within him, and will no longer be pressed forward by generous ardor to mount up the rugged steep of science, as the road to honor and distinction, when, perhaps, the highest point he could attain in what was once th

most honorable and influential of all the learned professions, would be the place of attorney to a bank."

Here, sir, are the views of a whig. But he is a whig statesman. He looks at the subject as one of national concern, not of party policy. His views comprehend the interests of the whole people, not those of the whig party. Let the President of this convention and the gentleman from Franklin, contrast themselves with Mr. Calhoun on this subject, and let them derive gratification from the contrast if they can.

I admit that Mr. Calhoun's argument is directed against the existence of banks, and almost sufficient to put them out of existence, but with what redoubled force does it tell on the question of restriction! And let it be borne in mind that restriction and not annihilation, is the thing now proposed here.

Mr. Chairman, the banks have suspended specie payments, and because the gentleman from Susquehanna ventured to assert that it was the result of a conspiracy among them, the President of the convention attacked him violently, I think rudely. We were told by him that the remarks of the gentleman from Susquehanna, proved this convention to be unfit to deal with this subject, and it was very plainly intimated to us that **HERE** in this bank bound city, we must measure our phrase and weigh our words, so as to suit them perfectly to "ears polite." The gentleman from Franklin is for acting on the suggestion of the President, and making the audacious offender, who comes from what he calls the "woods of Susquehanna," feel the power of this convention. They mean to expel him I suppose. Well, I wish they would, and if the gentleman from Susquehanna has offended against propriety, just let his accusers show me when, and in what particular, and if they make it manifest to me, I will go with them for expelling my friend from the "woods of Susquehanna county." Yes, sir, expel him—send him home to tell the people of Susquehanna that they must send a more polite and soft spoken delegate to discuss the condition of the banks—that he is too plain, and offends the refined ears of the bankers. Do this, sir, and if the people in the "woods of Susquehanna county" do not send their faithful delegate back here, in a voice that will ring in gentlemen's ears till doomsday, I know nothing of them. Gentlemen should not be so disturbed by the assertion that the banks conspired to suspend specie payments. I do not undertake either to affirm or deny the conspiracy; but I do undertake to say that the people of northern Pennsylvania at least have the opinion, that the suspension was by pre-concert, arrangement and understanding among the banks. Call it conspiracy or what you will, this is the popular conviction, and I have yet to learn that it is founded in error.

The people in that part of the state I represent, cannot understand the simultaneous suspension by banks in remote parts of the country, at a time when there was no special reason for it in the condition of things, when no war and no domestic calamity had occurred to waste our energies; when the earth was yielding abundantly to the hand of industry, and when all the energies of our people and the elements of national prosperity were in full development. The people cannot understand the simultaneous suspension, by banks so distant, that the stoppage of

one would immediately affect the other, at such a time on any other hypothesis than that of pre-arrangement—I wont say conspiracy.

Now let us consider this "suspension of specie payments," as it is called by the polite banks.

They are incorporated by the state. The general government has coined money and given it to the people, and the federal constitution has provided that no state shall make any thing but gold and silver coin a legal tender in payment of debts. Thus has the general government done its duty to the people, but these state banks withdraw from circulation and heap up in their vaults nearly all of this constitutional money there is in the country and then they stop payment—that is, they refuse to pay the holder of their notes gold and silver, as he is entitled to demand, though they have a large amount of gold and silver on hand.

If they could not pay, if their follies and crimes had stripped them of all means, as dissolute spendthrifts are sometimes stripped, we might feel patience if not compassion for them—we should be disposed to bear and forbear, especially if we observed any effort on their part to discharge their obligations as soon as possible; but, sir, you see them shutting their doors against their honest creditors, falsely pretending that they cannot pay; hoarding up, or perhaps exporting for profit, the specie that belongs to the people, and all the while making profit out of the people, and dividing that profit among the stockholders. This, sir, is suspending specie payments. A transaction founded in injustice to the public. Gentlemen need not interpose the high reputations of the men who have contrived and sanctioned this suspension. I form my own judgment on the facts before me, and I shall express that judgment fearlessly here and elsewhere, on all proper occasions. I do not hesitate to declare that the principles of sound morality have been violated by every bank, which, having specie in its vaults, has refused to pay it to the holders of its paper. If a bank found it could not get on, that it must fall a victim to its own extravagance, I would not have wished it to pay out all its specie to some speculator perhaps, who had taken pains to gather up a large amount of its notes, but I would have it do just like an honest man in similar circumstances—call in its creditors and divide its means among them in proportion to their respective claims. Then, sir, a bank would be entitled to some merit and some forbearance; there would be at least an honesty in returning to the channels of circulation the specie of the people, and avoiding this wretched small note currency that now curses the country. Had the banks suspended on these principles and in this manner, the people had not known this spurious currency. It is said that specie would have gone out of the country. Doubtless some of it would, and some of it ought to have gone, for we had an undue proportion of the precious metals; but all of it would not have gone, for our foreign debt was not equal to the aggregate amount of specie in the country, and after supplying the foreign demand, specie enough would have been left in circulation for the ordinary purposes of the people. The gentleman from Franklin has endeavored in every manner to justify this suspension, but I think he has failed to show that it was honestly conducted, if any suspension at all was necessary.

He employed one argument to which I wish to devote a little attention.

He said the suspension was legal, according to the act of assembly—and the argument was this:—the act of 1824, relating to banks, contemplates a suspension of specie payments, and as a penalty for exercising the ordinary corporate functions of the bank afterwards, makes the directors responsible for discounts, and forbids dividends. Hence he infers that it was lawful for the banks to refuse to pay their notes, while they had means abundantly for paying many of them.

The act is lawful because the law provides a penalty for it! Just like counterfeiting, which the law also contemplates as a possibility, and provides a penalty against the offender.

And the gentleman might as well set it up in defence of a culprit charged with this offence, that it was according to law, because the law prescribed a penalty, as to argue that the suspension was legal because the act of assembly imposed responsibilities in the nature of penalties on the directors who should exercise the ordinary functions of their corporation, after they had sanctioned a suspension of specie payments. Is it any more legal for several individuals, with a charter of incorporation, to refuse to pay their debts, than it is for any one of those individuals to refuse to pay his own private debt? Is not the moral obligation just as strong on the one as the other? Can any thing illustrate the necessity for restricting these institutions more strikingly than their arrogant pretensions on this subject of suspension

In my view, sir, the suspension is a great evil, and its recurrence ought to be sincerely deprecated, and effectually guarded against by salutary restrictions on the future issues of bank paper.

I have said that there are too many banks, and that the legislature were too liberal with charters of incorporations of all kinds.

The facility with which charters are obtained is alarming. Companies for mining coal are multiplying every year in the quarter of the state which I have the honor in part to represent; and it is to be feared that they may, ere long, if the legislature are not restrained, obtain the control of that necessary fuel. The coal regions of the state, once locked up by corporate bodies, we shall feel the baleful influences of monopoly on our very hearths.

The legislature cannot resist this raging spirit of corporate monopoly. The friends of one local corporation league with the friends of another, in a different part of the state, and thus carry through many, which, standing alone, and resting on their respective merits, would never have passed into laws. And the legislature cannot, for similar reasons, effect the needed reforms in our banking system, though every man composing that body would, no doubt, admit the necessity for reform. I do not mean the legislature want the constitutional power, but I mean that, occupied as our legislature annually is, with local matters pressing on them, the power of the purse, more potent than the power of the sword, is able to multiply corporations at pleasure, and shield those in existence, from the limitations and restrictions which experience has proved to be necessary. Why, sir, the re-charter of the Bank of the United States was carried through and had become a law, before the people of some whole counties, learned that such a measure was in contemplation.

Mr. Chairman, if that bank were a blessing, and not a scourge to the people, it ought to come down, from devotion to the great principle of representation, which was grossly violated in its charter. The people had not asked for it—had not elected representatives with a view to it—did not anticipate the charter, and I firmly believe did not desire it. It was passed against the will of the people, and every breath it breathes, is in violation of that will. For what but the right to be represented was the revolution fought? What else made the revolution? The spirit, the object, end and aim of that glorious war, which gave us our independence, are all repudiated and disregarded, by that kind of legislation which has become so fashionable in Pennsylvania, and which assumed the most alarming and monstrous form in the re-charter of the bank, which I have just mentioned.

I will hope, therefore, that we can agree on some constitutional amendment, which will protect the legislature from the money power, and protect the people from a system of legislation, that tends to the overthrow of our free institutions and the sacrifice of our liberties.

Is not the majority of this committee disposed to adopt some such constitutional amendment? It has been objected to the one now proposed, that it would introduce the small notes of other states, among our people. But we have already forbid the circulation of notes under five dollars, and might very easily extend our statutory prohibition to notes of ten dollars. Besides, if Pennsylvania would take the right ground on this subject, other states would follow her example. The interest of the American people in this question, is the same—it is one. They are divided by state lines, and mountains and rivers. They are divided on political questions, but they cannot long be divided on this great question. I do not believe they are now.

It is the interest of the whole people of the United States to have a sound currency and banking system, under clear and well defined limitations. And, sir, I believe that the time for these limitations has come—that the public judgment dictate it—that the public interest demand it. Gentlemen should take counsel from the signs of the times. If they wish to preserve a credit system by means of banks, let them agree to such restrictions as shall allay the popular fears. But if they will not do this—if they will throw the reins loose on the necks of these corporations, let me tell them the time is coming, and is not far off, when the question between corporate power and popular sovereignty, will have to be settled by a struggle that must crush one or the other.

The immediate question is on the amendment of the gentleman from Adams. I have said it stands in the place, not only of the amendment of the gentleman from Susquehanna, but of every and any amendment which may be brought forward on this subject. It is a proposition to shuffle off of us, and place on the legislature, responsibilities which belong to us. It proposes nothing—it gives the legislature no rule, no powers, no restrictions they have not now. It imposes no limitations; it suggests none for legislative imposition. It has the form of an amendment, and if adopted, must be submitted as such to the people, but it has nothing of the virtue and efficacy of an amendment—it is like some of the quack

medicines, the insipidity of which, may cause the patient to vomit, but can never reach the seat of his disease—it is a poor apology for an amendment—a cowardly way of slurring over a subject which gentlemen dare neither to avoid nor encounter.

Let us not mock our masters, sir, with any such amendment. They have asked bread, let us have the firmness to give them at least a stone, and not its shadow. If we adopt this amendment to the amendment, there is an end of constitutional reform on this subject. I hope gentlemen will refuse all amendment to the people, or give them something more than this *ignis fatuus*. Let gentlemen say that none is wanted, if they have the courage to do it, but I hope there will be no skulking behind such a miserable affair as this amendment to the amendment. The public disease requires prompt and efficient remedies, skilful and energetic treatment. We want none of this Adams county quackery.

On motion of Mr. DENNY, the committee rose, reported progress, and obtained leave to sit again,

And the Convention adjourned.

TUESDAY MORNING, DECEMBER 5, 1837.

Mr. BROWN, of Philadelphia county, presented a memorial from citizens of the city and county of Philadelphia, praying for the abolition of religious tests, which was laid on the table.

The PRESIDENT laid before the convention, a communication from the law association of Philadelphia, inclosing the following resolution :

“Resolved, That the use of the library of the law association of Philadelphia, is respectfully tendered to the members of the convention, of Pennsylvania, now sitting in Philadelphia.”

The communication was read and laid on the table.

Mr. COPE, of Philadelphia, presented a petition from citizens of Philadelphia county, praying that the right of trial by jury, may be extended to every human being, which was laid on the table.

SEVENTH ARTICLE.

The convention again resolved itself into committee of the whole, Mr. REIGART in the chair, on the report of the committee to whom was referred the seventh article of the constitution.

The question being on the motion of Mr. STEVENS, to amend the amendment of Mr. READ, by striking out all the words after “section 3,” and inserting, in lieu thereof, the following :

“The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people.”

Mr. DENNY, of Allegheny, rose and said that, in attempting to submit his views on the subject, he did not suppose that he could affect the opinions of any individual; but such had been the range which the debate had taken, that he was tempted to offer his own views to the committee.

We are not to be held responsible (said Mr. D.) for getting up this discussion, in the first instance, or for the extensive range into which it has been carried, as seemed to be thought by the gentleman who spoke yesterday. That gentleman seemed to throw censure on the gentleman from Franklin, (Mr. Dunlop) as the cause. Had that gentleman forgotten that it was not *we*, but that it was the gentleman from Susquehanna, who first set this ball in motion, and that that gentleman took a range in his discussion, beyond any one who had succeeded him? We have only followed in his track, and are not responsible, either for the range of the debate, or the topics which have been introduced into it. The gentlemen on the other side must be responsible for the introduction of the political subjects, as well as for the time which has been consumed in the discussion.

It may be well to advert to the time when this subject was first brought up before the committee. Although we have since moved from Harrisburg to Philadelphia, it is not to be forgotten that this course was decided on, in a caucus held at the former place. The gentleman from Susquehanna submitted this proposition in caucus, and it was decided upon that it should receive the support of all who had adopted the same political creed as the gentleman. The proposition of the gentleman was brought here for political effect, and not for the purpose of producing any wholesome changes. Upon him and his friends, then, be the responsibility for the political character of the discussion. They must be responsible for it, and I am not afraid to meet them in the position they have chosen. If they have gained no laurels in this contest, they have the mortification of knowing that they have brought this discredit on themselves.

The gentleman from Luzerne, (Mr. Woodward) seems to think that the gentleman from Adams, (Mr. Stevens) by the tone of his amendment, is disposed to shrink from the real question. No such thing. On all the topics which have been thrown out, we are willing to meet the gentleman and his friends, and we believe we can meet them triumphantly. It is important, in my view, that we take up the subject. It is a matter which is, at this time, undergoing discussion in all parts of the Union. The attention of the people has been drawn to it; and while I admit its importance there, I am also disposed to admit it in this convention, but not in reference to the amendment of the constitution. I may be mistaken, but I think I gather, from the signs of the times, that this provision, to which our attention has been called, owes its origin not so exclusively to this convention; but has been moved in consequence of a suggestion, made elsewhere, that in this state began the war on these corporate institutions. The war was commenced at the central seat of power, in Washington, by a gentleman who filled the highest office in the country, and who descended from his high station, to enter into a controversy with the Bank of the United States. How was this? Could he not leave this task, so

unbefitting his position, to some of the meaner politicians, who were ever ready to bend to his nod, but that he must descend to interfere with Pennsylvania institutions, and to occupy himself in crippling our credit and resources?

It was not so much to affect the institutions themselves, that this course was taken, as to destroy the credit of the state. Nor was the object confined to the limits of this state, but the intention was to produce distrust in Europe, and to inflict that wound, which could not be healed before months had elapsed. Nor has the contest ended here; but the war has been carried on in this convention, by Pennsylvanians, against the institutions, and the credit, of their own state. Let the gentlemen who have lent themselves to this purpose, succeed in their object, and, in a short time, ruin, and distress, will pervade the whole land.

The gentleman from Susquehanna may be excused, for he alludes to facts and circumstances, which may have justified him in his effort to make certain changes here. And the gentleman will excuse me for saying, that facts and circumstances may exist, to account for his taking a part in the war, and in giving his assistance to the central power.

The gentleman from Susquehanna, (Mr. Read) if I am not mistaken, has been an applicant for office, at Washington. [Here Mr. Read expressed his dissent by shaking his head.] The gentleman shakes his head, and therefore he has not even this excuse for the position he has taken.

The gentleman from Susquehanna seemed surprised, when the debate was renewed here, that members were not satisfied by his speech delivered at Harrisburg. The gentleman has referred to that speech, as containing what ought to satisfy members. I am afraid that a store of mortification awaits the gentleman, when he shall discover that the people will not be satisfied. Not only will not the members of the convention be convinced, by the reasoning and conclusions of the gentleman, but the people will not be satisfied, or convinced. The language of that speech has been scattered far and wide, and the Globe has given its aid to extend it. Its splendid epithets, and denunciatory phrases, have long since been scattered abroad. Bold assertions have also been hazarded through these polluted presses, every where, and the result has not been such as to satisfy the gentleman, and those who are so assiduous in their efforts to overthrow the institutions of our country.

We have been told by the gentleman from Susquehanna, that the charge, that the cause of all the existing evils of the country exists in the general government, is a thread-bare story, and that the boys will not believe it in the street. It is true, the boys in the street may not believe it, but the gentleman will not deny, that the people here believe it. That language was heard first not far from the place where we now stand. It was heard in the third district, and he was proud to say that it originated in Pennsylvania, which denounced the course of the administration. From this state, the sound rolled over the land, sweeping the hills and vallies of New York, and extending itself into the state of Maine. The boys in the street may not believe it, but the yeomanry of the country believe it. They have weighed the political doctors in the balance, and they are found wanting. The gentleman from Susquehanna may console

himself with the belief that the boys in the street do not believe the charge, but the people will teach them that they believe it, and, that it is true.

All the epithets of the gentleman, and his party, are lavished and scattered abroad in vain. They have been detected by the people, and these efforts are the struggles of expiring agony. They cannot resist the current of public sentiment which has set in against them, throughout the country. They have been discarded from the confidence of the people, and their cause has been condemned, as ruinous to the character and happiness of our country. As a part of the system, and, perhaps, the last scene in the drama, we are here called to act on the doctrine, that all who trade on borrowed capital, ought to perish. "Perish credit! perish commerce! perish the constitution of the country!" Such was the language—such was the decree of the great chieftain under whom these individuals rallied. Too much, and too fatally, they have succeeded in their object. We have seen the evidence of their success, in the tears of impoverished and distressed families, throughout the whole country. We have read a commentary on their doctrines, in the lamentations of thousands of industrious individuals, driven from employment, because the cry of persecution was raised against those who trade on borrowed capital. By no ordinary operation of a party character, could so great, and so disastrous a change, have been effected,—and, therefore, the arm of the general government must be wielded to carry out this object, and to break down all the great interests of the country. It is the course of policy adopted by the general government, which has led to all the evils which have fallen on the country. On this point, there can be no mistake. The fact will go down among the records of history. Step by step, the progress of the mischief may be traced back, by the clue afforded us by documents, to those high in power. We have seen our enterprising merchants hurled from the prosperous position which they occupied, into one of hopeless prostration: we have seen ruin stalking through the land: we have marked the decline of trade, and the decay of confidence. What has brought on this calamitous state of things? If gentlemen on the other side would so far emancipate themselves from the shackles of party as to give a candid reply, they would point to the same course of measures, to which we refer these results, as the causes of all the distress which has occurred. All these consequences which have followed, were, in some degree, foretold, when the administration commenced the war on the institutions of the country, by enlightened statesmen, who exerted themselves to expose the true nature and tendency of the measures of the government, to the people. We have read that Nero fiddled while Rome was burning. Just so has it been in Washington. The general desolation which has been scattered over our prosperity, has excited only derision and laughter at Washington, and has been met by the declaration from the highest source, "let the merchants suffer! Those who trade on borrowed capital, ought to be put down! Let their business be destroyed! Let their prospects be blighted! Let their children be reduced to beggary!" This is what we have been told by those who ought to have had some feelings of sympathy for the sufferings of the people. This has been the language of the office holder, separated from the rest of the citizens of the Union and caring only for his own emolument, and desirous to secure a monop-

oly of office, and to appropriate to himself the hard money currency of the country.

One might have reasonably hoped and supposed that such scenes as we have witnessed within the last few years, and the trials through which we have been compelled to pass, would have induced gentlemen to pause in their career, and reflect on the misery which they are bringing on the country. But no—they will go on. The bankruptcy of their fellow citizens must be carried still farther—the work of ruin is not yet completed; tears enough have not yet been shed. The policy must be continued and carried on, until all the institutions of the country are involved in the common destruction. The interests of all the numerous orphans, and widows, and minors, whose sole dependence for their bread, is on their little property, vested in these banking institutions, must be swept away. The cry of “no credit,” must be continued, until universal bankruptcy shall have overspread the land, until these men shall have trampled down all the prosperity of the country, in pursuit of their wild and visionary object.

I have already said that these office holders at Washington, are separated from the people. They are not like our state office holders, who mix with the people, and participate in their feelings and their interests. The office holders of the United States, are a distinct class, who exclusively pay their court to the presiding power at Washington. There is the shrine before which they bow. They pay their worship to the idol which is enthroned there, and, to gratify it, they are ready to trample under foot the rights of the people.

It is time to teach these officers of the federal government a lesson. It is time to sound it in their ears, that although they hold a separate power, and stand aloof from the rest of their fellow citizens, and assume to be a distinct class from state officers, they are equally responsible to the people, and that they are not to deceive themselves in the belief that they will be themselves exempt from the sufferings which they have aided to bring on the country. The system of monopoly which prevails among the officers of the general government, may well attract the attention of the people. Not content with the monopoly of office, their grasping avarice leads farther, and, taking advantage of the pressure of the times, they have extended their monopoly to the constitutional currency of the country, as the gentleman from Luzerne (Mr. Woodward) has called it; the Benton mint drops, as the gentleman from Indiana (Mr. Clarke) denominated it. The poor mechanic goes to the post office for his letter, and must pay for it in specie, because he is unable to get a treasury note sufficiently small for his purpose; and this specie, thus wrung from the pocket of the mechanic, the post master general himself takes, for the payment of his salary. In reference to the monopoly of offices, he would cite the attention of the convention to a few facts, which he had within his reach.

Mr. BROWN, of Philadelphia. Is the subject of monopoly of offices, in order, on this question?

The CHAIR. Almost any thing is in order.

Mr. INGERSOLL wished to say a word in explanation.

Mr. EARLE, of Philadelphia, protested against this course of discussion.

Mr. DENNY resumed: He did not know, when he called attention to the facts he was about to state, that he was touching a subject so alarming to gentlemen on the other side. No less than three of the delegates from the county of Philadelphia, had risen to call him to order, or to proffer some explanation.

I was going to say (continued Mr. D.) that the gentlemen in the service of the general government, have evinced a determination to hold on to power, even to the great prejudice and disadvantage of the country. They are all equally and deeply interested in keeping up the present state of things. I will refer the committee to a pamphlet recently published by one who has filled for a short time, the situation of a clerk in the general post office building, (Dr. Mayo) shewing that all the aristocracy of which we have any knowledge is nothing compared with the aristocracy of these office holders at Washington.

This pamphlet has reference, on the point which I am now touching, to the post master general, who is at the head of the *loco focos*, that party now in close alliance with the general government. [Here Mr. Denny read a statement from the pamphlet of Dr. Mayo, shewing the members of Mr. Amos Kendall's family among whom he had distributed offices, and the salaries which were attached to these offices.]

Mr. EARLE, of Philadelphia county, called the gentleman to order for introducing matter into his speech which was not in any way relevant to the subject under debate. He was going on to make some further remarks, when

Mr. INGERSOLL, of Philadelphia county, called his colleague to order, on the ground that he was making a speech, instead of a point of order.

The CHAIR—The gentleman from Philadelphia county is in order.

Mr. EARLE—I was merely about to state my point of order, which is this—that the salary of the postmaster general has nothing to do with the subject of banking institutions.

The CHAIR—At the outset of this debate, the chair did make an attempt to restrict it within what the chair considered to be a proper limit; but the sense of the committee was against the chair, and therefore, the gentleman from Allegheny is in order.

Mr. DENNY resumed. When my friend from the county gets up to address the committee, his whole argument will be on the subject of monopolies. If he will agree not to say another word about monopolies, I will refrain, and not utter another word concerning this monopoly of office.

He is silent: he will not agree to the bargain: and "monopoly!—monopoly! monopoly!" will be the theme of his next speech. [Mr. D. here resumed the reading of the salaries given to the members of Mr. Kendall's family.] So much for monopolies. Is it not apparent that, with a monopoly of this kind, in the hands of the postmaster general—all his family—of course, all democrats—receiving *twelve thousand dollars* a year, in hard money—because he issued his order that no money should be received for postages, but specie—there must be a strong reluctance to change the system.

All the money of the department passes through his hands, and, after paying those of Mr. Kendall's family, engaged in the post office, is distributed among contractors, clerks, &c. who get a large portion of it. I do not know what is left after all this disbursement. These persons then feel a deep interest in keeping up this state of things, and my friend from the county of Philadelphia will now see the connexion between these statements of facts, and the subject of debate. They are interested in breaking down the credit of the country; because they can take the specie which they receive for their salaries, to the broker, and dispose of it at ten per cent advance, while the people are suffering and paying for it. Is this a state to be tolerated? Are these men to be paid for laboring to break down our prosperity? Is the confidence of the people to be continued to those who have exhibited so little regard for the feeling and condition of the country, but who have an interest in maintaining a state of things which is subversive of all our prosperity, and who are the slaves of that cupidity which is so powerful in every human breast. There is another extract with which I shall trouble the convention, which is taken from the letter addressed by General Jackson, to the editor of the *Globe*, concerning the issue of treasury notes, and the condition of the merchants. [Mr. D. here read a passage or two from the letter referred to, beginning with the words "as to the merchants, they are entitled to no favors."] This is strong and sufficient evidence of the kind of feeling which exists in the minds of the administration, in reference to the interests of the country. Gentlemen may try to conceal that feeling from the people, and may assert that there is in the feelings of those who administer the government, no hostility to the credit system; but it cannot be contradicted that the tendency of all their efforts has been to destroy and break down the prosperity of the country.

He should now notice some of the remarks of the gentlemen who had preceded him, and, in the first place, he should take notice, briefly, of what the gentleman from Susquehanna said in reference to the alleged conspiracy, and he should not say much on this subject, because it had been very fully replied to by the President of the convention, and the gentleman from Franklin.

The gentleman in his argument says, that facts and circumstances have been developed which are generally known, to show that a conspiracy took place. Now sir, it must be evident, from his making use of this remark, that these facts are known to him, and that they have been developed to his mind, or if they have not, he cannot sustain the charge.

Now what he wanted to hear was, what these facts and circumstances were; but when we ask the gentleman for these facts and circumstances and to produce his proof, he refers us to his speech. Why sir, this is a curious way of making an argument. First, the gentleman, in a written speech, made bold charges against the directors of all the banks; and afterwards he repeats those charges. And then when he is asked for the proof, the gentleman looks up with astonishment and says, "did you not read my speech—you will see it all proved there." Why, the gentleman might prove any thing in this way; but the people will not be satisfied with such proof; they require something more tangible than this, and when gentlemen made such charges, they must sustain them with

some better proof, or the people will not listen to them. The gentleman has also made a charge of a preconcerted understanding between the authorities of the city, and the banks, at the time of the suspension of specie payments; and the gentleman had said, that was a charge which had never been contradicted. Now, this charge was made and contradicted, and it has been satisfactorily explained, a few days since, by a gentleman from the city, conversant with the facts. This charge, like the charge upon the banks of a conspiracy, had no foundation. When that gentleman cannot bring proof of his charges, and when the circumstances that do exist, rather prove the contrary, the gentleman must excuse him in not putting confidence in all the statements made in regard to the gentleman's facts and circumstances. He could not say that he envied the position, which the gentleman from Susquehanna occupied before the country, by making these charges, which he cannot prove, against individuals, and which will not be believed, because the people are slow in belief, in such serious matters. No sir, it will require proof to make them believe it, and if that is not produced, they will regard it as a calumny. Why, if the gentleman would but reflect for a moment, as to the extent of this alleged conspiracy, he would agree that it was impossible there could be any such thing. It was not a matter between a few banks, but it was a general thing over the whole United States, originating in New York, and as the intelligence spread, the country banks came into the measure as a matter of protection. Because the banks of New York suspended, the other parts of the country were compelled to do the same thing, and there was no conspiracy connected with it. Sir, if these men could have been base enough to enter into a conspiracy of the kind, do you suppose that all of them would have been so true to their integrity as to keep the secret? No sir, if they had been the worthless men they were represented to be, they would have had so little regard to their own characters that they would have divulged the secret. No body made the discovery, and it is idle to suppose that any such conspiracy ever existed. It is one of those monsters which disappointed politicians create in their imaginations, in the midst of their throes of desperation.

Why sir, the pet banks were involved in their conspiracy, and they were the first to act in it. Do gentlemen suppose that they were participants in this conspiracy? If so, Reuben M. Whitney must have known something about it, as he was very closely connected with them. But, Whitney now comes out with the declaration that the whole of this embarrassment was caused by the action of the general government; and he supposed this individual would be taken as good evidence in this matter by certain gentlemen. When these occurrences took place, Whitney was in close connexion with the treasury department, and with the deposit banks, and he was also closely connected with the party, so that he had every opportunity of knowing what was going on, and would have detected the conspiracy if there had been any. But sir, no conspiracy existed; every thing was going on fairly and honorably until the first alarm was given at New York, and the whole of the disasters which have followed, may be attributed to the measures of the treasury department. It might have been that some impression was made on the public mind, a few days after the suspension, when it was much excited, and it might have been thought then that it was the result of some under-

standing on the part of the banks. At that time, the public mind was deeply excited, and no one knew to what extent the evil would reach, but since the excitement in the public mind had been allayed, and reason had resumed her sway, it was discovered that there was a painful necessity for the act, especially on the part of the banks of this commonwealth; because if they had continued to pay specie, their coin would all have been abstracted from their vaults, for the purpose of taking it to New York, where it would have commanded a high premium. The effect of this would have been, that when the banks of New York were ready to resume specie payments, the banks of Pennsylvania and the people of Pennsylvania would have been without a dollar in specie. Their notes then would have been completely discredited, when the notes of the banks of New York and other states would have a good circulation. This was the condition in which our banks would have been placed by continuing to pay specie, after the New York banks and other banks had suspended. The banks of Pennsylvania in taking the step they did, certainly acted with great wisdom and prudence.

How long it would be necessary for them to remain in this suspended condition he was unable to say. He would leave that matter to wiser heads than his own; but it certainly would be imprudent for them to resume, while a foreign debt was hanging over our heads, and while the banks of other states were not paying specie, because that would make them liable to runs for specie to ship abroad, and to place in the vaults of other banks, to enable them to resume specie payments. As to the condition of the banks of Pennsylvania, he believed them to be better conditioned than perhaps the banks of any other state, and he believed they were all in a better condition now than when they suspended specie payments. As it might be gratifying to the gentleman from Indiana, he would refer to the condition of one of these banks, for which he believed that gentleman had a strong affection. In a paper published this morning, he observed a statement of the condition of the Bank of the United States, on the first of December, to which he begged to call the attention of this committee. It would be recollected that a short time after the suspension of specie payments—into which measure the Bank of the United States was the last to come—it was proclaimed in the Globe and other kindred prints that this institution—which was a Pennsylvania institution, and which had done much to elevate the character of the state, was bankrupt.

Well now what was the condition of this institution? Why after all that had been said, in relation to it, by the party press at Washington, the government not having credit to raise the money to pay her sailors on the pension list, and the widows of sailors to whom pensions were due, it had to apply to the Bank of the United States of Pennsylvania, for the purpose of obtaining these means. The bank to be sure was to pay to the government a million of dollars in the course of a few months, but, in order that these pensioners might obtain their pay, it came forward in anticipation, and paid upwards of a half a million in specie to the government for this purpose. The bank then had specie in its vaults, after paying out to the government of the United States \$522,459,71, still amounting on the first of December to \$3,349,850 89.

The notes in circulation at the same time (exclusive of the long post notes issued during the late troubles,) are as follows: Of the present bank \$522,452 20—of the late bank, \$6,225,659 80. Now sir, here is the condition of this great bank, which has so much excited the indignity of feeling of certain gentlemen here. After all that has been said against it, it was perhaps in a better condition than any other bank in the Union. With less than seven millions of circulation, she has more than three millions of specie in her vaults, which shows her affairs to be in a most flattering state. If therefore, a wholesome state of things existed, and if Mr. Van Buren and his party would declare a time, that institution would take the lead in the resumption of specie payments. But sir, would any bank be safe in resuming specie payments, while the government is in open hostility against them? Then let the government cease its hostility against the banking institutions of the country; let it stretch forth a protecting hand to the credit of the country, and let it foster that which is the brightest jewel in our national prosperity, and in less than six months, the banks of Pennsylvania will be among the first to resume specie payments. He believed if politicians had not taken advantage of the times, and the condition in which we were placed for the purpose of getting up an excitement, there would have been but little disturbance on the subject throughout the country, because in many parts of the country the suspension was recommended by meetings of the people. He believed that was the case in the city of Pittsburg. A meeting was there called, and the matter of the suspension of the banks taken up and discussed, and it was recommended to the banks, to follow the example set by the other banks of the state, and of the United States, and that meeting was no meeting of political partisans, for it was attended by gentleman belonging to all parties. Although we may all dislike this thing of a suspension of specie payments, yet when we come to reflect upon it, we must admit that there are times and circumstances under which such measures are justifiable, and when the good of the country may require it.

He did not say but there might be a difference of opinion, as to whether the circumstances now existing were such as to justify a suspension of specie payments. Some might doubt it, but he believed those who were best informed on the subject, considered the act justifiable. He himself was of opinion, that, under all the circumstances, the act was justifiable. The government by its action, had caused much derangement of the currency, by directing the deposit banks to discount largely on the deposits of the government, and then by discrediting their paper by the specie circular. In the midst of these scenes, an agent of the government abroad issued a pamphlet, the tendency of which was to discredit our moneyed institutions in Europe. Our credit was impaired abroad, and confidence destroyed at home. Instead of bills of exchange, we were obliged to ship specie, and under this state of things, such was the demand for specie, and such the general embarrassments of trade, that it became a painful necessity, to arrest the current of specie which was setting out of the country, to suspend the payment of specie. It was dictated on the part of the banks by the same policy, which would induce the government in time of war to authorize a suspension of specie payments, in order to keep the precious metals in the country, for a

basis to bank on when the cloud of war should have passed away. It was not a benefit to the banks as much as it was a benefit to the citizens, because every one knew that the sound condition of a bank did not depend so much on the amount of specie in its vaults, as upon the responsibility of the citizens, who are indebted to the institution. It was well known, that if the banks continued to pay specie, they would have been compelled to distress their debtors. Under such circumstances, then, as these, was it not better for the banks to indulge their own citizens, rather than press upon them, ruin many, and spread general distress over the land. Now, there might be circumstances which would justify this course, and which might justify even the government in authorizing a suspension of specie payments. This has been the opinion of some of the ablest statesmen and best financiers of our country, and he believed this opinion had at one time been entertained by the gentleman from the county of Philadelphia, (Mr. Ingersoll.) He would not risk this assertion without proof.

That gentleman was in congress some years ago, when there was a proposition brought forward to charter the Bank of the United States. The gentleman took part in the discussion upon that bill, and expressed some opinions, which he would presently bring to the notice of the committee. There was a provision in that bill, authorizing a suspension of specie payments, and a motion was made to strike out that provision. The gentleman opposed the motion to strike out this proposition, therefore, he took it, that the gentleman must be considered as being in favor of banks suspending specie payments, under some kind of circumstances.

Mr. INCERSOLL thought it would be found by what he had said on that occasion, that he had looked, in the vote he had given, altogether to a state of war.

Mr. DENNY said, he had the speech before him, and he wished to be permitted to refer to an extract or two in it. It was delivered in congress in November, 1814, on the bill to charter a Bank of the United States, with a capital of *fifty millions*. The gentleman then was a representative from the city of Philadelphia, and was in favor of the bill, deeming it essentially necessary, in order to restore public credit, and relieve the country from the distress and embarrassments, which then visited the people. He used the following language in reference to Mr. Calhoun's amendment :

“ And while I declare my unequivocal opinion, that his, (meaning Mr. Calhoun's) appears to me to be the most fantastic, impracticable, and I will add pernicious, of all the plans we could adopt, calculated inevitably to destroy the public credit of the government, to damn it to all eternity ; yet so anxious am I to provide for the crisis which presses on us, that I would rather fall in even with this alternative, at the expense of all your remaining public credit, in preference to not voting for some immediate means for meeting present embarrassments.”

Such were the embarrassments of the times, that the gentleman was willing even to fall in with Mr. Calhoun's measures, because they afforded relief to the country. He was willing to take a United States Bank, odi-

ous as it was in some of its features, because it relieved the country, in some degree, of its embarrassments. Such was the anxiety with which that gentleman looked to this Bank of the United States, as a necessary relief to the currency, that he was ready to embrace it, although he did not approve of all its features.

Mr. INGERSOLL explained, but in a tone so low that he could not be heard.

Mr. DENNY said, he presumed the gentleman had spoken with reference to times of great emergency, and such times might again occur. But the gentleman farther said, while that bill was under discussion, that:

“If treasury notes are to constitute the universal succedaneum, and you intend to deprive the government of authority to prohibit the issue of specie, even under peculiar circumstances, and for short periods, what occasion have you for any specie capital at all? Do you imagine, sir, that your five or six millions will be suffered to remain quietly in circulation, going in and out of the vaults of this bank, without any guard whatever against its fraudulent evasion? I am quite mistaken, if the whole sum would not migrate to Halifax within a fortnight after its deposit. I cannot pretend to speak with precision as to the amount of specie, now in retirement, belonging to the different banks of Philadelphia, and individuals who have secured portions of it in safe places, but I should imagine that it must be considerable, perhaps some millions. How long, is it supposed, it would continue in fair circulation, if the banks were to pay it out for notes? It would infallibly, and almost instantaneously disappear. I confess that I have my doubts as to the propriety of affording government any number of the directors of the bank; but I cannot conceive a mode for *dispensing with the inhibition by law of specie issues in certain cases, without referring this authority for its exercise to the directors themselves, who must endanger the charter by its enforcement.*”

Well, the gentleman remained in that congress until the fate of that bill was decided upon; and he (Mr. D.) had, with a view of informing himself fully on the subject, examined the proceedings in relation to that charter, and he found the gentleman from the county of Philadelphia, voting throughout for the institution, and among its provisions, he found one which was a complete monopoly—that is, congress declared that they would not charter another national bank, while the one then passing upon was in existence—yet the gentleman voted for that. The gentleman also voted for a provision that the bank might suspend specie payments, under certain circumstances. There was a new section proposed, called section thirteen, authorizing the bank, under circumstances inducing a reasonable and probable belief that specie was about to be exported, or withdrawn from circulation, or, that a wilful and sinister accumulation of its notes had taken place, and specie demanded from them—to *suspend specie payments.*

When the bill came from the senate with this section in it, there was a motion made to strike it out, but so eager was the gentleman from the county, at that time representing this city in the congress of the United States, to retain that provision, that he called the previous question, which

question cuts off all amendments, which was seconded. The motion to strike out the thirteenth section, of course, was lost, and the provision allowing the bank to suspend specie payments, retained in the bill.

The gentleman from the county of Philadelphia, then representing this city in congress, was unwilling that the subject should be discussed, and he therefore, moved the previous question, which cut off the amendment to strike out the section authorizing a suspension of specie payments. Well, the gentleman voted for that bill with a provision authorizing a suspension, and it must be recollected that this bill was for the establishment of a bank with a capital of fifty millions.

This, was then, a democratic measure, and he did not know whether the gentleman from Indiana, (Mr. Clarke) who he believed was then holding an office in Westmoreland county, was then in favor of it or not, but certainly there were a great many Pennsylvania democrats who then supported it. The democratic William Findley, whose memory would be cherished by every patriotic Pennsylvanian, was then the advocate, and the warm and decided advocate of a national bank with a capital of fifty millions, because it would be for the benefit of the country to have such an institution, and he (Mr. D.) believed that experience had proved that such an institution, would be for the benefit of the country now. Many of the staunch democrats of that day sustained this institution, and he hoped when gentlemen raised this cry of democracy, and all that, that they would look back a little at the past history of this state, and at the persons who supported institutions of this kind heretofore.

Mr. D. liked to look back to the acts of those old democrats, because they acted upon patriotic principles. The leaders of the democratic party of that day, supported those measures which they believed would add to the prosperity of the country, and the welfare of the people. This was the kind of democracy which he liked, and not that modern democracy which looked to the interests of the party alone, without any regard to the prosperity of the country.

He need not, however, travel into the history of political parties in Pennsylvania, to find advocates of the United States Bank, because, it at one time, had been advocated by all parties here, and it had been the particular favorite of the people of this commonwealth. He had referred to the proceedings in congress, to show that distinguished democrats had advocated the establishment of such an institution, and with extraordinary powers, and he would beg leave now, to refer to the proceedings of our own legislature, to show the feeling which existed there in relation to this institution when its charter was about to expire. It was at that time almost the unanimous sense of the legislature that the institution should be continued. In the year 1831, there were a series of resolutions introduced into the house of representatives of Pennsylvania—a series of resolutions on the subject of the tariff and the surplus revenue, and in connexion therewith, Mr. Charles J. Ingersoll introduced a resolution in relation to the Bank of the United States, in the following words :

Resolved, As the sense of the senate and house of representatives, that the constitution of the United States authorizes, and near half a century's experience sanctions, a Bank of the United States as necessary and proper, to regulate the value of money, and prevent paper currency of unequal and depreciated value."

These resolutions were discussed for some time in the house, when the following resolution was introduced into the senate, and passed, and sent down to the house for concurrence :

“Resolved. As the sense of the senate and house of representatives, that whereas, the bank of the United States has tended in a great degree to maintain a sound and uniform currency, to facilitate the financial operations of the government, to regulate foreign and domestic exchange, and has been conducive to commercial prosperity, the legislature of Pennsylvania, recommend a renewal of its charter, under such regulations and restrictions as to the power of the respective states, as congress may deem right and proper.”

This resolution was adopted unanimously by the senate, and almost unanimously by the house, the gentleman from the county of Philadelphia, (Mr. Ingersoll) voting for it ; and the gentleman from Mifflin, (Mr. Banks) notwithstanding his bitter hostility to a national bank at this time, saw proper then to vote for this resolution. The gentleman from Susquehanna, (Mr. Read) acted then consistently with his present course, and voted against this resolution. Thus then, it would be seen that it had been repeatedly expressed by the democracy of Pennsylvania, and some of those who were at present on this floor, and opposed to the institution, that the Bank of the United States was a necessary agent of the government, and that it was important to the credit and convenience of the country, that it should be continued in existence. This expression of opinion was founded upon truth and justice, as the experience of the country for the last forty years would prove, and as the lamentable experience for the few years when there was no national bank in existence would show. During the period between the time when the charter of the old bank expired, and the new one went into operation, the currency of the country was in the most embarrassed condition, and confidence was immediately restored upon the recharter of the late bank of the United States. Confidence was restored among the people and the small banking institutions which were in a tottering condition, were supported and sustained. This was foreseen by the true democrats of that day, and he would now recommend the gentleman from Indiana, (Mr. Clarke) to follow the example set by his great leader on a former occasion, William Findley, and go for the country, and let parties go by themselves. The good of the country should be first looked to by all true patriots, and parties should be a secondary consideration.

We have been told that banks, as they now exist, have been the cause of all the distresses which have come upon the country. This had been the repeated charge made by the radicals on this floor ; but he believed that their distresses had been brought upon the country mainly by the course of the general government within the last six or eight years. It was, he admitted, difficult to arrive at the proof of this charge against the administration of the general government, but still he believed it was the no less true, and the action of the legislature, in the passage of the resolution referred to with respect to the Bank of the United States, went to show that the course of the general government was erroneous.

Mr. INGERSOLL here explained that the resolution which had passed the legislature of the state in relation to the Bank of the United States, was not the resolution introduced by himself, but that it was one which had been introduced in the senate.

Mr. DENNY said, that this had nothing to do with the point he wished to make. As the gentleman could not carry his own resolution in the legislature, he voted for the one which was adopted; and this was the stronger evidence that he thought a Bank of the United States necessary, and if the gentleman did not think so now, all he (Mr. D.) had to say, was that he had changed his opinion, which he certainly had a right to do.

Mr. D. would now notice some remarks made by the gentleman from Indiana, (Mr. Clarke.) That gentleman had made some remarks in relation to banks, which struck him as very singular, and he was entirely at a loss to know how the gentleman arrived at his conclusions. The gentleman had laid down the position that the great imports of wheat which we have had into this country within the last two years, have been occasioned by the action of our banks. Could this position be correct? Was it reasonable? It certainly was not. Has the gentleman forgotten the almost total failure of crops which we have had in this country? Has he forgotten that our people in many places were almost in a state of starvation for bread stuffs? and that those bread stuffs were not to be had in this country? Has he forgotten too, that during this time grain was very plentiful in some of the European countries? If the gentleman has not forgotten this, he (Mr. D.) thought he would find in it the true cause of the large importation of grain and bread stuffs, which were made into this country—scarcity of bread stuffs in this country was the true cause of their importation, as every gentleman must see who examines the subject. This he had no doubt would be looked upon as the true cause of importations of wheat, by every farmer in the country. Why sir, how could it be otherwise? When a farmer knows that his own wheat crop has failed, and sees that his neighbors has failed, and knows that there is a general failure of crops throughout the country, and then knows that large quantities of grain have been imported, will he not immediately conclude that the importation was made in consequence of the failure of wheat crops? How could he come to any other conclusion? This will be the argument which will be set up by every farmer in the country, in opposition to the speech of the gentleman from Indiana, and the argument will be so powerful that the speech will make but few converts to the extraordinary doctrines contained in it. Mr. D. admitted that the gentleman's argument was very ingenious, and his great knowledge gave him the opportunity of making an ingenious argument, but he must say that he apprehended it would fail to convince the people of Pennsylvania. But the gentleman has also attempted to array the coal regions, and those connected with the mining operations of Pennsylvania, against the banking institutions of the country, by telling them that it is through the influence of banks, that coal is shipped from Liverpool and Halifax, to this country. Now, he must say that he was at a loss to know how it was that the banks afforded greater facilities to the shippers of coal from Liverpool and other places, than it did to the miners of our own state. He begged leave to inform gentlemen, that the coal mining business of Pennsylvania was intimately connected with the credit and banking system, and in proportion as money was plenty or scarce, would the mining business be active and prosperous, or depressed and ruined. It was entirely a mistake that the banks furnished the merchants the means of shipping coal into this

country at a profit, and he believed that all the coal which came into this country came as ballast. Vessels coming in from Liverpool and Nova Scotia, frequently have to come in ballast, and coal answers for this purpose, and in this way is it imported. If however it was not for the facilities afforded our miners by our banking institutions, much of the coal used in our large cities would be brought from abroad.

He denied that the banks would aid, or encourage in any way, that which would work injuriously to the interests of those at home. A story of this sort might obtain credence with those who know little or nothing on the subject. It had been said that banks were injurious to mining and other interests of that character. Now, this was an argument only calculated to delude those who were not conversant with matters of this kind, but it was wholly without foundation. He himself came from a coal mining and manufacturing region, and so far as his knowledge extended, the paper or credit system, so far from having been injurious to the prosecution of these interests, had greatly fostered them. The banking and credit systems, there could be no doubt, had been productive of the most essential benefits to the country. They had brought into exercise the skill and ingenuity of our mechanics—had encouraged the investment of capital in manufactures, rail roads, &c. and many industrious men, who were once poor, had become rich. He had been brought up in the midst of a mechanic population, and therefore professed to know something of the operation of the banking and credit systems, as respected it at least; and would venture to compare his knowledge with that of the gentleman from Indiana, (Mr. Clarke) on this point. He had known several instances of journeymen mechanics who, by their skill and ingenuity, combined with a little aid from the banks, had risen to be independent and wealthy proprietors.

As an evidence of the operation of the credit and banking system, he need only point the gentleman to the flourishing city of Pittsburg. The gentleman, (Mr. Clarke) had seen it when it was in its infant state—when there were but few manufactories, and only a small population. Let the gentleman compare Pittsburg as it is, with what it was! Its prosperity was mainly attributable to the banking system. Wherever its influence had been felt every thing flourished. He would state a fact which went strongly to show the advantage of the credit system, and of banking. The Emperor of Austria, who rules with unlimited power, over a country where there is a nobility and an aristocracy, and a hard money currency, had sent to the United States for a locomotive engine to put upon the rail roads of the empire? The truth was, that no mechanics of skill were to be found in that country. They could not exist where despotic power was—for it pressed down the mechanical ingenuity and enterprize of man. It was only where freedom prevailed, that men possessing mechanical science were encouraged. In free countries only, were they to be found, and not in despotic nations of Europe. He (Mr. D.) regarded this as a powerful argument in favor of those systems, which he thought had contributed so essentially to the prosperity and improvement of the United States.

Here the banks were brought up as the great prop upon which the political warfare was to be waged. It had been said that the people were

prejudice against banks. Now, he did not doubt but what there were some prejudices existing in the minds of a portion of the community, but that the people, generally, were opposed to the banking system, he did not believe. It was not in the power of the banks to accommodate every man that applied for a loan, and hence many that were disappointed became the enemies of those institutions, and did all they could to injure them. Besides, there might be objections to the parties on account of character, standing, or some other cause, which, perhaps was a sufficient reason for their not being granted the accommodation they desired. The rich man who did not put his hands into banks, either kept his money at home, or loaned it out on bonds and mortgages. The fact was, that as we grow older we become more avaricious. The gentleman (Mr. Clarke) nodded assent. The gentleman (Mr. Clarke) had referred to elderly men, to whom young men should apply for aid, which was as much as to say that the banks should be put out of existence. Now, he (Mr. D.) would ask, would the avaricious man act? Would he not screw the borrower down to the last copper of usurious interest? When the debt became due, would he not hold his debtor to the payment of the very last farthing? Now, was the gentleman from Indiana (Mr. Clarke) disposed to throw all the young men on the liberality of old men, when he knew it to be a characteristic of old age to be avaricious and grinding in disposition? Why, young men would never prosper under such a state of things. It was impossible. They would be inclined, and doubtless would look at the character of the individual, before they borrowed his money. The law allowed six per cent interest only, but the avaricious man would demand twelve, fifteen or more per cent, according to the necessities of the borrower. The usurer demands at pleasure, while the banks were uniform, no matter what the necessity of the applicant might be. The gentleman from Indiana had travelled enough in the world, to know how the law was to be evaded,—that was by the borrower and lender meeting face to face.

This however, was not the case in regard to banks: they did justice to every one, without prying into the borrower's affairs. But this was not the case with the private lender. Was it possible that the gentleman would put down the banks, and oblige men to go cap in hand to the private and usurious lender? We could never get along, in a free country, with such a state of things. It would make the community too dependent on individuals. He would be sorry to see this enlightened people reduced to so abject a condition. They would then have fallen from their high and commanding position, to the level of the South American Republics, or some of the kingdoms of Europe. He maintained that if there were only private lenders of money, the result would be that they would get the whole control of the country into their own hands. The government would become the great monkey king—the political king of the country and in a few years should soon have a power at Washington inimical to the interests of the Union. What, he asked, was the condition of things at the present time? Why the government were receiving specie, while the people were compelled to take paper. Now, he should have thought that what was good for the government, ought not to be regarded as too good for the people. The government was merely the servant of the people; and what was too good for the master, surely ought to be considered good

enough for the servant. He thought that was not a wise or paternal government which rejected that which the people received. The convention had been told that the multiplicity of banks had been complained of by the people as a very great evil.

The amendment of the delegate from Susquehanna, was introduced as a panacea for it, with a view to diminish the number of banks, and to bring about a resumption of specie payments. But, as respected Pennsylvania, the charge of there being a multiplicity of banks was not true. And even admitting that it were so—what had produced—what had caused the incorporation of them? Gentlemen need only revert to what had been the course of the administration for the last few years, in order to discover the cause of there being so many banks. The gentleman from Franklin, (Mr. Dunlop) had, the other day, most felicitously and clearly detailed the various acts and measures of the general government, which brought about the evils and disasters under which we were now suffering. General Jackson, after having, in violation of law, undertaken to remove the deposits from the Bank of the United States, that institution was forced by its enemies into the political arena. And, while all this was going on—while a direct attack was being made on the banks by the executive and its other opponents, another operation was in contemplation, and that was, to get up a feeling in favor of the state banks. He (Mr. Denny) professed to be somewhat familiar with the proceedings and feelings of those in power at the period to which he referred. He was in a position where he had an opportunity of witnessing what was doing, and of learning the causes and reasons which dictated the various steps taken against the Bank of the United States.

It was said that because the people, re-elected General Jackson, they were, therefore, opposed to banks. Now, was that the fact? Why, it so happened that the administration and its supporters who had cried out against all banks, before putting down the Bank of the United States, afterwards were in favor of making the state banks the fiscal agents of the government! The very men who had railed against the banks, turned round and supported them, and increased their number. Let gentlemen on the other side recollect that it was their own party, and those whom they denounced, that had multiplied the banks. They it was who created the evil of which they now complain. Was it not so? It was probable that some gentlemen here could recollect that a memorial had been gotten up in this city, signed by a number of the prominent members of the democratic party, praying congress to establish a state bank with a capital of ten millions in Philadelphia. He wished that he had the memorial, so that he might read it, and show who those were that participated in the cry against state banks. Other states followed the lead of Philadelphia, and memorialized congress to charter a state bank therein. This course was approved by General Jackson.

[Here Mr. INGERSOLL said the gentleman was mistaken.]

MR. DENNY continued. He could point to the fact. Three banks were chartered in Wisconsin Territory, the last session of General Jackson's administration. Here was a territory, containing a population not exceeding 20,000, and yet three banks were said to be necessary! These banks were established to assist the enterprising inhabitants who had

gone there to cultivate the land and make the wilderness blossom as the rose. They were in a remote part of the Union, and required the fostering aid, and care of the government, which they obtained. He did not blame those who granted it for doing so; but he condemned their inconsistency. They now complained of an existing evil, which they had themselves originated.

Now, he would ask, if such men as these were to be trusted, either as politicians or statesmen? No. He wished to see men consistent and independent—not having one set of principles to-day and another to-morrow, and changing their course of action with every change of circumstances.

The delegates from Indiana, (Mr. Clarke) and Luzerne, (Mr. Woodward) had talked a great deal about the over issues of the Bank of the United States. He (Mr. D.) would inquire when it was that we first heard of the over issues of the Bank of the United States? Why not till after the expiration of the charter of the late bank, the notes of which passed every where as well as specie. There was no complaint from any quarter. That bank was like a great fly wheel in the machinery of our currency, for it regulated and controled it. But, when the removal of the deposits took place, what was the consequence? A derangement in the currency—in the whole monetary affairs of the Union. This subject brought to his remembrance the character of a Philadelphian, who shrunk from doing a dishonorable act, for which he was denounced in no very measured terms. He was too honest to submit to be brow-beaten—too independent to retain office under the circumstances in which he was placed. Mr. Duane refused to obey the mandate—the arbitrary will of the executive. He preferred, and did resign his office of secretary of the treasury, rather than become the pliant instrument of the executive, to remove the deposits, and scatter them over the whole country. And, now we were told that after the state banks had received the large amount of funds transferred to them, they were guilty of making excessive issues. They only acted in obedience to the instructions of the secretary of the treasury. They knew the fate of Mr. Duane awaited them, if they did not obey; and the funds would have been transferred to those banks that would have been more servile. He held in his hand Mr. Taney's instructions to the Girard Bank, one of the selected deposit banks, and which he (Mr. D.) believed to be as sound as any in the Union. It held, a short time ago, but ten or twelve thousand dollars of the government. Here was a copy of the instructions sent to that bank:

“The deposits of the public money will enable you to afford *increased* facilities to commerce, and to *EXTEND* your *accommodations* to individuals. And, as the duties which are payable to the government arise from the business and enterprise of the merchants engaged in *FOREIGN TRADE*, it is but reasonable that *they* should be preferred in the additional accommodation which the *PUBLIC DEPOSITS* will enable your institution to give, whenever it can be done without injustice to the *claims* of *OTHER CLASSES* of the community.

R. TANEY.

September, 1833.

To PRESIDENT GIRARD BANK.

Mr. D. said he believed similar instructions were sent to all the banks that were in possession of the public money. Now, this was what led the banks to err, if they did err, in issuing an excessive quantity of notes. Here were positive instructions given; positive they must be considered. Indeed, we all knew that if the banks had refused to comply with them, the most peremptory order would have been issued to them to give up the funds in their hands, so that they might be put in those banks willing to comply with the instructions of the Secretary of the Treasury. These instructions were worthy of reflection. This was their language: "You are to afford *increased* facilities to commerce, and to *extend* your *accommodations* to individuals. And, as the duties which are payable to the government arise from the business and enterprise of the merchants engaged in FOREIGN TRADE," &c. If ever there was any thing that looked more like a "conspiracy,"—to use the expression of the gentleman from Susquehanna—he would say here was the proof.

These instructions were given to all the banks, encouraging them to over-issue or overtrade. What was the object in view? Was it to betray the banks—to involve them in difficulty, and then to denounce them? They were given by the pliant instrument of executive power, who, without sufficient cause, and contrary to the opinion and judgment of congress, and in direct violation of law, removed the public moneys from the place of custody designated by the law. That officer was the father of all the evils under which the country is now suffering. And where, he (Mr. D.) would ask, was he at this moment? Why, he was occupying the highest judicial station in the country. He was distinguished as a lawyer, and he (Mr. Denny) trusted that he would render himself equally so as a judge. Yes! after the banks had followed out the instructions of Secretary Taney, and the difficulties had arisen consequent upon them, the very men who had approved of the course of the secretary, turned round and denounced the conduct of the bank! If the banks had acted prudently under the instructions of the government, and it had assisted, instead of declaring war against them, all might have been well. As it was, however, the government ought to take its full share of the responsibility, and ought to endeavor to get the banks out of the difficulties in which it had involved them.

The delegate from Luzerne, (Mr. Woodward) in his speech of yesterday, did not, in his opinion, display his usual ability and talent. He had always attributed to that gentleman these qualifications, but on the present occasion he had not shown his wonted ability and research. He (Mr. D.) would give him full credit for the ingenuity he had exhibited, because it required a great deal of it to make any thing like a reply to the gentleman from Adams, and to prop up, and put in the best light, a bad cause.

The gentleman from Luzerne made use of phrases which were more adapted to the popular ear than the popular judgment. He had spoken of a "gang of speculators." Who, he (Mr. D.) asked, are the "gang of speculators," to whom he alluded? If we went into an examination of the stockholders of banks generally, he thought they would be found to be pretty nearly of the same character: the list of one which he (Mr. D.) then held in his hand. The list of stockholders of the Pittsburg Bank

comprised the names of sixty-seven females—forty-nine were the names of deceased persons, whose stock was held by their representatives, composed of widows and orphans, and the remainder were from twenty to thirty clergymen. And, he believed that there was not a single foreigner holding stock in that institution. He thought that if the lists of stockholders of all the banks in the United States were examined they would be found mainly to consist of persons of this character. There was some stock, to be sure, owned by mechanics and farmers. These, then, were the gangs of speculators—the persons incorporated into a bank, viz: widows, clergymen, orphans, and executors of deceased persons! Was this the gang from which so much evil was to be apprehended? The delegate from Luzerne proceeded to argue the power to coin money, and to assert that the only constitutional currency was gold and silver.

Now, with regard to what was called the constitutional currency, the delegate from Luzerne had frequently used that phrase, and seemed to think there was no other constitutional currency, except gold and silver, and that this was withheld from the people by the banks. He (Mr. D.) thought that he could point out an article in the constitution of the United States, which prohibits the states from issuing any thing but gold and silver as a legal tender: but, there was nothing in that instrument, saying that you shall make gold and silver a legal tender, and *nothing else*. He (Mr. Denny) believed that congress possessed the power to make paper a medium for the payment of debts on the credit of the government. He did not know, however, that it was advisable—all that the constitution contained was a prohibitory clause in regard to the states—that *they* should issue only gold and silver.

The gentleman denounced the banks for favoring a paper currency. He (Mr. D.) would ask the delegate to apply his argument to certain high quarters. If those filling high stations, and who had sworn to support the constitution of the United States, believed that gold and silver only was the constitutional currency, how could they reconcile their conduct? If this, then, was the belief of Mr. Van Buren, and his friends, then they had most unquestionably violated the constitution of the United States, in what they had lately done, viz: by issuing treasury notes. This was an extraordinary argument, indeed, coming from the source it did. Gentlemen on the other side should take care not to entangle themselves. The delegate could not have forgotten that a bill passed the senate of the United States not many months ago, to which were attached the names of W. Van Buren and Richard M. Johnson, authorizing the issue of ten millions of treasury notes. There was not a word said in the bill that they should be redeemed by gold and silver: nor did it state in what kind of currency they should be redeemed. Perhaps, with new treasury notes, within a year, bearing a certain rate of interest.

Talk of the banks issuing mere promises to pay,—where, he asked, was the evidence that the government does otherwise? Where was the evidence that their notes would be redeemed in specie? If it was incumbent on the government to issue nothing but specie, then the president and vice president who signed the bills, and those members who voted for it, had all violated the constitution.

Gen. Jackson proclaimed to the world that the bill was unconstitu-

tional, and if passed, would not bind the faith of the nation. In his letter to the editor of the *Globe*, dated "Hermitage, 23d July, 1837, he says :

"I hope no treasury notes will be issued. The treasury drafts upon actual deposits are constitutional, and do not partake of paper credits as treasury notes, which are subject to depreciation by the merchants, and banks, and shavers and brokers; and will be, if issued; and the government cannot avoid it. Different must it be with treasury drafts drawn upon actual deposits; and, from the conduct of the banks and the merchants, they deserve no favors from the government, which they have attempted to disgrace, and destroy its credit both at home and abroad."

There were others who entertained the same opinion. He believed that congress had the power, and the right to exercise it. He trusted that gentlemen who were so free to denounce the paper currency and the institutions of bank credit, would carry their denunciations to persons higher in authority. With regard to the proposition now under consideration, he confessed that he did not see such great virtues in it as were attributed to it. In his opinion, it would not prevent excessive issues nor overtrading. He was not prepared to admit that it was desirable that banks should not issue notes under ten dollars. It might be well enough, perhaps, for the legislature, at some future time, to pass a law to that effect. But this convention was not the proper place to entertain a proposition of this sort. To adopt it, would be productive of no benefit, for not a dollar more of specie would come into the country; besides, the banks of other states would fill up the vacuum created by the withdrawal of ten dollar notes, by issuing notes of the denomination of five, two, three, &c. He did not think it would be politic for this convention to act on the subject, as the legislature possessed full power over it, and might impose such restrictions, as the circumstances of the times called for. Indeed, it was the more suitable body, as they possessed greater opportunities and facilities of obtaining that knowledge which was most calculated to lead them to a right conclusion.

Supposing such a law to be passed, we could not induce the people to comply with it. If they could not get specie, they would have notes of a less denomination than ten dollars. They might be told that the constitution prohibits the circulation of any thing of less value. But, their answer would be: "We don't care for the constitution, we will not be inconvenienced."

Did not the law, at present, impose a heavy penalty on any person who should take notes of less than a certain denomination? But was not the law perfectly nugatory? Most assuredly it was; and no man would incur the odium of attempting to enforce it.

The law in the western part of the state had not been carried out as to the issue of small notes, which continue to circulate there. He should be sorry to see the day when the people would act in contravention to the constitution; and, therefore, he hoped that nothing would be incorporated in it, which might subject it to that fate. The legislature having power over this subject, as he had already said, could repeal or modify the law;

in short, could act according to the wants and wishes of the people, and adapt their legislation to existing circumstances. Why, then, not submit the subject to the people's representatives? Were gentlemen afraid of them? Were they actually afraid to touch the legislature? He (Mr. D.) would say that the legislature was, in every respect, more competent to correct the evil, and to provide a proper remedy.

But gentlemen are unwilling to trust the legislature of this commonwealth, yet they will trust the legislature of other states. If they are to follow our example, they will have to call conventions. But the legislatures of other states will not follow in our steps. It has been said, that the legislature is beset by bidders who exercise a pernicious influence; and, that it is morally impossible for that body to exercise its legislative functions, independently and fairly, because the banks are there, not with the power of the sword, but, what is a thousand times more mischievous, the power of the purse.

What is meant by the power of the purse? Can any one mistake the meaning of the gentleman who made this charge? Does he, a citizen of this commonwealth, mean that the representatives of the people are to be corrupted? Is that his meaning? I know not how the gentleman from Susquehanna (Mr. Read) took this remark. He voted for chartering the bank. Did he feel this power of the purse? No. Then what did the gentleman from Luzerne mean by the power of the purse? Were the members of the legislature corrupted? The political friends of that gentleman composed the majority: were they corrupted? I have every confidence in those gentlemen who composed the legislature, because the people placed them in that high and responsible station. The freemen of Pennsylvania placed them there, and I trust they are above the reach of the power of the purse, even though it had been wielded by the gentleman from Luzerne.

I have every confidence in the members of the legislature, because they know that the establishment of the fact of their corruption, would blast their reputations, and send them down withered and disgraced, to everlasting infamy. The power of the purse! It is a subtle power, the operation of which, perhaps, is not seen. We have been told that we were selected for this convention, by the mass of the people. Is there any difference, then, between those who are sitting in this body, and those who compose the legislature, who are also selected from the same mass? No. There are precisely the same materials in this convention, as those which are to be found in the legislature. The power of the purse, then, is just the same over us, as it is over the legislative body. If there is no power of the purse which operates upon us, so neither is there any which operates on the legislature. It is an insult to the people to suppose that the legislators of their selection, should be so venal, and so base as to be approached by the power of the purse.

The gentleman from Luzerne seems to have more confidence in the purity of other legislatures and states, than in that of his own. Carrying out this idea, he seems to insinuate that the charter of the Bank of the United States was obtained under an influence of this kind. True, he does not make this a specific charge, but he makes it in effect. It is a charge not only without proof, but against fact and evidence. What

does the gentleman mean by making these charges against fact and evidence? When we were at Harrisburg, the gentleman from Indiana and the gentleman from Susquehanna made a broader charge than that of the gentleman from Luzerne. They said, they knew that the charter of the United States Bank of Pennsylvania was obtained by fraud. It may be well to call to the recollection of these gentlemen, some facts which may have been forgotten. When they assert what they say to be true, they must be responsible, and are bound to sustain the assertion by sufficient proof, or to shew that they were misled. This course is imposed on them by every moral and every political obligation. I will refresh the memory of the gentlemen on the subject, in order that they may be able to set themselves right. I refer them to the report of the committee appointed by the last legislature to investigate the manner in which the charter of the United States Bank of Pennsylvania was obtained. Power had been given to this committee to send for persons and papers. The investigation thus ordered by the legislature was carried on by men as keen-sighted as either the gentleman from Susquehanna or the gentleman from Luzerne, and who were entirely disposed to make war on the institution, and to attack it in every practical mode.

On motion of Mr. HILL, of Westmoreland, the following resolution was adopted :

Resolved, That a committee of seven be appointed to inquire into the mode, manner and means by which the said act of the 18th of February, 1836, was passed, and also into the conduct of the stockholders of the said institution and their agents under the said law, since the 5th of March 1836, and into such other matters as may be connected with the said inquiry, and that said committee have power to send for persons and papers, and report to this house."

Here was a committee appointed of seven members, afterwards increased to nine—a large committee, consisting of men of as much ability as any in the legislature, with all manner of powers, such as never before had been conferred on any chairman of a committee; and every instrument which could operate on them to ferret out corruption and fraud. The gentleman from Indiana, (Mr. Clarke) speaks of the indecent haste with which all this was done, and that the whole course of this action was against the will of the people, and not calculated to remove the impression of fraud. What does the report say?

"For some time prior to the report of the bill, in the house of representatives, to incorporate the bank, a number of the friends and advocates of that institution, expressed great anxiety that it should be chartered by Pennsylvania. The agitation of this subject commenced some time after the election of Governor Ritner, and was urged on towards accomplishment until the 5th of January, 1836; when John H. Walker and E. F. Pennypacker, the one the chairman of the committee on banks, and the other the chairman of the committee on ways and means, addressed a joint letter to Mr. Biddle, president of the bank, inquiring on what terms the bank would be willing to accept of a charter from Pennsylvania, and what bonus it would be willing to pay. To this letter, Mr. Biddle returned an answer, stating the terms on which he thought the stockholders would accept of a charter—which do not much vary from that contained in the act of assembly—and also the amount of bonus, which was much less than that contained in the bill, as it finally passed."

This subject has been agitated at Harrisburg, here, and also at Washington, where I was, at the time, in the performance of my public duties, as is well known to all who are conversant with the political history of the times. What did the committee appointed by the house of representatives of this commonwealth do? The resolution of Mr. Hill was passed on the 21st of January, 1837, under the pressure of the previous question. The report of the committee was made on the 24th of March, after a full and deliberate investigation of the subject. The whole evidence which had been collected by the committee was spread forth in detail. He had not looked over the evidence, but he took it for granted that it sustained the report of the committee. The report, speaking of the people, says:

“Their suspicions were justly awakened, and for more than a year, they have been unceasingly calling for an inquiry into this matter. In obedience, therefore, to the known wishes of a large majority of the people of this commonwealth, this committee was appointed. The committee entered upon the duty with a determination to do justice to all parties involved, and have given the subject all that attention, which a due regard to its importance, and the other duties devolved upon them as members of the house of representatives would permit; and they are free in saying that no evidence has been given which would go to implicate either the officers of the bank or any member of the legislature on the charge of using any corrupt means to procure the act of incorporation.”

Substituting the word “party” for the word “people,” in the commencement of the paragraph, the statement would be correct. Gentlemen are always in the habit of calling their party “the people.” Here then (said Mr. D.) we have the result of this affair; and it has been declared by a committee of gentlemen, full of party rancour against the bank, that there could be found no evidence, after full and vigilant investigation of the use of any corrupt means to procure the charter, and this decision is given against the wishes of their party, who have held up the proceeding to the people as most corrupt, and because it had been charged in the Globe that the legislature had been bribed, and that certain senators had been bought over by bribes. In despite of all these bold charges, so boldly put forth, the truth has asserted its omnipotence and has prevailed. This result was satisfactory to the members of the legislature, who are elected to ferret out the corruption by which that charter was obtained, for the report says:

“More than two thirds of the members of the house of representatives were elected by voters who demanded the inquiry, who believed that it was due to the people, the last legislature and the bank, to probe this subject to the bottom. And if guilt and corruption were discovered, to proclaim it in the indignant voice of an outraged people, and if no guilt or corruption were discovered, to proclaim that to be in the bold spirit of candor and justice. The people are always just. They are not more inflexible in punishing the guilty, than they are magnanimous in acquitting the innocent.”

Yes, the cry was—“down with the bank!”—“*Deianda est Carthago!*!”—as the gentleman from Mifflin (Mr. Banks) said. This was the cry all over the state. The legislature, however, were convinced

that every thing was fairly and honorably conducted, and therefore, by a large majority, they sanctioned the report of the committee.

Now the gentleman from Indiana says he knows the charter was obtained by fraud, and the gentleman from Luzerne declares that it was against the will of the people. Before such assertions were made, there should be, at least, some shadow of foundation on which they might rest. I do not think that the gentleman from Luzerne, believes in his heart, that there was any fraud; or, if he does, he believes it against evidence. The committee were armed with full power to call for persons, and to make a thorough investigation, and if they had been diverted from their course by the influence of the bank, why did the legislature sustain their report? The committee use this language:

“Your committee believe the legislature to possess full power to repeal the charter of any bank where it appears to have wilfully violated its charter, or that its existence is dangerous to the liberties or happiness of the people of this commonwealth.”

Here then, if they believed this institution to be so gigantic, as to be “dangerous to the liberties or happiness of the people,” the legislature had the power to repeal the law which gave the charter. How did they act? When the report was brought up for consideration, and the question was on the resolution that the committee be discharged from the further consideration of the subject, a gentleman from Venango, (Mr. Espy) moved an amendment, to add the following words: “and that the judiciary committee be directed to bring in a bill for the repeal of the charter of the Bank of the United States of Pennsylvania,” which was negatived by the following vote—yeas 31, nays 61.

I wish (continued Mr. D.) to present the gentleman from Luzerne, (Mr. Woodward,) from Susquehanna, (Mr. Read) and from Indiana, (Mr. Clarke) fairly to the country, as casting abroad allegations against the legislature and the bank which have not been proved, and which cannot be proved. It was almost too great an exercise of charity to suppose, after every effort made by the committee to substantiate the charges, that these gentlemen could have been imposed on by such general and base charges and allegations.

He was not prepared to sustain the amendment of the gentleman from Susquehanna, (Mr. Read.) The object of the delegate was to bring about a specie currency. He (Mr. D.) could not see how the gentleman would accomplish his purpose. Very little specie, indeed, was to be found in general circulation, and men were obliged to use bank or treasury notes in order to carry on the ordinary transaction of business. The effect of attempting a scheme of this sort would be to raise a premium on the price of specie in the state of Pennsylvania. The brokers were already realizing immense profits by the sale of it. Specie was an article of merchandize, and a proposition of this character would increase the demands for it, and it could not be kept long in circulation. If a man had to pay specie for any thing, he had to buy it of a broker, and the receiver would, in all probability, sell it as soon as he received it. And, thus it was no longer a medium of circulation. He believed, then, that the provision would be impolitic at this time, and tend only to increase

our difficulties. He did not believe that the south was prepared for the alteration proposed. For his own part, he confessed, that he was against having any notes in circulation under five dollars; but, under existing circumstances, in the peculiar situation in which we found ourselves, he would not disturb the paper circulation. He could not rely on other states following our example. They would follow their interests, and not look to ours. He would vote against the amendment of the delegate from Susquehanna.

The committee then rose; and,

The Convention adjourned.

TUESDAY AFTERNOON, DECEMBER 5, 1837.

SEVENTH ARTICLE.

The convention again went into committee of the whole on the report of the committee, to which was referred the seventh article of the constitution.

The question being on the motion of Mr. STEVENS, to amend the amendment offered by Mr. READ, by striking therefrom all the words after "section 3," and inserting in lieu thereof, as follows:

"The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people."

Mr. SCOTT, rose and said: Mr. Chairman: The third section of the seventh article of the existing constitution is in the following words: "The rights, privileges, immunities and estates of religious societies, and corporate bodies, shall remain as if the constitution of this state had not been altered or amended." The sentiment of this third section is beautiful in itself, and the doctrine which it asserts and promulgates, is founded upon the broad basis of the moral law. The committee to whom this article of the constitution was referred made a report in which they said that this section of the article needed no amendment. In doing this, they did that for which I conceive, not only every Pennsylvanian, but every individual in this country, will tender them thanks.

If amendments are to be made in relation to this matter of corporations, which we have been discussing for the last week, I hope they will be made in in some other article, or in some other place, than where the amendment is now proposed, and would not touch a letter or a comma of this section, which promulgates such sound and beautiful doctrines.

Sir, the gentleman from Susquehanna (Mr. Read) dislikes this section of the seventh article. He abhors charters, detests banks, and goes against corporate rights, and instead of waiting until we come to a discussion of the ninth article, which I apprehend would be the proper place for the introduction of restrictions on this subject, he has seen proper to strike a blow at this third section of the seventh article, which, above all others, ought to be preserved inviolate.

Sir, let that blow take effect; let this section be once broken in upon, and my word for it, the section will be striped, word after word, sentence after sentence, and sentiment after sentiment, until no chartered right, no corporate privilege, will remain sacred within the limits of this commonwealth.

I am justified in believing this, not only from the language of this amendment itself, but from the course of argument which has been pursued in this convention, to uphold and support it. We have here seen the greatest hostility evinced towards chartered rights, not only those of a particular kind, but in fact against every description of corporations. The cry which has been raised, and has gone forth throughout this commonwealth, has been against corporations of every description, as well as against those with the more detested name of banks; and I submit to the convention, whether these remarks are not borne out by the course of argument made use of by the radical members of this convention.

The printed speech of the gentleman from Susquehanna (Mr. Read) has gone forth; the argument of the gentleman from Indiana (Mr. Clarke) has followed it up, and the burden of both was against all corporations, and all vested rights. True, their greatest hostility appeared to be to the banking institutions of the state. It was to them that they held the greatest hostility; but, they were ready to sink all corporations to the lowest depths, but if in those lowest depths, there was to be found a still lower deep, that was the place that banking corporations were to be consigned to.

I wish here to be permitted to say, that it is bad policy for any man, or any set of men, who have any interest in the prosperity of the country, to pursue this sort of argument, and indulge in this kind of declamation in this body, even for the purpose of carrying an amendment apparently liberal, and right, and proper in itself.

Sir, it is dangerous, extremely dangerous, to put the ball of revolution in motion. Where did the march of any revolution ever stop, be it for or against the liberties of the land; be it for or against the prosperity of the land? When the ball is once set in motion, the history of the world tells us, that it seldom ever stops until the purposes of the revolution are effected. If gentlemen commence the work by tearing down all incorporated institutions, and by abolishing the charters of all banks; do they expect that the banks and the fruits of labor and industry, will remain secure and untarnished by the destroying spirit?

Sir, the thirst for other men's property, is like the thirst for blood: once violate plighted faith, and the hand of destruction and rapine will go on unchecked, until all will be ruin and desolation. I will now ask gentlemen, why is it that we hear this cry in Pennsylvania, especially

against the corporations? What is there in the history of this great commonwealth, which will warrant it? Is there not, sir, in every page of her history, evidence of her deep indebtedness to corporations for her present high state of improvement and greatness? Is she not indebted, deeply indebted to these institutions for her high state of physical and moral cultivation?

Sir, these institutions have made Pennsylvania what she is—they have developed her resources—they have built up her towns—opened up her rivers and canals—erected her bridges—made her roads and given her a million and a half of bold and enterprising people, which has enabled her to take the front rank in power in this Union. Sir, when I make these assertions, do I speak without book? No sir. Allow me to turn gentlemen of all parties, to a few facts, which all must admit the truth of, upon their being brought to their notice.

Sir, you have a report upon your table of the number of charters granted in Pennsylvania, which show them to be very large in amount. Well, let us see what they are: In the first place, you have borough, township, and district corporations, amounting to eleven hundred and fifty two in number.

Well, what are they employed in but administering to the happiness, good order and peace of all who live within their limits. The duties are to aid the main or general government in the preservation of good order, and the carrying out the great objects of government.

Then, sir, you have turnpike companies, amounting to two hundred and forty-eight in number; and these are the companies which have formed the great avenues through your commonwealth, which have added so much to the prosperity of the state; these are the companies which have made the roads that enable your farmers in every portion of the state to get their produce to market, which has added great wealth to your cities as well as to all the country, through which they passed, these companies have not only added great wealth and prosperity to your state, but they have added greatly to its moral and physical condition. Well, the capital of these two hundred and forty eight companies is \$9,989,000. What has become of this vast sum? Why, it has been scattered throughout the country, and gone into the hands of those who furnished labor and materials in the construction of the roads, and has added to the prosperity of those living upon their borders. But, how much of it has ever returned in the hands of those who are or were the holders of the stock?

Can the gentleman from Susquehanna, or the gentleman from Indiana, tell how much benefit has been reaped by the stockholders of these companies. Do these gentlemen not know that the millions which have been expended in turnpikes, so far as the stockholders are concerned, are lost millions? So far as the companies are concerned, the moneys might almost as well have been thrown into the bottomless deep, but so far as the state and the public at large have been concerned, they have been of the utmost importance, giving wealth and happiness to her citizens and prosperity to the commonwealth. Wealth piled upon wealth, and fortune upon fortune has been made by the improvements thus made

in our commonwealth, but the companies which made these improvements have seldom received any return in the shape of dividends, for the money they have thus invested.

Then, sir, again you have one hundred and two bridge companies, with capitals amounting in the aggregate to \$3,498,000. This large sum has been expended in the erection of your magnificent bridges across the Delaware, the Schuylkill, the Susquehanna, the Ohio, and many other of your noble rivers. These works have been erected at great expense to the companies and how many of them have made any remuneration to the stockholders? Some few have, but they are but very few. Sir, if there be a feature upon the soil of Pennsylvania, which attracts the admiration of a stranger, more than any other, it is that of her splendid and magnificent bridges. She stands unrivalled in the country, in that particular, and it has always been one of her greatest sources of pride.

Next come your rail road companies, which annihilate space and time. Your rail road companies amount to seventy-eight in number, and have an aggregate capital invested amounting to \$31,312,000. Your canal and navigation companies are fifty two in number, with an aggregate capital of \$17,679,200. Your coal companies are twelve in number, with a capital of \$4,750,000; and you have one coal and navigation company with a capital of \$1,000,000. The total of this description of corporation in Pennsylvania, having a capital of \$67,553,300, invested within her borders.

Well, sir, I have now demonstrated that these detestable aristocrats, these shameful men of wealth, who are said by gentlemen here, to live upon the labor of the poor, have transmitted wealth to men of all description, in every part and corner of the commonwealth, and are reaping but a very small portion of the profits themselves. I have demonstrated that these corporations have expended in the commonwealth, for the benefit of the people of the commonwealth upwards of sixty-seven millions of their capital.

Our great canals, many of them have been made by corporations, our rail roads have been constructed by corporations, our bridges have been erected by corporations, and our turnpikes through almost every country in the state, have been made by corporations. Sir, could these projects have been carried on by individual wealth? Where is the individual who could expend his two or three millions of dollars in the construction of a rail road, or a canal, or a turnpike? Where is he to be found, I ask and if he is found, what is to become of it after his death, if he is enabled to complete it in his life time. If he was to die when the work was half completed, what would become of it? The money might be lost, and the work prove abortive. But, we have a specimen of this kind of improvements beyond the waters.

In England, we have the Duke of Bridgewater's canal. That is an example for us, say gentlemen, I suppose. That man has built a canal at an expense, I believe of something like £200,000 sterling, and there I may point you to the aristocracy of wealth. There is a monopoly in the hands of one man, and he may transmit it to his son, and it will remain

a family monopoly forever. Have you any such men in Pennsylvania, or do you desire to have any such? If so, you ought to cease complaining of monopolies and exclusive privileges.

Sir, how would you like, in this free commonwealth, to see a single individual own an improvement of this kind? Would you desire to see any one man have the power of appointing and dismissing at his will and pleasure, a whole regiment of persons, agents engaged on his improvements, because they might not exactly coincide in opinion with him?

Sir, there is no system of making your improvement so sure, so just, and so democratic, as that by the aid of corporations; and by the aid of these same corporations, in this state, the wilderness has been made to blossom like the rose, and the barren place to teem with industry and enterprise.

Sir, your coal companies alone, with a capital of some four millions, have done much to add to the wealth of Pennsylvania. They have developed a resource which is almost making the other states of the Union tributary to Pennsylvania. Already have these companies brought to light hidden resources which bring into this commonwealth, from other states about four millions of dollars annually. During the last year, these companies shipped out of this state about five thousand six hundred tons of coal which brought from seven to eight dollars a ton, which brought into this state, upwards of four millions of dollars from New York and other states; and this resource in ten years more, I have no doubt will quadruple. Well, sir, what becomes of this four millions? Does it go into the hands of the wealthy capitalists? Not at all. Of the six or seven dollars a ton which these companies obtain a ton for their coal, five dollars at least is paid for the labor of obtaining and transporting it to a foreign market, so that by far the largest amount of this money goes to the men who dig in your mines and who are engaged in transporting and raising provisions to support those who are thus engaged. These companies then give more to the poor laborers of the country than they do to the wealthy capitalists. They form the means of developing our resources, of keeping our citizens busily employed, and of drawing the means for carrying on this business, from other states. Well, sir, would you do away with these companies, throw those engaged in this business out of employment, and lose the revenue which this branch of industry yields to your citizens and your state, or would you have these sources of increasing wealth in the hands of a few overgrown capitalists?

Which would be the most democratic, to have the capital of these companies distributed among some thousand or more persons of small capital, or to have the mining operations carried on by some one or two such men as the late Stephen Girard? Which would be looked upon by the people at large, the greatest monopoly? It seems to me, that there is but one way of answering this question, and that is by giving the preference to incorporated companies, in which, almost every individual, however humble, can own a part.

Well, besides the incorporations which I have enumerated, we have in

this commonwealth, one hundred and sixteen literary institutions, and one hundred and sixteen incorporated religious societies. Now, these institutions, which I have heretofore mentioned, constitute the great bulk of the chartered corporations of this state, with the exception of those devices of Satan, as the gentleman from Indiana has termed them—banking institutions.

Well, sir, even these notable and much abused institutions, which have been nearly borne down by the declamation of the gentleman from Susquehanna, and the gentleman from Indiana;—even these much abused institutions have done the state some service, and the state ought to know it. Sir, since the year 1814, which is twenty-three years, they have paid to the commonwealth of the Pennsylvania, as bonuses for charters, \$3,302,586, and they are now paying, and still owe to the state \$2,185,916. A part of this sum is owed by the bank of the United States, and a part by the Girard Bank, for balances upon their bonuses which are not yet due, and which will be paid into the treasury of the state; all of which sums, notwithstanding the suspension of specie payments, are as good as gold, and all of which my friends of the anti-bank party would be glad to have checks for in their pockets.

Well, besides these five millions and a half which the state has obtained, or will obtain in this way, these banking institutions have paid to her, in the shape of dividends on stock held by the state, \$5 684,067, and for taxes upon dividends they have paid the state \$785 804; the total of, which amounts to the extraordinary sum of \$11,658,373. These devices of Satan have paid the state, since the year 1814, this vast sum. Then am I not right in saying that they have rendered the state some service; and I want the state to know it. I want the plain, honest, upright, sober citizens of this commonwealth to know what they have received at the hands of these much abused and vilified institutions. Well, now let me turn the attention of the convention to another fact. Let me point them to the whole annual income of the state, except that derived from internal improvements and corporations. Let me point gentlemen to the whole revenue of the state for the last year accruing from auction and commission duties; canal offices and land office fees; tavern licences; retailer's licences; collateral inheritance tax; tax on writs; tax on offices; hawkers and pedlars, and tin and clock pedlars tax; fees of secretaries and auditors offices; and all other sources except those mentioned. Well, the whole annual income of the commonwealth, from all these sources, amounts to but \$33,048. It will then require twenty-two years of the whole of the receipts of the state from these sources, to make as much as the banks have already paid into your treasury since 1814. These institutions have paid into the coffers of your treasury nearly twelve millions of dollars, which is more than you would receive from the ordinary sources of revenue of the state in twenty-two years.

Well, suppose you had not had this source of revenue, you must have resorted to direct taxation to make up for it. As it is, the expenditures attending the administration of the government have been paid, and your citizens have not known how they have been paid; the burdens of government have been borne, and the people have not felt the weight of them. The whole of the vast expenditures of this state have been made for a

long series of years, and it has not been necessary, except for a very short period, to resort to direct taxation for state purposes. For county purposes, to be sure, there is not a dollar's worth of property, there is not a trade, an occupation, or a pursuit, but pays its tax, yet this tax is but light, and it is paid because the affairs of government could not get along without it.

And why? Simply, because your commonwealth cannot do without it; and yet, sir, with this knowledge before us, it is proposed that we should cut down a source of wealth, and that we should lay the burden thus created, on the owners of personal property, and of our land; for, after all, you will always find, that when it comes to be a question of absolute necessity, the direct taxes upon real estate is that to which every country has resorted, and must resort, whenever her coffers peremptorily require to be replenished.

Mr. Chairman, these banks have been good servants to us. I ask this convention, therefore, not to deal so harshly with them. I am desirous to know how, if we destroy these banks, we are to supply the place which they have heretofore occupied in our land? What substitutes shall we devise? Who will pay us so well as we have been paid by these legalized robbers, as the gentleman from the county of Susquehanna, in his elegant selection of terms; or, as the gentleman from the county of Luzerne, in his still more choice diction, has called them, this gang of incorporated speculators? Show me these legalized robbers, this gang of incorporated speculators in the state of Pennsylvania!—these men, who, since the year 1814, have contributed eleven millions nine hundred thousand dollars, to its growth and prosperity?

Again, sir, how are we to pay the interest on our public debt, if you are resolved to blot out of existence, these chartered institutions; and, from which, to so great an extent, your resources proceed? I know of only one way by which we shall be able to free ourselves from this incumbrance, and that will be to wipe away the whole debt with a sponge! Are gentlemen prepared to adopt this alternative? Is there any thing in it, which recommends it specially to the favor of high-minded and honorable men? If there is, I confess myself unable to discover it.

Your public debt, as it is well known, is held by men of property—possibly by men of wealth; although it is also held, in small quantities, by persons who are not possessed of wealth to any great extent. How, then, shall we pay it off? Why, wipe it off with a sponge! This is a very easy method of settlement. The gentleman from the county of Indiana, (Mr. Clarke) designates these banking institutions, as *the devices of the Devil*; the gentleman from the county of Luzerne, (Mr. Woodward) endorses the statement; and the gentleman from the county of Susquehanna, (Mr. Read) undertakes to prove that all these institutions are the enemies of the democracy of numbers.

Blot out, then, the 3d section of the seventh article of your constitution, and blot out your state debt! Your commonwealth, herself, is an owner of bank stock. The simple people of this state did not suppose that the commonwealth herself would become a robber. They did not believe that she was a holder of property, in violation of the moral law.

They did not know that your statesmen and your legislators, for fifty years past, had been leagued with acquaintances of so very respectable a cast, as had been introduced in the course of this debate, by the gentleman from Indiana, in speaking of the banks. They did not know that this commonwealth was composed of a set of legalized robbers—an incorporated gang of speculators. They knew nothing of all these things; and, therefore, the simple people of this commonwealth, have invested their money in these very institutions, which it is now proposed to cut down and destroy. Sir, in placing their money in these institutions, they did nothing more than follow the example which had been set them by the state herself; and, I say, that the doctrines which are now preached with an unblushing front, would convert the commonwealth of Pennsylvania herself, into a great public robber, accursed of all nations; and, would sink her into the meanest and lowest of these conspirators—these gangs of speculators, of whom we have heard so much said in this body.

But, sir, when we have been taught by our fathers and our brothers, who have been in our halls of legislation since the year 1776, that these were necessary when there is probably no man in this assembly, who, or whose father or brother, has not voted in favor of the establishment of such institutions, during the last half century, within this commonwealth—are we now to hear it proclaimed from this hall, that all those whom we had been taught to venerate, because they were entitled to our veneration, were nothing more than legalized robbers, or a gang of incorporated speculators? Is this the language in which men speak of their forefathers, and yet, gentlemen look for reverence for themselves when they shall come to have gray hairs? Let those who look for long life themselves, treat those whom they may succeed, with more respect than gentlemen here have shown, lest their descendants should bring down their gray hairs with sorrow to the grave.

But, sir, this third section of the seventh article of your constitution must be got rid of; by the aid of the war cry, “monopolies, privileged orders” and the like, it must be got rid of. Monopolies! How monopolies? The gentlemen who have introduced these terms to our special notice, have not defined them; they have not been pleased to tell us what they mean by a monopoly. My idea of a monopoly is simply this: it is a privilege granted to an individual; or, if you please, to a body of them, like the tobacco trade in Spain to a grandee—a privilege granted to an individual or a body of men, in the fruits of which, none but that individual or that body is allowed to participate—of which none can take a taste, save the particular person or body to whom the privilege is given.

Such, for instance, as the duke of Bridgewater’s canal in England, or the duke of Valencia, (or whatever may be his name) who monopolises the tobacco trade in Spain. This is what I call a monopoly. But where is the comparison between grants, such as these, and the banking institutions of the United States? Who may not participate in the benefits of these institutions? Who may not take an interest in the stock of these institutions? Where is the man in this commonwealth who is so poor, so humble, so lowly, that may not, by the fruits of four weeks labor, become a stockholder, and entitled to be a director in one or other of these institutions? Let me tell the gentlemen who have raised this cry against

the banks, that, in the county of Philadelphia, where the great body of these institutions are to be found, there is no profession, no trade, no occupation, which is not represented in the board of directors of one or other of them. If the laborer wants accommodation—if the manufacturer wants accommodation—if the mechanic wants accommodation—if the merchant wants accommodation—or, if the professional man wants accommodation—let them cast their eye over the list of our bank directors, and in some one or other of these institutions, I will engage that the artisan, the manufacturer, the merchant, the mechanic, the tradesman, will find a man of his own trade, profession, and standing in life, to represent his interest and to advocate his wishes at the board.

Sir, these are your monopolies; these are your privileged orders. The old and the young, the high and the low, may all partake of these privileges. They are a favorite instrument here with all classes—all classes may be benefited by them—and by their votes, given personally or by proxy, may contribute to the creation of the board of directors, who are to have the management and control of the institutions. But, sir, in any event, monopoly or no monopoly, privileged orders or no privileged orders, this disagreeable section in the third article of the constitution of 1793 must be got rid of, and the means by which this object is to be accomplished, are to be found in the amendment which has been offered by the gentleman from the county of Susquehanna.

Mr. Chairman, it is a remarkable fact, that although this debate has been in progress for the space of eight or ten days, we have not heard one single argument in favor of the special proposition, now pending before the chair, by those gentlemen who have mainly professed to advocate it. We have had general debate and general denunciations; we have had treatises upon the whole subject, ably and ingeniously put forth; but beyond this we have had nothing.

The proposition of the gentleman from Susquehanna, has not received the favor of a single argument in its support, by any one of the gentlemen who have approached the subject; no, sir, not even from the logical mind of my friend from the county of Luzerne, (Mr. Woodward) from whom I certainly had expected to learn something of the grounds on which the proposition was to be made to rest. But not a single word of argument have we heard in its favor; and this presents itself to my mind as an extraordinary feature in the debate. When I speak of argument in favor of the proposition, I mean this—that we have heard nothing to show how it is to operate—what are to be its effects—and the means by which the proposed effects are to be brought about. I do not know what erroneous expectations the gentlemen who support this proposition may have formed, as to the manner in which it would be received in this body. They surely cannot expect that gentlemen would take for granted, every thing that might be said on the subject, and would thus give their votes in the dark, giving themselves little or no concern as to what they were about to do. We have a right to demand some information; we want to know the *modus operandi*—we want to know how it is to produce all the beneficial results, which we have been left to infer would result from its adoption.

In the printed speech of the gentleman from the county of Susquehanna,

(Mr. Read) delivered in convention at Harrisburg, the 16th and 17th of November, at page 18. I find the following sentence, which I presume is intended by the gentleman as an argument on this subject :

“If the United States would discard paper money, and thereby create a demand for coin, the precious metals would flow in from other countries, exactly in proportion to the extent of that demand, and thus supply all the exigencies of commerce and currency.”

So, continued Mr. S., “the precious metals would flow in from other countries.” Would they, indeed? I beg leave to suggest to the gentleman, that something must flow out of this country before the precious metals will flow into the United States from other countries. Has this idea never suggested itself to the gentleman from Susquehanna? We have before this time heard of the precious metals flowing up the Mississippi! Aye, sir, we have heard of their flowing up the Mississippi, against wind and current; and in spite of their specific gravity, which I apprehended would sink them to the bottom of the great father of rivers, if they were to make so desperate an effort! We have heard of such things that were to be, but it has never yet been our fortune to witness so great a phenomenon. It would indeed be a great phenomenon—not only in the natural but in the moral world—if the specie were to flow into the United States, “exactly in proportion to the extent of the demand,” without something else flowing out of this country to supply its place! Now, sir, I want to be enlightened on this point. I want to know what it is that is to flow out of the United States, to counterbalance this demand for the precious metals. I want to know what we would pay for these metals, that are thus bounteously to flow in upon us. What, I ask, are we to pay? Does not the gentleman know that the imports of this country, for a considerable time past, have exceeded the exports? Let him refer to the official returns, made annually, to the congress of the United States, from the treasury department, and he may satisfy himself as to the extent in which the imports exceed the exports in the United States. This is the case, more or less, in every year—not generally to an overburdensome extent, but sometimes to a very considerable amount. And let me here remind the gentleman, of one very important fact—that is to say, that a part of the means of payment of this very excess of imports over exports, is found in the value put abroad on our incorporated institutions, and the belief entertained, on the part of foreign nations, that they might with safety trust their means therein.

Weil, sir, suppose we were to strike at the root of these institutions, and cut down this means of reducing a portion of our foreign debt, what must be the inevitable result? We cripple our own resources, not only as a state, but as a national government. I want the gentleman to tell me how this specie is to flow in upon us, “exactly in proportion to the extent of the demand,” or how it is to flow in upon us at all, when we owe a European debt, amounting to some twenty or thirty millions of dollars? What is to be drawn out of the country? Are the people of the United States going to do without clothing to cover their backs? Are they going to dispense with all those comforts of life, which are derived from the importations of foreign nations? No, sir, that which you import this year, you must and will import hereafter, although it may be in dimin-

ished quantities. And, until the commonwealth of Pennsylvania is entrusted with the power to control the trade of the United States, and to say what shall, and what shall not come to our doors from foreign countries, she will find that her staples and produce must and will contribute, as well as the staples and produce of the other states of the United States, to the payment of our imports from abroad. Well, sir, if it takes all that we can raise, and more than we can raise, to pay for our imports, I ask the gentleman where, in addition to these imports, are we to get this indraft of specie? Where is it to come from, and what are we to give for it?

Let us suppose, for the sake of the argument, that we could, in these days of magic, fall upon some plan by which we could manage to get the bullion from England, and the francs from France! Would foreign nations permit it? Will foreign nations permit us to have more than our just proportion of specie? What was it that brought about the suspension of specie payments in England, which lasted for a space of nearly twenty-two years? The government of England, owing to the peculiar situation of its affairs at that time, found that it was drained of its bullion, that it was all going abroad. The government then said to the Bank of England, stop specie payments—this thing shall not be tolerated, we will have control over this arm of our national wheel; we forbid you to pay out a dollar. And if we could invent some extraordinary instrument, which would reach across the Atlantic, and fasten upon the ingots of silver and gold, the government there would stop it in its march across the ocean. How much gold and silver would the gentleman from Susquehanna desire that we should have here? I want to know precisely; it is a difficult question to answer, and if he will not take the trouble to give us some information on the subject, I must.

In Russia, I believe, the amount of specie is about six dollars to every soul. This is the estimate there! Are the population of Russia, or are the institutions of Russia, such as the gentleman from Susquehanna and those who act with him in this matter, would wish the people of the United States to resemble? Are they free? Are they enlightened? Are they men who dare to think and act for themselves? Or, are they not the slaves of the land holders? Are they not serfs, who perish under the lash of despotic power? Is there any thing in such a condition of things, which excites the admiration or the envy of the gentleman from Susquehanna?

In Hungary, where the condition of the people is, if possible, still more reduced, I believe the allowance is four dollars for every head of the land; and that four dollars is bound up in the coffers of some certain thousands of those who constitute the nobility of the land, and who hold in the condition of slavery, those who ought to be freemen.

In France and England, where they have a population less unworthy of our imitation, the allowance is fourteen dollars per head—varying to fifteen. Now, suppose we want ten or fifteen dollars in specie to every head in the United States. If your population is fifteen millions, which is about the correct estimate, you must have two hundred and ten millions of specie, in order to give a supply here, equal to that allowed per head in France and England. Two hundred and ten millions of specie!

What is to flow out of the United States, to bring this in? It is said, we have now eighty millions of specie here. So we are still in want of one hundred and thirty millions! Where is this to come from? Where do the learned gentlemen, who would put down the paper currency, propose to get this additional specie, to the amount of one hundred and thirty millions of dollars? And after they have got it here, how do they propose to keep it, when it is wanted abroad, to pay the debts which I suppose the gentlemen will admit we may incur, after getting this within our borders?

He did not mean to say that banks were perfect corporations—institutions not capable of being improved. But, what he did mean to say was that the proper policy for the commonwealth to adopt was, to exercise its legislative power according to the circumstances and necessities of the day, which must vary from day to day. He could easily conceive the occasion on which it would become the duty of the legislature to say that specie shall not be paid. If we should put a provision, such as was proposed, in the constitution, although it might prove beneficial under certain circumstances, yet it might do incalculable evil in eight or ten years hence. He had not heard any thing like an argument in favor of the proposition—nothing, certainly, like what we were entitled to look for. The argument made on this side was against the proposition. We, however, were but volunteers. We might mistake the ground upon which our friends on the other side intend to go, and might do them great injustice. What he desired them to do was, to give us an argument—something tangible on which they professed to base their amendment, and then he (Mr. S.) and others, on his side, would know how to act. Thus far he had found, in the absence of argument, one reason for voting against the amendment of the delegate from Susquehanna, and in favor of that of the gentleman from Adams, (Mr. Stevens) the bearing and tendency of which he fully understood. Against voting for the amendment of the delegate from Susquehanna, he entertained a parliamentary reason—a reason which we had a right to urge and act upon. And first he found it in the manner in which the amendment was brought forward, and introduced to the notice of the convention. The gentleman had written his speech, and had spoken it calmly and deliberately, and also printed it, and sent it forth in English and German, to the people of this commonwealth. And, he might perhaps say as was said by Heloise in one of her letters to Abelard—

“ Oh! write it not my hand,
 “ The spirit appears alre dy written,
 “ Oh! blot it out my tears.”

Thus (continued Mr. S.) in this written, published speech of the gentleman from Susquehanna, are calculated the chances of the success, or downfall of our republican institutions. Their fate is made to depend upon the action of this body, in reference to the amendments it is his purpose to offer. Although (said Mr. S.) the gentleman had been asked, begged, entreated to let the convention see them, he had not deigned to comply with their request. No, he had not condescended to let us see what it was he intended to carry out. Here were a series of propositions, coming from secret corners, and formed out of opinions expressed beyond

the walls of this body, the object of which was to improve our institutions, and yet we were not to be permitted to look at, and deliberate on them, before being introduced. When subjects were introduced in a mode so unusual, so unparliamentary, so inconsistent with the whole practise of this body (for, be it remembered, that every gentleman who intended to propose amendments, offered them, and they were put on file in print, to be acted upon at the proper time) they were justified in suspecting and fearing, that there was something kept behind. Could we admire, or pass upon the beauty or symmetry of each feature of the human form, if the trunk only to which they were attached, was visible? Could we undertake to give our opinion of the works of a statuary or a painter, without seeing and examining them minutely, and with care? He (Mr. S.) presumed that no gentleman would pretend to assert the contrary. How, then, could the delegate from Susquehanna (Mr. Read) suppose that the members of this body could vote on an amendment of this sort, while they were kept in the dark, with respect to the character of the others, forming a series, and which were of the important bearing he had described them to be? That was a fair, honest, and legitimate reason for voting against the amendment. Let, then, the gentleman's propositions be laid on the table; let every member take a copy of them home, to examine and study them at his leisure. They could afterwards return here, and vote on them after an opinion deliberately formed. Another argument with him, whatever it might be with other gentlemen, for refusing his assent to the proposition, was the argument in the written and published speech of the gentleman from Susquehanna.

When he (Mr. S.) found those who pretended to point out faults and to offer amendments to cure certain evils, pursuing a course of argument calculated to destroy and tear up by the roots that which was only regarded as defective, but not worthless, could he trust them? Could a man doubt the object of another who should come to his house for the purpose of extracting a pimple or a wen, if he were armed with a broad sword or a Turkish scimeter? And, would he be entrusted with either of those instruments to perform such an operation? He (Mr. Scott) apprehended not. After the course, then, which the gentleman from Susquehanna had pursued, was he (Mr. S.) not justified in believing that he had some ulterior object in view? He could not lend the sanction of his vote for the amendment of the delegate.

The gentlemen, in his printed speech, says :

“The subject of currency is somewhat complex in its operations and influences upon the interests and prosperity of society; and the favored few, the monied nobility of this republican land, who have been amassing princely fortunes, for the last half century, by its secret and insidious operations, have a direct interest in mystifying the subject as much as possible. These causes combined, have deprived the great mass of the community, of the time and opportunity to acquire that full and particular knowledge of its operations and effects necessary to the protection of their rights. While the mass of the people have been endeavoring to discharge all their duties to society, by a course of honest and laborious industry, the bank speculators have been craftily and insidiously devising, and gradually fastening upon them, a system of extortion, speculation,

and invisible taxation, more onerous to be borne, and more destructive of their vital interests, than all the injuries which impelled our fathers to a separation from the mother country."

He (Mr. S.) would ask whether delegates could suppose that a gentleman, who advocated such doctrines as these, intended to amend and improve? Did not his whole course rather show that he was bent on cutting down, on destroying that which he had professed his intention to amend and improve? It would be remembered (and he (Mr. S.) had a right to avail himself of the fact,) that the delegate had been sometime in possession of these propositions, and had written an argument on the subject of them. The gentleman's friends might modify and soften them as they pleased, delegates on the other side were bound, as honest men, to regard them as embracing the creed of that party—be it what it might—who were to swear to it, and have it voted upon throughout the commonwealth. The gentleman goes on to say—

"What, then, is our condition? and how long are we to submit to a state of vassalage, imposed by the "aristocracy of wealth," which always controls banking institutions? And, secondly, how are we to be released from this fearful power, which is paralysing industry, and preying on the very vitals of society?"

The gentleman from Luzerne (Mr. Woodward) told the convention that the time was at hand—was coming—was not far off, when the people would rise in their power, and put down these institutions. Now, this phrase might be interpreted in two ways: first, either to mean, through the action of the legislature; or, secondly, by force. He entertained the highest personal respect for the gentleman, and he could not suppose he meant to say that the people would act in defiance of the law. He (Mr. S.) must say, however, that he had never heard language more calculated to lead to acts of personal violence than that which he had heard proclaimed on that floor by the delegate from Susquehanna. He thought so, he would say so now, and as long as God was willing, and he remained a freeman, that the sentiments expressed by the delegate were of a very dangerous tendency. What does the gentleman from Susquehanna say?

"The struggle has already commenced between the "democracy of numbers," fighting for the preservation of their individual rights; and the "aristocracy of wealth," warring for the continuance of exclusive privileges, totally inconsistent with the rights of man, the prosperity of the country, and the letter and spirit of our written constitutions."

Mr. S. asked, where it had commenced? Was it in New York, where we had a struggle six or eight months ago, a mob travelling up Broadway to Wall street, and down that street to Pearl street, among the stores and men of business, and exhibiting themselves in private houses, and doing all the mischief they could? Was that the struggle which had commenced? He considered it prudent and proper that the members of this convention should express themselves clearly and explicitly, and in a manner not calculated to excite their fellow citizens to commit acts of violence.

Let me turn to another fact. Speaking of the broken banks, he says :

“The amount of their bills never redeemed is \$43,515,000. A dead loss to the industrious poor.”

If the industrious poor have lost \$43,000,000, I wonder how much the rich have.

“A clear gain to the wealthy banker. A tax upon, or more correctly speaking, a robbery of the industrious classes, of almost two millions annually, fraudulently abstracted from the pockets of the honest, hard-working producers of wealth, and embezzled by the magic of a paper system, and its natural concomitants, into the coffers of bank speculators!

* * * * *

“If these abuses are not to be corrected, if these legalized robberies are not to terminate, if the vampire grasp of bank aristocracy is to remain fastened upon us, then was William Pitt right when he said “let the Americans go into their banking system, and their boasted independence will be but a phantom.” To the total loss of the forty-three millions, is to be added all the losses, all the sacrifices, all the distress and misery, incalculable in amount, consequent upon the individual bankruptcies caused by the failure of the banks. These banks were chiefs in the money market, and carried down thousands in their train.”

Mr. S. said that he had read these passages for the purpose of justifying what he had said, and showing the mischievous tendency of an argument of this kind, and the duty which devolved upon every man who reprobated the dissemination of such dangerous doctrines, to vote against every proposition that was based on them. We had heard promulgated on this floor the monstrous agrarian argument that a man ought not to hold more than a limited quantity of land; and if he possessed more than would support him in comfort, and his neighbor had less,—that therefore, as the Creator of the universe formed the earth for the benefit of all men, a part of A's land should be taken from him and given to B, who had less!

Mr. EARLE, of Philadelphia county, rose to explain. He understood the gentleman from the city (Mr. Scott) to allude to some remarks that he had made. The gentleman, however, had entirely misunderstood him. He (Mr. E.) advanced the doctrine of Paley and Blackstone, that land should descend unequally—that the public good required it, and that the public had a right to make different laws in regard to the disposition of property. He denied that he was in favor of the agrarian principle, of an equal division of land; nor did he advocate the doctrine imputed to him that because one farmer had more land than his neighbor, he should make a division. That, he begged leave to say was not his doctrine.

Mr. SCOTT resumed. He was delighted to hear the explanation of the gentleman from the county of Philadelphia, and hoped that before the argument was closed, there would be more explanations and repudiations of doctrines from that and other quarters. It was one of the advantages of free and full discussion, that an opportunity was afforded of putting a subject in the proper light—of correcting mistakes before they went abroad, which otherwise might prove mischievous. It was to send forth the poison without the antidote.

We were now on the subject of charters and banks. His friend (Mr. Fuller of Fayette) to whose language he always listened with so much delight, had laid on the table a resolution which his friend from Fayette (Mr. Fuller) yesterday voted to take up. That resolution was what he (Mr. S.) would call the despotism of democracy. It was to disfranchise the members of this convention—to prevent those holding bank stock, from voting on this question. He apprehended that the people sent us here not only to defend their rights and property, but also our own. We had been gravely told in so many words, that a man's voice could not be heard in his own defence—in defence of his own property. What personal rights—what private property would be safe in the hands of a party who advocated such doctrines as these? They would bind us to a power at Washington, and say that, inasmuch as your personal rights are in question, you must not vote on the question!

It is like proposing to parents that their children should be torn from their homes without their assent, and should be put to what trades they pleased; and when gentlemen ask to be heard, gentlemen would say, no, you can not be heard—you shall not have a voice, because you are interested in the decision of the question. You say to the mechanic, we will cut down your wages, and when he asks to be heard, you say, no, you have an interest in the question. You say to the farmer, you have not taken out the patent for your lands—you have not paid the purchase money to the commonwealth (and this might be said with truth of thousands in this commonwealth)—and, therefore, you mean this convention to declare, that they obtained their lands by fraud, and that they should be thrown back again into the general coffers. You say to them, you deceived the commonwealth—you have not paid for your lands, and then say to the same farmer, we will not hear your voice, although you are a representative from the county—we will not listen to you, because you have an interest in the decision of the question. Is there a right, human in its origin, and I will go farther and ask, is there a right divine in its origin, which may not come to be questioned in the course of the deliberations of this body, if we are to prescribe to ourselves such a rule of conduct as this? May not our right to worship God according to the dictates of our own understanding be called in question? It is competent for us, if we please, to introduce an amendment for the establishment of a state church. May not our power to possess our own reputation in sacredness be called in question? May not the right of liberty of our own person be called in question? Our power is broad enough, if we were disposed to exercise it; and are we to be told in all these cases where men regard their own personal liberty or rights, that they shall not be heard in their own behalf? If doctrines like these are to prevail—if we are to give our sanction to such plans for the exercise of despotic power as are here proposed, nothing will be left sacred, nothing free.

Mr. S. here gave way to Mr. CHAMBERS, on whose motion the committee rose, reported progress, and obtained leave to sit again; and,

The Convention adjourned.

WEDNESDAY DECEMBER 6, 1837.

The **PRESIDENT** laid before the Convention a communication from the President of the Pennsylvania Academy of the Fine Arts, inviting the members of the convention to visit the said institution :

Which was read, and laid on the table.

Mr. HOPKINSON, presented the memorial of one hundred and ninety-nine citizens of Philadelphia, praying that the constitution may be so amended as to provide "That the civil rights, privileges, or capacities of any citizen shall in no way be affected, diminished or enlarged, merely on account of his religious opinions."

Which, on motion of **Mr. H.**, was laid on the table.

Mr. CHANDLER, of Philadelphia, presented a memorial from citizens of Philadelphia county, praying that the right of trial by jury, may be extended to every human being :

Which, on motion of **Mr. C.**, was laid on the table.

A motion was made by **Mr. READ**, and read as follows, viz :

Resolved, That the following provisions and restrictions ought to be inserted in the seventh article of the constitution, viz :

1. The stockholders of all banks hereafter chartered, re-chartered, revived, continued, or relieved from forfeiture, shall be made severally and individually liable for the debts of the corporate body.

2. No bank shall issue any bill, check, promissory note or paper credit of a less denomination than ten dollars; nor after the fourth day of July, 1842, of a less denomination than twenty dollars.

3. A suspension of specie payments by any bank for more than sixty days, whether continuously or otherwise, shall be an absolute forfeiture of charter.

4. Whenever the profits of any bank shall exceed seven per cent. per annum, such excess shall be paid into the state treasury; but no bonus or other equivalent for a charter shall be received by the state.

5. No bank shall be chartered or continued for a longer term than ten years, nor with a capital exceeding three millions of dollars.

6. No bank shall be authorized to establish branch banks.

7. No more than one bank shall be chartered or re-chartered in any one year.

8. All acts of incorporation hereafter passed for the purposes of internal improvement by public works, shall be passed by two successive legislatures.

9. All acts of incorporation hereafter passed, other than for internal improvement purposes, or for literary, charitable or religious purposes, shall be passed by two successive legislatures, and the incorporators thereof shall be made personally and severally liable for the debts of the corporate body.

10. Every charter of incorporation, except those for internal improvement purposes, shall at all times be subject to repeal or modification by the legislature, but no voting by proxy shall be permitted.

Laid on the table.

Mr. COPE, from the committee on accounts, reported the following resolution, viz :

Resolved, That the President draw his warrant on the state treasurer in favor of Charles F. Muench, binder of the German debates, for the sum of five hundred dollars, to be accounted for in the settlement of his accounts.

And, on motion of Mr. C., the said resolution was read the second time, considered and adopted.

A motion was made by Mr. STURDEVANT, of Luzerne county :

That the Convention proceed at this time to the second reading and consideration of the resolution read on the fourth instant, in the words following, viz :

Resolved, That on and after Saturday next, when this convention adjourns, it will adjourn to meet at one o'clock in the afternoon, and that the afternoon sessions shall be dispensed with."

Which motion was agreed to, ayes fifty-eight, nays thirty-six.

And the said resolution being under consideration :

A motion was made by Mr. SMYTH, of Centre,

To amend the resolution, by striking therefrom the word "two," and inserting in lieu thereof the word "one;" and by striking therefrom the words "be dispensed with," and inserting in lieu thereof the words "commence at half past three o'clock."

The amendment being under consideration,

A motion was made by Mr. DICKEY,

To postpone the further consideration of the amendment, together with the resolution, indefinitely.

And on the question,

Will the convention agree so to postpone?

The yeas and nays were required by Mr. DICKEY and Mr. REIGART, and are as follow, viz :

YEAS--Messrs. Barnollar, Bedford, Bonham, Brown, of Northampton, Chandler, of Chester, Clapp, Cleavinger, Cochran, Crain, Crawford, Crum, Cummin, Cunningham, Curll, Darrah, Dickey, Dickerson, Donagan, Donnell, Fry, Fuller, Gearhart, Gilmore, Harris, Hayhurst, Hays, Henderson, of Allegheny, High, Haupt, Hyde, Keim, Kennedy, Kerr, Konigmacher, Krebs, Maclay, Mann, M'Call, Meredith, Merkel, Miller, Montgomery, Pennypacker, Pollock, Ritter, Saeger, Scheetz, Sellers, Shelito, Smith, Smyth, Sterigere, Stickel, Todd, Woodward--55.

NAYS—Messrs. Ayres, Baldwin, Barclay Barnitz, Bell, Biddle, Bigelow, Brown of Lancaster, Brown, of Philadelphia, Carey, Chambers, Chandler, of Philadelphia, Chauncey, Clark, of Dauphin, Cline, Coates, Cope, Craig, Darlington, Denny, Dillinger, Doran, Fleming, Forward, Foulkrod, Gamble, Grenell, Hastings, Henderson of Dauphin, Ingersoll, Jenks, Long, Lyons, Magee, M'Cahen, M'Dowell, M'Sherry, Merrill, Myers, Nevin, Overfield, Porter, of Lancaster, Reigart, Read, Riter, Russell, Scott, Serrill, Snively, Sturdevant, Taggart, Thomas, Weaver, Young, Porter, of Northampton, *President pro tem*—56.

So the question was determined in the negative.

The amendment being again under consideration,

Mr. DICKEY moved to amend the amendment, by striking out the words, in the fourth line, "be dispensed with," and inserting the words "commence at seven o'clock."

The CHAIR said, this motion was not in order.

The question then recurred on the amendment, and a long debate followed, in which Messrs. SMYTH, of Centre, STURDEVANT, FULLER, BROWN, of Philadelphia, BELL, DICKEY, INGERSOLL, and EARLE, participated,

When Mr. MANN moved the previous question, which was seconded by the convention.

And on the question,

Shall the main question be now put?

The yeas and nays were required by Mr. MANN and Mr. SCHEETZ, and are as follow, viz :

YEAS—Messrs. Ayres, Baldwin, Barclay, Barnitz, Bedford, Bigelow, Bonham, Brown, of Lancaster, Brown, of Northampton, Carey, Chambers, Chandler, of Chester, Chandler, of Philadelphia, Chauncey, Clark, of Dauphin, Cline, Coates, Cochran, Cope, Craig, Crain, Cunningham, Darlington, Dickerson, Dillinger, Donagan, Doran, Foulkrod, Fry, Gamble, Grenell, Harris, Hastings, Hayhurst, Hays, Helffenstein, Henderson, of Dauphin, Heister, Jenks, Kennedy, Kerr, Konigsmacher, Long, Lyons, M'Dowell, Meredith, Merkel, Myers, Nevin, Overfield, Pollock, Porter, of Lancaster, Reigart, Ritter, Russell, Saeger, Scott, Serrill, Snively, Sterigere, Sturdevant, Taggart, Thomas, Weaver, Weidman, Woodward, Young—67.

NAYS—Messrs. Banks, Barndollar, Bell, Biddle, Clapp, Clarke, of Indiana, Clevinger, Crawford, Crum, Cummin, Curil, Darrah, Dickey, Donnell, Earle, Fleming, Fuller, Gilmore, Henderson, of Allegheny, High, Hopkinson, Houpt, Hyde, Ingersoll, Krebs, Maclay, Magee, Mann, Martin, M'Cahen, M'Call, M'Sherry, Merrill, Miller, Montgomery, Pentypacker, Read, Riter, Scheetz, Sellers, Shellito, Smith, Smyth, Stickle, Todd, Porter, of Northampton, *President pro tem*.

So the convention determined that the main question should now be put.

And on the question,

Will the convention agree to the resolution?

The yeas and nays were required by Mr. SMYTH of Centre, and Mr. FULLER, and are as follow, viz :

YEAS—Messrs. Ayres, Baldwin, Barclay, Barnitz, Bell, Biddle, Bigelow, Brown, of Lancaster, Brown, of Philadelphia, Carey, Chambers, Chauncey, Clark, of Dauphin, Cline, Coates, Cope, Cunningham, Darlington, Fleming, Forward, Foulkrod, Gamble,

Grenell, Helffenstein, Henderson, of Dauphin, Hiester, Hopkinson, Long, Lyons, Martin, M'Cahen, M'Dowell, Merrill, Overfield, Porter, of Lancaster, Reigart, Riter, Russell, Scott, Serrill, Snively, Sturdevant, Taggart, Thomas, Weaver, Weidman, Young, Porter, of Northampton, *President pro tem*—48.

NAYS—Messrs. Banks, Barndollar, Bedford, Bonham, Brown, of Northampton, Chandler, of Chester, Clapp, Clarke, of Indiana, Cleavenger, Cochran, Craig, Crain, Crawford, Crum, Cummin, Cull, Darrah, Denny, Dickey, Dickerson, Dillinger, Donagan, Donnell, Doran, Earle, Fry, Fuller, Gearheart, Gilmore, Harris, Hastings, Hayhurst, Henderson, of Allegheny, High, Houpt, Hyde, Ingersoll, Jenks, Keim, Kennedy, Kerr, Konigsmacher, Krebs, Maclay, Magee, Mann, M'Call, M'Sherry, Meredith, Merkel, Miller, Montgomery, Myers, Nevin, Pennypacker, Pollock, Read, Ritter, Saeger, Schetz, Sellers, Shellito, Smith, Smyth, Sterigere, Stickel, Todd—67.

So the resolution was rejected.

SEVENTH ARTICLE.

The convention resolved itself into committee of the whole, (Mr. REIGART in the Chair,) on the report of the committee to whom was referred the seventh article of the constitution.

The amendment to the amendment being again under consideration—

Mr. SCOTT, of the city, rose, and resumed his remarks. He said that when the convention adjourned last evening, he had been remarking on the doctrines promulgated on this floor, in relation to chartered rights, and the disposition that had been evinced by the gentleman from Fayette, (Mr. FULLER) to deprive many members of this body of their votes, on a question which essentially affected their interests. To pause, then, for a moment.

Let us endeavor to suppose a conspiracy. That was a subject which had been much discussed on this floor, and it had excited a good deal of feeling and excitement at one time; but, which he thought was capable of being treated with much good humor, and certainly without annoyance to any body. He conceived that it would be no difficult task to show how feeble and vain was the attempt made by the gentleman from Susquehanna, (Mr. Read) to prove a "conspiracy" on the part of the banks, to bring about a suspension of specie payments. What sort of a conspiracy did the delegate mean? We might as well call the present movement by the gentleman and his friends, a conspiracy to overthrow all chartered rights, and all the banking institutions in Pennsylvania. Now, where, he (Mr. S.) would ask, would be the evidence tending to show a conspiracy in reference to the stoppage of specie payments? According to the argument of the gentleman, the suspension took place simultaneously in the cities on the borders of the Atlantic, in Pennsylvania, Maine, Louisiana, and places almost as far off as the Rocky Mountains. How these bankers got together, and held their consultations, the gentleman did not tell us.

He did not inform us how it was their secret had been kept, as it must have been, for several weeks; nor how many were concerned in this conspiracy. No; the gentleman did not deign to tell us these things. He (Mr. S.) had always attached, as a necessary ingredient to a conspiracy, the idea of a dark cave, or a midnight chamber—some place into which you

could not penetrate, where the schemes of the conspirators might be hatched and preserved,—a place like the eastern committee room in Harrisburg, at the end of the long corridor, where, late at night, man after man, and member after member, would meet and arrange their conspiracy. He thought that a few years ago there were two committee rooms at the end of the long corridor, when the subject of the bank was introduced there. These were the places for the construction of the conspiracy! Who were the actors in it, it would not be becoming in him to say. And, the next step in the execution of the conspiracy was the attack on the Pennsylvania Bank of the United States—an unexpected assault—when no man was prepared for it.—He recollected seeing, a short time before the development of the conspiracy, a number of strange faces at Harrisburg; and some of them were men who held high stations under the general government. With regard to what followed, up to the present time, every one knew the circumstances and facts. And now came the resolution of the gentleman from Susquehanna, which was levelled at the Bank of the United States, and other monied institutions.

What did we not find? A determination exhibited by the executive at Washington to persevere in his endeavor to get the sub-treasury system adopted. If the banks preserved their credit, the system could not be carried into effect. He was sure it would be found that the sub-treasury system could only exist in this country, unless the people considered their money safe no where except in the hands of the government. Inasmuch, then, as the people would consent that the revenues collected in every part of the Union, should go into the hands of irresponsible individuals, nor submit to be told that gold and silver only should be received by the officers of the government, while the people themselves must be content with paper—the result would be the chartering of a national bank, established, perhaps, in the city of New York—where the “democracy of numbers” would, in all probability, use it for the purpose of depriving the state banks of all their credit and all their security. He would repeat what he had just said, that a national bank would be established in New York, unless we could find means to guard against that event. Now, he thought that his “conspiracy” was just as good as that of the gentleman from Susquehanna, (Mr. Read.) A conspiracy might now exist to get up a national bank in New York.

He agreed with the gentleman, that the people might do things which they believed to be right, but yet they might result to their injury. He believed that there were gentlemen in this convention who wished to break down the banks. With respect to the suspension of specie payments, which was the basis of the gentleman’s “conspiracy,” he begged leave to make a remark or two. On the afternoon previous to that event, a steamboat upon the waters of the Delaware had, among its passengers, certain agents, who were commissioned with drafts to the amount of more than half a million of dollars, with which they were hastening to our city, for the purpose of extracting that amount in specie from our banks. He ought to have stated that the suspension took place on that day, in the empire state—in the emporium city of New York—in the city of safety fund banks—in the commonwealth, from which comes our present chief magistrate of the Union—in the commonwealth, which, more than any

other, for twenty years, has been under the rule and government of that political party of which the gentlemen from Indiana, (Mr. Clarke) and Susquehanna, are members. He, (Mr. S.) rather thought, though he did not assert the fact, that the intelligent commander of the steamboat had some suspicion that there was a draft in the possession of some one, on the Bank of the United States, and consequently did not put quite so much steam upon his boat as to arrive here before the bank closed. Thus, then, this attempt to get specie from the bank failed in consequence of the adroitness of one of our gallant fellow citizens. The drafts were not presented till the next day, when the bank refused to pay out specie, so that the half million of dollars did not go to New York, to be transmitted from thence to England, but remained in our banks. The gentleman from Luzerne, (Mr. Woodward) argued that so long as there was a dollar of specie in the banks, they had a right to pay it out—and that it was dishonorable in them not to have done so.

He, (Mr. S.) had no doubt but that it was mortifying to many gentlemen here that the banks did not do that, because then they would have had it in their power to say, with more plausibility than at present, that those institutions were insolvent. But the people who held the notes of those banks called upon them, and wished them to do that which they afterwards did. What, then, became of the charge of dishonor. On the day when the banks stopped payment, there was a very large and respectable meeting of citizens who declared it would be both wise, proper and prudent the banks should suspend specie payments. They clearly saw that unless that course was immediately adopted, there was nothing to prevent the specie from going to New York, and thence to Europe. In consequence, with a view to their own protection and that of the public, the banks suspended. The recommendation was wise and salutary in itself, and it was acceded to. Now, suppose the case of a man who owes fifty thousand dollars, and he is called upon to pay the debt in gold and silver. He goes to his creditor and says "I cannot pay you, because I cannot raise the amount in specie—I cannot get it from the vaults of the Bank of the United States, nor any where else. I, however, have property worth ten times the amount in bonds and mortgages. I will pay you a part of what I owe you; I will give you a lot of ground and transfer to you a share of bank stock. I will make it up to you—every dollar at the market price. I cannot pay you, because I have not got the money. Now, practically, is he insolvent?" Why, (continued Mr. S.) apply that doctrine to the whole property of Pennsylvania. How much gold and silver is there in it? According to the returns of our banks, they have seven or eight millions of dollars. How much there is in private hoards, we know not. It was said there were eighty millions of specie in the Union, and from eight to ten millions in Pennsylvania. It was estimated that her real property—her lands—her personal property, and all that on which taxes are laid amounted to two hundred and ninety-four millions of dollars.

This was the general calculation as the valuation. I imagine a claim to be made on Pennsylvania to this enormous amount. The answer would be—"we cannot pay you in specie—we must transfer your property to the amount of your claim." Would such a condition of things go to prove that the state was insolvent? He apprehended not. The

course which the gentleman from Luzerne, (Mr. Woodward) would have had the banks to take, would have done what? Why, it would have deprived those who held notes on these banks, but who had not an opportunity of presenting them, of the specie which they might, perhaps, have obtained had they been on the spot. He would take issue with the gentleman, as to the propriety of the course which the banks thought proper to pursue, and would maintain that they acted uprightly, honestly, and honorably. The banks were sound when they suspended and are so now. And, despite of the abominable doctrine of "perish credit and perish commerce"—when that should cease, they would be found sound. Indeed, he saw no reason why they should not continue to be solvent to the end of recorded time. When the president of the convention, in answer to what had fallen from the delegate from Susquehanna, as to the infamous offence of which the banking interest had been guilty in suspending specie payments, begged that gentleman to consider for a moment, the character of the men against whom he was making so serious a charge, the delegate from Susquehanna, took occasion to express his opinion as to their standard of character: The standard by which he (Mr. Scott,) estimated the character of these men was very high. And God save the mark! the gentleman (Mr. Read) quoted the language of Mark Anthony, when gazing on the dead body of Cæsar, and who exclaimed "Brutus is an honourable man." This Mark Anthony, who seemed to be an especial favorite of the gentleman from Susquehanna, was as thorough going a demagogue as ever walked the face of the earth. He knew how to pander to the passions, prejudices and vices of the people. "He came to bury Cæsar, not to praise him!" Although he had almost defied him when living. He had not strength of mind nor independence enough to speak what he really felt and thought of his murdered friend, and finally he himself fell and lost the prize for which he grasped.

He, (Mr. S.) did not like this standard of character derived from Mark Anthony; and still less did he like the comments, especially as they are given in the words of that demagogue, Mark Anthony. The gentleman from Susquehanna, was well aware of the standard of character, and had heard the estimate of the character of the canal commissioners, and regarded the remarks as improper, because he thought that this was not the proper tribunal in which to canvass their characters. He (Mr. S.) must say that he thought it unfair and unjustifiable in the delegate from Susquehanna to denounce a respectable body of men—as the bankers unquestionably were—in the manner that he had done. There might be, and indeed there were many gentlemen among them belonging to the party of which the delegate himself was a member. How many gentlemen he (Mr. S.) would ask, were there in the direction of the board of the commonwealth, who might be put in the position of those individuals the delegate had spoken of, by a combined vote of the two houses of the legislature? He, (Mr. S.) had seen a printed paper relative to the suspension of the banks, in which there were many strong expressions used. Now, he wanted to know what was meant, in the first place, by the expression "bank speculators." He contended that this convention had a right to know what was meant by it. The bank directors, too, were called "bank robbers," in clear and explicit language. There was no disguise about it, nor endeavor made to conceal the real meaning of the words used under the garb of polite language.

He, (Mr. S.) thought it was proper that we should understand how many there were among us who were robbers, "legalized or not legalized." He wanted to know who were "bank speculators." If borrowers of banks were speculators, then all men of all classes were so, for they all had occasion to resort to banks occasionally. He meant to say that they had to get paper discounted there, instead of waiting for the maturity of the paper. Did the delegate call all those robbers—all those bank speculators who obtained accommodations in that way through the bank? He thought not. Would he say that all these men grew rich out of the misfortunes of the poor? That, however, was the drift of the gentleman's argument. Now, that could not apply to the borrowers. If the borrowers grow rich, there would be no insolvent banks; no broken institutions. If the argument was true, then, the largest of these robbers would be the commonwealth herself, because she owns more bank stock than was owned by companies of individuals. There was another expression he (Mr. S.) wanted to understand, and which was used by the gentleman from Susquehanna: "the aristocracy of wealth." What did the gentleman mean by that? He wished to know what constituted a member of the aristocracy of wealth. Was it the possession of ten thousand dollars, or forty thousand dollars, or fifty thousand dollars, or what other sum was it? It was desirable that we should know, as the gentleman said their interests were in opposition to another class of individuals whom he designated "the democracy of numbers." He would repeat the question—what constituted "an aristocracy of wealth?" He did not think the gentleman would point to the lawyers as belonging to that class, as he, himself was a lawyer. He (Mr. S.) thought it was not likely that the gentleman would put the stamp of condemnation on us. It was important that we should know the meaning of the term "aristocracy of wealth," inasmuch as it had gone forth to the people that it was a body of men who were in direct opposition to the "democracy of numbers." The delegate had undertaken to show that millions of dollars had been taken away from the poor by the "aristocracy."

If the vampire grasp of bank aristocracy is to remain fastened upon us, then was William Pitt right when he said "let the Americans go into their banking system, and their boasted independence will be but a phantom." To the total loss of the forty three millions, is to be added all the losses, all the sacrifices, all the distress and misery, incalculable in amount, consequent upon the individual bankruptcies caused by the failure of the banks. These banks were chiefs in the money mart, and carried down thousands in their train.

And so (continued Mr. S.) the gentleman in other parts of his speech speaks of "legalized robbers," the "aristocracy of wealth," &c. Now, so far as his observations in society had gone, he knew not any body to whom the term "aristocrat" could be as well applied as the farmer. He did not know that the term was applicable to the few individuals around him whose pursuits were agricultural, but he did know it was to the farmers as a body, if to any men in the country. A man might go out of this convention, and meet men worth their one hundred thousand dollars. He could not recognize them from the mass of the people, over whom they have no influence. He (Mr. Scott) could point out men in this city worth a million, a million and a half, or two millions, who were utter-

ly unknown to the mass of the people, and possessed no influence among them whatever.

Look at the honest yeomanry of Pennsylvania! Go to their farms in Northampton, in Lebanon, in Berks and other counties (and let me point to Indiana, for perhaps, the delegate (Mr. Clarke) has got a farm himself) and there you will see magnificent fields filled with the produce of the earth—extensive acres covered over with the richest crops. Let me point out to you the farmer's laborers working on his property—at his beck and his call. Let me show you the influence he possesses over his neighbors—the confidence with which they look up to his opinions—the surrender of their own sentiments to his. Let me point out to you the eldest son following in the footsteps of his father, until at length, the estate comes to be divided, and he has a bower of his own, and sits down to preserve the family name and the family influence. I should say that that honorable yeoman—that that noble father—that that excellent and proud Pennsylvanian is much more entitled to be called a member of the aristocracy of wealth, than men who walk the streets of Philadelphia, whose wealth is unknown, and who exercise no influence over public opinion. But in reference to the wealthy man, who, I ask, are the wealthy men of this land? They are according to the language used by the gentleman from Susquehanna, men who hold bank stock—men who participate in legalized robberies. Who are they? Why, they are men who once were scarcely worth one farthing, but who, by their industry and enterprize, have made themselves rich. Who was Astor of New York?

Look through your land and see who are your wealthy men. Excepting a very few, they are the men who have risen from poverty to wealth by industry and integrity. Sir, you can hardly point to a very wealthy man in this country, and more especially so in Pennsylvania, who does not owe his wealth to industry, integrity and a strict attention to his calling, whatever it may have been. Some have become wealthy by pursuing one calling, and some by another, but all, or nearly all, have become so, by their own perseverance.

Your wealthy men of to-day, were your poor men of yesterday; and your bank aristocrats, as they are termed, of to-day, were your journey-men mechanics of yesterday. Then, sir, how can you say that there is an aristocracy of wealth in this country, when your wealthy men are the working men of the country. Wealth in this country, is held up as the reward of industry, and I hope the day is far distant when it will be otherwise. The honest and enterprising, and hard working mechanics, are the men who acquire sufficient wealth to enable them to become bank stockholders, and are they the men who are to be brauded as legalized robbers, by the gentleman from Indiana and others.

Why, sir, if I was going to point to any class of persons, as belonging to the aristocracy of wealth in this country, I think I might point gentlemen to the wealthy farmers of our land; the men who own their thousand and acres of land, and who have a large number of persons at their command in carrying on the cultivation of the soil. They seem to be the most wealthy, the most independent, and to approach nearer to an aristocracy of wealth than any other class of persons in our country, yet who has ever pretended to say that they belonged to the aristocracy of wealth?

It is a mistake—there is no such thing as an aristocracy of wealth in this country—all our institutions contradict the idea—and there is nothing of the kind to be found in this land.

But I would ask what gentlemen mean by the democracy of numbers? This is a term that I am not certain that I understand the meaning of. I must confess that I am not able to define what is meant by the term democracy of numbers, unless it is the rising of the people, as was the case lately in Maine, in Rhode Island, and in Ohio, and more recently and powerfully, in the state of New York. If this is the right interpretation of the term democracy of numbers, then I apprehend that the democracy of numbers, is that party which has risen in its strength against the general government, and its effort against the prosperity of the country.

Sir, I deprecate this kind of discussion, but when the lead is given, and one party is denounced in such round terms, it is too much for poor, weak human nature to bear. Ear has not heard, and eye has not looked upon the like of this before in this country, and it would be too much for us to sit by without making some reply to the arguments which have been here brought forward. Let us now look at some of the statistics of the gentleman from Susquehanna, (Mr. Read) in his speech on opening up this question. We find on the eleventh page of his printed speech, the following discovery:

“Precise accuracy, in regard to the amount of these one hundred and ninety-three broken banks, at their respective failures, is not attainable. But analogical deductions from known facts, enable us to approximate the truth, nearly enough for the purposes of illustration. In this mode we arrive at the conclusion that the circulation of these banks was \$57,900,000, and that twenty-five per cent of these liabilities was eventually paid by the broken banks. This leaves \$43,515,000 of their bills *never redeemed*. A dead loss to the industrious poor. A clear gain to the wealthy banker.” Now sir, mark this. Forty three millions of clear gain to the wealthy banker. That is to say the stockholder is benefitted by the banks breaking. The stockholder derives a profit from the failure of the institutions, because in no other way can the failure be a source of gain to the wealthy banker. Well, the gentleman says this is “a tax upon, or more correctly speaking, a robbery of the industrious classes, of almost two millions annually, fraudulently abstracted from the pockets of the honest, hardworking producer of wealth and embezzled by the magic of a paper system, and its natural concomitants, into the coffers of bank speculators.”

Now sir, it seems to me that the gentleman is entirely mistaken as to his facts, in relation to the forty three millions of dollars, being a dead loss to the industrious poor, and a clear gain to the wealthy banker. The gentleman seems go upon the assumption that the forty three millions of dollars of bank paper was in the pockets of the poor, when it seems to me that the natural place to look for it would be in the pockets of the wealthy, because the poor seldom have many bank notes lying idle in their pockets. It does seem to me that the most likely place to have found their money would have been in the pockets of those whom the gentleman had seen proper to designate as the aristocracy of wealth, but for the sake of the

argument, I admit that all this forty three millions of dollars was transferred from the pockets of the wealthy, to those of the poor, which is a thing most unlikely ever to have happened. We have very little to do in Pennsylvania with the evils and abuses of the banking system in other parts of this union. We cannot control them, and we cannot legislate for them, therefore we can have nothing to do with them in this way. The only inquiry then which we have any right to make is, as to how far we have suffered from the supposed evils of the banking system, and the failures of our own banking institutions. It is then said by the gentleman from Susquehanna, that nineteen banks have failed in the state of Pennsylvania; but he has not told us what the capital of these institutions was, or how much circulation they had out, at the time of their failure, but he has summed up the whole mass of what he calls the spurious paper circulation of the country, in order to make an impression on the minds of the people unfavorable to banking institutions. He has summed up a large amount, which he says has been lost to the people, but he has not told us what was the capital or circulation of our own banks, so that we might be able to judge of the evils accruing from those institutions in our own state.

Now, Mr. Gallatin, in the tables accompanying his book on banking, from which, I suppose, the gentleman obtained many of his facts, tells us that the capital of sixteen of the broken banks of Pennsylvania amounted to \$1,811,000. If you allow a proportionate amount for the capital of the other three banks, which I presume would be about fair to allow, you have the total capital of all the banks which failed at \$2,151,000. Well, the gentleman from Susquehanna, says that these banks paid twenty-five per cent of their liabilities. Then the next question was, what were the liabilities of those institutions. The gentleman from Susquehanna himself has told us, that the circulation of these banks exceeded fifty per cent more than their capital; but if any gentleman would take the trouble to look to the returns made to the government he would find that their circulation instead of exceeding fifty per cent above their capital was but fifty per cent on it. This then was a great error in the gentleman's statement. The gentleman from Susquehanna had gone into a calculation to show that the banking capital of this country was two hundred and sixty-four millions of dollars, and that estimating the circulation of these banks at fifty per cent more than their capital, you have three hundred and ninety-six millions in the hands of the industrious classes of the country.

Now, any gentleman who would take the trouble to examine into this matter, would find that the circulation of the banks of this country, was not more than one half of their capital, so that it would be seen that the gentleman had made a mistake in his calculation, of two hundred and sixty four millions, and Mr. S. did not think it was worth while following any gentleman who would make such a mistake in his calculations as this.

The present great financier at Washington, had only made a mistake of about five millions of dollars in his calculation, so that the gentleman from Susquehanna, had left him far behind.

But, Mr. Chairman, I want the facts, and not the gentleman's estimates and calculations, because I have found them to be very erroneous. I want

the facts, and those facts I want as applying to Pennsylvania and not to the Union, because we have nothing to do with the acts of other states. Of the banks chartered in this state from time to time, and uniformly by the party which has ruled the state for forty years, and which created at one blow, forty banks, there has been but nineteen which have failed, and the capital of those nineteen banks, so far as can be ascertained, did not exceed \$2,151,000. Their circulation, then, estimated at one half that amount, which was about a fair estimate from the facts which we can ascertain, would be about \$1,075,000. The gentleman from Susquehanna then, admits that they paid twenty-five per cent, and, if this was the case, there would be but \$806,000 of unredeemed paper in this commonwealth, which was lost by the people. This fell far short of the calculations of the gentleman from Susquehanna.

But, Mr. Chairman, there never was \$806,000 of bank paper in Pennsylvania, which never was redeemed. No man will believe it—it is entirely too strong a case to be credited on this floor—and all who look to the course of events in this state, must discredit it. Sir, if gentlemen wish us to believe this story, of this amount of paper remaining unredeemed, they must adduce proof of it. They must let us know what banks it was whose paper was not taken up finally, and they must let us know the amount of the paper not taken up. The sources of information are open to those gentlemen as well as to us, and I will take this occasion of saying that it will be found that in this commonwealth, from the commencement of the banking system, to the present day, that it will be a difficult matter for gentlemen to show that there ever was one hundred, or two hundred thousand dollars of unredeemed bank paper.

Why, sir, let us examine the facts in relation to this matter, in order that we may arrive at something like the truth. Many of the banks which failed, paid from twenty-five to fifty per cent on their liabilities, and some of them paid something to their stockholders. Well, what is the course of proceeding in a bank which is about winding up its concerns? Why, the first thing which is redeemed, is its circulation—the next its deposits—and the next all debts of whatever character—and the last thing, is the obligations to the stockholders. Well, when we talk in a report upon currency, of a bank paying twenty-five per cent, that means that it has paid that much, after meeting the ordinary liabilities to the stockholders of the institution.

Thus, then, when we come to consider the matter in this light, and to reflect that the stockholders of the bank are the last paid, I think we must come to the conclusion that not more than perhaps a half a million of dollars has been lost in this commonwealth, from broken banks, from the commencement of the system to the present time. If proof exists to the contrary of this, let it be adduced, because I want to know the facts. I want to know the true state of the facts, and the people of this commonwealth want to know them, and have a right to know them, so that they may know the extent of the evil, when we are called upon to legislate upon it.

But, sir, the gentleman says that the banking capital is but nominal. He says the stockholders are called upon to pay in some ten or twenty per cent upon their stock, and then the bank goes on doing business as

though the hundred per cent was paid in. Now I deny this assertion, and I think evidence might be adduced from the gentleman's own county, to show that it was not the fact. I do not know, however, how that fact may be, as I do not know how the banks conduct their business in that part of the state. I know, however, that here, where the great body of the banks of the state are located, the fact is otherwise.

Our banking institutions here, have a capital given them by law, and when it is paid up it is known to the public; when it is partially paid up the returns show it, and every body knows whether there is fifty or eighty per cent paid up on the stock of a bank, or whether the stock is paid up in full. This is our manner of doing business, in this part of the state, and, as I do not know how they transact banking business in Susquehanna county, I will leave the gentleman to settle the matter with his own constituents, as to the best mode of conducting a banking institution there.

But, the gentleman from Susquehanna, has been unkind to some of his friends, in a portion of his remarks. He has told us that the system of banking has had the effect of withdrawing the benefits which were to accrue from the labor of the poor man.

The doctrine of the gentleman from Indiana, (Mr. Clarke) however, is so different from this, that he tells us that banking institutions raise the price of labor—he says that banks have the effect of raising the wages that are paid to the poor laboring men. Well, if this be the case, I apprehend that the poor men ought to be on our side of the question; and if this is the case, I apprehend that we ought to claim the support of this portion of the people of the commonwealth.

Well, sir, what is the consequence of raising the price of the labor of the poor man, which is complained of by the gentleman from Indiana? Why, it is, that the iron master cannot make as large profit, as he was accustomed to do. That was the argument of the gentleman. If you raise the price of labor of the poor man, you do not permit the iron master to carry on as profitable a business as he otherwise might do. As it is, however, the iron master is content to pay the poor man his wages, and pay him high wages too, and he does not complain if the state of the currency is such that he can find the means in the banking system, of carrying on his establishment, and paying off his hands, until he has an opportunity of bringing his iron into the market, and obtaining a fair price for it. This he is enabled to do by the aid of banking institutions, and the credit system, and the argument of the gentleman from Indiana, on this subject, must either go for nothing, or at least, go as operating very onerously on the poor working men of the country.

The gentleman from Luzerne, (Mr. Woodward) has told us, that the amendment will restrict the issue of bank paper. He has told us that the amendment will restrict the issue of bank paper, but he has not told us how it will do it, and that is what I want to know. If our banks issue the same amount of hundred and fifty dollar notes, they will have the same amount of money to redeem, as though they had issued five and ten dollar notes. The liability of the banks will be the same, and the wants of the community will be the same. If the wants of the community require

a certain amount, and a certain proportion of currency, that amount of currency will be issued, and the liabilities of the banks will be the same—at least the same amount of currency will be in circulation, either in bank paper or specie.

But the idea of the gentleman from Susquehanna, I presume, is, that if you abolish five and ten dollar notes, you bring specie into more general circulation. But, sir, where is this specie to come from? We have it not now, and where are we to get it? The obtaining of it, depends upon the foreign trade, over which Pennsylvania has no kind of control, in the world. The obtaining of an adequate supply of specie to answer this purpose, depends upon other countries, and upon our means of controlling and commanding it. How shall we get the specie here, and after we have it here, how shall we retain it, and prevent its going away; because, if you can now retain the specie here that we have, there is enough to sustain our present paper currency. Your specie basis is broad enough, and your bank issues are restricted enough in Pennsylvania, to carry on safe banking. Stop now the outward flowing current—let it now be known and understood, that no more specie is to go out of this state, and the specie basis is broad enough for our banks to resume and continue specie payments from this time forth. The difficulty with us, is, how can we get the specie here from Europe, and, after we get it, how can we keep it, because, over that matter, the state of Pennsylvania has no control whatever.

I am now, sir, about to resume my seat, and before I do so, I want to make one remark in reply to a remark of the gentleman from Luzerne, (Mr. Woodward) on the subject of this resolution, and, in making that remark, I hardly know what terms to use. The gentleman thinks it cowardly in those who do not like the amendment of the gentleman from Susquehanna, not to march up to it and vote against it at once. I think, however, that gentlemen who belong to the party with which the gentleman acts, ought to be the last to say any thing about shrinking from a plain simple proposition, when it is presented to them.

The gentleman from Luzerne, I believe, has been absent from the convention and does not know all that has taken place in it, or he would not have said that it was cowardly not to vote upon the amendment of the gentleman from Susquehanna.

Sir, I believe the gentleman was absent from Harrisburg when the scene was exhibited of some thirty or forty of that gentleman's friends sitting in their seats, and their names being called by the clerk of the convention, and they refusing to answer aye or noe on the simple proposition, that contracts are and of right ought to be inviolable.

Now, I will not say that it was cowardice which prevented the gentleman's friends from voting on this plain and simple proposition, because I consider that it would be indecorous for me to do so, but I will say that when this plain proposition, which every Pennsylvanian ought to be ready to say yea, or nay upon, was laid before them, every one of the gentleman's friends except six or seven sat mute and refused to answer when the clerk called their names. So much for the cowardice of voters in this convention.

Mr. BROWN, of the county of Philadelphia, rose to address the house on the subject of the amendment. Before, however, proceeding farther with his remarks, he would say a few words in reply to the last assertion of the gentleman from the city of Philadelphia, (Mr. Scott.)

I, (said Mr. B.) am one of those whom the the gentleman has alluded to as sitting in my seat and declining to respond to my name when the vote was taken on the proposition which the gentleman has alluded to. Well I did so, and I tell gentlemen that I will do so whenever they bring matters up for decision in this convention which we are not called upon to decide and which we have no right to decide upon. I will always refuse to vote upon subjects which have no legitimate object and aim, and are only got up in this convention for political purposes. I know the duties I was sent here to perform and I will never shrink from them let them be presented to me in what shape they may; but I am not going to be called upon and compelled to vote for, or against propositions which we have no right to introduce here. The duty which the people have imposed on me here and which I believe has been imposed on every other gentleman has been to prepare and propose amendments to the constitution to be submitted to them for their consideration, and whenever gentlemen introduce any matter connected with amendments to the constitution they will find me ready and willing to vote upon them, but, when they introduce topics to establish political opinions for themselves and their party, and which I know are not to be submitted to the people for their confirmation I will refuse to vote upon any such proposition at any time. We are here but as the agents of the people of Pennsylvania, in proposing amendments to the constitution of the state, for their confirmation, or rejection, and we have no right to go into, or decide upon any other subject whatever.

We have no right to assume any of the powers of the supreme court, or to dictate in any manner to them. We have no right to say that contracts are, or are not inviolable, because that is no part of the duty which has been assigned to us by the legislature, and the people. Sir, I am ready to take all necessary and proper responsibility, but I am not willing to usurp a responsibility which belongs to others, and which we have nothing to do with. Cowardly! I throw back the word with disdain and contempt. I am ready to vote upon any amendment which gentlemen may desire to submit to the people of Pennsylvania, and when gentlemen suspect others of being cowardly, let them propose their amendments in a form to be submitted to the people, and not in such form that the people cannot reach them.

Sir, I am brave enough to submit every thing I propose to the people for their ratification, and I am no coward when a question comes before us that is to be submitted to the people. I have seen proper to make this statement because I was the only gentleman who proposed on the floor of the convention that it would be proper and right not to vote on the question which was then presented to us, and I was among the first to refuse to record my vote when the question was taken, as I wished to assume no powers, but those which were given to me by the people.

In discussing this question, I will not be led into a question which

does not belong to it, and I cannot and will not forget the duty assigned to me here by the people to prepare and submit to them amendments to the constitution.

Those who elected me did not send me here to debate political questions, and they did not send me here to fall in with the political slang and cant of the day, and I am not to be led into a discussion of this kind, by any thing which may be said by the gentleman from Franklin. (Mr. Dunlop,) the gentleman from Allegheny, (Mr. Denny) or any other gentleman. I will not follow them at this time, or any other time in this convention, in a discussion of this kind. If they wish to discuss matters of this sort before a town meeting or in any other proper and suitable place, I tell them now that I will meet them in the field of argument on all political questions, but they must excuse me from entering into them in this convention, where I have other duties imposed upon me. I will meet the gentleman from Allegheny, before the citizens of Allegheny, if he chooses or before the people of the county of Philadelphia, and discuss the course of the general government, the acts of Postmaster General Kendall, or any other matter which he may desire to discuss, but I must decline going into it here, unless I am driven into it. I am not disposed to be voting and acting on questions, which are only introduced here for political effect. I am here to do my duty to the people of Pennsylvania honestly, uprightly, and fairly, and to the best of my ability, and I am not to be deterred from doing it by any such assertions, as that made by the gentleman who has last taken his seat.

Immediately after assembling in this place, we were told by the federalists of this convention, that we were here in the midst of bank stockholders and bank directors, and it was intimated to us, that we must measure our language. I however deny this assertion. We are not in the midst of any such community; but, we are as much in the midst of the people of Pennsylvania, as we were in Harrisburg; or, as we would be on the top of the Allegheny mountains. The eyes of the people of Pennsylvania are upon us. We are making a constitution for them and for them alone: and we are not here legislating for the bank directors, and we are not to suit our language to their ideas of interest or notions of propriety. God forbid that the moment should ever arrive when an assembly of this kind should be surrounded by any such persons, and that we should ever act upon such narrow and contracted views.

What, sir, is the question before us? It is a question with regard to the policy of restricting the banks of Pennsylvania? It is a question as to whether we shall provide a clause by which the legislature shall in all its proceedings hereafter regulate the banking system of the commonwealth, and I hope gentlemen do not desire to evade such a question as this when it is presented to them.

Will gentlemen for a moment say that the banking system is a perfect system? Can they say it? Do they believe it? Does any gentleman rise on this floor, and say that it does not need having restrictions placed over it? No, sir. No man dare say that; but, they make a false issue, and tell you that we want to destroy the banks and pull down the credit system, and in this way, they try to enlist the feelings, and the

sympathies of the people in their behalf, and endeavor to persuade members of this body, to go against restrictions, for fear that the institutions of the state will be uprooted by those who wish to remedy the evils of the banking system. Now, I am willing that the vote should be taken on this question, which will show the result in relation to this question of restrictions; but, I am much mistaken in my calculations in this convention, if gentlemen do not find themselves in a much smaller minority than they have any idea of. It is a mere sham, a lure—a catch of gentlemen—this cry that the reformers wish to destroy all the banks. I believe every individual of the party which supports this amendment is in favor of a judicious banking system; and I now, here on this floor declare, that on this floor and off of it, I have been favorable to a judicious banking system; but, am I to be told that because I am friendly to a judicious and well regulated system of banking, which will promote the prosperity of the state, that I must take and keep, and retain the present system with all its faults and all its enormities? There are none in this convention who wish to destroy the banking system. All wish the system to be continued and all that is asked is that some of its abuses may be remedied, and these abuses must be remedied, or the people will not endure the system.

The gentleman from Franklin county (Mr. Dunlop) has acknowledged frankly that he was not a friend to the evils of the banking system, and he acknowledged also, that such evils did exist. He has not been pleased however, to tell us what those evils were. He finds time to deliver a long eulogy on the system, but not a moment to say a syllable about its defects.

The gentleman from the county of Allegheny (Mr. Forward) did not point us to a single evil, but warned us of the consequences which must result from an interference with the system. Is the system perfect? Will gentlemen have the boldness to make this declaration? Let them make the issue at once. Let them say that there are no evils, and that the system is perfect. I will make the contrary issue, and I will say, that there are evils in this system, and that they must be corrected.

This, Mr. Chairman, is a question of more importance than it appeared to be at first view. I supposed, at first, it was a question whether we should restrict corporations or not. I had hoped that we had all come into the convention, ready to point out the evils of the system, and to provide a remedy. But the gentlemen have made the issue themselves; the issue of banks, corporation power on the one hand, and the actual rights and liberties of the great mass of the people on the other;—the issue is now fairly before the people of the commonwealth, whether the power of the one or the rights and liberties of the other shall be perpetuated. Sir, this issue must be met.

The gentlemen who advocate the banking system here would not go with us to point out the evils, and to devise a remedy commensurate to them. No—they tell you, that they can find none. They take the broad ground, the system must rule or it must fall. This is no new question. All who hear me know that it has been agitated throughout this land for some time past; and when the gentlemen tell us that the democratic party

have built up these banks, they do but tell us that which we know to be the truth. The democratic party did build up these banks, and that party is now ready to sustain them in all that is right and proper. What is there inconsistent in this? Surely, sir, there is nothing. They should look to the child they have nourished, and to make it as perfect as it is possible to make it. But they do not wish to countenance and sustain its vices; they do not wish to see the child made a disgrace to the parent. If vices have grown up with it, would not a parent wish to see those vices eradicated? And yet, because he might wish this, he is to be told that he would destroy his offspring. The same charge might be brought against every parent who corrected his child, with a view to the eradication of his vices, or his follies.

It would be telling the child to say to the parent, you must indulge me, as my parent, in every thing to which my inclination may lead me, whether it be right or wrong; and if you do not, you are no longer my friend, nor entitled to my confidence or affection. This is the language of gentlemen who advocate the bank interests. They say, you made us—you must not interfere with us—you must make no effort to reform us; but, you must suffer us to go on forever just as we please, and to lord it over the people as we please—*because you made us*. This is the language to which we are expected to listen. And when gentlemen say, that this is a question of bank or no bank—I tell them that it is not. The evils of the system are deep-seated and glaring, and I trust that there is yet sufficient energy—sufficient moral determination in this convention to apply the proper corrective, whatever that may be. If there is not, I confess that I have much mistaken the character of the gentlemen by whom I am surrounded.

Mr. Chairman, there is a deep and important question involved in this inquiry; and I shall neither go to Washington, nor elsewhere beyond the precincts of this hall, to gather the opinions of those who have professed to expound the views of the people upon it; but I will look to the opinions of gentlemen who now hold seats in this convention.

And, in the first place, I will refer to a speech delivered in the senate of Pennsylvania, on the 17th day of March, 1834, by the gentleman from Beaver county, (Mr. Dickey,) on the subject of a recharter of the United States Bank, and the restoration of the deposits. In quoting from this document, I disavow any design of personal disrespect towards that gentleman. I wish merely to shew how the opinions of one, who is now a leader, and deservedly so, of a party in this convention, have changed since the year 1834, at which time he was at the head of an opposite party.

He says: "Having thus, Mr. Chairman, given my views in relation, to the removal of the deposits, I will call your attention to the reasons for which I am opposed to a re-charter of the Bank of the United States."

"The Bank of the United States was created for certain purposes; these purposes are defined by the bank directors in their memorial, to be "the restoration of the currency, the maintenance of the general credit, and the accomodation of the trade of the country." Has it, sir, accom-

plished these purposes of its creation? Did it restore the currency? Has it maintained it in a sound state? And has it accommodated the trade of the country?

Sir, if it has answered all these purposes of its creation, it may deserve some of the lavish praises bestowed upon it by some of its friends and advocates. But sir, if on the contrary, it shall appear that it has not answered these purposes, and that it has abused the privileges conferred upon it, in a manner truly reprehensible, then it ought to receive the condemnation of the American people, of that portion of them, at all events, who are not disposed to submit to be ruled and governed by the an irresponsible monied corporation, and who, I hope and trust, constitute a large majority of the freemen of this great commonwealth."

Again :

"But, sir, the bank has failed to fulfil another, and perhaps the greatest object of her creation. I refer, sir, to the restoration of the currency, and maintenance of it in a sound state. Sir, it is claimed with an assurance that will not *allow* a denial, that the bank was the means of restoring the currency, and that she is the great regulator of that currency, and this, say the advocates of the bank, is absolute demonstration of her utility.

By an examination of the history of the country for the last twenty-five years, it will be found that facts do not warrant the assertion that the bank was the means of restoring the currency, and that it has been the means of maintaining it in a sound state."

And again the gentleman says:

"Sir, I am opposed to the re-charter of the bank, because it is a dangerous concentration of the monied power of the country. No corporation should have the power, in this free and happy republic, to create good and bad times at its pleasure; at the pleasure of twenty-five directors, aye, sir, it may be of one man, and that man the president of a bank."

"Why sir, the very reason urged by the friends of the bank in favour of this concentration of power, is with me so many arguments against it. I am satisfied that the liberties of this country are much safer, when the monied power of the country is sub-divided; and if we must have monied corporations, and I am free to admit that in the present state of society they cannot be dispensed with, let us have local banks; incorporated, and restricted by state authority; these are found to be competent, to perform all the duties which the government, or the country may require, and there are many circumstances which give them preference over the Bank of the United States. No one of them can exercise a control over all the others, and expand and contract the whole currency of the country at its pleasure. Sir, the very circumstance of the bank being able to array what may be denominated a bank party, is conclusive evidence of its political power, and a sufficient reason why it ought not to be re-chartered, I have thus sir, given my views and the reasons why I am opposed to a renewal of the charter of the bank; nothing but the importance of the question, could have induced me to present them to the senate.

I consider this, not simply a question of, bank or no bank, but a ques-

tion between the advocates of a monied power on the one side and of liberty on the other. Sir, if the bank should succeed in procuring a recharter, it will in my opinion perpetuate the privileges of that institution; she may in time become dangerous to the liberties of the country, by becoming too powerful for the government, and the people, be subjected to the sway of a concentrated moneyed power. But sir, should the bank fail in the efforts to renew her charter, then the constituted authorities of the country will have prevailed over this moneyed aristocracy, and then the liberty of the country will have been saved, and the happiness of the people preserved."

Sir, continued (Mr. B.) I am ready to endorse these sentiments now, I would however, change a few of the terms; and I would say, that if the people of Pennsylvania in this year of 1837, with a full knowledge of the position in which the banks have placed themselves and the people—if I say the people cannot place restrictions upon them, and cannot govern the institutions of their own creation, then our liberties are gone, and when I make this assertion, I am warranted by the efforts which have been made here to perpetuate this system in its present condition, fraught, as it is with evils, and opposed as it is to the interests and the liberties of the people.

What have we seen in the course of this debate? Instead of hearing arguments to shew that the banking system did not require reform we have been compelled to listen to arguments the only effect of which could be to break down the faith of the people of this commonwealth in the officers of the government. We have been compelled to listen to arguments to shew that none of the officers of the general government are worthy of the esteem or confidence of the people—and that they are using their efforts to break down and to trample under foot the liberties of the people, only because they are endeavoring to restrict and to regulate the banking system of the country. Why is this? Why are those daily attempts made, here and elsewhere, to destroy the confidence of the people in the officers whom they have themselves elected, and into whose hands they have voluntarily thrown the management of their political concerns? Why, I ask, is this? Is it that they may elevate others to the places which these officers now hold? No, sir—nothing of the kind. Is it for the sake of the emoluments of office? No, sir, those are too small to excite such agitation as this. What then is it? Sir, the gentleman from Franklin county, (Mr. Dunlop) in the course of his speech, has let us into the secret. He has told us what the great end of all these movements is—it is the creation of a national bank. Here we have a solution of the difficulty at once;—break down the national government, and then we will have a national bank. This is a salve for all our evils. Give us a national bank! And why? The gentleman from Franklin county, (Mr. Dunlop) tells us, that we were at war with the state institutions, and that we must have a national bank at Washington, to control those institutions. So says the gentleman from Franklin. The gentleman from the city of Philadelphia, (Mr. Scott) who has addressed the convention at great length in opposition to the resolution of the gentleman from Susquehanna, was not as it appears, let into the secret. That secret, we now see, is that there is to be a national bank at Washington, to govern and control the state banks, and we are told that there is no other way on earth by which

these institutions can be controled and governed, except by the establishment of a national bank at Washington And, sir, what a spectacle should we see! I do not know the amount of banking capital in the United States, nor the number of individuals who may be interested in it. We know that there are a number of persons interested in it, who are so entirely wedded to it that they dare not, if they would, raise their voice against it. We shall have all these leagued together to sustain their power. We shall have a great central money power sustained by them, and which in return, will sustain them.

Then, let me ask the gentleman from the city of Philadelphia, (Mr. Scott)—let me ask the gentleman from Franklin, (Mr. Dunlop) who is so warm an advocate of the banking interests here, what under Heaven is to become of the democracy of numbers? What is to become of that great mass of the people who receive no favors at the hands of the banks, and who scorn to flatter and fawn upon your bank directors? What is to become of those who have an interest in the soil, and who are compelled to depend upon their daily labor for their daily bread? What, I ask, will become of them? I ask gentlemen to pause, before they attempt to entail upon our people this great league of moneyed power which, if once established on a firm basis, will soon show itself superior to the whole power of the government under which we live. There will then be no other Hero of New Orleans, who will dare, in the face of the threats and the thunder of his enemies to step fearlessly forth, and crush this monstrous power beneath his feet. No man will dare to question it. No congress will dare to approach it. It will be too deeply seated in the land, and then we may bid a long and last farewell to our equal rights, and to all those liberties which the democracy of this country are now happily enjoying.

Mr. Chairman, the creed in which I have been educated, and to which I have been taught to look up with reverence from my earliest youth, has taught me that the object of all free governments on earth was, that the people at large should hold the sovereign power, and that they should be held competent to exercise control and government over all their institutions. I know well what are the lessons which we derive from history on this subject. I know that the history of this and all other governments points with admonition to the one important truth, that the few who have the means by which the power can be acquired, will endeavor to obtain that power and will resort to every plan to secure it. And, let me say, that this power always seeks to perpetuate itself. It matters not what may be its character; it matters not whether it is the aristocracy of wealth, or whatever else it may be. The love of power is inherent in the breasts of most men; and they who once obtain it, will use every effort for its perpetuation, no matter how they may infringe upon the rights and privileges which belong to others. And hence it is that we are so often reminded of a truth which never should be absent from the thoughts of men who are enjoying the lessons of free government and free institutions, that the price of freedom is eternal vigilance. And, although I do not give my assent to the opinion that our banking system has been established by the machinations or devices of the Devil; yet I do sincerely believe that if his great sable majesty had set his ingenuity to work, to devise a plan by which the rights and liberties of the people

might have been cut down and destroyed, he could not have hit upon a scheme more effectual, than these very corporations; if once consolidated and leagued together.

When the Bank of the United States was about to go out of existence, nearly all the state banks joined together for the purpose of having it re-chartered. They were afraid their own time would come the next. They saw what was their own interest; they said, it has the power and we see its effects upon us.

We have been told, Mr. Chairman, that we are making war on the the banks. Let us see how this fact stands. I will, beg leave to call the attention of the convention to a paper which may serve to enlighten us on the point, who it was that first commenced the war upon the banks in this assembly. With this view, I will take the liberty to read from page 174 and 5, of the Daily Chronicle, an extract from a speech of another champion of the party. I speak of the gentleman from Adams, (Mr. Stevens) who, I regret to say is not now in his seat. I say I will show who it was that commenced this war on the banks. I will read you the gentleman's argument, and you will then be able to see with what truth I and the gentlemen associated with me, can be charged, with attempts to make war on the banks. The gentleman said :

“ He was on ground which had been trodden long enough. He would say a few words on the second branch of the motion to restrict the government, or any part of it, from chartering any more banks.”

“ Here, on the threshold of a new constitution, he asked the committee to put a barrier for our protection from evils which had been found almost insupportable.”

I wish, said (Mr. B.) that the gentlemen were now present, that he might be reminded of the sentiments he had expressed; then, I know that he would not deny them.

But he proceeds to say;

“ The banks sat like an incubus upon all the states of the Union, and until they were thrown off, they could never flourish. He believed the constitution had withheld from the states the right to create banks, or in any other way to authorize the issue of paper credits; but long usage and acquiescence, and the decisions of judicial tribunals had rooted them so deeply in our system, that they could not be eradicated. But as we were about remodelling our whole system, it was a good time for us to commence *de novo*, and take means for removing the evil.”

“ De novo,” said (Mr. B.) is a latin phrase, which the gentleman from Franklin, (Mr. Dunlop) who undertakes to teach me that language can no doubt explain to any gentleman who does not thoroughly understand its import. I shall be glad if that gentleman will hold himself in readiness, as there may be other latin quotations which may require his aid to interpret.

But let us proceed a little farther; and, if I am not mistaken, my friend from the city of Philadelphia, will find he had better let us regulate the banks, or the gentleman from Adams will extirpate them. He goes on to say :

“The various fluctuations in the currency would continue as long as the states hold the power of erecting banks. But, if the whole power over the subject could be restored to the national government, they could establish a system of some kind, by which the currency could be rendered uniform and stable, and the funds of the government be transmitted from Maine to Louisiana, in a single week, without destroying the business interests of the country.

But war was waged against the bank, and the bank and the country fell. The consequence was, that as the general government had refused to exercise the power, every state in the Union became flooded with paper currency.

We have seen every petty corporation and every knavish speculator issuing their paper. From the national bank there was little danger of a corrupt influence. Few, comparatively, were interested in it, and little danger would have sprung from it, even if it had been united with the general government. Other powers of the government were of a much more dangerous character. But the monster bank refused to become the ally of the conquerer of New Orleans, and his minions. First, revenge, and their aggrandizement was sought by the administration. They selected sixty banks as the depositaries of the treasury, and, as every bank has about the same number of dependents and officers, they multiplied the corrupt influence of banks sixty fold.”

Who now, (resumed Mr. B.) are the denouncers of the pet banks? In the whole course of this debate, gentlemen have said nothing of the corruption of this system which they want to renew. But the gentleman from Adams, it seemed, was not disposed to remain equally quiet on the subject, and I trust he will still continue to speak boldly of the corruption which he knows to exist. The gentleman then proceeds :

“He did not believe in human perfection. “Lead us not into temptation,” was the prayer of Him who knew the hearts of men. If men were angels, they would not have needed it.

But if it was necessary to guard us by laws, it was also necessary to shield us from temptation. If the present system of deposit banks continued, every state in the Union would soon be under the control of the great central power at Washington. The public money in the deposit banks was used for the purpose of plunder, and enriching bank and government favorites ; and those who permitted it, partook of the profits, no doubt. Nothing would secure us from this great abuse, but cutting up, by the roots, this tree of evil. As long as the government exercised the power, so long we were secure : but as it was not exercised, no man was safe, for a moment, in his property or industry. The busy merchant, the hard working farmer, and the industrious mechanic, saw his family wretched, and the fruit of his labor destroyed. He was aware that the winding up of the banks would depreciate property : but was it not better to begin upon a better system than to continue in this hopeless and distressing condition ?”

Sir, (continued Mr. B.) gentlemen who have said so much about war on the banks, should have looked on this book. But the gentleman from Adams, is absent, and I suppose they never would have taken the ground

they have done, if this leader and champion of their party had been in his seat. The party was going amiss, and would continue so to do until the gentleman returned to set them right again. We all know the old adage, when the old cat was gone, the little mice would run about. When the flock of wild geese lost their leader, they fell into confusion, and became the easy prey of the first fowler that might come along.

Mr. B. here gave way to Mr. RITER, on whose motion the committee rose, reported progress, and obtained leave to sit again ; and,

The Convention adjourned.

WEDNESDAY AFTERNOON, DECEMBER 6, 1837.

SEVENTH ARTICLE.

Agreeably to leave given ;

The convention again resolved itself into a committee of the whole, Mr. REIGART in the chair, on the report of the committee to whom was referred the seventh article of the constitution.

The amendment to the amendment being again under consideration ;

Mr. Brown of Philadelphia county resumed :

Mr. Chairman, when the committee rose this morning I had just quoted from a speech delivered in this convention by the gentleman from Adams, (Mr. Stevens) to shew the views he had expressed in relation to the banking system. It was not my desire to have entered into the discussion of the subject of corporations in the aspect in which it is now presented. But it becomes necessary now that I should do so. The question is now involved in party considerations. I should not receive credit for any thing like disinterestedness, if I were to say that it is not a party matter. I do not intend to be a party man, unless the principle for which I am contending is such as I believe to be a good one. I am no further a party man. But it is known to all of us that this subject has assumed a party aspect, and I, for one, am desirous that it should be placed in its proper point of view.

Sir, an attempt has been made by the gentleman from the county of Allegheny, (Mr. Forward)—by the gentleman from the county of Franklin, (Mr. Dunlop) and by the gentleman from the city of Philadelphia, (Mr. Scott) to identify the party of which I am a member, with attempts to destroy the banking system of the country, while they themselves appear as the champions and the saviours of the banks and of the banking interests. Now, I intend to show, and if I do not grievously mistake the premises upon which my argument is based, I shall be able clearly to

demonstrate, that the party with which I act, never did attempt, and never did wish to injure or destroy our banking institutions, but that, on the contrary, we are in truth and in fact, the best friends of those institutions, as well as the best friends of the country in which we live; and that so far from attempting to destroy the banks, we are anxious to save them from destruction by eradicating the evil, and preserving and fostering the good which is to be found in them. And I hope, that the members of this convention will all be able to agree, at least, on one point, and that is, that if the banks are to continue, they ought to continue as instruments of good and not of evil. The opposite party certainly do not intend to say, that they would have them continued for evil, and not for good.

It was to this point, Mr. Chairman, that I was directing my observations when the committee rose. I shall pursue this point a little further, and I shall then take up the general subject of corporations. I will show what I understood to be the good which the banking system has done, and which it is likely to do; and then I will endeavour to show what I look upon as being the evils of the system, and what I believe to be a corrective for those evils. All this I hope to do before I take my seat. The spirit indeed is willing, if the flesh is weak.

Upon my conscience, Mr. Chairman—although probably that is an unparliamentary word—I believe—and I think the arguments which have been resorted to, will sustain my position—that it is the determination of those who are opposed to all restrictions on the banking system, that the abuses which attend it should not be reminded, until they shall have been able to force the general government into the establishment of a national bank, to regulate and control the banks of the different states. This is my serious conviction. Now, out of their mouths I propose to judge them; and, by arguments of their own, I propose to shew, that a national bank, if established, would not have the power of regulating and controlling the state institutions, which these gentlemen assign to it.

I shall be under the necessity of again introducing to the notice of the convention, a speech delivered by an honorable senator of this commonwealth, now a member of this body, from Beaver county, (Mr. Dickey) in which he speaks of the late United States Bank, of the good which it had done, and of the evil which it had done. The gentleman was speaking at that time, against the re-charter of the Bank of the United States, in the senate of Pennsylvania, and replying, I suppose, to the arguments of other gentlemen, as to the good which it had done. Sir, we sometimes find ourselves in strange positions, and such, I think, must be that which the gentleman from Beaver occupies at the present time, when contrasted with that which he held as a senator of this state in the year 1834!

Speaking of the state of the currency in the years 1818-19—the gentleman says:

“Its depreciated state, the consequent depreciation of property, the distress that prevailed, were all produced by the expansion of the Bank of the United States and of the state banks.”

“The pressure of that time,” said the gentleman, “is thus described in the Weekly Register of June 5, 1819:”

“For several months past, the pressure grew heavier and heavier.

“ Great sacrifices of property of every description took place, and many large mercantile houses, as well as honest farmers and mechanics [dealing with banks and running in debt] failed. So extensive were these among the merchants of the cities, east of Baltimore, that it seemed to be disreputable to stop payment for less than \$100,000—the fashionable amount was from two to three hundred thousand dollars, and the tip top quality, the support of whose families had cost them from eight to twelve thousand dollars a year, were honored with an amount of debts exceeding five hundred thousand dollars, and nearly as much as a million of dollars. The prodigality and waste of some of these were almost beyond belief—we have heard that the furniture of a single parlour possessed by [we cannot say belonging to] one of them, cost \$40,000. So it was in all the great cities, dash—dash—venders of tape and bobbins transformed into persons of *high blood*, and the sons of respectable citizens converted into knaves of rank, through speculation, and the facilities of the paper system.”

“ So much, sir, for a description of the pressure of that period ; and so much sir, for the bank maintaining a sound currency.”

Again ;

“ Sir, it was expected by the projectors and by those who created the bank, that it would be the means of at once restoring the currency, by commencing with the payment of specie, and thus compel the payment of specie by the state banks ; and yet, sir, it was found to be but a delusive hope and vain expectation ; for we find this astonishing fact contained in a letter of Mr. Crawford, secretary of the treasury, to Mr. Jones, president of the bank, dated 29th November, 1816, (W. R. vol. 15, page 437.) The extract is as follows :”

“ From this view of the subject, as well as from a general knowledge of the means with which the Bank of the United States will have to commence its operations, and of the difficulties which it will have to surmount, if the state banks do not make a simultaneous effort, it is manifest, that without their co-operation, a national currency equal to the indispensable demands of the community, cannot be obtained by the 20th February next, from the efforts of the bank and treasury, under existing legal provisions.”

“ And, continued the senator, the state banks on the 31st day of January, 1817, entered into an arrangement, with the Bank of the United States, to commence specie payments on the 20th February, 1817, the day fixed by the resolution of congress.”

“ Sir, these facts show most conclusively, that it was by the co-operation of the state banks, that the specie payments were resumed, and that, without that co-operation on their part, a national currency equal to the demands of the country would not have been obtained by the 20th of February, 1817, from the efforts of the bank, though aided by the treasury. To the state banks, therefore belongs the credit of bringing about specie payments, and with it a restoration of a sound currency ; and, sir, I trust, these facts show conclusively that the bank failed to effect the great object of its creation, the credit for which is claimed by its advocates, with an assurance that will not allow a denial.”

“ Sir, I have thus attempted to show, that the Bank of the United States “ has failed to discharge at all times, as she was bound to do, her duty as “ a fiscal agent of the government, that she did not restore the currency, “ that she had not maintained it in a sound state, that she was the means “ of bringing on the pressure of 1818 and 19, and that she is the cause of “ the present one; and that, having thus failed to accomplish the great “ objects of her creation, she ought not to be re-chartered.”

These, said Mr. B. are some few extracts from the speech of the gentleman from Beaver; and they show clearly that the Bank of the United States did not, at the period referred to, aid in the restoration of the currency. I now leave the gentleman, but may probably return to him once more before I conclude my remarks.

I will now turn the attention of the convention for a moment to sentiments expressed by other gentlemen. I quote from a work entitled “ the history of the Bank of the United States” page 449, the opinions expressed by the president of this convention, (Mr. Sergeant.) He is not now here; but his friends are present—here is the record, and they will be enabled to ascertain that I quote correctly.

Speaking of the re-charter of the Bank of the United States, the president says:

“ The surcharged circulation of paper, would not be removed by throwing in the additional quantity of paper to be issued by this bank. The great extent of this proposed capital of the bank, three and a half times that of the late Bank of the United States, (with the privilege to increase it to five times the amount) imposed it as a duty on those who advocate it, to show the use of so large a capital. In answer to this argument, that our commercial transactions had increased since 1791, in the proportion of five to one, Mr. S. said, the gentleman appeared to have entirely lost sight of a consideration which was essential in the discussion of this subject; that in 1791, we had but three banks, and now, we have two hundred and sixty, supplying a capital of more than twenty times the amount, then in existence.

“ This additional capital was, therefore, he argued not necessary, to the purposes of commerce. As the means of establishing an uniform medium of circulation, Mr. S. contended, that a capital of twenty millions would be large enough for any useful purpose, and would be able to throw into circulation a larger amount than that of depreciated paper, which the gentleman from South Carolina, proposed to withdraw from circulation, in order to appreciate the notes of existing banks. This bank, established on true commercial principles, (and such he wished it to have) would be guided by that instinct of gain which the gentleman had ascribed to banking institutions, and with a capital of twenty millions, would do a business quite extensive enough to answer any useful purposes.

“ Mr. S. further objected to the plan of the bank embraced in this bill, that there was nothing in it which would save this national bank from the same extremity of difficulty, bankruptcy, if gentlemen chose to call it so, in which other banks had been involved; it had no other liability, or responsibility for its engagements than those which are common to every other bank. Mr. S. did not join in the censure of banks, for that which

was said to have been the cause of suspension of specie payments, viz, the loans to government, which the pressure of government and public sentiment had urged them to make to the government, in a greater extent, than they ought to have done. He was willing to coerce the banks to pay specie, if they were not disposed to do it when they could; but, he intimated, he was unwilling to try an experiment which, if it did not operate as he wished, would only have a tendency to aggravate the evil."

Here, sir, continued Mr. B. we have a prediction made by the President of this Convention at that time, that a national bank would not cure the evils then existing, and we have the speech of the gentleman from Beaver county, delivered afterwards in the senate of Pennsylvania, that it did not cure the evil. What stronger evidence can we have in support of the position, that a national bank is not the remedy for all the evils of the present time? Sir, it appears to me, that the whole weight of the argument on the other side must fall at once to the ground.

I have a document before me, which shows conclusively to my mind, that there is no disposition in certain parts to do any thing with the subject of a return to specie payments, until something is done with this state bank question. The document to which I refer, contains an account of the secret proceedings of the bank convention recently held, to fix a day for a general resumption of specie payments. I presume them to be correct.

"The convention was in session from Monday until Saturday, inclusive, six days. Before the adjournment, the banks of nineteen states were represented by one hundred and forty-one delegates. From this state, forty-four delegates were in attendance.

"At the organization of the convention, and at the adoption of rules for its government, the delegates from New York resisted, unsuccessfully, an order that the meetings be held with closed doors.

"The subject of the resumption of specie payments, and the period when, was referred to a committee consisting of one delegate from each state represented in the convention. The committee consisted of eighteen members. In it, New York proposed, without success, severally, the first of March, April and May. A majority of the committee (nine, one delegate from Indiana declining to vote,) agreed to report in favor of the first of July as the period of resumption. The minority (representing seven states) submitted a counter report, urging an adjournment of the convention, without naming any definite day. The latter was presented by Mr. Manuel Eyre, the delegate from the United States Bank of Pennsylvania.

"On Saturday, a motion to strike out the resolution of the majority of the committee of eighteen, viz: that the banks resume payments in specie on the first of July next, was carried, 11 to 7, (the vote being by states) as follows:

"*Affirmative*—Pennsylvania, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New Jersey, Maryland, South Carolina, Indiana, and Delaware.

"*Negative*—New York, Virginia, Ohio, Georgia, North Carolina, Kentucky, District of Columbia.

"Maine divided.

“The motion of Mr. A. B. Johnson, of New York, that payment in specie be resumed on the first of March next, was rejected—New York, Ohio and North Carolina only voting for it.

“On the motion made by Mr. Marit, of Boston, that it is *inexpedient* now to name any day for the general resumption of payments in specie, the vote stood twelve affirmative to seven negative. The latter were New York, Ohio, District of Columbia, Kentucky, Virginia, North Carolina and Georgia. *They* of course deemed it *expedient* to name such day.

“Mr. Gallatin, of New York, moved to amend the resolution for an adjournment of the convention to the *second Wednesday in April*, by striking out that day, and inserting the *first Wednesday in March*. The motion was lost, ten to eight; New York, Virginia, &c. in the affirmative.

“Mr. Trumbull, of Connecticut, moved that the resolution recommending the banks to prepare to return to specie payments at the earliest practicable day, be so amended as to read, “and that day not to extend beyond sixty days after the meeting of the next convention.”

“Lost, ten to nine—New Hampshire, Maine, Connecticut, New York, North Carolina, Georgia, Ohio, District of Columbia, and Virginia, voting in favor of the amendment.”

The same document, said Mr. B. goes on to state :

“In the course of the discussions, the paramount considerations that should impel the banks to the performance of their obligations to the public, and to their creditors, and relieve them and the character of the country from the odium and evil consequences of their present position, were urged by Mr. Gallatin, on behalf of the New York banks, with a force of reasoning and an array of facts the most conclusive and convincing. Mr. Lawrence, of New York, and Dr. Brockenbrough, of Virginia, also took the same ground with great practical ability and effect.

“From the commencement of the session of the convention, until its close, the state of New York strenuously urged the expediency of fixing a day for the general resumption of payments in specie, and that that day should be as early as the first day of March next; but in a spirit of conciliation conceded to the will of the majority, that it should be fixed to take place on the first of July: whereas the states of Pennsylvania, Massachusetts, New Jersey, Maryland and South Carolina, steadily and vehemently resisted the designation of any specific day; the Bank of the United States, through its representative, Mr. Manuel Eyre, throwing the whole weight of its influence against any immediate or definite return to a redeemable currency. It is the decided opinion of the best informed statesmen and bankers, that had *that* institution exerted its powerful influence in favor of resumption, not only would an early day have been agreed upon, but the event could be accomplished with facility; to the great advantage of the banks, and in promotion of the best interests of the community.”

Sir, resumed Mr. B. I blushed to see that Pennsylvania should stand at the head of those states which refuse to resume specie payments. I

deny that such are the principles of Pennsylvania, I would have been the first in that honorable list, and I say that he lacks the very essence of Pennsylvania feeling, who would be the first to give his sanction to the continuance of the present state of things. I wish that such a stain upon our character, as is presented in the conduct of Pennsylvania in that bank convention, could be blotted out for ever. First on the list in favor of resumption, stands the state of New York. The gentlemen have told us of her late elections—that the people have freed themselves at the ballot-box. Sir, if there is any New Yorker here, I blush that the conduct of Pennsylvania in this instance should be put in contrast with that of New York; and he must feel the pride mantle on his cheek, when he heard that New York has been the first to speak aloud and say, that she *will* be relieved from the disgrace of an irredeemable currency.

There, too, is the old dominion, who, whatever her faults may be, is always right at the heart, standing side by side with New York!

Ohio! too. Another state which gentlemen have told us is regenerated, she was then ready to resume specie payments. And Georgia was there also! And even Old Rip Van Winkle—North Carolina—was ready to wake up!—but Pennsylvania would sleep the sleep of death when the dearest rights and interests of her own people was concerned. Old Kentucky was there! The first born of Virginia—she, too, was ready!

But all would not do, sir, the day proposed for the resumption of specie payments was rejected.

[Mr. Brown here made frequent references to the reports of the language of gentlemen as published in the Daily Chronicle.]

He wanted it to be understood that the language of the manifesto put forth was “no bank will be safe if it dares to resume specie payments.” And, then, perhaps, it would be put off again. The object and intention of all this was to coerce the general government to charter a national bank. He might be wrong. But, when gentlemen all around him talked of a national bank, and of the banks not resuming till such a period, he might reasonably suppose that there was an intention to coerce the general government into the charter of a national bank. Looking to what transpired out of doors, and regarding the course of certain gentlemen in this body, in reference to this subject, he thought that he was justified in drawing the conclusion he had done. He considered the language of the gentleman from Allegheny, (Mr. Denny) the other day, when speaking of the Banks of the United States, as having a tendency to degrade the government itself, and to bring it into disrepute and contempt with those who live under it.

He (Mr. B.) believed, that among a certain class of politicians, a powerful effort was making to destroy the people's government. That deplorable event would assuredly happen, (as he said in the morning,) if the bank government should be in the ascendent—if it should get the mastery. An attempt had been made, as he had before observed, to throw the whole blame and responsibility on the general government, for having been the cause of the suspension of specie payments. The gentlemen from Allegheny (Mr. Denny) had told the convention that the entire

action of the general government had been the cause of the destruction of the banks. The gentleman's colleague, (Mr Forward) was a clear-sighted man, although he could not be said to be directly one of the people, and possessed a remarkable faculty of seeing the causes of effects. That gentleman did not say a word as to the general government having been the cause of the derangement of the currency.

[Mr. BROWN here referred to some remarks of Mr. Forward, as published in the Daily Chronicle, to sustain the statement he had made.]

We had been told that New York had been the cause of the derangement of the currency, and the difficulties that affected the banking interest of the state. It was now seen, however, that New York was ready, at the shortest notice, to resume, and that Pennsylvania was not, although she had heretofore professed herself to be! He would call upon gentlemen to recollect what had been the course of argument held here, as he could not keep the methodical order of it in his mind.

So far as his knowledge went, there was not an officer connected with any of the banks of Pennsylvania, who, if asked the question, whether his bank was ready to resume if the others were, but what would say it was. He had not spoke to a single officer, but what had admitted the fact. He wanted these gentleman to come to the rescue—to stand up and to vindicate what was far dearer to Pennsylvania than Pennsylvania institutions, he meant Pennsylvania character.

When he commenced his remarks, he was proceeding to shew that the suspension of specie payments was not, as was alleged, at all attributable to the conduct of the democratic party, or the action of the general government, but to the banks themselves. Almost every gentleman here of the democratic party, at least, had expressed himself in favor of an alteration of the constitution, so as to limit the power of the banks. And, with respect to the amendment of the gentleman from Susquehanna, (Mr. Read) he could see no objection to its adoption. He thought it not calculated to do any harm, but much good. Some delegates here had charged, that the democratic party wished to destroy the banks. He repelled the charge as unfounded and untrue. All that they desired to do was to restrict them. Nothing more. He would show the convention, that as far as his constituents were concerned, at least, it was not their wish to destroy the banks. He would read from the democratic address, of the citizens of Philadelphia county, which was pretty good authority.

“ We warn you, fellow citizens, of being misled in another matter by your opponents, the advocates of an irresponsible money power. They have raised the cry that the democratic party, if it had the power, would destroy all banks and all credit. The democratic party are not, and never have been, opposed to a system of sound and safe banking, or credit, that would promote honest industry and productiveness, and not interfere with the only true medium of value, gold and silver. But they have been, and always will be opposed to such a system of banking as that which debases the currency, and destroys the prosperity of the country; encouraging every thing but useful production, and producing every thing but regularity in buisness, or the happiness or prosperity of the people. Many have believed its corruptions inherent in the system,

and have therefore deemed their only cure was in its annihilation. But this was when it was marching on in its triumphal career, when no discrimination could be made between the good or the evil it produced, when its victims and its votaries both joined in its praise and support. Now, that it has prostrated itself, that the malignity of its disease points out how it may be palliated, if not cured, it becomes the duty of all good citizens, all true friends to the best interests of the state, to join their efforts to endeavor to take from it the power to do harm, and leave it only the power to do good. I fancy one now holds back from this great work, because others fall short or go farther than he deems necessary or proper, and thereby the evils of the system remain, or the good it is susceptible of, be impaired, he will deserve, as he will receive, the condemnation of the wise and the good, now and hereafter."

There (said Mr. B) was the democratic doctrine, sanctioned by the democrats of the county of Philadelphia, of whom no purer or better could be found in the Union. With these sentiments before them, he was at a loss to conceive how any gentleman could stand on that floor and charge the democratic party with evincing a disposition to destroy the state banks. They, on the contrary, had said and done all they could to make them ministers of good rather than of evil. But the fact was, the banking system was much corrupted—so rotten, that all attempts to make these banks, as they at present stood, ministers of good instead of evil, were entirely useless. The democratic party were, therefore, only desirous of placing restrictions upon them, which would prove beneficial to them as well as to the community generally. Now, the bank party step forward, and accuse the friends of the administration with a desire to crush the banks! He repeated that the charge was wholly without foundation—and was ungenerous and illiberal. Almost every one knew it to be true, who heard him make the remark, that very frequently the guardians of children, wilfully neglected their charges, and refrained to correct them, because they, themselves, reaped the reward of their indulgence in vice. The remark in respect to this class of men, was equally applicable to those who were so much wedded in favor of banks, because they received favors from them, though, at the same time, they were grinding the industrious portion of the community to the earth by their improper course of conduct. He was afraid that this was the truth with many of the advocates of banks. The intention of the democratic party, in giving their support to banks, as to all the other institutions of the state, was, with a view to the good of the whole people of the state, and not to a few. They did not make the offices on purpose for the office holders. They made them for the good of the people at large. The good of the great mass of the community had been forgotten—therefore, it was that the democracy wished to bring these banks back to what they intended they should be—to be ministers of good. There were no institutions established in the country, but with a view to the benefit of the whole community. He would, by and bye, make some remarks on the system at large. At present, he was merely showing what the democratic party wanted, and what the opposition was unfairly charging against them. Whatever might be said to the contrary, there was a majority of members here who held to the democratic principle, a part from party discipline, who would give their vote to curtail the power

of the banks. Any attempt to carry this question on party principle, (though he did not say it was the avowed purpose of any gentleman to vote according to his political opinions) must fail. There was a question of much greater importance than the present one. We had not a question before us more formidable to our opponents than the banks themselves—for the great interests of the state are connected with them—touch one and you touch all. Touch the charter of the Bank of the United States, and you touch all.

The gentleman from Franklin, (Mr. Dunlop) the moment we talked of limiting—of restricting the powers of the banks, brought forward the stale and oft repeated cry of the democratic party are to blame for the great number of banks there are: it was they who were continually creating banking institutions. He (Mr. Brown) found, on looking at the list of all the acts of incorporations, passed by the legislature of Pennsylvania since 1776, and which had been furnished to the convention by the secretary of the commonwealth in June last—that the number of bank charters granted had been 78; of corporations of all kinds 1,142; the capital of which amounted to \$158,453,550, and their annual income to \$1,472,554 31.

When we looked at the enormous capital of the Bank of the United States, and took into calculation the immense sums of money invested in the banks of the state, we must see the delicacy, as well as the difficulty, there was in touching a subject of such great importance as this was. He much feared that unless we were disposed to rise above our private interests, and look with a single eye to the public good, we should be able to effect nothing towards diminishing the power of the banks. These corporations had increased in number, of late years, to an enormous extent; and gentlemen argued as if they were inviolable and could never be touched. He implored them to lay aside their prejudices, in favor of these institutions possessing so much power as they did at present, and vote for certain beneficial restrictions in regard to them. He hoped that the people would accept the limitations, which this convention might adopt, so that the banks might be brought within their control.

I have had familiar intercourse with the people of the state of Virginia, and when I went to that state I went there an abolitionist, holding the belief that every individual in this country ought to be free. After, however, residing there for a short time and seeing the manner in which the slaves of the south were treated, and reflecting upon the condition they would be placed in if they were set free, I come to the conclusion that it would be doing the negroes of the south a lasting injury, to set them free and retain them in this country. It would introduce insubordination and vice among them, and would lead to their utter ruin, if not total destruction.

I admit that I saw much of slavery while I was in the southern states but, when I returned to Pennsylvania I saw a system of slavery still more odious to the feelings of freemen, than that of the south—I mean the slavery to banking corporations—the slavery of those who were immediately and directly interested in them.

Well, do gentlemen wish that this system of slavery should be con-

tinued in all its odious features while they are preaching emancipation to other parts of this Union. Will they hug those institutions to their bosoms, and say that we will not be free, while they are denouncing the slavery of the southern states ?

The gentleman from the city, (Mr. Scott) has told us that when we have a good servant we ought to keep him. True, so we ought, but is not this good servant to be kept in his proper place ? Now I am for keeping this good servant, and I am for keeping him a good servant ; and the way to keep a good servant, is to keep the master's eye upon him, and his power over him. Now, I believe banks to be good servants of the people if they are kept in their proper place, but the people of Pennsylvania, who are the masters in this state, must keep a close eye upon them. This convention must provide such restrictions that the people of Pennsylvania may be able to keep these banks in subjection in all time to come, for it is in vain to tell us that the proceedings of the banks of this country within the last few years have produced no evil. To tell this to the people must shock the common sense of every one—it is not to be believed—one will credit it.

The gentleman might as well say that the sun does not shine, as to say that the present position of the banks has produced no evils in this country. The improper management of the banks brought about that wild system of speculation which has thrown the whole country into confusion and dismay. This dread evil is in the banking system somewhere, and when gentlemen point to a national bank and intimate that it was produced by the general government, I tell them that the general government had nothing to do with it.

I will now beg leave to introduce to the notice of the convention, the opinions of a gentleman of the county of Philadelphia, and a political opponent of mine on the subject of banking. The gentleman I allude to is a large property holder, and a man whose character for honor and integrity will stand against the world. The convention will bear in mind too that this gentleman was the individual who ran in opposition to me for a seat on this floor, therefore, when I adopt his sentiment in relation to banking, I think I may safely say that I speak the sentiments of both political parties in my district.

The pamphlet from which I read was published in 1832, and the author of it is James Ronaldson, than whom there is not a more intelligent, liberal and high-minded man in the city or county of Philadelphia. Well, in speaking of banking, this gentleman says :

“ The right, however, is a prodigious advantage to those who enjoy it. Even in England—the greatest manufacturing and commercial nation in the world—there are few issues of paper money, beside the bank of England ; though her bankers do an extraordinary amount of business. And, in Scotland, every stockholder is liable for *the whole debts of the company*. In the next place, it will be remarked, that the introduction of a paper currency has rarely, if ever failed, to introduce extravagant habits, immorality, and a gambling in business, which, in our modern commercial technicality, is called “ speculation.” Men's habits are turned from productive industry, to all sorts of contrivances to live, without working themselves ; consequently, they must live upon the industry of

others. And banks, as hitherto constituted, promote *consumption*, without, in any thing like an equal proportion, favoring *production*:—and that they make the rich richer, and the poor poorer, is an effect inseparable from their nature.”

This, said Mr. Brown, is not from a Van Buren man. No, sir, he is a whig. And this is the doctrine of a patriotic whig. He would call the attention of gentlemen to the following extracts from the same pamphlet, which tallied so nearly with the doctrine of the democratic members of this convention :

“When the quantity of money, or of the circulating medium, in any place is increased, the price of every thing will rise. Our banks are created to make money : and the authority to put forth small pieces of printed paper, as if the same were really a number of silver dollars, is a temptation not to be resisted. The story of notes *representing* silver or gold is not true. Every one knows there is not in the United States, any thing like as much silver and gold as the bankers, in their notes, have promised to pay. The truth is, that these notes are issued, not on dollars in the banks possession, but on what is termed the credit of the bank—or rather, on public credulity and forbearance. It is this want of a corresponding value, in metal, which compels the banks to call in their loans, when the course of trade has caused a demand for specie—and the sudden reduction of currency produced by this operation diffuses general distress. It must be within the knowledge of most persons, that the effect of this sudden reduction has ruined many : that the tradesmen and merchants lost their capital, and farmers lost their land, in consequence of a currency so fluctuating as paper. This fluctuation is inseparable from paper money of a small denomination : and it absolutely extends its effects to contracts between individuals. For example, a certain payment it has been agreed shall be made in dollars ; and the paying party calculated upon doing this from the proceeds of the sale of wheat. But it happens, meanwhile, that the bank coinage has been called in—the price of wheat has fallen—and every thing is deranged.

When trade was brisk, the banks freely gave the produce of their printing presses and ink bottles : when it became dull and bad, the debtor was required to pay, with a relentless severity, tempered only by the prudence of sparing him, till he falls into the hands of private creditors. And thus, the banks creep out. The effects of the paper money, in 1816, 1817, and 1818, &c. were equally severe in the richest portions, both of Kentucky and Pennsylvania. Many a worthy Dutch farmer was turned, by the sheriff, out of his lands, in Lancaster county, and had to look out for a shelter in the woods of Ohio :—and many pressed down by misfortune, died of a broken heart.

Paper money causes our own productions to bear a high money-price, among ourselves : but this is disregarded when our articles are in a foreign market. We must then sell at the prices in that market, or quit the trade. This has frequently been ruinous in its consequences, to our exporters, and the re-action has produced great distress among our traders and farmers.”

Again he says: “In this country, legislators are chosen to make laws to favor and protect *the people*, and the people’s happiness. They are

not placed in office to bestow partial favors, or grant privileges to gratify individual feeling, and they should not take on credit the stories which are told them about capital, commerce, manufacturing, farming, banking, &c. as reported by those who are under the influence, either of private interest or prejudice."

This patriotic gentleman, said Mr. Brown, who was a gentleman of large estates and sound judgment, tells us that the legislature ought not to take for granted, all the stories told them about capital, commerce, manufacturing, banking, &c. as reported by those who are under the influence either of private interest or prejudice. How will whig gentlemen settle this among themselves?

But he goes on farther and says: "Our legislators should always bring the matter in hand to the *constitutional* test; to its bearing on the good of all the people, and not on fractional parts: for it is not true as a legislative principle, that what benefits a part, benefits the whole. Interested men, when soliciting a charter, make very plausible representations, respecting the advantages of banks, and the good things to be obtained thereby. Yes, these good things exist; but they are for the bank-folks; they who have the right to make paper money will enjoy them in abundance:—while farmers, merchants and manufacturers, are in the hands of the sheriff, and their property under the hammer of the auctioneer."

Mr. B. would here take occasion to say that he was the friend of banks and that he owed to them a debt of gratitude. He had on several occasions received favors from them and never suffered in consequence of their acts; but, notwithstanding this, he was here to perform a duty, and neither favors nor friendships were to prevent him from doing that duty. Although he had received favors from them he had no scores to wipe off with any banks, and the favors he considered as reciprocal. The banks favored him by loaning him money, and he favored them by taking it and paying them interest for it. He was no enemy to banks, and had no cause of enmity against them. He was their friend, and he believed those gentlemen belonging to the democratic party were the best friends of the banks, because they wish to bring them back to that which they were originally intended to be. He would now proceed with the extracts from the address of the gentleman before alluded to.

He goes on and says; "if banking therefore be pernicious, it will be perceived that there will be no end to the extent of the evil. Before reviving a system that has so deeply effected the prosperity of the country, we doubt not all these things will be carefully considered by the legislature. The prosperity so general throughout the United States, at this time [1832] naturally recalls to the recollection of those who witnessed the memorable epoch of the French revolution, the business activity and prosperity that pervaded our whole country—and also, the complaints for want of CAPITAL to do business, and especially to enable young and enterprising men to enter into trade. Banks become the popular remedy for the evil. It was then, (as there is a prospect that it will soon be again,) that our legislatures were assured by those who wanted bank-charters, that banks were to remedy every evil; and that the only object of the applicants was to be enabled, simply, to serve the country,—to aid the industrious, who had but little capital—to benefit the poor

and worthy man—to prevent monopoly, &c. And, if memory has treasured these precious facts,—she will recall this also; that all those benevolent and patriotic professions were neither more nor less than honied prefaces to continuance, whereby money was to be acquired, and some men enabled to live without working. It may be true that poor laboring men received more money; bank notes had made it plenty:—but they had reduced its value, and the poor with this greater nominal amount, were harder pressed than before, to get the necessaries and comforts of life. Now sir, said Mr. B. what will the gentleman from the city (Mr. Scott) say to this? He has told us that when the laborer received the most money, he is the most benefited. Suppose a laborer receives, three, four or five dollars a day for his work, and has to pay six for enough to live upon, is he benefited thereby? No sir, most assuredly not.

Sir, the gentleman who wrote this pamphlet is a practical man. He is a man who has been long in the habit of employing laboring men, and he knows well what adds to their benefit and their comfort, and what detracts from it. He is a man who has accumulated great wealth by industry and enterprises, who has retired and is living not upon bank dividends, but upon the profits of a substantial capital. He is one of our greatest philanthropists, who by his own individual exertions has provided the means of gladdening the hearts of hundreds of the poor of our city daily. He is a man well acquainted with the business of the country, and has studied deeply the wants of the people. The opinions of such a man, therefore, ought to be entitled to great weight. Well, this gentleman with all his experience, which gives him the best means of knowing, says that:

“Ninety-nine in the hundred of the banks we have, are inflated establishments, carried on to give employment to a corps of officers to yield extra profits to the stockholders. Few or none of these would have had existence, if their stockholders had expected that they were to yield only five and a half per cent. Since we are on the eve of a new fit of the bank-mania, and every applicant will tell us that his bank is for the good of the people, it is well that the legislature should consider whether each new bank which they create, is calculated to promote this all important object. Heretofore, all the charters have been one-sided: nearly all the advantage has been for the banks.”

Now then let us see what plan this gentleman proposes to remedy the evils which he has spoken of, and let us see how far it agrees with the democratic doctrines in relation to bank restrictions. He says:

“To advance one step to remedy the evil, the following plan is submitted to the public; not under the impression that it is exactly what society needs; but in the hope that it will draw the attention of wise heads and good hearts, to a subject which concerns so nearly the prosperity of the nation—and the happiness of the people. In this plan the real interest of the prudent stockholders, and that of the public have both been kept in view. A bank, so constituted, would not be likely to kindle a spirit of speculation. Still it would foster sober industry.”

Sir, said Mr. Brown, my object has been in introducing this pamphlet, to show that there were others than the democratic party, who looked

upon the present banking system of our state, as an evil which was weighing it down; and that there were others beside the democratic party who wished to provide an adequate remedy for these evils.

I have, therefore, given the opinions of others who are wiser and more experienced than myself. I am willing that this convention should have the benefit of the opinions of the whigs or of the members of any other party in the county of Philadelphia. The people of the county shall be fully represented here; and I have, therefore, taken the views of the gentleman who was opposed to me, and who divided the suffrages of the people with me. So I must be on good ground and between the two, I think there can not be much doubt that the people will be fully represented here.

We have heard of the evils of this system. The same gentleman lays down the following as among the principles for a bank charter.

“1 Insert a clause, limiting the dividends on the bank capital paid in, to five and a half per cent per annum.”

“2 Let no note be issued of less value than *ten dollars*. After the year 1840, no note of less value than twenty dollars. Let the bank be subject to any restrictions, respecting the denomination of its notes, even of greater value than twenty dollars, which congress may impose on the United States Bank.”

I believe, said Mr. B. that this provision is similar to the amendment proposed by the gentlemen from Susquehanna, (Mr. Read.)

But the gentleman seems to think that there are other difficulties attending the system, to which a remedy should be applied. He goes on to say :

“Meanwhile, the following remark is appended, respecting the mode of disposing of the stock of the state banks,—which, it is hoped, will meet the attention of the legislatures.”

“It appears stange, that although our legislatures have repeatedly witnessed the fighting, scrambling, and violence which result from the present mode of disposing of bank stock, no effective means have yet been adopted to come at the evil.”

I hope, said Mr. B. that the gentleman will not find ground of complaint much longer. I trust that we shall correct the evils, and correct them effectually, too, before we have done with this subject. The gentleman then says :

“If bank charters *must* be granted, it is recommended that the legislature should, at least, require the stock to be publicly sold—not scrambled for; let it be disposed of, at public vendue, in small quantities, and to the highest bidders; and the excess above par, should be paid into the state treasury.”

A gentleman near me has handed me another paper, in which I find the following restrictions proposed, as acceptable to the democracy.

“No bank to divide more than six or six and a half per cent, in one year; any surplus above this to be paid into the state treasury.”

“No bank to issue notes *under* ten dollars.”

“No bank to permit its circulation to exceed three dollars in notes, to one dollar in specie, Returns to be made monthly, under oath.”

“The charter of every bank in Pennsylvania, that shall not pay specie by the first day of January 1838, *to be forfeited and void, “ipso facto.”* [Here is another Latin phrase, said Mr. B. I am sorry to see that the gentleman from Franklin (Mr. Dunlop) is not in his seat; otherwise he might be kind enough to explain its meaning to me.]

“The directors to be liable in their persons and property—if any of these provisions shall be violated during their administration.”

But, said Mr. B. it is unnecessary for me to enlarge on this point. There is not a gentleman within the sound of my voice, I believe, who is not of opinion, if he has thought at all on the subject, that the prohibition of bank notes under the denomination of five dollars, has enlarged the metallic basis, and who does not know that the same results would ensue to a greater extent, if the prohibition were made to extend to notes under the denomination of ten dollars. Whether, however, this might be for good or for evil, time will determine; but that the prohibition has hitherto been for good, I do not think that any man, conversant with the subject, can deny.

I have expressed my opinion, Mr. Chairman, that a sound banking system, properly guarded and restricted, is calculated to promote the good of the community, but that a system, unguarded and unrestricted, by which over-issues can be made at any time and almost to any extent, is fraught with injury, and finally, I believe, if not corrected, with absolute ruin to every interest in the country. The gentleman whose opinions I have been quoting, (Mr. Ronaldson) proceeds further to say:

“Should any one remain unsatisfied, respecting the effects of a paper currency which have been here stated, let him reflect on the tariff, made and provided to protect our industry from the effects produced on the prices of our articles, by paper money. And as for our friends in Britain—the memorial to Earl Grey, from the people of Staffordshire, who are engaged in the coal and iron trade—and the prices of hardware in Birmingham, for the years 1818–24–28 and 30,—(to be found in Cobbett’s weekly Political Register of August 22d, 1831)—exhibit the distress which a paper currency has conducted to bring upon England.”

I do not intend, said Mr. B. to go to England for information as to the evils produced by a paper currency; but the opinions of gentlemen who have been there, who are intimately acquainted with the subject, and who state that great distress has been produced by the system, are entitled, I think, to respect on all sides.

He then goes on to say:

“Neither nations, nor individuals can, with impunity violate the obvious laws of nature: acts of assembly may, however, do much. But let legislation be in favor of *productive* industry, and opposed to idleness, and speculations on the industry of others. Then, sobriety and piety will make us all comfortable and independent. We may not have so many over-grown fortunes; few may boast of their hundreds of thousands; but we shall have a more equable diffusion of wealth; the poor

man may boast of a house that is his own, and may save a little to help a friend in need."

Sir, continued Mr. B., there is agrarianism ! Will gentlemen charge my friend who is worth his hundreds and thousands with being an agrarian ? I have always said that where a poor man's interest came to be concerned. I would rather hear one word from my friend from the county, than all the sophistical arguments of those who live by the funds of, or have connexion with, the banking interests !

Mr. B. here gave way to Mr. M'DOWELL, on whose motion the committee rose, reported progress, and obtained leave to sit again ; and,

The Convention adjourned.

THURSDAY, MORNING, DECEMBER 7, 1837.

Mr. MARTIN, of Philadelphia county, presented a memorial from citizens of the county of Philadelphia, praying that the right of trial by jury, may be extended to every human being, which was ordered to be laid on the table.

Mr. EARLE, of Philadelphia county, presented a memorial of like import, from citizens of the same county, which was also laid on the table.

Mr. KEIM, of Berks, presented a memorial from citizens of the county of Berks, praying that the constitution may be so amended as to provide that the civil rights, privileges or capacities, of any citizen shall in no wise be effected, diminished or enlarged, on account of his religious opinions ; which memorial was laid on the table.

Mr. BROWN, of the county of Philadelphia, presented a memorial from citizens of the city and county of Philadelphia, similar in its import, which was also laid on the table.

Mr. CHANDLER, of Philadelphia, presented two similar memorials, from the citizens of the city and county of Philadelphia, which were also laid on the table.

Mr. SMITH, of Columbia, submitted the following resolution, which lies one day for consideration :

"Resolved, That this Convention will adjourn *sine die* on the 15th day of January next."

Mr. EARLE, of Philadelphia county, submitted the following resolution, which lies one day for consideration, viz :

"Resolved, That the rules of this Convention be so changed, that it shall not be in order for any delegate to speak for more than one hour and a half at one time, except by the unanimous consent of the Convention, or committee of the whole."

Mr. BIGELOW, of Westmoreland, submitted the following resolution, which lies one day for consideration, viz :

“ *Resolved*, That the rules of this Convention be so amended that it shall not be in order for any delegate to speak for more than two hours at one time, except by unanimous consent of the Convention or committee of the whole.”

SEVENTH ARTICLE.

The convention again resolved itself into a committee of the whole, Mr. REIGART, in the chair, on the report of the committee to whom was referred the seventh article of the constitution.

The question being on the amendment submitted by Mr. STEVENS, to the amendment offered by Mr. READ, of Susquehanna, by striking out all after the words “ section,” and inserting the follows words, viz :

“ The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people.”

Mr. BROWN, of Philadelphia county, resumed his remarks. When the committee rose last evening, (said Mr. B.) I was attempting in a very discursive manner, to show that the present derangement of the currency is not attributed to the general government, or its officers, but, as alleged by many, whose opinions are entitled to respect to the banking system itself. Gentlemen who are friendly to the banking system, and who were once connected with banks, have pointed out clearly that unless the restrictions now asked are granted, the same evils which have now arisen, will again arise. I yesterday noticed the opinions of a gentleman from Philadelphia, which are entitled to as much respect as any which have been expressed, and I do not intend, having gone through with that gentleman, to introduce him again. But I have other authorities to which I propose to make a brief reference. I will call the attention of the committee to the proceedings at a business convention, held in the city of Philadelphia, in which the gentleman from the city (Mr. Chandler) and myself participated. That convention was composed of five or six hundred delegates, some of them men of wealth, and others men of business, from all parts of the country. Nine out of ten of these delegates, were opposed to the democratic party, and its measures. What says this convention ? I will read an extract.

“ Among the causes of the ruined results in which the business, the enterprise, the industry, and we may add, the happiness of the country, are involved, are the collection of a large amount of money for the public use, and its withdrawal from its ordinary business channels, and the consequent interruption of the usual facilities for the fulfilment of commercial engagements—the distribution of a portion of the public revenue among the States, as imposed by the act of congress, at points remote from the places of its collection—the excessive issues of bank paper, and the consequent abuse of bank credit—the extensive and rash contracts in the purchase of lands, city lots, stocks and other property, in which men of limited resources, in their zeal, “ to make haste to be rich,” have engaged—the neglect of suitable attention to that most useful and most honorable employment, the cultivation of the soil, and, as a conse-

quence, the importation of large quantities of bread stuffs—the great excess of importations above our exports, and in this way the contracting of large foreign debts, the payment of which requires the withdrawal of a corresponding amount of funds from the ordinary channels of business at home—the idleness, luxury, and extravagance in which too many have indulged—the intense political excitement which has pervaded all parts of the country and has subjected every public measure to the test of its probable effects upon party influence, and by which the moneyed institutions of the country, and the ordinary pursuits of business men, have been involved in the violence of party conflicts.”

Here we have the unanimous voice of a convention of delegates, sent from all parts of the United States. They, in looking at the causes of the derangement, could look with an eye of truth, and without reference to party feelings. Gentlemen should look abroad before they attempt to contrive many considerations with party feelings, and should separate them from each other, and give to each a distinct place. It had been said that there had been a war waged against the banking institutions, and he held in his hand the message of the president, which was yesterday referred to by the gentleman from Philadelphia, (Mr. Scott): He says.

“The discontinuance of the use of state banks for fiscal purposes ought not to be regarded as a measure of hostility towards those institutions. Banks properly established and conducted, are highly useful to the business of the country, and will doubtless continue to exist in the states, so long as they conform to their laws, and are found to be safe and beneficial. How they should be created, what privileges they should enjoy, under what responsibilities they should act, and to what restrictions they should be subject, are questions which, as I observed on a previous occasion, belong to the states to decide. For their rights, or the exercise of them, the general government can have no motive to encroach. Its duty toward them is well performed, when it refrains from legislating for their special benefit, because such legislation would violate the spirit of the constitution, and be unjust to other interests, when it takes no less to impair their usefulness, but so manages its own affairs as to make it the interest of those institutions to strengthen and improve their condition for the security and welfare of the community at large.”

It was said yesterday that the government had taken the state banks under its protection, and made depositories of them, and cherished them as a parent would cherish a child, until they used the power in their hands to bring about the state of things which now exists, creating and encouraging a spirit of wild speculation, which has led to the ruin of thousands. Under such circumstances, the general government would have been recreant to its trust, if it had continued the public deposits any longer in the hands of these banks, and, when gentlemen tell us that this is a war against the institutions of the country, and Pennsylvania interests, I will from their own mouths produce the refutation of the charge. The gentleman from Beaver, (Mr. Dickey) was in the senate at the time, and in a speech of that gentleman, against the United States Bank in 1834, he asserted that the distress which prevailed throughout the country—the mercantile failures, and the general condition of commercial embarrassments, was as he firmly believed, caused by the excessive issues of the

United States Bank; that it was, in short, attributable to the combined operation of that bank and the other banking institutions, and not to the action of the government.

Thus it appears that in the language of the gentleman from Beaver, and in other documents of equal authority, not a word is to be found about the action of the government having produced the distress which prevails. There is nothing about the removal of the deposits; but the evil is traced back to the source from which similar consequences have resulted in every country, the unlimited circulation of bank paper. Over issues of this character always have produced distress and embarrassment among the community, and always will produce such results, and it is vain and useless to suppose that a similar course would not bring about a similar state of things in this country. I will go one step farther. It has been charged to be the design of the government to establish a gold currency for one class, and a paper currency for the other. Now, I call on the gentlemen who have made this charge to say if the government has not endeavored to obtain gold for all, and if the banks had come forward and seconded the efforts, we should now have a gold currency for all. The object of the government was to put a check on the spirit of wild speculation which was condemned by the gentleman from Beaver, and which, as others foretold, would bring ruin on the country. If, when the government commenced the effort, the banks had paid their small notes in specie, in a congenial and reciprocal spirit, the most beneficial effect would have been produced. I tell the gentleman who have brought these charges against the administration, that if the government had not interposed to check the wild career of speculation which was extending itself, we should have been involved in utter ruin, such as was never visited on any nation before. I feel that a great debt of gratitude is due to the government for interposing its power at that critical juncture, and risking its popularity to save the country, and if for no other cause I would support the administration for that act alone. The question for us now to determine, is—whether this bank interest which is growing up among us, from one end of the country to the other, or whether the people shall rule us. I have already said there was no attack on the banks, no bank war, but merely an attempt to bring back the bank influence in the state, which was running wild. The bank power of the democratic party in this state, was a responsible power; but the power added to it by the party which reigned during one short year, was an irresponsible power. I will introduce here the present chief magistrate who belonged to the democratic party, and who has yet some of his early affection lingering at his heart. There is yet some good there, although I am afraid that party influences have had the effect of cooling and abating it in a considerable degree.

I will read a few passages from the first message of Governor Ritner, to the legislature of Pennsylvania.

“The permanency of a republic depends on the virtue of its citizens. Whilst they are virtuous and intelligent, the acts of their agents will be restrained and directed to the public good, which is the only legitimate object of all governments. Industry and economy in all the transactions and conduct of individuals, are the principal promoters of that indepen-

dence of character, and of that virtue, on which so far, as mere human agency avails, depends the existence of a government, republican not only in its name but in reality. It is therefore the imperative duty of those in authority to protect the weak against the powerful, and to foster and encourage the laborious, the industrious and the economical, in every class of society. To the performance of this duty, I pledge the co-operation of the executive branch of the government."

Here (said Mr. B.) we find the governor declaring that it is the duty of the administration to protect the weak against the powerful, while we should be called agrarians if we were to say that a poor man should be protected against the machinations of the strong, yet the governor says, it is a duty. He then proceeds :

"The maintenance of a sound currency, is one of the most difficult, but indispensable duties of those who administer the government, in a community possessing such various interests as that to which we belong—convenience, and that consideration alone has caused the substitution of paper money for specie."

Convenient ! (said Mr. B.) The governor does not say that it was to promote the liberties and the happiness of the people, that paper money was created, but for the sake of convenience only. But he proceeds :

"The idea that money was to be made by speculating on the inconvenience of a metallic currency, or that paper money was to be created merely to enable a few to realize large sums by turning the act of its creation to their own account, never for a moment entered the minds of those who first adopted the useful and valuable expedient."

The governor, it seems, (said Mr. B.) never heard of paper money being created for such purposes as those for which we are now told it was created.

"Their object (he continues) was the obtainment of a representative possessing all the utility and value without the convenience of the thing represented. In this point of view, the increase of the substitute is a fraud upon the public. The man who takes it, in payment for his labor, his goods or his land, is cheated. My object will therefore be, on the one hand, to confine as far as in me lies, the amount of paper money within the bounds just stated, while on the other, public accommodation, and the demands of business will be consulted." [See senate journal of 1835-6, page 72.]

Will gentlemen (continued Mr. B.) who denounce the democratic party, have the kindness to look at this ?

But, Mr. Chairman, it is with regret, I must add that, soon after having promulgated these sound and democratic doctrines, the governor should have lent his aid to increase the evil double-fold.

I will now turn to some further opinions expressed by the governor. In his subsequent message to the legislature of 1836-7, he says :

"The act of assembly passed during the last session, relative to the limited partnerships, should hereafter, to a great extent, prevent the increase of corporations. And a due regard for the public welfare demands

that no new corporate bodies shall be created, except upon the fullest proof of their necessity, and of the accomplishment of the proposed object being beyond the power of individual enterprise. This is the sound old rule in this state on the subject, and it should, in no case, be departed from."

I read this, said Mr. B., because it has reference also to corporations, upon which, it is said we are making war. I do not know whether this message was sent in before, or after the gentleman from Franklin, (Mr. Dunlop) applied for his edge-tool corporation.

The governor proceeds :

"The formation of these artificial bodies in unnecessary cases, or under circumstances calculated to enter into competition with, and cramp the energies of fair trading and responsible individuals, is a trampling upon the rights of the citizens. It serves to foster and perpetuate the thirst for gain without labor ; it unduly increases profit and decreases risk, thereby paralyzing individual effort—it takes away responsibility, both moral and pecuniary, except to the small extent of actual investment—it multiplies influence and the means of success, by combining the whole weight of the members into one overwhelming mass—it aids deception, by making it the interests of all concerned, to puff the project—and finally, it begets confusion and panic in society, by the effort of the many who are concerned, to escape from the fall of the tottering fabric." [See journal house of representatives, page 16.]

So spake the governor, (said M. B.) in the years 1836-7, among the means necessary to restrain the banking system.

"But, if the banks of the state were allowed to issue no notes of a lower denomination than ten dollars, and if the circulation within the state, of foreign bank notes below that amount, were prohibited, it may be fairly estimated that not less than half of all the circulating medium of Pennsylvania, would consist of gold and silver coin." [See same book, page 23.]

Now, (said Mr. B.) the gentleman from the city of Philadelphia argued that if you decreased the notes, you would not thereby increase the gold and silver. It appears, however, that there are others, besides those who are members of the democratic party, that look to placing these restrictions on the banking system. In considering a question of such great magnitude and importance, gentlemen ought to look beyond their own family circle ; as the President has said, they should look to the whole family of Pennsylvania—and, before they undertake to tell us, that we are attempting to destroy the banking system, they should have the record before them, and see that they do not wander from the real facts of the case.

I have before me one other extract which I will read, and then I shall leave this part of the subject. At the time when the democratic party run riot in this country, hear what was the voice of Simon Snyder. In the year 1814, the extension of bank capital brought about great distress and ruin ; as an increase of the banking capital in the year 1836, brought about the present embarrassment, confusion and ruin, which we have

lately seen on every side of us. Let us hear what Governor Snyder said in the year 1814.

“Is there, at this time, an intelligent man in Pennsylvania, who believes that a bank note of any description is the representative of specie? Is there not ground for fear, a knowledge, that forty-one new banks, having a nominal capital of more than seventeen millions of dollars, upon the bare payment of one fifth part, shall have the right—the inclination to do so, cannot be doubted, under the predominant spirit of speculation—to throw into circulation an additional overwhelming flood of paper, and thus totally destroy the remaining confidence in that medium? And will not a hoarding of specie, and a ruinous depreciating of bank notes, be the natural consequence of such a state of things? On the ground of principle generally, I may confidently say, that industry is the only permanent source of wealth. It secures subsistence, and advances our interests by slow, yet sure and regular gains, and is the best preservative of morals. Not so with speculation, (which this bill seems to invite;) it has the direct contrary effect; depending on no fixed principles, it opens a field for the exercise of ingenuity, ever on the alert to take advantage of the unwary in the accidental variations of things. The success of the speculator by profession, tempts the farmer and mechanic to forsake his accustomed honest pursuits. Launched on the wild sea of speculation, ever exposed to deviations from rectitude, his moral principle becomes weakened, and eventually all sense of commutative justice is destroyed.

“Thus impressed as to the probable consequences of the bill, if enacted into a law, I should betray the trust reposed in me by my fellow-citizens, if I were to approve its passage.

“To differ from the representatives of the people is painful to me, but to shrink from a responsibility which I consider myself in conscience bound to assume, would be criminal.”

We have been charged (said Mr. B.) by the President of this convention and others, with daring to doubt the motives which influence members of the legislature, in creating bank charters. What will they say to the language of Governor Snyder in 1814?

“I decline (continues the governor) stating any objections which may have arisen out of the fluctuations of opinion among the members of the general assembly, during the pendency of the bill under consideration, and refer to them, only to shew how the hopes and fears of the members themselves were raised and depressed and their opinions altered, by circumstances which could not at all influence others.”

After this, (said Mr. B.) will gentlemen tell us here, that when we dare to doubt the firmness and integrity of the legislature, we can not find a text to go upon—and that text taken from the very best authority on the records of the state of Pennsylvania? Sir, we do doubt their firmness and their integrity, and we have had abundant reasons so to do; reasons that would have converted the most skeptical, and would have brought conviction to the mind of every man who had not wrapped himself up in his own obstinacy, and resolved that he would not listen to the truth, however imposing might be the form in which it presented itself before him.

Sir, a majority of the members of this convention—I believe I am correct in this assertion—have, at some time or other, been members of the legislature, and they are well aware of the influences which are exercised there. They do not require any instructions from me on that head. I have my eye upon a gentleman, a member of the democratic party, who would cut off his right hand, if he could wipe away a vote which he gave solely from the want of sufficient firmness at the moment, to refuse to give that vote.

I have myself been a member of the state legislature, but I voted for no bank. In one instance, a petition was presented signed by seven thousand people, praying for a bank in the western part of the state. I would not give my assent to it. And why? Because, sir, I knew that there was not a man connected with the western trade upon the Schuylkill, who wanted a bank. I believe, however, that the other members of the legislature were not aware of that fact.

While I am speaking of the influences under which legislatures are subject to act, I will read an extract from some remarks made by the learned Judge from the city of Philadelphia, (Mr. Hopkinson) now a member of this convention, and at that time a member of congress. The subject of the United States Bank being up, the Judge, speaking of the state banks, held the following language :

“ Every injury to them, so ramified were they into all the relations of society, must be a deep injury to the general interest; and their interests ought, therefore, to be duly regarded. He excepted from this encomium the litter of banks lately created in Pennsylvania, which he considered the offspring of private speculation and legislative fraud, in defiance of the wise interposition of the constitutional power of the governor of the state against them.”

Here (said Mr. B.) is the language of the Judge in his place in congress. When the gentleman from the city, (Mr. Scott) is next inclined to call members of the democratic party to a reckoning, for daring to call in question the character and integrity of bank directors, let him first settle accounts with his colleague from the city.

Here, sir, you have the admission that, even with the constitutional power of the governor opposed to them, the legislature could create the banks, and yet we are to be told that we should leave the system as it is !

I will now, Mr. Chairman, call the attention of the committee, to a message sent in to the legislature of Pennsylvania yesterday, by Governor Ritner. Let us hear what he says, and let us ascertain whether he also is among the number of the prophets, or not.

The Governor says :

“ The great object of a reform in the banking system should be, effectually to curb the power to do evil, without interfering with the capacity to promote the common good. To accomplish this desirable end, I would recommend the incorporation of the following provisions, or of others calculated to produce the same results, in all future bank laws, and their instant application, so far as chartered rights, and the faith of the state will allow, to the banks now in existence.”

So it seems, (said Mr. B.) that the system does stand in need of reform. I thought that some gentlemen here, considered that it was in as perfect a condition as it could be placed. I am sorry that our friend from the city, (Mr. Meredith) was so precipitate in the introduction of his resolution as to chartered rights. Every bank in Pennsylvania which has been chartered by a democratic legislature, has left the right of control of the charter in the legislature. There is one exception, and that was not made by a democratic legislature, but by the opponents of the democracy; and that one charter cannot be reached, but is placed beyond all human control.

The restrictions proposed by the governor, are as follows :

“1. That the profits or dividend payable to the stockholders, be forever restricted to seven per cent per annum, on the capital actually paid in.

“2. That the notes in circulation be still further reduced, in proportion, to the amount of capital stock paid in. It may, by the present laws, be double that amount.

“3. That whenever the specie of any bank shall fall below a fixed proportion to the notes in circulation, all increase of circulation shall be strictly prohibited and summarily punished, until the proportion required by law shall be restored.

“4. That no loan shall be made to any broker or other person engaged in dealing in money, notes, bills, or other evidences of debt, until persons engaged in other business, and presenting equal security, shall be first accommodated; nor any loan be made on pledge of stock, nor on any other security, except that which is usually demanded. And that loans to directors, directly or indirectly, shall be placed under similar restrictions with those to brokers.”

This last, (said Mr. B.) is a very strong provision. I thought the banks had been promoting the public good, but the governor seems to have found out that they have been running wild in the state. This is a discovery of which I will take occasion to speak hereafter. Then again :

“5. That the amount of loans to any individual or firm, whether as drawer or endorser, or both, shall not be permitted to exceed a certain sum fixed by law, except with the consent of three fourths of the directors.”

We come now, (said Mr. B.) to a provision, from which it appears that, since the late election at New York, the governor has fallen in love with the safety fund system. I am glad to hear it, for that was always a favorite system of mine. Hear what the governor says :

“6. That the excess of annual profit beyond six per cent shall be invested by the officers of each bank, in such manner as shall be approved by the state treasurer, until it reach a certain amount to be fixed by law, in proportion to the capital paid in, as a separate fund to secure the safety of the bank, and to redeem its notes in case of accident. The fund to be under the direction of the stockholders, who shall be permitted, after its completion, to receive all the earnings of the bank, until they shall be reimbursed for such portions of the dividends between six and seven

per cent as were therein invested. But after they shall have been thus repaid, all excess of dividend over seven per cent, shall be periodically paid into the state treasury for the use of the commonwealth, together with the fund itself, at the expiration of the charter and discontinuance of the bank."

The seventh provision (said Mr. B.) would give a deeper cut than all the propositions of the gentleman from Susquehanna—advantageous as I believe they would be. It says :

" 7. That every bank in the state shall be compelled to keep its notes at par in Harrisburg, Philadelphia and Pittsburg, the one the capital, and the others the great commercial emporiums of the commonwealth, or be summarily liable to the holder for any discount incurred."

The eighth provision declares :

" 8. That a law be passed fixing a period, not more distant than three, four, or five years from the present, for the expulsion from circulation of all notes of a lower denomination than ten dollars."

Look at this, (said Mr. B.) Here is that very fiend which the gentleman from Susquehanna introduced into this convention—whose presence created so much excitement and consternation here, which has actually been taken into the holy keeping of the whig governor of the state of Pennsylvania! What says the gentleman from the city of Philadelphia to this? What will the gentleman from Allegheny, (Mr. Forward) and the gentleman from Franklin, (Mr. Dunlop) who thought they saw ruin and destruction in the proposition to exclude from circulation all bank notes of a less denomination than ten dollars? Where are the gentlemen now? Will they not turn round, and denounce the governor? How will they ever recover from this severe shock? Let us read further :

" 9. That the president and directors for the year during which a suspension of specie payments shall occur in any bank, shall be individually liable for its notes, and for all other claims against it."

What (said Mr. B.) would the family about us think, when they see this liability thrown around them for every claim on the banks for the last year?

And again, sir :

" 10. That hereafter no bonus or price shall be paid to the state by any bank for a charter or re-charter, other than the excess over seven per cent of its annual profits as above mentioned; and that all new stock shall be sold by auction, the excess above par value to be the property of the state, but to be invested in the fund above described till the expiration of the charter.

" 11. And finally, that no bank be allowed to go into operation until one-third of its stock shall have been actually paid in."

"These improvements of the system," the governor adds, "I have little doubt would be effectual."

Let gentlemen here who have denounced the safety fund system as a fraud, think of the governor's recommendation.

“A limit to the private profits of banking has become manifestly necessary to protect society against the danger and evils springing from the desire to realize large dividends, but it should be accomplished in such a manner as to strengthen and not weaken the banks, because the public good is involved in their soundness. It is to produce this double result that all profit beyond a reasonable sum is recommended to be retained for the public use; but that, instead of being taken at once into the public coffers, it should be invested, with the consent of an officer elected by the legislature, in such manner as shall promote the best interests of society, by infusing additional soundness and health into the currency.”

The governor then says:

“The restrictions of circulation to an amount bearing a just and safe proportion to capital paid in, and to specie, and the presence in each bank of a permanent fund—which should be considerable—to guaranty the safety of the bank creditors, would at all times merit and obtain unlimited public confidence for the banks.

“The limitation of the profits of the stockholders, with the increased responsibility of directors, would both remove the temptation to undue speculation for the sake of obtaining large dividends, and the consequent danger of the banks being compelled ever to refuse redemption, in specie. It would also most effectually check the increase of banks beyond the actual wants of trade, so that there would be little risks ever after in creating any bank whose stock could be subscribed and paid in.

“The regulation to keep all the bank notes of the state at par at certain points, would give a uniformity to our currency over the state, and a state soundness and character to it over the Union, which would be beneficial and desirable in every respect.

“The keeping of all the notes of the state at par all over the state, and the prevention of loans to mere dealers in money, whether as brokers or directors, would go far towards the abolition of paper shaving, and would have the effect of securing bank accommodations for the useful man of business. This desirable result would be aided by limiting the amount of loans attainable by each person, and by discounting loans on pledge of stock.

“The disuse of all notes under ten dollars would still further widen the specie basis and increase the soundness of the paper system. Now is the time to take means to accomplish it, even in the midst of the illegal small notes and general depreciation of the day. The banks have generally diminished their circulation. The decrease consists proportionably, and in some instances mainly, of a withdrawal of five dollar notes, preparatory to a partial resumption. If they be now told that these notes will be discounted at a period not far distant, they will take measures on the resumption of specie payment, and of their usual amount of business, to throw an increased quantity of ten dollar notes into circulation. Thus the change can take place with little shock to the community, or loss to the banks.”

It appears then, said Mr. B., from the statement of the governor, that

banks notes are depreciated ; whereas we have been told by one gentleman in the course of this debate—the president of the convention—that they were worth more now than when specie was in circulation. These two gentlemen must reconcile the difference in their opinions in the best manner they can.

The governor then says :

“To extricate the commerce and currency of the country from its present difficulties, little is in the power of state legislation, and therefore, little is required to be done.”

“Little is required to be done,” said Mr. B. “Then if little is required to be done by the legislature, it seems to me that we should set to work to reform the system ; because it will be obvious to any man who has paid any attention to this message, that the governor has pointed out very much that which requires to be done. If I understand him, he has pointed out the necessity of making a radical change in the banking system—of bringing it back to the principles on which it was originally created. If this is his meaning, there is much work to do, and the sooner we set about it the better.

But, Mr. Chairman, the governor is not of opinion that the period for the resumption of specie payments should be postponed. Nor does he agree in sentiment with the President of this body, who, in the course of his remarks, asked what evil had resulted from the suspension of specie payments. I will now answer the interrogatory, and I feel happy that it is in my power to answer the gentleman from a source of such high authority, and which, it is to be presumed, is entitled to his respect and confidence. Speaking of the evils attending the suspension of specie payments, the governor says :

“But there is one view of the subject which presents the strongest reason for the earliest possible resumption. The general circulation of irredeemable promises to pay, by and through all portions of society, is not merely a disease of the currency. It is a social evil—a great moral taint, which, if long uncorrected, will have the most deleterious influence on our character and happiness as a people. Pennsylvania has heretofore been characterized by steady good faith and adherence to principle. It behoves her public agents now to guard this brightest jewel in her casket, by restoring its usual unsullied purity to her public character. This can only be done by adding actual performance to the private promises of her citizens.”

These, said Mr. B., are the sentiments of the governor ! Is the gentleman answered ? I dared to express my opinion yesterday that the course of the delegates in the bank convention, recently held to fix a day for the resumption of specie, was disgraceful, and unworthy of the character of our people. I know that gentleman looked upon the declaration with abhorrence, at the time I made it ; but, sir, we have the governor’s authority to bear us out in that declaration, and that it is the duty of every good citizen to do every thing which lies in his power to accomplish that great end, and thus to preserve the purity and integrity of our character at home and abroad. There is not a single word I have said on this point, in which I am not borne out by corresponding sentiments from the governor of your state.

Sir, if the people do not throw off these shackles with which it is attempted to bind them, if they do not come to an inflexible determination to preserve the purity and integrity of our institutions, the republic is lost. I rejoice, however, that we have at length heard this cry from Harrisburg. It will have a greater effect, in my opinion, than all the harrangues we have heard in this hall, in the midst of the family of bank directors and bank favorites—to whom, however, I mean no disrespect. I have as much regard for them in their character of private citizens as any man; but when we are told that we are in the midst of this family, and that we must measure our language—that “we must take heed with our ways that we offend not in our tongues,” I am glad to hear a voice, which is beyond the limit of that circle speak to them in a voice which they must obey.

Sir, I know the present governor of Pennsylvania, personally. I know what are the attributes of his character. I know that he is not a man to be turned aside from the path which he has marked out for himself. Whatever may be his political failings, we all know that in firmness and determination of character, there are few men equal to him—the hero of New Orleans only, was his superior in this respect. I know the man of whom I speak, and I think that this family circle of which we have heard so much, had better have turned their efforts first to hush the voice of the governor of Pennsylvania, before they had vainly attempted to silence ours. I apprehend, however, that they will find both efforts equally unavailing.

The gentleman from Susquehanna (Mr. Read) has charged that the suspension of specie payments on the part of the banks, was a conspiracy. I have shewn the causes which have brought about the suspension by the banks. I will not say, whether that step was, or was not absolutely necessary. But I will say that if the banks themselves, by any act on their part, brought about a state of things to fix upon us this moral taint, they are just as much responsible for it, as if it was wilfully and wantonly done.

Premeditated murder is worse than manslaughter—than a deed of death done in hot blood. If the banks have done this they are responsible, and they must take the consequences, whatever they may be. Sir, I will not take upon myself to charge them with a conspiracy. When I first took my seat in this convention, I thought that I had a sufficient knowledge of the meaning of words; but I find that whenever I make use of terms in a general sense, I am told that I am wrong, or that I must go back to Dilworth, as the gentleman from Franklin county (Mr. Dunlop) has kindly proposed. That gentleman would take me back again to the first rudiments of Latin and of law, before he would permit me to speak of the laws and the institutions of Pennsylvania. I dare not, therefore, say, that there has been a conspiracy by the banks, because the gentleman from Franklin has not taught me what the precise meaning of that term is. I shall not, therefore, make the assertion.

I am in the middle of the family circle which has been spoken of. I know the members of that circle well. Some of them are my bosom friends—men to whom I owe much of my success in life, both in their

capacity of bank directors and citizens—men whom I respect and prize much, and who, I am convinced, would rather sacrifice every thing they hold dear in life, than they would lend the sanction of their name or authority to a fraud. But, at the same time, while I freely make this acknowledgement, I will not shut my eyes to the truth; and when I speak of the virtues of a family, I am not to be considered as including those whose vices are staring us boldly in the face. And while, therefore, I freely admit that there are many pure and virtuous and patriotic men among them, I would not insult them by putting in the same lot, bank directors who have enriched themselves, and fattened on the honest industry of the community.

Gentlemen who have spoken here, did not surely intend to stand vouchers for the characters of all bank directors. They do not, surely, intend to assert that there was not among them some men who have abused the trust reposed in them, and made it subservient to their own private purposes of speculation and profit. It would be going too far, if we were to undertake to sustain a position like this, in the face of so many facts going to establish the contrary conclusion.

We have been told by one of the gentlemen from the city of Philadelphia, (Mr. Chandler) that a meeting of the citizens of Philadelphia had preferred a request to the banks, that they would suspend specie payments. Sir, I think that, in making this statement, the gentleman speaks without the record. He is certainly mistaken; for I do not think that any such meeting was held. I do recollect indeed that there was a very numerous meeting of the citizens held, in which they denounced the whole banking system as rotten and corrupt; but I have never heard of any meeting having requested the banks to suspend specie payments. This is all new to me. The suspension of specie payments was the act of the banks themselves—acting on their own responsibility—and guided by their own judgment;—and whether the act was, or was not a conspiracy or combination, certain it is that it was done by themselves alone. And, sir, when gentlemen tell us that in speaking our sentiments freely of these corporations—in pointing out what we believe to be corrupt and injurious in the system under which they are created—we are speaking of the private characters of men, I deny the position altogether. It is not so. What man is ignorant of the fact, that corporations, as such, will do acts which, as individuals, they would blush to do—nay, which they would never dare to do.

It is notorious that corporations have no souls. This is a common adage—and not the less true. All who have any dealings with them, understand this perfectly well. They know that the individual character of the man is weighed; and hence it is that bank directors, like members of any other corporate body, will do that as corporations which they never would consent, and never would dare to do in the capacity of private citizens. It is self-evident that they will do so. Will the president of this convention undertake to tell us, that the bank directors—this family, as they have been termed—would dare, in their capacity as private citizens, to combine together and say, from this day forth, for a certain or an indefinite time to come, we will not give a particle of goods or chattels, of silver or gold, in return for our notes—but the community shall

take our promise for our notes, until such time as we feel ourselves disposed to give something more substantial in exchange for them? Will the President or any other member of this convention tell us this?—Would such a state of things be tolerated for a moment? Would the best, or the worst, of this family of bank directors dare to make the experiment? Would not the people of this commonwealth instantly rise up in arms against it? Conspiracy, or no conspiracy, there are none of these men who would dare to do it. If, then, such is the fact, have not these banks a power beyond the law? Have they not a power above individuals, and over which we are to have no control? And yet, we are not to dare to make them amenable to the laws of the land—we are not to canvass their acts, or speak of them in the terms in which they deserve to be spoken of—because, forsooth, they are men, and in speaking of their acts as corporators, it is feared we may reflect on their characters as private citizens. Mr. Chairman, threats of this description have no terror for me; nor shall I be turned aside from what I regard as the direct path of my duty, by any sophistry of this kind. I shall continue in the discharge of that duty, to speak my sentiments fearlessly and without reserve, let the consequences be what they may.

But, sir, we have been told by the gentleman from Franklin county, (Mr. Dunlop) that this suspension of specie payments on the part of the banks was lawful. It will be remembered that, among other kind proffers of service, that gentleman tendered himself to me as a preceptor in the study of the law. So unreserved was his offer, and so liberal were his views, that I had some intentions of taking lessons from him; but when he says that this proceeding by the banks was lawful, I begin to doubt his capacity to instruct, and I fear I shall be under the necessity of placing myself under a tutor who better understands what he was about. I cannot consent to take that man as my preceptor, who here pronounces that to be lawful which the governor of the state says is against law, and in defiance of all law.

I will follow the governor rather than the gentleman from Franklin. I have the book before me to shew that, in the opinion of the governor, the suspension was against law. The governor says, among other things:

“The fact that a general suspension of payment in gold and silver has taken place, without producing a general forfeiture of the charters, though it was the evident intention of the legislature to prevent or punish such a catastrophe by that penalty, neither justifies the suspension, nor proves that the penalty is unjust.”

Sir, continued Mr. B., I go with the governor; and I trust that the time is not far distant when these corporations will again be brought back to the subjection and dominion of the laws.

We have heard much talk about the riots which have taken place in Baltimore—of the violent proceedings of the people there. We have heard, too, of mobs in our own city—of the tearing down of the habitations of the poor. What is all this? In Baltimore a few bricks are thrown down, and a man receives a cut in the head. In Moyamensing,

a few tenements are thrown down or destroyed. But what extent of violation of law is this to what we now see about us? What is this to the amount of evil resulting from the suspension of specie payments? Sir, it is as dust in the balance; it is as nothing to that which the governor truly calls this great moral taint.

The suspension of specie payments was an act trampling upon all law—riding over it—scoffing at its injunctions; and it was an act, too, done under the direction of men of character and integrity in the community—and, in every point of view, therefore, is a thousand times worse than any trifling damage which may result from the momentary violence of a blinded and infatuated mob. Mobs of all kinds are, at this time, a deep stain upon our character and our institutions; but when we see men of integrity and of character—those very men who, on the exchange of your city, called aloud upon the people to rise in their strength and put down the violators of the constitution and the laws at Washington, at the time of the removal of the deposits from the Bank of the United States—those very men who were so anxious instantly to vindicate the supremacy of the laws—when, I say, we see these very men, themselves the violators of the laws of the land, and even receiving credit and praise for that violation, it is too much to bear. Sir, the governor of Pennsylvania cannot yield his sanction to such a doctrine as this, nor can any man who has the welfare of his country, in the least degree, at heart. It is too much to say that this is law—it is too much to say that this is right—it is too much to say that, in this, all is good and nothing evil. If, by such means as these, gentlemen are to succeed in their favorite project of establishing a national bank to control and regulate the state banks, and to which they are to act merely as out posts, I say that the price at which it is purchased will be too heavy. I say that gentlemen should pause before they push this matter to extremity—that they should reflect on the consequences which are to follow their acts. Let them reflect that we are not acting for ourselves alone; let them reflect that they owe it to those who are to come after us, and who ought to receive at our hands unimpaired, the inheritance which has descended to us, to stop the progress of these dangerous principles. Let them at least leave to their descendants the shadow of freedom, if they will not give them the substance. They ask too much, and if gentlemen are resolved to identify themselves with such principles, they must do it on their own responsibility, and must abide the consequences. I, for one, wash my hands clear of them. I go with the governor—I go hand in hand with the democratic party—determined to restrain these banks, and to keep them within the reach and action of the law. If this is agrarianism, then I am an agrarian! If this is to be a leveller, then I am a leveller! If this is to bring destruction on the banking system, then I am one of the destroyers! I believe that it is in our power to make the banks sound and good—but if it cannot be done, then I say without scruple, down with them. I would not, however, do any thing hastily or rashly. I would first use every effort to free them from the crying abuses which now exist, and to make them sound and good—to place them in such a condition as that they will prove the instruments of good, and not of evil, to the community for whose benefit, we know, they were originally created. In this, I have the sympathy of every honest man in

the state of Pennsylvania, who is not wilfully blind to the corruption of the system, and who have not formed a resolution to restrain this family of bank directors, be it right or be it wrong.

What are the evils of which we complain in the banking system? Let us for a moment come down to details. I will take the case of a bank in the state of Pennsylvania. A petition is sent to the legislature, signed by seven hundred persons, praying for the establishment of a bank in the western part of the state, to promote the purposes of trade and commerce. How is this bill passed? I introduce gentlemen into the private rooms of the directors, and to the long tables in the hotels. I introduce them as lobby-members, or borers, as they are called. Need I mention these things? It is useless, for the facts are known to all of us. You, Mr. Chairman, have been a member of the legislature, so also have a majority of the members of this body. We know well what is the influence which is exercised there, and how corrupt it is in its nature. It has been said that when the batch of banks to which reference has been made here, were created, there was not a sober man in Harrisburg for three weeks afterwards, that the wine was drawn in such quantities as actually to run down the gutters. Sir, we all know that scenes of this kind, though in a less degree, have been witnessed in the granting of these charters, which have been a disgrace to the borough of Harrisburg, and to the state of which she is a part. I need not dilate upon them, they are familiar to all of us.

Well, sir, when the charter is secured, what is the next step? Is the capital paid in? Dare any honest farmer suppose that these banks are got up, for the purpose solely of raising *bona fide* capital? Not at all. They are got up as machines to make paper money, and the men who buy the stock are the men who want to get out three or ten times as much as they put in. These are the purposes for which banks are now created. We are told that they want to promote the honest industry of the country. I do not speak of all the banks. I know that there are to be found among them some very honorable exceptions. There are some among them whose capital has been paid in, and has been applied to the purpose of promoting the honest industry of the country. There are good bank directors, and there are bad. There are good features in the banking system, and there are bad. My aim and object will be, to preserve the good and to eradicate the evil. When we make banks, let us make them with a view to be useful, and not injurious: let us make them to promote the honest industry of the country, and not to subvert the interests and feed the avarice of private speculators. Let the money be loaned out to the industrious man, and not to those who seek only their own personal aggrandizement, without reference to the aggregate mass of the community. Sir, I have seen the time when an honest merchant could not get a discount to one half the amount which he was accustomed to receive, or when, probably, he could not get any; and I have seen a man, in this city, who failed one day, and, in three days afterwards, opened a broker's shop and shaved the very notes which had been thrown out of the banks. In many cases, Mr. Chairman, the coffers of the bank are shut up against the honest and industrious merchant—I will not say, for the purpose, in these instances, of driving him to the shop of the broker that he may be shaved

—but such things have been done. It is of abuses such as these that we complain, and which we are anxious to see rooted out of the system. Your governor has told you the same thing in relation to these brokers, and says that an end must be put to this abuse. This can only be done by letting the legislature know who are their debtors.

If the coal dealers and others in the western part of the state, have a bank created for the purpose of promoting their interests, it is right and proper that the legislature should possess the means of knowing that the money is so loaned out, as to promote the good of the people for whose benefit it was chartered. And if the money is not applied—if it is turned from its proper uses—if it is loaned out to brokers or speculators—is this no evil? It certainly is a great and crying evil, to which an immediate corrective should be applied. Mr. Chairman, I do not express these sentiments from any party feeling, or with a view to subvert any party interests. I speak merely of things which I believe to be evils, with a desire to address myself not to the party feelings, but to the judgment and the common sense of every man who hears me.

I do not know that it is necessary for me to go farther into details on this subject. I have endeavored to show—and I trust, I have shown, to the satisfaction of every candid mind—that the evils of the banking system—and the consequent embarrassments, fluctuations and ruin which frequently result from them—are to be traced to the power which the banks possess to issue paper to almost any unlimited extent which they may think proper? Are not these evils apparent and obvious? Does any man within the sound of my voice, doubt that, at this moment, the banks have the power to make a man's farm or his industry worth one dollar, and that to morrow they may make it worth two dollars? Every man is made rich or poor by their will and pleasure, according as they may choose to expand or contract their issues. Does not every man know that they can at any moment create a pressure in the money market? that they can raise the price of stock or depress the price of stock, just as they please?—that on one day a stock may be at par—on the next, at ten per cent above par, and the next day, probably, at ninety? Is not this too great an extent of power to entrust to any corporation—to any set of men? And, if such power is given, can we expect any other result than that it will be abused by the few who may possess it, and will be converted into an engine of mischief and injury, against the great mass of the people? We have been told by the gentleman from Franklin, (Mr. Dunlop) to whose opinions, in consideration of the great fund of human knowledge, which he has exhibited, we are bound to pay the highest respect and deference, that the cupidity of the human heart knows scarcely any limit. Thus far, at least, Mr. Chairman, I agree with the gentleman. If, then, the cupidity of the human heart knows no limit, what follows? Is it not our duty to place restrictions on that cupidity—to confine it within certain bounds beyond which it shall not be permitted to go? If we do not adopt such a plan, I believe that the pride and the glory of Pennsylvania will have passed away, and that the true and honorable feeling which has hitherto characterized her citizens, will be gone forever. We shall not see our people putting their children out to trades, by means of which they may earn for

themselves, an honest and independent livelihood; but, we shall see them looking to grow suddenly rich by means of banking institutions. They will neither build houses, nor grow grain.

Sir, we must go back again to our ancient steady habits; and we must begin with a steady determination to eradicate the great and still increasing evils of these institutions, and to bring them to the good purposes for which they were originally created. That this may be done, I do not entertain a doubt. All that is required at our hands is energy and determination.

I have thus, Mr. Chairman, adverted to some of the evils which I believe are attached to the banking system. I have, in my feeble way, attempted to show what they are. Those gentlemen, who have spoken on the other side of the question, have never pointed out one of these evils; apparent as they must be to every vision. I do not propose to read any more documents in support of the positions I have assumed. I am ready, however, to prove all of them by record. But, I shall leave them here, and I shall not again refer to documents, to sustain me, unless the course of other gentlemen should hereafter render it necessary that I should do so.

The gentleman from Allegheny (Mr. Forward) has stated, that the banks were open to all men, and that any man could go to them, openly and in an independent manner, with a proper endorser, and procure any reasonable accommodation he might want. Sir, if the citizens of the city of Philadelphia could be brought into this room—if the young men who have been brought into the toils of these banks to get money, would respond to this idea that they did go there openly and above board, saying there is my note and there is a good endorser—and thereupon receive the accommodation they might require, I would not have opened my mouth. But such, unfortunately, is not the fact. I derive my authority from those who have solid means of information, and whose statements are entitled to every confidence, and they have told me that the honest and industrious mechanic is not thus dealt with; that he has to bow and cringe to save himself from ruin—and that when he gets a note for \$1000, he could only take out \$500 of that amount, leaving the other to be again discounted on. They have led men on to ruin in this way, until finally, they have taken their liberty from them. I am aware that the course I am pursuing here, may lay me open to censure from many quarters; but, I shall not suffer myself to be swayed by any considerations of that kind. I have no peculiar cause for hostility or ill will to these banks. I am no rejected suitor, nor have I any wrongs to redress. On the contrary, in the course of my life, I have been one of their favorites. I speak, therefore, as one friendly to the banks, and as having no disposition, directly or indirectly, to do any thing which would tend to their injury. But, because I am friendly to the honest banks of the country, I am not therefore, to be classed as one among the number of the friends of those banks created in the years 1833-4-5-6 and 7, which have brought ruin and desolation upon us all.

I recur one moment to the suspension of specie payments, a measure which, if we are to take all for granted which is told us in certain quarters, was right, lawful and proper. Now, it will be remembered that so

late as the two or three last days of our sessions at Harrisburg, we placed upon our records, a resolution offered by the gentleman from the city of Philadelphia, (Mr. Meredith) declaring that bank charters were inviolate. What then, is the singular spectacle which we have before us! When I reflect that the banks themselves have violated their contract, have trampled the law under foot, and have laughed to scorn every legitimate object for which they were created, I feel lost in astonishment. Bank charters, this convention has declared, are inviolable; but, when the banks choose to violate their own contracts, not a voice is raised to say, that contracts on *their* part also ought to be inviolable. Speak of taking away the chartered right of a bank, and you have at once hundreds and thousands of champions, armed to the teeth, and springing up in its defence; but, when the bank chooses to violate its faith, no man is to dare to stand up and say that it shall be compelled to make good its part of the contract! What reciprocity is there here? The advantage and the justice are to be all one side, while the other is to be left to take care of itself in the best way it can. The gentleman from the city of Philadelphia (Mr. Scott) has asked us, what right a man has to demand the payment of a mortgage in specie? I understand that a contract is to be fulfilled according as it is made. If I promised to pay a man in specie, I am of course, bound to pay him in specie. If I give a note payable at ninety days, I am, of course, bound to pay it at the expiration of that time. And the bank to which I may happen to owe the money, will take good care that I do pay it at the appointed time; or, if I do not, I have nothing to expect from their clemency. I would like to know where the man is to be found who can escape the fangs of the law, if he fails to pay his notes. Will they renew for every man? No—only for certain men. If, therefore, a man does not pay his note, or renew it, upon such terms as they may think proper to dictate, they will soon hand him over to the tender mercies of the law. I repeat that I am a friend to the banks—that I have no desire to injure them in the slightest degree; but, then I wish to retain them as good servants, and I do not wish that they should be allowed to elevate themselves so as to become our masters.

I have now, Mr. Chairman, enumerated the evils which I believe attach to the present banking system; and the remedies for these evils will be found precisely in their opposite.

In the first place, a mode should be pointed out in which bank charters should be obtained, so as to prevent the undue and improper influences which are brought to bear at the present time on the action of the legislature.

In the second place, proper measures should be taken to ascertain that all the capital is paid in.

In the third place, a limit should be placed on the denomination of the notes which the bank should be allowed to issue, so as to secure a larger specie basis.

And, in the next place, it should be left open to the legislature to see that the objects for which the charters was granted, are faithfully fulfilled.

We are all aware that the objects for which the charters are granted, are such as have reference to the promotion of the public good ; and it should, therefore, be made the duty of the legislature to see that those objects are answered.

I would limit the issues of the banks in proportion to their capital and deposits ; and then I would place such restrictions upon them as would render them subject at all times to the power of the legislature. I would do this on the principle that, inasmuch as these privileges are bestowed solely for the public good, the legislature should have the power to resume them, if not exercised for the public good. They are rights taken from individuals under the idea that they will promote the public good—and therefore, when the public good requires it, the legislature should possess the power to take them back again.

By adopting this plan, I believe that we should do away with many of those corrupting influences under which acts of incorporations are now obtained—and which very acts, we are told, are to remain inviolable forever. Sir, this is too much to ask—and too much to expect that any people, having any regard to the preservation of their rights and liberties would be willing to concede. If the legislature can grant a bank charter with a capital of thirty-five millions of dollars, to endure for a term of thirty years, and placed absolutely above all power, and all control, it can also create a bank with a capital of untold millions of dollars, to run forever. If they have the power in the one case, they have it in the other, and what is it which at present stands in the way of the exercise of such a power ? Mr. Chairman, there must be some regulations, some restrictions imposed, or I believe our country will be lost ; I mean our equal rights and privileges—our right to govern ourselves, and for which our fathers fought, these, I say, will be lost. We shall be converted into slaves again.

I would, therefore, place these restrictions on the banks. And there are probably some others which might be attended with very beneficial results. I would limit the amount of the dividends. If you limit the amount of the dividends, their expenses must be also limited. They must provide for their families. Something of this kind should be done, or bank officers will be increased to an almost unlimited number, merely to take up the extra profits.

What is the good which, in theory, is expected to result from the American banking system ? It is a good and a democratic system, if kept within reasonable and proper bounds. It is a system under which men of small means—industrious and honest—the mechanic, the farmer, and such men can aggregate money for which they have no use ; and which, when placed under the direction of men who understand well what they are about, can be used for the purposes of commerce by men who may be in want of such funds, and have not otherwise the means to procure them. This is the one great object of the American banking system—that the money of one part of the community may assist the business, wants and purposes of the other part. But, sir, it never formed any part of the purposes for which this system was originally created, that it should be converted into a mere machine, to make paper money, on which to speculate. Any such system is false, and cannot do otherwise than

tend to injury and ruin. Let men save up their money, let them put their means into these institutions, and they will be content to receive their six per cent interest on the amount. They will be more content with six per cent, resulting from a safe and sure system of doing business, than they will with large profits which must depend on certain contingencies—and those contingencies being of a character which may result in the entire destruction of their investments. In this community generally, there is a great respect for lawful interest—where the investment is known to be safe. Look, for instance, at Lancaster county. During all the embarrassments, confusion and panic which we have seen for the last few months—and at a time when, in our cities, money could only be procured at the enormous rates of twelve to twenty per cent interest—or, even heavier rates than these—it could be had in Lancaster county at the low rate of five per cent. The gentleman from Franklin (Mr. Dunlop) shakes his head. But I derive my information from a gentleman from Lancaster county who has never deceived me, and I believe never will. Bring your system down, therefore, to safe and sure principles; and men of real credit will take the bank stock, not for the purpose of speculation, or selling out and in every other day, but for the purpose of permanent investment. The system will then tend, as it always ought to tend, to aid the business and honest industry of the country, and we shall not again be visited by these great expansions and contractions of the currency, of which at the present time we are suffering the bitter consequences.

Before I take my seat, Mr. Chairman, I wish to say a few words in reference to a subject which, although it has no direct bearing on the question before the committee, ought yet to claim some consideration from gentlemen of a certain party in this house. We have been charged with being agrarians. That charge has been repeated over and over again, as well in this convention as out of it. I feel gratified, therefore, that an opportunity is thus afforded me of saying a few words in my place as to the position of the party to which I belong, in relation to this charge of agrarianism. I take it upon myself here to say, that if the gentlemen who make this charge of agrarianism against us, mean thereby to say that we are about to divide any thing among ourselves which is the property of individuals, then they are laboring under a grievous error—there is no such idea entertained by any member of the party to which I belong, in this state. The gentleman from Allegheny, (Mr. Forward) and the gentleman from Franklin, (Mr. Dunlop) do not like the idea of such agrarianism as this, nor do I. I should be as far from giving it any countenance as either of these gentlemen could be. No such agrarianism has been attempted; if it has, I have never heard of it. But, in this question now before the committee, I declare myself to be an agrarian, and gentlemen are at liberty to make the most they can of the declaration.

Mr. B. here alluded briefly to the agrarianism of Roman history, with a view to show that the term was of a different meaning, to that which was now given to it, and that it was not so bad in its import as some gentlemen would desire the public to believe. He then continued:

Sir, we fight for equal rights—the Romans fought generally for conquest. The agrarian law of Rome was, that all the lands they required

should be divided equally among the people. We, on the contrary, fight neither for conquest nor spoils, but for those equal rights, to which all men are alike entitled. I will read from the history of Rome, translated from the German, a few passages, from which some useful information may be obtained.

Mr. B. read as follows :

“ The second capital grievance throughout Italy, was the depopulation of the land, and disappearance of the free population, while the multitude of slaves ever increased. Agriculture, it is true, was admirably conducted, but in the manner of a wholesale manufacture. The hands employed in its processes were merely used as machines.

The city became filled with Roman citizens who had sold their patrimonial heritage, or with colonists and disbanded soldiers, who had not thought it worth their while to cultivate the allotments of land which fell to their share from the domains, and had parted with them to some grandee, who possessed estates in their neighborhood. The effect of the increase of slaves, and their employment, instead of free day laborers, struck Tiberius Gracchus so much in a journey through Italy, that, as he afterwards expressly declared, he was led by this observation alone, to entertain the thought of a new division of the public property. This led at once to the main ground of debate. We have seen that the Licinian law was expressly enacted to hinder the rich, who had in their hands all the public offices, and consequently all the means of appropriating state property, from converting the *ager publicus*, or demesne lands, into private estates.”

[In the same manner, said Mr. B. as we now contend that these corporations, whose charters are said to be inviolable, enjoy privileges taken from the mass of public rights.]

Mr. B. proceeded.

“ The practice thus prohibited had, nevertheless, become general. The cultivated land had been converted into pasture, and the herds, it was found, could be more cheaply tended by slaves than by freemen. This process was productive of effects extensively mischievous, as the greater part of Italy, at one time or another, had been converted into Roman public property. Men the most enlightened, and the farthest removed from demagogues, the *princeps senatus* Appius Claudius; the great jurist, Mutius Scævola, and the *pontifex maximus*, Crassus to acknowledged the universal empire of Rome to depend on the rise of free Italian husbandmen. They united with Gracchus, so soon as he came forward with this proposal for the re-enactment of an agrarian law, or, at least—as was the case with Scævola—took no part against him. By the turning of vast tracts into pastures, the public revenues also suffered, as the grazing money and other dues reserved on lands thus employed, were in practice found so difficult to be levied, that they were finally abolished altogether by the Flavian law. The amount of the dues was likewise often disputed with the revenue farmers, by the influential families who possessed themselves of the public estates.

“ When Tiberius Gracchus, on taking the office of tribune of the people, openly declared his design of renewing the agrarian law, he was of

course, regarded by one party as author of seditious movements and dangerous disturbances, by the other as asserter of the old Roman immunities. At first, he sought to reconcile the maximum of improvement in the condition of the poorer burghers with the minimum loss to the rich, by not insisting on the entire re-enactment or enforcement of the Licinian law in all its original strictness; but proposing compensation to the occupants for the buildings and improvements on the lands which came within its provisions. His proposal went to divide among the poor so much of the common lands in the occupation of the rich, as exceeded a certain extent. The father of a family might possess five hundred acres in his own rights, half that extent in the rights of his son. Pasture was to be allowed for one hundred head of oxen and five hundred sheep.

“Employment was to be given to a certain proportion of freemen, as shepherds, and herdsmen, as well as husbandman. Three commissioners should annually be appointed to superintend the division of the public lands, and take care that the Licinian law respecting them should not again fall into desuetude, like every other regulation displeasing to the richer class.

“Appian and Plutarch, have delivered down to us fragments of the speeches held by Gracchus, in order to obtain the suffrage of rich as well as poor, in favor of these proposals. He addressed the former, very inappropriately, with appeals to their magnanimity and patriotism; the latter with the more persuasive inducement of deliverance from a state of contempt and misery. These fragments already show, that his views were excellent at the outset, however, the abstract merits of his scheme might seduce him into forgetting to weigh the means of its realization.”

[The democratic party, said Mr. B. may sometimes perhaps have gone too far, but in so good a cause who would stop short. We have been told by the learned judge, (Hopkinson) that men are very liable to err, even with the best motives. This is true. All we can say, is that our object has been good, and, generally speaking, I believe, we have kept ourselves within legitimate bounds.]

Mr. B. proceeded. On the part of the senate (i. e. of the present possessors of public property,) he encountered, of course, the most vehement opposition. Repulsed by the senate, he threw himself on the people.

“His colleague, Octavius, steadily forbade the slave whose duty it was to read the laws, which no tribune could read to the people in person, from promulgating the motion of his colleague. Gracchus, on the other hand, vehemently insisted that his bill should be read. And now commenced the long reign of disorder. The people were furious; Octavius persevered in his opposition. Thereupon his antagonist stopped the whole machine of government, by proclaiming a *justitium* or cessation of public business. So long as this interdiction continued, the sittings of the praetor were suspended, and all the public offices closed. Tiberius took the further measure of sealing up the treasury and thus stopping payments in every branch of the public service. To reduce Gracchus to submission, the rich called out their freemen and clients. A regular tumult took place in

the open forum. Even when Tiberius had at length carried his first point of getting his rogation read to the people, and had proceeded to erect booths for the voters and caused the balloting boxes to be placed in readiness, those boxes or urns, in which these votes were deposited, were removed, by force, by the partisans of the senatorial faction."

[So it is, said (Mr. B.) in our day. Mark this striking coincidence! When we wish to submit these things to the judgment of the people, a cry is raised against us, and we are not allowed to do so.]

Mr. B. proceeded. "From this moment the tribune also, became head of a faction. To all the porticoes, walls and monuments, tablets, or placards were affixed in which he was called on to carry on the good work he had entered upon in favor of the poorer class of citizens; and according to Sempronius, Asellio, in Gellius, he never left his house without an escort of three or four thousand men.

"The senate might still have compromised, and given up something to save much. This was desired by Manlius and Fulvius, who would willingly have been friends both of the senate and Tiberius.

"Tiberius, too, allowed them to persuade him to try a last appeal to that body; but the insuperable obstinacy of men who would not yield up even the smallest part of the public plunder, so long their undisputed possessions, drove him back to the people."

And (continued Mr. B.) have we not said, that if those who are arrayed against us will not yield something of what they have taken from the public privileges, they must take the consequences. What do we see in the example of Rome? We find that although the senators were for a time able to resist the equal rights of the people, to destroy their advocates, and remain in possession of the public plunderings, still the people were there, and the senators were compelled at last to yield to their wishes. Sir, there is admonition in this—call us agrarians, call us what you will, I say there is admonition in it.

The gentleman from Luzerne, (Mr. Woodward) in the course of some observations, remarked that the people would not bear these ills forever. Mr. Chairman, I reiterate that declaration—I say here in my place, that the people will not bear those ills forever. You may deceive them for a moment, you may have them bound down by bank facilities and bank influence for a short season, and you may make them consent almost to say any thing. But this cannot endure. There is a redeeming spirit arising up among them, and they will ere long demand back again the pure inheritance of their fathers—purchased by their fathers' sufferings and consecrated by their fathers' blood.

I might read some further extracts from history, in elucidation of this subject, but I do not think it necessary to do so.

Gentlemen will recollect that Rome was virtuous when these attempts were made, and although the senate did this it was never carried into effect. Well, what was the consequence? It was but eighty years afterwards when Cæsar seized upon the liberties of the people. It is a fact well established, that whenever the people, in republics, cease frequently to go back to first principles, and to keep the government strictly within their

own hands, that the downfall of public liberty is certain, and the liberties of the country are gone. It wants but the first breath to shake them to pieces, and they would tumble like a fabric without a base. Sir, the democratic party of this state has been charged with the creation of the banks. Well, this he did not pretend to deny, but gentlemen must recollect that there is a mighty difference between the banks created by the democratic party, and those which have been forced upon us by the opposite party. The democratic legislatures created banking institutions gradually, as the wants of the people required, and during the long period of sixty years, Pennsylvania went on growing in prosperity, population and wealth. The condition of her citizens was gradually, improved and she grew up to be a great and a powerful state. Well, how was this effected? Why, by the different legislatures, paying strict attention to the will and wishes of their constituents, the people, and providing for them the means of prosperity and happiness. This is the manner in which the democratic legislatures aided in giving to our commonwealth a prosperous and a happy people, and in the long course of sixty years, the whole banking capital of the state was not increased to exceed nineteen millions.

Well, what was the course pursued by the opposite party when they came into power? Why, sir, that legislature which has been so much extolled in this body, by the gentleman from Allegheny, (Mr. Denny) and others, the legislature of 1835-6, at a single session, and further, without a single petition being presented from the people, that he ever heard of, added forty millions to the banking capital of the state of Pennsylvania, which is more than double all the bank capital which had been created by all the democratic legislatures since the adoption of the present constitution.

It is ridiculous then to tell us that this is the democratic system. It is ridiculous to tell us that this system is the child of democracy. If the system in its origin was the child of democracy, the present overgrown, bloated, drunken system must be fathered by the opposite party. We must disown it as illegitimate, and turn it off as the bloot of the federal party. There is too great a difference between nineteen millions of banking capital being created in sixty years, and forty millions in a single year, to be recognized as the system which the democratic party had been pursuing for a long series of years. Farther than this, it had been the universal custom of every democratic legislature to provide the means of annulling the charter of every banking institution which might prove prejudicial to the public interest, or to modify their charters in such way as to obviate all objection. Every charter which was granted by a democratic legislature, contained a repealing clause, and every banking institution held its charter subject to the supervision of the legislature. He also understood that this bill which passed in 1836, granting a charter to the mammoth monopoly, the Bank of the United States, contained a similar clause originally, or was at least inserted by the house, and that when it went to the senate it was struck out, on the motion of the gentleman from Beaver, (Mr. Dickey.) When the bill went up to the senate it contained a provision that the people might repeal, alter or modify the charter, but the gentleman from Beaver, wishing to place it entirely beyond the reach of the people, struck out the section—thus saying that

the people might have the whole control over the democratic banking institutions of the state, but that they must not lay their unhallowed hands upon the great anti masonic mammoth, and that it must be over and above you, and beyond your reach, for the term of thirty years. This, sir, is the difference between the democratic and the anti-democratic systems of banking.

In the one, there is responsibility to the legislature and the people, by the banking institutions, and in the other, the bank is set up as the judge and ruler, and the hands of the people are tied, so that they must not touch it. Will any gentleman then tell me that there is any analogy between these systems? Most certainly they cannot, for the difference between them is as great as the difference between light and darkness—the one is directly the reverse of the other. The gentleman from Allegheny, has referred to the course of my colleague, (Mr. Ingersoll) in introducing and voting for resolutions in favor of the Bank of the United States, in the year 1830, in the legislature. If the gentleman had examined further he would also have found my name there. I was opposed to those resolutions, and although I was not able to go into the field of debate with my colleague on that subject, still I succeeded in getting his resolution postponed in the house. I believed then it was wrong. I believe so still—I was then a democrat and ever have been, and am so still—and if the gentleman will look to the papers of that day, he will see my sentiments embraced in a few remarks I made on that occasion. I voted for no bank, and the gentleman, if he examines the journals, will find my name recorded against them uniformly; I believe the legislature did charter one small banking institution at that session, and it was forced through one morning about half past nine o'clock in the morning, when there was not more than seventy or eighty members of the house present; and this is the way that a great many of our banking institutions are forced upon the people.

Mr. Chairman, the gentleman from Franklin, (Mr. Dunlop) has spoken of himself as once belonging to the democratic party. He has said that it was then a noble crew embarked in a gallant frigate—but that the frigate was now among the breakers, and the crew compelled to betake themselves to a leaking boat, and almost to seek for safety on board a "low black schooner." Yes, sir, the democratic party was once a noble crew, embarked in a gallant frigate, and who would not have been proud to belong to that crew, when Simon Snyder stood among them and other glorious names, gave brilliance to their cause? But, sir, among that noble crew—the democracy of Pennsylvania—were some who had shipped, not from zeal or love for the service, but for their own selfish ends—to plunder the ship, and to spread disaffection among the crew; and in 1835 they unfortunately succeeded. Difficulty and confusion arose among the "noble crew," and then it was that the "low black schooner" hove in sight—she came along side, and, amid the difficulty and confusion, boarded and took possession of the gallant frigate, and run her among the rocks. It was then that the gentleman from Franklin, and others abandoned the frigate, like rats which always leave a sinking ship—and sprung on board the low black schooner. I, sir, feel the perils we are in; I confess that dangers surround us—the gallant ship is among the breakers, but her signals of distress are flying. She is in peril from the acts of the black

schooner gentry ; but, distressed and endangered as she is, and her crew reduced as they may be—she will yet be rescued, and career upon the seas in triumph, as prospero us as under her old commanders, or her little crew, in the leaking boat, myself among the number, will perish with her!

[Here, there was a manifestation of feeling in the gallery, which induced the CHAIR to call to order which was immediately restored.]

Mr. CHAUNCEY moved that the committee rise, lost, ayes 46—noes 52.

Mr. DICKEY then rose, and stated that he would not detain the committee long, as it was not his intention to make a one or two days speech on this occasion, by reading pages of extracts from the speeches of others, and he rose now to participate in the debate at this time, and on this occasion, merely because he had been personally alluded to and because his conduct as a member of the legislature had been assailed on this floor, by honorable members of this convention.

Mr. BROWN. I made no assault upon the gentleman. I merely read from the documents and from his own speeches, to show what his sentiments and opinions were heretofore.

Mr. DICKEY resumed. And, Mr. Chairman, said Mr. D., if in the course of remarks which it may be proper for me to make here, in vindication of my legislative career, I shall find it necessary to state facts which shall show off the hypocrisy of many professed democrats, they must not blame me for it, after the course they have pursued towards me on this floor. Sir, the introduction of this subject into this convention has been altogether for political effect; and all the propositions which it has been contemplated introducing on this subject, have been the result of the deliberation of a party caucus, held before we came to this city. Am I not correct? Do I not state the facts in relation to this matter? I believe I do. It is a well known fact, that, before we adjourned from Harrisburg to meet at this place, a caucus was held of the members who professed to be of the democratic, Van Buren party. It is known that such caucus was held in the capitol, in Harrisburg, in the east committee room, or in the supreme court room, two nights in succession, and that a gentleman from Mifflin (Mr. Banks) was chairman, and a gentleman from the county of Philadelphia (Mr. Brown) was secretary.

Mr. BROWN, of the county of Philadelphia. I have denied that before, and I now tell the gentleman that it is not the fact.

Mr. DICKEY. Well, then some other gentleman was secretary, for I presume the caucus had a secretary. That however, matters not, so that the other facts I state be correct. In that caucus, eight of the propositions I now hold in my hand, [holding up Mr. Read's printed propositions,] were agreed upon as right and proper to be submitted to the consideration of this convention. Well, sir, the gentlemen belonging to the party who adopted these resolutions in caucus, in this way, stand up on this floor, and have the hardihood to say that this convention ought to adopt propositions, without examination, which have thus been concocted in a midnight caucus. Sir, do I state facts in relation to these resolutions? Do I state the facts when I tell you

that these propositions were agreed to in a caucus of the party, and that it was determined in that caucus that they should be submitted to this convention, as proper to be adopted by it. For the proof of what I have asserted, I turn you to the printed speech which the gentleman from the county of Susquehanna, (Mr. Read) made upon the introduction of the first of these propositions, in which he says that "the proposition now before you, with eight others, have been formed with a view to meet what I suppose to be the sentiments of a majority of this convention." The gentleman supposed they would meet the sentiments of a majority of the convention—he knew they would meet the views of the party with whom he acted, and trusted they would meet the views of a majority of the convention, because he was aware that several of the conservatives had special resolutions on your journals, proposing restrictions upon banks and bank charters.

The gentleman also states in his printed speech, that on this question his own individual opinions went far beyond the majority of the party with whom he acted. Well, sir, how did he know this? Why, I will tell you how he knew it. At this caucus meeting which I have before alluded to, there were eleven propositions in all, submitted by the gentleman from Susquehanna, and of these eleven, the caucus would agree to but eight. This is the way the gentleman ascertained so accurately the sentiments of the party with which he acted on this subject. Well, sir, although the gentleman told us when he submitted the proposition now under consideration, that there were eight propositions in all, yet he refused to lay them on the table, and have them printed for the use of the convention, although repeatedly called upon, and it was not until yesterday that we had the opportunity of knowing what the propositions were, which we were to be called upon to give our votes upon. Although a gentleman from Allegheny had called upon the gentleman from Susquehanna to make known to the convention the propositions he intended to offer for its consideration, still he remained silent as the tomb, and refused to let us know what they were until yesterday.

Again, the other day, the gentleman from the city (Mr. Scott) calls upon the gentleman from Susquehanna to lay his propositions before the convention, and then forsooth, he comes forward and has them printed, so that, as he says, he may not be misunderstood. Now, sir, am I not right in saying that this subject has been introduced here for political effect abroad—that it has been introduced to carry out party views and party organization throughout the commonwealth, and throughout the Union, that it has been introduced merely for the purpose of having something to rally the party upon, and revive their drooping energies. The New York elections had gone against them, and many of the elections in the western states, had gone against the party to which the gentleman belonged; and something must be done, or Pennsylvania might be disenfranchised from the official dictation of the powers that be at Washington. This, in my opinion, is all that these propositions were introduced for. I do not believe that the gentleman from Susquehanna, expected to carry them—I do not believe he desired to carry them, and I do not believe that a majority of the party, professing to be in favor of reform in the constitution, desire it. I believe their object has been throughout the whole course of this proceeding, merely for party and

political purposes. Am I right, sir, in saying this? Am I warranted in making this assertion by the proceedings of this convention? I think I am.

Before the end of the month of July we adjourned to return to our constituents, and to come back again in the month of October. Well, prior to the time when that adjournment resolution was adopted, a committee had been got up by a gentleman from the county of Philadelphia, and a report had been made on the subject of corporations, and a minority report was also introduced going into a lengthy argument on the subject of corporations, which then only seemed to be designed to operate upon an election which was about to be held in the third district for a member of congress, to fill a vacancy occasioned by the death of the former member. That election in the third district was held shortly after the report was made, and the author of the report was a candidate for congress in the said district. The canvass was placed upon the principles promulgated in that report, and the author of it was defeated, and sentence of condemnation passed upon the report.

Well, previous to the time of this election various efforts had been made to get an adjournment of the convention, which could not be had, in consequence of the radicals voting against it; but the moment that this election took place and the result was announced, gentlemen who had declared their determination to obtain amendments to the constitution before they adjourned, or leave their bones in Harrisburg in the attempt, turned round and voted to go home; and why was this the case? Because it became necessary for them to go home and take care of the elections in their several districts, or they might have followed the example set them by the state of New York and the third district.

Mr. SHELLITO. I never voted to go home until I found we could get nothing done if we remained; and no man would keep soldiers in action, when it was certain that all their efforts would prove unavailing.

Mr. DICKEY resumed. Sir, I did not refer to the gentleman from Crawford particularly in the remarks I made. I referred more particularly to the gentleman who last addressed you, from the county of Philadelphia, (Mr. Brown.) He had asserted that he would rather die, than desert his post, and return to his constituents without obtaining the reform as they desired, yet I believe it will be found that that gentleman voted for the adjournment in July. Well, sir, before we did adjourn I submitted a proposition, to test the sincerity of these gentlemen on the subject of reform. The proposition I submitted embraced nearly all the reforms we have now obtained, and it was voted down, the whole mass of the party acting with the gentleman from the county of Philadelphia, voting against it; they not being willing that the question should be decided at the then next October elections. Why was it that they were unwilling to trust these matters to be voted upon at the October elections? It was because the people in the third district had decided against the doctrines promulgated in that report. They knew that their doctrines were abhorred by the people, and they must go home and endeavor to persuade them that they ought to be adopted, or at least to take care of what they had, before they asked more of the people. Yes, sir, such was the condition in which gentlemen found themselves, that it became

necessary for them to return to their homes and give their personal superintendance to the elections, for fear the state might be disen- thralled.

As it was, some of that Spartan band which was not to permit the senate to be revolutionized in seven years, and which had before been alluded to, had been returned to that body, and the house of representa- tives come very near being revolutioniz-d. Well, sir, that agitation and discussion is the only thing which these gentlemen of the reform party, as they term themselves, desire, is to be clearly proved by the fact that every attempt which has been made in this convention, to obtain an early adjournment and save the people's money, has been voted down by them. Since we have met in October, several attempts have been made to obtain an early adjournment of this body, and to bring its labors to a close, and it has been uniformly voted down by these same gentlemen.

Well, sir, what was the course of the great leader of this party on the introduction of these propositions? When the gentleman from Susque- hanna (Mr. Read) introduced the propositions first brought to the notice of the convention, he told us that he intended to introduce eight proposi- tions in all; but he assured the convention they were not introduced for political effect or party purposes—not at all, but were submitted for the exercise of the sound patriotism of the convention in considering and voting upon them. Well, notwithstanding this assertion, he refused to lay all the propositions before the body, although it was admitted they were all prepared, and they were not all laid before the convention until yesterday; but the moment he finished his speech, it was put in press, and published in German as well as in English, and circulated through- out the state; it being subscribed for by the members of this convention in large numbers. Now, I would ask if this was done for party purposes, or was it for the exercise of the sound patriotism of the convention? Will the gentleman from Susquehanna dare to deny that this speech was intended for circulation among the people, for the purpose of changing their opinions on the subject of banking. Will he dare to deny that it was intended to operate on elections which are hereafter to take place, and that its object was to strike back the revolution which is taking place in public sentiment from one end of the Union to the other. The sole object of the introduction of these propositions was to stay the hand of the power of the people.

Has the gentleman from Susquehanna always been opposed to banks? I think this question was put to him the other day, and he had announ- ced to the convention that he had voted for the establishment of banks many times; and when he was asked by the President of the convention, whether he had not voted for a bank in his own county, he answered that he had, but that it was against his own opinion, he having been instructed by fifteen hundred of his constituents to do so. Then, sir, we have a majority even of the people of Susquehanna county, praying for the establishment of banks, as admitted by the gentleman from Susque- hanna himself.

Now, the last evidence we have had from the people of this county is, that they are not favorable to the opinions held by the gentleman from Susquehanna, they having recently elected, to the senate of Pennsylvania,

a man of different politics from the gentleman. I take it then that the people of Susquehanna are not opposed to banks, and that they are not in favor of bank restrictions—at least they are anti Van Buren, and opposed to the wild schemes, and novel doctrines, promulgated by the gentleman and the party with which he acts here; and if the gentleman now acted upon the principles which he holds in violation to the right of instruction, he would not now be here, or, at least, he would not now be pursuing the course here which he has been pursuing, because he would be acting contrary to the will and wishes of the people of the senatorial district which elected him.

But the gentleman has told us that he had undergone a change of opinion since he voted for the bank charters, which he admitted he had voted for. Well, I believe, on a certain occasion, the gentleman delivered a speech, when he was up as candidate for nomination to a certain office, in which he recommended himself to the notice of the people, by saying that he had voted for all bank charters except that of the Bank of the United States. But the gentleman has lately changed his opinion, and I do not find fault with him for that, because all men have a right to change their opinions.

If gentlemen will look to the journals of the house and senate of Pennsylvania, they will find that the gentleman from Susquehanna voted for every bank charter which came up while he was a member, except the Bank of the United States.

Furthermore, if the gentleman will refresh his recollection, he will find that he voted against all restrictions, when it was proposed to place restrictions on the Bank of Pennsylvania in 1830, when that institution was re-chartered for great state purposes. If gentlemen will look back to the journals of the legislature, they will find that the gentleman from Susquehanna introduced a series of resolution for the consideration of the committee of ways and means, proposing to incorporate all the banks whose charters were about to expire, for ten and fifteen years, on condition of their paying a certain per cent, towards carrying on the internal improvements of the state.

He also voted for the incorporation of the Bank of Pennsylvania without restrictions, notwithstanding the evidence brought to the notice of the convention, the other day, by the gentleman from the county, (Mr. Martin) was staring him in the face. Notwithstanding it was proved that the cashier of that bank had been making a thousand dollars a day for ninety days, by using the funds of the banks, still the gentleman swallowed this all, and went for the bank, and for the bank, without any restrictions, which would prevent a repetition of these irregularities. He voted for this institution in the face of every thing which was said against it, on condition that it would loan four millions of dollars to the state for purposes of internal improvements.

The gentleman has also, in the course of his legislative career, voted for the Swatara Bank and afterwards for the Bank of Middletown, for the Wellsboro' Bank, in Tioga county; for the Merchants and Manufacturers Bank of Pittsburg, and the Bank of Chester county; the Bank

of Easton ; the Bank of Erie ; the York Bank, the Kensington Bank ; the Schuylkill Bank, and a great many other banks which any gentleman can see by a reference to the journals.

In fact, I believe the gentleman from Susquehanna has voted for more banks than any other gentleman on this floor ; and, during the session of the legislature in 1836-7, no longer ago than last year, a resolution was introduced in the senate, instructing the committee on banks to inquire into the expediency of reporting a bill to prohibit the issue of notes under ten dollars. The committee accordingly had the subject under their consideration, and reported against the expediency of the measure. He thought the proposed restriction equally unnecessary now, as it was regarded at that time. He should have stated, that when the resolution was before the senate, Mr. Leet offered a substitute for it, which carried out the principle for which the gentleman from Susquehanna now contended, but which the gentleman at that time, voted against ! Yes, the delegate thought it would be improper to restrict the banks from issuing notes under ten dollars. Now, this was consistency ! He (Mr. D.) would ask, if circumstances had become more favorable for the adoption of the limitation, than at the time to which he had referred ? He thought not. His opinions might not be in accordance with those of many other gentlemen in this body ; but, this he could say, that under all circumstances, and at all times, he had exercised his own deliberate opinion, and should continue to do so, without paying any regard to what General Jackson, or the gentleman from Philadelphia county (Mr. Brown) might think was the proper course. He was independent of all dictation, from that of Gen. Jackson down to the delegate from the county. No dictation from the powers at Washington would ever change his opinions. He had shown that the gentleman from Susquehanna (Mr. Read) had not been altogether consistent in his legislative career. Perhaps, from the moment that he had written his celebrated letter—a transcript of which he (Mr. D.) had seen in manuscript, could he be considered as having been so. He (Mr. Dickey) however, regarded it as one of the most gratifying and flattering compliments that could be paid a public man, to tell him he possessed the confidence and approbation of his constituents in all his acts. The gentleman from Susquehanna might have hastily changed his opinion since the vote he gave in 1836-7, for the incorporation of a bank in his own county, which he said, the other day, he had given contrary to his own inclination, but according to the instructions of his constituents.

If his (Mr. D's) public conduct was fairly examined, it would be found that he had always obeyed the instructions of his constituents. Had he not done so, he certainly would not now have occupied a seat on that floor. If he had not *misunderstood* the gentleman from Susquehanna, the other day, when speaking of the suspension of specie payments, and in relation to the charter of the bank in Susquehanna, he said that the commissioners of that bank had violated their duty in accepting the notes of non-specie paying banks in payments for stock.

Now, if that was the fact, they acted very wrong, and the charter ought to be taken away. If he mistook not, the gentleman from

Luzerne, (Mr. Woodward) made an appeal to the convention, and expressed his hope that members would not be governed by party feeling in revising the fundamental law of the commonwealth, and he spoke in bitter terms of denunciation against the banks for not having resumed specie payments. He said that they ought to have paid to the last cent, like all other insolvent debtors, and should have divided what remained in their vaults among their creditors. He (Mr. D.) did not wish to misrepresent the gentleman from Luzerne in what he stated, which he believed to be substantially correct. He believed that the gentleman from Luzerne was one of the commissioners of the Susquehanna Bank, and that he lent his sanction and advice to the proceeding to which he (Mr. Dickey) had adverted. Indeed, he believed that the gentleman had been a director of that bank. If he (Mr. D.) was mistaken, the gentleman would correct him. How came that gentleman, then, who had been so free in his denunciations of the conduct of other banking institutions, to give his countenance and approval to the acts of the bank in question? As he already said, he fully concurred in what had fallen from the gentleman from Susquehanna, (Mr. Read) relative to the Susquehanna Bank—that the commissioners ought not to have received the notes, and therefore, it ought not to have gone into operation. He would ask the gentleman for an explanation of his conduct.

[Here Mr. BEDFORD, of Luzerne, rose and explained that his colleague (Mr. Woodward) was detained at home from indisposition, and that he had told him (Mr. B.) he was not present at the meeting of the commissioners and the taking of the stock, and knew nothing of their proceeding.]

Mr. DICKEY resumed. The gentleman was reported to have been present; and it certainly was his duty to have been. He (Mr. D.) should have thought, after hearing the gentleman's speech, the other day, in favor of a sound currency, and in denunciation of the banks suspending specie payments, that he would have been the last man to have set in motion one of these paper machines, and permitted the notes of broken banks to have been received. He (Mr. D.) would now address a word or two to the gentleman from Indiana, (Mr. Clarke) in reference to the course which he had thought proper to pursue on that floor. He (Mr. D.) held in his hand, a paper entitled "The Keystone," which was published at Harrisburg, in which a sketch of the proceedings of this convention appeared, and the gentleman was there reported to have said:

"He thought the charter of the United States Bank was obtained by fraud; that its friends were conscious of it, was apparent from their attempt to get rid of the discussion of banking, through the motion of Mr. Dickey to dispense with the farther consideration of this article."

The gentleman, perhaps, was not reported exactly word for word; but, the substance of what he said, was, no doubt, embraced in what he (Mr. D.) had read. That, however, was the manner in which the gentleman was reported to have spoken on this floor. He himself, had understood the gentleman to say that the passage of the bank bill was a high-handed measure, and that it was procured by fraud. He begged to

say that in making the motion he did, and to which the gentleman from Indiana had referred, he had not entertained the slightest wish that the discussion should be evaded. What he desired was simply that it should take place on the second reading. Therefore, it was that he had moved that the committee report the second article, and dispense with the discussion until second reading. He had not shrunk from investigation then, nor at any other time. He voted for the Bank of the United States, and if the gentleman meant to assert that the charter was procured by fraud, or by any than fair means, he would pronounce him a calumniator.

The CHAIR called the gentleman to order.

Mr. D. continued. He (Mr. D.) was proud, as a Pennsylvanian, that the act was passed; and, he hoped to be excused for giving some of the reasons that had influenced him in voting as he did, on that occasion. He did not wonder that the gentleman from Indiana had pronounced this a high-handed measure, when he recollected that the gentleman was not connected with corporations of this kind—that the gentleman, although opposed to monopoly in moneyed corporations, was not opposed to other corporations, because he, perhaps, had something to do with them. He (Mr. D.) knew, too, that the gentleman was not opposed to monopoly of offices. He had participated in them as much as most of the members of this convention. He knew that the gentleman had enjoyed the office of canal commissioner for years. The delegate had told the convention, when at Harrisburg, that he was merely a “looker on in Vienna,” (or Venice,) at the time the bank was chartered, and that the bill was passed with indecent haste.

Now, if the gentleman knew the charter to have been procured by fraud, and he a “looker on in Vienna,” as he says, it was incumbent upon him to have come forward and proved the fact, while the subject was under investigation last year. That was the course the gentleman should have pursued, for it was due to himself as well as to his party, who would have been anxious to prove the charge, if capable of proof. The gentleman was at Harrisburg last winter, not as a canal commissioner, but in the character of a borer for a rail road from Pittsburg to Laughlin's town. He (Mr. D.) believed he got the bill through, and that an appropriation was made to carry the object of it into operation. He believed the gentleman from Indiana to be patriotic—there could be no doubt he was.

But he would say this, that although the gentleman was opposed to banking corporations, he was not to those of any other character. The great internal improvement bill, as it was called, if it had passed, and the works have been completed, would have increased the value of the delegate's property to a large amount. He believed that the gentleman from Indiana drafted the bill, which contained one very anti-democratic feature, and that was, that no bridge should be built to accommodate any man's land through which the rail road should pass, unless such land consisted of more than three acres. Yes! this democratic opposer of all charters and all monopolies, would have the poor man, who only owned two or three acres of land, deprived of a bridge, when his lot was divided by the rail road, while for the rich man, the owner of his hundreds of acres, it was provided that bridges should be built at the expense of the company. This democratic feature was stricken out by an aristocratic legislature.

He did not wonder, as he had already said, that the gentleman from Indiana was opposed to the charter of the Bank of the United States, which he designated as a high handed measure. Every member of the convention would perfectly well recollect what was the condition of the state of Pennsylvania, at the time the charter was granted—funds were very much wanted to carry on the internal improvements, and they could not be had unless by direct taxation, or re-chartering the Bank of the United States. Under these circumstances, then, it was that he voted for the re-charter, and as being the best course that could be taken. The gentleman (Mr. Clarke) was then a member of the board of canal commissioners, and had always been the advocate and friend of internal improvements—for which he (Mr. Dickey) at all times, gave him full credit.

But, at the period to which he (Mr. D.) had referred, the gentleman from Indiana was about to go out of office, the time had almost arrived when the sceptre was to depart from him. Governor Ritner was coming into the gubernatorial chair, and Governor Wolf had recommended the legislature to make appropriations for certain works—which the canal commissioners enumerate in their report, and say they should be completed as soon as possible. What was the condition of the treasury at that time? He need not say—every gentleman here knew it. Governor Wolf recommended a temporary loan, to pay the interest on sums borrowed, and which fell due in 1836, and also, that the \$800,000 wanted, should be borrowed.

How, then, were the works to be carried on, as recommended by the gentleman from Indiana and the governor? By taxing the people? No; although every man must have seen that the money could not be raised, but by the adoption of one course, unless the people were taxed to four times the amount they had heretofore been. It was, perhaps, not too much to say, that this demand for appropriations had been contrived for the purpose of embarrassing the administration then coming into power. Now, the facts that he had already stated, and those which he should present, went strongly to show that such was the fact. By the law under which the gentleman from Indiana held the office of canal commissioner, the term expired in June.

In December, 1836, Governor Ritner presented his message to the legislature, and then it was, one would suppose, that the canal commissioners would have resigned, as a matter of delicacy—not that there existed any obligation on them to do so. They ought to have resigned. The governor appointed new commissioners at the expiration of the terms of the gentleman (Mr. Clarke) and his colleagues. And, probably, one of the reasons that induced him to veto the Columbia rail road bill, was, because neither he nor his party had confidence in the board of commissioners. He (Mr. D.) did not say that the gentleman from Indiana had clung to his office, in order to embarrass and annoy the administration; but, the consequence of the commissioners retaining their office, was to embarrass its action.

The spring trade was about to open, and the gentleman should have resigned, as he had before said, in order to enable the governor to do all he could to promote the lines, rather than to have them discouraged.

Hence the necessity of removing those officers, and he did remove them. He took the responsibility of doing so, before their time was out, and signed the bill for the new locomotive engines.

Mr. D. gave way, without concluding, to a motion that the committee rise; which was agreed to, and they obtained leave to sit again.

The CHAIRMAN of the committee reported to the President, the fact of a disturbance having occurred in the gallery during the morning.

The PRESIDENT, Mr. Sergeant, then took occasion to express his regret at the circumstance of there having been a departure from the good order that had heretofore been observed by those in the gallery, during the sessions of this body, and to say that, should there be a repetition of it, he should feel it his duty to order the gallery to be cleared.

Mr. HEISTER, of Lancaster, on leave given, offered a resolution to that effect, which was laid on the table for the present; on motion,

The Convention took its usual recess.

THURSDAY AFTERNOON, DECEMBER 7, 1837.

SEVENTH ARTICLE.

The convention again resolved itself into a committee of the whole, Mr. REIGART in the chair, on the report of the committee, to whom was referred the seventh article of the constitution.

The question pending being on the motion of Mr. STEVENS, to amend the amendment moved by Mr. READ, by striking out all the words after the words "section 3," and inserting in lieu thereof, the following, viz:

"The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people."

Mr. DICKEY resumed his remarks. I was referring (said he) at the time when the committee rose, to the position in which Pennsylvania stood, when the gentleman from Indiana held the situation of a canal commissioner. I had stated that there was a deficiency in the treasury, of means to pay the debt contracted in the extension of the system of internal improvement. I was going on to say that I had always been a friend to internal improvement, and also to the canal, at that time so strongly recommended by the board, of which the gentleman from Indiana was the president. I felt an anxiety that this work should be carried

out, because it was part of the original design of opening a water communication with the west. My constituents had contributed their mite to this object, with the expectation that this great work would be carried out, according to the original design.

My constituents had never faltered in this expectation; and it would have ill become any representative to be so recreant to the duty he owed his constituents, as to oppose the adoption of measures so conducive to the interests of Pennsylvania, and concerning more immediately that particular district of the commonwealth. It might have comported with the feelings of those who went out of office, and who were ever ready to serve the powers that be at Washington, if I had shown such a disregard to the interests of the people, as to have voted against the charter of the United States Bank. If that bank had not then been chartered, what then would have been the situation of Pennsylvania? Where could the funds have come from to carry on the system, at the head of which was the gentleman from Indiana? Where would the funds have come from? The state must have borrowed the money. The governor had recommended to the legislature to carry on the canal, but did not say where the money was to be obtained, except by borrowing. We should have been in the same situation as we were in, when the governor, in recommending the improvement system, recommended a tax of one mill in the dollar on all real and personal property. And when the legislature granted a charter to the United States Bank, that they were enabled to repeal these taxes; and to go still farther. The legislature appropriated two millions of the bonus received for the charter of the United States Bank to carry out that system which concerns the happiness of every child in the commonwealth; but which would have been overturned, but for the manly stand made by the gentleman from Adams, (Mr. Stevens) in defence of the school system. The legislature was farther enabled to provide means for carrying on the system of improvement with new vigor; and to authorize a geological survey, with an appropriation of six thousand dollars a year, to carry it on.

Through you, sir, let me ask the gentleman from Indiana, and every democrat on this floor, or in this whole commonwealth, what injury has resulted to Pennsylvania, from thus providing the funds to carry out this plan of internal improvement, of which the gentleman from Indiana was the president, and to place the school fund on a basis from which it cannot be removed, and to establish a geological survey? What injury has resulted to Pennsylvania from the act? It was not pleasing to the powers that be at Washington city, that this should be done, although these persons were distressed and embarrassed, to discover what measure of relief to themselves could be devised. Still, if it was not pleasing to the party at Washington, the "great Globe itself," the organ of that party, did not dare to denounce the bill granting the charter, until it had passed out of the house, and gone to the senate. That paper did then come out in opposition to the measure. It admitted that the state of Pennsylvania had a right to establish a Bank of the United States, as a state institution, to carry out its system of internal improvement; and founded its opposition on the ground that the 13th section of the bill, which authorizes the establishment of branches in any of the other states, was an unconstitutional provision. That was the ground of opposition set up by the

“great Globe;” admitting the perfect right of the commonwealth of Pennsylvania to charter the institution, and that no other power had a right to interfere, were it not for the clause which authorized the establishment of branches in the other states. That provision was in the bill, but was stricken out in the senate.

Yet the opposition of the Globe, and of the powers that be at Washington, did not cease, when that section was stricken out; and members who are supposed to belong to the democratic party, denounced the measure, and following in the lead of the Globe, assailed us who supported it, as recreants from the party and from our duty. I regarded the duty I owed to the commonwealth, as of a higher character than any which was due to party, and I am happy to say that in this view, I have been born out by my constituents. Every attempt which has been made by those who denounced me, to induce my constituents to withdraw their support from me, has signally failed. I have since been joined by Jackson men; and I am here, by a majority of twelve hundred over the anti-bank man who opposed me. What harm has the charter of the United States Bank done to Pennsylvania? Where was the injury done by the legislature of 1835-6? I am not astonished that the gentleman from Indiana should describe as high handed measures, what the officers going out of public service had thought to be impossible.

Yet Ritner did relieve the people from taxation, did carry on the system of internal improvement, did place the school fund on a prosperous and permanent foundation, and did establish a geological survey. He had carried out all the brilliant suggestions of the gentleman from Indiana, and this was to be represented as a fraud upon the people; and it was done by Ritner and his administration. It would have been gratifying to the gentleman from Indiana, to have seen Ritner embarrassed, and the people taxed to the amount of two millions to carry out the system.

He knew that Governor Ritner was pledged against taxation, and he was vexed to see all the measures carried out by the present executive, which had been recommended by his predecessors. It might have been gratifying to those who follow in the track of the gentleman from Indiana, in this convention, to see the administration embarrassed, that they might have a chance of coming into power, and to have wielded that official monopoly, of which I will presently say something. It would doubtless have been gratifying to them, as all their efforts have been directed to try to embarrass the administration, in promoting the interests of the state of Pennsylvania. I conceive that my friend from Indiana, is rather despairing of coming into office.

[Here Mr. D. made some personal references to Mr. Clarke, which were not distinctly heard by the reporter, and which are therefore omitted altogether.]

I regret (resumed Mr. D.) from the depth of my soul, the degradation of some Pennsylvanians. Looking at the prosperity of this great state, surveying her broad lands, her inexhaustible stores of commercial wealth, her system of rail roads and canals, her school system, her proud city emporium, her great western city; I regret to see men born within the

limits of Pennsylvania, professing to be Pennsylvanians, undertaking to vilify and abuse the institutions of Pennsylvania. I regret to see men who encountered all hazards and risks to promote the great system which is carrying the state onward to her glorious destiny, now ready to retail the miserable scandal of the Globes, the Keystones, and the Reporters of the day. I am sorry to see any man raised in the bosom of Pennsylvania, degrading himself so low as to become the slave of the powers at Washington, and for the sake of gratifying them, joining in the outcry against the institutions of their own state, which are connected with all her interests, and have greatly contributed to promote them, so that not a single one has been neglected. And for what? That they may obtain some office of emolument from the central power. It must be for that. The language of denunciation against himself (Mr. D.) and the institutions of Pennsylvania, used by the last speaker, (Mr. Brown) was such as could scarcely have been expected from a Pennsylvanian. Was the gentleman who uttered it a Pennsylvanian? The sentiments were more suitable to the old dominion, than to Pennsylvania, and the gentleman was himself as much a subject of the old dominion, as a citizen of Pennsylvania.

If the existing evils have been brought upon us by the action of other states and by the action of the federal government, the suspension of specie payments came not of the seeking of this commonwealth, or of any of the banks of this commonwealth; and that man, be he in this house or out of it, is no true Pennsylvanian in heart and in feeling, who would desire that the banks should resume until they were fully prepared to do so, and *that* in such a manner, as to prevent the possibility of a collapse. That man, I say, is no true Pennsylvanian, who would desire that this commonwealth should march in advance to resume specie payments, in order that the state of New York may supply herself with as much hard money as she pleases from our coffers.

The suspension of specie payments was not a voluntary act on the part of the banks here or elsewhere. I will do the banks of this state and of all the other states in this Union, the justice to say, that it was a measure forced upon them by an overruling necessity. It was compulsory—they had no choice, no alternative—they were compelled to suspend specie payments, and that compulsion grew out of the hostile course of policy which has been adopted towards them by the general government. There is no fact on earth of which I have less doubt than of this; and I do not believe that any delegate on this floor, does, in his conscience, doubt that fact, if he had only the candor to acknowledge it.

I am aware, however, that it requires no inconsiderable degree of magnanimity to acknowledge that we have been wrong in a course of policy which we may have pursued for months or years, with an energy and determination worthy of a much better cause. I can not, therefore, look to hear any admission of this kind; for, if it were made, it would interfere seriously with party dictation and party drill. I have no doubt, in my own mind, that the mode in which the secretary of the treasury carried into effect the act to regulate the public deposits, passed at the close of the long session of 1836, was, in itself, sufficient to account for all the difficulties

and embarrassments we have experienced, and which finally resulted in the suspension of specie payments. I do not make this declaration lightly. I am borne out in it by the opinion of one who, I think, will be considered good authority; I mean Reuben M. Whitney—the well known agent of the deposit banks. We all know that he has had constant intercourse with the secretary of the treasury—that he was, for a long time, the ambassador of the banks near the treasury department. I say, my declaration is corroborated by his opinion.

Who is it, at the present moment, that prevents a return to specie payments by the banks, not only of the state of Pennsylvania, but of the United States? Who is it? I answer, it is the power of the government at Washington—the government of the people, whose especial duty it is to watch over and preserve their general rights and liberties. Am I not sustained by abundant proof in the assertion? Does any man of common intelligence doubt, that if the project introduced into the senate of the United States, by Mr. Rives, of Virginia—and by which credit was to be given to the notes of such banks as might resume specie payments within a certain period—does any man, I ask, doubt that if that proposition had been adopted, there would have been a general resumption by the day designated by him—that is, the first day of January? There can be no doubt of it. But another favorite project had seized hold of the imaginations of the powers that be; that is to say, they were determined to try the yet untried experiment—all their other experiments having fallen to the ground. And here we all are in the midst of the glorification of this yet untried expedient! Where we shall be in the course of a short time, if the general government persists in its career, is more than I can foresee.

This sub-treasury system, Mr. Chairman, is nothing more nor less than a plan to concentrate the money power of the government with the patronage of the executive; and, sir, since the word of command has gone forth from the city of Washington in the shape of the presidential message—since the cue has been given to the party—we find them rallying through the state of Pennsylvania, in support of this great untried experiment. After the suspension of specie payments in the month of May last, great doubts existed as to the course to be pursued by the ruling powers. It was then thought expedient to make war against all banks and against the credit system. But they began to find that some results were likely to follow, which, in their profound calculations of the future, they had never anticipated. They began to find, that there was a conservative party in the country and in the senate of the United States, as there had been in the senate of Pennsylvania; that there were men who had so far stood firmly by the administration, that were unwilling to give their sanction to the ruinous measures it proposed, and who determined to stand boldly out against this attempt to unite the money power with executive patronage. And, while this untried expedient was in embryo—before it was known whether the great magician would commit himself to it—while the Washington Globe—the official organ of the administration—was pouring forth its denunciations against banks and credit, and warring fiercely against the business and the commerce of the country—in the midst, I say, of this great war, we had a great anti-bank convention got up at Harrisburg, where doctrines of a

similar tenor were promulgated and advocated; and in that convention were to be found the gentleman from Indiana, (Mr. Clarke) the gentleman from Susquehanna, (Mr. Read) and others, leaders of that party—ready to denounce all the institutions of this commonwealth without regard to the fatal consequences which might have followed such proceedings. Sir, there are men who are always ready to follow in the wake of power, and to its high bidding, to whatsoever it may lead; and whose opinions change according as they may find a change to be expedient or servicable to them. They are always ready to look up to the head of the party in Washington, as the source from which they are to derive the laws by which their conduct and movements are to be governed; neither can they move, nor act, nor speak, nor think, save in accordance with the directions which they derive from that source; and thus it is, that they are ready, at all times, to denounce and proscribe those who will not follow in their path, and offer up incense before the Juggernaut of their own party. It is but a few days since, that these denunciations were hurled against Senator Tallmadge, by the powers that be, because he, like many other enlightened and patriotic statesmen, would not uphold the ruinous policy of the administration. Those denunciations have ceased, however, since the people of New York—yes, sir, the democracy of New York, have spoken in tones which have reached the rulers of this nation, even in their most secluded retreats. And since that time, the thunders of the Vatican have been heard no more.

But, to return. I say that the interests of the state of Pennsylvania, were greatly promoted by the legislation of the years 1835-6. I say that there is no honest Pennsylvanian, who has the candor to acknowledge his true sentiments, that must not regard that legislature as having promoted the interests of his state. I defy them to point to a single injury which has been sustained by a single individual in the whole length and breadth of this commonwealth, or by the commonwealth herself, since the incorporation of the Bank of the United States as a state institution. I challenge them to the proof. Sir, they know well that they cannot produce it. But, look on the other side of the picture. You find that the good which has resulted from its incorporation, has not been confined to the limits of this state alone. It has, on more than one occasion, given welcome relief to the neighboring cities. It must be fresh in the recollection of every gentleman who hears me, that in the month of April last, during a time of severe embarrassment in the mercantile community, this institution issued its bonds to the amount of five millions of dollars, for the relief of a neighboring city—to protect and to save the mercantile interests of that city. If it had not been for the incorporation of this bank, I cannot undertake to say what might now have been the condition of the city of Philadelphia; I cannot undertake to say that the state of Pennsylvania might not now have been prostrated before New York. I believe that there is a party who desire to see that state of things brought about. I believe that there is a party in this hall who yield to the dictation, and obey the will of a President, who comes from that state.

But, Mr. Chairman, I have stated that the benefits of this institution have not been confined to the limits of the state of Pennsylvania alone; that they have extended beyond that sphere. I am even disposed to

think that she has conferred her favors upon those who are in the daily habit of heaping abuse and odium upon her. I know that we have a delegate in this convention—I allude to the gentleman from Berks county, (Mr. Keim)—who was formerly at the head of the management of the Berks County Bank, although I know he does not hold that office at the present time. I know that since he left that institution, he has become a great opposer of banks, that he has declared his creed in opposition to them, in order that it may be printed and circulated through the county of Berks. I will ask leave to propose a question to him, to which I should be pleased to have his answer. I will ask him whether the United States Bank of Pennsylvania, did not loan money to the Berks County Bank, to the amount of from fifty to one hundred thousand dollars?

Mr. KEIM, of Berks county, said that he had no hesitation in replying to the interrogatory of the delegate from Beaver county, (Mr. Dickey.)

It is true, said Mr. K., as the delegate states, that I was for some time the president of the Berks County Bank. Of my own free will, I chose to resign that office; and I believe conscientiously that, if I had possessed influence sufficient to govern that institution, it never would have been reduced to the necessity of suspending specie payments.

In reply to the more immediate question of the delegate, and by way of explanation as to the money loan, I beg leave to say, that I am not aware that the institution alluded to, ever received, during the period in which I was its president, a single dollar from the United States Bank of Pennsylvania, as a loan. She kept her account with the other banks, as other banks did one with another. But, so far as my knowledge goes, there was no special favor done—more than was conceded to any other banks which kept their accounts in this city.

As an individual, my opinions in reference to banks, remain unaltered. I regard them as institutions designed to answer the purposes of public convenience, and not of private speculation. And if the charge of the delegate from Beaver county were true—if my sentiments had undergone the great change which he avows, I should deem it a sacred privilege to acknowledge I had been in error, and to retrace my steps. But such is not the fact. I repeat that my opinions remain unaltered. I own no stock in any banking institution. I cannot undertake to say, whether the Berks County Bank has, or has not, borrowed money from the United States Bank of Pennsylvania, since I resigned the office of president. I fear, however, that she has done so.

I am in favor of placing such restrictions on the system, as will effectually secure to the people a sound circulating medium. That such restrictions can be devised, I do not doubt.

In conclusion, I will take the liberty to remark, that some gentlemen are callous to every sense of propriety, and so steeped in political infamy, that, like a certain well known animal which I will not name here, they taint with opprobrium all around them. I have nothing more to say, and I hope the delegate from Beaver will be content with this answer to his inquiry.

Mr. DICKEY resumed. Mr. Chairman, I accept the explanation of the gentleman from Berks county, (Mr. Keim) so far as that explanation goes. If I understand him correctly, he does not positively undertake to say—and he having been the president of the institution, ought to know the fact—that the bank was not a debtor to the United States Bank of Pennsylvania, nor that the United States Bank had not favored the institution. There is no doubt that the gentleman is not connected with the bank at the present time, because, if he was, he surely would not have the hardihood to denounce those institutions as he now does. I do not know how the fact may be, but I think it is possible that all the chagrin and mortification which he now manifests, may be the result of disappointment, owing to his disconnexion from the bank.

The gentleman from Indiana county, (Mr. Clarke) has stated in his remarks, that he was opposed to money corporations, but not to corporations for the purposes of internal improvement. I suppose that one reason which governs the gentleman, in his friendly feelings towards the latter corporation, is, that if he set out to denounce them, he might find his own situation to be not the most agreeable in the world, himself being a president of one of them. But what are the banks? They are places for loaning money. And for what purpose were they created? Why, every man can answer for himself—they were created for the purpose of loaning money. Do they possess exclusive privileges? The gentleman from Indiana, and others who travel the same path with him, would gladly make us believe that they do. What is a monopoly—in any sense or meaning of the term? What I understood to be meant by the term “monopoly,” is the exclusive right of buying, or the exclusive right of selling, or the exclusive right of holding any thing. The greatest monopoly which we have in this country, is that of the office of President of the United States, because only one man can be in the enjoyment of it, at one and the same time. The offices are just so many monopolies, because while each is in possession of one man, all other men are excluded from the enjoyment of them. These are your monopolies. The gentleman from Indiana, as well as myself, have been so fortunate as to have enjoyed considerable advantage from monopolies of this kind; and I think that the great secret of that gentleman’s zeal for the democratic party, has been for the sake of holding and enjoying this same exclusive monopoly. Am I right, or am I mistaken in this supposition? I have but to refer to that period of time, well known to the members of this convention, when we were about to nominate a governor—when the gentleman from Indiana, was at the head of the most extensive system of patronage within the power of the government—I mean the internal improvement system; with all its vast host of retainers, engineers and officers of every description—when they were all mustering to the combat, to retain Governor Wolf in power, and retain the gentleman himself at the head of that system. I ask him, therefore, whether the “pith and marrow” of his democracy does not consist in his great desire and love of office? Sir, there can be no difficulty in answering this question. At that time, it was a great convenience to the gentleman from Indiana, and to those who followed in his train, to denounce my political course; to hold me up as a demagogue, and as a disorganizer of the democratic party, because I dared boldly to declare myself independent of his dictation in

regard to Governor Wolf, and to declare myself opposed to his retention in office.

This was my great offence; and, for this, I was denounced by the gentleman from Indiana, and his forty-thousand Wolf men throughout the state. I was denounced as a recreant then; I was denounced in every instance, except where it was thought that my influence might be of some avail in keeping them in power. And, when a job for printing, or some such thing, was got up in the senate of Pennsylvania, and my services might be of some avail, I could then be as good a democrat as any other man in the party. In this position it was that I stood in the year 1835-6. The Muhlenberg men dared to unite with the anti-masons, and to deprive the Wolf men of the printing of the senate, and for that I was denounced with all the bitter malignity with which those gentlemen are accustomed to denounce those who offend, in any degree, against their dictation and command.

Mr. Chairman, I am thoroughly convinced that all the efforts which have been made, since the charter of the United States Bank of Pennsylvania, in the years 1835-6, down to this present day, against that institution, as well as other institutions of a similar description, were all made merely with an eye to, and for the sake of, office. I declare this to be my deliberate conviction. I believe in my conscience, that the gentlemen themselves who have made these efforts, did not desire the repeal of the charter of that bank. I say, I verily believe that the party with which the gentleman from Indiana, acts, that the gentlemen themselves on this floor, and their party throughout this commonwealth, did not sincerely desire the repeal of the charter of the United States Bank. Am I correct in this statement? Or, have I any data to bear me out in it? Sir, I believe that the position I assume is capable of the clearest demonstration.

At the last session of the legislature, a majority of those who were elected representatives, were known to be opposed to the United States Bank. This is a fact fresh in the recollection of every man who hears me. When a proposition was introduced, as mentioned by the gentleman from Indiana, to repeal the charter of the bank, they did not vote for it. They certainly could not have desired to repeal it, without, at the same time, refunding the bonus which had been paid. But, probably, the gentleman from Indiana, will go so far as to say, that the charter might have been repealed without refunding the bonus. Now, if the party, as a party, meant to go the whole length of their own declarations and to insist at all events, on the repeal of the charter, how do they account for the measures which they have subsequently got up in the legislature? How is it that, at the last session, they got up a large improvement bill, by which every dollar which was to be received from the United States Bank, was appropriated to objects of internal improvement, a portion of which went to the very rail road the gentleman was president of? What consistency is there between the professions and the practice of the members of that party, when they are convicted of such gross contradictions as these? Or who, with such facts staring him in the face, could believe that the party did, in their hearts, desire that the charter of that bank should be repealed.

If then, the gentleman is in favor of repealing the charter of the United States Bank, I ask, if the company he is president of will retain the money they have obtained from it, or will they pay it back to that institution. I ask the gentleman if they are prepared to pay back this money; sir, I say, they are not. If they are seriously bent on repealing this charter, they are certainly about devising some means of paying back the money they obtained from the institution to carry on their road. I ask the gentlemen too, if they are willing to abandon the common school system. Have they not received the means of the bank for this purpose, and are the schools not going on prosperously under it. But if this fund is given, I ask gentlemen where are they to raise a fund for this purpose. Where, and how is a common school fund to be raised, if this fund is given up. Do gentlemen mean to tax the people to this amount? Do they contemplate any such thing? Sir, they do not contemplate it, and all their agitation here is merely for party purposes. They believe they can tamper with the people and operate upon their prejudices now, and again, and time without end. But, sir, I tell them now, they cannot always do it—the people are not always to be humbugged. The people are honest and mean to do what is right, and whenever they discover that they have been misled by demagogues, they will retrace their steps and abandon those who have misled them. For the truth of this, I refer gentlemen to the third district of this state, which has been set in motion by the agrarian doctrines of the report of the gentleman in this body, from that district.

The voice of the democracy of numbers has been speaking, trumpet tongued, there and elsewhere in this country. The democracy of numbers in New York has spoken, and the voice of the democracy of numbers has come rolling in upon us from Indiana, Kentucky, Tennessee and Ohio. In the language of the gentleman from Susquehanna, let me answer the arguments of gentlemen. That gentleman has said that the democracy of numbers has been fighting the aristocracy of wealth. I now say that the democracy of numbers has been fighting the aristocracy of office holders, who are even more odious than an aristocracy of wealth, if there were any such class in existence in this country. The democracy of numbers has been for a long time contending with the aristocracy of office holders, who have been striving to keep the exclusive right of governing the destinies of this country. The office holders have contended for the exclusive right of governing this country, and of taking care of its prosperity as they understood it; but the people have suffered long enough under their misrule, and my word for it, they will hurl from power those who have abused their trusts, and put in their place those who will administer the affairs of the state more ably and faithfully. The gentlemen from Susquehanna and Indiana, and the gentleman from Luzerne, with all his distinguished eloquence, will have the mortification of seeing those whom they worship, turned out of their high offices by the hand of the people, when the democracy of numbers rise in their strength and speak out their opinions freely. Their rights are too sacred to be trampled upon by those in power, either here or in Washington city. Sir, the people will not endure the treatment they have received at the hands of the powers that be: they are indignant at it; they are aroused; the ball is in motion; and let me tell gentlemen, in the language of the cele

brated Marshall Ney, that revolutions never go backwards. These gentlemen know the feelings and sentiments of the people; they are aware that what I have stated is true—they know it—they feel it—they feel that the power of the people is upon them, and they are struggling to turn it aside. They are trying to stay and hold back the people, but they cannot do it: the people are rising in their might and will conquer.

The war upon the Bank of the United States, has been a popular subject of political declamation, and since the recent victories in New York, this war has been renewed with increased violence in order to work upon the prejudices of the people. It has been assailed and denounced in the most bitter terms by every species of political intriguers, from the lowest to the highest. Even Mr. Van Buren himself, has condescended to stoop from his high station, to attack and assail an institution which is exclusively a state institution. Well, sir, in what manner has he seen proper to do this! Why he has brought to the notice of congress that this state institution chartered by the legislature of Pennsylvania, has issued about six millions of dollars of notes of the old Bank of the United States, which was chartered by congress, but whose charter had expired, and he seems to intimate that it is possible that the government of the United States may be called upon to redeem these notes. Why, sir, there is not a man who knows any thing of the condition of that bank, who will believe for a moment, that there is the least danger of the government of the United States, ever being called upon to redeem a dollar's worth of the notes of that bank, and it only showed the littleness and meanness of the President, to refer to such a matter as this, in his annual message to congress. The more so was this the case, when we recollect that since the suspension of specie payments, when the government of the United States was in the greatest distress for the means to pay off the demands which were made upon it by its creditors, it had to call upon this same much abused institution to advance it some four or five hundred thousand dollars, to pay off its many pensioners. This the government of the United States was compelled to do, yet the President has the hardihood to denounce the institution for putting in circulation some five or six millions of dollars of notes, which it was well known it had the ability to redeem at any time.

Why, sir, if gentlemen were Pennsylvanians in feeling, as they ought to be, they would rise and scout those powers at Washington, who are declaring and carrying on a war against the institutions of their state. If they were possessed of the spirit which ought to lie in the bosom of every Pennsylvanian, they would say to the authorities at Washington, "you have nothing to do with our institutions, and we will not permit you to come and intermeddle with, or dictate to us, what we shall do in relation to them; we will have none of your commands here, as to the propriety of our institutions doing this or that." This is the spirit which ought to possess gentlemen, and I am only sorry to think, that there is, residing on our soil, those who are opposed to Pennsylvania institutions.

The gentleman from the county of Philadelphia, (Mr. Brown) has thought proper to read extracts from a printed speech of mine, made in the session of the legislature of 1833-4, to show that I, at that time, was

opposed to the establishment of a national bank, by the general government. Well, I wish the gentleman to understand that I am still opposed to the corporation of such a bank. I was then the advocate of a state institution, and am so still; and, so far as that speech is concerned, I will say that there is not a word in it, which I would now be willing to take back.

So much for that, and so much for the reading of pages from that speech, to show my inconsistency. There was nothing in that speech inconsistent with my subsequent course in the Pennsylvania legislature. I was then opposed to the establishment of a great bank by the national legislature, and I was in favor of the incorporation of banking institutions by the states, and these same opinions I still hold to.

I will yield to the gentleman from the county of Philadelphia, (Mr. Brown) the justice—and I wish to do no man injustice—to say, that I believe he has been at all times opposed to banking institutions. I believe he has always opposed the incorporation of banks, with, perhaps a single exception, and if I am wrong in that, he will correct me. I recollect well that he was a member of the legislature in 1824, and that he was then opposed to the establishment of banking institutions, and I believe he has pursued the same course.

The gentleman from Indiana, (Mr. Clarke) however, I think, was not opposed to the re-charter of the Bank of Pennsylvania, with a view of carrying on the internal improvements of the state. I know he was at that time a great internal improvement man, and it would have been singular that he should have been opposed to the means of carrying them on. I have before had occasion to say that the Bank of Pennsylvania was incorporated, upon condition that it was to loan the state four millions of dollars—a million a year—for carrying on the improvements of the state.

Now, I am not certain whether he was, or was not opposed to the re-chartering of that institution; but, I think it is fair to presume from the position he then occupied, and from the interest he took in the improvement system of the state, that he was not opposed to the mode of raising the ways and means of carrying out that system. The title of the act chartering that institution, was an act authorizing the making of a loan to carry on the improvements of the state, and to re-charter the Bank of Pennsylvania.

Well, this was looked upon as all right and proper by gentlemen; but, when in 1836, the legislature had the hardihood to pass a bill to repeal the state tax, carry on the internal improvements of the state, and re-charter the Bank of the United States, it was denounced by gentlemen as being a most extraordinary act.

Now, I wish to call the attention of gentlemen to one fact connected with the propositions submitted by the gentleman from Susquehanna, and that is this, that when the general law in relation to banks was passed, in 1824, it was proposed, in an amendment to that general law, to make stockholders responsible for the debts of the banks, in the same manner which was proposed by the gentleman from Susquehanna, and that legislature, which was a clearly democratic legislature, voted it down, and, if I

mistake not, the gentleman from Susquehanna then voted against it. If it had then been proper to place such restrictions upon banks, would not that democratic legislature, which had gone into the subject of bank restrictions generally have adopted that provision.

The fact is, that it was not then proper to be adopted, and it would not now answer any purpose to pass such a provision. The adoption of such a provision as that, would have one of two tendencies. It would either have the effect of placing the banking institutions of the commonwealth in the hands of your excessively rich men,—your men, worth their hundreds of thousands of dollars—your *millionaires*; or it would have the effect of placing your banks in the hands of swindlers, or irresponsible persons. Your banks would either be in the hands of your real moneyed aristocrats, or else they would be in the hands of persons of so exceedingly doubtful character, that they would not be trusted by any one.

The gentleman from Indiana, (Mr. Clarke) had objected to these moneyed corporations, because they were exclusive, and were owned by one particular class in the community. Now, this is an entire mistake, which the gentleman must see, if he examines the subject at all.

In the first place, they have only the right to loan to double the amount of their capital, and in the second place, their capital can be owned by every one in the community, who can raise fifty or one hundred dollars to purchase a share. Some of the banks were enabled to issue notes to twice the amount of their capital, but many of them were not. The Bank of the United States never had issued notes even to the amount of its capital.

Again, in relation to banking institutions being an exclusive monopoly in the hands of the few, it was ridiculous to talk about it. There is no man who has health and industry, but may become a stockholder in a bank. Every man may become a shareholder in these institutions, and the public is greatly benefited by the system. Gentlemen too, have said that banking institutions obtained usurious interest upon their funds. This, however, was not the case. They obtained but six per cent upon their money, and they prevented usury being demanded by individuals who had money to loan. The creation of a large number of banks, and the paper credit system in Boston had the effect of reducing the interest upon money throughout Massachusetts to six per cent.

The gentleman from Indiana has said that no bank had ever been created in his district. That may be, but I venture to say that wherever banks do not exist, usurious interest is not uncommon. I know that, before the introduction of banks into my county, usury was practised to a very great extent, but now since banks have gone into operation, the business of shavers has been cut off, and the poor, but industrious mechanic and farmer, is enabled to obtain money at six per cent. I will give an instance of the usury which was practised before banking institutions went into operation in that country, and perhaps, such instances as this, is what induces gentlemen to oppose banking institutions. I knew two paper makers who were practical men, but men of small means, and they went into the business of manufacturing paper pretty largely, and

became embarrassed, and not being able to proceed, they got embarked with them a man of property, whose name would command money at some price, and I know before they got through with their difficulties, they were shaved at the rate of twenty-five per cent per annum—they had to pay twenty-five per cent for the use of money.

I have stated what is the favorite project of the gentlemen here ; and that it is a party project, because it originated in Washington. It is a project, which, if carried out, would be attended with the most injurious results to the business community of the United States ; for its effect would be to drive the banking institutions into the hands of the over-grown wealthy, or to give them up to a set of swindlers.

The course which gentlemen on the other side have pursued in relation to this question, is truly remarkable. In their anxiety to procure the adoption of their favorite amendments, they have over-looked the only legislative provision which would effectually restrain the evils of the banking system. Probably this was done by design—I do not make the assertion, though their conduct certainly bears that aspect. They have over-looked the only provision which could effectually accomplish the end desired, and which is simply this.

By the act of 1834, it is provided that the directors of these institutions, for the time being, shall be held responsible for the management of the particular concern to which they may be attached ; that is to say, if they exceed the privileges which the charter may have bestowed, they are to be held responsible in their individual capacity. I believe this to be a correct principle. But why should we hold an innocent stockholder liable for the consequences of these errors or violations of charter which have occurred solely by the conduct of the directors ? Is this right ? Is it just ?—is it equitable ? Surely not, sir. Let the directors, to whom alone the responsibility and the power attached to the management of the institution belong, be held liable for their misdeeds ; but, do not visit upon the innocent, that punishment which should be awarded only to the guilty. Whatever evil there is in the system, arises from the manner in which the banks are managed. And who constitute the management ? Why, the directors. Why not then render them responsible. The second of the series of propositions submitted by the gentleman from Susquehanna, declares, “ that the stockholders of all banks hereafter chartered, re-chartered, revived, continued, or relieved from forfeiture, shall be made severally and individually liable for the debts of the corporate body.”

But I have looked in vain through these propositions, for one which shall render the directors of the institution “ severally and individually liable.” It is not there, and while some of the other suggestions of the gentleman may be proper or good, yet there is not the least reference made to the one only provision which will effectually keep in subjection the evils of the system. Why is this ? Has it escaped the rigid scrutiny with which the gentleman from Susquehanna has examined this subject, or has it been a part of his plan to make the innocent and the guilty suffer together. The responsibility is to be imposed on the stockholders alone.

Mr. Chairman, the democracy of 1824 were right when they refused to

render the stockholders liable in their individual capacity. But they were also right in rendering the directors so liable—and for two reasons; first, to secure the public; and secondly, to secure the stockholders who had entrusted to their hands the management of their affairs. And yet, now, gentlemen of that party either deem it unnecessary to impose this liability, or they choose to take no notice of it.

I will here take occasion to remark that, however proper it might be to hold these directors responsible, I do not think that it is proper for us to introduce such a provision into the fundamental law of the state. I think it is a subject which comes within the legitimate sphere of action of the legislature, and I have no doubt that it may be safely entrusted to that body, and I do say that it would be their duty to hold the directors more responsible than they are at the present time, if it should be found necessary to do so. Look at the state of things existing at the present time! We were suffering under a suspension of specie payments, which had not been brought about by the wishes or desire of the banks;—a measure which was contrary to their interests, and which, as I verily believe, was forced upon them in direct opposition to their will. Would it be just, in such a condition of things, to render men severally and individually responsible? But, if it is deemed necessary, I have no objection that the directors should be held responsible, in their individual capacity, for the redemption of the whole of their paper. You will then have none but responsible men in the management of these institutions, and they will be well and safely conducted. What more can be desired?

It may also be proper, as a legislative provision, to prevent the circulation of notes of a less denomination than ten dollars. But, it would not, in my opinion, be proper for us here to do so; and, for this reason, that at a time when you would wish to be extending your circulation, you would, by such a provision, drive out of your circulation the notes of other states. Some of the other states, it seems, are going back again to the old system. The state of New Jersey, for example, has repealed the law placing a restriction on small notes; and, it is currently talked of, that the state of New York will go back again to her one dollar notes. Under such circumstances, would it, I ask, be prudent or expedient to place a provision in our fundamental law, which can not be reached, which must remain there fixed and irrevocable—until some provision should hereafter be made for its revocation?

Sir, in my judgment, it would be very imprudent to insert such a provision. I was satisfied of the imprudence of such a provision last year, and I voted against it—in the senate of Pennsylvania, at the session of 1836-7. The gentleman from Susquehanna, (Mr. Read) at that time, was of the same opinion.

It may be proper also, Mr. Chairman, to restrict the amounts of the dividends of the banks, to seven per cent per annum. I do not, however, know exactly how this may do. So far as I have at present reflected on the subject, it strikes my mind that the only effect of such a limitation would be, that it would operate against the small banks, while it would prove more advantageous to those of large capital. Its operation, I think, would be unjust, because it would be unequal. Your bank of Northampton county, your bank of Chester county, which made dividends to

the amount of from twelve to fourteen per cent per annum, may do so with perfect security, and may yet be fully competent to redeem all their issues. I think its effect on the smaller banks would be injurious.

It was stated to-day, by the gentleman from the county of Philadelphia, (Mr. Brown) in the course of his remarks, that the legislature of Pennsylvania had reserved the power to revoke, or annul the charter of every bank, with the exception only of that of the United States Bank of Pennsylvania. This, I believe, is the fact. When the charter of that bank was under discussion in the legislature, there was a provision inserted in the house of representatives, reserving to the legislature the right to revoke it, if it should be found to operate injuriously upon the interests of the commonwealth. When the bill, with this provision inserted, came to the senate, it was referred to a committee of that body, of which I had the honor of being appointed chairman. When it came to be acted upon in the senate, I moved to strike out that provision, and to insert in lieu of it, what now appears as the fifth section of the charter, and which I will read for the information of the convention. It is in the words following :

“It shall at all times be lawful for a committee of the legislature, appointed for that purpose, to inspect the books and examine into the proceedings of the corporation hereby created, and to report whether the provisions of this charter have been by the same abused or violated, or not ; and if the officers of said corporation should refuse to be sworn or affirmed, or give evidence, or to produce all such of their books or papers as may be demanded before any such committee, then the legislature may by law declare the said charter void, and repeal the same ; and, whenever any committee as aforesaid, shall find and report, or the governor shall have reason to believe, that the charter has been violated, it may be lawful for the legislature to direct, or the governor to order, a *scire facias* to be issued out of the supreme court of Pennsylvania, in the name of the commonwealth of Pennsylvania—which shall be executed on the president of the corporation for the time being, at least ten days before the commencement of the term of said court,—calling on said corporation to shew cause wherefore the charter hereby granted shall not be declared forfeited ; and it shall be lawful for said court, upon the return of said *scire facias*, to examine into the truth of the alleged violation, and if such violation be made to appear, then to pronounce or adjudge that such charter is forfeited and annulled : *Provided*, however, every issue of fact which may be joined between the commonwealth or the corporation, such issue shall be tried by jury ; and on the trial thereof, the commonwealth shall have the right to change the venue from the county of Philadelphia to any adjoining county. And it shall be lawful for the court aforesaid, to require the production of such of the books or papers of the corporation, as it may deem necessary for the ascertainment of the controverted facts, and the final judgment of said court shall be subject to all the usages of law in other cases.”

Now, Mr. Chairman, I will beg leave to state, that one main reason which influenced my mind, in moving to strike out the section giving the legislature the right to revoke, and inserting this provision in its place, was simply this : It could not be concealed that, at the time the United States Bank was in existence, as a national institution, there had been a war carried on between that institution and General Jackson, then at the

head of the federal government. I was desirous, if it could be done, to take the bank entirely out of the political arena, and to place it beyond all political control and all political influence, no matter what might be its character or complexion. I was desirous to see the institution chartered for the benefit of this commonwealth, and for her benefit alone, and therefore, it was, that I made the motion I did. Was I right in moving to substitute this provision for that which had been inserted by the house of representatives? I thought I was right at the time, and I am still of that opinion. If the bank was capable of exercising the political power which had been charged upon it, it would, of course, have been the interest of that bank, whenever the question as to the repeal of its charter might have been agitated, to come to your legislature in its own defence, and to have exerted all the power and influence it might possess, to ward off the blow. In the position which I assumed, I was backed by the whole of the senate. It is true, that one or two motions were made, to reinstate the provision; but they were voted down. Mr. Leet, of Washington county, called for the yeas and nays on the adoption of this fifth section, and, if gentlemen will refer to the record, they will find thirty-three votes recorded in favor of my proposition. Among that number, would be found the name of the gentleman from Susquehanna, (Mr. Read.) He can explain, if he pleases, why he voted in favor of it. Such is the fact. I have thus explained the reasons which induced me to offer this substitute.

Much has been said by the delegate from the county of Philadelphia, (Mr. Brown) on the subject generally, of which I take no note, because I thought it did not require any thing in reply. He observed, however, among other things, that the democracy were not opposed to the banking system, that they had no hostility towards it; that their only object was to place such restrictions upon the banks, as would effectually secure the rights of the people from innovation.

Sir, there is not a conservative in this house—or, if there be any, they are extremely few in number—who is not willing and ready to give his assent to all such restrictions as experience tells them it is desirable to make. But they believe, as I believe honestly, that it does not belong to this convention to impose these restrictions. They do not believe that it is the duty of this body to place as a fixed rule in the fundamental law of the state, that which it might become necessary to repeal within the period of one or two years after its adoption. There is not a single restriction among all those which have been proposed by the gentleman from Susquehanna, that is not capable of being acted upon at any time by the legislature. The will of the people will be carried out in the legislature, and if the people demand that these things shall be done, who can doubt that they will be done?

The gentleman from the county of Philadelphia, (Mr. Brown) got possession of the annual message of the governor to the legislature. I had not the good fortune to see it; but, from the extracts which the gentleman was so obliging as to read, it seems, that the governor recommends the propriety of placing strong restrictions on the banking system. I hope that the legislature will adopt those restrictions, if they should be of opinion that they are proper. I will venture, however, if the gentleman

from the county of Philadelphia will not think me too rash, to make a slight prophecy—and that is, that the recommendations of Governor Ritner will not be adopted by the democratic party. Probably, it may be regarded as a high handed step in the governor, to introduce into his message, a recommendation to adopt any restriction which the members of this body have thought proper first to introduce here. It may disarm gentlemen of a part of their weapons of warfare; for I believe, that they really do not care much about reform. I believe, that if the majority of this convention should refuse to adopt these restrictions, the reform gentlemen will be ready to adjourn, and will say, inasmuch as we could not get these, we will not have any. The result will show. Probably, the very leader of the reform party—the gentleman who is considered to be the most capable and talented among them—I allude to the gentleman from Luzerne, (Mr. Woodward) may take this course. We cannot tell what is to come. That gentleman stated that his constituents desired only a few amendments, and that those few were very simple in their nature. And yet, if gentlemen will turn to the columns of the Daily Chronicle, or to the journals of this body, they will find that he has voted for every radical proposition which has been offered here. Probably, he thinks it is democratic so to do. I recollect well, that the gentleman had the hardihood, or the honesty, to introduce into this body, an amendment to the constitution, by which, after the year 1841, foreigners should be excluded from the privilege of holding office. This was something on a par with a proposition submitted by the gentleman from Indiana, (Mr. Clarke) to exclude, by means of restrictions in the constitution, all young men from going to the legislative halls, until they [had attained the age of twenty-eight years; because some of the young members who had been sent from the city of Philadelphia, had taken more pains in tying their cravats, than in attending to their duties in the legislature. And these are the principles which are promulgated in this body! These are the measures—more oppressive and odious than any thing attempted even in the times of the alien and sedition laws—which are offered for the action of this convention, by your equal rights' men—your anti-bank democrats. If this is democracy, may I be delivered from it. If this is democracy, I thank God that I am not a democrat.

The delegate from the county of Philadelphia, (Mr. Brown) concluded his tune of rhapsody—I do not know precisely what it was about—but he concluded it by saying, that he would sink or swim with the gallant ship. Let me ask the gentleman, to what gallant ship does he allude? If I understand him, he alluded to the ship in which the officers of the general government were embarked—who were warring against the most vital interests of the people, led on by a commander who is fighting against the democracy of numbers, and whose plan of battle, if carried out, would have laid low the people in one common ruin. Sir, let me tell the gentleman, that he has mistaken the character of his ship. He stood ready to do battle in that ship—to come and to go at the will and pleasure of his great commander; but let me warn him, that the democracy of numbers will overwhelm him and his ship at last. Yes, sir, at last. The waters are gathering, and the hour for the last struggle is approaching. I tell the gentleman and his party, who act with him in this unrighteous warfare, that their years and their days are numbered. Let them look to

the year 1840! at which time they may expect to see a new commander, and a new crew, and a more gallant vessel, while their own leaky ship, of which the gentleman speaks in such fervid terms of eulogy, will be strewed in fragments along the shore. Yes, sir, a new commander is coming—and he, too, no less than a hero—not the hero of New Orleans, but another hero, pledged to carry out, and who will carry out, that retrenchment and reform, to which the hero of New Orleans pledged himself, but which he has lamentably failed to perform. Let not the gentleman and his friends, therefore, deceive themselves with a false security. Let them not “lay the flattering unction to their souls,” that they can make war for ever upon the interests and prosperity of the country, and that the day of retribution will never come. Sir, I have said that it is approaching fast. I repeat, that the gallant crew, led on by this new commander, will overwhelm the gentleman and his ship, never again to rise. Sir, even now they are going down; even now they begin to sink before the irresistible power of the democracy of numbers. We believe in the democracy of numbers, but we do not believe in the democracy of office holders. And when the day of retrenchment and reform comes, as come it surely will, we shall see many hidden things of darkness brought to light; we shall have a sight of the proceedings of this administration, and we shall see whether the government was put to the cost of five hundred dollars for forty cords of wood. We shall see whether horses were purchased for the Florida campaign, at the enormous rate of five hundred dollars a piece—and I believe that such a scene of bare-faced corruption will be laid open, as the people of this country never conceived, nor have even dreamed of.

He would forbear saying any thing more on the subject at present. He believed, that he had gone through, examined and answered most of the remarks of gentleman to which he had taken exception. He did not know that he had spoken in a strain that was not justified by the observations which had fallen from many members of this convention. He verily believed, that the remarks of some gentlemen, at least, had been made for political effect.

He (Mr. D.) wished the people of the commonwealth to see exactly the position in which these gentlemen stood, and the projects which they supported. For himself, he could say, that he came here to make such amendments to the constitution as he believed those whom he represented, desired. With respect to those provisions which the delegate from Susquehanna, (Mr. Read) desired to incorporate in the constitution, he entertained the opinion, that they were not demanded by the people, nor would they receive their sanction. He (Mr. D.) knew they thought the legislature fully competent to accomplish all that the gentleman's amendment contemplated. He was certain, too, that while they properly appreciate the motives which governed the movers of amendments, they would award due credit to those who opposed them. He objected to striking out the third section of the seventh article, as proposed by the gentleman from Susquehanna. If the gentleman did not wish to strike out this section, he should have offered his amendment elsewhere. It might be inserted in the bill of rights. He should vote against the amendment of the delegate from Susquehanna, and in favor of that of the gentleman from Adams, (Mr. Stevens.)

He (Mr. D) had a word or two to say, in relation to the remark of the gentleman from Indiana, (Mr. Clarke) who said he was in favor of corporations, except those of a moneyed character. He would remind the gentleman of a fact, which he seemed to have forgotten, and that was—most of our internal improvement corporations, were money making corporations. There was, among others, the Schuylkill Navigation Company, which was paying twenty-five per cent. Now, none of our banks had done that.

While he (Mr. D) was a member of the senate, they reserved to the state the right to regulate the profits of corporations, by laying a tax upon their dividends, when above six per cent. The Schuylkill Navigation Company, he believed, possessed an unlimited charter. Since he became a member of the legislature, there had been better restrictions imposed on corporations, than before. The gentleman from Indiana, and the gentleman from Susquehanna, would find their ingenuity taxed, to devise better restrictions than were imposed on the Bank of the United States, by the late act. They were better than those contained in the banking laws of 1824.

On motion of Mr. BELL, the committee rose.

Mr. HIESTER, of Lancaster, withdrew his resolution, offered in the morning, relative to the noise in the gallery.

The Convention adjourned.

FRIDAY, DECEMBER 8, 1837.

Mr. DORAN, of Philadelphia county, presented a petition from citizens of the city and county of Philadelphia, praying that the civil rights, privileges or capacities of any citizens shall in no way be affected, diminished or enlarged, merely on account of his religious opinions,

Which was laid on the table,

Mr. INGERSOLL, of Philadelphia county, presented a similar petition from the same quarter.

Which was also laid on the table.

Mr. BIDDLE, of Philadelphia, presented a petition from citizens of Philadelphia county, (Southwark) praying for the insertion of a provision in the constitution, extending the right of trial by jury in all cases where liberty is at stake,

Which was also laid on the table.

Mr. STURDEVANT, of Luzerne, presented a remonstrance from certain people of colour in the county of Luzerne, against the introduction into the constitution of any provision which would curtail their political privileges,

Which was laid on the table.

Mr. STURDEVANT moved that this remonstrance be printed, but the motion was decided in the negative, without a division.

Mr. JENKS, of Bucks, submitted the following resolution, viz :

Resolved, That the thanks of this convention be tendered to the president and directors of the Pennsylvania Academy of Fine Arts, for their kind invitation to the delegates of this body to visit the academy whenever convenient to them; and that the secretary be directed to furnish them with a copy of this resolution.

On motion of Mr. JENKS, the convention proceeded to the second reading, and consideration of that resolution, and it was then agreed to.

SEVENTH ARTICLE.

The convention again resolved itself into committee of the whole, Mr. REIGART in the chair, on the report of the committee to whom was referred the seventh article of the constitution.

The question being on the motion of Mr. STEVENS, of Adams, to amend the amendment of Mr. READ, in the third section, by substituting the following, viz :

“The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people.”

Mr. BELL rose, and began, by remarking that the subject of banks and banking, including the currency of the country, was one which, until lately, had attracted but a small share of public attention ; and, therefore, though deeply interesting in its operation and results, and intimately affecting the interests and prosperity of the many, was, with some exceptions, well understood but by the few, who, from the peculiar relation in which they stood to our banking system, had made it the subject of investigation and study.

But, sir, (said Mr. B.) it has been remarked—and the experience of every day proves its truth—that no combination of circumstances, however untoward, is so wholly fraught with evil, but that some good may be derived, some valuable lesson learned, from the investigation of its history.

Thus, sir, it is, in some degree, consolatory, that many advantages may, and eventually will, be derived even from the pecuniary distress which afflicts all classes, and calls forth the voice of general lamentation. Not among the least of these advantages, is to be ranked the spirit of free inquiry, which has been awakened among the people, in relation to our monetary concerns, and the general disposition to investigate, and, as far as possible, comprehend a system which recent events have shown to possess a power for good or evil—an influence over the prosperity and well being of the community, hitherto unchallenged, because unsuspected.

It may be that the discussion in which we are engaged, may not terminate by engrafting on the fundamental law of the state, a principle having for its object a modification of this system, or restrictive of the legislative practice of conferring with a too liberal hand, corporate immunities for banking purposes—it may be that, although there is an undoubted majority of this committee who agree that this subject admits of, and requires amendment, we may so far differ as to the time, mode and manner of amendment, and whether by the immediate action of the extraordinary body here assembled, or through the agency of ordinary legislation, as to defeat the introduction into the constitution of some new provision in connexion with the subject, yet the present investigation will not be unproductive of good fruit, for it cannot fail to attract, still more intently, public attention, and direct the public gaze, with still more earnestness, to the contemplation of this all-absorbing, all-pervading topic. Such continued examination must eventuate in the suggestion and adoption of some remedy for the evils which appear to be inherent in the banking system of the country, as at present organized—of some sufficient guard against a recurrence of the disasters which have almost overwhelmed society, and tasked so severely the elastic temperament and buoyant enterprise of our citizens.

Exciting as is this topic, he (said Mr. B.) had cherished the hope that the discussion of it would have been conducted in a spirit of calm and dispassionate inquiry, and through a course of reasoning, which, while it sought to convince the judgment of all, interfered not with the passions or prejudices of any. He might confidently have hoped to arrive at sound and safe conclusions. In this he had been disappointed. He lamented that the advocates of the banking system, *as it is*, had, by the introduction of mere partisan topics, and by reiterated attacks on the democratic party, and the men who are supposed to be eminent in its councils, made it necessary for the friends of that party and the principles it inculcates, to repel, it might be with some degree of warmth, the aspersions which had been cast upon it and some of its distinguished members, and thus the debate had been made to assume a party and personal cast. He repeated, that he deeply regretted it was so, but as the gauntlet had been thrown and the defiance given, it was not for the democratic members of this body to decline the challenge.

Sir, in contemplating the war which for years, has been so ruthlessly waged against the administration of the general government, whether carried on against the illustrious individual who recently retired from office, or the eminent citizen who succeeded him, one is astonished at the Protean shapes it has been made to assume, and the antagonist principles and parties which here, apparently, amalgamated in order to effect the overthrow of the agents selected by the people.

Sir, the same motley party, which, set on by the Bank of the United States, bitterly, and in the most unmeasured terms, denounced the national executive, for entrusting the public treasure to the custody of the state banks, is now employed in a desperate effort to destroy the confidence of the people in the present chief magistrate, simply because of his refusal, longer, to trust the public money to the keeping of these same local institutions.

Yes, sir, with this party, rapid in changing its ground of attack, as it is fertile in coining party designations—that which is to-day a political sin of the deepest dye, becomes to-morrow, a measure necessary to the salvation of the country, and the preservation of the social happiness of our people. And why is this? Is the answer to be drawn from the existence of the powerful institutions which direct this warfare, and their peculiar position in reference to the politics of the nation? Do we owe these rapid shiftings of the political panorama, to the agency, in one instance, of the United States, assisted by the non-selected state banks, and in another instance, to a combination of all the banks?

Sir, we have a witness on this subject, and one whose testimony will not, perhaps, be called in question by the party with which he, until very lately, acted. I call to the stand this witness—a witness, once and again eulogized by presses in the interest of the banks, as one governed by the most elevated sentiments, and the strictest honor. I allude, sir, to John C. Calhoun, who, in his last letter to a portion of his constituents, perhaps—I will not say certainly, but perhaps—furnishes the key to the various movements, political and financial, which for years, have convulsed and agitated society. That distinguished senator—distinguished he certainly is, whether for good or evil—asserts:

“Of all the interests in the community, the banking is, by far, the most influential and formidable, the most active, and the most concentrated and pervading; and of all the points within the immense circle of this interest, there is none in relation to which the banks are more sensitive and tenacious, *than their union with the political power of the country.*”

Is this thing so? Sir, we are not reduced to rely upon the testimony of the senator from South Carolina. Is it true? Let the protracted and obstinate struggle between the government and the banks, answer. Let the resistance, firm and unremitting, offered by the banks against the project of the national executive to divorce them from the “political power of the country,” answer. The course pursued upon this floor, by the advocates of the bank, since the agitation of this question, is “proof as strong as Holy Writ,” of the desire of these institutions to re-knit the ruptured cord which bound them to the “political power of the country.”

Among those who have thrown themselves into the front of this battle, is the president of this body. Under the fervor of a feeling which it would be difficult to understand, if we looked simply to the question before the committee, and actuated by a zeal—he will excuse me if I tax it as intemperate—he pointed to the President of this Union as one who has “encroached on the legislative power, trampled on the constitution, and placed his foot on the necks of the people.” He told this committee that Martin Van Buren had suspended an axe over the public neck, and by a wholesale guillotining process, would sever \$12,000,000 of the people’s money from the people’s custody, and remove it from the public use.

Yes, sir, the proof, and the only proof, furnished by the president of the convention, in support of the charges against the President of the Union, which, if true, ought to lead to his immediate expulsion from the

high place he occupies, and subject him to ignominious punishment, is, that he proposes to keep the public revenue, so that, hereafter, it shall not be in the power of irresponsible corporations, to clog, if not altogether stop, the wheels of this government. Yes, the President of the United States *has violated the constitution and trampled on the people*, because he wishes to divorce the money power of the country from the "political power of the country." Why, what is this but a repetition of an inflated figure of speech which extravagant passion, engendered by disappointed speculation, has within the few past months, thundered into the public ear, and sought to impress on the public belief.

How long, sir, is it expected that public patience will submit to a repetition of the accusation that the distinguished man, constitutionally selected to administer our national affairs, is a tyrant and usurper, because he has thrown from him the enormous power which he might have enjoyed and exercised, if he had consented to retain the almost innumerable banks of this vast nation, under the influence and control of the government of the nation.

Who, at this day, and after past and present experience, can shut his eyes on the fact, that these institutions do immediately and powerfully operate upon the community—warming fear into hope, and chilling hope into despair—now swelting the heart with joy, and anon crushing it beneath the pressure of deep distress, thus holding within their grasp the apparent elements of public and private happiness or ruin? Will it then be denied that banks are powerful—politically powerful?

Why, sir, what is power? In despotic countries it is to be found perched upon the bayonets that surround the throne of the sovereign. In limited monarchies, we are to look for it in the aristocratic orders, based upon distinction of rank and special privileges, which, for their own preservation, prop and support the monarch. But what is power in these confederated republics? It is the ability to sway the public mind, and direct the public will. I care not what may be the form of organization, or the title by which the individual or individuals possessing such ability may be known; the man or combination of men who can do this, possess the real power of the country.

Thank God, sir, this fearful influence is not in the hands of any man or association of men, and cannot be, while republican principles and forms continue among us; but I repeat, that, measurably, and in a restricted degree, those who, through the banking system, direct and govern our monetary affairs, exert a moral, and may, if they please, call into action a political influence difficult to be estimated, except by the effects it has been known to produce. And can that chief magistrate who has declined to ally himself with this great influence—who has refused to clothe himself with this purple robe of extraneous and supplemental authority, justly be charged with the commission of crimes of a dye so deep—with the violation of duty so gross, that he might attain to illegal power, that malice herself, while she wishes it true, is compelled to disbelieve it? Why, then, is it that these charges are made, and in the face of all evidence, persevered in? Is it because Martin Van Buren has proved himself equal to the fearful crisis which marked the commencement of his administration—that the "non-committalist" has, with a moral courage,

denied him by his enemies, fearlessly addressed himself to the investigation and exposure of the true causes of the evils which all acknowledge and deplore? Is it because the "Magician," touching, with the wand of all-powerful reason, the mystical system of "commerce and credit," as connected with banking operations, here and elsewhere, has opened up to public observation, the arcana of what has, heretofore, been a sealed book to the many?

He (said Mr. B) would not in this place, furnish an answer to these questions. He would content himself with, simply, propounding them, referring, for the solution of them, to the political history of the United States of the last twelve months.

But, sir, it is not to the President alone, that notice such as this, has been confined. The whole democratic delegation on this floor, has come in for its share of reprobation, and, while in one breath, we have been taunted with the introduction of partisan politics, the next utters a menace that if the democratic party persisted in demanding some modification of the banking system, it would be "New Yorked."

Such was the refined phrase used by the president of this body, when, with an air of triumph, he adverted to the result of the late election in a neighboring state. Why, sir, does not the gentleman know—or does he wilfully shut his eyes upon the fact—that, that election, claimed as a victory, and as such, celebrated by salvos of artillery and songs of triumph, was in fact carried by a minority? Does he forget that his own party, in that state, polled 10,000 votes less than they gave in 1836, and that the democratic strength was not out by 40,000 votes? While the whig majority reached only 15,000 votes? We may, sir, permit it to an excited party, intoxicated by unexpected—most unexpected success—to forget that it must be merely temporary, to exclude, sedulously, from their observation, facts which would tend, too speedily, to dissipate the day-dream which creates them, permanently, "lords of the ascendant," and while this day-dream lasts, they may be indulged in the exhibition of extravagant rejoicing. But, when on this floor, and in the face of men, distinguished for their political sagacity and experience, a learned gentleman, gravely insists upon this delusion as matter of fact, and deems it of so much consequence as to deserve the coinage of a phrase to celebrate its advent, he must not be offended if his error be received with a smile approaching derision.

But, sir, at this time, and in this place, the allusion by the delegate, to the New York elections, was, in connexion with the subject under consideration, peculiarly unfortunate. Labouring, as that state was alleged to be by the gentleman's own party, under bank influence, the defeat of the democratic party there, has been ascribed to the operation of that influence—to the concentrated power and arranged action of all its monied institutions.

Whether this charge be true or false, it certainly receives something of confirmation when a gentleman of so much political knowledge as is possessed by the delegate from this city, (Mr. Sergeant) threatens, in his place, that if the democracy of Pennsylvania persist in interfering with the subject of banking, it would be "New Yorked!" I (said Mr.

B.) dismiss this ungrateful theme with the single remark, that if the banks of this commonwealth should so far transgress their proper and appropriate sphere, as to enter upon a political crusade against a majority of her people, with intent to subvert the political ascendancy of that people, fearful, indeed, will be the consequences which must ensue. Let me be understood. I am not here as the enemy of banks. I take this occasion, explicitly, to declare that, in my opinion, the prosperity of the commercial, agricultural and manufacturing interests of the nation, are closely interwoven with the banking system. But, sir, the very fact makes some modification of that system imperative—for the introduction of some amendatory principles, which, while it left the banks free to assist in carrying on the business of the country, would withdraw the temptation to pursue such a course as *must* end in revulsion and ruin.

Entertaining these sentiments, I am, in fact, more friendly to banks than some gentlemen on this floor who, while they bring to view some extraordinary facts, hereafter to be noticed, can perceive in the system naught but perfection; and not content with defending them against the imputation of crime, indulge in the most unbounded eulogy of all that appertains to them in principle or practice; thus attempting to perpetuate a delusive and false idea of the state of public opinion on the subject.

Thus, sir, the delegate from Franklin, (Mr. Dunlop) while he sharply rebukes the delegate from Susquehanna (Mr. Read) for accusing the banks for conspiring to suspend specie payments, endeavours by a train of sophisms, to establish the extraordinary position that the suspension was **LEGAL**. That, under all the circumstances—in a great measure brought about by the operations and policy of the larger banks—the measure became inevitable, and is therefore to be *barely* justified on the ground of sheer necessity, I, said Mr. B., will not deny; but can any man, except one whose zeal outruns his discretion, sanction the monstrous doctrine that the suspension of specie payments was legal, in the very face of the act of assembly, made to prohibit and to punish such suspension.

And how did the delegate attempt to prove the truth of his position? You, sir, must have listened with surprise, to his leading reason—if reason it can be called. It was that the infraction of the law involved no offence, until steps were taken to inflict the penalty prescribed by the law; or in other words, that a bank had a perfect legal right to refuse to pay its debts, until means were taken to compel it to do so, or to submit to a forfeiture of charter, thus confounding the transgressions, with its appropriate punishment.

Why, sir, said Mr. B. by the same logic, it might be demonstrated that the felon is no rogue so long as he “goes unwhipt of justice”—that unpunished rapine and violence involve no turpitude, and that crimes of the deepest tint, so long as they are unavenged, partake not of criminality. I do not intend to charge the banks with the perpetration of an offence approaching, in character, to these grave misdemeanors. I put them, simply, as illustrative of the result of the delegate’s argument; which I only notice, in passing; as showing how far forth certain gentlemen are ready to sacrifice reason, and to disregard the suggestions of

their own good sense, in their effort to shield the banks from the profanation of vulgar touch.

I have said that I am more friendly to these than such injudicious advocates. I am so, for the reason that, while I frankly confess that errors and imperfections exist, and strive to ascertain a remedy which might operate to reinstate the banks in the confidence of the people, those claiming to be, *par excellence*, the friends of these corporations, shut their eyes on the light and the truth, and, by resisting all reform, would augment public indignation, to the destruction, it might be, of the whole system.

But the delegate from Franklin is not content to stand on the defensive, and fondly imagines he is doing the banks good service by attacking the democratic party, which he justly identifies with the cause of reform. He has asked in a tone and with a manner, approaching a sneer, whether the question now pending before the committee is of any constitutional importance, and added the remark that the democracy of the state was reduced to "a war on five dollar notes." Whether the amendment proposed by the gentleman from Susquehanna, (Mr. Read) presents a question of importance, I will not pause to inquire. Believing it to stop far short of the evil complained of, and that it is the legitimate subject for the ordinary legislature, which can make and unmake, as time and exigencies require—believing, also, that it is no part of our business to enter upon the minutia of legislative provision, but merely to chalk out the outlines of a system of government comprehending leading *principles*, and conceiving that the proposed amendment involves nothing which can be recognized as an organic feature of government, I, early in the debate, announced my determination to vote against it. But, sir, before the delegate from Franklin put his question, the debate had assumed a wider range, and taken a more important character than, perhaps, would necessarily result from a strictly regular discussion of the proposed amendment. The whole subject of the currency of the nation, its commerce, its resources, its means of prosperity, the happiness of its people, and their capacity for self-government, has directly or indirectly been introduced during the investigation.

In fact, sir, we were not, and when the delegate from Franklin made the remark alluded to, had not, for a considerable period, engaged in any controversy *immediately* connected with the amendment pending. The extended circle of debate, and the earnestness with which it is urged, sufficiently prove, that men of all parties regard the real subject in dispute before the committee, as one of the highest importance, and deserving the most critical examination. In this view of the subject, the reply to the remark hazarded by the delegate, is a proud one. It is this. If nothing else is left for the action of the democratic party of Pennsylvania, it has, at least, before it the glorious task of correcting its own error. If, seduced by the universal infatuation which prevailed in 1814-15; and unmindful of the warning voice of one of the purest and wisest patriots whom Pennsylvania has ever called to preside over her councils—a voice which time has proved to be prophetic—the democratic people of the state yielded themselves to the suggestion of a delusion—if, since that time, they have, without sufficient cause, unrea-

sonably increased the number of banks within the commonwealth, they are, at least, willing and desirous to retrace their steps, and oppose a barrier against future injudicious legislation, come from what party it may. And yet, strange as it may seem, the very party, which, through its advocates upon this floor, charges a democratic legislature with the sin of creating too many banking institutions in the state, now resists, and I venture to say will, on every occasion, hereafter, resist, all attempts to introduce into the constitution a provision, restrictive, as well of legislative power over this subject, as of the action of the banks themselves. What these restrictions should be, I will by-and-by, shortly notice, after endeavouring to ascertain the source of the acknowledged evil.

But, before attempting this, I will, said Mr. B. notice the singularly erratic course of the delegate from Beaver, (Mr. Dickey) and point out some of the inconsistencies of which he has been guilty in the course he has pursued on the subject of banks, and, particularly, the *great* Bank of the United States.

He turned aside, said Mr. B. for this purpose, because that delegate, following the lead of others, had joined in the crusade against the democracy, and in this hall, indulged himself in many harsh and bitter criminations of members of this body. More particularly, said Mr. B., he has, with much heat and in a denunciatory manner, charged the delegate from Susquehanna, (Mr. Read) with inconsistency in the course of his legislative career. Whether those charges be well founded or not, I will not stop to inquire.

The delegate from Susquehanna was fully competent to his own defence and needed no aid at his hands. But, sir, said Mr. B., when one, in a public assembly such as this, imputes an offence to another, he ought to be well assured that his skirts are free, and his conscience void of the same offence. What then is the history of the gentleman from Beaver—his legislative history, I mean, in connexion with banks and banking. It was unnecessary to do more than allude to the prominent share taken by the delegate, when a senator in the legislature of the state, in the proceedings which brought about a renewal of the charter of the Bank of the United States by a Pennsylvania legislature. I will not say that the delegate had not abstractedly, and apart from the known wishes of the people—a right to speak and vote as he did on that occasion; but we are here discussing the question of consistency, on the delegate's own challenge, and joining in the issue he has tendered. That he should have made such tender, will be matter of regret with that delegate when certain reminiscences are recalled to his recollection. Let me now, said Mr. B., briefly direct the attention of the committee to the session of the legislature of this state, in the years 1833-4.

At that session, certain resolutions were introduced, declaring it expedient to re-charter the Bank of the United States, by congress, and that the public deposits, shortly before removed from the vaults of that bank, ought to be restored.

Sir, during the debate on these resolutions, a speech was delivered, a printed copy of which, he said, he held in his hand, which had for its title page the following words: "Speech of John Dickey, Esq. senator from

Beaver and Butler counties, on the subject of a re-charter of the United States Bank, and the restoration of the deposits, delivered in the senate of Pennsylvania, March 16, 1834."

This speech was printed under the supervision of the delegate from Beaver, and distributed by him. Its facts cannot, therefore, be denied, nor the sentiments it promulgates repudiated by him. What, in 1834, were his opinions of the institution for which, in 1836, he was so active—and so successful too—in procuring a charter at the hands of a Pennsylvania legislature?

Let us turn, sir, to the record which himself has furnished. In his speech of 1834, he says: "She—the Bank of the United States—has discounted large *amounts* to some persons; while to others, small sums, and in the regular course of trade and business, have been refused; her accommodation to brokers, members of congress and printers, have been of the most liberal description. To Mr. Biddle, a *stock broker* of Philadelphia, a *million of dollars*. To printers and members of congress, amounts varying, from seven, to fifty thousand dollars."

In another place: "Sir, I have thus attempted to shew that the Bank of the United States has failed to discharge, at all times, as she was bound to do, her duty as a fiscal agent of the government; that she did not restore the currency; that she has not maintained it in a sound state; that she was the *means of bringing on the pressure of 1818 and '19, and that she is the cause of the present one*, and that having thus failed to accomplish the great object of her creation, she ought not to be re-chartered."

Again: But, sir, I have other reasons why the charter of the bank ought not to be renewed. Among these are her attempts to subsidize the press and influence the elections. We are all familiar with the loans made to the editors of the New York Courier and Enquirer, the Philadelphia Inquirer, and the Telegraph of Washington city. These presses were opposed to the bank, previous to the receipt of these facilities, as they are fashionably termed. Now, sir, they are among the most violent in opposition to the President, and the foremost in defence of the bank. A mere recital of these facts, shows how far the press has been influenced by these facilities of \$52,000, \$32,000, and 20,000 dollars."

Let it be remembered, sir, (said Mr. B.) that the bank here spoken of, is the same bank, with the same capital, the same stockholders, except the United States, the same officers, and the same banking house—in short, the same institution as that which the gentleman, in two little years after the delivery of his speech, denunciatory of its practice, its principles of action, and its dangerous tendency, labored and agonized to have re-chartered. Why is it that the delegate has thus deserted old friends, thrown from him old feelings and principles, trampled on old opinions, and joining the enemy, is the first to wage indiscriminate warfare against all he held most dear and most cherished?

I (said Mr. B.) will not hazard an answer to a question fraught with painful subjects. He would leave it to the delegate to furnish an explanation, if he could. But, he has attempted to reconcile the discrepancies between his declared opinions and actions. And what is the explanation?

furnished? Why, sir, he tells us here, that he was opposed to the Bank of the United States, only because it was a national institution.

Now, sir, (said Mr. B.) in the first place, the extracts already given, are somewhat in contradiction to this position. But the gentleman is again oblivious of former sentiments avowed in this speech. Listen to the extract about to be read, and then say how far the reason given by the delegate for his opposition, was the "only" reason.

"Sir, I am opposed to the re-charter of the bank, *because it is a dangerous concentration of the moneyed power of the country.* No corporation should have the power, in this free and happy republic, to create good and bad times, at its pleasure; at the pleasure of twenty-five directors. Aye, sir, it may be of one man, and that man the president of a corporation. Why, sir, the very reason urged by the friends of the banks in favor of this concentration of power, is, with me, so many arguments against it. I am satisfied, that the liberties of this country are much safer, when the moneyed power of the country is sub-divided."

After speaking of the local banks, as necessary to the business of the country, the delegate proceeded:

"No one of them (local banks) *can exercise a control over all the others*, and expand and contract the whole currency of the country at its pleasure. Sir, the very circumstance of the bank being able to array what may be denominated a bank party, is conclusive evidence of its political power, and a sufficient reason why it ought not to be re-chartered. *I have thus, sir, given my views, and the reasons why I am opposed to a renewal of the charter of the bank.*"

Yes, sir, (said Mr. B.) here are the "views and reasons" of the delegate—*failure to discharge her duties as a fiscal agent—her attempt to subsidize the press, and influence the elections—a dangerous concentration of the moneyed power*—all good reasons and true; and yet, sir, we are now told that the only reason for his opposition, was, that it was a national institution!!!

The delegate, sir, stands in opposition to himself, and occupies the unenviable position of one compelled to deny his own identity. As it is no part of my duty to relieve him from the awkward situation in which he has placed himself, I will merely recommend it to him, hereafter, to refresh his recollection of former assertions, before he hazards any declaration in respect to them.

And now, sir, for a brief space, let us address ourselves to the real question before the committee. What is the evil? For evil there is, as all acknowledge.

When we have ascertained the origin of this evil, and its character, we shall be the better able to discuss the remedy, and to apply it properly. It must be confessed that, in reference to the acknowledged evil, great variety of opinion exists as to the cause or causes—for perhaps there are more than one—which gave it birth. But I think, sir, that any man who will examine this subject calmly, and with a mind bent upon a discovery of the truth, will discover that the primary reason, the "bitter fountain from whence all our sorrows flow," is to be found in the hasty and lavish

grants of corporate powers for banking purposes, which have characterized the legislation of the whole nation, during a few years past.

Men, interested in the perpetuation of these abuses—or honestly misled by party prejudices and party zeal, have labored hard, and, to a certain extent, successfully, to mislead the public mind, and divert the public attention, from a true estimate of this cause.

Sir, passion has been appealed to, and urged almost to the pitch of phrenzy—party sympathy has been aroused and arrayed against a disclosure of the truth—men have been taught doggedly, to disbelieve and reject, without reflection, and without examination, whatever, upon this subject, did not exactly square with their preconceived notions, adopted, it may be, upon the suggestion of some interested political leader. The sufferings of the community were ascribed to the removal of the deposits, and this was believed:—they have been charged on the treasury circular—and this, also, was believed, and bye the bye, they will be—nay, at this moment, they *are*, saddled upon the sub-treasury scheme, and *this* suggestion finds advocates, and gains credence. Every cause, but the right one, has been proclaimed; and, every origin, but the true one, has commanded, at least, a temporary belief. But at last, sir, we are learning to look at the existing state of things, with a steady and inquiring eye. Now, that the stunning effects of the first blow are passing away, men are, no longer, to be deceived by false chimeras, nor led astray by the delusions incident to alarmed error.

The argument submitted by the gentleman from Franklin (Mr. Dunlop) himself, a distinguished member of the whig party, and on this floor the avowed advocate of the banking system, authorizes me to make this assertion. It is my good fortune, sir, to agree exactly with that gentleman, so far as his facts go, and so far as his deductions are legitimately drawn from those facts. I thank him, sir, for the statistics in reference to this subject, which his industry has accumulated, and his candor spread before this body. They must tend to instruct the people, and set them right on this, to them, momentous question;—as to myself, they have strengthened and confirmed an opinion which I had formed without, I confess, being in possession of the minute, and certainly valuable information, which we owe to the research of the gentleman from Franklin. That opinion is, sir, that banking institutions have been created, and banking capital augmented every where, beyond the actual necessities of the community, the tendency of which was to fill the country with a paper medium, which, resting on credit, begot and fostered a morbid appetite for reckless, unthinking speculation, and this in its turn, operating upon the natural disposition of the banks to make large profits, induced them to extend their issues and incur liabilities, out of all proportion to their means of payment. The *expose* which the delegate from Franklin has furnished us, tending to prove the truth of this opinion, is as alarming as it is astonishing, and must, in the eyes of all reasonable and reflecting men, justify every proper effort to prevent similar results in future. According to that delegate—I merely recapitulate his results, without entering into his details—in the state of New York, the cash liabilities of the banks, including, of course deposits, were as fifteen to one. In Maine, two hundred to one. In Pennsylvania, sixteen and one-half to one. Union

Bank of Tennessee, seventeen to one. In Virginia there were ten dollars in paper for one silver dollar, and the cash liabilities and means of payment were as fifteen to one. And so of the banks of other states. Indeed, if his researches show the truth, the only sound banks in the Union, are those of Ohio. I have, sir, heard no contradiction of the statements, from any side of the house, and must, therefore, hold them to be true, astounding as they may appear. Why, sir, if these developments had been made on this floor, by a member claiming to be a democrat, he would at once, have been branded as a destructive, or sneered at as a *loco foco*. Yes, sir, this choice phrase would have been employed to cover him with ridicule, or overwhelm him with contempt. But, coming as they do, permit me to repeat, from an avowed champion of the banking system, *as it is*—who in his zeal has divided himself against himself on this subject, his facts combating his arguments, and his arguments denying his facts—I presume, sir, we are at liberty to assume them to be incontrovertible.

And what was the cause of this monstrous expansion—this stretching of the credit system until it cracked? I have said it is to be ascribed, mainly to the unnecessary, I had almost said, wanton creation of banking institutions. I again, sir, call the delegate of Franklin to my aid, and, again, thank him for his statistics. According to that gentleman, the number of banks in the United States was, in 1811, eighty-nine. In 1815, four little years afterwards, two hundred and eight, and now they number at least, one thousand. During this period, the circulation of the banks has been raised from fifty-one, to one hundred and sixty-one millions. He has not, sir, traced this great increase in its progression through successive years; nor was it necessary. It is sufficient that we know the general fact.

Before indulging in any remark, suggested by this picture, let us look for a moment, to the course of Pennsylvania legislation as connected with the creation of banks and the increase of their capital. In 1810, we had five banks, all situate within the city of Philadelphia, with a capital of \$8,250,000. We have now fifty banks, scattered over the commonwealth, chartered through successive years, down to April, 1837, with a capital of \$59,944,000. Thus in twenty-seven years, is exhibited an increase of forty-five banks and \$51,694,000 of capital stock.

Without doubt the increase of issues has kept pace with this increase of capital; but will any one venture to affirm that the real, wholesome and legitimate business of the state, advanced in proportion to the increase of issues? Will any man hazard the assertion that such has been the case throughout the country at large? Let the recent revulsion in the monetary affairs, answer. Let the suspension of specie payments answer. Let the compelled action of the banks in calling in their circulation so as to accommodate themselves to the existing state of things, since speculation has ceased, and overtrading been checked, furnish an answer. And how, sir, are we to account for this increase of banking capital, particularly in the country districts? It is with reluctance I am forced to the conclusion that it is to be referred to the same cause which impelled the banks to suspend specie payments. An ungovernable mania to speculate in land, in merchandize, in stocks, in *any thing* that held out the flattering allurement of vast profits with little labour. Do

we not all recollect the riots, ending sometimes with bloodshed, which frequently occurred in the struggle to procure the stock of new banking institutions? Can we forget the anxiety manifested to be nominated commissioners to dispose of the stock of these institutions, and the frauds which were practised, in more than one instance, by those intrusted with the discharge of this duty, in appropriating all, or nearly all the stock to themselves? And for what purpose? Simply that they might speculate on the speculating propensity of their neighbors, for it is notorious that in general these commissioners merely took the stock at par, to sell it at an advance. Again, sir, it is known that many of these institutions, far from employing their funds in the legitimate business of banking—accommodating business men, by discounting business paper—diverted their rivulets of wealth into the mighty stream of wild adventure, which bore upon its bosom the fortunes and happiness of, alas! too many of our citizens, and which has made shipwreck of so many fond hopes and flattering prospects. Never was prophecy more fully verified than the warning voice which was raised by one of the purest and wisest patriots that ever graced the executive chair of Pennsylvania, Simon Snyder, against the chartering of the batch of banks in 1813 and 1814. Never were predicted evils more surely realized than those which he pointed out as the inevitable result of the creation of a banking capital beyond the necessities of the people. The disasters which overwhelmed the agricultural interests in 1816-17, are to be traced to this cause—the misfortunes of the merchant in 1837, are ascribable, in a great measure, to the same great root of evil. In both instances, credit was inflated till it burst, and then ruin followed. When I say that it was the inordinate spirit of speculation long indulged, which caused our banks to suspend specie payments, I do not mean that this result was produced by operations wholly confined within the limits of the United States. No, sir, the contagion crossed the Atlantic, and fastened upon the rich capitalists of Europe. The American merchant, enabled by the liberal accommodations of the banks to extend his business, was tempted by offers of credit to an almost unlimited amount, made by English agents sent here for the purpose, to increase his importations beyond the wants of the country—at least, far beyond what we were able to pay for. Ever since 1830, our imports have exceeded our exports. In 1835, our imports amounted to \$155,000,000. In 1836, they had increased to \$189,000,000, being an access over the past year of \$24,000,000. In 1836, our exports reached but to \$28,000,000, leaving an access of imports of \$61,000,000. Credit traveled in a circle; large sums were borrowed to-day to pay the debt which became due to-morrow, and the sum thus borrowed was repaid only by repeating the process. Thus the American merchant became largely indebted to his European creditor, and he could only hope to pay gradually, and during the lapse of time. But the day of reckoning came sooner than was anticipated. The Bank of England, arbitress of the moneyed world, becoming alarmed at the extent to which this system of credit had been carried, refused longer to assist the English capitalists, except on condition that the amount of credit extended to this country should be greatly curtailed, and the existing debt greatly reduced. The American debtor was called on and found unprepared. He looked to the banks here, for assistance, but the magnitude of the foreign debt, combined with their own liabilities at home, was far beyond their capacity for relief.

Exchanges on England rose, specie became an article of commerce, and finally the banks refused longer to redeem their notes, lest, as is alleged, the country should be drained of its stock of the precious metals to pay the debt due abroad. Thus, sir, have I detailed briefly, and it may be imperfectly, another of the causes, which produced past and present distress, and it will be perceived that to overtrading abroad and over speculation at home, first fostered by the banks by over issues, and then frowned upon when the necessity of curtailment arrived, is to be ascribed the calamities which have afflicted this people. I am, sir, not alone in this allegation. The delegate from Franklin, agrees with the chief magistrate of the nation, that our distresses chiefly flow from our overtrading, which was first stimulated into action by the over issues of the banks. He also concurs with me in thinking that the over-issues was the necessary consequence of the increase of banking institutions.

But, sir, are banks to be solely blamed for this; By no means. I have already said that it is the natural and inevitable tendency of these institutions, multiplied as they have been among us, but more especially, when stimulated by the capidity of the communities surrounding them, to extend their issues, and otherwise incur liabilities much beyond what prudence would dictate; and it will ever be thus while temptations, either through the spirit of rivalry, or the desire of making large profits, are permitted to assail those who direct the operations of these corporations. But gentlemen say, that the public distress is produced by a war on banks. War on the banks! who is it that wages this war? Not the government—unless opposition to the recharter of the bank of the United States is to be denominated a war against all banks, for surely it will not be pretended that a refusal to permit them to trade upon the public treasure, at the hazard of losing it, constitutes a war on the banks. Not the people—for they lay at the mercy of the banks, as is clearly shown by their forced acquiescence in the measure of the suspension of specie payments. No, sir, if there be indeed war waged against the banks, it is carried on by the Bank of England, through her debtors on the other side, and the debtors of her debtors on this side of the Atlantic.

But, sir, this cry raised for political effect, and with the view of influencing the political parties of the country, has lost its potency. The President of the United States in his message to congress, at its late special session, uses the following language:

“The discontinuance of the use of the state banks for fiscal purposes, ought not to be regarded as a measure of hostility towards these institutions. Banks, properly established and conducted, are highly useful to the business of the country, and doubtless will continue to exist in the states so long as they conform to their laws, and are found to be safe and beneficial. How they should be created, what privileges they should enjoy, under what responsibilities they should act, and to what restrictions they should be subject, are questions which, as I observed on a previous occasion, belong to the states to decide. Upon their rights, or the exercise of them, the general government can have no motive to encroach.”

The President has thus so conclusively justified the policy of the government, in withdrawing from all future connexion with the banks, and

so clearly pointed out the propriety of their being left to the management of their own affairs, without interference, while he disclaims all hostile feeling towards them; as to leave, no longer, room for the imputation of the existence of such a feeling. Let us then discard this false idea, engendered by the heat of party contest, and fostered by party tactics. Its further indulgence can be productive of no good, but may lead us into the commission of grave, or it may be, fatal errors.

I have endeavored (continued Mr. B.) to point out the source of existing evils. The suggestion of a remedy, or rather, a preventive against the recurrence of similar disasters, is not so easy. There is, very naturally, a great diversity of opinion on this important question, arising out of various views which men have taken of the productive causes—some of these views being suggested by calm reflection, while not a few owe their origin to the heated spirit of party, misdirected by passion and prejudice.

While, sir, we lament that so much infatuation and error should exist in relation to a subject that ought to be treated irrespective of every consideration but the advancement of the public good, it is, indeed, amusing to observe the course of the executive of this commonwealth in his anxiety to “buy golden opinions of all sorts of men.” Doubtless, with this view it is, that, in his late message to the legislature, he coquettes with the various causes which have been assigned as productive of the present disasters in our monetary affairs, giving his sanction to none singly, nor all of them together, nor venturing to commit himself in reference to the subject, except that he points with rather more distinctness to “the ruinous spirit of speculation”—I use his own words—as the unholy source “from whence comes all our woes.” But while he thus, cautiously, avoids committal as to causes, he is less nice in his recommendation of remedies, for after informing us that “the banks—of Pennsylvania—have well sustained themselves through the crisis; but the banks’ SYSTEM that could admit of such a crisis must be defective,” he adopts and makes his own every proposed measure of relief and prevention—no matter how extravagant or impracticable, which has ever been suggested by the wildest political enthusiast. He is so desirous of appropriating other men’s “thunder,” that he never stops to inquire whether the bolt has been judiciously selected, but, in his race after popularity, hastily snatches up whatever offers itself to his grasp, and, to the dismay of his friends, and the diversion of his opponents, flings the whole before the legislature, as the result of his reflection on the subject of banks and banking. It is not necessary to enter upon a minute dissection of this singular document, nor to recapitulate all the borrowed ideas which the governor has ventured to present as his own.

I will content myself with calling the attention of the committee to two of the measures of prevention against future evils recommended by the governor. These are, first:—To limit to a certain per centage, all profits upon the capital stock of the banks; and second:—Never to permit their issues to exceed beyond a certain proportion of the capital stock paid in. These would, doubtless, have the effect to moderate that spirit of cupidity which is the child of inordinate gains, and which, in some degree at least, has led these institutions to a vast and, as experience has shown, a

most dangerous expansion of their issues. But that a regulation such as this, involving much detail, and having no necessary connexion with the political government of the state, ought not to, and cannot, be the work of this body, admits of no dispute. It is therefore needless, to push the inquiry into its propriety, further in this place.

But another measure of prevention and, as has already been intimated, perhaps among the most efficacious, is to impose a restraint on legislation in the granting of bank charters. This is not only within our province, but, sitting here as the framers of a constitution, for the regulation of all the branches of our system of government, executive, legislative and judicial, it is peculiarly proper that we should engraft upon that constitution, any restriction upon the inordinate action of either branch, which the public good may require. Does then, the public good require such restraints to be placed upon the legislative branch, in the particular alluded to? That it does, I have already endeavored to show, and if I have not succeeded, it must be ascribed to my lack of talent to enforce the argument. I repeat, take from the multiplicity of banks—prevent their future establishment, except where the necessities of trade, or the people at large, require them, and add to this a power in the legislature to repeal all such charters, whenever sound policy demands it; and you will have done much to prevent a return of present difficulties, at least so far as Pennsylvania has participated in causing the mischief. So well convinced am I of this, that, at the proper time, I shall offer an amendment, requiring the assent of two successive legislatures to every charter granting corporate privileges for banking purposes, and reserving to the legislature the power of repeal.

If such, sir, had been the law of the constitution in 1836, the Bank of the United States “of Pennsylvania,” would never have been rechartered, or, at least, that charter could never have been sprung upon the people without their consent, nor smuggled into their statute book without their knowledge; and, sir, perhaps the mode in which that charter was sought, and the manner in which it was granted, has done more to convince the people of Pennsylvania of the necessity of such an amendment as I propose, than the most elaborate argument, clothed in the most eloquent language, could have effected.

But, sir, we are told that a national bank is the only panacea against the ills which afflict the people. Is it so? Has it come to this? Has the time arrived when this extended community must submit themselves to the denomination of a vast moneyed central power, or agree to be forever at the mercy of the local institutions of the states? And this involves another question. Are those institutions essentially, so weak or so dishonest, that they require a master—a gigantic, over-ruling, despotic corporation, to confine them within the legitimate sphere of their action? If so, the delegates from Susquehanna, (Mr. Read) and Indiana, (Mr. Clarke) who argue against the existence of banks under any form, and all restraints, as a moral as well as a political evil, are right, and it behooves us to devise—and that speedily—some substitute for a system so fraught with danger. But I do not believe it. If I did, my love of country, my veneration for her institutions, civil and political—my deep and fervent attachment to the liberty bequeathed to us by the fathers of

the revolution—all, *all* would conspire to impel me to adopt sentiments of uncompromising hostility to the further continuance of corporations created for the good of the many, but which can only be restrained from the infliction of evil, by the strong arm of the few who wield the energies of a mighty national institution—an institution which, while wealth continues to be power, must be dangerous to, if not destructive of, the authority intended by our free constitutions to be lodged in the hands of the people—the whole people. But we are not driven to this extremity.

I am of opinion, sir, and upon that opinion I act, that by placing the banks of the country more immediately within the control, and under the influence of the people, through their representatives, you will have taken a long step towards the establishment of sound and safe institutions, commanding confidence, and through that confidence, regulating the currency of the country, so far as it ought to be regulated by these corporations.

And now, in conclusion, permit me both to thank and apologize to the committee—thanks for the attention which has been accorded to me—apology for having consumed so much of their time, which I know to be precious.

Mr. MERRILL said, that before he should proceed to say any thing on the question immediately pending, he wished to put himself right on a matter which had excited considerable interest here. He happened to be one of those who came within the charge of the gentleman from Susquehanna, (Mr. Read.) He happened to be one of those, charged by that gentleman, with having entered into a conspiracy to suspend specie payments. And although he happened to be one of those, he would tell gentlemen that he took no offence at it.

It put him in mind of a circumstance, which occurred with a merchant of considerable wealth in one of the towns of Scotland, who had been in the habit of wearing an old threadbare coat. He was met in the streets of his native town one day by a friend, and asked why he wore such an old coat. Oh, says he, every body knows me here. Afterwards, however, he was met in the same coat in the streets of London, and the same inquiry was put to him. Oh, says the old merchant, what's the difference, no body knows me here.

Now this was pretty much the case with himself. In Union county every body knew him, and the charge would fall to the ground, and here he was not known, and it mattered little what was said of him. He should, however, interpose the plea of not guilty to the charge, and put himself before the people of Pennsylvania for trial. He would now say, however, that he challenged the gentleman from Susquehanna, and would not permit of him being a juror in his case. But in challenging that gentleman as a juror, he had no objection to his being one of the counsel against him. The gentleman was also welcome to be a witness in his case, but he would not admit of his being his juror. Gentlemen have charged a conspiracy of the banks for the suspension of specie payments. Why, sir, when the storm comes and prostrates the oak and the ivy together, it would be as rational to say that they conspired to bring about that state of things. They might as well say that the trees of the forests conspired

to fall before the hurricane, as that the banks conspired to suspend specie payments, a measure which is in every sense of the word, detrimental to their interests.

He agreed with the gentleman from Susquehanna, and the gentleman from Indiana, that banks ought to be conducted for the good of the country and the prosperity of the people, and not for the benefit of speculators, or the owners of the stock of the banks. They have no right to exist as monopolies; they have no right to exist as having a separate and distinct interest from the interest of the people; and they cannot and ought not to exist as legalized robbers. How, sir, have banks profited by the suspension of specie payments? He had been anxious to see the report of the Auditor General, in answer to the resolution offered by a gentleman from Berks, because he knew that that report would show a strong and persevering effort on the part of the banks, to prepare to resume specie payments, and the whole of that report, he had no doubt, would show that a great curtailment in the profits of the banks had taken place, since the suspension. If these facts do not appear, and if it cannot be shown that the profits of the banks have been essentially diminished, then he would give up the advocacy of their cause. It cannot be otherwise; the banks have been striving to put themselves in a condition for the resumption of specie payments. They have been curtailing their issues and diminishing their discount line, and the governor, in his message, says that they have diminished their circulation five millions, and their discounts near seventeen millions, within the last seven months. Is this doing nothing towards preparing for the resumption of specie payments? It, sir, is doing a great deal, and if gentlemen will look around them, they will see that throughout the country, the complaint is not so much against the banks, that they do not pay specie, but that they do not discount. You would hear as much complaint of the banks not discounting, as of their not paying specie. Sir, they have been called broken banks, and their notes have been pronounced worthless; but where is the man who will not take them? Where is the man throughout the whole length and breadth of this commonwealth, who will not receive the notes of the banks of Pennsylvania in payment of debts, and for purchases which you may now desire to make. Sir, you can shave a bond deeper now, with the notes of the banks, than you could this time last year with specie; and you can buy a farm cheaper now with bank notes, than you could this time last year with specie. But gentlemen say that the only value of bank notes, is in the imagination; but if he could buy as good a house or as good a farm with bank notes now, as he could a year ago for specie and for the same amount, he was content with such imagination, and other gentlemen may take the reality where it is to be found. Let us now examine, for a moment, the charge that the banks ought to pay their debts to the people, and all would be well. How are the banks to pay their debts to the people? Why, sir, if they are to pay their debts to the people in specie, they must demand specie of their debtors.

From the abstract of the return of the auditor general, given in the governor's message, it is shown, beyond all manner of dispute, that the banks are in a sound condition. It appears by that abstract that the banks of Pennsylvania owe their note holders and depositors twenty-eight millions of dollars, and there is due to them from the debtors of

the banks, sixty-nine millions of dollars, and they have six millions of specie in their vaults, making in all seventy-six millions of dollars.

Thus it appears that these banks have seventy-six millions of dollars to pay twenty-eight millions of their debts. Then, sir, if the banks have not discounted notes exceeding forty-eight millions of dollars, which never will be paid, the note holders of the banks are safe; and will any gentleman believe that they have been so negligent of their duty, and regardless of their safety, as to loan near fifty millions of dollars in the state of Pennsylvania, on improper security. Is this so? Can any man believe it? Can any man give us any evidence that they have done this? There might be some sense in bank directors conspiring to make money for themselves; but, there certainly could be none in their entering into a conspiracy to cheat themselves. It might be possible that some few of the banks had loaned a part of their money to persons who were not so secure; but, he would say in relation to the bank in which he was a director, that at the time of the suspension of specie payments, there was not a bad note in that bank; and from the commencement of the operations of that institution up to that time, there had never been a dollar lost, except a few dollars which had been lost by forged notes. That bank is not only now secure, and can be proved to be secure, so far as the note holders are concerned; but, it is believed that every dollar will be returned to the stockholders.

Sir, the suspension of specie payments, was not a voluntary act on the part of the banks; but, had arisen from causes which no man could guard against, and doubtless it would be but temporary. There is a great difficulty in tracing out the causes which operated on financial operations. It is with great difficulty that we can carry on investigations, in relation to trade and commerce, and the causes that operate on them, and it is infinitely more difficult to prosecute this investigation, and come to the true causes of our financial difficulties; and, it was also a matter with which we should deal lightly. It was but a few years ago that the whole financial affairs of Europe were thrown into disorder by calling to account an officer of the government of Russia, who had charge of the Russian paper rubles.

Sir, it takes a man who has given his whole time and attention to the subject, in order to trace the operations of finance, and even then, the most acute and experienced often make great mistakes. Sir, gentlemen from all parts of the house have said that the system of banking had been attended with great evils; and, had produced alarming immoralities, and as a nation, had made us amenable to the retribution of a just God. It might be so. Perhaps it was so; for he was one of those who believed that we were subject to an overruling providence, and as nations did not exist in the world to come after this, it might be that they were scourged for the evils they had done in this world. It may be that an overruling providence has brought this upon us a nation, to excite a proper sensibility of our condition, and we must submit to it; and, if it arises from any false policy of our rulers, we must submit to that, until it can be remedied; and, it was not for us to take some short cut in order that we might redress ourselves.

We have been told by gentlemen here, in very emphatic language, that

the people were coming. That the people were coming and how, sir, are they coming? That we have not been told. All that is left entirely indefinite, and to be inferred only from the manner in which it was spoken. We know how they are not coming. We know they are not coming in support of these gentlemen, in the legal and constitutional manner, through the medium of the ballot box. Then how were they coming? He would not believe, and he did not think, that gentlemen intended they should come in a mob. There is but one other way of doing it, and that is by a revolution; and does any gentleman believe that, under the existing circumstances of the case, we would have a revolution. It is said that if we, in this convention, do not effect the will of the people, the legislature could not do it, and consequently the people would have no legal authorized means of doing so. He could not believe that the suspension of specie payments by the banks of the United States, was to be the ground work for a change in the whole republican system of our government.

Sir, a revolutionary government is not one to be desired, and a revolution itself was not be desired in this country by any one; and, he would take the occasion here of telling gentlemen that it was possible they had mistaken the sense of the people in relation to this matter. It was possible that the people are not prepared to throw away all the good they have, to bring about a revolution to gratify the whims and wishes of a set of gentlemen, who bring forward propositions, which ought not, and never can be sustained, here or elsewhere.

The gentleman from Susquehanna has introduced seven or eight propositions, and it does so happen that every one of them is worse than the one which precedes it; and, there is no one of them, such a proposition as we could adopt with any regard to our constituents, and the rights of the people of the commonwealth of Pennsylvania. We do represent the people, and it is our duty to pay some regard to their interests. Then, as had been shown conclusively in the argument of the gentleman from Beaver, (Mr. Dickey) the proposition first proposed by the gentleman from Susquehanna, to make stockholders responsible for the debts of the banks, would be productive of more evil than good. If this was done, as had been already shown by the gentleman, there would be but two kinds of stockholders in banks. First, the very wealthy, and second, swindlers. There would be no medium, for the man of moderate means would not be admitted among the very wealthy, and he would not go among the swindlers. Would the gentleman from Susquehanna say, that it was right that a man, who had just become a stockholder in a bank, should be made liable for the acts of the bank, prior to his connexion with it? Would the gentleman say that when a guardian was about to invest trust money in bank stock, he must be bound, in his individual capacity, for the amount of such stock?

Again, how would stock be transferred from hand to hand, if such a provision were adopted. If such a provision as this was adopted in the constitution, it would make a change far greater than any one could anticipate. It would, in fact, be utterly impracticable in Pennsylvania, to do any thing of this kind; and, as was said by the gentleman on his right, it would be unjust; would prevent the proper investment of money in stocks, and would prevent entirely bank stocks from being transferrable

in the market, as it now is. Who are the stockholders in banks at the present time? Why, many of them are men who carry on a business which does not require the investment of their money, but for a short season, and after that season is over they put it in bank stock. Well, sir, is this not an advantage to them, at the same time that it is an advantage to the public? But, the amendment of the gentleman from Susquehanna would destroy this system and force every man to keep his capital lying by him the whole year, although he might want it but for a month.

The difficulties attending the gentleman's amendment are insurmountable. It would prevent the transfers of stock from hand to hand, as at present, and again it would bind up the whole real estate of the country, so that none of it would be transferred, because of the mortgages which would be held upon it. It would be worse than a law of entail. He believed the system of giving personal security, by every stockholder, would lead to the destruction of the banking system in Pennsylvania, and operate most injuriously on the interests of the people. If the stock of a bank is all paid in, *bona fide*, then, with the restrictions provided by the legislature, you have an institution, which operates to the interest of the people and of the stockholders. Then you have a security which he believed to be the best security which could be obtained, because the law provides, that, if the directors of banking institutions do not conform thereto, they shall be made personally responsible for the failure of the bank; and, he did not believe that a better system than this could be adopted in this country. He did not speak of the system as being perfect, and he was willing that certain restrictions should be made to guard against all possibility of loss; but, he believed them to be as secure as any of our institutions. The banks of Pennsylvania, at present, have sixty-eight millions to pay twenty-eight millions with; and, if they are not secure finally, it is because they have loaned out their money to persons who are unable to pay, and this no one would for a moment believe.

They have three times as much outstanding as they are in debt, and the objection of gentlemen here appears to be that they did not collect this vast sum all at once, in order to be able to meet their engagements with the public. But, gentlemen do not reflect upon the absurdity of this, or even of an effort to do it. If they had continued to meet their engagements in specie, they must have called upon the merchants, and those who borrowed from them in specie, and the merchants, as a matter of course, must have called upon the farmers, and those who dealt with them, and this would produce such a panic as has not yet been seen in this country.

Sir, the banks are able to pay their debts when the merchants pay them, and the merchants are able to pay their debts when they are paid by the consumers, and it was to prevent the unheard state of panic, and excitement, which otherwise would have prevailed, which induced the banks to suspend specie payments. Sir, if the banks had pursued this policy, there would have been universal bankruptcy, and there would have been a general scramble to see who would get first upon the docket. Have gentlemen forgotten the scenes of 1811-17-18 and 19. If every debt must go upon docket, he would ask gentlemen

what would be the consequences? And if this matter of forcing the specie out of the hands of every person had gone into operation, he expected it would have been an unpleasant thing for the constituents of the gentleman from Indiana, even though they had no bank there. But, sir, suppose this provision had been in the charter of every bank in Pennsylvania, would there have been no suspension of specie payments?

Can the gentleman from Susquehanna or can any man show, that even, if it was granted that his proposition was in all the bank charters, that it would prevent them from suspending specie payments? He took it that any gentleman who took a view of the question, would agree that it would not have this effect. It lies with gentlemen to show that their propositions will prevent the evils which have existed in the banking system, and have they attempted to do this? No, sir, they have attempted no such matter. Well, what do they attempt, what have they attempted? Why, all we have heard them attempt, is to show the inconsistencies of gentlemen who have given votes, and expressed opinions before, in relation to this matter. We have seen the votes of gentlemen pointed to here, there and the other place, and we have heard their words quoted, which all amounted to nothing, in an argument of this kind. He too might have changed his opinion, but gentlemen could not prove it, as it had never been his fortune to be in a body of this kind before. He would however be candid with gentlemen, and state to them, that their pointing to the votes of other gentlemen, would have no effect with him.

If gentlemen's propositions were sustained by good sound reasons, he would go for them, no matter how changeable their opinions were before, and if they were not thus sustained, he would not go for them. It made no difference with him, where a gentleman made a sound argument, whether he had always walked on one line, or whether he had been on both sides of forty lines. He was here to listen to the arguments of gentlemen, and if they were satisfactory, to adopt their propositions; but if they were not satisfactory to him, he must beg leave to vote against them. But the gentleman from Susquehanna and Indiana, and, he believed, some other gentlemen, had stated that their propositions were intended and calculated to destroy the banks, not immediately, but gradually, and to do away with the paper circulation throughout the country, and bring us back to the constitutional currency. This the gentleman says is his object. It was true that the gentleman from Chester, and the gentleman from Luzerne, and several other gentlemen, who had spoken on that side of the question, had professed to be in favor of banks properly regulated. But, the gentleman who introduced this proposition, does not make any such professions as these. He professes to desire to rid the state of these institutions, which, he says act as an incubus on our system.

Now Mr. M. did not believe with the gentleman from Susquehanna. He did not believe that the object the gentleman had in view, was a desirable one; and he was opposed to the means the gentleman had proposed for attaining that object. An opinion had been expressed on the other side of the water, and here reiterated, that the tendency of the banks was, to make the rich richer and the poor poorer. That assertion,

however, in his opinion, had been made without consideration, and believed without evidence; because he believed if any one would examine the question closely, he would come to a different conclusion. He wished his argument to be understood, and it was this, that a paper currency was necessary, and that it was favorable to the rights and interests of the people, and he believed it could be shown to be favorable to popular rights and free institutions generally.

He would then undertake to prove these two propositions affirmatively. First, that a bank paper circulation was necessary: and secondly, that it was favorable to popular rights and free institutions. As to the power of creating these banking institutions, and the placing of some restrictions upon them, he did not feel able to speak so confidently. He did not suppose, but what some restrictions and provisions were necessary in all of them; and he thought that a variation of circumstances might require a variation of these provisions. He thought, therefore, with perfect correctness and propriety, we ought to refer this whole matter going to the formation of charters, and the placing of proper restrictions upon them, to the legislature, and leave it out of the constitution.

The legislature was abundantly competent to adopt provisions, placing ample and sufficient restrictions upon these institutions, to meet the wishes of the people and provide for their safety. He was therefore opposed to placing in the constitution these matters of detail, saying what denomination of notes a bank should issue, and all that sort of thing: but he was willing to place in the constitution, any provision which gentlemen would show him was necessary for the security of the rights of the people. The rights of the banks he well understood, and if they were protected in their rights, the people would be protected in a proper and safe currency.

Now, his first proposition was, that some other medium than specie must exist in this country; because, in the first place, sufficient specie could not be obtained to answer our purposes; and in the second place, that if we could obtain it, it would be too expensive to use it, on account of its waste and abrasion. The expense of it would be such, that it would be intolerable, even if it could be had in sufficient quantities. He had come into this convention, as he presumed every other gentleman had come into it, with a desire only to arrive at the truth, and as the truth was generally to be found in figures, he should have to deal somewhat in figures before he got through. He should now refer to a book of some authority, in relation to the precious metals, with a view of showing the impracticability of introducing an entire circulating medium of the precious metals. The work he referred to, was Jacobs' inquiry on the precious metals.

[Here Mr. MERRILL read some extracts from Jacobs, on the precious metals, applicable to his argument, and illustrative of the position he had laid down.]

Here then, Mr. Chairman, at the very utmost, you have the sum of fifteen or sixteen hundred millions of dollars of currency—of coined money in the world, to carry on the whole business of the world.

Now, gentlemen may dispute the accuracy of these facts, if they hink proper. I am content that they should do so. I desire that they

should investigate the facts for themselves—that they should institute the most rigid scrutiny into the subject, and not take for granted any thing which I or others may state in respect to it. This will be found to be the most satisfactory way of arriving at the truth. I give my authority for the statements I make; and if that authority is not good—if there is any thing in it liable to exception, let them show it. Let them, I say, show, if they can, that the facts I bring forward are not correct; and if these facts should be found to be correct, let them then shew, if they can, that the deductions I have drawn are false; but do not let them throw aside the whole argument by saying that it is not worth while to enter into such details, because it is not possible for us to come within a six pence or eighteen-pence of the actual truth. When, sir, we have these great facts, our reasoning faculties became in a manner suspended—our intellect became, as it were, darkened in a degree, and we found it impossible to entertain any sort of a competent idea of this subject. And this is the great reason which induces me to urge upon the members of this body the propriety, nay, the absolute necessity, that they should look into it for themselves; and the more they read, and the better they study these authorities, the better able they will be to come to sound and just conclusions. I cannot press this point too strongly on the minds of the committee. The subject requires all the attention and scrutiny which it is in our power to bestow upon it.

It appears then, Mr. Chairman, from the facts which I have adduced, and which, I have no doubt, will be found to be essentially correct, that there are only some fifteen or sixteen hundred millions of dollars of current coin in the world, for the accommodation of the business of the world. Now, what is this business? I must observe that, on this point also, I have not been able to calculate with such accuracy, as I could ascertain the amount of a debt due on a bond, or any thing of that kind; but I believe I have come near enough to afford us ground for fair inferences; and, if this is so, we can gather light and information from them. The comparative increase of the coined money of the world, has been from twelve to fifteen per cent, in the course of one hundred and twenty years. I might here ask gentlemen to turn their attention to facts within their own knowledge. I might ask them to refer to their own knowledge of history to say, whether the coin which existed in the year 1700, if it was not more than enough to do the business of the world at that time, can be near sufficient for the purposes of business at the present day, increased and multiplied as it is in all its branches? Sir, the proposition is so self-evident, as to require no answer from us. The intelligence of every gentleman will enable him at once to give the answer for himself.

Having stated what has been the increase of the coined money of the world, we come next to the inquiry what has been the increase of the business of the world. And I will here ask the attention of gentlemen for a moment to the remarkable fact that, until within the last one hundred and fifty or two hundred years, trade and all that belonged to trade have been regarded as utterly ignoble; that in the ancient countries, so long as the feudal institutions of Europe held their control, trade was disgraceful; and hence it is that the historian, who gives an account of the wars and revolutions which have devastated and shaken the world,

and of the results with which they have been attended. neglects to say a single word in relation to commerce. Such information as we possess on this subject, so important in the present age of the world, has been fished up from time to time, with great care and labor—and from such sources of information as might happen to be thrown in the way; and, in many instances, the knowledge we now possess has been the result of implication. There is no regular history to which we can refer for information or guidance.

Two hundred years ago, no man would have thought of such a thing as writing the history of trade and commerce. It is a new thing in the world; and I therefore submit the facts which I have been able to collect together, with less confidence than I should feel warranted in doing under other circumstances. Still, however, I ask gentlemen to investigate these facts for themselves, so that they maybe the better enabled to know the truth.

In the first place then, Mr. Chairman, let us look at our own state of Pennsylvania. In turning to a speech made by Edmund Burke, I find some interesting statistics furnished by him, and on which he placed great faith. He gives an account of the property imported into Pennsylvania in the year 1704. In that year, he says, that the imports from England to the state of Pennsylvania, were about fifty thousand dollars, or somewhere about eleven thousand pounds sterling.

In the year 1772, the imports from England to the state of Pennsylvania, had increased to the sum of \$2,539,000. And in the year 1833, the imports from England to the state of Pennsylvania, had reached the immense amount of ten millions and forty-four thousand dollars. Here then we find that the coined money of the world, has increased in the space of one hundred and thirty years, some fifteen or sixteen per cent—while the business of Pennsylvania, alone, has increased from fifty thousand dollars to ten millions and a half of dollars.

In 1833, continued Mr. M., the exports amounted to sixty-nine millions and a half of dollars.

In about sixty years, the exports have increased from three quarters of a million of dollars to all but seventy millions.

In the year 1704, says Burke, England exported to North America and the West Indies, which latter was the great point of trade at that time, less than two and a half million of dollars.

In the year 1772, the exports were twenty three millions, nine hundred thousand dollars.

And in the year 1833, the United States imported to the amount of one hundred and eight millions of dollars.

Mr. Chairman, such facts as these, although perhaps they may not be exactly accurate, are, as I apprehend, not without interest in this discussion. I say, I apprehend they are not without merit here, and I think they are deserving of some weight, in forming an opinion on the proposition we are now called upon to decide.

But let us now turn our eye for a moment to the specie circulation. In

the space of ten years—from the year 1820 to 1830—the United States imported specie to the amount of sixty four millions of dollars. During the same years the United States exported sixty-seven millions, three hundred thousand dollars—being something like a difference of \$3,000,000 within ten years, in the exports and imports of specie. This is making the great waters find their level, as the gentleman from Indiana (Mr. Clarke) says. They will do so under ordinary circumstances. A small lake will.

In a still pool the water will hold its level; a storm may not affect it. But when we come to the waters of the great ocean, the equal division, of which the gentleman speaks, is destroyed. His argument, therefore, however good it may be in small matters, ceases to have any weight, and falls at once to the ground, when it is brought to apply to the affairs of great nations like our own, where trade is carried on to the amount of hundreds of millions of dollars. In such case, his position is of no avail.

In the ten years from the year 1820 to the year 1830, the revenues of the United States amounted to two hundred and thirty millions of dollars; so, at least, Senator Smith, of the state of Maryland, announced, in a report which he made to the senate of the United States. Two hundred and thirty millions of dollars were received by the United States for revenues, at a time when taxes were not high, and when we were not engaged in any wars! This will be sufficient to show the vast increase of the business of this country. Let gentlemen go and examine the country about Pottsville—let them see the immense extent of the coal business carried on there. I was informed during last August, that the wages paid out in that place and the neighborhood, amounted to something like \$60,000 per week, which is \$10,000 per day. And this trade has grown from nothing to be what it now is, within the last ten or eleven years. When we contemplate such facts as these, it is impossible to say what untold additions may yet be made to the business of the United States.

In the twelfth volume of the last Quarterly Review, at page 415, it is stated that the sum of \$5,000,000, passes through the hands of the banks of England in one day—and that this amount is paid without the use of any specie. There, the manner of business is, that, every day, the clerks must settle up the balances—they must change checks—and the whole business must be done to the amount, each day, probably of a million—and yet, out of that amount, it is probable that there are not one hundred pounds of specie paid out. The same book states that, in London, the banks pay the sum of fifteen hundred millions of dollars annually.

This immense amount of money is paid without the occupation of much time, and without interfering in any way with the progress of business. Let us suppose that this amount had to be counted from hand to hand. In what space of time do gentlemen suppose it could be done? I have heard it said that, in the city of New York alone, a greater amount of money passes from hand to hand in one day, than it would be possible for the whole population to count in that day, that is to say, if it were paid in half dollars. Thus we see that there is not only an insufficient amount of specie to answer the demand, but that it is impossible to sup-

ply this deficiency. And even if it could be supplied, it could not be used to advantage, as may be inferred from the estimate I have just given, in reference to the business of the city of New York. In forming their opinions, therefore, it is necessary that gentlemen should take all the facts of the case, in connexion with each other.

But, Mr. Chairman, let us examine a little farther into this subject, by looking at the revenues of a few of the principle states of the world. On reference to Lang's Essays on Political Economy, page 450, gentlemen will find a statement of the revenues of England, France, and the United States.

The revenue of England is set down at two hundred and sixty-nine millions of dollars;—that of France at one hundred and seventy-seven millions of dollars; and that of the United States, at sixty eight millions of dollars. This estimate was made in the year 1820; thus making a total of four hundred and sixty three millions of dollars, collected by these three governments alone, in the year alluded to, for their own use—and this, too, independent of all local taxes of every kind, appropriations or expenses. And if we look throughout our Union, we shall find that the money paid to our state, county, township, city and borough officers equals, if it does not exceed, the amount of money collected by the general government. In England, the poor tax alone amounts to something like the sum of forty millions of dollars. In France, I have not the means of knowing what it is—but I assume that nine hundred and twenty seven millions of dollars, more than one half of the whole specie of the world, if nothing else were used, would go through the coffers of these three governments.

I will cite a few items as to this estimate, because I am desirous to be within bounds. I have estimated that the local interior taxes are equal to the collections made by the government. Look, for instance, at our own. Our postage is about three millions of dollars. Then of the fifteen hundred and odd millions which exist in the world, beside what these three governments would have the control of, there would remain 643,000,000—less than a dollar for every inhabitant of the world. This sum of \$643,000,000 has been paid in London in a single week. How then, let me ask, is the business of the world to be done with specie, if these facts are true, or, in any degree, an approximation to the truth? How can it be done. Let gentlemen, if they can, shew me the process. I do not wish to jump at conclusions, or to attack the understandings of men in any other than the right way—and that is, by reason and argument.

I have no desire to carry a vote in any other manner except that in which alone it ought to be carried. But when we are told that we can come back, by some process or other, to specie, as the only evidence or measure of value—as the one only standard by which our property and our labour are to be measured, I ask gentlemen, as I have a right to do, to point out to me the process by which this end is to be accomplished. I ask them to bring forward facts and evidence to satisfy the understanding of reasonable men, that this thing is feasible; and, if they cannot do it, I claim that they should pay proper regard to such facts and argument.

as other gentlemen may bring forward, for the purpose of shewing that the position which has been assumed is entirely indefensible, and entirely fallacious.

Mr. M. here gave way to Mr. CHAMBERS, on whose motion the committee rose, reported progress, and asked leave to sit again; and,

The Convention then took a recess until half past three o'clock.

FRIDAY AFTERNOON, DECEMBER 8, 1837.

SEVENTH ARTICLE.

The convention again resolved itself into a committee of the whole, Mr. REIGART in the chair, on the report of the committee to whom was referred the seventh article of the constitution.

The question being on the motion of Mr. STEVENS, of Adams, to amend the amendment of Mr. READ, in the 3d section, by substituting the following, viz:

“The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people.”

Mr. MERRILL resumed. When the convention rose, he was on the point of introducing that part of the evidence which related to the proposition that the coin of the world is now sufficient for the business of the world. Until more testimony in proof of this should be adduced than any he had yet heard, he thought he had advanced sufficient argument to rebut that idea.

He was just about to ask the committee to look at this great country with a view to futurity:—to consider that our land extends some four thousand miles east and west, and that it is capable of containing a population beyond that of any nation in the world. He would ask gentlemen to examine if the business could not now be done by the coin of the world, what would be our situation fifty or a hundred years hence, if we return to specie payments? If our business and population increase, as it is to be expected they will, and we have not sufficient means now with our limited population, how are we then to get along? But gentlemen say, how will the business be increased so as to be productive of inconvenience? It may be increased to an indefinite extent, and without interfering with the rights of any. Did gentlemen reflect on the amount of labor required in smelting the precious metals? Did they think of the destructive effect of the pernicious vapor? Did they remember that according to Columbus, two millions of people had been destroyed in St.

Domingo, and the land laid waste? Where are the aborigines of the United States, and of all those countries whence the precious metals have been obtained? Look at the waste of population, and at the horrors of the slave trade, and of slavery, which have been resorted to, to supply the place. All other considerations sink into insignificance, in comparison with the amount of life destroyed, and of labor, misery and crime which have been introduced. It may be said, these are results which inflict no evils upon us. It may be so: but they are nevertheless evils which will not be without their effect on those who profess to be friends of equal rights, and popular institutions, of those institutions which make men capable of self government. Do gentlemen desire that the end of all these institutions should be subverted, because it is necessary to have slaves to mine these precious metals? Some years ago, an effort was made by England to raise gold in Mexico, and costly machinery was introduced, as a substitute for slave labor, but with no success. And he was doubtful whether any other mode could be found, which was at all practicable. Let us look at this view for one moment. Take the three governments, whose resources exceed in amount all the commerce of the world. Suppose they should desire to break up the supply of the precious metals. Could any more effectual means be resorted to—could any mode be more certain, to destroy men's business, than this? It may be said, the amount of business could be diminished. At whose expense would it be diminished? If the business of the world be destroyed, who will be the sufferers? Will the rich suffer? No. The greater weight of the pressure will be on the laboring classes, and will be felt in the diminution of the price of labor. Capital would remain for some years in the hands of the employers. But let the business of the world be crippled or diminished in any sensible degree, and the laborer will find himself constantly underbid.

He considered it perfectly fair to use this argument; because it had been already used in every quarter by those on the other side in politics, against their opponents. We are constantly told of the poor. It is right to protect the interests of the poor, because the interests of the poor are the interests of all. It should be our object so to arrange matters, as to afford protection to all; and, if we destroy the business of men, we destroy the interests of all those who live by employment.

My next proposition (said Mr. M.) was, that if the business of the world could be done by coin, it would not answer the purpose, because we could not afford to use it. The abrasion and waste would be such as to render it too expensive an agent to carry on the business with. The wearing away of the precious metals has been estimated at between one-third and one-fourth of one per cent per annum. To give some idea of what was the amount of this loss, he read a passage from Jacobs on the metals, (p. 293)—and then resumed.

Here we find a fact of great importance stated, viz:—that silver coin becomes so reduced by wearing, as to be depreciated one-third of its nominal value below par. It appears that the officers of the mint, in 1787, made experiments to prove this.

He would therefore ask of the gentleman from Susquehanna, (Mr. Read) to save some of his tears to shed over the poor laborer. Here is a fact,

which does not stand alone, that the small coins which form the currency of England, which are received at par, and paid at par, are yet actually worth less by one-third than their par value. Now, he would ask gentlemen to say, if they knew of any thing like this in our system? As they have arrayed themselves against the *vice* of the system, and not the system itself, did they ever reflect on this diminution of value, year after year? Here was a commercial statement, compiled and published for the information of those engaged in commerce, by a respectable authority, and without any political object. It tells us that the shilling which is current at par, is actually worth less than its par value by twenty-five per cent.

Adam Smith tells us that before the establishment of banks, coin was fourteen per cent below par, and at Hamburg it was nearly all of the same deteriorated value. But Mr. Gouge assures us that the wear and tear is not worth notice. And so it may be at present; but we are now looking to a state of things when all the business of the world is to be carried on by coin.

The secretary of the treasury tells us that the amount of paper and coin in circulation is one hundred and ninety millions of dollars. Gentlemen had estimated it at fifteen dollars a head, which would increase the aggregate amount in circulation to two hundred and ten millions. If the business of the world were to be all carried on in coin, the loss which would result from the transfer of this coin from hand to hand, would amount to *seven hundred thousand dollars*, at one-third of one per cent, on two hundred and ten millions.

Thus, there would be two-thirds of a million annually lost to the world, without including the destruction of health and life. Therefore, he had said that the loss on the coin would be so great that there would be no extensive business done at all. We were told the other day that there was a loss by the paper currency of several millions. But there was no evidence here of the fact. The nineteen banks in this state on which the statement was predicated were not proved in default. The whole statistics so refuted the charge, that it was only necessary for him to say, that of all the banks which had not paid their notes, he had only heard of three which would ultimately fail to redeem them. The loss, therefore, would not be any thing. It would be more than met by the wear and tear of the silver coin. Seven hundred thousand dollars to be wasted in this country! And for what? We were told for the purpose of being secure. How long is it since it was said that they were willing to murder any man in the western country who carried any amount of specie about him? Ready to murder for the specie! After this, did gentlemen talk of the security it produced. There always would be a great want of security where specie was always present. He repeated, that these facts, which he had stated, demonstrated, as well as any thing could be demonstrated, that the business of the world cannot be carried on exclusively by coin: and that, even if coin could be introduced as the universal currency, the business could not be done, because of the great waste and extravagance with which it would be connected. The banks at Amsterdam and at Hamburg were established to put the coin out of sight, and thus preventing a circulation which could not be carried on, without so much abrasion

and waste of the metal. The cost of paper is very trifling; and, in case of any loss, it could be easily replaced.

He now came to another proposition which could not be denied: the facts themselves were undeniable. He now proposed to go into an examination of the party cry which had been set up, that the rich would be made richer, and the poor, poorer, by the banking system. He had looked into the history of the currency, and would undertake to prove that high prices and low wages must be always the result of a coin currency, and that in the absence of a paper currency, the country must be in a state of depression. He would undertake to prove that on the introduction of paper, prices had gone down, and the value of labor had risen. And he would ask if the fact were so, whether it did not go far to prove, beyond cavil or doubt, that a paper currency was productive of as much benefit to the poor, as to the rich.

It was quite natural that it should be so. The less an employer paid for capital, the more he could afford to pay for labor, and the cheaper would be the article. Now, this position was either true or false—right or wrong. He, however, would undertake to prove it affirmatively, and would ask the attention of the committee to some facts. As he had already observed, it was difficult to get at historical facts, and the information which he had obtained, was from systems of law. He would refer gentlemen to a translation of the Chinese law, by Sir George Staunton, wherein they would find a great deal of curious and valuable information. They would discover that the Chinese, who possessed no banks, were not entirely without evils in their monetary system. Interest was there three per cent per month, although it was true, as Sir George Staunton stated, that at Canton, money could be obtained for twelve or fifteen per cent upon pledges. The law, however, allowed three per cent a month to be taken. And, if a man did not pay his interest punctually, his creditor could punish him by inflicting blows from fifteen to sixty, according to the amount due.

Now, he would ask if the condition of the Chinese was an enviable one? The monopolizer, or usurer, was punished by receiving sixty stripes. He supposed the gentleman from Indiana would approve the infliction of such a punishment. China was a hard money, and a very tyrannical government. Some gentlemen here really seemed to imagine that monopolists existed only in this paper country—in the United States.

He (Mr. M.) would ask, if gentlemen wanted such arbitrary regulations in our free and happy land? It appeared, that in China, the coin that chiefly circulated among the poorer classes of the people, was copper: so, that the poor man could never expect to become the possessor of gold or silver. No man, too, was allowed to own any copper utensil, except for religious purposes. He must take all the copper that came into his possession, to the government officers, who would pay him the value of it; and should he refuse to comply with this law, he was to be punished by blows. A man was not allowed to surrender his land, but was compelled to cultivate it, or be punished at the will and pleasure of the magistrate. He would ask gentlemen how they would like such a hard money system as that?

The evils, under which the country was at present suffering, had been

attributed to the erroneous policy of the government. Doubtless, the conduct and action of the government, had a powerful influence in bringing about the present state of things. He (Mr. M.) was desirous, that whatever blame and obloquy might attach to those who were the authors of the evils which affected our monetary system, might be awarded to them. He wished that when the hard money currency was adverted to, it would be in connexion with the policy of the government. It had been said that China was once a paper country—that she had built the great wall, made canals and erected cities, &c. and had given up the paper currency she possessed. Now, he could find no authority for this; but he knew that there was a law in existence, depreciating the value of paper. He had discovered in a work, entitled a Translation of the Hindoo Law, by Sir Wm. Jones, that the wages of laborers were only from two and a half to three pence per day. That was the case now, but what had it been before?

While the rate of interest in British India was twelve per cent, it was only two per cent in England. In p. 207, it is stated that money was lent in pledges, at fifteen per cent on land and other kind of property; and without a pledge, at twenty-four per cent. But, a priest had to pay but two per cent, a soldier three, a merchant four, and a mechanic, or servile man, five per cent, a month.

From the Encyclopedia, he learned, that farmers, in India, borrow money at the rate of forty to sixty per cent, in order to stock their farms. In p. 241, we heard again of monopoly. It was a curious fact, that, by their law, the king fixed the price of provision every fifteen days, or at the close of every half month, to prevent the people from asking too much for those articles which were absolutely necessary to existence. He (Mr. M.) hoped that the gentleman from Indiana, (Mr. Clarke) and the gentleman from Columbia, (Mr. Hayhurst) and especially all those who had such a horror of monopolies, would attend to this. If we suffered from an evil, it was necessary first to examine the cause of it, before we undertook to apply a remedy. Indeed, we might, probably, if this course were not adopted, improperly attribute the evil to one source, which justly belonged to another. All our legislation, from beginning to end, would be erroneous, unless investigation was resorted to, prior to applying correctives.

Now these facts, which he had stated, were fully borne out by the gentleman from the county of Philadelphia. He (Mr. M.) would refer to what Adam Smith—who was pretty good authority—says on the subject of interest.

In ancient Rome, the general rate of interest was twelve per cent; but, in some of the provinces, the farmers were charged as high as forty-eight. He would call the attention of the committee to what was the legal rate of interest in England. In 1546, it was ten per cent; in 1624, eight per cent; in 1654, six per cent; in 1713 five per cent. The market value of money in England, had been for the greater portion of the last century, from three to four per cent, and scarcely ever five per cent. Hence in the space of two hundred and fifty years, there had been a large reduction of legal interest—from ten to five per cent.

Gentlemen might suppose that paper could be dispensed with, but they

were entirely mistaken. But, he would ask, if interest had really depreciated?—if there was any difference between ten per cent to paper, and ten to silver? There was not.

In the year 1694, the Bank of England was established, and paper issues commenced, and interest began to lower. In proportion as the rate of interest was reduced, after the bank went into operation, wages had risen. Money might then be had at the rate of eight per cent. And, we knew that our forefathers borrowed money from Holland at that rate, during the latter part of the last century.

France had been referred to, as being a great commercial nation, possessing large resources, and containing a large population. This was all true; but we knew that the rate of interest was higher in that country, and wages lower, than in England.

Dr. Lowe, in his "State of England," says that an able bodied farmer, in France, can earn one dollar and thirty-three cents a week and find himself, and that the Frenchman has to pay a higher rate of interest than the Englishman. Twenty years ago it was stated, or rather predicted, by a member of the British parliament, that France would become a manufacturing country, and undersell England, because wages are lower; and, it was answered—"No fear of that, our facilities are much greater than those of France, and interest is much higher there." France, (said Mr. M.) however, was now beginning to introduce the paper system, and her manufactures and commerce were greatly on the increase. During the course of last summer, there was published in the newspapers an extract, taken from a book published by a commission of French gentlemen, who were sent to this country by their government, to examine our state prisons, which stated, as a fact, that the business men of France have to pay seventeen or eighteen per cent per annum for the use of money.

Now, he would ask gentlemen to consider whether, if the people here had to pay even twelve per cent—they would not be working entirely for the owner—the proprietor. If they had to give so much in this country, would they be able to give their children enough to eat? And, in order to raise the interest, they must starve the laborer.

Look at Mexico, a place where money grows. Buckhardt, who travelled in that country in 1835, said that an able bodied man could earn on a farm, only twenty-five cents per day. What, he asked, was the interest on money in Mexico? He had the authority of a gentleman of high respectability, who had resided in that country, for saying that the current rate of interest there, and indeed throughout South America, in commercial transactions, was one and a half, two, and sometimes as high as three and a half per cent per month. The legal interest was twelve and a half per cent per annum.

In Anderson's History of Commerce, vol. 2. p. 188, it would be found that King Philip of Spain, in 1575, paid eleven and twelve, and even as high as eighteen per cent to the merchants of Geaoa, for money borrowed by his father, Charles V. to carry on the war, one hundred years after the discovery of America. Charles was king of the richest country in the world, and although the money came from this country, he was unable to

borrow it for less than from sixteen or eighteen per cent per annum. In ancient Rome—a republic, too, where there was a hard money currency, such were the exactions for interest—such was the usury practised, that it was a subject of great complaint and of constant clamor. He (Mr. Merrill) had himself known a man that had eleven bonds of four hundred dollars each, and he wished to pay a debt, and receive the balance, but the discount charged was so great, as to absorb the eleventh bond and a part of the tenth: and he consequently refused to agree to the proposition, and both the parties were ruined. He had known men, also, who would be willing to go a distance of eighteen or twenty miles, in order to lend money, so as to secure six per cent interest. He had known a man, likewise, who was so anxious to buy bonds, that on one occasion he bought some, and gave his note, payable in a few days, for a balance, which he could not pay at the time in cash.

I have in the course of this argument, made reference to some facts bearing upon ancient times, and in relation to distant countries.

I will now turn the attention of the committee, for a few moments, to a few sentences in a book, written by a man who is well acquainted with the subject on which he treats; and who has done every thing that lay in his power, to throw light on the subject of banks. I read from Hallam's *Middle Ages*, vol. 4, page 252.

“It is not easy to determine the average rate of profit, but we know that the interest of money was exceedingly high, throughout the middle ages. At Verona, in 1228, it was fixed by law at twelve and a half per cent. At Modena, in 1270, it seems to have been as high as twenty. The republic of Genoa, towards the end of the fourteenth century, when Italy had grown wealthy, paid only from seven to ten per cent to her creditors. But in France and England, the rate was far more oppressive. An ordinance of Philip the Fair, in 1311, allows twenty percent after the first year of the loan. Under Henry III, according to Matthew Paris, the debtor paid ten per cent every two months, but this is absolutely incredible, as a general practice.”

I will read, said Mr. Merrill, one passage more, because it alludes, in some degree, to the manners of the people at that time.

“In these times,” says a writer about the year 1300, speaking of the age of Frederick II, “the manners of the Italians were rude. A man and his wife ate off the same plate. There were no wooden handled knives, nor more than one or two drinking cups in a house. Candles of wax or tallow, were unknown, a servant held a torch during supper. The clothes of men, were leather, unlined. Scarcely any gold or silver was seen in their dress. The common people ate flesh but three times a week, and kept their cold meat for supper. Many did not drink wine in summer. A small stock of corn seemed riches. The fortunes of women were small; their dress, even after marriage, was simple. The pride of men was, to be well provided with arms and horses; that of the nobility, to have lofty towers, of which all the cities of Italy were full. But now, frugality has changed for sumptuousness; every thing exquisite is sought after in dress—gold, silver, pearls, silks, and rich furs. Foreign wines and rich meats are required. Hence usury, rapine, fraud, tyranny,” &c.

Here then, (continued Mr. M.) we have a description of the modes and manners, and of the feelings arising from the hard money currency, connected with it, or, at all events, concomitant with it. And, as we trace the progress of society in Europe, the acts of society, and, if you please, their luxuries, we see the result of another course of conduct, of another state of things. Look at the contrast—how great it is, and then let every man ask himself, whether he is willing to go back to such a dark and dismal period. Let him ask himself, whether it is desirable that we should retrace our steps? I should suppose that none of us can entertain much difficulty in answering this question.

It seems to me, Mr. Chairman, that I have made good three propositions; the first of which is, that the business of the world cannot be done by the specie of the world, because there is not enough for the purpose; secondly, because it would be too expensive a method of doing business, and therefore, that it ought not to be adopted; and thirdly, because it tends to the utter and abject degradation of the poorer classes of society. If we are anxious to have any lessons on this subject, we might find abundance of them in the history of other nations of the world. We might look to Turkey, and to a dozen other nations. And, from all the data, which history and experience furnish, we find this one truth—that wherever nations have depended on a hard money system, there the poorer classes have been, and are invariably, ground to the dust. There is not a solitary chance for the poor man to rise in such a country—there is not a chance for the introduction of equal rights and privileges, or, of any thing bearing even the semblance of equal rights and privileges. There is no escape from this conclusion; it is a matter of historical fact, too irresistible to be denied or disregarded. And, it will be well for the advocates of a hard money system, to ponder well upon its consequences on other nations, before they attempt to force it upon us with all its attendant evils and miseries. They are of a nature which, it appears to me, would cause the philanthropist and the patriot to shrink back with alarm.

Sir, there is yet another question which remains to be spoken of, and which, to my mind, is of considerable importance. It is this. How ought this paper money to be introduced? How ought it to be sustained? Ought the government to be the maker and vender of it, or not? It seems to me, not. It seems to have been scouted by universal consent, that paper money should not be made by the government. Look at the issues of the continental money by the American government, and the extravagance and distress which have resulted from that step. All governments will spend too freely, if they can make money so easily.

But, gentlemen say that this matter should be all left open, without any restriction at all. Look at the history of this matter. How has it been found to operate here? From the year 1810 to the year 1817, it was not larceny to steal the note of an unincorporated company. They never redeemed their notes. What is the condition of these incorporated banks now? I believe that, at the time spoken of, there were only three banks of all which had been incorporated in the state of Pennsylvania, which have not redeemed their paper. The names of those three are Marietta, Greencastle and the Agricultural Bank of Carlisle. If there are any others on the list, some of the members of this body, probably, may be able to tell us which they are. I know of none, save the three I have mentioned, which have not paid their notes on demand.

The bill that was vetoed by Governor Snyder, in the year 1812, contained charters for twenty-five banks. It could not pass the legislature by the requisite vote of two-thirds majority, and, in the year 1813, the question was raised throughout the commonwealth, of bank, or no bank. And the consequence was, that the people sent to the legislature, men enough to pass the bill by a vote of two thirds. And, I will here take occasion to say, that there never was, at any time, a more true expression of opinion on the part of the people of Pennsylvania, in relation to any one question of public interest or public policy, than the exponent which was then given in relation to the banks. I do not intend to advance the opinion, that the opinion then expressed, was a sound or correct opinion. I refer to it simply as one of the most true exponents of popular sentiment ever witnessed in the state of Pennsylvania. The bill was vetoed, as I have stated, in the year 1812, by Governor Snyder; and, in the following year, the bill again came up before the legislature, with an addition to it for sixteen more charters, and it passed both bodies, the people having sent their representatives into the legislature, with a view to that particular object.

There were many men at that time, who thought that this was all wrong, that it was injurious to the public interest, and fraught with consequences of a serious character. And, if you please, it did actually turn out to be all wrong; but still it was the result of public opinion in the state of Pennsylvania, and, of course, is to be regarded as such. There can be no doubt that public opinion underwent a considerable change at a subsequent time, in reference to this same subject, but what have we a right to expect, but that public opinion should change? Private opinion, we know, changes often and greatly; why should not public opinion do so likewise? It is known to us, that the opinions of a dozen or more members of this body, have changed, within no very distant period, on questions of great public policy. Is there any thing wrong in this? Certainly not—at least in my estimation. It is a privilege that we all enjoy, in our private as well as in our public capacity, and probably it is held as one of the highest privileges which we can enjoy. The bill, however, did become a law under this expression of the popular will. And, I believe that all the banks which did not redeem their notes, were of the sixteen which were brought in as additions to the bill, after it came up anew in the legislature in the year 1813. Of this, however, I can not speak with entire certainty. The Bank of Marietta was in operation before that time, as a joint stock company.

The Green Castle Bank was, I think, organized at first without a charter. The president of that bank is now a member of the state senate, and is a man in whom as much confidence is reposed, as in any other member of that body. The directors and officers were men of the highest character for integrity, but perhaps not skillful men of business.

Did the legislature know that officers would not be elected, who would perform the respective duties assigned to them, justly and properly? Certainly not; the legislature could have no means of ascertaining that fact. I admit readily that these are evils—I admit that they are drawbacks. But, at the same time, we must recollect, that such evils affect, not only the monetary system of the country, but that they are found in the government itself.

And thus it is, that we discover that nothing in this world can be perfect. It is vain and useless to look for perfection in any thing on earth. And are we to find fault because this is so? Is it for us to require that man should be made over again? and that he should be placed here upon earth with other attributes, than those which the Almighty has thought proper to bestow upon him? Is this a duty which belongs to us? No, sir—it is not; we are to take men as they are—the good and the evil mixed together; and we are not to set ourselves up as judges of those things which are too deep for human scrutiny. But even if it were possible for us to do so—if it were possible for us to change the nature of man, imperfect as it is in our present state of existence, and to make it something different from that which we found it, the probability is, that we should make it a thousand times worse than it is at present. All that we have to do, therefore, is to take men as we find them.

But, Mr. Chairman, let us inquire how this system has worked in England? We have heard much about the joint stock companies of England, and about the stockholders being made liable for the debts of these institutions. It is true that they are so; and, let me ask, have there been no complaints there? Have there been no evils? By the returns made to the British parliament in the year 1819, it appears that from the year 1791, to the year 1818, there were two hundred and seventy-three banks made bankrupt; about ten in each year. Ten banks in a year, it may be supposed, because private banks in that country, were only small affairs. I do not know the capital of all these banks, but one of them that had a capital to the amount of two millions of dollars, failed; and two hundred and seventy three banks failed, as I have stated, in a period of less than thirty years. Are these facts of such a nature as to recommend the adoption in the United States, of a system by which the stockholders of the banks should be made individually responsible?

Sir, it appears to me that there is nothing in all this which should make us desirous to have a similar system. When gentlemen wish to put new provisions into the constitution of their state, it is for them to shew, by clear and conclusive facts, that those provisions will work for good, that they will promote the one great object which all legislation ought alone to have in view—that is to say, the welfare and the interests of the people, for whose government it is designed. If they cannot establish this point, then change of every kind ceases to be desirable, and may become dangerous; and, to my mind, it is perfectly obvious, that the adoption of such a system as this, would not be attended with any beneficial results, unless some further provisions can be made, of which, at present, we have no information before us.

No further propositions have been made on the subject, with the exception of those which have emanated from the gentleman from Susquehanna, (Mr. Read) and if every single provision which he has offered, had been placed in the charter of every bank which has been incorporated in the state of Pennsylvania, I feel satisfied, in my own mind that they would have been of no avail—that they could not have saved us from the suspension of specie payments. They could not have made any bank more solvent than it is—and I challenge any man to prove that those provisions would, in any degree, have improved the state of the currency, or made it in any respect better than it is at the present time. Sir, they

could have had no effect; and, if this is the case, why should we load down our constitution with useless and nugatory provisions?

The banks, under such circumstances, would be truly banks of speculation; and the gentleman from the county of Luzerne, (Mr. Woodward) would then be right in the opinion he has expressed. Every man who owned a share would be a general partner, and what farmer in the land would take a share, under such terms, and with such fearful responsibility hanging over his head? If you have two shares and a farm, and another man has two shares and nothing, his interest and his responsibility are as great as yours. Would you make a trustee liable?

Banks would then indeed be organized as incorporated speculators.

It has been stated that one of the banks in this city, (the Girard Bank, I believe) presents a specimen of what a bank ought to be. And yet, we are told that, at the death of that gentleman, there were only a few thousand dollars of specie found in the vaults. Mr. Girard was a merchant, and, within the last few years of his life, he sunk money to the amount of between one and two millions of dollars. Can any gentleman undertake to say, that there will be more confidence felt by the people of this commonwealth in an individual of this description, no matter how great his wealth may be, than will be reposed in an institution modelled, regulated and restrained by judicious, and, at the same time, by liberal provisions. I think it cannot be. I take it then, that banks ought to be chartered—that they ought to be made the instruments of your law—built up, directed and restrained by your law.

Then comes another question. It is said that there have been, and that there now are, too many banks—that there are more than the wants and the interests of the people require. Probably, this may have been the fact; and, if it be so, this is undoubtedly an evil. What is the remedy for that evil? We ought to restrain the legislature from chartering banks when the will of the people does not require that those charters should be granted.

This, it seems to me, is the plain and simple remedy. I am upon this, as in other matters, so much of a republican as to submit to the will of the people. And, even in cases where I believe that the will of the people has taken a wrong direction, I am still content to submit to it, until such time as it may change for the better; and if the people of a district call for a bank, and can shew the legislature that they are in want of it, I, for one, am not willing to throw any impediment in the way of gratifying that will. But for us to go to the legislature and say, we will give charters that shall never be changed—which shall contain all the provisions which the people now want or ever may hereafter want—this, I say, is a proposition to which I will never assent. What gift of prophecy have we? How can we know what provisions may become desirable after the lapse of a few years? It certainly then is no part of our duty so to restrict the legislature by any provisions, which we may place in the constitution of the state, as to prohibit them from doing good; but our object should be to restrict them, so far as possible, from doing evil. Gentlemen say that we shall have a stronger security by the insertion of constitutional provisions. I should suppose, from the late message of the governor, that the holders of bank notes have abundant security. They

have that which will be available, or the directors must either be egregiously deceived or egregiously mad.

No bank is authorized to issue more than twice its capital, and if it goes beyond that, the directors make themselves liable personally, if the bank fails; and here he might say a word in relation to himself. It had been asked if he was not a director and stockholder in a bank. He would answer that he was, but not to a very great extent, his interest being principally in landed property; and two bad crops would affect his interest more than the loss of all the bank stock he owned. When the bank in which he was a director, suspended specie payments, in company with all, or nearly all the banks in the country, the directors pledged their property for the whole of the debts of the bank, as well the amount of deposits, as the bills in circulation, and it gave him pleasure here to say, that this proposition was introduced to the board by a good Van Buren man, and unanimously agreed to, and it so happened that four of these directors were able to pay the whole debts of the institution, in case it had failed.

Then he would ask, where was the conspiracy in suspending, under such circumstances? Did these directors enter into a conspiracy to make themselves personally responsible for the institution, in order to calm the public mind? No, sir, there was no conspiracy about it. A bank must cease paying specie, if it cannot get it in return for its debts, just like an individual. If a man cannot collect what is coming to him in specie, he cannot pay his debts in specie. So it was with the banks. They could not obtain the specie, and they were compelled to suspend paying specie for their notes.

But suppose the Pennsylvania banks had continued to pay specie after the New York banks suspended, would not all the specie have been drawn from their vaults to take to New York, where it was in demand and where it would sell for a high premium, and then what would have been the condition of our institutions, and how and when could they have resumed specie payments.

But, with regard to the provision now before the committee, it was a matter of some curiosity to him to know how it would affect the poor men and the laborers of our country; and, for the purpose of obtaining some information on the subject, he had called upon one of the aldermen of this city, and made some inquiry on the subject. He there saw that one hundred and sixty-eight suits had been brought in the course of a month, and that ninety-nine of them were under twenty dollars, and he was informed that that was about the proportion of suits generally. Then if you abolish all notes under twenty dollars, is it not believed that there will be a difficulty in obtaining specie to pay these small debts. Most unquestionably, it would be a more difficult matter to pay debts in specie than in paper; and the poor man would be called upon to pay his debts in specie, while the rich man could pay his in paper. Would not this be creating distinctions in society, and in the different classes of men. He apprehended, that the gentleman from Susquehanna had never reflected as to how this provision would operate on a large number of his constituents, or he would not have offered it to the consideration of this convention.

But there was another important fact connected with this matter. Some year or eighteen months ago, there was a return made, pointing to the dis-

crimination between the different kind of notes which were in circulation, issued by the different banks in the country; and, from that return, it was ascertained that nearly one third of the whole paper circulation of the country was in notes of the denomination of five dollars. Now he had called at one of the banks in this city, and he found the state of their circulation somewhat different. Out of a circulation of \$249,000 of notes under \$100, it had \$64,000 in five dollar notes, and \$73,000 in ten dollar notes; so that out of the \$249,000, there was \$137,000 of it in notes under the denomination of twenty dollars. Then are we prepared now to throw out of circulation this immense amount of money, as this would take out of circulation in the country? Or are we prepared to supply its place with any thing else than paper of an infinitely worse character than the bank notes? It seemed to him that gentlemen did not know the extent to which this proposition would go. The time may come when it will be proper to introduce this matter in the legislature, and we are told by gentlemen that we ought now to introduce it, because the governor, who they say is our file leader, has recommended it.

But, said Mr. M., there is where the gentleman and I differ. Our party acknowledges no file leader. I am no man's man, and when the governor recommends measures that I do not believe to be correct, I will oppose them. Perhaps, it might be proper for the legislature to introduce some provision of this kind, and see what effect it would have, but that was no reason why such should go into the constitution. Because the governor recommends these resolutions to the the legislature, are we to place them in the constitution, where they must remain fixed and unchangeable? No, sir, he trusted not.

Now we have heard a great deal about expansions and contractions in the currency, and these evils have been charged altogether upon banks. But he would ask gentlemen to go back a little with him, and consider for a moment whether these things had not existed before, and long, too, before banks had been established.

Sir, had not Tyre, that city whose merchants were princes, her expansions and contractions? Was not Thebes affected in the same way? And will any one pretend to say that Rome escaped from these fluctuations in her currency? There always will be expansions and contractions, and times when money will be scarce, and other times when it will be plenty, with the revolutions of commerce. These revolutions operated upon them, as upon all other parts of the world, and to charge all these expansions and contractions upon banks, was to charge them with what was not the fact; because these changes would exist, and would come upon us, no matter whether we had banking institutions in the country or not. There was a difficulty in arriving at the true cause of our embarrassments when there is a variety of causes operating, and it might be that it could not be done.

But it was wrong for us to say that one thing was the cause of difficulty, when the fact was, the effect was entirely too great for the cause to operate to that extent. The fact was, that no human invention could produce the state of things that existed, without the aid of the revolutions of commerce. All the banking in the world could not produce these effects.

But, as gentlemen were so much for the regulation of every thing by

law, he would ask them to look at the laws of China and India, where the prices were graduated by the government, so that no man dare take more than a certain price for a certain article, and this was done in order to prohibit expansions and contractions. Well, sir, would the people allow this to be done in this country? Would they allow their government to fix the price of wheat, clover seed or plaster? No, sir, if it is an evil to have the price of all our produce fluctuating, we must learn to submit to it, and leave that imperfect which cannot be amended. But the gentleman from Indiana says, that banking is immoral, and in contradiction to the moral law.

Now, Mr. M. had known that gentleman long, and had always been disposed to give some weight to his opinions, but in this matter, he thought him entirely mistaken, and not borne out by the scriptures. In the New Testament, it would be found in Luke, that there was an express order from the Saviour, that you should put your money in banks in order that usury might be made on it. This was, to be sure, used as descriptive of our duty to him, but still, it was to the point, that it was recognized by him. Now, bankers in that day carried on their operations at a short four footed table, and the manner in which the word bankrupt came into use, was because when one of these bankers became insolvent, he was turned out of the exchange, and his table broken. This word, therefore, originally, only applied to money dealers—bankers—but since, it has been made to apply to all professions.

But again, the gentleman from Indiana, says that banks betray their trust when they loan out money, left on deposit in their hands. Well, how stood this matter? Why, it stood in this way, that if a man placed money in bank for safe keeping, and told them not to use it, or in other words, made it a special deposit, it was not touched, and was not loaned out.

He knew a man in his neighborhood, who, finding that he had some persons in his neighborhood, while the rail road was making there, that he did not consider he ought to trust, brought the money he had in his house, and deposited in bank, since the suspension of specie payments, in this way, and he (Mr. M.) would vouch for it, that if the money was not taken out upon this man's own check, it was there yet. But when persons make deposits in bank, without making it a special deposit, they expect that it will be loaned out by the bank; and where is the immorality or breach of contract by this course. It was loaning out the money, with the knowledge of the owner of it, and where was the immorality in this.

He had occupied more time than he anticipated when he rose, but he hoped he would be excused, considering the importance of the question. This was truly and emphatically a great question, and the five and ten dollar notes were put entirely out of sight by its magnitude? On our decision, in some measure, rests that great question of public policy, whether the American people shall retain the reputation they have gained for energy and enterprize, for unwearied industry, for national economy, for intelligence and ingenuity, and a high degree of moral excellence.

He would here use the beautiful and appropriate expression of the gentleman from the county of Philadelphia, (Mr. Martin.) The question is "shall we overturn and uproot every thing which tends to civilization,

and fall back into barbarism?" To this question, the American people can give but one answer. Their reply to all such interrogations must be an indignant negative. The people of this country are not for going back, they will never consent to it; they will go ahead, and, ever and anon, their cry will be "onward."

He spoke not now of the proposition before the chair, but of the great principle involved in the argument of the gentleman from Susquehanna. It involves a complete and total change in our policy, and are we prepared for this? Are we prepared to abandon that "go ahead" principle which has made Pennsylvania what she is? Are we prepared to abandon our system of internal improvements, which must always keep Pennsylvania in advance of every other state? Are we to abandon the development of our mineral riches, which is making the other states dependent upon us for many of the comforts of life? In short, sir, are we entirely to abandon our credit system, and fall back to that currency, which is the only currency in barbarous nations? If so, our mineral wealth will remain in the earth, and our farmers will just produce enough for their own consumption, and our people will fall back to those habits which are a disgrace to any nation.

There was one other consideration which he wished to notice. If we fall back into this state of indolence and misery, what will we have to say to foreign nations? Can we continue to hold out an asylum to the oppressed of every country? Are we no longer to afford them an asylum? They come here to help us to raise and to reap our harvests, and shall we say we have no use for them? He trusted not. He hoped that we might continue to hold out inducements to them, and that the oppressed of all nations might come under the wing of our protection.

Gentlemen are bound to recollect what is the nature and character of the functions which we are sent here to perform. We are here as the advisers of the people, and not as their flatterers. I repeat, we are here to advise the people, and not to flatter them. Will gentlemen turn their attention for a moment to the distinction in the character of these two. An honest adviser states his position frankly and fearlessly. A flatterer addresses himself to the fears and the passions, and attempts to conciliate them. He will minister to these passions, and gratify the prejudices, until the judgment is finally prostrated. Which of these two modes will this convention take? Shall we advise a course which will bring us back again to a state of real prosperity, a course which experience has approved, and which, except in times of great and overwhelming trouble, when every thing has yielded to the fury of the storm, has never failed us? Or, shall we fall back? Shall we give our advice honestly and fearlessly? or shall we flatter the passions, minister to the caprices, and yield to the whims and prejudices of those, by whom we have been sent here. Sir, I think I am not mistaken in the character of this body—I believe I do the members of this body no more than justice, when I say, that they will so far consult their own personal honor, and the good of the great body of the people, as to advise that course only which will be most conducive to the general prosperity and happiness of the state.

On motion of Mr. EARLE, the committee rose, reported progress, and obtained leave to sit again; and,

The convention adjourned.

SATURDAY, DECEMBER 9, 1837.

Mr. MARTIN, of Philadelphia, presented a petition from citizens of the city and county of Philadelphia, praying that the constitution may be so amended as to provide that the civil rights, privileges or capacities, of any citizen shall in no way be affected, diminished or enlarged, merely on account of his religious opinions; which was ordered to be laid on the table.

Mr. EARLE, of Philadelphia, presented a petition, similar in its prayer, from citizens of the city and county of Philadelphia, which was also laid on the table.

Mr. BROWN, of Philadelphia, presented, also, a similar memorial, from citizens of the city and county of Philadelphia, which was laid on the table.

Mr. CHANDLER, of Philadelphia, presented a like petition from citizens of the same city and county, which was also laid on the table.

Mr. KONIGMACHER, of Lancaster, presented a petition from the citizens of Lancaster county, praying that the right of trial by jury may be extended to every human being, which was laid on the table.

Mr. COATES, of Lancaster, presented a similar petition, from citizens of Chester county, which was also laid on the table.

The PRESIDENT laid before the convention a communication from a committee of the board of directors of the Pennsylvania Institution for the instruction of the blind, inviting the members of the convention to visit that Institution at any time which may be convenient, which was laid on the table.

Mr. DARLINGTON, of Chester, submitted the following preamble and resolution:

Whereas, an opinion is entertained by the good people of this commonwealth, or some of them, that the session of this convention is unreasonably protracted, and that the expense attending it is, and will be burdensome to the state: And, whereas, the business of the convention is not yet completed, and with all possible diligence will not be completed for some time to come: And, whereas, it behooves us to devote ourselves unreservedly to the service of our country, and that without the hope of gain or reward; therefore,

Resolved, That, from and after the fifteenth day of January next, the members of this convention will no longer receive pay for their services, but will continue to attend to the business for which they were delegated by the people, until that business is completed.

Mr. DARLINGTON moved that the convention do now proceed to the second reading and consideration of this resolution; and, on this question, he demanded the yeas and nays, which were ordered.

The question was then taken on the second reading and consideration of the resolution, at this time, and was decided in the affirmative, as follows, viz :

YEAS—Messrs. Agnew, Baldwin, Biddle, Bonham, Chandler, of Chester, Chandler, of Philadelphia, Chauncey, Clapp, Clark, of Dauphin, Cleavinger, Cline, Coates, Cochran, Cope, Crum, Darlington, Denny, Dickey, Dillinger, Donagan, Henderson, of Allegheny, Henderson, of Dauphin, Hiester, Hyde, Ingersoll, Keim, Kennedy, Krebs, Mann, Martin, M'Call, M'Dowell, M'Sherry, Merkel, Porter, of Northampton, Purviance, Reigart, Ritter, Russell, Saeger, Scott, Serrill, Sill, Smith, Smyth, Thomas Todd, Weaver, Weidman, Woodward, Sergeant, *President*—51.

NAYS—Messrs. Ayres, Bigelow, Brown, of Lancaster, Brown, of Philadelphia, Chambers, Clarke, of Indiana, Crain, Crawford, Cummin, Curll, Darrah, Dickerson, Donnell, Earle, Forward, Foulkrod, Fry, Fuller, Gearhart, Gilmore, Harris, Hastings, Hayhurst, Hopkinson, Long, Magee, Maclay, M'Cahen, Merrill, Miller, Montgomery, Myers, Overfield, Pollock, Read, Riter, Scheetz, Sellers, Shellito, Snively Stickel, Sturdevant, Taggart, Young—44.

The resolution having been read a second time, and being under consideration,

Mr. MARTIN, of Philadelphia, moved to amend the same, by striking therefrom, the words "members of the convention," and inserting in lieu thereof, the words "member from Chester."

Mr. KERR, of Washington, said he would vote for the amendment. If, said he, the member from Chester sees fit to spend his time here for nothing, I am willing that he should do so. Or, I am willing that any other gentleman who is desirous to labour without pay, should do so, but I will not. I was elected by the people of Washington county, to come here, and represent their interests, and do the business of the commonwealth. A resolution such as this now offered, tends to degrade the character of the commonwealth of Pennsylvania. If it is intended for a popularity trap, I will not be one to give it countenance.

Mr. BROWN, of Philadelphia county, expressed a hope that the amendment might prevail. He had never been out of his seat except for two days when his family was sick. How, and with what industry, I have preformed my duty, I leave it to my constituents to decide. The gentleman from Chester has been absent for weeks.

The PRESIDENT here reminded the delegate that it was not in order to go into personalities. The gentleman from Chester had been absent with leave of the convention. The delegate would see to what this course of debate would necessarily lead.

Mr. BROWN resumed. The resolution cast a reflection on a number of members. The pay was not much, and the expenses of members at Harrisburg were not trifling. If the gentleman from Chester had not performed the duties for which he was sent, he ought not to receive his pay. If any gentleman in the convention felt, in his conscience, that he did not deserve his pay, he was unworthy of the trust reposed in him. If the conscience of the gentleman tells him that he does not deserve the pay, let him refuse it, if he pleases. But while the sting of conscience goads his own breast, let him not seek to involve others in this same complaint. He had voted against taking up this resolution for a second reading. He would defy the world to produce a record of a body of men

sitting day after day, so many hours at a time, with a patience so unwearyed, in order to mature the great work before them. My constituents want this work to be done. Dr. Franklin has told us that which is worth doing, is worth doing well. I hope the convention will frown down this proposition as become, Pennsylvanians. The gentleman from Chester brought this resolution here, and my colleague, by his amendment, placed it in a proper light. I hope it will be made to recoil on its mover.

Mr. SMYTH, of Centre, said that according to the rules, he could not offer an amendment striking out the amendment of the gentleman from Philadelphia county. But he would read what he had proposed to offer, which was in effect, that no member of the convention, while absent on leave, unless on account of sickness, shall receive pay.

The PRESIDENT said, such an amendment was not in order.

Mr. DARLINGTON then filled the blank in his resolution with the words—"15th of January."

Mr. DARLINGTON said it must be perfectly within the knowledge of all who heard him, that he had always been in favor of the earliest day of adjournment. He had laid on the table, soon after the commencement of the second session at Harrisburg, a resolution to adjourn *sine die* on the 30th of November. Therefore, he wished to put it to the patriotism of members to free the commonwealth from the expenses of their attendance, after the day specified. He had not expected to excite any feeling when he offered his resolution: he had not supposed there would be so much sensitiveness on the subject of the three dollars a day. He would only say that if it was convenient to receive three dollars, it was still more to receive four dollars a day: and it was known that many gentlemen were here at a great sacrifice. As to the absence from the convention, he would take leave of absence, whenever the interests of his family required that he should do so. He intended to go home, and would do so, as often as he judged it to be necessary.

I wish (said Mr. D.) to know who it is that is in favor of protracting the session of this convention, and of adding to the already vast expenses with which the people of this commonwealth are burdened. In the estimated expenditures for the year 1838, you will find an item, among the contingent expenses, of \$150,000 for the expenses of this convention. Let us know who it is in this body, or any where else, who wishes to see this amount increased, and when, too, in the opinion of a large portion of the members of this body, we can, by adopting proper measures, bring our labors to a close at an early day. The resolution which I have introduced does not propose to stop the pay of the members at once; on the contrary, it allows pay for the full time during which it is believed to be necessary that the existence of the convention should be protracted; and, after that time, proposes that we should apply this rule to ourselves, and should no longer take pay for our services. I am in favor of its adoption, and I hope it will meet with the favor of a majority of the members here. I care nothing about any amendments; nor am I to be moved by any attempt to turn the resolution into ridicule. It can have no effect upon me in the discharge of what I believe to be my

duty to the people who sent me here. I trust, therefore, that we shall meet the proposition fairly, and take a vote upon it.

Mr. HAYHURST moved to postpone the further consideration of the resolution, together with the amendment, indefinitely.

Mr. CUMMIN, of Juniata county, said it was very much to be regretted that the time of the convention was to be taken up so frequently in the discussion of useless resolutions such as the present; for it was not to be disguised that they were useless, and that, whatever the design might be, the effect was merely to consume and fritter away the valuable time of this body.

I am aware, (said Mr. C.) that the question immediately before us is on the motion to postpone; but I rose, before that motion was made, with a view, if I could have succeeded in catching the eye of the president, to say a few words in favor of the amendment. I am opposed to the motion to postpone, and I am in favor of the amendment. This convention has been sent here by the intelligent people of the commonwealth of Pennsylvania, for the purpose of revising, altering and amending the constitution of the land, and in what manner are we proceeding? I state now confidently, that one third of the time of this body has been wasted—yes sir, positively wasted, in the discussion of such resolutions as this, which is now proposed by the gentleman from Chester, (Mr. Darlington;) a gentleman who is opposed to all amendments to the constitution, with one solitary exception—that is to say, to have himself relieved from the performance of military duty, or from the payment of any equivalent for it. This is the only amendment which that gentleman desires, and probably, therefore, we should not suffer ourselves to be surprised that a proposition of the character of that now before us, should emanate from him. When we take into our view the measures which have been proposed from the same quarter, which have been advocated here for a week, and have then been rejected—and when we see propositions for adjournment introduced every second and third morning, and consuming the greater part, or the whole of the day to no purpose at all, it seems as if they were brought forward in mockery and contempt of this body. They can answer no good; and I must go further and say, I fear they are intended for no good; that they are intended to waste the time of the convention, when that time ought to be appropriated to the consideration of the many important subjects which yet remain to be acted on, and which, we are all aware, must be acted upon before we finally separate. With such propositions constantly before us, is it to be wondered at that complaints should come from the country, as to the protracted period of our session, and when the people there cannot know why it is that we are so dilatory in our proceedings?

We have not yet passed through the first reading of the articles of the constitution;—and, after the protracted period during which we have been in session—a space of about four months, we have not performed one solitary act which the people have enjoined upon us. These matters, Mr. President, should be seriously considered, and those who propose such resolutions, should be made responsible for them. The amendment is a good one—I am opposed to all postponement, and I hope that we shall take a vote on the amendment at once.

Mr. BROWN, of Philadelphia county, said that as he had been called to order, in the course of the remarks he had made, when he had before addressed the convention, he rose now for the purpose of stating a fact, in regard to which, he was corrected by the President.

On reference (said Mr. B.) to the journal of the convention, I do not find it there recorded that the gentleman from Chester, had leave to be absent from his seat for three weeks at a time. So, I presume it would have been strictly in order for me to have continued my objections, inasmuch as it appears that the gentleman was absent from his seat at the time referred to, without leave granted by the convention.

Mr. EARLE, of Philadelphia county, said that he had voted against taking up the resolution of the gentleman from Chester, under the belief that it would consume a considerable portion of time; but, inasmuch as the convention had determined, by its vote, that it should be taken up for consideration at the present time, he hoped that it would be gone through with, and that something might be agreed upon, which would have a tendency to do real service to the business of this body.

I shall vote (said Mr. E.) against the motion to postpone; because if that should fail, as I hope it may, it is my intention to move an amendment, for which I trust the gentleman from Chester, (Mr. Darlington) will be ready to vote; that is to say, that the convention will sit this (Saturday) afternoon, at half past three o'clock, that it will hereafter sit eight hours a day—that the president of the convention, or the chairman of the committee of the whole, shall be required to confine the members strictly to the question under consideration, and that no delegate shall be allowed to speak for more than two hours. If the delegate from Chester, will give me his support towards carrying through such an amendment as this, he will do an effectual service to his country. I hope that he may be prevailed upon to do so. I recollect that, at Harrisburg, I opposed the motion to adjourn over from Saturday to Monday, thus giving the go-by to a considerable part of a day. At that time, I was told I had been absent; and the remark was not then deemed to be out of order. By way, therefore, of the *argumentum ad hominem*, I will put to the gentleman from Chester, the proposition to have afternoon sessions on Saturdays; not to adjourn over, as we were in the habit of doing at Harrisburg, to take a frolic at Duncan's Island. I repeat the expression of my hope that he will let me have his aid and support, in carrying through such an amendment.

Mr. DARLINGTON said, that he had but a very brief answer to give to the proposition of the gentleman from the county of Philadelphia, (Mr. Earle.) There is (said Mr. D.) nothing in common between his idea and mine; they are totally dissimilar, and have no sort of connexion with each other. If the gentleman will give me his vote in favor of my proposition to terminate our labours by the fifteenth day of January next, or to go on without receiving pay for our services, I will vote, not only to sit eight, but even fifteen hours a day, if the business before us should render it necessary to do so.

Mr. PORTER, of Northampton county, said that he hoped the motion to postpone the further consideration of this whole subject indefinitely, would prevail. He regretted much that matters should be brought up

here calculated to excite personal feelings, and to elicit personal reflections. The Chair (said Mr. P.) has found how difficult a matter it is to restrain observations of a personal character this morning. I do not think that the convention is in a humour to come to a decision on this matter, at the present time; we had better put it off until some day when the convention will be in a better humour to consider it. I hope that this storm in a tea-pot is passed; that the further consideration of the subject will be postponed, and that we shall be permitted to proceed to the transaction of our regular business. And before I resume my seat, I will take the liberty to express a hope that, when the gentleman from Chester, addresses the committee of the whole on any subject, he will set us a good example, by making as short a speech as possible.

Mr. DICKEY said, that he regretted that so stormy a feeling should have been exhibited in opposition to the resolution of the gentleman from Chester county, (Mr. Darlington.) I think (said Mr. D.) that it is a proposition which deserves the serious attention of this convention. It can not but be known to all the members of this body, that there is a general complaint abroad throughout the commonwealth, as to the length of time during which we have already been in session, and that great anxiety is felt by the people that we should fix a time at which our labours should terminate. And it is equally well known to all of us, that this very feeling so common now among the people of the commonwealth, has been carried into the legislative hall, and that this very proposition which has now been offered by the gentleman from Chester, requiring us to sit without pay, if our labours were not brought to a close within a given space of time, has been there also, brought forward. Every effort which has been made to fix a day of adjournment, has, so far, proved abortive. The gentleman from Chester, while the convention was in session at Harrisburg, offered a resolution, fixing the thirtieth of November, as the day on which we would adjourn. I do not entertain a doubt that the gentleman was honestly of the opinion, that we could terminate our labours, and that we could adjourn by that day. The gentleman now proposes only to cut off the pay of the members upon a certain contingency; that is to say, if we have not finished our business by that time. If this proposition should be adopted, and as time passes on, gentlemen should see that it was not right that such a resolution should be carried into effect, it would be a very easy matter to rescind it. But if a resolution, saying that we will adjourn on the fifteenth day of January next, or that we shall go on without pay, should be adopted, my word for it, we will adjourn on that day. I have no doubt of it. I shall therefore, vote against the motion for an indefinite postponement of the whole subject. I want to meet the question full in the face, and to take a direct vote upon it.

Mr. MARTIN, of Philadelphia county, said that he had risen merely to give his reasons for his objection to the postponement of this subject, and in favor of his own amendment. He must take leave to say, that he had offered that amendment from no other than a pure motive. I offered it, (said Mr. M.) from the belief that it would have a beneficial effect on the convention. From the commencement of the deliberations of this body down to the present day, we had constantly found ourselves encumbered with these time-saving machines—which, however they might be

so called, had invariably had the very contrary effect to that of saving time; and, it was to be remarked, that they had come pretty much from the same source. I have no intention to be personal, or to say any thing reflecting on the motives or character of any member of this body; but I find that the same manufacturers of time-saving machines are now found on the scene of action in this resolution. If we are to have this time-saving machinery constantly about us, we shall lose a great deal of time, and, I think we should come to the determination either to put it to some use, or to get rid of it entirely. I believe that if the convention will adopt my amendment, something of value may be gained. One of the manufacturers will then feel our action upon himself; and if others who have these double geared wheel machines, should also be made to feel the operation upon themselves, I think it is probable that these gentlemen being once provided for, we should soon get rid of all these vexatious questions which have so often and so long disturbed the temper of the convention, and impeded its progress in the discharge of its labors. For the time to come, therefore, whenever any one of these double geared wheel machines is set in motion, I will watch over its operation, and endeavour to turn it back, in order that it may recoil upon those who first set it in motion. I believe that, in adopting this plan, I shall be doing good service to the body of which I am a member, in saving its time no less than its patience and its temper. I trust that my amendment will be adopted.

Mr. SMYTH, of Centre county, said that he could not exactly tell, at present, whether he should vote for or against the motion that the whole subject be indefinitely postponed, and he had not risen, therefore, to express any opinion on the subject.

He had risen, however, to call the attention of the members to a fact which had this morning been stated by the gentleman from Chester, (Mr. Darlington) in his place. It would be recollected that that gentleman had observed, in the course of his remarks this morning, that he should take leave of absence to himself, whenever himself or his family required it. He, (Mr. S.) would ask for the reading of the thirty-second rule, with a view to show how entirely the gentleman complied with the rule laid down for the government of this body.

The Secretary read the thirty-second rule, which is in the following words:

“No delegate shall absent himself without first obtaining leave of the convention.”

Which having been read, Mr. S. said he should not trouble the convention with any further observations, but would simply add that he recommended this rule to the consideration and reflection of the gentleman from Chester.

Mr. FORWARD said, that he was decidedly in favor of the motion for indefinite postponement; not, however, because he was opposed to fixing a day for the final adjournment of the convention. He was, on the contrary, in favor of fixing a day; and if the resolution of the gentleman from Chester, had purported nothing but that, he (Mr. F.) would have voted in favor of it.

But, said Mr. F. I am not willing to do business in this indirect man-

ner. I wish to have a vote taken on the direct question. And there is also another reason why I would never countenance such a resolution. I will do nothing that implies the slightest censure on ourselves. If others choose to do so, let them. I will not be one of them. I will do nothing to stigmatise the reputation of this body, or, which seems to imply a self-consciousness that we are unworthy to be trusted—that we are not worthy to be trusted—that our labors are useless—or that we ought to discontinue to receive the public money in return for the services we render here. I will do no such thing. I have never yet known a man who had no self-respect, that deserves the respect of others; nor a body of men, wanting in self-respect, that ought to command the respect of others. And this is the reason why I will do nothing which is calculated, in the slightest degree, to imply censure on ourselves. Gentlemen rise up here in their places, and talk gravely of working without compensation, without pay, for the citizens of this great commonwealth of Pennsylvania; desirous, I suppose, to get up something in humble imitation of Washington in the revolutionary war—paying their own expenses and refusing all returning compensation. Sir, I am not in favor of any such proceeding. It will be regarded as a kind of puerile device—as a sort of mock patriotism. I, for one, will be caught in no such trap.

Mr. FLEMING said, that we had been accustomed every Saturday morning, to have some proposition or other brought up, in the shape as it were, of a kind of after-piece or farce, with which to conclude the labors of the week. He thought that after all the drilling which the members of the convention had had upon questions of this character, they ought to be satisfied that no definite action could be procured on any such proposition.

The gentleman from Chester, said Mr. F, is a lawyer, and I will take the liberty to ask him a single question in the line of his profession. It is this, suppose we were to agree to his proposition by a direct vote, what would be the effect? As a matter of law, I want to know whether, if this resolution were agreed to, it would not be nugatory and void? Whether it would be binding upon us? Suppose that a majority of the members should agree to it. I want to know whether, as a matter of law, it will be binding on those who vote in the negative, or whether it is even binding on those who vote in the affirmative? If he will answer these questions satisfactorily, I shall then begin to think that there is something in his proposition. But, for this body gravely to take up a resolution of this kind, and to discuss it for two or three hours, when, in the end, it is to be perfectly nugatory, appears to me to be nothing more than a useless waste of time.

There being nothing binding, therefore, in the resolution, I shall vote in favor of the motion for indefinite postponement. It is a mere shadow—nothing more; it is a piece of moonshine, having no reality, no substance about it. And, with a view to get rid of it, I hope the convention will go with me in favor of the indefinite postponement.

Mr. CHAMBERS, of Franklin, said that he had voted against taking up the resolution of the gentleman from Chester, and he should now vote in favor of the indefinite postponement. He had voted, in the first instance, against taking it up, because I thought that, even if it were

taken up, it would not lead to any definite action on the part of this body ; that it would produce a long debate, which would be any thing rather than instructive, or becoming the dignity of this convention. What is proposed by the resolution ? It is to fix a day for the adjournment of this body, not with reference to its business, but a day is to be fixed accompanied with the expression of an opinion that, after that day, if our labors are not completed, we are not to receive any compensation for our services. There is no gentleman here more desirous that an early adjournment should take place, than myself. My own convenience, not less than my own interest, requires it ; but I shall not absent myself from my place either from motives of personal convenience, or of personal interest. I will remain here until all the business which the people sent us here to transact, has been transacted. So far as my opinion can have any weight, nothing shall be left undone which it is our duty to do. Let me ask then, are we prepared, is the state of our business such, at this time, as to enable us to fix a day on which our sessions are finally to terminate ? Are we prepared to do so. If we are, were we not fully as well prepared as we now are, the first day on which we met in the city of Philadelphia ? It is well known that, since our arrival here, we have made no progress with our business. For the last ten days, we have not moved a step. What is there, then, to throw light on the subject ; or what is there which will enable us to say that, on a certain future day, we will return to our constituents, with the revision which it required, of the constitution of Pennsylvania, ready to be submitted to the approbation or rejection of the people ?

Sir, I am one of the conservatives of this body who, from the first, have been of opinion, that the interests and the welfare of the people of this commonwealth, required but very few amendments. I am still of the same opinion, having found no reason to change it. But I am disposed to give all proper consideration to the subject, and if amendments are to be submitted to the people, I want them to be submitted in such a manner as is becoming the dignity of a convention of the commonwealth of Pennsylvania. I want no hasty legislation—no precipitate action. I want us not, under the impulse of a moment, or from undue and unnecessary haste, to insert that in the fundamental law of the land, which we may hereafter find occasion to regret. Such, sir, should not be our course here. When the final adjournment of this body is to take place, it ought to take place with reference only to the condition of the business before us, and not with reference to any paltry consideration of compensation to the members. Believing, then, that we are not at this time prepared to fix a day for our final adjournment, with reference only to the one great consideration which ought to influence our adjournment—that is to say, the condition of our business—and seeing that we have not yet gone to second reading on a single article—that we have not even got through the committee of the whole—however desirous I may be to facilitate and expedite our business as much as possible, still I am unwilling to fix a day for adjournment when we are not prepared to fix it—and to accompany that act with a declaration, that if we do not close our labors on that day, we shall, in future, receive no compensation for our services. I say, I am unwilling to give my vote for such a proposition—as if to hold out the idea, that we agreed to fix a certain day for adjourn-

ment. whether our business was transacted or not, and that we declared, that we would adjourn, in any event, on that day, because, if we did not, we were not to receive any compensation for our services. There is something in a resolution of this kind, to which I can never give my assent, and I shall, therefore, vote against it.

Mr. READ moved the previous question, which was seconded by the requisite member.

And the main question was ordered to be now put.

And on the question,

Will the Convention agree to the resolution?

The yeas and nays were required by Mr. SMYTH, and Mr. M'CAHEN, and are as follow, viz :

YEAS—Messrs. Agnew, Barndollar, Biddle, Chandler, of Philadelphia, Chauncey¹ Clapp, Clark, of Dauphin, Crum, Darlington, Dickey, Dillinger, Donagan, Hays, Hiestor, Houpt, Ingersoll, Konigmacher, Meredith, Merkel, Nevin, Porter, of Northampton, Purviance, Russell, Saeger, Scheetz, Scott, Sill, Smith, Thomas, Todd, Weaver, Weidman—32.

NAYS—Messrs. Ayres, Baldwin, Banks, Barclay, Bedford, Bell, Bigelow, Bonham, Brown, of Lancaster, Brown, of Northampton, Brown, of Philadelphia, Carey, Chambers, Chandler, of Chester, Clarke, of Beaver, Clark, of Indiana, Cleavinger, Cline, Coates, Cochran, Cope, Craig, Crain, Crawford, Cummin, Curl, Darrah, Denny, Dickerson, Donnell, Doran, Earle, Farrelly, Fleming, Forward, Foulkrod, Fry, Fuller, Gearhart, Gilmore, Grenell, Harris, Hastings, Hayhurst, Helffenstein, Henderson, of Allegheny, Henderson, of Dauphin, High, Hopkinson, Hyde, Jenks, Keim, Kennedy, Kerr, Krebs, Long, Maclay, Magee, Mann, Martin, M'Caheh, M'Call, M'Dowell, M'Sherry, Meil's, Miller, Montgomery, Myers, Overfield, Pennypacker, Pollock, Reigart, Read, Riter, Ritter, Sellers, Serill, Shelitto, Smyth, Snively, Stickle, Sturdevant, Taggart, Woodward, Young, Sergeant, *President*—86.

So the resolution was not agreed to.

Mr. PORTER, of Northampton, offered the following resolution, which was read and laid on the table :

“Whereas, the legislature of this state meet early in December, and seldom despatch much public business until near the close of a long session, at great expense to the commonwealth, often without rendering an equivalent in public benefit; Therefore,

Resolved, That a committee be appointed to inquire into the expediency of making a constitutional provision, that the daily pay of the members of the legislature shall not exceed thirty-three cents, or other proper equivalent.

Mr. COPE, of Philadelphia, from the committee of accounts, reported the following resolution, which was read a first and second time, considered and adopted :

Resolved, That the President draw his warrant on the state treasurer in favor of Samuel Shoch, secretary, for the sum of two thousand dollars, to be accounted for in the settlement of his accounts.

Mr. DICKEY, of Beaver, moved that the convention proceed to the second reading and consideration of the following resolution :

Resolved, That the committee of the whole be discharged from the further consideration of the seventh article of the constitution, that the consideration of the ninth article, and any new articles reported by committee, be dispensed with in committee of the whole, and that the convention will proceed immediately to consider, on second reading, the amendments already made to the constitution in committee of the whole, or any new articles reported by committees or amendments that may be offered; and that this convention will adjourn *sine die* on the tenth day of January.

Mr. DICKEY asked for the yeas and nays, which being taken, the question was decided in the negative :

YEAS—Messrs. Agnew, Baldwin, Barndollar, Biddle, Chambers, Chandler, of Philadelphia, Chauncey, Clapp, Clarke, of Beaver, Clark, of Dauphin, Coates, Cope, Craig, Crum, Darlington, Denny, Dickey, Dickerson, Farrelly, Forward, Gilmore, Harris, Hays, Henderson, of Allegheny, Henderson, of Dauphin, Hiester, Jenks, Kerr, Konigmacher, Long, Maclay, M'Call, M'Sherry, Meredith, Merkel, Montgomery, Pennypacker, Pollock, Purviance, Reigart, Russu'l, Saeger, Scott, Sill, Snively, Thomas, Todd, Young, Sergeant, *President*—49.

NAYS—Messrs. Ayres, Banks, Barclay, Bedford, Bell, Bigelow, Bonham, Brown, of Lancaster, Brown, of Northampton, Brown, of Philadelphia, Chandler, of Chester, Clarke, of Indiana, Cleavenger, Cline, Cochran, Crain, Crawford, Cummin, Curl, Darrah, Dillinger, Donagan, Donnell, Doran, Earle, Fleming, Foulkrod, Fry, Fuller, Gearheart, Grenell, Hastings, Hayhurst, Heiffenstein, High, Houpt, Hyde, Ingersoll, Keim, Kennedy, Krebs, Magee, Mann, Martin, M'Cahen, M'Dowell, Merrill, Miller, Myers, Nevin, Overfield, Porter, of Northampton, Read, Riter, Ritter, Scheetz, Sellers, Serrill, Shellito, Smyth, Stickel, Sturdevant, Taggart, Weaver, Woodward—55.

SEVENTH ARTICLE.

The Convention resolved itself into committee of the whole, Mr. REIGART, in the chair, on the report of the committee on the seventh article of the constitution.

The question pending was on the amendment of the gentleman from Adams, (Mr STEVENS) to the amendment of the gentleman from Susquehanna, (Mr. READ.)

Mr. EARLE, of Philadelphia county, said, that although he ranked himself a decided party man, so far as an absolute devotion to democratic principles, in which the head and the heart were alike interested, could make a party man : yet, he did not consider himself justified in acting in mere conformity to the opinions of individuals of either party in this body, on a question of this grave and abstruse character, which had puzzled and perplexed the wisest and best men of different ages and of various countries.

In making a constitution, which was to govern ourselves and prosperity, perhaps for ages, he regarded it as the duty of this body, rather to throw oil on the waves of party commotion, than to lash them into tumult; rather to throw water upon the fire of party excitement, than to add fuel to the flames. And, it was especially desirable that the party to which he belonged, in this body, should endeavor to avoid making their deliberations turn upon mere party questions of national and state policy, inasmuch as they were in a minority. For, if questions were to be decided by a party vote, his (Mr. E's) party would lose every thing they asked. It would be, perhaps, his fortune to differ, in some measure, from both parties, as at present organized. But, that would not be a matter which would give him much trouble, because a reference to the history of parties would show that the delegates of each, when under strong excitement, were liable to err.

We knew that in 1815, or thereabouts, one set of politicians advocated the establishment of a national bank, while another set strongly opposed it. A few years having elapsed, a change had taken place

among many politicians, and those who had formerly been its opponents, had now become its advocates.

In our state legislature, in the year 1832, we found that the vote for a national bank was carried through almost unanimously ; but in a year or two afterwards, many of these men, and the legislative majority in the state, entertained quite contrary sentiments. And, if we reverted to the general question of banking, we should find men belonging to the same party entertaining very different views. That which was orthodox to-day in Philadelphia, was heterodox in New York. The history of the French revolution, showed what errors might be committed under an excess of party zeal and discipline, what ruinous measures were adopted in order to sustain the principles of the party—the true democratic party, denominated “Jacobins,” whose feelings there could be no doubt, were most favorable to the perpetuation of free institutions. Many of that party voted against measures, the effect of which would have been to strengthen it. The more aristocratic party, that of the Gironde, brought forward a project of government, modelled after that of the United States, which the democracy opposed and defeated, and the consequence was, they failed of the establishment of that liberty which they sought, and the aristocrats succeeded,—in what they really desired,—the erection of a consolidated and monarchical government.

Yes, the democratic party overthrew themselves. Their success brought their downfall. It behooves the members of this body to be perfectly satisfied, that every proposition they brought forward with a view to amend the constitution, should be of a truly democratic character, and all would be well. He was sensible that in dissenting from the two classes of speakers, whose views were before the convention, he might place himself in the position of the bat, in the fable, who was obliged to fly in the night, because it resembled neither bird nor beast. He knew very well that those who suggested new views—no matter how good or how sound they might be, were often regarded as visionary—as entertaining Eutopian schemes which could not be brought into practice.

It might be, perhaps, that the views which he entertained were considered of that character. He cared not : it was a matter of no consideration, and would not deter him for a moment. He felt assured, however, that if he erred, his errors could not be brought into practice. But, if he was right, it would be otherwise, for “truth is mighty and will prevail.” He felt disposed to speak his sentiments freely, boldly, and decidedly, and the more particularly so from the fact that fourteen years ago—when he was not aware that others entertained the same views as himself—he had published, in a pamphlet, his views and doctrines in relation to banking, and they had now become the law of the land, in one of our sister states. They were now advocated by two of the leading papers of opposite politics in the city of New York ; and they had been sustained by a majority of one branch of the legislature of that state at the last session, and probably would be by both branches at the present session. It was true that there were views entertained in New York which were regarded as orthodox democracy there, which might be considered as heterodox here. We frequently found that the particular views of individuals were introduced on the stage to strut their hour and then vanish. Gentlemen

should be cautious how we adopt as the paramount and permanent law of the land, the recently formed views and opinions of gentlemen on one side or the other.

The subject now before the convention, taken in the extent in which it has been discussed, divides itself into three branches. First—currency. Second—banking. Third—corporations. We might have each, without either of the others. The subjects were, therefore, in some measure, distinct, yet in practice, they were all blended together.

He would first call the attention of the committee to the subject of the currency. Currency was a convenience in society, a labor saving machine, adopted for carrying on the exchanges of the country. If a farmer who comes into market with his produce for sale, could always get, in a direct exchange, what he wanted for his consumption, there would be little or no occasion for a currency. But, under existing circumstances, it was indispensably necessary to have some circulating medium, which might be made to consist of various things, whatever the community, by general consent, would agree mutually to pay and receive. Pearls, shells and beads, are said to have been used in some countries. Beaver skins, formed the currency in some of the early transactions of the Dutch and others, with the American Indians, and tobacco was used at a subsequent period, in Maryland and Virginia. You may have for a currency, a thing which is valuable on account of its intrinsic utility ; or, you may have that which is valuable only because it conveys a title to receive something intrinsically useful, and is entitled to great confidence. A man who gives in exchange a deed of land for that which is of as much value to him, is satisfied, and the deed has performed all the service of a currency.

He would now proceed to consider what are the essential qualities to constitute a good currency. They are first—lightness, or the smallest possible degree of weight. Second—compactness, or the least practicable bulk, consistent with safety in preservation and use. Third—certainty of value—certainty that the thing has utility—that it is available in the eyes of the public. Fourth—uniformity of value, both as regards time and place,—and, certainty, that it be of the same value to-day and to-morrow, this year and next year, in this place and in the other. Lastly, constant abundance is one of the recommendations of a good currency, and is absolutely necessary to its perfection.

He maintained that it was desirable that our currency should be light in weight, and compact in bulk for many reasons that he could assign. First—because the transportation of a heavy currency was a tax on the merchant, and consequently on those with whom the merchant deals. It should be light and compact, because if so, it can be carried with the more secrecy and safety, and because, too, the insurance on that which is light and compact, is less than on that which is heavy and bulky. It was also further desirable that it should be light and compact, as it would thereby afford less temptation to robbery and murder. It was almost impossible for a traveller to have a considerable quantity of metallic currency about him, without the fact becoming known, and thus the probability is increased of his being robbed, and perhaps murdered. Every citizen having it in his house, is in like manner exposed to robbery.

But, on the contrary, if he possess a currency that is compact, the fact need not be known.

He (Mr. Earle) had read lately an account of a man and his wife, and five slaves, having been murdered in one of the southern states to get his chest of specie. Now, probably, if the currency had been more light and compact, the fact of the man's having so much money might not have been known, and the robbery and murders would not have been committed. It must be perfectly apparent to every one, that so far as compactness and lightness alone were considered, paper for sums above a certain amount, was preferable to a specie currency. He did not mean to say there might not, under certain imperfect systems, be disadvantages which would far outweigh the advantages of a paper currency. But as respects carrying or transmitting, it was evident to every man, that the advantage was in favor of paper—even to a five dollar note. It had been said on that floor that no man would take paper who could get specie. With regard to his own experience, he could say, that he had no objection whatever to take paper, if it was good, as soon as specie. If he rejected paper, it was because he did not consider it to be so good as silver, and not because it was impossible to make it as good. He had very often exchanged silver and gold for paper, when he entertained confidence in it. He had been told that in the county of Luzerne, shortly before the suspension of specie payments, the people were embarrassed with a superabundance of specie, and desired to exchange it for good paper, which was regarded as more convenient to remit to New York, or any other place, wherever they wished to purchase goods.

Now, so far as convenience in use was concerned, paper was to be preferred when large payments were to be made, to silver or gold. The precise degree in which it was to be preferred, was a matter, in his opinion, which the people should decide, every man for himself, and not this convention. And, in respect to the people's deciding the question, he would here take occasion to introduce some remarks, which he had neglected to introduce in their proper place. He was going to say that if he differed from his respected friends, of both parties in this convention, and more particularly from those who entertained the same political feelings, it was because he wished to go further than they had gone. He wished to go farther, according to his view, in support of liberty—farther in sustaining the principles of equal rights—farther in producing the facilities of a sound currency. First, then, he wished to sustain genuine liberty. Liberty, is a sound which is pleasant to the ear. Liberty and religion he desired to support. They have the greatest charms in the eyes of mankind; so great that pretenders who profess to be the true priests of religion or of liberty, have these pleasant sounds ever on their tongues, and often deceive the people, and make them worship false gods and false liberty. True liberty, then, in his (Mr. E's.) opinion, consists not in taking away the natural rights of any citizen, but in securing to every one the enjoyment of all his natural rights. Self-government is founded on the principle of securing to every man his natural rights, and not upon that of taking them away.

In what does true liberty consist! It consists in the permission or power to do every thing which we may desire to do, provided it be not

inconsistent with the rights of others, or the liberties of others. Government ought to leave every citizen to the enjoyment of this liberty; for the chains which a government imposes upon the community, should not be chains of iron. They should be silken chains, almost unseen, and almost unfelt by every honest and industrious man. They should be felt as embarrassing only by the idle and the profligate—whose propensities and vices it is the duty of government to restrain and to punish. This, sir, is true, this is reasonable liberty—and the government under which this liberty cannot be enjoyed is not, in any sense, a free government—nor is it entitled to that appellation. The very instant in which men become invested with legislative power and authority, they are apt to conceive that all the concentrated wisdom of the globe is to be found in their own heads. They are apt to lay hold of the idea that all mankind are ignorant—that they know little or nothing of the affairs of human life, or the wants of human society—that they are not competent to take care of themselves—and that the members of the legislative body alone are sages, whose province it is to take care of those whom they thus regard as incompetent to take care of themselves.

Sir, I do not believe in this system—I do not believe either in its policy or in its justice. On the contrary, I assume the very opposite ground, I deny the right of any man, whatever may be his position or his politics, whether he be in the majority or minority—I say, I deny his right to interfere with my right to manage my own affairs in such way as I may think most proper. I do not believe in the doctrine that a majority can do no wrong. I do not believe in the doctrine that out of any given number of people, those constituting a majority may rightfully do as they please toward the minority—say, that if there were but one hundred people in the world, ninety-nine would have a right to make a slave of me. It is true, that the majority, for the time being, must, from the nature of the case, be the judges of what is just or unjust—of what is oppressive, or not oppressive. But, even in that case, they must be governed, so far as it is possible for them to be governed, by sound reason and the true principles of justice, and they never must oppress me, nor invade my personal rights and my personal liberties, simply because it is their fortune to be in the majority. We are all aware that we may carry the rule of interference in private concerns to a very considerable extent, and that this has been done in most nations of the world. We may set ourselves up to decide which is the true religion, and who is the true God; and we may take upon ourselves to decide how men shall regulate their conduct in relation to these matters. Nations have done this also. We may do a great deal that is tyrannical, and a great deal that is absurd, simply because we have the power to do it. We may dictate to a man what sort of occupation he shall follow. We may tell the farmer what sort of plough he shall use in the cultivation of his land—and we may tell the mariner what sort of a ship he shall go to sea in. We may interfere with the food of men. We may appoint a committee to inquire whether tea or coffee is the most wholesome and nutritious drink. We may interfere with the manner of dress, and we may take upon ourselves to decide whether our citizens shall wear boots or shoes. We may dictate to men what physicians they shall employ in their families, and we may determine that they shall employ only persons of this or that particular creed

in relation to medicine. We may interfere with the dress of the ladies. We may have a legislative body looking at a variety, such as is at this moment exhibited in this hall, delightful to the eye, and they may set themselves to work to inquire whether something is not superfluous, something contrary to their tables, and whether something is not lost by the continual changes of the fashions. We may even extend this inquiry to the laboring man who is about to buy his wife a new hat, because the old one is worn out, and, in our zeal, we may go so far as to say, that he shall not accommodate her taste in this matter, because we deem the cost too great for his circumstances.

All these things we may do, and yet who is there among us that does not know that, to do them, would be an arbitrary and an oppressive stretch of power? We never should interfere with the personal liberty of men, unless that interference is absolutely necessary.

I would afford not only liberty, but security to every citizen. I would afford also political equality to every citizen. In what, I would ask, does that equality consist? It consists in this—that every citizen shall have equal privileges, in the eye of the law, with his fellow citizens—that no man shall be permitted to enjoy any facility or any privilege, of any kind or description whatever, which his fellow citizens may not also enjoy, unless it is, in the nature of it, necessarily exclusive—as, for instance, in the enjoyment of an office, which, we all know, is, for the time being, exclusive. But when the thing is not in its nature exclusive—or when no strong argument having its root and foundation in justice—can be brought forward to shew why such a privilege should be granted, there ought to be perfect and exact equality in all cases. There are, however, cases which some may deem to be exceptions to the general rule. For instance, you give to one man an inequality of property over another, because he may have been more industrious and pursued the avocations of life with more energy than another. This is a case of justice, and nothing more—and to do away with this, would be to destroy the main spring of those inducements which prompt men to active and energetic pursuits. We have, therefore, no reason to find fault with this exception, if exception it can properly be called.

Again; you give a man the exclusive privilege of using his own invention for a given term of years. The reason of this is obvious. He has been at great labor, and, in many instances, at great expense, to carry out his idea and to perfect his invention—and justice, as well as public policy, requires that he should be permitted to enjoy the first fruits arising from it. But, my opinion is, that we should never deny to one man a privilege which is accorded to another, unless the exclusion has its foundation in evident justice and in unquestionable public necessity.

This principle, Mr. Chairman, I apply to the banks, and it is my purpose to carry it out in reference to them, before I have closed my remarks.

We are to afford *security* to our citizens; we are to afford them security against injustice and against fraud, and we are to enforce the performance of contracts. A happy illustration of this security may be found in the case of a mortgage. The public provide for mortgages as a means

of securing a debt, that is to say, they offer a means of security sanctioned by law. But while I would provide a mode of giving ample security, both in relation to individual debts and to bank notes, I think it would interfere with the personal liberty of the citizen, if any man were to be compelled to take security against his will. If my friend from Indiana county, (Mr. Clarke) be disposed to prefer private banking to public banking—and if he be disposed, in the capacity of a private banker, to loan out his funds to young men in his section of the state, whom he may think deserving of such encouragement—and if I should endeavor to shew that those young men are not the fit recipients of his favors—that it is his duty, if he advances them money at all, and if he is desirous not to lose the amount he may loan, to take a mortgage for his own security—it is certainly right that the law should give him an opportunity to take that mortgage, if he thinks proper so to do; but it is wrong that I, or the law, should compel him to take my advice, or to take a mortgage as a security, whether it be his will to do so, or not. I would exercise nothing like force or compulsion. I would leave him free to judge for himself—for the plain and simple reason, that this is a matter affecting his own private interests and business, and having nothing to do with the business or the interests of the public. Hence, I take the ground that the law should provide every proper facility to the citizen, and every proper means of security in relation to the currency—to every citizen alike—but that the law should not dictate to the citizens that they should avail themselves of those facilities or securities, willing or not willing. We provide public roads for the accommodation and travel of the citizens; but that law would be grossly arbitrary and oppressive which would compel a man to travel over every road that might be constructed, whether he wished to do so, or not. Would any reasonable man defend such a law, or say that its provisions paid a proper regard to the personal liberties of the citizen? Surely not, sir. The true plan is, then, that the law shall provide facilities, of which every man may avail himself, or not, as he pleases: and I apply this principle to banking.

A paper currency, if it were as good in value as gold, if it were certain to have all the other requisites of a sound and safe currency, would undoubtedly have the advantage in these respects, that is to say, it would be more convenient in carrying and in counting; and so far, there is a reason why the public should have the opportunity of accepting or rejecting it at their pleasure. But I would force it upon no man. I would not dictate to any man that he should take either a gold or a paper currency,—but I would leave him free to judge for himself and to take his own choice. I have great confidence in the discernment of the public at large. It was well observed by my friend at Harrisburg, (Mr. Ingersoll) that some men reposed confidence in the people, while others were afraid to trust them with the management of their own concerns. Sir, this is the case, and I fear that there has been some contagion abroad—and that this distrust has been suffered to extend beyond the party to which it was originally supposed to be confined. I fear that there is a disposition in all parties to doubt the people—to distrust them—and to entertain the opinion that they are not able to judge for themselves—that they do not know what currency is best for them. For my own part, I would have the law to place all kinds of currency before me and the people, but the law should suffer me

and the people to judge for ourselves—to take our choice between the different currencies that may be set before us—and not force one or the other upon us, whether we desire to have it or not. This should be the object of the law, and any interference beyond this, I should regard as an infringement of my personal liberty. We might undertake to interfere, by law, with the working man, and to say, that he should not perform a piece of work for his employer, until his employer had given him security that he should be paid when his labor was completed. This, and much more we might do, if we chose to exercise power analagous to that sometimes exercised in relation to currency.

The next great object to be attained in relation to the currency is, that it should be certain in its value, and not subject to change or fluctuation. I mean that if the currency is of metal, the people should know that it is possible for those facts to be ascertained. Power has been given to the congress of the United States, and governments generally, exercise the power, to coin money. This coining of money is nothing more nor less than to give a certificate of the value of money, in other words, to put upon it a stamp to show its purity and how much it weighs. I have never regarded this power thus granted to government, as a power to be used by way of dictation. I do not so regard it now. Any man may take in payment whatsoever he pleases to take; he may, if he is so disposed, take wheat or rye, or any other article. He is not bound down by any rule of necessity or compulsion. The power given to congress, is simply a power to give to coined money a stamp by which its value shall be every where known. So it should be in relation to a paper currency. Government should provide some stamp or other means, by which it should be known whether a note which purports on the face of it to be of a certain value, is certain of redemption. It is unquestionably true that in the matter of certainty of value, bank paper heretofore has been inferior to coin. Of this we can not entertain a doubt. It is also true, in some measure, as the gentleman from Luzerne county, (Mr. Woodward) has stated, that the labouring man who takes a note on the Saturday in payment of his labour, may awake on Monday morning and find that it is of no value. This has been one of the evils in the paper currency, and this is the respect in which coin has the greatest advantage over much of the paper that has been circulated. But this is an evil which, to my mind, has not been so extensive as the gentleman from Luzerne seems inclined to suppose. There has been but little loss arising in this way, comparatively, to what has been stated here; and it is also certain that there has been little loss during the last year when compared with that which has been sustained at some former periods. A great improvement has been made, and we have every reason to expect will continue to be made, in this respect. And when the gentleman from Luzerne county tells us, that great losses have been experienced, he certainly intends to speak of history—of that which is passed—and not of the present and recent time.

I will mention a fact for the information of that gentleman, and of the correctness of which it is an easy matter for him to satisfy his own mind, that in the state of Pennsylvania, since the year 1824, there has not been a single institution which has been chartered under our laws as existing since that time, which has ultimately failed to redeem all its notes. One

institution suspended its payments, but ultimately redeemed all its obligations. Still, however, it must be admitted that the security which the holders of notes now have, is not sufficiently perfect—that it is not what it ought to be, nor what it is in our power to make it. Our present experience demonstrates this fact—and I, for one, am desirous to do every thing which comes within the scope of our rightful authority, to increase that security, and thereby remove the present ground of complaint.

Under the system as it exists at present, we can not obtain that which has been promised to us, viz: specie on demand—and in the case of suspension of a particular bank, to which I have referred, a portion of the note-holders suffered some loss—because, not being able immediately to realise the amounts due on the notes in their possession, they sold them at a depreciation. I do not think, however, that losses from this source have fallen so heavily, in proportion, on the laboring classes of society, as some gentlemen have supposed. It is to be recollected that the laboring man receives but little at a time—that he knows what he receives, and from whom he receives it—and that inasmuch as he is very generally under the necessity of laying it out immediately to supply the wants of himself and his family, it does not usually lay long enough in his hands to cause him to suffer loss by reason of its not being promptly redeemed. If he takes a counterfeit note, he can compel the man from whom he receives it, to exchange it, or he may bring an action and by such means can recover the amount of his loss. It does not appear, therefore, that losses of this kind fall with such extreme weight on the laboring classes. Still, however, there is an evil which ought to be corrected—the security is not as perfect as it ought to be.

There seems to be a question as to whether we shall have a paper currency at all, because it seems to be admitted on all hands that we must have such a currency, at least to a certain extent. I shall not, therefore, direct any portion of my argument to that point, as there is no question raised in relation to it. The point is settled; we must have a paper currency to a certain extent. It is our duty, therefore, to make the means of giving security for the redemption of that currency still more perfect—to throw round it as many defences as may lie within our reach. It is our duty not only to protect the laboring and other classes from losses arising from ultimate insolvency in the issuers of this currency, but to prevent, so far as possible, all chance of loss from delay of redemption, and consequent depreciation: this should be done by making certain, both the payment of the notes and that of adequate damages for any delay of payment contrary to the contract, so that a note will be as valuable when the bank issuing it, has suspended, as if when it promptly meets its engagements.

It is certainly not beyond the power of man to invent some mode by which proper security can be given to the holders of these notes. Why should it be so? Do we not give security upon real estate every day? Do we not take security on our ships at sea every day? And why can not we do the same thing with bank notes? Where is the impediment? Where the difficulty? For my own part, I can not perceive that there is any. I think that it would be perfectly easy to provide a mode, and

I think that the laws of the land ought to provide a mode, by which every man connecting himself with banking, shall have the opportunity, if he desires it, to give security to the public—and that there should be a public authentication of that security, so that the people may know that it is fairly given. I would not compel every man to take advantage of that public authentication, but still I think it is desirable that such should be given.

I am of opinion that the most perfect plan of banking which has yet been invented, so far as relates to security, is the safety fund system of the state of New York. This is my deliberate opinion. It is not my purpose to advocate the adoption of that system in all its parts here—because I am about to advocate something that I consider better; still, I repeat, that in point of security, I do not think that any thing can be better.

In the state of Pennsylvania, since the year 1824, I believe that our system has been comparatively good. I do not speak of that system under which forty-two banks were chartered in a single bill; whatever fault or failure there may have been in those instances, I attribute to the imperfection of the law.

I say, I believe that our banking system since the year 1824, has, in itself, been good. Still, however, the holders of bank notes may lose in the state of Pennsylvania; whereas in the state of New York, under the system to which I have adverted, there is no possibility of loss. Who are the bankers? They are the creditors of the community and not the debtors. They are in general, men of property.

By opening the business of banking to free competition, you secure the holding of bank stock by capitalists alone, that is, by those who have money to lend, little or much as the case may be, and prevent the holding of stock by those who wish to borrow more than they lend, because under free competition these would not find their interest in holding stock to any considerable extent, as they do under the monopoly system. If, therefore, the capitalist be the creditor of the community, it seems to me that the security to the citizens under the safety fund system is complete, unless the state should be shaken by an earthquake, or should meet with some great and over-ruling calamity which could not be foreseen, and could not be fairly anticipated. Under this safety fund system, each bank pays the sum of half of one per cent per annum until its contributions to that fund amounts to three per cent on the whole capital of the institutions—after which it is relieved from any further payments, so long as the fund remains unimpaired. If any one of these banks should fail, its debts are paid out of this fund, and each bank must contribute again until the three per cent for the whole banking capital is made up. It is to be remarked that this fund is more than is necessary to guaranty the payment of the notes. We have experience before us which demonstrates the truth of this position. And to what better test could we appeal? What better evidence can we have of the advantages resulting from this system? The farmer judges of the time when he shall sow his grain, by the experience which he has had. The mechanic judges of his machinery and his business by experience, and we, too, must judge of this system by the lights which experience has furnished. All other

tests are liable to error. What then do we learn from experience? Why, sir, the experience of England, of Scotland, and of every state in this Union, where a tolerably good system of banking has been established, shews that the average amount lost to the public from bank failures has never amounted to more than one and a half per cent on the amount of capital chartered or put into operation. But even supposing that it did amount to more than this, and to more than three per cent, there can be no doubt that, according to the system adopted in the state of New York, the deficiency would be made up by additional contributions. We have a right to infer that it would, for so long as there is any thing deficient, the contributions must continue.

But, Mr. Chairman, it has frequently been urged as a strong objection to this safety-fund system, that it is unjust to make one bank contribute to pay the notes of another—thus compelling banks which have conducted their business with care and prudence, to pay the losses incurred by those whose management has been marked by imprudence and extravagance. This objection does not address itself with any force to my mind, nor can I view the matter in such a light. I look upon it solely with an eye to the public interest. I look upon it in the light of a public security given by those who have the enjoyment of a privilege under the law, that that privilege shall not be so exercised as to work injury to the public, for whose benefit mainly it was created. The Governor of Pennsylvania, in his late message to the legislature, tells us, that while he regards the safety-fund system of the state of New York as objectionable, still he recommends that the legislature should provide by law that all banks, making profits beyond the annual amount of seven per cent, should pay over the surplus into the state treasury. Look at this proposition, and see whether it is a just one. Take, for example, the case of two banks—the one of which, by means of its superior industry and economy, is making an annual dividend of ten per cent—while the other is making a dividend of only six per cent. Is it fair, is it just, is it right, to tax the one bank to the amount of three per cent per annum, while the other escapes without any tax at all? It may, probably, be just and proper to do this, if the public benefit, or the public good should require it. But the principle is the same as that on which the safety-fund system of New York is based. It is so also in private life. For example, you put a heavy tax on the man who is worth his hundred thousand, or his million of dollars, while you impose none upon the poor man. And of what consequence is it to the bank which pays this amount, what you do with it after it is paid? After the money has once been paid into the treasury, you may apply it to just such purposes as you may think proper. The bank will not trouble you.

I am of opinion then, Mr. Chairman, that we can easily give security to the public against loss from bank notes, except in cases of voluntary risque, incurred on the part of individuals, by taking notes which are not secured according to the plan which may be laid down. I think, too, that this security can be attained without incorporating into our law all of those features in the safety-fund system of the state of New York, which are considered open to objection. It is said that this system is made use of as a political machine—that it is applied to party purposes—and that its influence is brought to bear in the settlement of party contests. I do

not exactly know to what extent these allegations are true ; but I am fully satisfied, from the very best consideration and reflection which I have been able to give to this subject, that we can steer clear of every objection of that sort—that we can retain and adopt in the laws of this state, all the sound and good features of the safety-fund system, while we can reject and throw entirely out of view any which would have a tendency to give political influence to the system.

This should be our aim and object, and this is the course which I am desirous to see adopted here. If we were to require that all banks which might be hereafter established with the character of safety banks and the guaranty of the state should pay one per cent, or one half of one per cent, annually into the state treasury, to be appropriated, so far as necessary, to the redemption of the notes of any bank embraced by the system, and enjoying the increased credit which it would confer, and the balance to be for the use of the public. You would thus reap a considerable revenue for the state, and if you place the banks under paper restrictions, you can provide for the redemption of the notes of any which may become insolvent out of the state treasury, with a reasonable certainty that the outgoes on account of the banks would not equal the income derived from them, while all the alleged political influence from the association of banks, in the New York system, would be guarded against.

The New York safety fund banks, have lost nothing, by belonging to the system, and yet the public has been secure, and it is perfectly complete so far as to secure the public from injury and loss, without creating any public burden.

But, Mr. Chairman, in giving this security to the public, it is necessary that we should place proper restrictions on the banks which may be established upon the plan, or being already established, may accept of it ; it is necessary that we should place such full and ample restrictions upon them as will prevent their failure, and thus prevent, in a great degree, if not absolutely, the public fund from being called upon to redeem their notes—to pay their losses. We must do this, and the question which then presents itself is, how will you do it ? We are desirous that every man should have the means of knowing not only that the note he receives is good in point of security given by or for the bank, but, also, that it is not a counterfeit. I believe there is no plan which will so effectually prevent the over-issues on the part of the banks—and which will, at the same time, afford security against counterfeits and against the circulation of notes purporting to be the issue of a bank, when no such bank is in existence, as the plan I am now about to suggest. It is this : Let every bank which chooses to avail itself of such a regulation, have its notes stamped upon the back by a plate of the most perfect workmanship, owned and held by the commonwealth of Pennsylvania, and countersigned also by one or two of its officers. Every man may thus become familiar with the state stamp, and, by looking at the back of a note, he will at once be able to satisfy himself whether it is genuine or not. In this manner, also, it will be in our power to establish an effectual prohibition against excessive issues by the banks.

The gentleman from Susquehanna, in the course of his remarks on this subject, observed that the proceedings of the banks in relation to extent

of issues, had been such as to set all law at defiance. I concur with him that this has been done to a certain degree. Some banks, we know, will violate the law, but it is in our power to adopt a plan which will prevent them from doing so for the time to come, by making provision, that each institution shall hereafter have only so much paper furnished and stamped by the commonwealth, as will be equivalent to the amount of its actual capital. This provision, I think, will be effectual, and will remedy one of the greatest evils of the present banking system.

Another prohibition, Mr. Chairman, which has occurred to my mind, which, in my opinion, would tend greatly to attain that perfect security so desirable in this system, is to make a provision by which the directors shall be precluded from borrowing money from the institutions to which they may belong. I have no doubt that the extent of loans to directors has been a fruitful source of evil with us. Look at the failures of banks in the different portions of the United States—and you will find that, with scarcely any exception, they have resulted from two great causes. In the first place, the failure has been attributable to the issue of too much paper; and, in the second place, it has been attributable to the practice, which has of late years grown into very general use, of loaning too heavy amounts of money to one, two, or more individuals—and those individuals being generally, the directors of the institution. This practice, dangerous as it is, cannot too soon be arrested. I would positively prohibit the institution from loaning any thing to any member of the directory.

I would also restrict the amount which the bank should have the power to loan out to any one stockholder or other person. If you do so, you will take away the charges of partiality which have so long, and, I doubt not, with perfect truth, been brought against some of their institutions.

It has been stated, as an objection to the prohibition which I propose in relation to loans of money to the directors, that any regulation of that sort, which the law may impose can be evaded—that a director of one institution may have a private friend in another, who may loan to him, and which loan the other may return—and thus that they may play into each other's hands, and render the law a mere nullity, so far as they are concerned.

I am compelled to confess that this may occasionally be true; but then we may meet this objection by the simple statement of the fact that you cannot pass any law on any subject, which may not be occasionally evaded. The rule would be of great utility in removing the prejudicial influence of that feeling of delicacy which a director has in voting upon the application of a person sitting at the same board with him.

In view of all these premises, therefore, I take it for granted that the entire and perfect security of bank paper may be obtained beyond all question by the adoption of two or three simple provisions; those provisions, as I have endeavored to state them, are, first, to put the notes on paper bearing the stamp of the commonwealth; secondly, to restrain the issue in proportion to the capital:—thirdly, to prohibit loans to any individual beyond a certain sum; and fourthly, to prohibit altogether, or, at all events, to limit the amount of loans to the directors of banks. You

may go beyond this, if you feel disposed so to do. You may go so far as to make the president and cashier of the various banks responsible in any form you may point out. I do not see that there is any objection to this; but I do think that there is objection to making the stockholders responsible, in their separate estate, and I should not feel disposed to give my sanction to any provision of that description. I think, however, we may go to the full extent here pointed out, with entire safety and with a full conviction that the most beneficial results may be expected to flow from the adoption of such provisions.

There are also other safeguards, Mr. Chairman, which I think may with propriety be thrown around this system. As for instance, you may require that security shall be given on real estate—on mortgages to the commonwealth—and you may require that the commonwealth shall then furnish its stamped paper, or you may give the bankers the choice, either to give such security; to contribute to a safety fund; or, to be personally liable for the debts of the institution in all their effects. You may adopt any proper plan by which you will give a more certain security to the citizen for the payment of the bank notes which he may hold. This is the whole object I have in view. I have thrown out these suggestions, embodying my ideas of the means by which this security is to be attained, for the reflection of the members of this body. I am not tenacious as to the adoption of my particular views. I shall be glad to know what those of other gentlemen are; and, if any other delegate should propose an amendment which will attain the one great object, which, I believe, we all have anxiously in view—that is to say, the security of bank paper, in a manner just and free from oppression and evil, I pledge myself to give his proposition my cordial support. And I trust that such an amendment is yet forthcoming.

Having obtained absolute security for the payment of bank paper, and the means of knowing the security in its value as a genuine note of a real well guarded institution being secured, it next becomes our duty to go a step further—and to endeavor to obtain uniformity of value, in relation to time and place—uniformity all through the commonwealth of Pennsylvania—and uniformity in one year, as compared with another. And here is the ground of all difficulty. When we shall have succeeded in obtaining uniformity of value, we shall have obtained the grand desideratum—we shall have made a discovery perhaps of as much importance to mankind as the discovery of the steam engine. A uniform currency, unfortunately, has never been obtained in the world; and yet I believe that it can be obtained to a sufficient degree of accuracy. It has been supposed that gold and silver presented a uniform currency. This is an error. They are not uniform in value, as used in connexion with bank notes, nor would a law for establishing an exclusively metallic currency, suffice of itself to render them uniform. We import and we export; and whenever the state of trade is such that our crops do not bring us the usual prices—when the crops are short—or whenever we shall have imported more than we have exported, the balance must be paid in specie, and that will cause the quantity and value of the metals to fluctuate; it will cause irregularity in the prices and standard for our products, and consequent irregularity in the prices and demand for labor of particular descriptions, which irregularity has been erroneously attributed, mainly,

to the use of paper as a currency; and the alternations of war and peace, with other circumstances readily imagined, in the countries from whence our supplies of those metals are drawn, may produce fluctuations in their value, as may also the discovery of improved methods of working the ores.

That gold and silver are not uniform in their value, and that their use will not prevent those fluctuations in prices, which have been ascribed solely to the use of paper, is evident from reference to history, both ancient and modern.

I will, in connexion with this subject, read from a book which has been referred to by the gentleman from Union, (Mr. Merrill) and which gives us a great deal of valuable information on this subject—I allude to “Jacobs’ Inquiry into the Precious Metals,”—having reference to times when the rag aristocracy, as the banks are called, were unknown, and when the hard money aristocracy were grinding the poor to the dust. In regard to the article of bread stuffs, I find that when there was a gold currency, there were great fluctuations in their prices. In Egypt during the famine, the king could, with the corn he had stored, obtain the money, the lands and the liberties of the people, and yet the currency was of gold.

I read from page 242; of Mr. Jacobs’ book:

“In the year 1527 such scarcity of bread was in London, that many died for the want thereof.”

“In 1557 wheat was sold before harvest at thirty shillings the quarter, but after harvest at seven and sixpence.”

“In 1558 wheat rose again to twenty-three shillings the quarter.”

In 1499 the price was six shillings the quarter; in 1521 it had advanced to forty shillings, near seven fold: and in 1551 it was down to eight shillings.

And at page 244, he says:

“The average price of wheat by Mr. Lloyd’s tables, for the ten years from 1583 to 1592, appears to have been twenty shillings and nine pence; of the ten years from 1593 to 1602 thirty-three shillings and three pence.”

These fluctuations, it will be readily perceived, were far greater than any known among us, since the establishment of our banking system.

It is not only in paper currency times that oppression of the poor is complained of. In a sermon preached by Bishop Latimer before King Edward VI, in 1548, in the times of specie currency, he says:

“The phisition, if the poore man be diseased he can have no help without too much: and of the lawyer the poore man can get no counsel, expedition nor helpe in this matter, except he give him too much. At merchants’ hands no kynde of ware can be had except we give for it too much. Your landlords, your rent-raisers, I may say your step-lordes, your unnatural lordes, you have for your possessions yearly too much. For that here before went for twenty or forty pounds, (which is an honest portion to be had gratis in one lordship of another man’s sweat and labour) now is it let for fifty or one hundred pound by yeare. Of this

too much, cometh the monstrous and portentous dearth made by man, notwithstanding God doth send us plentifully the fruites of the earth, mercifully contrary unto our desertes. Notwithstanding too much, which these rich men have, caused such dearth that poor men (which live of their labour) cannot with the sweat of their face have a living, all kind of victuals is so deare, pigges, geese, capons, chickens, egges," &c.

He continues :

"All such proceedings which are against the king's honour, do intend plainly to make the yeomanry slavery, and the clergy slavery. For such works are all and singular private wealth and commodity. We of the clergy had too much, but that is taken away and now we have too little."

This shews the fluctuations and complaints of oppression which took place in England at a time when they had no other than a specie currency. The same book also shows that great fluctuations took place in France when they were exclusively confined to a metallic currency. In page 249 of Jacob's work, it is stated that in the year 1495 a *setier* (a kind of measure) of wheat sold for 11s. 5d; in 1499 the same quantity sold for 29s; and in 1573 the same quantity sold for £14 15s. Mr. E. said he had been at great pains in making inquiries of merchants who traded with the South American and other countries, which dealt altogether in specie, and the result was that he had ascertained there were as great fluctuations in the prices of produce there as in any other countries. Every one knows that flour in Valparaiso fluctuates enormously in price, yet they have a specie currency there. How then shall we establish a uniformity in value? Is that a problem which cannot be solved? He believed it was not. He believed there was a mode of establishing a uniform currency, and such a one as would be sufficiently uniform at all times and in all places. You can make a uniform currency in this commonwealth, so far as respects change of value with change of place, by making the same regulations in relation to her banks, which they have in practice in New England; that is by making the notes of all *banks* payable in the largest commercial place in the state. In the state of Massachusetts all the banks redeem their notes in Boston. The governor of Pennsylvania in his late message, recommends this same course to be pursued in this commonwealth, and if this recommendation shall be adopted, and all the notes of our banks redeemed at our principal commercial emporium, there will be uniformity in value of the bank notes of this commonwealth. That uniformity would relate to place and not time.

In relation to different periods of time, there was another mode of bringing about uniformity, and he would illustrate it, so that every one might understand it. Suppose you take one hundred bushels of prime wheat, and sell it on the first of January of every year for a number of years, it would be found to fluctuate in value very considerably; but if you take the note of one of your citizens, whose credit is most undoubted, bearing interest, and to be paid five years after date, and sell such a note every first of January, it would be found that the fluctuation in the price would be very little, much less than that of the wheat itself. Now the reason of this is obvious, and it is that the wheat fluctuates as a commodity of merchandize, while the note will always bring the same interest, and will always be worth about the same, if the security for the pay-

ment is good. If, therefore, you can introduce a kind of currency amply secured, which will be payable at a future date with interest, you may at all times supply the vacuum occasioned by specie being shipped to pay the balance against us, when the balance of trade is that way. To understand this matter perfectly, it is necessary to have a clear conception of the nature of value.

Value is the degree of desirableness. If you lay down for sale at the same price, any two articles of trade or merchandize, and one is always chosen and the other rejected, you will find that the one always chosen is the most desirable, and for that reason alone we call it the most valuable. Then there is nothing valuable but what is desirable in the public estimation; and articles are desirable, because of their utility in sustaining life, or promoting the enjoyment and happiness of individuals; and in proportion as they are desirable they are valuable. Thus the addition of a quart of fresh water to the quantity existing in this city, would be of no value; but in a ship-wrecked vessel, the addition of a single quart of water might be of great value, because it might preserve the life of perhaps more than one person. Value, then, consists in desirableness, and when the quantity of an article fluctuates, the temporary value fluctuates. There is another thing, however, which tends to regulate value more than any thing else, and that is labor, because however necessary articles may be, they must be produced by labor, and when a certain quantity of labor, through improvements in machinery or otherwise, produces more of an article than it could previously, the value of that article of course diminishes. Every article of consumption is the fruit of industry, either in its production or attainment; and just in proportion to the quantity of labor employed in the production and transportation of an article, and in proportion to the degree of skill employed in its production—because skilful labor is always more valuable than unskilful—is it valuable. If you take into account the skill and the amount of labor in the production and transportation to market of any article, you can estimate its average value. The reason why gold is more valuable than any other metal, is because of the difficulty of producing it. It is not because of the scarcity of gold, in the bowels of the earth, that it is so valuable, but because of the labor and difficulty of obtaining it from the mines. The mines are inexhaustible, and will be so for thousands of years, and he did not believe in the opinion which had been expressed, that a return to a gold currency would have any material effect on the value of gold, or in other words, on the prices of commodities. It might, to be sure, raise its value for a short time, but it would ultimately return to its present rate; for the value of gold is more likely to diminish than to increase. In his opinion an increased consumption of gold might lead to a diminution of its value; and in this, he thought he would be borne out by referring to the iron trade. We all know that an increased consumption of iron has reduced the price of that article; and the reason of this is, that with the increased demand, ingenious men devise new modes of working it, which save much of the expense of labor of producing it. It is only the other day that we have seen an account of a new discovery for the working of iron with anthracite coal, which it is said will effect a saving of twenty-five per cent; so it might be with gold. If there was an increased demand for

it, more would be produced, and improved labor saving machinery would be introduced in its production, which would rather tend to lower than to increase the value of it. He would, therefore, desire to have the laws so formed, that the gentleman from Indiana might always get gold when he wanted it, but he would also have it so that others, who preferred paper, might get it and use it. He would allow that gentleman to establish his bank on the plan of that of Amsterdam, if he wanted it, but the gentleman must, at the same time, allow him (Mr. E.) to use such currency as he pleased to have. In short, he would permit every man to use such a currency as he might see fit.

There was a mode of introducing a currency which he conceived would be a more perfect one than any now in existence; but he feared there would be danger in introducing it, because it would be connected with the government; but if the government could be trusted to regulate the currency, there was a kind of currency which might be introduced, not founded upon gold and silver, yet more uniform in value than a currency founded on the precious metals, or more so than any the world had ever seen. He meant a currency of which the unit should represent a certain quantity of labour.

Suppose the government were to take charge of the currency and commerce, with the existing amount and rate of value of the circulating medium; and then suppose it were to direct an account to be taken, from the different post masters throughout the country if you please, of the value of labor, taking into consideration the wages of the blacksmith, the hatter, the carpenter, the laborer, &c., and from all the returns, making an average as the average price of wheat is ascertained in England. Then when the system has commenced, require, quarterly returns to be made of the price of labor, of the various kinds, let the average be struck, and if the price of labor, as reckoned in the currency, shall have increased at any time, above the original rate, then curtail the amount of currency, and if the price of labor shall have diminished, then increase the amount of your currency.

This was the true system for regulating a currency, and preserving its uniformity, because as a currency fluctuated in value, so would the average price of labor fluctuate, but if the currency was stable, the average price of labor would be stable; but in increasing and diminishing the currency, in order to correct any fluctuations which may be demonstrated by a change in the price of labor, it must be done tenderly and delicately, and not harshly and rapidly, for by sudden expansions and contractions, the ruin of many is brought about. In this way a currency might be adopted far more perfect than any thing we have yet seen; but he did not believe that such a currency would be acceptable at the present day. It was a new idea, and in addition to the objection which would arise to its adoption, on account of its novelty, it would be objected to, because of its being connected with the government.

There was another kind of currency which would be of great use to the people. He meant notes bearing interest, and payable at a future date. It was not his suggestion that this should be a general or exclusive circulation, but just to the extent in which the people should desire to use it. He was not for dictating to the people at large, nor to any portion of

them, however small, in relation to this matter, but was for giving them, each one, the opportunity, by law, of making use of just whatever kind of currency he pleased. Under our present embarrassments, some of our banks have adopted this system of notes payable at a future day, with great advantage to the public.

The legislature of the state of Mississippi, has authorized the banks to issue notes, payable twelve months after date, and great good has resulted from it. The Boston banks too, at different periods, have found it necessary to issue post notes to fill up the vacuum created by the exportation of specie. The difficulty at particular times, is, that there is not money enough in the country to carry on the business of the country. Men have property, but they have not got sufficient money, and many industrious men have been compelled to sacrifice their property, in consequence of the fluctuations in the currency. There is a thousand times more want and suffering brought upon the community by the want of a uniformly abundant currency, than by all the broken bank notes, since the first establishment of banks. Yes, sir, the laborer loses more by the want of employment, when there are fluctuations in the currency, a thousand times over, than all that has ever been lost by counterfeit and broken bank notes. If you say that the citizens of this country have lost twenty millions of dollars by depreciated and counterfeit paper, he would say that they have lost infinitely more, by being thrown out of employment, in consequence of a fluctuating currency; because every fluctuation will affect the prices of labor, and when there is a great fluctuation, the laborers of the country are thrown out of employment, in a great degree, because it is contrary to the human disposition, to accept, at once, reduced wages. This, too, will continue so long as we have a fluctuating currency. Then you want, when gold and silver is shipped out of the country, for the payment of the laborers of trade, which may be found against us, something to supply its place. The capitalist does not need the gold and silver, because it cannot be eaten, nor drank, but he wants something which will answer the same purposes as gold and silver. He prizes it, not because he can consume it, but because he can exchange it for other things which he wants, and if he could get any thing which would answer his purpose as well, in the effecting of exchanges, he would never want gold and silver. Then, if you take, for instance, all the mortgages in Pennsylvania, and cut them up into small amounts, duly authenticated, and made payable to bearer, they would answer every purpose of silver and gold, and would supply every deficiency, when the metals are scarce.

This kind of currency, if it bore interest, would be better than gold and silver, because it would not depreciate as much as the metals. It has been supposed by some that if you make a currency abundant, it will inevitably depreciate, but this would not be the case with a currency which bore an interest, and was secured and authenticated, so that of its redemption there was no doubt. Gold and silver, when it is over abundant, will depreciate, because it produces no profit, when kept lying on hand. It yields no rent like a house, it produces no crop, like land, and no man would desire to keep it long on hand, because it will yield him nothing. Neither will bank paper, of the kind now in use, yield any thing, if it is kept by him; but if you had a kind of paper, like a mort-

gage, bearing an interest, and perfectly secure, an increase in the quantity of such paper, would not cause it to fluctuate in value. If, then, you will leave gold and silver to be the only legal tender, as prescribed by the constitution of the United States, and provide a mode by law, by which banks or other institutions may issue a currency bearing interest, secured upon bonds, and in proportion as the people want it, and leave every man to choose between this kind of currency, and the gold and silver, you will have a sound currency; and a currency of this kind would be of great advantage in increasing the capital of the country, by increasing the inducements for saving, and the facilities for investment.

The gentleman from Union has told us of the exorbitant interest demanded by individuals for money, and that abundance of capital made interest low. How then are you to make capital abundant? Why, by affording to every man in the community a means by which he can invest his money, and obtain interest for it. Then if you afford to every man, who has a five dollar note, an opportunity of investing it where it will draw interest, you make every man, or very nearly every man, a capitalist. You, will, by this means, increase the capital of the country, and divide it among many hands—an object of importance with every man who desires the perpetuation of our free institutions. One great cause of the increase of capital in England, as well as of increased equality and increased power and influence, in the mass of the people, within a few years past, is the introduction of joint stock associations, and saving fund societies. By this means, every laboring man may become a capitalist, in a small way, and the capital of the whole mass of the people, becomes so concentrated, as to be useful in the operations of trade. In the same manner, if a currency was made up upon mortgages on real estate, bearing a small interest, every man would, have his capital, however small, yielding him something, and it would, if backed by a safety fund in the state treasury, to cover possible defects in the land titles, be safer and better, even than gold and silver.

Mr. EARLE here gave way to Mr. M'CAHEN, on whose motion the committee rose; and,

The Convention adjourned.

MONDAY, DECEMBER 11, 1837.

Mr. REIGART suggested to Mr. PURVIANCE, the propriety of withdrawing the resolution he had laid on the table.

[The resolution referred to, has been omitted, in consequence of the omission in the journal of any notice of it when offered. It is as follows :

Whereas, the sessions of the legislature of this state have hitherto, in the opinion of this convention, been unnecessarily prolonged, and if not limited by constitutional provision, may continue longer than the public interest would require ; therefore,

Resolved, That a committee be appointed to inquire into and report upon the expediency of preparing and submitting to the people, during the ensuing month, an amendment to the constitution, limiting the sessions of the present legislature of this commonwealth to the first day of February next, and limiting their per diem allowance to one dollar per day.]

Mr. PURVIANCE then withdrew the resolution.

Mr. REIGART made a similar suggestion to Mr. PORTER, of Northampton.

Mr. PORTER replied that he would not withdraw his resolution. A resolution concerning the sittings of the convention had been offered in the legislature, by a member from Northampton county ; and he (Mr. P. now pledged himself that when that resolution was called up in the legislature, he would ask for the consideration of the one he had proposed.

Mr. RITER, of Philadelphia county, presented the petition of citizens of the county of Philadelphia, remonstrating against any extension of the privileges now enjoyed by the coloured population of the state, which was laid on the table.

Mr. RITER also presented a petition from citizens of the same county praying that no restrictions should be imposed on the free exercise of conscience in matters of religion, which was laid on the table.

Mr. EARLE, of Philadelphia county, presented a petition from citizens of the same county, precisely similar in its import, which was also laid on the table.

Mr. REIGART, of Lancaster, presented a petition from citizens of Lancaster county, similar also in its prayer, which was also laid on the table.

Mr. BIDDLE, of Philadelphia, presented a memorial of like import from citizens of the city and county of Philadelphia, which was also laid on the table.

Mr. M'CAHEN, of Philadelphia county, presented a similar memorial from citizens of the city and county of Philadelphia, which was also laid on the table.

Mr. BALDWIN, of Philadelphia, presented a memorial from citizens of the city and county of Philadelphia, praying that the right of trial by jury may be extended, by a constitutional provision, to all human beings, which was also laid on the table.

Mr. STERIGERE, of Montgomery, presented two memorials from citizens of the county of Bucks, remonstrating against the insertion of any constitutional provision, giving to coloured persons the right of suffrage, which was also laid on the table.

Mr. READ, of Susquehanna, submitted the following resolution, viz:—

Resolved, That hereafter, no resolution shall be printed, for the purpose of being placed on the files, without special orders of the convention.

The resolution having been read,

Mr. READ moved that the convention now proceed to the second reading and consideration of the same, which motion being agreed to;

Mr. READ explained, that his object in offering this resolution was to prevent the accumulation of unnecessary expenses, from the practice of printing every resolution which was offered, without reference to its importance. There were at this time one hundred and forty-five of these printed resolutions on the files of the convention, and of these, a considerable number were of such little importance, that the printing of them was altogether an unnecessary expense. Among them are to be found the last two resolutions, offered by the gentleman from Butler, (Mr. Purvance) and by the gentleman from Northampton, (Mr. Porter.) The resolution numbered one hundred and forty-two, related merely to the disturbance in the gallery. The numbered one hundred and forty-one, related to a trifling change in our rules; and the resolution numbered one hundred and forty, contained only three lines, on the subject of the length of time which each delegate should be permitted to speak. There was also another resolution, of a single line, to adjourn *sine die*, on the 15th of January; and the printing of this single line was an expense which was entirely uncalled for. It was not necessary to place these resolutions on our files.

Mr. STERIGERE, of Montgomery, moved to amend the resolution, by adding thereto the words following, viz:—"And that the memorials and petitions which may be ordered to be printed, shall be placed on the files."

If it was important (said Mr. S.) that any of these memorials should be printed; it was important that they should be preserved. In the manner in which they were now printed, they were entirely useless. They were printed on slips, and were thrown aside, and lost, and were thus rendered useless. If the memorials and petitions were to be printed, they ought to be placed on the files of the convention.

Mr. CHANDLER, of Philadelphia, said that whatever propositions were offered, were worthy to be placed on our files. The gentleman who had offered this resolution, had reference, doubtless, to the proceedings of Saturday. Of these proceedings, he (Mr. C.) did not entirely approve or disapprove. There may be a time when it is right to answer a fool

according to his folly. He hoped that every thing presented to the convention would be preserved.

Mr. READ replied that his proposition would not prevent any proposition from being put on record. Every thing would appear on the journals.

Mr. CHANDLER thought it would be more convenient that all the resolutions should be filed together, so that every delegate might be able to find any particular one, without turning to the voluminous journals.

Mr. READ accepted the amendment of the gentleman from Montgomery, as a modification of his original resolution.

The resolution, as modified, was then agreed to.

Mr. HOPKINSON, of Philadelphia, from the committee on the fifth article, to whom was referred a petition for a court of chancery, reported the following resolution, viz:

Resolved, That in the opinion of the committee, it is inexpedient to introduce such provision into the constitution.

Mr. HOPKINSON moved that the convention now proceed to the second reading and consideration of this resolution; and the motion being agreed to, the resolution was read a second time and adopted.

SEVENTH ARTICLE.

The convention again resolved itself into a committee of the whole. Mr. REIGART in the chair, on the report of the committee, to whom was referred the seventh article of the constitution.

The question being on the motion of Mr. STEVENS, to amend the amendment offered by Mr. READ, by striking out all the words after the words "section 3," and inserting in lieu thereof, the following words:

"The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interest of all the people."

Mr. EARLE, of Philadelphia, resumed his remarks. When the committee rose on Saturday, (said Mr. E.) I was expressing my disapprobation of the present banking system, together with my belief that a paper currency would be useful to the country: and I suggested that currency in notes, redeemable at a future day, of small amounts, bearing interest, and secured on real estate, would be the least liable to objection and the most productive of public benefit. This sort of currency would afford to the laboring man a participation in those facilities of income whatever he may possess, which are now enjoyed more exclusively by the capitalists. It would enable him to receive the produce of his industry in notes of five, ten, or twenty dollars each, bearing interest. I will not refer to other advantages which would result from this system, in relation to the equalization of the exchanges, a subject which greatly agitates the public mind at this moment.

The various sales of merchandize and produce between different sections of country, balance each other, so that if the buyers and sellers of the various sections were to assemble together, they could, by mutual transfers of debts and credits, balance their accounts, or nearly so, without the use of currency. The difficulty, in relation to exchanges, arises, in a considerable degree, from the trade not being all direct between any two points. Philadelphia sells dry goods to Kentucky and Tennessee. These states send their produce, for payment to New Orleans; the merchants there, ship it to Europe, and the Philadelphia merchants buy the bills of exchange drawn upon it, and with them pay for the goods imported through New York, for the western market. So, that the exchanges are nearly equal, though indirect. Hence, there is no absolute necessity for the transmissions of specie for any considerable portion of the various purchases.

All that is required is a certificate of value, so secured and authenticated as to inspire confidence into the community, and this certificate, circulating round, would return to the place where it originated, and secure the equality which is so desirable. But the certificate must bear interest, or it would not remain at par. It would be subject to the loss of interest while it remained on hand, in any place, however solvent the bank issuing it might be.

The notes, therefore, should be issued bearing interest. If such notes were issued in the state of Kentucky, secured on real estate, the Kentucky merchant, coming on to Philadelphia, would bring these notes, which would derive an accession of value during his journey, from the fact that the interest due on them was increasing. They would be valuable to the Philadelphia merchant, because they would be subject to no depreciation, and he would send them to New York in payment for imported goods. The New Yorker would buy his cotton at New Orleans, and would remit these notes in payment, still increased in value by the accumulation of interest. The New Orleans merchant would take them without hesitation, because they would answer the purpose of the Kentucky or Tennessee merchant, of whom he would buy the produce which descends the Mississippi, increasing in value daily. So also if the notes were originally issued in Pennsylvania. The merchant would make his purchases with them in New York or in New Orleans. The New Orleans merchants would pay them to those of whom they bought in Kentucky and St. Louis, and the merchants in these places would receive them in preference to any other notes, because they would be able to transmit this paper for the purchase of their goods bought in Philadelphia or in New York. He would wish the government to countenance this paper, but not to compel paper of any particular character to be received, nor to prohibit any kind whatsoever from being issued. That should be left to the choice of the people. They would decide, and would soon refuse to receive any other notes than such as best answered their purposes, all things duly considered. And the proportions of specie, of paper not bearing interest, and of paper bearing interest, would be regulated by public convenience as shown by the demand.

The people are much wiser on this subject than the legislature. And believing the people competent to judge of what it is well for them to

receive, he would think it better to permit the issue of notes of small denominations, adequately secured on a specie basis, or otherwise. These small issues afforded great facility for remittance for newspapers, and we ought to afford every facility for the dissemination of intelligence, in a republican country. At present, great inconvenience resulted to newspaper publishers from the want of a currency under five dollars, and from the expense of small remittances by mail. The national government should have done something to lessen this inconvenience by making letters, containing remittances of sums under a certain amount, subject only to single postage. He would be willing to take a well secured note of one dollar. To him it was as convenient and as desirable as specie.

When gentlemen admit the doctrine of the natural right of men to take care of themselves, they make a great step in the path of true liberty. It seems very difficult to get rid of the monarchical principle which sanctions an interference with the trade or private pursuits of individuals. In monarchies, this interference is made for the purpose of favoring particular classes; but any interference of this kind, in this country, must be against the happiness and rights of the people. And, why? Because the wealthy and the powerful would carry their influence into the halls of legislation, while the poor and the ignorant would not be heard there; so that the legislature would become corrupt. Let us sunder at once all these distinctions, and then we shall be really free. In support of his argument, he would quote a passage from Edmund Burke, who may be considered as whig authority, because his doctrines, in general, are sustained by the whigs:

“It is one of the finest problems of legislation, and what has often engaged my thoughts, when I followed that profession, what the state ought to take upon itself to direct, by public wisdom, and what it ought to leave, with as little interference as possible, to individual discretion.” He finally concludes, that the action of government “should be confined to every thing that is truly and properly public, to the public peace, to the public safety, to the public order, to the public prosperity.” He remarks, that “the leading vice of the French monarchy, was a good intention ill directed; and a restless desire of governing too much. The hand of authority was seen in every thing and in every place. All, therefore, that happened amiss, even in the course of domestic affairs, was attributed to the government.”

This was the sentiment of Edmund Burke. It was also the opinion of Mr. Jefferson, who intimated, I think, in his first message, that there might be a danger of embarrassing the commerce of the country, by too much governmental regulation.

Mr. Van Buren, in his first message, expresses the same idea, when he says, that “men are apt to expect too much from government.”

The Washington Globe, in a very able article, carries out the same doctrine, and he hoped to see it discussed, and its merits made to appear before the public. That paper says, in reference to the article which has just been quoted from Burke: “These principles are just, these sentiments are truly philosophical. All enlightened statesmen and economists now unite in the opinion that the policy of interference and regulation is unwise, disturbing and pernicious. The tendency of the age is to throw

off all unnecessary shackles, political, financial and commercial. Freedom in all things, as far as is safe, is essential to the highest development of human energies. Men want the protection of government in their business, not its dictation, direction or support. *Laissez nous faire*, "let us alone," the celebrated reply of the French merchants to the minister who wished to know what he could do for them, indicates the true policy of legislation on these subjects."

Again, the same paper, on December the 8th, says: "Nothing is so discreditably to government, as to be made responsible for all the ills which may befall the community. The people should depend upon themselves for the means of their prosperity. Their own intelligence, prudence and industry, are competent to the successful prosecution of their various enterprises. Government should give ample protection to all, and leave the rest to individual exertion. Nothing is so favorable to the progress of society, and the development of national wealth, as this self depending energy. As much liberty as is compatible with safety and the rights of all, is the fundamental principle of political economy. In this opinion, all the enlightened writers upon the science which treats of the means of developing national wealth and individual prosperity, agree. Commerce, manufactures, agriculture, all thrive best when "let alone." They want no shackles under the pretext of supporting them. The aid which is offered them by government, almost invariably proves an obstacle and an embarrassment."

These were doctrines in which he entirely coincided; and, if carried out, they would place commerce, trade and banking, upon a proper and legitimate footing. He would confine the coercive action of government, in relation to commerce, trade and banking, to the enforcement of contracts, and the punishment of frauds and aggressions; and, this was all that government ought to have power to do in the matter. When a man desires to make a contract with his neighbor, he has a right to make it, if he understands what he is about, and it is not the right of government to interfere and dictate to him. There are other modes by which a great improvement in the currency might be made. He alluded to the repeal of the usury laws. It was a notorious fact, that much good had been effected during the late pressure in the money market, by a violation of these laws, and great good would doubtless result from a repeal of them. Government supposes every man capable of judging how much he ought to give his lawyer, his doctor, his clergyman, his mechanic, or his laborer, but the moment he is about to hire money, it does not deem either of the parties connected with the contract, a proper judge. It at once determines that they have not common sense in relation to money, and declares how much the lender shall receive for his money, and how much the borrower shall give.

If a man has a house or a farm to rent, he may ask what he pleases for its use, but the moment he sells that house, and puts it into money, he is not permitted to ask what he pleases for the use of his money, therefore, the government deems him incapable of judging of the value of money. This usury law ought to be modified or repealed, and every man left free to act as he pleased with his money. He need but point you back a few years, in this very city, to show you the ruinous effect of this law. ▲

few years since, nearly one-half of the merchants in Philadelphia failed, when the pressure was no greater than it has been within the last six months, and they failed, because they would not violate the usury law, and pay more than six per cent interest on money, to relieve them from their difficulties.

During the late pressure, however, our merchants had the sagacity to pay usurious interest; because they discovered that it was vastly better for them to pay a high rate of interest, when money was scarce; than to do without it, or sacrifice their goods when they would bring but a low price in the market, and when there was no demand for them. By this means, the merchants of Philadelphia, have, during the late pressure, kept up their credit and carried on their business, when, if they had not availed themselves of the use of money on usurious interest, many of them would have failed.

The usury law frequently compels your merchants to make enormous sacrifices, and holds out a great inducement to improper speculation, by individuals connected with the banks. It prevents the borrower from obtaining money, at a high rate of interest, in a direct channel; and subjects him to the necessity of getting it through indirect means. He must go to a broker, or to some one who has sufficient influence to get money from the banks, and there pay usurious interest for it, enhanced by a charge, as an indemnity for the risk and odium of violating the law. He must perhaps go to a director in the bank, who obtains money, in large sums, from the institution, at six per cent, and then loans it to the merchant, or person desiring to borrow it, at twelve per cent.

This is one of the great objections to the present system of banking, because, in many cases, it requires two guaranties to be paid for, when there would be but one, if the ultimate borrower were free to make his own contract with the primary lender.

Another objection, growing out of this system and this practice under it, is the oppression of poor stockholders in banking institutions. It affords a means for the aggrandizement of the wealthy and influential stockholder, at the expense of the stockholder who owns but fifty, one hundred, or two hundred dollars. It gives the opportunity to the wealthy director and stockholder, to obtain twelve per cent on his money, as well as on that which he borrows from the bank, while it compels the poor shareholder to receive but six per cent. The former is enabled, in this way, to obtain the market value for his money, while the latter is compelled to take half its value for his, because the amount is not sufficient for him to engage in loaning through brokers. It gave him great pleasure to see that this doctrine of free trade in money, was gaining ground in this country.

A gentleman of high standing, and who had lately been a candidate for governor of the state of New York, (Col. Young) had introduced a bill into the senate of that state, for the repeal of the usury law which prevailed there, and this bill came near passing that body. He was glad that it had been brought forward in this manner, and he was in hopes that it would ultimately succeed. He wished to be allowed here to suggest, that if it had not been for the usury laws, we never should have had a sus-

penion of specie payments. We never would have witnessed that excess of speculation which we have seen spring up within the last few years. Because, if there had been no such law, whenever money became in demand, the rate of interest, at the banks as well as elsewhere, would have increased; and, the increase in the rate of interest would have checked those wild speculations, which many men went into. Men would not have borrowed thousands and millions of dollars, to invest in lands and every other kind of property, with a view of speculating upon it, if they had been obliged to pay an interest of ten, twelve or fifteen per cent for that money. The high rate of interest would have diminished loans, and, as a matter of consequence, speculation would have diminished, and men would have accommodated themselves to the existing state of things, and the ruinous re-action which has come upon us, would, in some measure, have been obviated. And the legal permission to take a higher rate of interest, would have caused relief to flow from foreign countries.

He would now consider the subject of banking, not necessarily connected with the currency; and, he would here take occasion to say that he was opposed to the present system of banking, because it was not free and equal, and open to all alike; and, because, he was opposed to the granting of all exclusive privileges. And he was opposed to the legislature granting exclusive privileges to any persons or class of persons, because of the improper influences which are, in consequence, brought to bear on the representatives of the people. Among other means made use of to procure the passage of such laws, he had heard of the influence of ladies being resorted to; and we all know what influence they have with most men.

He was therefore opposed to permitting the legislature to retain the power of granting any privileges to any set of individuals, which could not be enjoyed by the whole community. He was opposed to allowing them to grant a privilege to one county, which another did not enjoy; and, he was opposed to permitting one village, or one section of the state, to have privileges, which were refused to another. Because all these special favors were contrary to the principles of freedom. But, great as were these evils, and imperfect as the system of banking now was, it had, in his opinion, upon the whole, been productive of more good than harm. Now, we can only judge of the good and evil of a particular system, by experience, and if we look at the experience of the world, it will be a difficult matter for us to say that the banking system has produced more evil than good; for we find that at the present day, the employment of the laborer and the mechanic is more regular, than it was fifty years ago; and, we find that there is more equality in society, than there was at the time of the American revolution, and, this equality, he had no doubt, was brought about, in a great degree, by the introduction into the country, of incorporated companies, as he should hereafter shew.

He was reading an article the other day, setting forth the style and splendor in which John Hancock lived, at the time he was governor of the state of Massachusetts; and that such was the poverty of Samuel Adams, when he succeeded Hancock, in that office, that the merchants of Boston, bought and presented him with a carriage, in order that he might keep up something of the style of his predecessor. The salary of the

governor of Massachusetts at that time, was \$3,300 a year, which sum was then worth twice as much as it is now, and it was worth six times as much as the existing salaries of the governors of several of the states adjacent to Massachusetts are worth at the present day. You will find that the state of Massachusetts, at that day, gave her governors three times as much for their salaries, as, at the present day, is given in many of the states, and money was then worth twice as much as it is now. There was also at that time, much idleness among the people, that does not prevail at present.

It has been said by some, that the banking system produced idleness. This he denied. He did not believe that there was more industry in the counties of Westmoreland and Indiana, where there existed no banking institution, than there was in this city, where there were more banking institutions than in any other part of the state. He doubted whether there were a more industrious people on the face of the globe, than the citizens of the city and county of Philadelphia; and he believed their industry was promoted by the concentration of the capital of the community, into hands where it could best be applied to the purposes of trade and commerce.

The banking capital employed in this city, is principally owned by persons of small means, and while this capital goes into general trade, the owners of it have to attend the same calling for the purpose of making a livelihood. He knew there were many exceptions to this, but as a general rule it held good. Before the introduction of joint stock companies, and moneyed associations in New England, during the winter season of the year, many were thrown out of employ and great misery resulted therefrom, but since the revolution in their system which has taken place here, their capital has become concentrated in such manner as to bring the whole of it to bear on the operations of the trade, and the laborers and mechanics are kept more generally employed; and, if you look around the world, you will always see more industry in those places where they have adopted a banking system, than where they have not. You will find more industry in England, France, or the United States, than you will in Russia, Mexico or any other of the South American governments. Banking was useful in many respects, and by banking he meant the keeping of an office, of discount and deposit. He hoped this opinion would not be deemed heterodox here, because the President of the United States, and almost all the great political writers of the day, entertain the same opinion, and advocate it.

[Mr. E. here referred to an extract from the President's message.]

Banking was useful because of the facilities it afforded to commerce; and because it prevented the fluctuations in the price of property which might otherwise take place; and to prove this he would take the case of two importing merchants, one of whom imported a cargo of salt, and the other a cargo of coffee. At the time these importations are made, coffee may be in great demand, and salt of no sale, except at a sacrifice. The merchant who imported the coffee then immediately making sale of his cargo for cash, and receiving payment earlier than his arrangements required, would have no immediate use for his money, and would be compelled to lock it up in his chest, as a tempta-

tion for robbers, if he had no bank to put it in, while the merchant who shipped the salt, might be suffering for the want of money to enable him to hold his property until there was a demand for it. But if you have a banking system, the merchant who had made sale of his cargo would immediately deposit it in the bank, and the merchant who was waiting for a better market would know where to go to obtain a loan to enable him to keep his property until he could get a fair price for it. By this means, fluctuations in the price of property are prevented; because if the salt merchant had been compelled to sell for want of money, he must have sold at a very great sacrifice. The same thing was applicable to mechanics. A master mechanic who is carrying on a brisk business, makes speedy sales and deposits his money in banks, where the mechanic who is carrying on a less brisk business can obtain the use of it until he has the opportunity of making sales of his manufactures. The banking system also has the effect of keeping in employ the mechanics and working men of the country throughout the whole year, because of the facilities which it affords at times when business is dull. You might take for instance those engaged in the shoe business. Well, while business was brisk and ready sales could be made, all hands would be employed, but when it became dull, employers would be compelled to dismiss their hands, but for the facilities afforded by the banks.

Thus then banks exercise a beneficial influence over the mechanical interests of the country, as well as over the commercial interests, by keeping the producers and the manufacturers always employed, or very nearly so. But, beside this, banks had a democratic influence, as he thought he could show. They have a democratic influence, in the first place, because they furnish the poor and enterprising young man the means of competing in business with the wealthy capitalists. They, by collecting and concentrating the capital of the country, can afford facilities which will enable the son of the poor man to rise in society. The directors of banks get to know an industrious and enterprising young man, and he obtains loans from the institution, which enable him to compete with wealthy capitalists, and, by this means, the demand for labor is increased, competition is got up and the whole community is benefited. Banks tend to increase capital and diminish interest, because they afford every man who has fifty dollars the means of investing it. By the inducements to saving, which a ready opportunity for investment of small sums creates, capital is essentially increased, and, as a matter of course, interest is diminished. By the increase of available capital, the productions of the country are increased, and the price of labor is increased.

The money is loaned out to mechanics and manufacturers, and they get up a competition, whereby the wages of our mechanics are raised, while their productions are held at a cheaper rate. This increase of capital, with a proper application of it, also produces the most happy results on the poorer classes of the community. There was a manner in which the application of capital contributed greatly to the welfare and prosperity of the people at large. This was brought about by the increase in the total amount of the productions of the country; because, when the total amount of the productions of a country is increased, all persons are benefitted by it, unless there be some vicious principle in the laws to prevent a proper distribution. Well, sir, the manner of increasing the total

amount of the productions of the country, is, by placing the capital of the country in the hands of men who will use it judiciously and properly, for there is a right way and a wrong way of doing every thing. Farming may be well or ill managed, and a man may produce more off one acre properly attended to, than bad management will produce from three.

So was it with every business. Labor, judiciously employed, will yield much more than if it is injudiciously employed. You might take the case of a shoe maker, and, if his leather was tanned in the best manner, cut out in the best and most economical manner, and a proper surveillance kept up throughout the whole establishment, his business would add far more to the general stock of society, and yield him a vastly greater income than an establishment not so well managed. Well, sir, when you have institutions under the control of a number of directors of different professions, they soon find out those who are industrious and attentive to their business, and they will be furnished with capital, and that capital will produce more to every body concerned, than capital in the hands of those who are not so prudent and enterprising. Suppose you were to introduce the system of every man using his own capital, what would be the consequence? The gentleman from Indiana, (Mr. Clarke) has said that every man should make use of his own capital, and the sons of the wealthy should go into business on the capital owned by their fathers. Well if you were to introduce this system, you shut out the poor, but industrious man, from all chance of raising himself in the world, because he has not the means of competing with the more wealthy, and beside this, you may likely have the capital of the country in hands that are not capable of employing it advantageously to themselves or to the community. You would, by this means, compel a man to use his capital, however deficient he may be in the business talents which are necessary to carry on many of the mechanical professions, when he could make much more out of his money by loaning to some expert and enterprising man, at six per cent interest. A man paying six per cent interest for his capital, who is an enterprising and skillful mechanic, will make more money, notwithstanding the interest he has to pay, than a man who has but little skill; and who carries on business on his own capital, and consequently pays no interest. These were some of the defects in the system proposed by the gentleman from Indiana, and it was a system which he hoped never to see prevail in this country.

There was another way in which these banking institutions diminish the prices of articles of manufacture, while they increase the profits of the mechanic, and give more lucrative employments to the working classes. This was by doubling the capital of men engaged in mechanical pursuits. Take a mechanic carrying on any business you please, with a capital of five hundred or a thousand dollars of his own. Well, the management of this business, with this small capital, takes up nearly as much of his time, as though he had double the capital. It takes him nearly as long a time in making purchases and sales in this small way, and very likely he has to pay as high a rent for his workshop as if he had double or treble the capital. Well, a properly regulated banking system enables him to double his capital, because he can borrow of the banks to that extent; and by this means, he can give employment to more workmen, and extend his business to double what it was before, with great advantage to himself.

and with advantage to the whole community. This was one of the great causes of wealth in this country, and, more especially, so in the northern and eastern states. The wealth which had been produced in the northern and eastern states, since the commencement of this system, was greater than ever was produced, or ever could be produced, by the same number of people, where there was an exclusively metallic currency, and no banking. The advantages of banks, and the paper system, were too apparent, to be put down by any such arguments as that introduced by the gentleman from Indiana. As he had said before, you may have banks, with or without acts of incorporation, and they will be of advantage to the people of the country generally, and, although he entertained a very great respect for the opinions of the gentleman from Indiana, on most subjects, he must beg leave to differ entirely from him in relation to this matter.

He would now proceed to consider more particularly the subject of incorporations, and endeavor to show whether they were advantageous or disadvantageous to the community. By the principles he had laid down, it was not a matter for the government to decide, whether corporations or joint stock associations were advantageous or disadvantageous to the people. That was a matter to be determined by the people themselves, and he would allow every man to judge for himself in such matters. A law which would compel any man to trust a corporation, or compel any man to take a share in a corporation, when he did not want it, would be unjust and oppressive. He would, therefore, leave the gentleman from Indiana free to withhold all credit from corporations, and to deal entirely in gold and silver; but it was no reason, because that gentleman would not trust them, that others, who chose to trust them, should not be at liberty to do so. The gentleman thinks it is contrary to good morals, to deal with these institutions. Well, he would permit the gentleman still to entertain this opinion, but, because he entertained it, he would not prevent others from dealing with them, who saw fit to do so. He gave these as his opinions, with no other object in view than the public good. He had an interest in banks, and had nothing to do with any bank, either as a stockholder, director, or counsel; yet he would say that it was his opinion, that corporations for business were one of the greatest improvements of modern times; and, without corporations, he doubted whether it was practicable to perpetuate a republican government, in the present improved state of the arts, which requires the concentration of capital, and obliges us to choose between, by the few without corporations, or by the many with them.

If, therefore, we wish to perpetuate our system of government, we should encourage corporations and have them free and unrestricted, without any exclusive privileges, because they have a tendency to create more equality in society than would otherwise exist. All experience and all history has shown that in commercial and manufacturing countries where corporations have not existed, the property of all the country became amassed in a few hands, and a large majority of the people were extremely poor and degraded, and where this is the case, a monarchy will follow it. You cannot preserve a republican government where such vast differences in society exist. Now the fact was, in relation to the paper system, and to joint stock associations, that they tended to raise the poor man

and the man of small means, and put him on an equality with the wealthy of the land. They have tended to increase capital, to increase the productions of the country, and greatly increased the degree of equality in the condition of life of the people of this country, and they have also produced great improvements in the mechanic arts; because, to carry those arts to perfection, it is found necessary to have a large amount of capital, and those banking institutions furnish it. To carry on any large mechanical business successfully, it is necessary to concentrate means, and have a subdivision of labor. In England, it has been found necessary to do the same thing in farming. A system is now prevailing there, of one individual or a number of individuals, hiring a large quantity of land and working it together. By means of corporations, or joint stock associations, you enable the many, with small means, individually to compete with the few of vast means, and much good has been done in this country in this way. You may, by this means, unite a number of journeymen mechanics together, to carry on business, very advantageously to themselves. In the town of Lowell, Massachusetts, the mechanical and manufacturing business is performed almost exclusively by corporations, and many of the workmen are owners of stock in the establishments in which they are employed.

It has been said, by some gentleman, that in large establishments owned by companies, the employers controlled the votes of the workmen; and that this was a great moral and political evil. This, however, was not the fact. The true state of the facts was this, that men of wealth would always exercise an influence over those they employ, to a certain degree; but, experience has proved, incontestibly, that the men who labor in unincorporated establishments, such as the iron works of Lycoming, and Centre counties, and in the manufacturing establishments of Pittsburg and of Philadelphia county, were more operated upon by this kind of influence, than those who labor in the incorporated establishments in Lowell; and the reason of this was obvious. It was this; that those who superintended incorporated establishments were the representatives of stockholders of both political parties, as a matter of consequence, they would hardly venture to dismiss a workman for the indulgent exercise of his own judgment in the casting of his votes at our elections. There can be no question, that the general introduction of joint stock associations in England was among the causes that have brought about that peaceful revolution, which has rendered that government so much more nearly allied to a democracy than it formerly was, or than many of the other governments of Europe now are. By the system of joint associations, every man may become a capitalist, and every man may become a stockholder, in some institution of the country, which tends to increase capital and add to its usefulness, because of the ease with which it can be applied to such objects of trade and commerce as require, at the moment, most to be fostered. In this way, too, a number of journeymen mechanics of any kind, shoemakers, for instance, might unite together and put into the general stock, twenty or fifty dollars a piece, and keep themselves in employment, when they could not obtain good wages from their former employers, or they might carry on a permanent business advantageously by themselves.

There has been much said about corporations interfering with private

enterprise. Well, what do gentlemen mean by private enterprise? Do they mean that corporations interfere with the enterprise of rich men and rich men's sons; and how do they interfere with their enterprise? If they do not interfere in reducing the rich man's profits, they do not interfere at all with him, and if they do interfere in this way, he did not know that it was any disadvantage to the public at large, to pay but small profits on the actual cost of articles of consumption.

Again, if they interfere by giving individuals in their employ higher wages than are given by the wealthy employers, he apprehended that they did not interfere injuriously to the public interest. So that it is either true, that corporations do not interfere with individual enterprise at all, or, by doing so, they produce a great public benefit. For himself, he had no doubt on the subject, but that they were a great public benefit; because he knew that the condition of the people of his native state, had been vastly improved since the introduction of corporations among them. He knew there was no laboring people on the face of the globe, considering all the circumstances, who were so well paid as that people. Their condition too had been greatly improved for the better, within the last few years, and the improvement in their condition has gone hand in hand with the increase of corporations.

When he was a youth, the poor girls of the eastern states went out to work for seventy-five cents a week, which would scarcely purchase suitable clothing for them, because, clothing was much dearer then than at present. Now, however, they get from corporations two dollars and fifty cents a week, and their education is better, their standing in society is better, and their morals are better than formerly. Now Pennsylvania was a state, before all others, most admirably adapted to this system. The legislature, by a recent act, has given permission for all persons to set up, joint stock associations, for the manufacture of iron by mineral coal. All that was necessary, if any change in that law was required, was to oblige each company to appoint a responsible agent who should be personally liable for the debts of the company, and should proceed with the operations of the establishment. By this means, a company could be got up, and there would be as much liability and responsibility as any one could desire, and the only objection was, that the legislature did not extend this system to all associations of individuals, to carry on manufacturing, banking and other operations. Pennsylvania, although so well adapted to corporations of this kind, was behind the age. Our democratic Virginia was now going ahead of her, because her legislature were incorporating companies for every purpose. Democratic North Carolina was doing the same.

In the state of Maine, they incorporate companies to quarry granite, to build hotels, and to manufacture shoes, and to do almost every thing else which any one desires, and it would be to our interest to follow the example of these states.

Pennsylvania was most admirably adapted to this system. Her hills and mountains were teeming with mineral wealth, while her fields produced abundantly of the staples of the state; and, besides this, she has two great cities, one in the east and another in the west. Her city in the east, on account of its healthy situation and its advantages for internal trade, is

calculated to be one of the greatest cities on this continent. In the west, too, she has a city with an internal water communication, branching in every direction, almost unrivalled, and all that was necessary to make this commonwealth go far beyond any thing which we have yet seen within our borders, is to cease granting exclusive privileges, and give to every one the opportunity of uniting together in associations for manufacturing and other purposes.

In no country in the world, are there to be found such inducements, and facilities for progress in the arts, as in the state of Pennsylvania, provided the legislature of the state would only act upon the principle of presuming that every man is abundantly able to manage his own affairs. They would desist from all legislative interference in the affairs of individuals, and, in business of every kind, and permit every man to enjoy his independence of action, and to sit down under his own vine and fig-tree, the state would advance with rapid strides towards pre-eminence in all the useful arts. Then our export trade would be doubled, the produce of our mines and of our manufactures would be vastly increased, and the internal improvements of the state would yield a revenue vastly greater than the interest of the money expended upon their construction. Commerce, agriculture, and all the various branches of industry, would then flourish to an extent hitherto unparalleled. Therefore, sir, I am in favor of free competition in all the various branches of business. I am in favor of a general banking law as essential to a free competition. I would institute a system something like the following, which I will read.

[Mr. Earle here read a plan for a general banking law.]

This, continued Mr. EARLE, would throw open the business of banking to free competition. No notes should be issued by the banks, embraced within this act, the redemption of which should not be guaranteed. I would propose another clause, the object of which would be to check the bankers from issuing paper which they could not redeem in specie on demand, when actually due and payable. All such banks and bankers, as suspended specie payments on their notes, should be subject to heavy pecuniary penalties for their refusal or neglect to redeem the same. This penalty would have the effect to induce them to curtail their circulation within bounds. There would be no more general suspensions of specie payments after this law is adopted. The necessity which is now urged for the suspension of specie payments, would then never exist, for the banks would be prevented from bringing them themselves, and their creditors, this necessity of excessive issues of paper.

I am opposed to special corporations, such as we have now. They exercise their privileges under special laws, which, by some mystification, have come to be considered as laws for their special advantage. The consequence is, that the special corporations have placed themselves above the laws. They determine, in defiance of legislative authority, what shall be the practical law of the land. They undertake, and with perfect impunity, to declare the acts of the legislature void; and they do actually annul them. They determine, for themselves and for the community, according to their own notions of right and wrong, what is the proper course to take on all matters, wherein they are concerned. The banks take the liberty to say when their engagements shall be violated. All

notions of right and wrong had become confounded in men's minds, by this state of things, so far as the banks are concerned. So much is this the case, that it is now considered by many, that the charters of the banks, are, as contracts, binding only on one party; and that, while the government of the state is bound by the charters granted to the banks, the banks are under no obligation, on their part, to fulfil the stipulations of the charters. The doctrine had been boldly advanced, that a banking corporation is at liberty to refuse to pay specie for its notes, according to its charter and its contract with the holders of the notes, whenever, in its opinion, it shall be for the public interest that it shall do so. Of course, the result of this license is, that the bank is naturally apt to mistake its own interest for the public interest, and gives its legislation such a shape as best suits its own purposes of profit and aggrandizement.

The gentleman from Franklin, (Mr. Dunlop) tells us that it is necessary that we should have a Bank of the United States. That, sir, is a very important question at the present time. Convince me of the necessity of such an institution, and I will go for it; and, if it be not constitutional, I will agree to take such steps as will make it constitutional. But, as yet, I am not convinced either of the necessity or the expediency of such an institution, even were it constitutional, as, in my opinion, it is not. What is the gentleman's argument on this subject? He says a national bank is necessary, in the first place, in order to keep other banks in check.

Then, sir, the gentleman proposes to give to a bank the legislative power of the country. The bank is to judge of the propriety of its own measures, which it may adopt for keeping the local banks under due restraint. This is an alarming doctrine. It fills me with apprehension for the safety of my country's dearest rights and interests. Will you commit to the legislation of the directors of one great central bank, the control of the six or eight hundred local, and state, and private banks? If you do, you will, in effect, confer upon the national bank, the government of the Union. You will elevate it, in power and influence, far above any department of the general government, and subject to its tender mercies, the private fortunes of a large portion of the community. The currency cannot be well and safely regulated by such means. Suppose you happen, at one time, to have in the bank an infallible set of directors. Must we also suppose that they will live forever? Will their successors never come? The regulation of such a bank, and the control of the minor banks, through its action, must always devolve upon a few individuals; and is it to be supposed that these men will never bring their private interests into conflict with the public good? Do you believe it possible that thirteen directors will all keep their eyes steadfastly fixed upon the public good, and never fail to act in accordance with it? Will you find among the directors and their friends no speculators—no men whose chief aim is to their own advancement and profit?

The amount of the plan is this, sir, you devolve on thirteen men the duty of controlling and regulating the local banks; and, in doing this, you devolve on these men the care of legislating for themselves, and for the country. You bring private interests into question, and you necessarily bring them into competition with public interests.

I have in my pocket a letter of Voltaire's, which affords an illustration of this matter, and I will read it.

[Mr. EARLE here read the letter.]

Thus Voltaire was enabled to make money by buying and selling stock, though he was far distant from the stock exchange. He had a friend at the board of the national bank, which controlled the currency of France, who wrote to him and informed him when they were going to make money plenty, and when they were going to make it scarce. When it was scarce, he bought at low prices, and when it was plenty, he sold at high prices.

How much money is thus made, sir, in the United States? And how much in England, through the changing policy of the Bank of England? A national bank here, would enable a few men to control the money market for their own advantage. All these great moneyed institutions, clothed with monopoly, and unchecked by rivals within the nation, must thus enable the crafty to make money at the expense of the people at large. We know, from the returns of the late Bank of the United States, that the amount of specie in its vaults, greatly fluctuated from one time to another, and the currency of the country greatly fluctuated at some periods of the corporate existence of that institution. The present United States Bank of Pennsylvania has the power, through the uncommon privileges bestowed upon it, and its force of capital and credit, greatly to affect exchanges and the price of stocks. A bank, connected with the national government, would exercise a still greater and more dangerous power—a power, too, which would undoubtedly, at some times, at least, be exerted for private and not for public benefit. I say, with my friend from Union, that the most skilful financiers sometimes make great mistakes, and supposing that the direction of a national bank be always honest, keeping a single eye to the public interests, they may yet deeply injure the public, through the errors to which they must be subject as mortal men.

But, you will avoid all this evil, if you will open the trade of banking, to free competition. The whole system will then regulate itself. We shall want no such grand regulation of the currency, as the gentleman from Franklin proposes; and no very great error can be committed in relation to the currency.

The bank of England has furnished a proof of the danger of entrusting to individual cupidity and selfishness, the exclusive privilege of regulating the vast interests of currency and exchange. That institution had often been guilty of the greatest oppression. It had so managed its concerns of late, as greatly to injure and oppress the American merchants and producers. It had caused the loss of twenty millions to America by a sudden, arbitrary, and oppressive contraction of the currency. The power of that great institution overspread England, and extended to America, reaching every man who is in almost any kind of business, and particularly affecting the cotton growing interest. That bank, in 1835, or thereabouts, finding its vaults full of gold and silver, went on the plan of increasing its issues to an extraordinary extent, and loaning large sums to the bankers and others engaged in the American trade. These who received these

abundant accommodations, went on blowing up the bubble, inflating the prices of cotton, by lending to those engaged in its purchase, and shipment from this country. The English commission houses extended great credits to merchants in the United States, and allowed them to draw very heavily on shipments of cotton made, or to be thereafter made. As a natural consequence, a large amount of specie was exported from Great Britain, together with a vastly increased amount of her manufactures. The bank soon found herself running short of specie, and thinking that it tended too strongly to America, she suddenly stopped all accommodations to the American trade. The British commission houses accordingly stopped their accommodations to American shipping merchants. Their drafts were protested—many great houses, both in England and in this country, who had been doing an immense business upon this inflated credit system, failed. Cotton fell one half immediately, in price. The Bank of England admitted that the price of cotton depended upon her accommodations to the American houses; for after that article had become greatly depressed, the bank, in a written answer to an application for aid, made by the houses in Liverpool, engaged in the cotton trade, refused the relief asked, and placed the refusal upon the express ground, that to grant it, would raise the price of cotton, and benefit the holders at the expense of the rest of the community, seemingly overlooking the fact, that the article was unjustly depressed, through her agency, and that to raise the price, would be nothing more than to cease from her injustice.

Instead of gradually diminishing their accommodations to the houses, engaged in this trade, the bank directors, when they found specie leaving England, stopped suddenly, so as to produce the greatest amount of distress and confusion. Thousands in this country were ruined by this revolution. The merchants in England came on their knees to the bank. They begged for discounts. The lordly bankers replied, we will relieve you upon certain conditions. You must violate your contracts with your American friends; you must dishonor your acceptances already made in advance, upon shipments of cotton; you must send to America for specie, and stop all advances on cotton. The effect was sudden ruin to some houses, and a great draft on America for specie. The effect upon this country, was to increase the pressure for money, and produce a great depression in the price of cotton. Very soon after, the pressure became so intense, that our banks were induced to suspend specie payments. The specie demands for shipment had increased, and produced a run upon particular ports.

It has been said that the president of the Pennsylvania Bank of the United States, opposed the proposition to suspend specie payments. If he did so, I am sorry that his counsels were not followed. To have continued the payment of specie, would have averted much of the ruin and stagnation of trade and employment, which followed; and of the ruinous consequences of that measure, in my opinion, the end is not yet. I believe that the president of the Bank of the United States, if he took the course ascribed to him, was right, and that those who suggested a suspension as the proper remedy, were wrong, and that he is now wrong if he opposes a prompt resumption.

In my opinion, the banks are invested with no discretionary power, so

violate the constitution or the laws. I think they might have taken other and better means for meeting the emergency. I admit, that they ought not to have distressed their solvent debtors. The distress and the embarrassments of the banks, were not so great as to render necessary, either a suspension or a general oppression of bank debtors. Bonds might have been issued, payable at a certain future date, which would have served for remittance to England, instead of specie. The president of the Bank of the United States, to his great credit, did issue bonds of the bank to a considerable amount, and sent them to Europe to answer the purposes of specie. If the New York and other banks, had, by a joint arrangement and mutual responsibility, pursued a similar course, and afforded relief to shippers to England, the crisis would have passed without the necessity of any suspension. We should then have gone on much better.

But, if the banks were wrong in suspending specie payments, they are now still more so, in their continued refusal to resume. The continuance of the suspension must be productive of serious inconvenience to the whole country, and, in the end, would be injurious to the banks themselves. There was no longer any plausible excuse for the continued suspension—none which would, for a moment, stand examination. The banks, which have so long fattened upon the producing classes, might afford to lose a little in times of general depression, inasmuch, as before the suspension, they had been deriving vast profits, as their dividends had shown.

They were not willing to divide any part of the loss and of the inconvenience with the community. Holding the staff in their own hand, they will not venture out, until they are perfectly safe and secure, whatever may become of the community. It is incumbent on the banks, if they mean to acknowledge the force of any obligation, under which they rest, to take upon themselves some share of the inconvenience produced by the public embarrassments. Having, some of them at least, helped to bring embarrassment upon the whole community, by their mismanagement and their recklessness, they now, in defiance of the spirit of that constitution which requires the enforcement of the obligations of contracts, have the affrontary to endeavor to render the present state of things perpetual.

I am, therefore, desirous, (said Mr. Earle) to put something in the constitution which will force a resumption by the banks, and prevent a recurrence of similar suspensions hereafter; and something which will enable the creditors of the banks to realize their money. He would like to have a provision which would enable the creditors of the banks, to recover their dues, by summary process—without stay of execution—through a suit before a magistrate or county court.

Mr. E. said he regretted that the late bank convention, held at New York, had not succeeded in effecting a resumption. The New York banks, on that occasion, were undoubtedly right, and the Philadelphia banks wrong. They were, most of them, able to resume. All that were sound, could resume at one time as well as another—the causes which produced the suspension, having ceased to operate. The embarrassments of the country, so far as they arise from an unsound currency, would

altogether cease, the moment that the banks resumed. Confidence would be, in a moment, restored, and commerce would revive.

It was a mistake, to suppose that resumption would now be attended with distress. The chief cause of the run upon the banks for specie, had ceased to have any effect. The demand for specie for exportation was over. All that was now wanted was confidence, and every thing would go on as well as before the suspension. He had no doubt that, if the banks would, at once, resume, the trade of the coming spring would be benefited. The demand for our manufactures would be greatly increased. A whig merchant, coming in lately from the west, had told him, that the spring trade only wanted the impulse of resumption. That, and that alone, would re-establish business and restore confidence. The banks themselves, if they were capable of appreciating their own ultimate and real interests, would hasten to resume; for, though they may temporarily profit by the present state of things, yet its continuance, for a much longer time, must hazard the whole banking system. Exchange is now virtually at, or below par, and, in my opinion, (said Mr. Earle) the banks could, without inconvenience, resume in one fortnight from this day.

Money (said Mr. E.) is abundant in Europe; and, beside this, the banks can remit bonds, if there be occasion for it, but there will be none. We have already paid our debt to England, so far as it need be paid, for the interests of both countries will for a long time require, that the new should obtain credit of the old, and exchange has of consequence fallen. How, then, can the banks be injured by resumption? It was said that we now had eighty millions in specie. A few years ago, after a suspension of two or three years, we resumed payment, with only twenty-five millions, perhaps less. Why could we not resume now, unless indeed there is danger that the merchants will send our specie abroad. But that is out of the question. It cannot be exported to a profit. Very soon, it is probable, that, from diminished importations and very heavy remittances, our indebtedness to England, will be so reduced below what is customary, that exchange will be below the par of our bank notes. It is now our interest, and that of Great Britain, to import specie into this country, instead of our paying it out. It can soon be imported, paying interest, insurance, and freight, without loss, reckoning the value of the bill of exchange here in the same commodity, you are entitled to receive for it in England. You receive a bill, for instance, payable in England in gold. If it is a good bill, you will receive for it so much in Troy weight of gold. You may buy the bill here, for a less weight of gold than you will be entitled to receive for it in England. There was no reason why resumption should be delayed. He hoped that either the convention or the legislature, would take measures to force it.

My democratic friends (continued Mr. Earle) must be content to suffer corporations to exist. They are of the spirit of the age. It would be as impossible to annihilate them, as it would be to dam up the current of the Mississippi. Every war that is waged upon them, increases their number and their strength. Are not the joint stock associations becoming a part of the system of the world?

The only question, then, is whether we shall have free competition in the formation of banking associations, or privileged and exclusive mono-

polies. Shall we give charters of incorporation to all who ask for them, upon certain and equal conditions; or shall we give them only to those who corrupt or persuade the legislature, and who act only with a view to selfish purposes?

There is danger (said Mr. E.) that some of these banks, by special privileges, will interest themselves in politics, and it is alleged that some of them have done so. But, if we modify the usury laws, and open the banking business to free competition, they will, in a great measure, be rendered harmless. All banks will stand on an equal footing. It would be ridiculous to say, that we should be unable to buy of a merchant, on account of a difference in politics; and so, in regard to banks. When all are thrown open to free competition, there can be no reasonable fear of political power or influence from them. The banks would discount, and render other business accommodations, as they were called, to one man as well as to another, without regard to politics, if the business was open to free competition—just as the merchant is eager to sell his merchandize to all who will buy, regardless of the politics of his customers. It is only when the banks have great exclusive privileges, that they become dangerous in the field of politics.

As to the amount of capital which may be permitted to be employed in a bank, under a general banking law, it was unimportant. Although it was true, as he had endeavored to show, that the combination of a great capital, with a monopoly privilege, was dangerous. If any persons established a thirty five million, or a fifty million bank, under such general and equal law, he would not care, for the different large banks will check each other, and it is less dangerous to have twenty national banks, than a single one with an exclusive privilege, though he did not think so large an amount would be found necessary, or profitable, to the stockholders, under a system of free competition. As soon as the monopoly privilege was abolished, it would be found that the very large institutions would be unwieldy and unprofitable, in comparison with those of more moderate capital.

Neither had Mr. E. any objection to the employment of foreign capital in the banks, under a free banking law. He believed that great benefit had been derived, and would be derived, to this country, from the use of foreign capital. The country had been built up, in a great manner, by its aid.

He did not see why foreign capital should not be employed here in banking, as well as in trade, or in railroad stocks, or in state loans for miscellaneous objects. He granted, that in a political bank, foreign influence was undesirable; but, as soon as free trade in banking business was established, the banks would necessarily cease to be political engines, and the foreign capital employed in them, would be as harmless as that which seeks investment in other American securities. The amount of foreign capital now invested in different American securities, chiefly in state stocks, and state and corporation bonds, probably exceeded one hundred millions of dollars. In the Pennsylvania state stocks alone, sixteen millions of dollars are invested.

He differed from the late President of the United States, wholly in regard to the injurious effects which he ascribes to the introduction of

foreign capital into the United States. Capital was what a portion of our country most wanted; for land, labor, enterprize, and industry, we had. We borrow money in England, where it is now worth four per cent, while here it would be worth twelve. A large portion of this capital we send to the west, by giving credit to the merchants of those ports, and it is there employed in clearing new lands, which affords a vast profit in the increase of production, wealth, and population. Pennsylvania and the east are not indebted to Europe, on their own account, but only on account of the people of the new states, to whom they have given credit to the full extent received. Another portion is employed in improving the various channels of communication—the whole is efficiently used in the developing of our vast resources. As long as we could get foreign capital at so low a rate of interest, and employ it to so much advantage, so long it would be for the interest of the United States, to employ it, and invite it into the country.

Under a free banking law, much capital, from different portions of the world, would be attracted hither, for capitalists would prefer to trust their funds in the hands of individuals, whose skill and integrity would be a guaranty of the safety of the investment. If this system of free banking were ever established, its results, he was confident, would recommend it to the whole country, and it would soon be adopted in every state. We should, after that, hear no more of a great national, political bank, nor of bank legislation. New and efficient modes would be discovered and adopted, for the regulation of exchanges; and here he would remark, that the people of this country suffered much, for the want of more suitable means of securing prompt and cheap exchange. Even with a national bank, on the plan heretofore resorted to, this great object would not be secured, in relation to every section of country.

Further, in regard to the advantages of employing foreign capital, they were too plain to be mistaken or neglected under present circumstances. In some parts of the country, and particularly in the cotton region, capital is much wanted for clearing new land. It is frequently, if not generally, found expedient to pay fifteen or twenty per cent for money, to buy and clear land. A man, after purchasing and clearing a piece of new land, may make, by his first crop, fifty per cent on the whole investment. As long as foreign capital was wanted for such purposes, it would be very desirable to get it. He would have no objection to see a hundred millions of foreign capital brought into Pennsylvania. It would not hurt any body.

The more capital we had, the greater would be the inducement to labor, and the better would labor be rewarded, for the interest of money is paid out of the profits made upon the employment of labor, and the lower the rate of interest, the larger the proportion of production which the employer can leave with the producer. But, sir, I do object to putting all this capital into one large institution, and then giving that institution exclusive privileges. If we are not to have an entirely free competition, then let the capital be divided among several banks. If it is necessary to have a large bank, let all the states have branches of it. It is not necessary that the bank should be chartered by the United States. One state can charter a bank, and the other states can charter the branches. I have

said that it is not necessary to have a national bank ; but, if you will have one, do not let it be one only, but twenty, for, with that number, no one could have the dangerous power which monopoly gives.

Again, why could not all the advantages of a national bank be obtained, as well without, as with the incorporation of a great institution ? Why could not the United States government, extend the benefit which they have given to a national bank, to a number of state institutions ? Let all the institutions, the payment of whose notes is properly secured, have the benefit of the United States law, being received every where for government dues. To such a law he could have no great objection. But he did object to the establishment of one sole mammoth bank, and he trusted it would never again be attempted with success.

On the subject of the constitutionality of a bank, and the regulation of the currency, much had been said, and he believed that many errors of opinion had been fallen into, in regard to it. His belief was, that congress had not the constitutional power to establish a bank out of the District of Columbia.

The gentleman from Susquehanna, (Mr. Read) was of opinion that the states had not the constitutional power to charter banks, and that the power was taken from them by the constitution ; and the gentleman from Philadelphia, (Mr. Scott) thinks that congress has a right to issue a paper medium, and to make it a legal tender. He could not coincide with either opinion.

In his opinion, the constitution had not diminished the power of the states over the subject of banking, except that it prevented them from making bank notes a tender. Mr. Jefferson and Mr. Van Buren were the only two presidents who, according to his view, had held the true doctrine on this subject,—viz: that the regulation of banking and paper currency, was entirely out of the control of the United States government.

The constitution gives congress the power to collect the revenue, but not to interfere with the currency, which the people of the states may please to employ in their own business. The power of congress over this subject, has been claimed on two grounds : the first is that the constitution gives congress the power "to lay and collect taxes, duties, imposts and excises, to pay debts, and provide for the common defence and general welfare of the United States ;" and by another clause, declares that congress may pass all laws necessary, in order to carry into effect the delegated powers.

This is the chief argument in favor of the constitutionality of a national bank. But is the establishment of a national bank necessary, to carry these delegated powers into effect ? I deny it. I believe that it is not necessary for that purpose. There are three other modes in which it can be effected, without a national bank. Either of these three modes will answer the same purpose, as well, or better. One of these modes is that which has recently been tried, with some needful modifications. If that system were continued, he would modify it, by providing that the local banks, employed as depositories, should pay interest upon their deposits; and that the government should have summary process, judgment and

execution, against them, as against merchants in revenue cases. If this process for the collection of debts were observed in regard to deposit banks, we should never hear of their stopping payment upon their public deposits.

The second system which he had in his mind, was still better. Suppose that the treasury be directed to receive its revenue either in specie or in its equivalent—specie bills of good banks. Let it be provided, if you please, that the treasurer shall receive all such notes, always supposing them to be specie notes, as the state, within which any revenue is paid, shall receive for its dues. Let these notes be deposited with any banks, or other corporations, or with any individuals who shall give proper security for the discharge of the trust, and shall consent to take the notes, and pass them to the credit of the United States, as cash. Let the preference be given to those depositories which offer the government the highest rate of interest for the use of the money, with security for its re-payment to be taken by the judges of the United States courts, and by way of furnishing a motive for the prompt and faithful performance of the trust, by the depositories, let there be a certain per centage required, as damages, from the depositories, in cases of non-payment. This mode of collecting, keeping, and disbursing the revenue, would answer all the purposes in view. For congress to go beyond this, and assume to regulate the currency—to regulate exchanges, and to control the local banks, was clearly unconstitutional. Congress can only look to the collection, custody, and disbursement of the revenue, by means safe, cheap and efficient, and these means may be found in this plan, without the proposed resort to a national bank.

As to the distribution of the money after it is collected and deposited, nothing can be more easy. It is in the great commercial cities, that our revenue is collected. If money be wanted any where, let drafts be drawn, at short sight, upon the depositories in the cities, and sent to the disbursing agent, there to be sold. They would always bear a premium in many parts of the country. They would be much better any where, for the purpose of distant remittances, than specie. By this mode, too, the taxes of the people would be reduced, as the government would derive an income from its deposits, which would to that extent enable it to diminish the taxes.

The third method, by which the power delegated by the constitution of the United States, might be carried into effect without the aid of a national bank, was the sub-treasury, or independent treasury plan. The government had a right to adopt this mode of collecting and keeping the revenue, for that purpose, but not for the purpose of coercing the states into a particular system of currency or banking. It was not necessary for him to express an opinion as to which of the foregoing modes should be preferred, further than to say that, in regard to the mere keeping and disbursement of the public money, that mode was the best, which, to the greatest safety, added the greatest economy. But no mode was proper nor constitutional, which interfered with the rights of the states to regulate their paper currency in their own way.

The second ground on which the power of congress to establish a bank is claimed, is, that “ congress shall have the power to regulate the

currency.” How often do we hear these words. They are daily quoted, here and elsewhere, as a part of the constitution of the United States, as the church service is sometimes quoted, instead of scripture. But there are no such words in the constitution. There is no such provision there. No such power is delegated to congress by the constitution, directly or by implication. The doctrines of some eminent politicians, are, in this matter, taken as the text of the constitution, just as the church service, which is man’s work, is often quoted as the word of the Almighty. Congress has, indeed, the “power to coin money, and to regulate the value thereof;” but this is a very different thing from a power to regulate all kinds of currency, to control state banks, and to tell the states and the people of the states, what kind of currency they shall use or eschew. The power to put a stamp on, and regulate the value of, coins, is quite another thing. This does not prevent the states from managing their own paper currency. They cannot coin money, and they must take their coins stamped under the authority of the United States, at the value designated by the government,—but beyond this, they may have what sort of currency they please, for the use of all who may voluntarily receive it, so they make nothing but gold or silver a legal tender in payment of debts, that is, of engagements contracted to be paid in gold and silver.

The states may take, as their currency, and permit their people to take and pass as currency, tobacco notes, or wheat notes, as has been done. There is nothing in the constitution to prevent a state from consenting to receive in payment of its taxes and dues, notes, promising to pay in corn in rye, or in any other commodities.

This power of regulating the paper currency, then, belongs solely to the states, and this reason for creating a national bank, falls to the ground. But it is said that we must have a national bank, for the regulation of the exchanges. But a currency, such as is wanted for the sake of uniformity of value, could be much better obtained by the means which he had indicated in his plan for a general banking law, than by any bank of the United States. By the plan which he had indicated, the exchanges would be conducted more promptly and cheaply than by any that the United States could establish. The notes, secured on real estate, bearing interest, and guaranteed by a bond, would have a credit every where. This would answer all private purposes. A national bank, on the plan usually advocated, could not make exchange practically equal; for, though the notes would be but little below par any where, they might be considerably above par in some places. But, if the United States government has the power to regulate exchanges, why can it not exercise that power through the state bank, or other of its own depositories? If this be the province of that government, can we not afford to keep ten millions on hand for this purpose? We could not have disposed, in any better way, of the money which we loaned to the states by the distribution act. How easy it would be for congress to regulate the exchanges by employing the state banks, and compensating them, if necessary, for that purpose? How easy it would be to agree with the state banks to give most ample security for the funds of the government deposited with them, and also, to pay a proper interest for the use of the money, with a provision that upon the deposit of a sum by any

citizen, to the credit of the government, in any one of the deposit banks, he should, upon reasonable notice, be entitled to receive the same amount out of the public funds in any other deposit bank.

Thus, a bill might be made payable in thirty days after sight, and the exchange on it be about one half or one per cent. The funds, then, might be used, and neither the government, nor the deposit banks, would incur any serious expense in the transportation of specie from one portion of the country to another. As he had already said, the exchanges between different places balanced themselves. He, therefore, did not believe either in the expediency or the policy of vesting any one institution with the sole power of regulating the currency. If he did, he would have the directors elected by the public, and the institution governed by certain fixed rules. It should keep an average of from ten to fifteen millions of specie in its vaults, and should regulate discounts according to certain invariable rules, and not according to the directors' opinions of expediency. Now, he was free to admit that an institution governed by government officers and fixed rules, might be in some respects advantageous. It might be regulated in its issues by reference to the price of labor—as he had stated on Saturday—and the necessaries of life. When the price of labor and provisions were found depreciating in value, it was a proof of the currency becoming too plenty. When we found the currency appreciated, it could be let out, and when depreciated, we could draw in. When prices are rising or falling, the issues should be regulated accordingly. He saw no necessity, however, for an institution of this kind.

It had been said, that our embarrassments, in relation to the scarcity of money and the rate of interest, were attributable to the acts of the government, and the abolition of the United States Bank as a national institution. For himself, he did not believe it. He did not believe that the present high rate of interest was at all attributable to the want of a national bank, nor to the acts of the government. He thought that neither the government nor a Bank of the United States possessed the power to prevent the embarrassments under which we were now suffering. The causes which had led to them, were such as had sometimes occurred, and would, in all probability, again happen. What, he inquired, was a rate of interest? It is a payment for the use of capital. Capital consists of land—of every thing that is useful to mankind. How is the price of capital regulated? Precisely in the same manner as that of commodities:—temporary fluctuations, according to the supply and demand for it: average prices, according to the average quantity and skill of labor necessary to produce, preserve, and transport it to the place where wanted.

When rail roads were invented a few years since, the experiment was tried and found successful. What was the consequence? Why, the people throughout all Europe and the United States went rail road mad, he might almost say. The great prospect of realizing immense profits from investing capital in rail roads, induced men to embark in these enterprizes. The consequence was that laborers for public works were in much demand, and all these men must have food and clothing and shelter, yet they were not, by their labor, adding to the food, clothing and

buildings of the country. So, with regard to iron, a great quantity of which was used in the making of the rail roads, and we were adding none to the stock. It came from abroad. Here, then, was capital sunk, and not yielding an immediate and adequate return, but the return was to be at some future time. This was the state of things going on, to a certain extent, throughout the civilized world. And, the consequence was—to make capital scarce. Now, the true remedy for us to have adopted, was to have repealed our usury laws, and thus increased our capital. The interest would gradually diminish, and in a few years return to the old standard. He maintained that if we left banking and every thing else open to free competition, the rate of interest would, before any great lapse of time, be reduced to four or five per cent; for so long as the rates are high, the inducements to saving instead of consuming the products of industry, will cause annual additions to capital, until its abundance shall bring a reduction of its rent.

He entertained the opinion that we ought to adopt some restrictions, in the constitution, in relation to the subject of banking, because there was a corrupting influence exercised over the legislature. If we said, in the constitution, that the legislature should do every thing, by general laws, conferring equal privileges upon all, that would be the most desirable restriction which he could wish to see adopted—something like the following :

1. No banking privilege shall hereafter be granted, except in pursuance of a general law, which shall open the business to free competition, and provide a mode by which the redemption of bank notes may be guaranteed, and the guaranty thereof authenticated by a public stamp; and which shall also provide an adequate penalty to indemnify the note holder for non-payment of specie, on demand, when due and payable, together with the most speedy and effectual method practicable for obtaining final judgement, execution and attachment of credits in suits for debts due by banks, or banking companies.

2. On all suits against banks or bankers, brought upon notes issued or moneys deposited, the defendant or defendants shall pay interest at the rate of one per cent per month, from the commencement of the suit, until the actual payment of the debt.

But, if we could not find a majority here to carry out the great doctrine of democracy—of liberty, that every man should be free to judge for himself; if those who had “no monopolies” on their lips; but at the same time thought that some men should have exclusive privileges, it was high time that this convention stepped in, and became the guardians of the people, and put restrictions in their constitution to prevent the granting, in future, of any special privileges, except accompanied with adequate safeguards and restrictions. He had drafted some suggestions which he would read, not as what he preferred most of all, but as what would become desirable, if the system of chartering by special enactments was still to exist.

No bank shall hereafter be chartered by special act of incorporation, except on the following conditions :

1. The term of the charter not to exceed fifteen years, and the charter to be repealable by the act of two successive legislatures.

2. The notes issued shall not exceed the amount of the capital actually paid in, all such notes shall be issued upon stamped paper, furnished by the state, and countersigned by two state officers, at the expense of the bank.

Mr. E. said he would restrict them in their issues to the amount of their capital. He would even go further than this; although he thought restrictions in charters were not so necessary and beneficial in restraining excessive issues, as to throw open banking to free competition. In the states of Rhode Island and Massachusetts, banking business, through the facility of obtaining charters, was nearly open to free competition. What was the result? Why, the banks circulated in Massachusetts but one fourth of their capital in notes, and in Rhode Island, where the competition is greater, only an eighth, while some banks in this state circulate two and a half times the amount of their capital, and the circulation of all the banks in this commonwealth, in proportion to their capital, is considerably greater than in Rhode Island and Massachusetts.

3. The stock of every bank so chartered shall be sold at public auction, in quantities not exceeding five shares, and the premium paid into the state treasury.

4. Each bank specially chartered as aforesaid, shall forthwith pay into the state treasury two per cent on the amount of its capital, and shall pay, in like manner, annually, one half of all its profits above the rate of six per cent per annum; the fund so raised to be used, if necessary, for the payment of the notes, and interest thereon, of any banks so chartered, and the balance for the use and benefit of the commonwealth.

Here (continued Mr. E.) was a security to the note holders, incomparably better than the amendment which was before us, making the stockholders responsible. He was for securing the stockholders against misconduct on the part of the directors. He desired to secure both the stockholders and the note holders. There was no injustice in the matter, as no man was compelled to accept the banking privilege. If any person did not think it fair, he need not take it.

5. The president and cashier shall be personally liable for all the debts of the bank.

6. All directors and other officers wilfully violating the charter, shall thereupon become liable for all the debts of the bank, and to punishment by fine and imprisonment. They are now liable in such case for the debts, but not to be imprisoned.

7. No director, or other officer, shall receive any loan out of the funds of the bank.

8. No stockholder shall receive any loan to an amount exceeding the par value of his stock, except upon pledge of real estate security for the excess.

9. No person shall be indebted, at one time, to the bank, in a sum exceeding one-fiftieth part of its capital.

These provisions were something like those recommended by the

governor of the commonwealth, and were calculated to prevent the favoritism now complained of, and the failure of the banks.

10. Upon refusal, or nonpayment of specie, the bank to pay interest for the next sixty days at two per cent per month.

11. The bank shall have no appeal, stay of execution, or writ of error, on any judgment rendered against it, except upon affidavit of a just and legal defence: And judgment to be rendered ten days after summons, unless an affidavit of defence be filed.

This would compel them to pay specie. If there was such a law in existence now, the banks would resume specie payments within thirty days. It had been alleged, that it was necessary for the banks of Pennsylvania to suspend, because other states did. He maintained, however, that it was in their power, and that it was their duty to continue to pay specie, even if every other state refused. So far from the specie being drawn from Pennsylvania, as some gentlemen entertained it would be, if she had continued to pay it, it would have remained where there was a use for it. Every thing came where it was wanted. Specie might go to England, as very probably it would; but it would come back again. If other states choose to issue a depreciated currency, it was no reason why Pennsylvania should.

12. On the general suspension of specie payments for thirty days, the charter to be forfeited, and the court of common pleas to appoint commissioners to receive its effects, and close its concerns.

13. The legislature to provide, by law, one city, in which all bank notes issued in the commonwealth shall be redeemed.

This twelfth proposition was nearly the same as one of the amendments of the delegate from Susquehanna, except, that commissioners were to be appointed, which he (Mr. E.) thought ought to be added, so as not to make it necessary to have the action of the legislature. With respect to the other propositions, he thought it would be a great convenience to the public to have all their notes redeemed in this manner. He entirely concurred with the governor on this point. It was thus managed in New England, the notes of the six states being usually all at par in Boston.

14. On suspension of specie payments, all bank notes to draw interest until the resumption, whether presented for payment or not.

This would compel the banks to pay interest to its creditors, from the moment they demand their money. Every debtor to a bank who does not pay his notes when due, is obliged to pay interest. The banks should mete out the measure which they receive.

15. No person to vote for directors, as proxy, for more than two stockholders: and on stock transferred within one year before the election, an affidavit or written declaration to be required, that it is the *bona fide* property of the person in whose name it is held, and is not held under an agreement to sell or transfer to any other person.

This provision went to prohibit a person from voting for directors, as proxy, for more than two stockholders. It cuts up the system of trans-

fering shares, as has been done by those holding a large amount of stock, in order to obtain a greater number of votes than they are legally entitled to. A provision of this kind was much wanted to put a stop to this unfair way of proceeding. He hoped that we would adopt some provision, so as to restrain and keep the banks within proper bounds.

It was worth while to pay a few moments' attention to what the governor of Pennsylvania says on this subject, in his recent message. It is his opinion :

"1. That the profits or dividend payable to the stockholders, be forever restricted to seven per cent per annum on the capital actually paid in."

He (Mr. Earle) thought that this provision would have the effect of making the banks extravagant, in their buildings, and would induce them to pay high salaries. He was of opinion it would be better to allow them to divide six per cent of their first profits annually, and all excess above that sum to be given one half to the state and one half to the stockholders ; this would tend to produce regularity in dividends, and also would have the effect of making the banks economical. The governor next proposes :

"2. That the notes in circulation be still further reduced, in proportion to the amount of capital stock paid in. It may, by the present laws, be double that amount."

In this I fully concur.

The governor's third proposition is as follows :

"3. That whenever the specie of any bank shall fall below a fixed proportion to the notes in circulation, all increase of circulation shall be strictly prohibited and summarily punished, until the proportion required by law shall be restored."

He greatly doubted the policy of this, as an exportation of specie might take place, and thus place the banks in this awkward predicament, of reducing their circulation with inconvenient haste and oppression. He thought it would be well to say, that when, in any month, the specie fell below a certain amount, compared with circulation, the banks should pay a quarter of one per cent on their circulation, or on the excess of it above the amount of their specie. Such a regulation would furnish inducements to be careful in issues, and would attain the object the governor had in view.

"4. That no loan shall be made to any broker, or other person engaged in dealing in money, notes, bills, or other evidences of debt, until persons engaged in other business, and presenting equal security, shall be first accommodated ; nor any loan be made on pledge of stock, nor on any other security, except that which is usually demanded. And that loans to directors, directly or indirectly, shall be placed under similar restrictions with those to brokers."

I think that cannot be carried into effect.

"5. That the amount of loans to any individual or firm, whether as drawer or endorser, or both, shall not be permitted to exceed a certain

sum fixed by law, except with the consent of three-fourths of the directors."

I would go farther and say, that three-fourths shall not have the power.

"6. That the excess of annual profit beyond six per cent shall be invested by the officers of each bank, in such manner as shall be approved by the state treasurer, until it reach a certain amount to be fixed by law, in proportion to the capital paid in, as a separate fund to secure the safety of the bank, and to redeem its notes in case of accident. The fund to be under the direction of the stockholders, who shall be permitted, after its completion, to receive all the earnings of the bank, until they shall be reimbursed for such portions of the dividends, between six and seven per cent, as were therein invested. But after they shall have been thus repaid, all excess of dividend, over seven per cent, shall be periodically paid into the state treasury for the use of the commonwealth, together with the fund itself, at the expiration of the charter and discontinuance of the bank."

I see no particular objection to that; but I think the provisions I suggested, that all the dividends above six per cent, should go one half to the state and the rest to the banks, until the termination of the charters, will answer the purpose.

"7. That every bank in the state shall be compelled to keep its notes at par in Harrisburg, Philadelphia and Pittsburg, the one the capital, and the others, the great commercial emporiums of the commonwealth, or be summarily liable to the holder for any discount incurred.

"8. That a law be passed, fixing a period, not more distant than three, four or five years from the present, for the expulsion from circulation of all notes of a lower denomination than ten dollars."

I care not what denomination of notes are issued. I feel sure that when there is a mode of enforcing a specie currency, public opinion would determine what is best for a currency. This is a matter which may be safely left to the community, without any proscription by law.

"9. That the president and directors for the year, during which a suspension of specie payments shall occur in any bank, shall be individually liable for its notes, and for all other claims against it.

"10. That hereafter no bonus or price shall be paid to the state by any bank for a charter or recharter, other than the excess over seven per cent of its annual profits as above mentioned; and that all new stock shall be sold by auction, the excess above par value to be the property of the state, but to be invested in the fund above described till the expiration of the charter.

"11. And finally, that no bank be allowed to go into operation until one third of its stock shall have been actually paid in."

He saw no objection to this last regulation.

As to the amendments of the gentleman from Susquehanna, (Mr. Read) which he had read to the convention, he did not agree with them to a certain extent. It was not his good fortune to have heard what was said, in caucus, on the subject of the gentlemen's propositions.

If he (Mr. E.) had had an opportunity of giving to them the consideration they deserved, he thought he could have shown in what respect some of them might be well modified.

He (Mr. Earle) voted against making stockholders liable, because he wanted better security than that, as well as one more just than to make the widow or orphan pay for the misconduct of the directors. He did not believe, with the gentleman from Indiana, that the risk ought not to be separated from the business. If it could be separated, so much the better. There was no impropriety in insuring a ship, a dwelling house, or any thing else. A debt might be insured, on the same principle: the more we avoided the risk the better. Have we been taught, by any code of morals, to incur risks, when we could avoid them? He did not believe a word of it. He considered that every man has a right to trust another, upon the mutual agreement, that a certain fund only shall be held responsible for payment; or, they may mutually agree, that all the property of the debtor shall be held, or, that he shall pay some responsible person for insuring the debts. He saw no immorality in either course, and if people were left free, in banking and other corporations, to make their own agreements, the majority of the public would encourage that system which they thought most advantageous; and those whose consciences forbid their crediting a corporation, unless every stockholder of fifty dollars, receiving but three dollars a year in interest, was liable to pay half a million, might refuse to trust any, except those formed on their own plan.

In reference to the proposition of the gentleman from Susquehanna, to forbid the legislature from granting any bank charter for a longer term than ten years; he (Mr. E.) thought it might be extended to fifteen years; and, if the business was left open to free competition, there need be no limitation, other than the general reservation of legislative right to repeal.

He was not opposed to branch banks. He thought they might afford great facilities to the exchanges between Philadelphia, Pittsburg and other portions of the states, he, therefore, could not vote for the proposition of the gentleman from Susquehanna, and going to prevent any bank from having the privilege of establishing branches.

He would detain the committee no longer, except merely to say, in conclusion, that gentlemen should take care that, in adopting the semblance of democracy, they did, in fact, adopt the reality.

Now, he (Mr. E.) was against imposing a chain on any man; he never would restrain him unless there was a clear public necessity for it. He would leave every man at liberty to say what he would do for a livelihood, so long as he did not trespass on the rights of his neighbor. Effectual means, however, ought to be provided to compel men, whether bankers or others, to pay their debts. If free competition was introduced, in respect to the banking, and many other systems, as well as more toleration allowed, in reference to politics, there would, in twenty years hence, be much more freedom among us, than had yet been known, or he was very much mistaken.

Mr. AGNEW, of Beaver, said this subject had occupied so much of the time of the committee already, that he should deem himself unpardonable if he were to trespass upon their patience for any lengthened period, in expressing his views, on points of the important question now before them, and which had not been touched. As he had already said, the question was one unquestionably of great importance, though, perhaps, the circumstances connected with it, tended to give it a factitious importance, which did not attach to it, and which did not merit. He regretted to see that so much excitement and political feeling should have been indulged in, while debating this subject, which ought never to have been connected with politics. He protested against its being argued politically, and against the introduction of politics into the convention, on any subject whatever. He did not mean to censure those gentlemen who had been compelled, on the present occasion, to justify their conduct at a former period. Although personally alluded to by name, it was not his intention to continue the political discussion, which was wholly out of place.

He would now proceed to make a few remarks, in regard to the impropriety, as he conceived, of inserting the proposed provision in the constitution. The question was—whether it was a subject for constitutional regulation, or legislative enactment. He considered the question before the committee to be between choosing the proposition of the delegate from Susquehanna, (Mr. Read) and that of the gentleman from Adams, (Mr. Stevens.) The former proposed to restrict the banks from issuing notes of a less denomination than ten dollars, after the constitution shall go into effect, till July, 1842, and after that time, not less than twenty dollars. The latter amendment enjoins on the legislature to make suitable restrictions, so that the interests of the commonwealth may be protected. The first question which we had to decide, was the propriety of introducing such a subject into the constitution. What, he inquired, was our constitution? He took it to be a frame of government, that creates and organizes its several departments, necessary to its being carried on, and prescribes to them the performance of certain high and important duties, which are essential to free government and liberty. Anything further than this was improper to be required of the constitution. That instrument has divided our government into three distinct departments, viz:—Legislative, executive and judicial. It prescribes to one department the duty of making laws; to another, of signing and executing them; and to the other, of applying them.

The language of the constitution is—“That the general, great and essential principles of liberty and free government may be recognized and unalterably established, we declare—that all men are born equally free and independent,” &c. ; “that all men have a natural and indefeasible right to worship Almighty God, according to the dictates of their own consciences,” &c. &c.

Now, he asked, if the proposed amendment created or organized any department of the government? Was it essential to the executive power? Did it declare any great or indefeasible rights? Did it restrict the legislature?

No, it did not; it was a provision founded upon no general essential principles, only on expediency—on the circumstances of the times—the condition of the country. It was based on no great principle which enti-

pled it to an introduction into our constitution. What was it? It was a mere prohibition on the power of the legislature. That was the nature of the provision.

Was the legislature competent to the discharge of the duties imposed upon it? And, what was the object of that body? It was to assist in carrying on the government—for the great purpose of ascertaining what was best to be done, to promote the welfare and best interests of society. How, then, was any legislature to determine beforehand, what might be necessary to be done under a certain condition of things? He would ask whether this great department of the government was not to be trusted—whether it was wanting in integrity and honesty? It consisted of one hundred and thirty-three members—the same as this body,—who came from every portion of the state, and possessed a full knowledge of the interests of their respective constituents, and the wants of the commonwealth, and could adapt their legislation accordingly. Were these men calculated to act with caution, deliberation and reflection? Certainly they were. The two branches of legislature act separately and distinctly, and each has a supervisory power over the other. And should both act wrong, or indiscreetly, the governor can exercise his veto. Was the legislature, then, he would repeat, not competent to represent the interests of the people—the “dear people?” Was it calculated to represent their wishes—their primeval weal? He presumed it was—coming as it did—to use the language he had heard on this floor—“fresh from the ranks of the people.”

One of the most conservative features of our government, (said Mr. Agnew) is its tendency to prevent any hasty legislation. It tends to maintain and regulate the whole system of public and private rights, without hasty, sudden and arbitrary changes. The power of making laws is conferred upon a body, which I hope and trust, will always be the depository of the freedom and rights of the people of Pennsylvania, while the representatives of the free people of the commonwealth, freely chosen by the people themselves. On this body depends the preservation of the liberty of the people. This convention cannot arrogate to itself any superiority of wisdom and intelligence, over the immediate representatives of the people, chosen as their legislative body. Every man generally supposes that he knows rather more than—other men, but it is often a mistake, and founded in a want of wisdom. Why should this convention suppose that wisdom will die with it, and that it can, better than the legislature, prescribe regulations for the banks. There are gentlemen here, who appear to think that a subject, which is necessarily regulated by circumstances, in themselves uncertain and fluctuating, and which is liable to be influenced by the action of the legislatures of the states in our vicinity, and of the general government—they appear to think, I say, that such a subject can be regulated by this convention, both for the present time, and for all time to come.

Are we, sir, as well constituted for deliberation and decision on, this great subject of the banks and the currency, as the legislature of the commonwealth is? Certainly not. We are not chosen especially with that view; we are not instructed specially on the subject, either directly or by implication; we have not taken means to obtain the vast amount of detailed

and minute information, necessary to the consideration of the question, and, if we make a mistake in our decision, we cannot, next year, correct it. But it is said that our decision, whatever it may be, if it involve a proposition for an amendment to the constitution, will be submitted to the ordeal of the decision of the people. But, sir, the people are not always right. They might decide erroneously, and agree to an amendment which would be exceedingly prejudicial to their interests, and which could not be got rid of afterwards, without an amendment to the constitution.

The people cannot be always right in their opinions, for, if they were so, we could not recognize as true, the accounts we have of their frequent changes of opinion on many subjects. The legislature, I take it, is the proper body to act on these subjects; and, unless you can show me that the legislature is not fit to be trusted, I must be excused for declining to vote for this proposition. Unless it can be shown, that the legislature is inadequate to the performance of its duties, and that it is necessary to restrain its action on this subject, I cannot bring my mind to the conviction, that it is necessary or proper to make any constitutional provision on the subject.

Gentlemen have appealed to history, and endeavored to show us what great evils had been suffered for the want of restrictions, such as are proposed. I, too, will appeal to that great chronicle of the past, and ask where is the evidence of the existence, in the constitution of Pennsylvania, of those defects which are proposed to be remedied by the amendment offered by the gentleman from Susquehanna. But, I will leave nothing to inference. I will show from the history of Pennsylvania that the legislature has exerted its power, in the creation and regulation of banks, to perfect that system, so as to make it subserve the liberties and rights of the people, and promote the interests of commerce, agriculture, and manufactures. This I consider as a fair test of the question. No gentleman will say that the legislature, in theory, is not adequate to the discharge of this duty.

The exercise of the power, in question, by the legislature, is accordant with the theory of the constitution. Then the question is, whether the practical operation of the present constitution, has been such as to show that it has failed of its objects in this particular, and that the amendment proposed by the gentleman from Susquehanna is necessary. That, sir, is the true question. If the history of the country shows, that the practical operation of the constitution, has not been such as to render the proposed restrictions necessary, there is an end of the question and of the amendment.

I will show, then, from the history of this matter, that there has been constant progress of improvement in legislation on the subject of bank from the earliest action of the legislature on the subject, to this day. I will claim the indulgence of the committee, while I call their attention to a long list of legislative acts on the subject of banking incorporations. I am aware that these details will be dry and uninteresting, but they are nevertheless, important to the consideration of the question. The nature of the case demands an investigation of this kind, and it is proper that should be proved that the legislature, on all occasions, have had the moral worth and courage to do their duty, in relation to the banking system.

The first act to which I will direct the attention of the convention, is the reviving act, of March 17th, 1787—the act reviving the charter of the Bank of North America, which was established in 1782, and expired in 1785. The following is the preamble to the reviving act :

“And whereas a bank, under proper regulations, may be rendered useful to the commerce and agriculture of the state, and it is just and proper, that the subscribers and stockholders of the said Bank of North America, should have a charter of incorporation, under such restrictions, as not to prove an object of jealousy or apprehension to the good people of this state.”

Now, sir, is it not evident in the outset, that it was the earnest desire of the legislature, to protect the liberties of the people of the commonwealth, in every point, when they could be affected by the privileges granted to the bank. It shows that the object of the legislature was to promote the prosperity of the state. What are the provisions? All they do, is to restrict the capital to a certain amount—to limit the charter to a certain number of years ; to allow them to hold lands in mortgage ; to prohibit them from trading in goods and merchandize, and from exporting gold and silver.

Now, sir, these provisions were the whole that were then supposed to be necessary by the legislature, for the restriction of the banks, and the promotion of the rights and interests of the public. These were the few and simple provisions, which the experience of the country then rendered necessary. Then banking was almost a mystery in Pennsylvania. Very few banks had existed any where in the United States. These were all the restrictions of that act, and that, at the time, were supposed to be necessary or useful. Now, mark the progress of legislation on the subject. The Bank of Pennsylvania was chartered on the 3d March, 1793.

What says the preamble to this act ? It is as follows :

“Whereas the establishment of a bank, upon a foundation sufficiently extensive to answer the purposes intended thereby, and at the same time, upon such principles as shall afford adequate security for an upright and prudent administration thereof, will promote the regular, permanent and successful operation of the finances of this state, and be productive of great benefit to trade and industry in general.”

Mark again the anxiety of the legislature to protect the interests of the people of Pennsylvania. They intended to provide for those interests “adequate security.” Besides the provision which we find in the charter of the Bank of North America, we find here the following provision. It restricted the number of votes which should be given by each stockholder, so that no one, whatever might be the number of his shares in the stock, should have more than twenty votes in the choice of directors ; no share shall be held for a less time than two months ; and, no number of shares shall give the privilege of voting, unless it was held two months previous to the election. This is an approved democratic principle. It also provides that a portion of the directors shall be re-eligible for the next year. It provides that a certain number of stockholders may call a meeting to inquire into the concerns of the bank ; that the cashier shall give security, and that the total amount of the debts shall not exceed a

certain sum. It prohibits them from dealing in public stocks; regulates the amount of interest which they shall receive: and prohibits them from making loans exceeding a certain amount to the United States; or, from making loans to a foreign government: It provides that they shall render an annual statement of their affairs to the legislature; that records of the proceedings of the board shall be kept, that the cashier shall not engage in any other business; and, that they shall not deal in stocks, nor in funds.

The next act is that for the establishment of the Philadelphia Bank in 1804. The preamble to this act recites that;

“Whereas an association of citizens hath heretofore been formed in the city of Philadelphia, under the name and style of “the Philadelphia Bank,” for the purpose of making loans to the merchants, traders, and other citizens of this commonwealth, upon moderate and reasonable terms; and, whereas, the operations of said association are calculated to advance the interests of commerce and navigation, to encourage a spirit of improvement, in agriculture, manufactures, arts and sciences, and to aid the exertions of honest industry, and to repress the unlawful and pernicious practice of usury,” &c.

The object of this charter, as the preamble thus sets forth, is to aid the honest exertions of industry, and to suppress usury. Now, sir, it will be observed that, before the passage of this act, and afterwards, all the banking associations formed in this commonwealth were voluntary; and sprung up spontaneously from the necessity which required their aid in facilitating the trade and navigation of the country. They sprung out of the circumstances and the condition of the country. Though so great a prejudice had of late years been enlisted against these institutions, yet they sprung originally from a democratic origin, and a republican principle. This act contained all or nearly all the provisions of the former acts, and the following additional provisions: By the 13th article, the legislature required that the stockholders should pay all their debts to the bank, before they could transfer any stock; the bank was not allowed to expend more than a certain amount in buildings and lots; they were proscribed by divers provisions from wasting their means; they were prohibited from dividing any part of their capital stock; the directors were held to account to the stockholders for any excess of dividends, over the amount of the capital stock; the debts of the bank were to be limited to the capital stock. This last was a new and a very important provision, for it might happen that the directors might involve the bank deeply in debt without the knowledge of the stockholders.

The Bank of Pennsylvania, after some years, found their capital of three millions too large, and the act of 28th March, 1808, was passed. This was the first act passed for the regulation of these voluntary associations for banking purposes. The legislature began to find it necessary further to regulate and restrain these voluntary associations, and they undertook it. Thus we find a continued improvement in the laws on this subject. As the wants and condition of the people required it, banks were chartered, and they were so constituted as to answer the ends of their creation, and, at the same time, to subserve all the interests of the people. The legislature were not themselves, probably, aware of the

improvement making in the system. In granting an amended charter to the Bank of Pennsylvania, in 1808, the legislature, for the first time, thought it necessary to afford greater security to the public interests. The legislature could not, at first, be sensible of all the evils of these associations; but, as their experience, and that of the public, increased, they were determined to improve the system, and increase its security. The associated stockholders were made responsible for the debts of the company. Perhaps some of them had given notice that they would not be responsible for debts beyond a certain amount. He was not sufficiently familiar with the general history of the country, to know whether they had done so or not. But they were made responsible. There was an act to regulate associations of this kind in the state, and to exclude those of other states, over which we had little control.

The next act, was that of March 3d, 1809, to enable the Philadelphia Bank to establish branches. This act required that the bank should issue no notes of a less denomination than five dollars, and no notes not redeemable in specie at the mother bank. The legislature had not before noticed the importance of these provisions.

The next act was that of 6th March, 1809, chartering the Farmers' and Mechanic's Bank of Philadelphia. This was also a voluntary association. There are to be found in this charter, all the important restrictions of the other charters. This charter contains the additional provision, that none but stockholders, resident in the United States, shall vote, by proxy or otherwise, in the election of bank officers and directors. The 12th section provides that no dividend shall be paid to any stockholder, until he shall have paid all his debts to the bank. Another provision was, that no stockholder should transfer his stock, until he had secured the bank in the amount of his indebtedness to it.

In March, 1810, an act was passed, prohibiting all unincorporated banks.

Scarcely twenty years had passed, after the formation of the constitution of the United States, before the legislature found it necessary to make this provision in relation to unincorporated companies. The law was finally passed, not for the purpose of annihilating the banking institutions that had voluntarily sprung up, but to bring them within the control of law—to bring them under subjection to acts of incorporation. The 2d section of this act, prohibits the existence of associations formed for the purpose of lending money. It rendered it unlawful for them to receive deposits, or hold stocks. The provisions of this act were affirmed and carried out by the great bank act, as it was called, of 3d March, 1814.

Here Mr. AGNEW gave way for a motion that the committee rise; and, the committee rose; and,

The convention took the usual recess.

MONDAY AFTERNOON, DECEMBER 11, 1837.

SEVENTH ARTICLE.

The Convention again resolved itself into a committee of the whole, Mr. REIGART in the chair, on the report of the committee, to which was referred the seventh article of the constitution.

The question being on the motion of Mr. STEVENS, to amend the amendment offered by Mr. READ, by striking out all after the words "section 3," and inserting the following words :

"The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people."

Mr. AGNEW resumed the argument he commenced in the morning. He had endeavoured (he said) to shew satisfactorily that the constituted authorities of the state are competent to the decision of all questions of this kind ; and that the constitutional organization of the legislature, was such as to ensure a proper consideration of all such topics. And such was also the theory of our system, for all history bore testimony that it was in accordance with our practice. He had just brought to the notice of the convention the act of the 6th of March, 1810, which was the first step taken to limit banking privileges, to such banks whose incorporation was provided for by law. The next act to which he would call the attention of the convention, was the celebrated act incorporating forty-one banks, which was not signed by Governor Snyder. He was well aware that this was a subject which produced a painful agitation throughout the whole state, throwing all the community into a state of great perturbation, and causing a strong division of opinion in the commonwealth as to the propriety of his course. Perhaps, the act may have been an unwise one. He did not desire to give it greater importance than was necessary to illustrate the course of the history of the times. He had said that, perhaps, the act may have been an unwise one, not because the legislature did not impose these restrictions, which experience, and knowledge of the interests of the country suggested, but, because of the number of associations to which it gave legislature sanction. At that time there was a great number of banking associations which had formed themselves into existence. The country was overrun by the number of free banking associations, and, indeed, of individual bankers, when this act was passed. The want of wisdom, did not consist in the want of legislative restrictions ; but it was rather an error to bring into operation so large a number of corporations, at that particular period. He would refer, for a moment, to the circumstances under which this act was introduced.

The party—he was compelled to refer to them by that name, as constituting a part of the history—were precisely the same as the party who now desire to impose restrictions, not by the instrumentality of the legislature, but through the constitution. Governor Snyder was threatened

with the loss of the support of the party, if he did not sign the bill. Notwithstanding this threat, however, he had the hardihood—for it required hardihood to carry out his purpose—to veto the bill.

He (Mr. A.) had said, that the impolicy of the act of the legislature consisted more in chartering so many banks at one time, than in the want of any necessary or proper restrictions. It did not retrograde. On the contrary, the act contained all the restrictions which were in the former charters, and there were no others which could be deemed important.

One of the sections provided that, any single stockholder should not have more than thirteen votes. Whatever the amount of stock he might hold, he had no right to vote beyond the limit prescribed by the act. Here, then, was an important restriction. We had been told by gentlemen, that these associations are moneyed aristocracies, and the feelings of the people have been appealed to, to put down these associations, because of their dangerous and aristocratic character—for he presumed that which was said here was intended for the public eye. Yet it appears from the language of this act, that money could not confer on its possessor any power beyond the wielding of thirteen votes. Was this then the money power, so much dreaded, and so much denounced? Was this the monopoly against which there had been such abuse fulminated? Was this the want of democratic power so much complained of?

The next section provided that the circulation should be in proportion to the amount of capital. The indebtedness of the institutions was to be in proportion to the amount of the capital, without reference to the amount paid in. Here then was a decided improvement in legislation on this subject. The eighth section prohibited the issue of any notes of a less denomination than five dollars. He wished to call the attention of gentlemen to this fact; the issues of these banks were to be confined to notes of a not less denomination than five dollars. Here then was the next onward step in legislation, that no bank notes should be issued of a less denomination than five dollars. Section the tenth, had reference to the subject of dividends. The 11th, 12th, 13th and 14th sections were for the discouragement of unincorporated banks and companies. These sections, in the act of 1810, were afterwards repealed by the act of 1814. So much then for the act of 1814, which repealed some of the provisions of the present act, and added some which were new.

He would next call the attention of gentlemen to the act of 1813, which, in a very remarkable manner, sustained the propriety of leaving this subject to the legislature. By the previous act, the banks had been prohibited from issuing notes of a less denomination than five dollars. This act of 1813, provided that any incorporated bank might issue notes of a less denomination than five dollars, during the war which was then raging with Great Britain. That war had exhausted the energies of the nation, and left the whole country in a state of prostration. Specie had disappeared from among us, to a considerable extent, and the pressing necessities of the community demanded sure relief.

The legislature of 1813, therefore, felt themselves called upon to supply the deficiency, and to relieve the people from the difficulties which surrounded them, by repealing so much of the previous act as prohibited

the issue of notes, of a less denomination than five dollars. Yet gentlemen, who sustained these measures, are now extremely solicitous to prohibit the issue of notes of a less denomination than ten dollars, by inserting a clause in the constitution, which like the laws of the Medes and Persians, shall stand irrevocable for ever.

The next act of the 11th of March 1815, is in the following words, viz :

“SECTION 1. Each branch bank within this commonwealth, shall receive in payment, as well from other banks as from individuals, any note or notes of the original bank, of which it is a branch.”

The act of 1816, which was the next, extended the time of issuing small notes, till the 1st of January, 1817, and contained other regulations rendered necessary by the war.

The act of the 22d of March, prohibits any bank from issuing any note of a less denomination than one dollar, and prolongs the time for issuing notes of a less denomination than one dollar, till the 1st of October, 1817, after which date they were prohibited. This shews that there still existed a necessity to keep the country in a condition to supply its wants, and the legislature thought it proper, that after the 1st of October, 1817, the issue of the smallest denomination of notes should be prohibited. The second section prohibits any individual from issuing notes in the form of bank notes, unless incorporated under certain penalties, which are named in the act.

The act of January 27, 1819, which is the next, provides that “if any bank or banks within this commonwealth, shall, after the date of this act, tender or offer in payment to this commonwealth, for any *per centage* in debts due to the same, any note or notes, professing to be payable on demand, by banks which do not pay specie for the same, the state treasurer shall refuse to receive the same.” That was also an improvement.

The act of 29th of March, 1819, (pamphlet laws 234,) makes void the charters of all banks which do not pay specie, prescribes the mode of paying specie, &c.

The act of the 1st of April, 1822, was required by the circumstances of the country, and provided for the closing of the banking institutions, whenever it might be necessary to close them.

The act of the 25th of March, 1824, extended the charters of all solvent banks, amounting to twenty-two in number. Whoever will turn to this act (Purden’s Digest, p. 103, pamphlet laws, p. 39.) will find that it embraced all the legislation required, all the important restrictions imposed on any of the banks; and that, besides these, it imposed new restrictions on the banks, such as that no director shall be eligible “for more than three years out of five.” &c. Here then, we have the democratic principle of rotation in office, to which principles some of the members of this convention bow with great deference. This provision is decidedly democratic in its nature, and has a tendency to prevent that monopoly of which gentlemen complain. The third article made provision for judges of the elections for directors, which was another new

feature. The fifth article contained the provision, that "it shall not be lawful for the president, the cashier, or any teller, or clerk, of any bank, to vote at any election for directors of their respective banks, as the attorney, proxy, or agent of any stockholder." The fifteenth article provided "that no note shall be issued by any of said corporations, of a lower denomination than five dollars." By a provision in the twentieth article, it is declared that, in cases where the banks shall have suspended payments in specie, no dividends shall be declared, until such specie payments shall be resumed. The twenty first article reserved to the legislature, the right to appoint a joint committee, to examine "into the credit and situation of the said several banks;" and by the twenty-fourth article, the tax on dividends was increased to *eight per centum*.

These extracts from the act of March, 1824, proved the further progress of legislation in reference to this subject. By a subsequent act, March, 1827, the issue of notes of a less denomination than five dollars, was prohibited, as well as the importation of such notes from banks of other states.

Then came the act of 12th April, 1828, which made the issue of all notes of a less denomination than five dollars, unlawful, and which imposed severe penalties for every violation of its enactments. This act was made applicable, not only to the banks, but to any "person, persons, or body corporate," throughout the whole limits of the commonwealth.

He apprehended that this act itself was one of the strongest illustrations of the situation in which a country may be placed, and show how little a constitution or laws tend to the relief of the people, when such exigencies arise. We have heard a great deal of declamation about banks, and the illegality of their proceedings in the suspension of specie payments. He would now turn gentlemen who have urged this matter so forcibly and eloquently, to the acts of individuals in violating these laws. He apprehended that this law, so long as it was the law of the land, was binding upon individuals as well as banks and incorporations, and it has the same force and imperative command, as though it were a part of the constitution of the state. He would then ask those gentlemen who depreciate so much the violations of the law, practiced by banking institutions, whether they themselves had not aided and abetted in setting this law at defiance. He would ask gentlemen whether there was any party or any individual in the state, who were not obnoxious to the charge of putting the laws of the state at defiance. He apprehended that there was not a member of this convention or a citizen of this commonwealth, who had not acted in open and direct violation of the act of 1828. Sir, there is no gentleman here but who has not only received, but has passed to others, notes which were not authorized by the laws of the state. He did not intend by what he had said, to cast censure on the community, or upon individuals for doing this, but he instanced it as a case of overruling necessity in the country, as a case in which even the laws of the land were set at defiance, and he hoped we would never be placed in a position that the constitution of our commonwealth would be trampled upon and violated with impunity.

To openly violate the laws of the commonwealth was bad enough, but to permit the constitution to be openly trampled upon, was introducing a

feeling which was destructive of liberty and the best interests of the commonwealth. He hoped that we would impose no restrictions, in the constitution of the land, of such a nature as will force us, at times, to set it at open defiance, as we have done with the act of 1828. The next act carrying out the system, was the act of the 23d of February, 1830. This act comes in aid of former legislation, to prevent the issuing of bills of a less denomination than five dollars. It prohibits the issuing of bills of any denominations between five and ten dollars, between ten and twenty, and twenty and fifty dollars. This act was entirely necessary to carry out that which the legislature had in view in 1828; because, although banks were prohibited from issuing bills of a less denomination than five dollars they were at liberty to issue bills of the denominations of seven dollars, and fifty cents, eight dollars, and nine dollars, and this would have the effect to keep specie out of circulation in a great measure, and in fact, would be, in a great degree, a circulation, of small notes, because change could easily be made in that way, and the law of 1828 would have been avoided.

This act came in aid of former legislation, and it showed the disposition of the legislature to provide for the best interests of the commonwealth. The act of first April, 1835, came next, which also showed the disposition of the legislature to restrict the banks. This act was to increase the tax upon bank dividends, and indirectly accomplishes the same object, that was intended to be accomplished by those who wish to restrict the banks to a certain amount of dividends. To be sure, it does not go the whole length of the other, but he did think it was less objectionable on that account, that is, that it did not go so far. Perhaps it might be better, and perhaps it might not. He could not say that he was entirely in favor of the proposition of the governor, in his late message, and still he could not say that he was opposed to it. The object of that provision was to restrain the issues of the banks by holding out to them no inducement to increase their profits. Well, the act of 1835, had the same object in view, and if it did not effectually cure the evil, it did, to a very great extent, take away their desire to increase their business, and to increase their profits, because the tax on their dividends increased in amount in proportion to the ratio of their increased profits. So much so did it increase, that a tax of eleven per cent was imposed on all dividends over eight per cent.

This, sir, is another evidence of the disposition of the legislature to impose proper restrictions upon banks. Then comes the act of April, 1836. This act authorizes, and makes it the duty of the auditor general, to call for a statement of the accounts of all the banks of the commonwealth, at such time as he pleases. Now he thought this was an improvement upon former acts of assembly, which required the banks to make their statements at a particular period of the year, by which means they might be enabled to put their banks in the best condition for an exhibit, and not show their true state. This act enabled the auditor general to call upon the banking institutions of the state, at any moment he saw fit, which put it completely out of their power to prepare themselves for making a statement of their condition, as they could do when they made their annual statements. It was by this act impossible for them to make a false exhibit of their situation, because it took them by surprise, and

they could form no idea of the time at which the auditor general would call upon them. This was the last general act of any importance upon the subject; and there was but one other act which he had not noticed, and that he would notice hereafter. Then, he took it, that if the history of the legislation of the country was examined and taken into account, it would exonerate the legislature from the censure which had been cast upon it on this floor. He would ask gentlemen here whether the legislation of the state, from the time of the granting of the first charter of a banking institution, to the present time, did not show an evident disposition on their part to improve, revise and remodel the system, and they have made progress in it from that time to this.

He was not dealing in unmeaning words in what he had said, but he was appealing to the history of the country, for the proof. He was referring to the very acts of the legislature, which had been charged openly on this floor, as being suborned. He trusted however, that he had shown, from the history of the country, most clearly and conclusively, that it has been the constant endeavor of the legislature to improve the banking system. He would ask gentlemen, why it was that they endeavored to place the legislature of their state in this unfavorable attitude before the country. Why was it that it was maligned, and censure cast upon it; and by those too, who had themselves been members of that body? It would hardly be worth his while to notice these attacks, because he was well aware that he was surrounded by some sixty or seventy individuals, who have themselves been members of the legislature, and who are well informed as to the truth or falsity of the charges made. He believed that not less than one half of the members of this body, have been members of the legislature, and he could, with propriety, appeal to them in relation to the truth or falsehood of these charges. But he would ask those individuals who had made these charges, and who had themselves been members of the legislature, to point to any act of the legislature of the commonwealth that was directly in violation of the best interests of their country. He would ask them to point to the act which went to the destruction of the liberties of the people. No, sir, they cannot do this, because every act which they would point to went to show that it was the disposition of the legislature to preserve the system from corruption, and to protect the interests of the people at large. Now he would ask the gentleman from Susquehanna, who in his speech says, evils have existed, to point to his own conduct in that legislature, on the subject of banking, and let us see how his experience and knowledge operated in the legislature in relation to this matter. We are told by that gentleman in his speech, that "the constant tendency of banks, is to over issues. And over issues must necessarily be followed by contractions, or insolvency, either of which, brings disastrous embarrassments upon the people." He then goes on to tell us that, in consequence of this, there was a pressure in 1822, followed by the great and distressing pressure of 1825, which was so peculiarly severe, that the friends and directors of the United States Bank discoursed publicly of the expediency of stopping specie payments. The president acknowledged his fears for the fate of the bank; and admitted, that she was saved only by his begging, as a special favor, of a New York bank, that it would receive a bill of exchange instead of specie. Had the New York bank been stubborn, the catastrophe of 1837, would,

must have occurred in 1825. Now it would appear that this gentleman, with a knowledge of all these facts before him, which he had set forth in his remarks, occupied a place in the legislature of the state for many years, and what was his conduct in relation to this subject? He has brought charges against the legislature for not doing this, that and the other, but let him show what his acts were in that legislature. Let him show that he has introduced into the legislature of the state, improvements in the banking system of the country, which that legislature refused to adopt, before he makes these grave charges against it. He asked not only the gentleman from Susquehanna, but he asked every gentleman who acted with him, to show their acts in the legislature on the subject of restricting the banks.

Why, sir, the records of the state are silent. There had been no such provisions proposed by any one. Then these were new lights which had come upon gentlemen. Lights of the year 1837; and if they are lights of 1837, how can gentlemen argue that the regularly constituted authorities of the state are not sufficient to carry them into operation. If these were new lights which have come upon gentlemen, he would ask them upon what they found their argument, that the legislature will not act upon it with an eye to the public interest. The legislature have heretofore acted as the lights come upon them, and as the experience of the times proved to be proper, and what reason is there to suppose that they will not again do so. He took it that this whole matter should be entrusted to the hands of the legislature; because it was a matter which exclusively belonged to the legislature, so that they might make such provision, from time to time, as might be demanded by the circumstances of the country. Gentlemen cannot show any one act of the legislature on this subject, which would go to show that the power of regulating the matter ought to be taken out of their hands. The legislature in fact, has been in a constant progress of improvement, in relation to the banking system from the beginning of the system up to this time. But, sir, are these gentlemen more wise than they were before, or have they turned informers? Yes, sir. Have they turned informers upon the legislature of the country?

He wished now to turn the attention of the convention to a passage in the speech of the gentleman from Susquehanna, which had struck him with a great deal of force and surprise, because of the boldness of the assertion. The gentleman in his speech says, that "Thomas Jefferson, the great apostle of the rights and liberties of the people, the acknowledged standard of correct political principles, opposed the creation of that bank, with all the powers of his Herculean mind. He objected to a national bank on constitutional grounds; and he objected to that and all other paper money establishments, on the ground, that it would raise up a moneyed aristocracy in our country, which would set both the government and the people at defiance: that it would take deep root in the hearts of that class from which our legislators were to be drawn. And thus those whom the constitution had placed as guards to its portals, would be sophisticated, or suborned from their duties. That by breaking up the measure of value, it would make a lottery of all private property!" Here is the charge brought against the legislature of the country of being suborned from their duty. Now he would ask the gentleman, if he had

turned informer, because he (Mr. A.) detested and abhorred state's evidence. Sir, there should be honor even among a certain class of persons which he would not name here. Had the gentleman told us that there were certain members of the legislature who had crawled into power, of such a character that they might be suborned from their duty, and corrupted, he might have believed it, without calling for the proof, but the charge was too general, and he could not believe it, unless it was made most apparent by strong and substantial proof. He loved the republican institutions of his country, and he was delighted to believe that the institutions which had been formed by the people of the commonwealth, were adequate to the preservation of the liberties and protection of the rights, and the advancement of the best interests of the country. He delighted to believe that free government was no longer an experiment, that it no longer was a fanciful theory, but that it was fact and reality. And he placed his dependence upon that government and he trusted the day was far distant when we would lose respect for the properly constituted authorities of our country. And, sir, the man who would attempt to bring this authority into disrepute, was an enemy to his country. He would as soon envy the character of that Greek, who set fire to the temple of Ephesus, as the character of the man, who would endeavor to bring the institutions of his country into disrepute.

But, sir, an act was passed on the 18th of February, 1835, entitled an act to repeal the state tax on real and personal property, continue the improvements of the state, by canal and rail roads, and to charter the Bank of the United States. Well, sir, here was the head and front of all the offending of the legislature. Here is the point of time, when the wisdom of gentlemen found out that the legislature was incompetent to perform all duties in relation to this subject. Here was the first time, that distrust began to prevail in the minds of gentlemen with regard to the ability of the legislature to perform their duties. Sir, shortly before the passage of that act of the assembly, Pennsylvania had given signs of a change in her political course. Up to that period, the power and patronage of the commonwealth had been held by a certain party, who called themselves the democratic party; but in the autumn of 1835, Pennsylvania gave signs of change in the administration of her government. The former governor of Washington county was elected, and the former administration were just going out of power. That administration had conducted the affairs of the commonwealth to a crisis, beyond which it was fearful to look. Destruction stared us in the face. The credit of the state had begun to languish. If he mistook not, some of the loans of the state had been refused; and its credit was fast sinking. Under these circumstances, a new administration came into power; and it became necessary as they thought for the party on the wane, to embarrass this new administration. Your public improvements had been pushed to a great extent; were still incomplete, and were clamorous for aid to carry them on. Where were the means to come from, for the prosecution of the public works. There was but once source left. There was but one source from which we could expect aid in the prosecution of our public improvements, and that source was the Bank of the United States. But, sir, the charter of that bank, as a national institution, was about expiring, and that source of aid to our commonwealth was almost dried up by the

heat, and burning sun of political persecution. This aid was about being withdrawn from us, and its capital, much of which had been invested in this state, taken away.

Sir, the mandate of the party went forth against the new Bank of the United States. It went forth from the white house, under the high seal of the executive. The administration of the bank was to be embarrassed. Every means, fair and foul, were to be adopted, by which it could be humbled and brought to the feet of the national government, or rather of the party that administered the government. The warfare against the bank, so far from being relinquished, was to be carried on with renewed energy. All the force of the administration party, was to be brought to bear against it. All who upheld it, or who were disposed to deal with it in justice, were denounced as traitors to the party. The party presses, beginning with the organ at the seat of the federal government, opened their batteries upon the bank and its friends. Every man in the party was directed to join in the crusade against the bank, on pain of excommunication.

The legislature of 1835-6, was forced to act upon the subject. An investigation was got up, which was to give colour to the charge of fraud, against the bank in respect to the manner in which the charter was obtained, and this was to be made the foundation of an act for repealing the charter.

Sir, I rejoice to say that, in that legislature, though composed of a majority of the friends of the present national administration, there was a majority of patriotic, upright, honorable and independent men, who would not consent to see the state of Pennsylvania, and its institutions, and its pride of character, and public faith, dishonored and trampled upon. They would not consent to see their fellow citizens denounced, falsely accused, and, without proof, convicted of fraud. They would not suffer the institutions of this great commonwealth to be sacrificed, and given up, in order to grace the triumph of the party. There were men in that body, sir, who would bow the knee to no idol. Their stubborn and manly independence, saved the state from disgrace and degradation. Overcoming their party attachments, they dared to exercise their honest judgment, on the subject which was in this manner brought before them. The bank was triumphantly acquitted. The charges were ascertained to be without the shadow of a foundation.

These events, sir, are fresh in our memory. The party, though defeated, did not despair. They returned again to the charge. We have a clue in past events, to the feeling which governs the movements which are now made against the bank. The bank, sir, is still to be persecuted and hunted down. The interests and honor of the state are still to be sacrificed, if they can be reached through the influence of the party. Gentlemen may endeavor to hide the motives of the attack as they will. The cloven foot of partisanship protrudes itself at every step they take. In some mode or other, no matter at what sacrifice of the public interests, a blow is to be struck at the Pennsylvania Bank of the United States.

I have, said Mr. A., reviewed the provisions of the act chartering the present Bank of the United States. I now ask gentlemen to point out to

me any one provision of that act, which has not a tendency to preserve the public interests. No charter was ever formed by the legislature of this state, with so many precautions for guarding the public interests, none which contains a greater number of salutary restrictions. There is no previous charter, which contains restrictions of a more severe character, with the exception of the provision authorizing the legislature to repeal the charter at pleasure. That provision is not in this charter, and that is the head and front of its offence. It was not to be presumed, however, that one legislature would repeal a charter granted by its predecessor, unless that charter had been misused in such manner as to injure the public interests. But, in case the charter should be so misused, the law of 1830 provided ample means for avoiding it. A commission could be appointed for the inspection of the books, and the investigation of the concerns of the bank, and, if they reported that the provisions of the charter had been violated, it could then be declared null and void. The charter of the bank itself, contained a provision, pointing a mode in which it could be avoided. It contained a provision which the legislature thought amply sufficient for the purpose.

I will call the attention of the committee, said Mr. Agnew, to the history of this matter as it appears on the journal of the house of representatives.

A motion was made by Mr. Stevens, of Adams, to amend, by inserting a clause, giving the legislature the power to alter or revoke the charter when they saw fit, should it become injurious to the interests of the people. The friends of the bank, who are so bitterly assailed on this floor, voted for this clause. There were in the house of representatives, eighty six votes given in favor of the amendment. Yes, sir, eighty-six of the members of that house, which did nothing right, and which misrepresented their constituents, voted for this amendment.

But, sir, when the act of assembly went to the senate, this clause was stricken out by that body, and the existing one was substituted for it. I believe myself that the senate acted wisely. The original clause did not say who should determine the fact, whether the bank was injurious to the public interest, nor how it should be determined, and it put the bank at the mercy of the changing and excited parties, which might come into power thereafter. In times of party excitement, especially, if the principle of disorganization, and of hostility to state institutions, should prevail, a small and accidental majority in the legislature, might destroy the bank.

The provision that was substituted, will, I believe, answer all the purpose. It gives the legislature the means of avoiding the charter, whenever it shall be proved to be misused, and converted to purposes of public injury. It points out the acts which may be considered as perversions of the objects of the charter, affords assistance to the legislature in detecting them, and, in the execution of the law against the bank, and, for all other acts, not enumerated, which amount to a violation of the charter, it substitutes a remedy by judicial course of procedure. It leaves the charter, not at the will or caprice of any party, which may have the ascendancy, but it secures the people against the consequences of any misuse of the charter, by pointing out an efficient and easy mode of repealing it. By

application to the supreme court of the commonwealth, the bank may be fairly and promptly tried, and, if found guilty of violation of the charter, the charter must be forthwith repealed. Surely, this is a more expeditious and certain course of procedure, than by legislative action, which is slow, and as it requires the assent of two branches, may be uncertain. A court is a much more proper body for the investigation of the questions of law and fact arising upon the charge of a violation of the charter of a bank, than the legislature can be. If the subject is brought before a court, the facts of the case will be determined by a jury, and the court will decide whether the charter is thereupon void. It will not be necessary for me to pursue this topic further, especially as the attention of the committee may, by this time, be wearied. My colleague, too, has heretofore gone so fully into it, that it is unnecessary for me to follow it out.

I set out, in my remarks, Mr. Chairman, with a determination not to dive into the politics of the day, any further than might be necessary, in order to meet the allegations of gentlemen on the other side. I had wished to avoid all reference to party subjects, and in treating the question, I have been governed by a desire to place it upon its intrinsic merits.

Thus far, sir, I have given the history of the legislation of the state, on this subject, and I ask gentlemen who have given their attention to the facts which I have recited, whether the legislature is to be considered as inadequate to the discharge of its duties, in relation to the management of banking corporations.

I ask them to shew me in what instances the legislature of this commonwealth, has failed to discharge all its duties to the people on this subject. Are single sessions of the legislature, to be taken as a model or example of all the other sessions? A system cannot be perfected in one, or in two sessions. Look at the penal code, and see whether that is the result of any one legislature, or any one session. No, sir, it is the result of the careful and improving legislation of centuries. It is the result of the experience of ages. So with the laws regulating banks in this state. The subject was new to our laws. The whole system sprung up here within eight and forty years, and the legislative guards adopted against its abuses, are necessarily the result of that brief experience. But, in the proceedings of the legislature on the subject, we see a constant desire, on their part, to protect the people from any evil consequences resulting from the system, while it secured to them all its advantages. We see, too, that the laws on the subject, were continually improved with the suggestions of experience. They were not made in a day; nor were they the result of two or three weeks' discussion, such as we have here. All wise laws must be made from experience; and any system of laws must necessarily grow up gradually. Will any one say that we can take up the whole judicial code, and determine the law for centuries to come? In regard to municipal charters, I will ask whether any one can take up that subject, and prescribe laws for their regulation in all future time? Must nothing be left to experience, and to legislation founded upon experience? Suppose we take up the subject of charters for cities and towns, and undertake to regulate them for fifty years to come, anticipating and foreclosing all legislation on the subject. What would be the consequence?

It would put a stop to all improvement in municipal laws. I apprehend, sir, that the course now urged upon us by gentlemen, in relation to banking corporations, will end in the same way, for the banking system is on the same footing with other corporations. The legislature have endeavored to regulate the bank charters, according to the light of experience. But it is said that legislation is inadequate, and that there are many defects to be remedied in the laws, as applicable to the banks. Well, let the necessity for further restrictions appear, and they will be adopted by the legislature.

In their past proceedings on the subject, we have a guaranty that they will be ever prompt to apply such restrictions and guards to the banking system, as circumstances may require. No one denies that further restrictions may be necessary, and no one will object to their adoption by the legislature. I do not, however, conceive it necessary now, to inquire what these restrictions ought to be. I consider that the legislature of the commonwealth, composed as it is, of intelligent and discreet citizens, coming fresh from the people, with all the knowledge necessary to act on the subject, can better tell what restrictions are proper and expedient, than we can. They will be as able to manage the subject hereafter, as they have been heretofore, and all the charges brought against them of negligence or inefficiency, are unfounded. The legislative body can be trusted, as all experience has proved. I will ask whether gentlemen do, in fact, distrust the legislature? Will they place their support of the proposition on that ground? Do they believe that the legislature will fail to discharge their duty to their constituents hereafter, though they have never failed in it heretofore?

Now, sir, I deny, in the most confident manner, that there is any ground for such a supposition. Have any former legislature of Pennsylvania done any thing, or neglected to do any thing, that can justify any such feelings of distrust? No, sir, the legislature have never, upon any proper occasion, refused to act. They have been prompt to adopt their system of laws in relation to corporations, to the condition and circumstances of the country. The legislature, elected since the banks suspended specie payments, have as yet, scarcely met. Is it to be presumed that when they are convened they will refuse to adopt measures suitable to the circumstances of the case? If restrictions are needed, will the legislature be slow to impose them? They have now but just assembled, and is it fair to pronounce in advance of their action, and against all past experience, that they will not do their duty?

Let them turn to the argument in the message of the governor, and they will see that the subject has been brought before them in such a way that they will not be likely to neglect it. Gentlemen apprehend, perhaps, that their party will not retain the ascendancy in the legislature, and that that body will not be sufficiently severe and harsh towards the banks—that they will not do the bidding of the party leaders, whether it be right or wrong. But, even this, ought not to be a source of apprehension to them. There is no party which desires to prevent necessary and proper legislation on the subject. No party wishes to absolve the banks from any obligations to the public. We do hold, it is true, that charters of incorporation, granted on the faith of the state, are inviolable. That, sir,

is a rule of legislative morality, from which we can never depart. We hold that we are bound, faithfully to adhere to all legislative contracts. We cannot agree, in caprice and passion, and without adequate cause, to break charters. That is a principle to which we cling as to the pillars of the constitution.

But, sir, we do not hold that the banking system should not be reviewed, and restricted, and improved. There is no such party as an exclusive bank party, which will support the banks, right or wrong. Although we will not consent to see contracts and charters trampled under foot, yet we are in favor of such restrictions as are just and proper. And, sir, what restrictions are necessary, the legislature must determine, for we cannot. Their light and information on the subject will enable them to do every thing that is proper to be done.

The ground we take is the ground of right and justice. Every party is willing to see proper regulations adopted and put in force, whether the banks approve them or not. Until these new legislative provisions shall be made, how can we say whether they will be right or wrong. The governor has pledged himself to carry out whatever provisions the legislature may see fit to enact, and that is all that we can wish. The legislature may be trusted with perfect confidence. They always have done what was right, and they always will do it. We wish nothing more than the advancement of the happiness and the prosperity of our beloved commonwealth. Whatever is calculated for that end, we will heartily cherish—and I trust, sir, that no set of men will be found, who are willing to lower the standard of public morality and justice, or who will attempt to weaken the deep-foundations of liberty, laid by the framers of the constitution of 1790.

Mr. McCahen, of the county of Philadelphia, rose and remarked, that he felt constrained to notice some of the incidents and expressions of sentiment to which this discussion had given rise. As there was some anxiety to obtain the question, on the part of the majority of the convention, he should not now trespass upon their patience with any lengthened remarks. But he was somewhat strangely situated here, both as a member of the convention, and as an officer of the general government, and it became his duty to himself, no less than to those who had sent him here, to make some explanations, in reply to sentiments which had been here offered. He did not feel as keenly all the taunts and insinuations, which had been thrown out against him and the party to which he belonged, as he did at first. He had repressed every feeling of a personal nature to which the remarks of some gentlemen had been well calculated to give rise. He would claim the indulgence of the committee, while he took a brief review of some of the remarks which gentlemen had made in the debate, and, in doing this, he would promise to keep as near to the mark as possible.

The party to which I belong, sir, said Mr. McCahen, has been assailed here, in a manner transcending the usual limits of deliberative discussion. All the ills with which the country has been visited, have been ascribed to reckless and wanton conduct on their part. But, in his opinion, the responsibility for what had happened, rested upon another party. Letting that matter pass for the present, he should reply to the allegations which were personal to himself.

It would be recollected that, before the convention left Harrisburg, it was alleged that a midnight caucus was held by the party to which he belonged, and in it he was said to have figured very largely.

The very honorable and courteous gentleman from Franklin, whom he did not now see in his seat, made the allegation. The same allegation was made by the gentleman from Allegheny, and by others. It was charged that he (Mr. M'Cahen) had received orders from the government at Washington, to get up, for the action of the convention, the resolution which was then under discussion, for the appointment of a committee, to inquire whether the charter of the Pennsylvania Bank of the United States, could be and ought to be, repealed; and it was said that, in pursuance of his orders, he had brought the subject before a caucus, the result of whose deliberations was, that he made a motion to take up that resolution. He denied the whole charge, in the most explicit manner, at the time, and his denial ought, in common courtesy, to have been taken; but, notwithstanding that, some of these gentlemen persisted in the accusation and labored to prove it. How gentlemen could reconcile this conduct to themselves, to honorable and gentlemanlike feeling, and to the courtesy of this honorable body, he could not tell. Some other things, said Mr. M'Cahen, occurred at Harrisburg, about the time of the adjournment, which were very strange.

After the President had left the chair, and the convention had adjourned, he (Mr. M'C.) sportively called upon the venerable gentleman from Crawford, (Mr. Shelbitz) to take the chair. In doing this, he certainly did not mean any thing discourteous to the president of this body, whose presence in the hall he had not adverted to. He was, however, called to order, in a manner very abrupt.

His friend from Susquehanna, (Mr. Read) who had taken occasion to speak of the conduct of the bank, and who had ably defended himself against the attack he had to sustain for taking so bold and manly a stand, was assailed in a manner evidencing, at least, great inhospitality, to a stranger, by the President of the convention, himself a resident of the city, because he had asserted that in the suspension of specie payments, there had been concert among the banking institutions. He (Mr. M'Cahen) also felt himself compelled to notice the few remarks which had fallen from the gentleman from Allegheny, (Mr. Denny.) He thought that the gentleman had permitted his zeal to overstep the bounds of his judgment, and go in advance of the party with which he was politically associated. He had undoubtedly exceeded the limits of discretion and prudence. The gentleman was very much excited, and had railed like a tenant of the fish markets.

The CHAIR said the gentleman was not in order when he was using language of that character.

Mr. M'CAHEN would submit to the decision of the Chair. But, as the gentleman from Allegheny had been suffered to express himself so freely, he (Mr. M'Cahen) conceived that he also might do the same.

The CHAIR did not recollect any hasty, or improper remark, to have escaped that gentleman.

Mr. M'CAHEN resumed by remarking that the gentleman from Allegheny had been somewhat personal to him in his remarks. He had

charged the post office department, and the officers of the general government, with acts of baseness and impropriety. And, after having read a catalogue of charges, he proceeds to show—

Mr. DENNY explained: I did not charge the post office department with any baseness whatever, nor did I charge the gentleman (Mr. M'Ca-hen) with having acted improperly.

Mr. M'CAHEN. The gentleman had certainly declared that the officers of the state government had sympathies with the people, but that those of the national government had none.

He would ask the gentleman how it happened that the officers of the general government were always starting up before him, and alarming and terrifying him from his sense of propriety. He should have thought that, from the opportunities which the gentleman had enjoyed, from being a member of the bar, as well as having received some four years' instruction in the Congress of the United States, that he would have improved his time, and shown a greater knowledge of men and things than he had done,—all of which might have been beneficial to the community; on the contrary, he assumed an air of importance, and a manner not unlike the "Mock Duke," in the comedy of the Honey Moon.

But, the gentleman said that the officers of the general government felt no sympathy with the people! Now, he would ask the gentleman from Allegheny, whether he would charge his (Mr. M'Ca-hen's) friend from Bedford, (Mr. Barndollar) who was post master at Bloody Run, and the gentleman from Huntingdon, (Mr. Royer) post master at Springfield, with doing any act derogatory to their character as independent men, and being destitute of sympathy with the people.

He would also ask the gentleman if he meant to charge the gentleman from the county of Delaware, (Mr. Serrill) who held his commission as post master until a short time before the meeting of the convention, with doing aught that was calculated to disturb society, or injure the best interests of Pennsylvania? What, he (Mr. M'C.) would ask, were all the officers of the general government? Why, they had been selected, as he had already observed, on account of their merits and competency, to discharge certain honorable duties. He had yet to learn whether a man, because he chose to accept an office under the general government, was therefore to be deprived of the right of exercising all those privileges which were enjoyed by his fellow citizens. Why was it, he asked, that the officers of the general government had no sympathy with the people? Did they not associate with them every day? Was their influence so great that they could revolutionize the country? What was the character of their influence? Why, the number of post offices in the state was scarcely four hundred, and yet it was said that the few office holders connected with them, felt no interest with the rest of the community. He would ask gentlemen whether these officers did not marry among the community? Did they not educate their children, and rear them up useful members of the commonwealth? How, then, he should be glad to know, was it that they were without sympathy? Did they not eat the same bread and drink the same water with the people? And here, in the county of Philadelphia, where all the officers of the general government, watchmen included, did not exceed one hundred and fifty, they were to neglect their duties, and exercise their political influence! The officers of the general govern-

ment had been spoken of in so contemptuous a manner, as to make it actually a term of reproach with some gentlemen, to act under the general government. Let gentlemen say what they might, these officers were, nevertheless, a respectable body of men. The people of this commonwealth cannot, nay, they would not, believe there was the slightest foundation for the insinuations and inuendoes which had been thrown out with respect to the improper conduct of the officers employed in the post office department. He trusted that they had discharged their duty faithfully, and that their conduct was unexceptionable. Let the gentleman from Allegheny (Mr. Denny) go to the Philadelphia post office at five o'clock in the morning, and he would see the officers commencing their labor. He would then be enabled to judge whether they did do their duty with fidelity, and did not deserve their reward. They had no sinecures, and he hoped they never would have any. We wanted no sinecures in our government. He wished to learn whether the fact of a man's performing his duties with honesty and fidelity, was to be visited upon him by depriving him of his franchise. He would indignantly repel the charge that the present condition of the country was at all ascribable to the officers of the general government. He maintained that this class of our citizens was as honorable as any whom the gentleman from Allegheny represented. The gentleman had asked for argument on the subject. Now, he (Mr. M'C.) could not conceive how the gentleman could make such a request, when he had himself offered none. The gentleman had, in the course of his speech, used a phrase which had been going the rounds of the newspapers, and that was, that the officers of the general government received gold and silver, while the people received nothing but paper. He would like to put the gentleman right on this subject. He wished to know whether those officers were not sworn to perform their duty, and whether congress had not obliged them, by law, to receive specie only in the payment of the debts of the general government? The gentleman himself, an advocate for the 'supremacy of the laws,' ought to be their advocate and defender, instead of condemning them for faithfully executing the laws of the country.

There had been much said about a caucus, of which it was said—as he had already remarked,—that he, (Mr. M'C.) was secretary. Were there no others who held caucuses? Was there not a caucus in Wilson's room, at Harrisburg, on a Saturday evening? Was not the gag put in our mouths in conformity to the decisions made at that caucus? Gentlemen certainly appeared to have been pretty well drilled that night, if one might judge from the discussion which lasted three or four hours before the gag law was put in force. He had a perfect recollection of some of the incidents which occurred at that time. Did not his friend from the city (Mr. Biddle) break the Sabbath by travelling upon that day, in order that he might reach Harrisburg in season for the direction of that caucus? Did not his friends, from York, (Mr. Barnitz) and Dauphin, (Mr. Henderson) suddenly reach that borough upon Monday morning; and another friend from the city, (Mr. Chandler) on Monday evening? And thus organized, did they not force the resolutions through the convention, although they were not to be submitted to the people for approbation or condemnation, but probably to be sent to Europe to affect the price of stock there.

Mr. M'CAHEN having suspended his remarks,

On motion of Mr. DICKEY, of Beaver,

The committee rose, reported progress, and obtained leave to sit again; and,

The convention adjourned.

TUESDAY, DECEMBER 12, 1837.

Mr. MARTIN, of Philadelphia county, presented a memorial from citizens of the city and county of Philadelphia, praying that no provision may be inserted in the constitution, imposing restrictions on the free exercise of conscience, in matters of religion, which was laid on the table.

Mr. M'CAHEN, of Philadelphia county, presented two memorials from citizens of the city and county of Philadelphia, similar in their import, which were also laid on the table.

SEVENTH ARTICLE.

The Convention again resolved itself into committee of the whole, Mr. REIGART, in the chair, on the report of the committee, to whom was referred the seventh article of the constitution.

The question being on the motion of Mr. STEVENS, to amend the amendment submitted by Mr. READ, by striking out all the same after the words "section 3," and inserting the words following, viz :

"The legislature shall provide wholesome restrictions on all banking institutions within this commonwealth, so as to promote the best interests of all the people."

Mr. M'CAHEN, of Philadelphia county, continued his remarks. He had ever (he said) felt a sincere respect for the gentlemen who occupied seats on this floor, and he felt much regret that any circumstances should have arisen to induce him to reply to any remarks which had fallen from them, in a personal manner. Young and inexperienced as he was in legislative rules, it was likely that he might fall into errors of that kind. This was the first deliberative body in which he had ever the honor of a seat, and if he should be guilty of an error, and wound the feelings of any gentleman by any remarks he should make, most sincerely would he regret the circumstance. But when he found a gentleman of high experience, as a statesman and a debater, wandering from the subject before the committee, and indulging himself in declamation and personal invective, he (Mr. M'CAhen) should, in his reply, be induced to avail himself of all the latitude which had been allowed by the chair.

When the committee rose, last evening, he had just shewn that gentlemen of the opposite party could commit some of these very acts which were considered by all to be improper; and that all the alleged crimes of the democratic party had been perpetrated by those who are opposed to that party.

He saw the difficulty, not to say impossibility, of avoiding the introduction of some matters bearing on the political questions which now agitated the country. The great principles involved in these questions were so mixed up, with those embraced in the subject under discussion, that it was impossible to separate them; and, therefore, he did not complain that gentlemen of both parties had alluded to these political questions so frequently as they had done.

The gentleman from Philadelphia, who had had leave of absence for some time, (Mr. Scott) he felt himself obliged to notice. He felt towards that gentleman the highest respect; and, he hoped that the gentlemanly manner in which he had discussed this subject, although he was occasionally irrelevant, would be an example, which he (Mr. M'Cahen) and others, would imitate. That gentleman had placed himself in a prominent situation as the champion of the banking system and institutions. No one, however, contemplated the annihilation of these institutions. In his (Mr. M'Cahen's) opinion, it would have been better for the country, had there never been any banking institutions; but, now that he found them in existence, and connected with all the interests of the country, he would not consent ruthlessly to destroy them. He made no complaint of the good they had done, but he complained that the rank growth of evil overshadowed the good. It was the duty of every parent to make his offspring as perfect as possible; and so it was the duty of legislation to make perfect the institutions to which it had given existence. The gentleman from the city had stated that a great many of the improvements of the commonwealth had grown up from the aid afforded by the banks. He (Mr. M'Cahen) admitted this fact; but he had seen the dangerous tendency of these corporations; and, although he was young, he had been successful in impressing on his fellow citizens, the necessity of imposing some restrictions, for the benefit of the community and of the stockholders. If it could be shewn that these corporations had brought their influence into the political sphere, for the purpose of operating on the elections, no one would dispute that this was an evil which called for correction.

In reference to this commonwealth, it could not be disguised that they had so interfered, and when it has been found necessary to restrict them, we ought to place them on a ground where they would be disabled from giving such a direction to their influence. If it be no longer a question that these institutions have operated on the public elections, for party purposes, should they not be arrested in their mad career? They form a band and power of no common interest, calculated to revolutionize all the better feelings of society. Inexperienced as he was, he could not have failed to see this.

The gentleman had stated the number of turnpike, and other companies, which had sprung into existence. But there were many gentlemen who objected to giving to associated bodies of men, any rights or privileges

to which they would not have been entitled in their individual character, where an object of great utility could not be accomplished by the unaided means of an individual, it was very proper that there should be associations; but we (said Mr. M'Cahen) contend that these corporations should not have more power in their own right, than is possessed by an individual. And powers have been given to the banking institutions, which renders some reform necessary. Since the governor's message, there are few left who do not favor the idea of some reform, but the difference will then be as to the extent to which that reform should be carried. He was a resident of the county of Philadelphia, and he would say, without fear of contradiction, that when the banking institutions act together, as they did in the matter of the suspension, they exercise an influence more powerful, and more dangerous, than all the influence of all the officers who are elected by the people. He was disposed to go for some restrictions; and, he liked the honest manner in which the gentleman from Indiana treated the subject; he approved the gentleman's system, founded on public confidence, where the borrower and the lender must meet, face to face.

The gentleman from Philadelphia thought it would be productive of evil, that the parties should thus be forced to meet face to face, but this situation was not so trying as that in which a person presents his name to a banking institution, where his request has to be passed on by a board of directors, who are to determine whether it shall be granted or not. When the time for payment arrives, if he is not prepared to meet the demand, it is too late to avoid the consequences, and the reputation of the borrower is injured.

These directors, therefore, have in their power the reputation of every man, who is compelled to become a borrower, and it is too much to say that they are free from human errors, and that in these institutions, they who possess powers will not take advantage of them. Directors themselves, are in the practice of taking credits for large amounts; while the best paper of merchants, for whose benefit these banks are said to be created, to the amount of hundreds of thousands, is rejected—thrown aside, and their reputations are injured, and perhaps destroyed. The banks then ought to be restricted. Here in Philadelphia, restrictions are particularly required. The banks, instead of making themselves useful, exercise an arbitrary and oppressive influence over individual character, and the general currency; and, it is folly to talk of currency regulations while the present practices of these institutions are continued.

The gentleman from Philadelphia (Mr. Scott) had said that the banking institutions had subscribed three millions of dollars, and upwards, since the year 1814, in the shape of bonus, which had been appropriated to internal improvements, and other purposes of general utility. What is a bonus? It is a bribe given to the legislature to obtain from that body peculiar advantages and privileges.

This he (Mr. McC.) humbly conceived was no reason, because the treasury had been tempted with a *bribe*, that we should not now correct the glaring evils which were so loudly complained of. He (Mr. Scott) said that "something must flow out of this country before the precious metals would flow in," and "that the people would not relinquish the luxuries and enjoyments of life, which they imported." Mr. M'C. said,

he regretted that the country was not in the wholesome condition it once was, when our agricultural pursuits reflected honor upon the hardy yeomanry of our land, when the abundance of our crops was the rich reward of honest industry—when we, as a people, were able to send our extensive products to foreign markets, and realize a return in solid money, or its equivalent; he feared that the people would not relinquish the luxuries which they received from abroad; he would be pleased to witness a return to those happy times, when industry and contentment should pervade all ranks and all societies.

He could not agree with the gentleman from the city, (Mr. Scott) that the continuation of five or ten dollar notes among us, would improve our means of paying a foreign debt; he believed that the payment of debts abroad had to be made either in the precious metals or the products of our country—it would have been more prudent if the banks had not afforded the strong inducements for speculation which they had; these inducements had encouraged the most dangerous speculations, and the consequent ruin of many valuable citizens.

He thought that a well regulated banking system was useful to a community; he believed that if banks had never been introduced, we would have been a happy people! But inasmuch as they had grown up with the interests of the country, it was impolitic to destroy them now; but to put the strongest guards around them, in order that they may be useful, and do no harm; he believed that corporated bodies, as they now existed, unrestricted and unguarded by salutary provisions in our constitution, were dangerous to the existence of a republican government, and he appealed with great confidence to every member of this body, and begged them to give this great and interesting subject, that solemn consideration, which, as friends of a republican form of government, they are bound to give to it. These corporations have mixed in all the recent political controversies; their dangerous privileges had been powerfully manifested, and, he warned gentlemen of the other side of the question, those who seemed determined to sustain these institutions with all their imperfections, of the power which they may one day or the other feel in sorrow. It was also evident that concert of action existed among them; look at the suspension of specie payments by the banks, the concerted action was clear. We had been told that the United States Bank was "reluctant" to join in this "unlawful act." Yes, "she struggled to be subdued by force." He objected to the granting of any powers to associations of men, which they could not enjoy in their natural and individual right.

The gentleman from Philadelphia complained that the proposition of the gentleman from Fayette, (Mr. Fuller) would interfere with the rights of individual members, by depriving them of the opportunity of voting. If it had been adopted, it would have interrupted some of his (Mr. M'Cahen's) privileges here. Although he had been a stockholder, he was not so influenced by his position, as not to be able to give an honest vote, in favor of that which was just in principle. The proposition, he regarded as salutary and proper. Let the stockholder be judge or witness, but he would reject him as a juror. He was not competent to be a voter on a question in which he was interested.

The gentleman charged the mover of the proposition now under discus-

sion, with having sprung this amendment in caucus, and that it was the result of a conspiracy. If he (Mr. M'Cahen) understood the meaning of the word conspiracy, it implies a concert of persons for the doing of an unlawful act. The holding of a democratic caucus was not an unlawful act. If those who composed it, saw that the country was in a state of great embarrassment, there could be no impropriety in their meeting together for the purpose of concerting to produce a remedy. Every member was guilty of this impropriety, if it was an impropriety. Your president of this body could not have been elected without a caucus. It had been charged that this was a midnight caucus—but it was held early in the evening. The governor had contrived to obtain the minutes of that caucus, and had embodied them in his message: so that according to the construction of the gentleman, the governor had been guilty of the gross absurdity of presenting in his message, the results of an unlawful meeting. It is to be hoped, however, that the friends of the governor will not cast censure upon him for one of the best acts of his life.

The gentleman from Beaver (Mr. Dickey) was among the loudest to complain "of the insolent hardihood of the party holding a midnight caucus, and preparing a set of resolutions to present to the convention for its adoption." If he (Mr. M'Cahen) did not mistake, that gentleman was the president in a caucus of another complexion. The gentleman was himself a great party leader and rallyer, and it appeared somewhat strange that he should find fault with a caucus.

He (Mr. M'Cahen) could not perceive that the meeting of a few political friends, to exchange opinions, and converse with each other as to the best means which should be employed to correct the great evils of banking, was to be construed into an act of insolent hardihood. The gentleman had charged him, (Mr. M'Cahen)—an officer of the post office department—as being the secretary. He did not know that he was secretary, but he was present, as he had a right to be, and he could say that the result was not so exceptionable as that of the other caucus, which led to the calling of the previous question, on an important resolution, and stopped the mouths of its opponents forever.

Perhaps, sir, if the meeting at which the gentleman from Beaver presided, had not been held on the 24th, we might have had some general discussion; but, there were those in the management of the concerns of the party who knew the great value of silence on some occasions. Discretion they knew to be the better part of their valor. They thought it imprudent to hazard a general discussion, on a delicate subject, involving so many interests which were closely interwoven with their own. Hear, sir, the convocation of the caucus and its results: The result of that caucus, sir, was to close our lips, by virtue of the previous question. It was there determined that the discussion should not be allowed, and a member was deputed to move the previous question, which was sustained by the party, and the debate was cut off.

It was thought, by many gentlemen, to be idle to institute an inquiry into the conduct of the Pennsylvania Bank of the United States, and to investigate the truth of the frauds alleged against it. If it was so idle and absurd, it was so only on account of the difficulty of making full and legal proof of the truth of the charges. It was not very likely, sir, that legal and technical evidence could easily be found to sustain the allega-

tions, however strong might be the circumstantial and moral evidence. Gentlemen did no more than they had a right to do, in pleading not guilty. Every criminal is allowed by the laws of the land, to plead not guilty. No one is to be legally guilty until he be convicted. But, the moral presumption of innocence is not in every case equally strong. In this case it was particularly weak and the legal presumption was especially fortunate for the parties accused. The accused, in this case, may go to trial. They may appeal to the people. We will bring circumstances and facts, to shew that there was a fraud in the mode employed to obtain a charter from the legislature for the Pennsylvania Bank of the United States.

If we make this appear clearly to the people, there will be no difficulty in our getting a verdict of guilty. The people will not demand technical evidence. Before them there can be no quibbling nor shuffling. They will look to the morality of the transaction, considered in all its particulars and in all its bearings. Direct evidence of legal fraud is not requisite to sustain such charges against the institution as ought to avoid its charter.

The people know very well, that when a man goes to commit burglary, he takes with him no witness to the transaction. But, nevertheless, sometimes the truth will come out. There are trains of circumstances, and of moral causes and effects, which are so connected as to make it easy, in most cases, to detect the crime and its perpetrators. Here there were the strongest circumstances staring us in the face, all going to shew that at least a moral, if not a legal fraud, had been committed against the people of Pennsylvania. It cannot be denied that the deed was done in open and flagrant defiance of the known will of the people of the commonwealth of Pennsylvania. That alone is a very strong fact in evidence. The motive which induced the procedure is another consideration. It is difficult, but not impossible, to search into the motives of human action. In some cases, the motive may be as palpable as the act itself.

The Spartan band, as we well know, did come out in favor of the bank charter, and it was a step that required uncommon hardihood of purpose, and very strong promptings. They gave no common charter. It was throughout an extraordinary transaction. They made it the more so by granting a charter with such powers and privileges as were unknown to the institutions of Pennsylvania, and which, indeed, were without precedent, in the civilized world.

I will not ask the gentleman from Beaver what he made by it:—what lands, if any, he bought and sold in consequence of it. He best knew all that himself. It is not to be supposed that it is in my power to prove any thing in relation to the profit which he actually derived from the transaction. Those who participate in fraud, will not, of course, confess it, but the circumstances of the case may be strong enough to prove it to the satisfaction of every one. There is ample proof of one thing, sir;—that this bank charter was a fraud on public opinion,—a fraud on the democratic majority of the legislature,—a fraud on the constituents of those gentlemen who took part in the measure, and whose wishes were thus set at naught; and, sir, let me add, it was a fraud on the consciences of those members who thus voted. The very individuals, sir, who had,

until that time, been loudest and most earnest in opposition to, and denunciation of, the bank, voted for this most extraordinary charter. Was there any excuse, sir, for such a step, on their part? Have they even made any explanation which afforded the shadow of justification for such a step? Will it be said there was any necessity for an institution with such an amount of capital? Why, sir, not one fifth of the capital is employed in this state, or was expected to be. But, why should they consent to clothe the corporation with such powers? Do they know of any precedent for it? Did they suppose that it would comport with the feelings and principles of the democracy of Pennsylvania, to which they professed an attachment, to create so vast and irresponsible an institution, at a time, too, when it was the general and the anxious wish of the people to place some limit to the extent and to the overgrown power of the banking system?

What are some of the extraordinary provisions which these gentlemen, composing the Spartan band, consented to embody in a bank charter? In the first place, they allow the bank an increased amount of capital. As a national institution the bank had thirty-five millions of capital, five of which belonged to the government. The five millions were added to the capital stock to be held by individuals. As a state institution, then, it was necessary in the opinion of these gentlemen, that the bank should have five millions more of individual capital, that was necessary to it, as a national institution. In the next place, the charter is irrevocable. It cannot, like some other charters, be revoked by the same power which granted it, whenever it shall be found injurious to the public interests. In addition to these extraordinary privileges, the bank charter is to continue for thirty years; by which time, it was probably presumed that the institution would have such complete control over the state, that it could render itself perpetual. The bank, too, sir, has the power, by implication, at least, which it is exercising in various parts of the Union, of dealing in stocks, and in merchandize. These are some of its chartered rights, which were stolen from the people, and which we declared to be inviolable.

The faith of the state is said to be pledged to maintain the inviolability of such a charter, and of a charter too, that was obtained in opposition to the will of the people, and by fraud. We cannot, it is said, produce the evidence of the fraud. True; but we offer to produce circumstances which are too strong to admit of a doubt, that there was gross fraud in the granting of this charter. I believe, sir, that if the committee appointed by the legislature to investigate this subject, had done their duty, they would have brought in a bill to repeal the charter of the bank. The legislature should have passed a repealing act, and then thrown themselves upon the evidence before the community, and left it to the decision of the people.

That would have been the just and proper course. If the people did not sustain the measure, the bank could have been reinstated in its power and glory. But they would have sustained it, and so the committee well knew. It was not deemed prudent to give the people a chance to express their opinion on the subject. So it is in this body; no provision will be agreed to here, which will put it in the power of the people to recover

the rights which have been filched from them. If the charter of the bank were repealed, it would be easy to return to the corporators the bonus which was paid to the state. That being returned, the bank would have no claim on the score of contract, with the people of Pennsylvania. It has been said by some, that the people of Pennsylvania had assented to the charter of the bank, since it was granted, and approved of the course taken by the legislature, in regard to it.

But this, sir, assumes what is not the fact. I have yet to learn that the people of this commonwealth have ever consented to the charter, or approved of the indifference and neglect which the legislature have manifested on the subject.

The proceedings of this bank, during the last year, are worthy of some remark, in connexion with the character of its charter. It has already shewn its strength and its great capacity for mischief. Its strength has not been used, in the late crisis, for the preservation of the currency, nor for the maintenance of its own credit and good faith. It has neither discharged its own obligations, nor used its influence to encourage and aid other institutions to fulfil theirs. It did not, indeed, lead the van in suspension, and of this circumstance its friends, very properly, make much boast, but it has put itself in front of those who oppose a resumption. With a discount line greater than that of all the other banks put together, she could, sir, have kept them all in check. She can control all the other institutions in the state. She can destroy them all. They dare not enter into a combination against her, while she is a combination within herself. Her influence extends beyond the limits of this commonwealth, and combines the banking interests of the country. We have been told here, by several gentlemen, that the Bank of the United States, assented very reluctantly, to the suspension of specie payments, and that she struggled hard to prevent it.

The President of the bank says, that, if he had consulted the strength of the institution only, he would not have suspended, but he would have us believe that he suspended out of regard to the public interests. We are told that the Bank of the United States, struggled against the necessity of the measure, which was thus urged upon them by considerations of public interest, and that it was the last bank that assented to the suspension. I have no doubt, sir, that this necessity was very agreeable to her, and as little doubt have I that she could have prevented a general suspension. Certain it is too, that by her vast credit and influence, she could have rendered important assistance towards effecting an early return to specie payments. But, instead of that, there is reason to believe that she will endeavor to prolong a state of things, which to her, is very profitable.

The gentleman from Beaver, sir, talks of corruption at Washington, and of slavery to the powers at Washington. He alludes to me, as I understood him, as an office-holder, and a slave to powers, and as, of course, a champion of the corruptions which he ascribes to the government at Washington. Corrupt minds, sir, are always suspicious of corruption. Those who are always engaged in political intrigues, are apt to suppose that others are in the same way employed. The profits of such occupations are best known to, and appreciated by, those who have the most labor in them. For my part, I am no slave to the powers at

Washington or to any powers elsewhere. I stand here among my constituents, and as their representative, and I should despise myself, if I would be influenced to desert their interests, by any power, either abroad or at home. I am under no obligations to the gentleman from Washington, sir. I have fulfilled my trust which was reposed in me. The duties of my office, I have faithfully and laboriously discharged. For every dollar that I have received from the government, I have rendered an ample equivalent in my personal labor,—and, sir, the laborer is worthy of his hire. I am as independent of the government, sir, as the government is of me; and whenever my office shall interfere with the proper discharge of my duties, as a citizen of this commonwealth, I am ready to resign it.

Mr. DICKEY rose to explain. He had not, he said, alluded to the gentleman from the county, as an office holder. In speaking of officers of the general government, he had not intended to include the gentleman.

Mr. M'CAHEN continued. Oh, yes, the explanations are very well. They come with a good grace; but when the gentleman assails my family, I have a right to defend it. I have not assailed any one. It is not my habit. But I hold myself at all times in readiness to resist assault.

In regard to the matter of holding office, sir, under the general government, I am not aware that a government office carries with it any moral disability, or any disgrace. I do not know that the gentleman from Beaver has ever wished, or will ever take an office under the general government, but, if he should take such an office, I do not believe he will be disgraced by it; and if it made him a corrupt man, I should sincerely pity him.

Sir, though office holders, we are not slaves. We are too small a body to separate ourselves from the people, and to their interest, we are as warmly attached, as if we held no office. For myself, I consider my situation as a member of this body, as vastly more important, than the office which I hold under the government, and if my office interfered with the discharge of my duties here, I would resign it.

I believe the gentleman from Beaver once held an office, under the state government, and I put it to his experience, to say whether he was corrupted by it or not; whether he was improperly influenced in his conduct as a citizen, by his official relations.

I understand the gentleman to say that the government has exerted an influence to prevent the banks from resuming specie payments. This is another extraordinary charge, coming even from such a source. The government pays specie itself. They set the example, and if the people will not support them in it, they cannot help it. The government pays its own debts in specie, and if the banks will not pay theirs in the same medium, it is not the fault of the government.

The resolution which I offered in relation to the bank, said Mr. M'Ca- hen, was one merely of inquiry into the fact, whether it was in the power of this convention to place before the people of this commonwealth, for their decision, the question whether they would modify, repeal, alter, or restrain the charter of the Pennsylvania Bank of the Uni-

ted States. That was all. That was the head and front of the proposition which created so much alarm and excitement, and the very discussion of which would, it was said, tear up the foundations of commerce and credit, and put the currency in such a state of derangement, that it could never recover. The only thing proposed, was an inquiry, by a committee, and the discussion of this proposition was thought so dangerous, that it was voted, in whig caucus, to seal our lips, and put a stop to the debate.

But the gentleman from Adams, (Mr. Stevens) said it must be discussed, and that it should be discussed. The president of the bank too, had insisted that here the question should be settled, and it cannot be settled without discussion. I hope that when my friend, the gentleman from Adams, returns, there will be a discussion here on the great topic of vested rights. I trust that his voice will be heard, as he declared that it should be, upon the subject of vested rights. We can then consider these rights and see what they are. We can examine into the charter and see what the rights are which it invests in this institution. The Bank of the United States is invested with power to monopolize the cotton trade, to establish dry goods stores, or hardware stores, or to interfere with any private pursuits. When we come to a discussion of the great interests of the country, we shall see how far gentlemen will maintain the right of the legislature to grant such a charter. We shall see whether gentlemen will maintain that such rights as these can become vested in any institution. Let us see who will advocate seriously and in open discussion, a charter conferring such enlarged powers upon a bank—powers heretofore supposed to be beyond the limits of legislative grant, or of legitimate banking. These are privileges which give the bank an opportunity to embarrass and discourage individual enterprise, and it is well worthy of the consideration of this body, whether it is the policy of a republican state, thus to palsy the industry of its own citizens. These powers are dangerous and ought not to exist, and I still trust that the convention may come to that conclusion. If they do not, the people assuredly will. Well may the advocates of strong governments be in favor of such an institution. A better means could not be devised by them to tie up the hands of the people; to render the government all-powerful. In a state where such institutions are tolerated they will soon make an essential part of the government. The people will have no independence, and no industry. They cannot move hand or foot, except as servants of the bank. The bank will engross the arable lands, the mines, the commerce, and every other source of profit in the country. The people will be nothing; the bank every thing. The people will be mere serfs,—contributing, by reluctant labor, to the wealth of their lords and masters. It is very possible, that some gentlemen, whose predilections for a powerful and splendid government have been often displayed, may approve of a charter granting such powers, and may hold that such a charter is as irrevocable as the title deeds of the independent farmer to his land. But that, I trust, will not become the general sentiment, either here or among the people.

The gentleman from Beaver, (Mr. Dickey) says he honestly believes that the people do not desire the repeal of this charter. I do not question the gentleman's honesty; but, if he is sincere in this belief, I humbly think he is greatly mistaken.

The bank was chartered at the session of 1835-6, and, at the election in 1836, a large majority of those opposed to the bank, were returned. From one end of the state to the other, the press rung with denunciations of the measure. It was esteemed as a fraud upon the people, and a fraud that ought not to be tolerated; a greater sensation and a more painful, was never produced in this commonwealth, by any public event. The people felt that their dearest rights and privileges had been sold to a foreign corporation, and sold for a mess of pottage. Are they to be told that the charter is irrevocable; that, as a vested right, the charter cannot be taken away, any more than their own title deeds? I contend, sir, that this charter is repealable, and that we have power to repeal it. The people, I think, will never surrender that part of their natural rights, which enables them to protect and maintain their liberty and independence, though they may yield much else. They know of no evil which is so great that they cannot meet it at the ballot box. Where the necessity is imposed upon them, of resorting to force to remedy the errors or the frauds of their representatives, then the government is revolutionized, and it resolves itself into its original elements. Suppose the members of this body should choose to confer upon some corporation the exclusive right of dealing in merchandize, would not the people rise up against it, and prevent the act from taking effect. The charter of the United States Bank, stands upon the same footing. The legislature had no moral right to grant such a charter, nor can the people be constitutionally compelled to abide by it.

The gentlemen from Beaver, and from Allegheny, ask us, if we are afraid to trust the legislature. Yes, sir, we are, when they assume to go beyond all constitutional and moral restraints, and to act only upon selfish motives. That is not the sort of legislative action that we can trust to. What is the use of limited and written constitutions, if the legislature are to be trusted to do what they please? But these gentlemen say that they can trust the legislature, and assert that they are trust-worthy. So they are, when acting within their legitimate sphere of power.

But, after all the evidence that has been offered here, by gentlemen of all parties, as to the character of the legislature, the idea of their incorruptibility ought to be abandoned. Those who have been members of that body, and had much experience in it, tell you that they do not confide in its wisdom, or in its integrity. They make it appear as a very suspicious sort of body, and far from being implicitly to be relied on. As one example of the trust-worthiness of the legislature, it is stated here, by those who have been its members, that it is almost impossible to get a bill through it, without the aid and influence of that class of men called "bozers," whose business it is to flatter, cajole, treat, and, perhaps, bribe the members, into such measures as they approve. These are the men who procure charters for banks, rail roads, &c., and, who offer for every vote they get, a consideration in some form or other. It is also told us of the members of this body, that, in order to get a small improvement in the vicinity of their property, they will throw a vast amount of public money, into useless works. We have proof, then, that the legislature are not incorruptible, and that the legislature ought to be restricted. They ought to be restricted from bartering away the rights of the public for their own advantage. They ought to be kept in the proper path as far as possible, by constitutional restraints; and then, as a further guaranty of

the liberties of the people, there should be no irrepalable laws. I do not think there are any; and will not agree that the people have ever assented to such a doctrine. But we have proof that the legislature is occasionally guilty of many aberrations from propriety, which prove the necessity of restricting them. It is said that they have passed bills for far different objects than those expressed in the titles of the acts. A bill was introduced in the house of representatives, entitled an act to open a road in Bedford county; and before they had finished it, it became a bill to divorce a man from his wife. Every bill ought certainly to express on its face its true purport, and stand on its own merits accordingly. But to provide for this case, would be a restriction of the legislature, such as we contend that we have a right to make. The words of the charter of the Bank of the United States, were put in a bill, after its provisions were nearly gone through with; and, but for this violation of those rules of legislation, which are intended to guard against party and concerted action, the charter could not, probably, have been procured.

I am opposed, sir, to the amendment of the gentleman from Adams. It means nothing or anything. The legislature may construe it as they please, and it will be no check upon them. If the object of the amendment be to restrict banking, it will fail. I agree with the gentleman from Beaver, that improvements in banking have been, and will be made. I hope that late and better experience will suggest many important improvements. While we have power over them, while they are yet not too strong for us, we must restrict them.

The amendment of the gentleman from Susquehanna, (Mr. Read) will have some good effects. It will restrain the banks from flooding the country with small and irredeemable paper, and give some stability to our paper system. We ought to render the system as perfect as we can, while it is yet in our power. What good, it is asked, will it do to restrict the banks from issuing notes of a less denomination than ten dollars? I say, in reply, that to the poorer classes of society, which we ought to protect, it will do immense good. The loss of five dollars, by a broken bank note or a counterfeit note, is, to a laboring man, the loss of a week's labor. It is the deprivation of his family of the ordinary necessities of life for a week. The next effect that the restriction will have, is in the greater abundance of silver and gold that it will bring into the currency. Gold speaks a universal language. A gold coin is understood by all men, of whatever nation or tongue, and not in English or German only. The Germans do not understand your paper money. Suppose a poor man, perhaps a German, comes to pay his rent with a five dollar note, which has been passed upon him, and which proves to be a counterfeit, in what a situation does it place him. He is told that it is bad, and he endeavors to find who gave it to him and recover the amount. The very exertions which he makes to recover the loss, subjects him to the suspicion that he attempted a fraud. Though not a lawyer, I have witnessed the vicissitudes and trials of the poor man in your courts. The poor man, from the mere fact of his poverty, is often subject to the suspicion of attempting to pass bad notes, when the notes have, in fact, been passed upon him. I know how easy it is to get the conviction of a poor man for passing counterfeit money, and even his previous good character will avail him nothing. There are other weighty reasons, why this restriction should be imposed

upon the banks. It would enlarge the specie basis, and, by that means, give stability to the currency, and enable it to withstand the sudden shocks occasioned by great revulsions in commerce. It will carry out the policy in relation to the currency, which many of the state governments, and also the general government, have wisely begun. The only way to make the paper system tolerable, is to secure the convertibility of the paper into gold or silver at pleasure, and the measure will have a tendency to facilitate that object, by keeping specie in the country. The demand of specie, for the purposes of currency, would alone serve to enable the country to resist a sudden draft upon it of the precious metals.

I believe, sir, that the measure will prove a salutary improvement in the banking system. The legislature I can trust to make all the necessary improvements in the system. Two bodies are barely adequate to the task of regulating such a subject, especially when they meet and act under the pressure of party excitement. It will then be found impossible for them to agree upon any thing. I trust that we shall have some such amendment as this. I hope the good sense of this convention will induce them to adopt the amendment. I am glad, to hear from the gentleman from Beaver who last spoke, (Mr. Agnew) that he is in favor of some restrictions on the banks, and that he thinks that the legislature have made some improvements in legislation on the subject. I cannot agree with him, that improvements have been made. If improvements they can be called, they are bad ones. If they go on in the same course, adding of millions to the bank capital, and increasing the powers and privileges of the banks, they will bring ruin and destruction upon the commonwealth.

We shall, I fear, unless we adopt some restraints, soon have more ample cause to cry out against them than we even now have. I am not an indiscriminate opponent of the banks. I am not disposed to put down all banking institutions. I wage no war of extermination against them. I have witnessed from them some good effects, and wish to prevent their ill effects. But, if the friends of the banks insist upon having them as they are, and, if the only question to be presented us, is between keeping them as they are and destroying them, I go for their destruction.

Mr. FULLER, of Fayette, rose and said that he had intended, when this discussion first commenced, to take some part in it, but, as it had been protracted for fourteen days, he had been, in a great measure, anticipated by others in what he wished to say.

His anxiety to get the floor yesterday arose, not from an expectation that he could enlighten or entertain this committee by any remarks on the subject before it, but principally for the purpose of answering a remark which fell, the other day, from the gentleman from Philadelphia, the President of this convention. That gentleman was not now in his seat; but, as he might not have another opportunity, hereafter, to address the committee on this question, he would say a few words now.

But, before he noticed anything that had fallen from that gentleman, he would advert to the very deep anxiety which was felt by the people of his district, in reference to this subject. This was a subject of reform that his constituents had more at heart than any other. They desired that there should be some restrictions, to prevent legislative encroachments upon the rights of the people of this commonwealth. He would

state this to be the feeling prevalent in his district, although he was aware that, in making any statement of the kind in this body, he was liable to contradiction. When the gentleman from Susquehanna, (Mr. Read) made some statements, the other day, in connexion with the subject under discussion, the President rose, and declared that he disbelieved him; and this fact is well calculated to prevent me from delivering any opinion or making any statement on this floor.

Mr. SERGEANT (President) explained: If the gentleman from Fayette had done me (said Mr. Sergeant) the justice to listen to all that I said, or to state correctly what I did say, it would not have been necessary for me to offer any explanation. I said that I did not believe the charge which the gentleman from Susquehanna made against some banking company in his county, because, those against whom it was made, were not here and ready to defend it. But I said that I had no doubt that the gentleman himself believed it to be true. I asserted, on this occasion, a principle on which I always act—never to believe a charge unless the accused be confronted with the accuser, and have an opportunity to answer it. In that sense, I still say, that I disbelieve all accusations that are unaccompanied by proof.

Mr. FULLER resumed: I accept the explanation, as I am bound to do. But what is it? That the gentleman does not believe the charge, because no one has proved it. That is a doctrine that may be held by a portion of this body, but it is not a democratic doctrine. I always understood that it was the duty of representatives, to state fairly the wishes and feelings of their constituents, and facts in relation to the same, and that it was the duty of the body before whom the statement is made, to believe it, unless proof be offered to the contrary.

This, sir, is my idea; and, in pursuance of it, have I ventured to express my views on this very important subject. I shall sir, (said Mr. Fuller) speak here what I believe it to be my duty to speak to this body, in behalf of the opinions of those whom I represent. What is the question before this committee? It relates to the important duty of this body to make such provisions as will secure the prosperity and the rights of the whole people of this commonwealth. It is plainly and simply this: whether this grave convention, assembled to make amendments to the constitution, will place such a limitation on the powers of the legislature, as will require them, in granting charters to corporations, to restrain such corporations, for the good of the whole people. This is the question before us, and truly it is very simple.

The legislature has now, in virtue of the constitution of 1790, full and unrestrained power over the subject. No one disputes it. Why should not proper restrictions be imposed on them. The question recurs, whether such restraints are proper and necessary, or not. How stands this matter? The gentleman from Franklin, who addressed the committee lately, at considerable length, said that this was nothing but a political question—a democratic hobby—a question introduced here by democratic demagogues, for the sake of keeping up a party excitement here, and in the state generally. But, is this a fact? Look at the file of resolutions. There are there eleven resolutions, which were offered by eleven different members of the convention, all proposing restrictions upon the action of the legislature. Five of these resolutions were, as I find, offered by gentle-

men belonging to what I call the federal party. Yes, sir, I find that five of those who act with that party, have themselves proposed to restrain the legislature in relation to different subjects.

The gentlemen from Franklin, from Allegheny, and from Beaver, and all who hold themselves as advocates of the banking system, say that this is a party question; but they have never yet marched up to the line, and declared that these restrictions are not necessary. One of the members from Beaver, (Mr. Agnew) acknowledged that some restrictions would be necessary and proper—such as rendering the stockholders in the banks, liable for the debts of the bank. But the gentleman from Allegheny, (Mr. Forward) and the gentleman from Franklin, (Mr. Chambers) believe, if we may take the general scope of their remarks as an indication of their opinion, that no restrictions are necessary, and, whether necessary or not, ought not to be adopted. They do not, however, distinctly and explicitly make this avowal. Now, when five gentlemen of the opposite party declare the opinion that restrictions are necessary, and put this opinion on record upon the files of the convention, in the most formal manner, and when the democratic party also are of opinion, without a dissenting mind, that restrictions are necessary and proper, what can be the obstacle to their speedy adoption. Adding the five votes of the opposite party to the votes of the democratic party, we have an aggregate of votes which form a majority of this body. Why then do not those who oppose the amendment of the gentleman from Susquehanna, come forward, and toe the mark? Why will they not say that all restrictions are unnecessary, and that the powers of the legislature over this subject ought to be absolute, as they are, if such are their real sentiments. They evade the question, and they cannot be brought up to it. Why do they persist in giving as reasons, for their opposition to this amendment, and to any similar restrictive provisions, every reason, except their real and true reason? They will not acknowledge themselves as friends and supporters of absolute and unrestrictive legislative power over the rights and interests of the people, but their whole course of action here justifies the belief, that such is the position that they have taken. We cannot, within any reasonable time, get the question upon this proposition, if those gentlemen continue to pursue this course. We can, at no time, get a decision without applying the gag. That, however, will not be resorted to by those who are in favor of the proposed restrictions, for they believe that the cause which they advocate will be promoted by free and full discussion. They wish the people, out of this hall and in it, to hear the argument, and to decide the question.

The time has come, sir, when the people of this commonwealth will demand their rights. They have long been patient under the abuses of legislation, and other powers of their state government; and it is time for them to recur to first principles—to look to the republican standard which, like the specie basis of the country, appears to have been lost sight of, by those who have, of late, made and administered the laws.

What is understood, sir, to be meant by the equal rights of the people of the commonwealth of Pennsylvania. Are equal rights merely the right of voting at elections, and of choosing officers and representatives? Do equal rights consist, in merely going to the polls, and in choosing an

equal representation for the legislature? Is that all that is to be understood by equal rights? No, sir, much more than that is necessary to the enjoyment of equal rights and privileges. Equal legislation, sir, should be meted out to all. To have equal rights, is to have fair legislation dealt out by judicious and equal enactments, to every member of the community. Have we had equal legislation on the subject of corporations? I deny that it has been afforded to us. Equity and justice have not been dealt out to all the citizens of the commonwealth, in relation to the subject of corporations. In the first place, exclusive corporate privileges have been conferred upon some citizens of the commonwealth, and especially upon banking companies, to the manifest injury of the great body of citizens. Is this equal legislation?

Well, sir, it has been shown in this committee, since the debate commenced on this subject; and it was known to every member who was intimate with the banking system—which he did not profess to be—but he had it from those whose word was not to be doubted, and from stockholders in banks, that they receive more than six per cent on the money they have invested in those institutions. In fact many of them receive from ten to twenty per cent. Well, sir, if one class of citizens have the privilege of receiving twenty per cent for their money, by legislative enactment, while another class are prevented from receiving more than six per cent, is it equal legislation? Is it fair? Is it meting out, by legislative enactment, that justice which it should be the duty of the legislature to mete out? Is it preserving that equality among the citizens of the commonwealth, which should be the boast and pride of every republican government? He took it that it was not. There was another objection to the present banking system, which appeared to him to be more tangible and more convincing than any he had yet named, and it is this:—There is a law of the commonwealth which compels every citizen in his ordinary transactions, to pay his honest debts, so far as he has property to do so.

Well, sir, is this the case with the banker? Is he bound to pay as far as he is able? Not at all. He only pays to the amount of the subscription of stock which he holds, and great frauds upon the public have resulted from this state of things. In many of the institutions in the west, the stockholders of the banks had borrowed out of them, through their agents and with their influence, ten times as much, as the amount of their stock, and the institutions, in consequence of injudicious management, have failed; and, what has been the result of those failures? Why the result has been this, that those stockholders, who had borrowed such enormous sums from the banks, have bought up the paper of the institutions at a depreciation of from twenty-five to fifty per cent. They purchased the paper of the banks when they were proclaimed to be insolvent, and paid off their debts, at a profit to themselves of from twenty-five to fifty per cent. Well, sir, who was the loser by this operation? Who lost money by this state of the affairs of those banks? Why, sir, it was the honest, hard working farmers, mechanics and laborers, who were the losers principally, because it was principally in their hands that the notes of these institutions were to be found.

The honest and unsuspecting were the losers, while the cunning bank-

ers were the gainers. Is this fair, equal and just legislation? Will any gentleman in this hall say that it is? Will any man of common sense say that it is? He thought they would not. We, sir, must look with serious apprehensions to those alarming stretches of legislative power; because we know not, but the right of suffrage may be at stake. We know not, but it may be made a matter of little advantage to those who are without the pale of incorporated companies. If the rights of the people can be restricted in one point of view, they can in another; and we have cause to fear, if some restrictions are not placed upon the legislative power of the commonwealth, in the granting of exclusive privileges, that it will not stop where it now is. It will not remain as it is at present, but corporate power will be asked for to carry on almost every business of life.

The gentleman from the county of Philadelphia, (Mr. Earle) he presumed, was desirous that this should be the case, as he appeared to be anxious that even the farmers of the country might be incorporated. Now this was a matter which he wished to see brought to the notice of the people of the country. He wished the farmers of the country to decide as to the expediency and propriety of extending corporations to this degree. He believed the people of the country would judge of it, and judge correctly. Yes, sir, they will judge and decide upon this question and decide correctly, let us decide it here as we may. He would therefore now say that the legislation on this subject was not just and equitable legislation; and it was not in accordance with the spirit and meaning of the full and free exercise of the right of suffrage; consequently, it ought to be corrected.

In relation to the whole banking system, it might be said to be a necessary evil. He believed, in the situation in which the country was now placed, it was absolutely necessary that we should continue the banking system under guards and checks. It was not necessary at the time the banking system was commenced, it has become so since. We cannot reject it. We cannot retrograde on this subject. We cannot go back and cut up the banking institutions, without producing great disaster and distress in the country; and there is not a gentleman in this convention who advocates such a course, or who believes that it can be done with safety to the country. But this was not the question before the committee. The question before the committee, is, as to whether we can impose such restrictions upon the legislature, as will prevent in future the granting of exclusive privileges to incorporated companies, which appear to be at variance with the best interests of the whole community; and what is the proposition of the gentleman from Susquehanna? Why, sir, that proposition is to restrict all banks in the commonwealth of Pennsylvania, and prevent them from issuing notes or bills of a less denomination than ten dollars. Is this then going to cut up the whole system by the roots? Will it be pretended by the gentleman from the city, (Mr. Scott?) Will it be pretended by a majority of this committee? or, will it be pretended by any one member of the committee—except perhaps the gentleman himself—that this amendment will have the effect of destroying the whole corporate system, and that all the banking institutions of the commonwealth will be destroyed by the passage of the amendment? Has the gentleman shown that this will be the effect of it? No.

sir—he has failed to show it. He has avoided it and has not even attempted to show it.

It was, in his opinion, all important that this provision should be imposed on the legislature, as one restriction; but alone, it would be insufficient. It is only one step towards restricting them, and must necessarily be followed up by other restrictions. So far as it goes, however, it will be very salutary. It will not only be the means of giving more security to the laboring and mechanical classes of the community, in furnishing them with a better currency, and a currency more sound and convenient, but it will have a tendency to restrict the profits of banking institutions, and prevent them from making large over-issues, because the five dollar bills are most in use in the country. They are most convenient, consequently, they are more in demand. This amendment therefore was laying a restriction upon the banking institutions in a two fold point of view. It is a restriction for the accommodation and safety of the laboring and farming portions of the community of Pennsylvania, who are not good judges of bank paper, and who are frequently imposed upon with counterfeit bills, and it will have a tendency to lessen the issues of the banks, and be a protection to the commercial and trading portions of the community. The laboring and farming portions of our country, are more capable of judging of gold and silver, than bank paper, therefore, they ought to be enabled to obtain it for all transactions in their line. Therefore, it would be a great advantage to them to have the circulation of all notes under five dollars prohibited, and that measure would tend, in a very great degree, to lessen the issues of banks, which would also be of great advantage to the community at large. Because it has not only been admitted by members of this convention, but it had been admitted by nearly every one who had spoken or written on the subject, that our present difficulties were brought upon us, in a great degree, by the over issues of the banks.

It was true that some attributed it to one source, and some to another, but all agreed in the fact, that the over issues of our banking institutions had brought the derangement of the currency upon us, to the extent which we have it deranged. If this was a fact, as he had no doubt it was, it would have some tendency to lessen the evil, and it will be an advantage to the community on that account. Now he would appeal to the experience of every gentleman present, and ask any member of the committee to say whether this will not be a proper restriction to impose upon banks. He would ask any gentleman, what injurious consequences could result from prohibiting the circulation of bills below ten dollars? He thought from the past experience of our country, no such idea could be entertained. It was true, that the gentleman from Franklin had said, that the small bills of other states will be brought into circulation in this commonwealth, if we prohibit the circulation of our own five dollar notes. Well, how stood this fact. When the legislature of 1827-8, prohibited the issue of bills of our own banks, of a less denomination than five dollars, they, at the same time, prohibited the circulation of bills of a less denomination than five dollars from other states. And has this not been a sufficient check to the circulation of bills of a less denomination than five dollars; and has there been any inconvenience on that account? No sir—the experience of every gentleman must testify to the contrary.

The passage of that law had been of great advantage to the community, and since that period, no difficulty had been experienced in making change. Change was plenty in every store, every workshop and every tavern. Every where gold and silver was plenty: and so it would be, he took it, if all bills below ten dollars were put out of use in Pennsylvania. If five dollar notes disappear, the vacuum will be filled up with specie, as had been the case heretofore, when small bills were put out of circulation. As to the other part of the proposition of the gentleman from Susquehanna, prohibiting the circulation of all bills under twenty dollars, after the year 1842, he had some doubts on the subject. He doubted the expediency of adopting that measure at present, and he was rather disposed not to go for it. He believed that prohibiting the issue of all bills under ten dollars was as far as we ought to go, at present. From the experience which he had had—which was very limited to be sure—he believed that, in the situation in which we were now placed, the introduction of such a provision in the constitution, might result in great inconvenience to the people.

We are not now prepared to adopt such a provision, and we know not what may take place between this time and the year 1842. The prohibiting the issue of bills under ten dollars, however, had been proved by experience to be a provision which would not result in inconvenience to the people; and he had no doubt but that it would be a wise and salutary check upon the issues of the institutions. The interests of the stockholders would, by this provision, doubtless be curtailed, and if it would have this effect, it will have a good tendency. And how were these restrictions to be effected? It appeared to him that, so long as corporate influence was carried into your legislative halls, so long will salutary restrictions be avoided. It appeared so to him, and not only to him, but it had appeared so to others. There appeared to be an infatuation on the part of many which bound them and led them aside, and decoyed them from the true interests of the whole country, and who can deny this? Sir, we are the creatures of habit: temptation is frequently too strong for us; and it is to be feared that this temptation is frequently too strong and too overpowering for the prosperity and welfare of our country. He had therefore introduced the resolution which was to be found on your files, declaring a party interested in banking institutions, a person not competent to vote when restrictions on the banks were proposed to be made. He believed that the people had for years desired restrictions to be imposed on corporate powers, yet members failed to represent their wishes in the legislative halls.

When men were elected from the atmosphere of banks, they seldom failed to favor bank interests. From the experience he had had as a member of the legislature, he had generally found that those persons elected from districts in which banks were located, immediately raised their voices in opposition to any restrictions on banks. There appeared to be a feeling that directed the interests of members who were under the influence of banks, and why was this so? Why was it that men were thus influenced? That question was easily answered. It was the same with this, as with every other transaction of life. Interest seemed to lead men, and lead them astray; and for this reason he did propose, and he proposed it, believing it to be a proper subject for the convention to take into

consideration, the resolution he had before alluded to, which the gentleman from the city of Philadelphia, had been pleased to denominate a "democratic despotism," and a "democratic despotic measure." He however begged leave to deny the assertion of the gentleman. There was no despotism in it and nothing like despotism in it. He would ask that gentleman as a lawyer, whether he would be willing to have a juror placed in the box, to try a cause at issue, where the interests of the juror and his client came in conflict; and where the interests of his client would be operated upon by the interests of the juror in the box, and by the decision which he might make, one way or the other? He apprehended that the gentleman would agree with him, that such juror was not a fit person to sit in the case. He would further ask that gentleman and every other member of this committee, in the case of a representative in the legislative halls of Pennsylvania, having a farm or piece of land through which a canal or rail road was about to pass, or had passed, and where he believed his property injured, and where he was applying for damages, whether it would be proper for that individual to vote upon that question? Why, sir, if he was to vote upon it, it would be contrary to every principle of equity. Common sense and justice say that he ought not to be a judge in the case. He is an interested person, consequently he ought not to vote in the case. It was his privilege to advocate his claim, and debate it, but it was not his privilege to vote upon it, and decide it. And in proof of this, he would refer to the gentleman from Allegheny, on his left, (Mr. Forward) who, in advocating the tenure of judges, had declared that no man should be a judge in his own case. He had said that there were fears, there were assertions and partialities which he might be charged with, which would prevent him from being a proper judge.

This was the gentleman's creed on the subject of the limitation of the judiciary. The gentleman wanted a fair and impartial tribunal, and this was precisely what he (Mr. F.) wanted on this question. He wanted a fair and impartial decision on every question which might come before any tribunal, whether legislative or judicial; and he wanted a fair and impartial decision to be made before the convention. This was a tribunal for placing proper guards around the rights of the people of the commonwealth, and when gentlemen rise in their places, and tell us that they are stockholders in banking institutions, and when a proposition is made here to limit these institutions, he would say that they were incompetent to vote on that question. They cannot be viewed as impartial voters, and must be looked upon as interested persons, because their interest was directly at stake. And why was their interest at stake? Why, it was admitted, that it would have a tendency to reduce the profits of banks. Then, if it would reduce the profits of these gentlemen two or three per cent on the capital they have invested, he would ask whether their interest was not at stake?—and whether they were not interested voters on all questions in relation to those institutions; and can the people of Pennsylvania expect a fair and impartial decision, when that is the case? He would say that they could not, and gentlemen might talk about democratic despotisms as much as they pleased,—still the fact was, and facts were stubborn things, that they were interested persons, and improper judges. If they were not, he wished the gentleman from Philadelphia, or any other gentleman, to explain to him how it was that a bank director

or bank stockholder, was not an interested person, when the immediate question before the committee was, a proposition placing restrictions upon the banking institutions of the state.

With regard to the Bank of the United States, a great deal had been said, and much of it was a mere matter of personality. In that, however, he did not wish to participate. He did not wish here to introduce political topics for party purposes. It ought to be allayed as much as possible, and ought never to have been introduced into this hall. It was not his purpose to deal in declamation, and to stand here and assert what the general government has done, and what individuals have not done, because that was not the question which brought this convention together. The object of the assembling of this convention, was to study the true interests of the people of the commonwealth, without regard to party; but he was sorry to say that party had been introduced, and it was introduced, by what may be called the federal party.

The very first move towards the introduction of party into the convention, at Harrisburg, was a notice posted up, for the anti Van Buren men to meet in caucus. This he was sorry to see at the time, and he was still more sorry to see that it had been kept up on both sides, almost every week since, and unprofitably kept up, because it had been the means of lengthening out the session to twice the length it otherwise would have been, and how much longer business would be delayed in this way, no one could tell. It seemed to him that this convention should give up the political feeling which seemed to prevail in it. We must do this, or else, he feared, we must abandon the work we were sent here to perform.

As to the question whether the Bank of the United States should exist in Pennsylvania, or whether its charter should be repealed, it was a question which had agitated the people a great deal, ever since it was chartered by the legislature of the state; and it was his intention, if no other gentleman did so, to offer a distinct proposition to the people of Pennsylvania, to vote upon that subject, and on that subject alone. Then, if a majority of the people, by their votes, will say that they are in favor of the institution, he would admit that the friends of that institution were right in holding on to it; but if, on the contrary, the people should decide that it was improper that it should exist, as it now existed, and that it should go out of existence, then he presumed the advocates of the institution will cease to advocate its claims to public favor, and will cease to say that they are determined to hold on to it. Now these gentlemen ought not to object to this course, for they have told us, through the public prints, that the majority of the people of Pennsylvania are in favor of it. Aye, sir, more than that; the gentleman from Beaver, (Mr. Dickey) has declared that the democratic party did not want the bank charter repealed. Yes sir, he has declared in this body, that the democratic party did not want the charter of the Bank of the United States repealed. In this, however, the gentleman was contradicted by the gentleman from Franklin, (Mr. Dunlop) because he had declared that the democratic party wanted to break down all banks. Now, inasmuch as the gentleman from Beaver had made this declaration, he was willing to join issue with him on this question, and, if the gentleman was honest in the opinion he had expressed, he could have no fears for the result.

The gentleman from Beaver, who last addressed the committee, (Mr. Agnew) touched, for a few moments, the question pending, and, in those remarks, he had admitted that some constitutional restrictions were absolutely necessary on the subject of banks. The gentleman had told this committee that forty-one banks were chartered in one year, and that great evils had resulted from that act, and he had told us that evil resulted from it, simply because there were too many banks chartered; and why was it that there were too many banks chartered? Why, sir, it was because there was a combination in your legislative halls. Legislation of this kind is now, and always has been, effected by a union of interests—a compromise of interests of every section of the commonwealth which wished to obtain banks.

So it was in 1810. Every part of the commonwealth wanted a bank, and no one could be accommodated, without the whole were accommodated. Many attempts were made to lop off some of those banks, but it failed, and no one was enabled to get his bank, without a union of the whole, and consequently, we had fixed upon us the whole forty-one banks. If there had then been a constitutional provision, such as was proposed by the gentleman from Susquehanna, prohibiting the chartering of more than one, in any one year, the very evil that the gentleman alleges did take place in the year 1810, would have been prevented. By this means, the legislature would have been prevented from entering into those combinations which do take place frequently, and, through the instrumentality of which, banking institutions are sprung upon the people without their consent, and without their knowledge.

The gentleman, in his remarks, had shown us clearly, that that some provision in the constitution was necessary, to keep the legislature within proper bounds. But the same gentleman has told us that he hopes that no constitutional provision will be imposed, which will tempt the legislature to a violation of that constitution. Yes sir, he tells us that no constitutional provision ought to be imposed, which will tempt the legislature to violate it. Well, suppose the gentleman carries that principle out, where will he land. If there is to be no constitutional provision of this kind, to restrict the legislature, there was no necessity for any restraint upon the legislature at all. There was no necessity at all, then, for a constitution.

If we are afraid the legislature will not discharge their duty, and that they will violate their solemn pledge under oath, it would be folly to have any constitution, and we might as well abolish the constitution entirely. If the gentleman's argument holds good, in one point of view, it will in another. He took it, however, that the gentleman was mistaken. What the people of Pennsylvania had adopted as the charter of their rights, he was of opinion the legislature was bound to obey. The people of Pennsylvania, then, have formed a constitution, and they have required that that constitution should now be amended, and the object the people have in view, must be apparent to every person. The object they have in view, is to place guards around the legislature—to give them proper bounds and limits, and say to them, "thus far shalt thou come, and no farther." This was the object and design of the constitution of Pennsylvania, and of every other state in the Union. Farther than this, all your institutions

are founded upon this very principle ; and the man who becomes a member of your legislature, and takes the oath that is required, to support the provisions of the constitution, was bound to do it, and he took it for granted that he would *do so, so far as he was capable*. It seemed to him that it was admitted by most gentlemen, that some such provision as this ought to be introduced into the constitution, and he took it that if it was introduced into the constitution, it would not be infringed upon, or violated, by the legislature.

The provisions which he should like to see incorporated into the constitution, were, first, the liability of stockholders. This he considered an important provision. He considered it important that a set of men, associated together for banking purposes, should be placed on equal footing with the rest of the community. Secondly, he wished to see the issues of the banks limited, and how was this to be done? He confessed, of all the propositions which he had heard brought to the notice of the committee, he thought the one suggested by the gentleman from the county of Philadelphia, (Mr. Earle) best calculated to effect that object. That is, that the state shall have a stamp, and stamp the paper issued by the banks ; and that the state should judge of the amount which each bank should issue, by the means which they have in their power of ascertaining the capital of the banks, and the amount of that capital actually paid in, and just in proportion to the amount of capital paid in, let the state deliver over to the institution, stamped paper to be issued by it. This, in his opinion, would be a sufficient check upon any set of banking institutions, to prevent them from making over issues. It would be ten fold more effectual than limiting the dividends of the banks, because it was admitted that banking institutions had exceeded the provisions of the law granting their charters, and had issued notes, beyond what they were authorized to do by the legislature. But, if their bills were stamped by the state, and countersigned by state officers, they would be cautious how they violated that provision, because of their being liable to prosecution for counterfeiting. No one would venture upon violating such a provision as this, and it would be, in his opinion, a salutary check. Thirdly, he would limit the issuing of bills of a less denomination than ten dollars ; and fourthly, he would prohibit the legislature from chartering more than one bank, at one session of the body. This was another salutary check upon improper legislation on this subject ; and these four checks, he thought, were all that was necessary, at the present time, to be enforced ; and he believed, further, that if these four checks were imposed, that they would have a salutary effect upon the banking system of the commonwealth ; and such an influence as would make the issues of banks more stable ; and prevent the ruinous expansions and contractions which had taken place within the last twenty years. Yes sir, expansions and contractions in the currency, had taken place in the currency of the country for more than forty years, and it was time that some check should be provided for it. It was time that bank directors should be prohibited from raising and lowering the price of every man's property, at their will and pleasure. They can reduce the price of all property, by drawing in their issues, and then again they can increase the price of it beyond its real value, by over issues. It was evident to every man in this convention, that this had been the case, and such will again

be the case, if it is not put a stop to by some proper provision. Now, in order to prevent this evil, it was essentially necessary that there should be stability and uniformity in their issues. It was the great object of those who advocated restrictions upon the banks, to make the currency sound, and not only sound, but convenient for the people of the whole commonwealth. He did not believe it would do now to abolish the banking system. He believed that a mixed currency, that is, a paper and a specie currency, was the best at all times, and the most convenient; therefore, he was favorable to the banking system, with proper checks and limitations.

If, continued Mr. F., the solvency of the banks should be secured by efficient guards and restrictions, it would be found beneficial to them, and to the community; and it would greatly tend to prevent great revulsions in the currency, and sudden derangements of money and exchanges.

The best security that can be had, for the solvency of the bank is not from the borrowers of the bank, but from the stockholders themselves. If they should be made liable for the debts of the concern, it would inspire universal confidence in the capacity of the institution to redeem all its obligations. Hence, too, the stockholders would be induced to be watchful of the direction of the bank, and its business would be conducted upon a safe and prudent system. The result would be to inspire new and universal confidence in bank paper, and consequently, to prevent runs upon the banks for specie. Such a thing as a run upon a bank for specie, would scarcely ever be heard of, if the notes and deposits of the banks were thus made secure. The paper of the sound banks would then be held as specie.

This I consider as a most important point to be obtained by the community, as security against the effects of the insolvency of banks.

There were several other points of view, sir, in which I intended to consider this subject. But I have been anticipated in my views, by those who are much more competent than I am, to give them full force and effect.

The gentleman from Indiana, (Mr. Clarke) and the gentleman from Luzerne, (Mr. Woodward) have very fully expatiated upon the subject which it was my desire to bring before the committee. This is a subject, sir, in which I feel great interest, and a full discussion of it is due to the people of the commonwealth. The party who are opposed to any restrictive provisions, still hold themselves in reserve. I would be glad to see them come forward and assign their reasons why they are opposed to the adoption of restrictions. The whole argument ought to be laid before the public.

If gentlemen have any cogent reasons for leaving the banks wholly unrestrained, let them offer them for our consideration and that of the country. Hitherto, our arguments have never been met. They remain unanswered; and replies to them are evasions of the true issue. But this question cannot be got rid of in that way. To say that it is a party question, sprung up by the democrats, is not a sufficient answer to what we have urged. Nor, indeed, is it true, to the extent assumed, that this is a

party question. The people, as a body, do not so view it. The people are not violent partisans. They look to the common good, and are anxious to promote it.

In regard to the people of my own district, I can speak of them—I can speak of them with perfect independence; and I can say that, generally, and with few exceptions, they are, without distinction of party, in favor of restricting legislative action in regard to banks, and of placing restraints on the banks.

In regard to the extent of the restrictions to be imposed, I will comply with the decision of the body; but I suggest to the gentleman from Susquehanna the expediency of modifying his amendment so as to confine the provision to the object of prohibiting the issue of all notes of a less denomination than ten dollars. That will, I think, be sufficient for the present. It will be a great point gained. It will meet with no opposition from the people, and it will answer all the purposes that the people have in view at the present time. It is true that some people will object to it, because it is their interest to do so, and men will be guided by their interest. But still, three-fourths of the people of my district are in favor of a restriction of this kind, and I believe that three-fourths of a majority of the districts are also in favor of restrictions of a similar character. Taking this view of the subject, sir, and believing that I am bound to represent the wishes and sentiments of the people of my district, honestly and uprightly, I cannot but express my earnest desire that this amendment may be adopted. It is my belief that the people desire these restrictions without reference to party politics, and that they will be acceptable to many of the bank, as well as the anti-bank, party.

The question at issue, sir, results in this: whether the corporate power shall rule the government, or the government shall rule the corporate power.

Mr. SILL rose and addressed the committee as follows:

Mr. Chairman: If the only effect of the amendment of the gentleman from Susquehanna, (Mr. Read) had been to restrict the circulation of bank notes of an amount less than ten dollars, I might have contented myself with giving a silent vote against it. But I consider the decision of the question now before the committee, as one of far greater importance. It involves interests of greater magnitude than have yet been brought to the consideration of the convention. It affects the interests, and as far as a vote of this convention can do it, the security of every corporation within the commonwealth. Not only the banking institutions, and the companies incorporated for the purposes of internal improvement, but every other corporate body in the state of Pennsylvania, whether for a religious, a literary or a charitable purpose, are interested in, and may be deeply affected by, the decision of this question.

[Here Mr. EARLE rose and inquired if the delegate from Erie (Mr. Sill) was in order, in his reference to corporations, which were not, in his opinion, to be affected by the proposition before the committee. The Chair decided that Mr. Sill was in order.]

Mr. SILL then said that his remarks were strictly in order. He had been a member of the committee to whom the seventh article of the con-

stitution had been referred. The third section of that article contains the following provision: "The rights, privileges, immunities and estates of religious societies and corporate bodies shall remain as if this constitution had not been altered or amended."

The committee to whom the section had been referred, had reported that that section should remain in the constitution, without alteration or amendment. The gentleman from Susquehanma (Mr. Read) proposes to amend the report of the committee, by inserting in lieu of the third section, an amendment to read as follows: "Sec. 3. No bank shall issue any bill, check, promissory note or paper credit, of a less denomination than ten dollars, nor after the fourth day of July, 1842, of a less denomination than twenty dollars." Should this motion prevail, and the amendment be adopted, the effect would be, to strike out that section from the constitution of the state, and thus deprive all religious societies, and all corporate bodies, of the only constitutional protection which is now afforded to them. This section is intended for their special protection; so long as it has a place in the constitution, their rights and privileges are secure; but, if this were stricken from it, they would at once be deprived of that security which has hitherto been afforded them. Considered in this point of view, said Mr. S., it presents a question, the importance of which must be acknowledged by every member of this committee. The effects of such measures would not be confined merely to the corporations themselves, against which the resolution now before the committee, as well as the arguments of gentlemen in favor of it, seem to be directed. It goes to affect the most important interests, and the dearest rights of the great body of the people in this commonwealth; for there is no part of the state, no portion of the people, who are not, in some way, affected by or interested in institutions of this kind.

The proposition now before the committee goes to change, and in my opinion most injuriously to affect, what has long been the favorite policy of the state of Pennsylvania; a policy which has been most beneficial to the interests of the commonwealth. Such was the opinion of those who framed the constitution under which we now live; and the practice of those who have administered the government from its first formation until the present time, has been in conformity thereto.

Although, in the year 1790, when the constitution was formed, the interests of corporate bodies were small, in comparison with what they now are, yet their benefits were then perceived, and they were deemed to be of sufficient magnitude to be worthy of constitutional encouragement and protection; and for this purpose was the third section of the seventh article inserted; and, in my opinion, there is no part of the policy of Pennsylvania which is more fully identified with the prosperity and happiness of the state, or more strikingly exhibits the wisdom of those by whom it was devised. They early saw, with a foresight which has been prophetic, that no other means were so well adapted to promote the great interests of the commonwealth, as well as the individual prosperity of her citizens.

When Pennsylvania became an independent state, she found herself possessed of a country eminently favored with all those advantages which constitute the elements of national prosperity. Her territory was of vast

• extent, and abounding with the most valuable productions, both of a mineral and vegetable kind. Her situation, with relation to her sister states, was central and commanding. Her limits reached from the waters of the Atlantic to the Ohio river on the west, and to the great inland seas of the north; thus uniting advantages which were possessed by on other state, and uniting within her own borders the means of forming communications with those three great avenues of commerce. But it was necessary to the convenient enjoyment of those advantages, that difficulties of a formidable nature should be overcome. Mountains and rivers intervened and presented obstacles which seemed almost insurmountable to the convenient intercourse of the inhabitants of the different portions of her territory. And yet, unless these obstacles were overcome, and the facilities of communication increased to an extent far beyond the limited means of any individuals, or of the state itself, they knew that the resources of the country could never be developed, and that Pennsylvania could never attain to that height of prosperity to which her natural advantages, aided by wise council, might enable her to aspire. Without such improvements, her territory must have forever remained disconnected and dismembered; and the citizens of the different portions of it, though they might all have been Pennsylvanians in name, would have no community of interests, no common bonds which would have united them by the ties which frequent associations are calculated to create. Those portions of her citizens residing in different parts of her territory would have been like separate and detached communities; each one pursuing his own interest, regardless of the general welfare, and seeking such avenues of commerce as his own necessities might require.

How was this state of things to be remedied; and how was the commencement to be made of those internal improvements, which have been the great means of the prosperity of Pennsylvania, and have so peculiarly distinguished her above her sister states? It was by the incorporation of individuals into companies, and, by forming an aggregate of their individual means, obtaining a capital sufficient for the attainment of the object; a system which necessity devised, and the wisdom of those times approved of; but, which is now the subject of such severe deunciation.

Accordingly we find that soon after the constitution had gone into operation, as early as the year one thousand seven hundred and ninety-two, an act was passed for the incorporation of a company to construct a turn-pike road from the city of Philadelphia to that of Lancaster. It is believed that this, perhaps, with one exception, was the first road of the kind constructed in the United States. And it may be considered as the commencement of that great system of improvement which was to open up the resources of the state, and bind every portion of it together by the ties of mutual interest and convenience. Soon after, an act was passed incorporating a company to construct a bridge across the Susquehanna river, and as soon as the wants of the people required, and the situation of the country would admit, other companies were formed for the construction of roads, connecting in regular succession with those that had been already completed, and extending from the Susquehanna river to York, to Chambersburg and to Bedford, until at length they crossed the Allegheny mountains and extended to the Ohio river; thus

forming a great and convenient thoroughfare from one extremity of the state to the other. By the same means, great leading communications have been formed from the waters of the Delaware to those of lake Erie, and from the southern borders to the northern extremities of the state. From those great arteries, they have been branched out and ramified in every direction that the convenience of the country requires; like the radii of a circle, they may be seen diverging from every important point, until there is no considerable town in the state, there is scarcely a village, I might almost say any, not even a single farm, that is not beneficially affected by improvements that have been thus constructed. The whole number of turnpike companies in the state is 278, with an aggregate capital of nearly four millions of dollars.

Let me ask, Mr. Chairman, what was it, before the commencement of her own grand system of improvements, that constituted the the pride of Pennsylvania—was considered as the distinguishing feature of her policy, and as tending, more than any other cause, to that enviable state of prosperity to which she had attained? It was the great extent and excellence of her turnpike roads, and the noble bridges by which they were connected. Those are among the most efficient causes of the permanent prosperity of Pennsylvania. Those are the means by which her resources have been brought to view, her lands rendered valuable, her productions have found a market, her settlements have been extended, and her wealth and population increased in every portion of the state. It is, too, by means of incorporations of the same kind that the mineral wealth of the state has been developed, and the coal of Pennsylvania become her most important an valuable production.

Will any one say that these advantages are overrated? If so, let him compare the present state of the country with what it was before these improvements were commenced. Let him recur to the period when the settlements of the state were confined mainly to the east side of the Susquehanna. When the Indian path or the rough country road afforded the only means of crossing the mountains, or of reaching the interior; and a few scattered settlers composed the population of Western Pennsylvania. Let him compare that state of things with that which now exists; when we see that whole region of country teeming with wealth and population.

I am not so unreasonable as to attribute all this prosperity to such improvements; but, it is manifest that without them the whole of the state must have remained comparatively poor and unimproved.

Another class of corporations are those of a literary kind: the whole number of which is one hundred and sixteen. And what do these consist of? More than fifty of them are academies located in every county of the state, so as to render the means of education accessible to the people in every portion of it. Some of these institutions are endowed by the state, that the expenses of education may be reduced, and its advantages diffused among all classes of society. Are these institutions for the benefit of the people at large? Do they partake of the odious features of aristocracy, with which all corporations have been characterized? Suppose that they had never been established, or should now be discontinued or discouraged. What would be the effect? Would it not tend

to confine the benefits of education, especially in the higher branches, to the favored few whose wealth or situation might put them within their reach? What is more worthy of the policy of a great state than the improvement of her sons? In what does the power and dignity of a state consist? It is not merely in the extent of her territory, the fertility of her soil, or the number and wealth of her citizens. No, sir, it is in the virtue and intelligence of her people. This can only be attained by the education of her youth, and whatever tends to promote this great object is deserving the attention of every wise government.

It might be deemed uncharitable to suppose that gentlemen who support this amendment, have any hostile intentions towards those numerous institutions throughout the state which now are incorporated for the purposes of religious improvement and instruction. And yet, should the proposition they advocate prevail, these would be effected in the same way as all other incorporations. These benevolent associations, too, which have no other object than to alleviate the distresses and promote the happiness of man—which provide for the support of feeble age and nature of helpless infancy—which, so far as human means can effect, give eyes to the blind and speech to the dumb, would all be subject to the same fate.

And here, Mr. Chairman, I might pause for a moment, and ask you to consider how much that has tended to the improvement of the country, the comfort and prosperity of individuals, as well as to the moral and social condition of the community, has been effected by the means of corporations! I apprehend that there is scarcely an individual in society that has, not, in some way, experienced their beneficial effects.

Why is it, then, that the voice of denunciation is thus raised against them? I cannot think that it proceeds from the great body of the people. I cannot think that they are unfriendly to institutions which they know only by their benefits.

Another kind of corporate bodies, and that which seems to be the most obnoxious, is that of banks. But before proceeding to their particular consideration, I will notice some of the objections which have been raised against all corporations, to banks as well as others, and submit to your consideration, as well as to that of this committee, if they are such as ought to operate to their destruction.

One common and popular argument against corporations is, that they are in their nature monopolies; that they are therefore odious, and ought not to be endured in free governments. This assertion is often made, and has been insisted on by most, if not by all, of those who have spoken in favor of the amendment. Now, sir, premising that I am not the advocate of incorporation for purposes that can be attained by individual exertion, I maintain that corporations, so far from encouraging the spirit of monopoly, have an effect of a totally opposite character. Their direct tendency is, to diffuse the benefits and divide the burdens which are incident to them, among the great body of the people: and not to confine them to one or a few individuals, to the exclusion of the other portions of the community.

Is not this position fully supported by facts, as they usually exist? In

fact, no mode can be devised by which so great a number of persons can conveniently participate in the object for which the corporation is formed; and the intention generally is, to divide the interests as much as possible.

Suppose a charter of incorporation to be granted for the purpose of constructing a bridge, a turnpike or a rail road. Was a case ever known where any individual could complain of being excluded from an opportunity of acquiring an interest therein? Does not the great difficulty consist rather in inducing a sufficient number to subscribe to the stock, than in rejecting those who have a disposition to? and are not all acts of incorporation so framed as to divide the subscriptions as far as is practicable? Is there an individual in this body who can say that he has not, at some time in his life, been urged to become a stockholder in some association of this kind? and is there any one who can say that he was ever excluded from such an opportunity, had he wished to improve it? and I apprehend that there is scarcely a citizen of this state to whom the same observation would not be applicable. Indeed, corporations for the construction of roads, bridges and other objects of internal improvement, have been extended throughout every part of the state to such a degree, that a very large portion of the people are actually interested in them; and I am sure that no one has ever been excluded, unless by his own voluntary choice. This, surely, does not savor of monopoly in the constitution and formation of their bodies.

But what is the character of the privileges granted to corporations? It is true that they are vested with certain privileges, and enabled to do that which they could not legally do before; and this, generally speaking, is on the principle that the public welfare is thereby promoted. But does this take from any individual or any association of men, any right which he or they before possessed of doing the same thing? It does not in any way affect such right. Suppose a company to be incorporated and authorized to construct a bridge across any river in the state. Has not every individual in the community the same right to construct a bridge across that river as he had before? Most undoubtedly he has. The act of incorporation gives the company the right to construct a bridge. But that right is not an *exclusive* one. It leaves the rights of others, in that respect, precisely as they were before. This principle was fully established in the case of the Charles river bridge, lately decided by the supreme court of the United States.

How, then, can this be called a *monopoly*?

What I understand by a monopoly is, where a right, before common to all, is withdrawn from the mass of the community and vested in one or more individuals, to the exclusion of all others.

Instances of this kind are frequently to be found in despotic governments, and in this sense they are justly odious. Thus, before the revolution in France, the monarch, from mere motives of favoritism, not for the benefit, but rather to the detriment of the public, would grant the exclusive right of buying and selling particular articles of merchandize to his favorites and courtiers. To one, he would grant the exclusive right of trading in salt—to another, that of buying and selling tobacco. Now, it is evident that these exclusive privileges were intended for the

sole benefit of those to whom they were granted—that they were unjust in principle, injurious to the public interests, and in every point of view justly obnoxious to the people. But in no respect whatever were they to be compared to our acts of incorporation.

Another objection strongly urged against corporations is, that they are injurious to the liberties of the people, and deprive them of their just rights. This assertion has been so often repeated, that it seems, at least in this body, not to have been without its effect. And I have been much surprised at the alarm which some gentlemen have manifested on this subject not so much, probably, in apprehensions of any danger to themselves—for I apprehend that no one who will allow himself to reflect upon the subject can seriously believe that his own liberty is effected—but to their children and to the liberties of posterity. The argument appears to be this. As members of society, living under a government of laws, each individual retains a certain portion of liberty which is essential to his welfare. Whenever an act of incorporation is passed, vesting any corporate rights and privileges in any body of men, it is said that this is taking too much from the rights and liberties of the people. They are then left with a residue of liberty which is less than the portion they before possessed. The next act of incorporation reduces that residuum, and every succeeding act has a similar effect, and thus, as it is argued, the people will be gradually deprived of their liberties, until they are at length reduced to a state of absolute slavery.

Now, sir, I apprehend that, however, serious gentlemen may be in such an argument, it is totally fallacious. The liberties of the people are not at all affected in this manner. How, I would ask, do acts of incorporation deprive the people of their liberties? I have before attempted to show that they do not take from the people any of the rights that they before possessed. But is it not evident that this argument is against the evidences of our own senses? Do we not feel and know that we are free, that we have all the rights and privileges that the constitution of the state allows us, and that they are in no way impaired or abridged by incorporations?

Can any one say that he does not enjoy the same degree of liberty now that he did twenty years ago? Yet hundreds of corporations have been created since that time; and if this argument was well founded, we must by this time have felt a great abridgement of our liberties.

Another objection against corporations, which has been particularly urged by the gentleman from Indiana, (Mr. Clarke) is, that they are selfish in their character, and have but two great objects in view; the first of which is the general benefit of their corporate body, and secondly, the advantage of the individual corporators of whom it was composed.

Now, if this argument were founded in fact, I should not consider it of much importance, for it is generally to be expected that private benefit is the motive to individual exertion. It does not, however, appear to be the case in the instance before us. Is it not true, that in most cases, the attainment of public objects, and not the promotion of private interest, is the moving cause for the investment of moneys in corporations? Not

an object, I admit, which in itself is of importance to the whole state, but to some particular portion of it; and it is by the aggregate of such improvements that the whole state is benefitted and improved.

There is one remarkable fact connected with this subject, which I wish to bring into view in confirmation of the opinions I have here expressed. It has been stated in this debate as an alarming fact, that the capital held by the different incorporated companies in Pennsylvania amounted to the sum of one hundred and fifty-eight millions of dollars; and that their annual incomes amounted to the sum of one million four hundred and seventy-two thousand five hundred and fifty-four dollars. Now, sir, in my opinion, so far are these facts from being a just cause of alarm, that the state of things exhibited by them is of the most gratifying kind.

Two facts are here clearly established; first, that individuals are to be found in our state who are able and willing to contribute their funds to so great an amount for public purposes; and secondly, that this is done, not from motives of private interest, but for public benefit; for it will be found that the amount of income is so small as to afford a very low rate of interest on the capital invested.

I will now, Mr. Charman, ask your attention, and that of the committee, more particularly to the subject of *banking institutions*, against which the resolutions of the gentleman from Susquehanna, (Mr. Read) as well as his arguments in his speech, seem to be more particularly directed.

There appears to be some difference of opinion on this subject among those who oppose the banking system. The gentleman who introduced the resolutions (Mr. Read) has expressed and advocated the opinion, that all banks ought to be abolished, and that all our circulating medium should at length be made to consist entirely of gold and silver. Others, among whom (as I understand his views) may be classed the gentleman from Indiana, (Mr. Clarke) although they denounce banks, as well as other corporations, in the strongest terms, seem to admit that they do not wish for their entire destruction, but are willing that, under certain restrictions, they should be permitted to exist.

The great and leading objections to banks, although urged in a great variety of forms, are, that they are unfavorable to liberty and the enjoyment of equal rights, that—as expressed by the gentleman from Indiana, (Mr. Clarke)—they are an invention of the kings and monarchs of Europe; and that they tend to create an aristocracy of wealth, and one dangerous to the institutions of a free country.

Now, Mr. Chairman, although I am sensible that those are perhaps the most popular arguments against banks, and that they have not been without their effect on public opinion, yet I am confident, that to any one who will candidly examine the subject, they will appear to be wholly unfounded.

It is a fact, fully verified by history, that so far are banks from having had their origin in despotic governments, that they are peculiarly the offspring of free institutions, and that they have never been favored in those countries which are not imbued with the spirit of freedom. The direct and

obvious tendency of banks is to break down the influence of hereditary aristocracy, and render wealth and power more diffusive among the great body of the people. There is no despotic government in Europe, where the credit and banking systems are permitted to exist. The bank of England grew out of the revolution of 1688, which established the liberties of the country, and secured the rights of the people. It was established a few years after that event, and I take it to be a well established fact, that from the same period the power and influence of the hereditary nobility, the aristocracy of the country, has decreased; and another influence, that which arises from commerce and industry, which is not confined to any one class, but is free and open to all, has been gaining ground.

It is, indeed, to me strange and unaccountable, that the objection should ever have been raised, that banks are calculated to favor the rich and are unfriendly to the interests of the poor. Why, sir, it was not for the rich, for those who have money and are not in need of it, that banks were created. Their object and effect is to aid those who are in need of assistance and have not a sufficient capital. By the establishment of banks a fund is created, the use of which is open to all who can give security for repayment—to the poor as well as to the rich. Is it not evident that banks, and the credit system, which I consider as inseparably connected with them, tend to the benefit of the man who has talents and capacity for business, but is without capital? Without the aid of banks, how is the man who is without capital to acquire any? If he look any where for aid, must it not be to the rich man? and must he not be dependent on his will for assistance? Does not this tend to create and to keep up a dependance of the poor upon the rich? and is not the spirit and means of monopoly thereby increased?

Under the hard money system, the rich would still remain rich, and exercise all the influence which the possession of wealth would give them; while the poor would still remain poor, because they would not have the same means of improving their condition as they now have. Why, sir, in this country, where the banking and credit system prevail, a good character and capacity for business is almost equal to a capital; and no one who possesses these qualifications, need want for assistance, so far as it is prudent or advantageous for him to receive it.

Mr. Chairman, it appears to me that it may be laid down as a pretty correct rule, that any system which operates beneficially on the public interests of the community, as well as on the private concerns of individuals, cannot be essentially wrong;

We need not look beyond our own country, or out of our own state, to ascertain what the effects of the banking system have been.

At the close of the war of the revolution, and before the establishment of banks, what was the situation of the country? A few individuals had been fortunate enough to acquire and retain a large portion of wealth, and that circumstance was attended with much more distinction than it now is. But the government was without credit and without resources. Poverty stalked abroad throughout the land, and it was with difficulty that people could raise money sufficient to pay their taxes. Under these circumstances, it was not for the aggrandizement of the rich, but for the

wants and necessities of the government and the people that banks were instituted.

It is now about fifty years since this system was adopted in Pennsylvania; and its increase has been in proportion to the wants and wishes of the people. And has she not, under this system, been steadily progressing in improvement and prosperity, in a degree which the world has rarely ever seen before? From a comparatively small population, she is becoming of herself almost a mighty empire; already containing a population of nearly a million and a half of inhabitants. And where upon earth was ever exhibited a more general appearance of prosperity and comfort, than is to be seen throughout this commonwealth? Can a system which has been attended with such results, be injurious in its tendency? I think not.

It is stated by Mr. Gallatin, in his Treatise on Currency and Banking, that in the early period of the settlement of West Pennsylvania, the people had not money enough to purchase their iron and salt. At that time there were no banking institutions in the country, and the only circulating medium was gold and silver.

Can any Pennsylvanian compare the present situation of that portion of the state, with what it then was, without a feeling of pride and exultation? How different an aspect does it now present? The country was then rude and uncultivated. The settlements were thinly scattered over it, and the inhabitants, possessing few of the conveniences and none of the refinements of life, gained a subsistence, partly from the chase, and partly from their half cultivated farms. The city of Pittsburg, then an inconsiderable town, furnished the only market for their produce; and many of the necessities of life were transported on pack-horses across the mountains. Lands were of little value, money was scarce, and nothing but specie in circulation.

We now see that country thickly inhabited by an industrious and thriving population. We see it covered with well cultivated farms, the lands nearly equal in value to those of the eastern portion of the state; and the city of Pittsburg, with a population of forty thousand inhabitants, becoming the Birmingham of the United States, and sending her manufactures to every portion of the Union.

Think you that if the hard money times had continued, and no banks been established, that business would have been as active and money as plenty as it has been? and that the man who had purchased his farm on a credit, would have been enabled so easily to have paid for it? Under this bank and credit system, how many hundreds and thousands of young men, having emigrated to the western country with no fortune but their industry, have engaged in business or purchased land on a credit, and now form a part of the independent yeomanry of the country?

Do you believe that without the aid of banks, the city of Pittsburg, and other towns in the state, would have increased as they have done? It is certain that they would not; because, their prosperity has been derived from the business they have done, and, generally speaking, is in proportion to the amount of it. Now, it is evident that a great part of

this business has been done on a banking capital, and many men have acquired a capital principally from the use of it. Had all the money in those places been devoted to the purposes of business, it would not have been more than one-fourth the amount which is afforded by the establishment of the bank and credit system; because a very great proportion of the circulating medium afforded by banks is issued, not on the amount of the gold and silver in their vaults, but on the credit of the notes of those who borrow money from them; and thus, by a judicious use of credit, the amount of the circulating medium is increased to a great extent. Besides, the establishment of banks, is the only mode by which money, which might otherwise remain inactive, is brought into active use and circulation.

Is there any instance in this, or in any of the United States, where any town or city has increased to any considerable extent without the aid of banking institutions? Indeed, this system seems to be peculiarly adapted to favor and promote an active state of business; and it seems to be peculiarly necessary in a young and growing community, where enterprize always goes before capital, and credit is necessary for the promotion of important objects, as well to the government as to individuals.

One of the most remarkable instances of the benefits of a judicious use of credit, is exhibited in the case of the grand canal constructed by the state of New York. I believe that great work was constructed entirely from funds borrowed on the credit of the state. The expense was about seven millions of dollars, and, if I am correctly informed, a sufficient amount has been raised from the tolls, after defraying all the expenses of repairs, to repay the whole amount.

Mr. Chairman, I have no doubt that the time will come when the same may be said of the expenditures of Pennsylvania, in the grand system of her internal improvements.

The policy of the gentleman from Susquehanna, (Mr. Read) as advocated in his speech, is eventually to dispense with all banks, and resort to a currency composed entirely of the precious metals. With respect to this plan, I would observe, that I do not consider it desirable, if it could be effected, because it would be far more inconvenient and burdensome, than the currency now in use; and, in the next place, I consider it as wholly impracticable and inconsistent with the present state of the business of the world.

It is obvious, that the immediate effect of such a system, would be to reduce the amount of money in circulation, to an extent equal to that of the paper currency which would be withdrawn from it. This amount constitutes at least three-fourths of the whole circulating medium. If, therefore, it were withdrawn, the amount of money remaining in circulation, would not be more than one-fourth of what it now is. But it is said that this is a matter of no importance; that the value of money and that of labor and commodities is merely relative, and that so long as they are in proportion to each other, it makes no difference what that ratio or proportion of value is. In other words, that it makes no difference whether the value of a bushel of wheat is estimated at two

dollars, or fifty cents, provided that other things are in proportion to that valuation.

Now, I will admit, that if Pennsylvania were an insulated community, shut up within her own limits, and having no intercourse with any other part of the world, such a change would be practicable, and might be carried into effect. But what would be its operation? Would it not reduce the value of all kinds of property, and of labor in the same proportion? Would not the value of lands, of houses, of produce, of labor, and of all kinds of commodities fall in the same degree? So, that the farm that is now worth two thousand dollars, would be reduced to the value of five hundred? Would not all the produce of the land fall in the same proportion, and the price of labor be subject to the same depreciation? So that the laborer who now receives a dollar for his day's work, would then receive but twenty-five cents?

Is such a state of things desirable? How would it operate on those who are in debt, as a great portion of the community are, in a greater or less degree? The obvious effect would be, that it would require the same amount of labor or commodities to pay a debt of twenty-five dollars, as it now does to pay a debt of one hundred. Would not such an operation break up and ruin a great portion of those who were subject to it? I can hardly suppose that the great body of the people would consent to so ruinous a measure, for the sake of trying the very doubtful experiment of a hard money currency.

Here Mr. SILL, having yielded the floor, the committee rose, and reported progress, and obtained leave to sit again; and,

The Convention adjourned.

TUESDAY AFTERNOON, DECEMBER 12, 1837.

SEVENTH ARTICLE.

The convention again resolved itself into a committee of the whole, Mr. REIGART in the chair, on the report of the committee to whom was referred the 7th article of the constitution.

The question being on the motion of Mr. STEVENS, to amend the amendment offered by Mr. READ, by striking out all after the words "section 3d," and inserting, in lieu thereof, the words following, viz :

"The legislature shall provide wholesome restrictions on all the banking institutions of this commonwealth, so as to promote the best interests of all the people."

Mr. SILL resumed his remarks to the following effect :

But let us pursue the subject a little further, and we shall see that such a project would not only be ruinous in its effects, but that in the present state of the world it would be utterly impracticable. Let us take the case of the laboring man, before suggested, and see how it would operate. Suppose that, in consequence of the change of the currency, his wages are reduced from one dollar to twenty-five cents. It is admitted, that if he can buy a bushel of wheat with it, it is, so far as that, as good to him as if he received a dollar, and had to pay the same amount for the wheat. But suppose that with a part of his money, as will always be the case, he wishes to purchase other articles, for instance, a pound of tea ; and suppose the price of this article to be one dollar ? Under the present system he can purchase it with the avails of one day's labor. Suppose you introduce the system of an exclusive metallic currency in Pennsylvania ? Would it affect the price of tea in China, or the expense of transporting it across the ocean ? It is certain that it would not. The price, then, would remain the same, and instead of one day's work to purchase this article, it would then require four days. The same additional amount of labor or commodities would be required in the purchase of many of the articles that are necessary for the comfort of the poor, as well as of the rich. The broad cloth, the crockery and hardware of England, the sugar of the West Indies and New Orleans, the cottons of Rhode Island and Massachusetts, and many other articles which enter into the daily consumption of life, would cost to the citizen of Pennsylvania when the hard money system was introduced, four times the amount of labor and commodities that they now do.

What effect would such a system as this have on the trade and industry of the state ? Is it not evident that if three-fourths of the capital were withdrawn, that the commerce and manufactures and business of every kind must decrease in the same proportion ? And that under such circumstances, the prosperity of Pennsylvania must languish and die, while all her sister states around her were prosperous and flourishing ? Either this must be the case, or the deficiency in the circulating medium must

be supplied by the notes of other states, which would defeat the object proposed, and at the same afford to other communities the benefit of supplying us with a circulating medium.

Can any one for a moment suppose that such a thing is practicable; and that Pennsylvania, situated as she is, in the centre of the Union, and closely allied by the bonds of mutual intercourse with those around her, can have a standard of value predicated alone on the specie circulation, while the states on every side of her, conform their prices and standard of value to the present circulation of the country? The idea appears to me to be too unreasonable to require further refutation.

It is argued by some, especially by the gentleman from the county of Philadelphia, (Mr. Earle) that should there be a reduction in the amount of the circulating medium, either by suppressing the notes under the amount of ten dollars, or by a gradual and total suppression of all bank notes, that no difficulty would be experienced—that *specie would flow in* and supply the deficiency that would be thus occasioned. That this opinion may be honestly entertained by those who advance it, I do not doubt; but let us examine, and see if it is not founded entirely in a mistake.

There is but a certain and limited amount of gold and silver coin in the world. The whole amount in all Europe is estimated at three hundred millions of pounds sterling. It is a well established fact that this quantity is constantly diminishing. This is occasioned by the deficiency in the supplies of the mines, by waste, and by the melting of coin for the manufacture of plate, jewelry, and and other articles of luxury, which, in Europe, is practiced to a great extent. "The falling off in the supply was so great, that Mr. Jacobs computes the stock of coined money in Europe, to have been less in 1829, than it had been in 1809, by £66,611,440." See Jacobs on Precious Metals, volume II, page 322. Of this amount, every civilized nation must have a share in proportion to their business, their population, and their means of acquiring it. And I suppose, that without some extraordinary revolutions in trade, this proportion would not be greatly increased or diminished.

The proportion of specie which the course of trade has allotted to the United States, is estimated at eighty millions of dollars. And this amount, with the aid of the bank and credit system, appears to be sufficient for the reasonable demands of business. What is the exact proportion that Pennsylvania has of this amount, I do not know; but I have no doubt that it is such as her wants and business require.

Now, I ask, how and by what means is this proportion of specie in Pennsylvania to be greatly and permanently increased, so as to supply the deficiency that would be occasioned by the withdrawal or suppression of bank notes?

There are but two ways by which the amount of specie, as a circulating medium, can be increased in any country; and these are, first, by drawing an increased amount from other countries; and secondly, by bringing into active use that which is already in the country, but hoarded up and withheld from active circulation.

By what means is it that one country is enabled to draw an additional supply of specie from another country? Undoubtedly the only mode is by an increased production of such commodities as will be taken in exchange for it. It is obvious that you cannot draw an increased amount of specie from any country, without supplying that country with an increased amount of your productions, whether of an agricultural or manufacturing kind.

But you propose, in the first place, to reduce your circulating medium by a withdrawal of the paper currency; the inevitable consequence of which would be to *reduce*, instead of *increasing*, your *capacity of production*. Is not this the obvious and certain effect? Suppose that, under the present system of the currency, a manufacturer of cotton goods can command a capital of twenty thousand dollars. With this he purchases cotton in the south, manufactures it into goods, exports it to South America, and receives specie in return. The currency is reduced to a specie circulation, which has the effect of reducing his business capital to five thousand dollars. Can the manufacturer, under these circumstances, carry on the same amount of business that he did before? No, sir, his business would be reduced in the same proportion; and if he is now enabled to send twenty thousand dollars worth of his manufactures to South America, he would then be enabled to send but five thousand. And it is certain that the returns he would receive for them, would be diminished in the same degree. The same results would follow in every other kind of business. It is obvious, then, that the amount of specie which we should be enabled to draw from other countries would, under such circumstances, rather be *diminished* than *increased*.

Let us look at this subject in another point of view. We have seen that the present amount of specie in the United States, is estimated at eighty millions of dollars; which, with the aid of the paper currency, appears to be sufficient for the present convenience of the community. But we have also seen that the amount of specie in the world is constantly diminishing. Must not this country, as well as others, be effected by this diminution? Must not our proportion decrease in proportion to the general reduction throughout the world?

How, then, with a general reduction of the quantity of specie throughout the world, and a decreased capacity of acquiring, can any reasonable man expect that the quantity of specie in Pennsylvania, can be increased? How, under these circumstances, can it flow in and supply the deficiency? But there is another consideration, which shows the fallacy of such an exception.

The amount of specie now in the United States, with the paper currency, seems to be sufficient for the wants of the present population, which may be estimated at fifteen millions. But this number is constantly increasing, and it is probable that in twenty years it will amount to thirty millions. It is evident that the amount of specie necessary for the accommodation of that number of inhabitants, even with the same kind of money that we now have, will be double what is now required; because each one of the thirty millions of inhabitants would require as much specie as is now required by each individual of the fifteen millions.

How, then, even with the present state of paper currency, when the aggregate amount of specie is certainly decreasing, can we expect the quantity in the United States in that period of time, to be double what it now is? Much less, can it even be conjectured that, under all these circumstances, it would flow in to such an extent as to supply the deficiency occasioned by the withdrawal of bank notes from circulation.

The other mode by which the amount of specie circulation can be increased, is by bringing into active circulation the specie which is now laid by and hoarded up by individuals, and not brought into active use and employment. It must be admitted that there is one mode by which this object could in some degree be attained; and that is, by causing such a depression in the price of all commodities as would induce those who now hoard up their specie, to draw it forth, and invest it in such purchases as the reduction in the price would then afford. When property should be reduced to the rate of one-half, or one-fourth of its present value, so that a farm now worth two thousand dollars, might be purchased for five hundred, then might the men who are not satisfied with ordinary profits, be induced to draw forth their hidden treasures, and avail themselves of the advantages which would then be in their power. And then the man of wealth might be seen enlarging his possessions, adding one farm to another, and increasing the number of his tenants and dependants; while the man of moderate means would be made poor, and the poor still more dependant on the rich.

Is such a state of things desirable, and would any one wish to be instrumental in producing it in the state of Pennsylvania? I trust not.

Permit me now, Mr. Chairman, to call your attention, and that of the committee, more particularly to the consideration of the amendment of the gentleman from Susquehanna. This amendment proposes to curtail the issue of bank notes to the denomination of ten dollars; and after the fourth day of July, 1842, to the amount of twenty dollars.

It appears to me that the provisions of this amendment would effect none of the objects proposed to be attained by them; and that they would be attended with great injury and inconvenience to the public.

What are the benefits proposed to be attained? As I understand them, they are, *first*, to increase the amount of the specie circulation, and, *secondly*, to restrict the amount of paper issued and circulated by the banks.

With respect to the first of these objects, I have already endeavored to show that no regulations made by any one state will have the effect of permanently increasing the quantity of specie to any great extent.

I admit that there is a certain limit, below which, it is not proper to permit the circulation of bank notes; and it appears to me that this amount seems by common consent in this country to have been fixed at five dollars.

But, sir, after all the theories that have been, or may be, formed on this subject, the best, and, indeed, the only certain conclusions we can form, are those which are the results of experience.

In the year 1835, an act of assembly of the state of New York was passed, prohibiting the circulation of bank notes of a less denomination than five dollars. What effect did this produce on the circulating medium of that state? It is stated by the bank commissioners of New York, in their report on that subject, that it had the effect of increasing the amount of the specie circulation. But how do they say it was effected? The country banks sent to the city—I suppose to the banks—and procured an additional supply of specie, which they put in circulation. Now I do not suppose that this operation actually increased the amount of specie in the state; but it put into circulation some portion of that which was before kept in the vaults of the banks. And the same report states, that at the time it was made, a part of the specie, especially the gold, had began to disappear, and I suppose has long since entirely got out of circulation. Now this regulation might have been a very proper and beneficial one. Still I do not know that it increased the amount of specie in the country; and it does not follow that because it was proper to retain the circulation of notes under five dollars, that it would be equally proper to limit their circulation to an amount less than ten dollars; because the one would be attended with much greater inconvenience to the public than the other.

But it is said that this will tend to restrict the issues of banks. How would it produce this effect? The banks would undoubtedly still have an opportunity of loaning as much money as they wished, even if their circulation were limited to notes of the amount of ten or twenty dollars. To the large borrowers, those who dealt in thousands and tens of thousands, it would make little difference whether the notes were of the amount of five dollars, or of fifty. But to those of small means, who obtained small sums, and paid it out to a great number of persons, it would be attended with much inconvenience.

Let us look at the result of experience in this matter. In the same report of the bank commissioners of the state of New York, we are informed that the same year in which the law restricting the circulation of small notes went into operation, the amount of bank notes in circulation was increased to the extent of two millions of dollars. This circumstance was not owing to that cause, it is true, but to other causes not at all connected with it. But it shows that the restriction did not have the effect of reducing the amount of the circulation of bank notes.

But it is evident that such a restriction as is here proposed, would be attended with great inconvenience to the public. Is it not manifest that the denomination of the notes now issued by the banks is such as best suits the convenience of the people? And is it not equally evident that by far the greatest proportion of those in circulation are of the denominations of five and ten dollars? There is at least one bank within my knowledge that issues no notes of any larger amount. Why do they confine themselves to those amounts? I suppose, because they suit the public convenience better than any other. Now, it is proposed to put out of circulation the kind and denomination of notes which are suited to the convenience and business of the people, and to substitute in their place such as the people do not prefer, and such as are not suited

to their wants and business. This appears to me to be an unnecessary restriction of their liberty.

Suppose such a provision to be inserted in the constitution, and the circulation of notes of ten or twenty dollars, or either of them, to be prohibited. It is certain that this would drive out of circulation a very great proportion of the bank notes now in use. How is the deficiency that would be thereby occasioned, to be supplied? There are but three ways in which it could be attempted, and those are, either by specie, by notes of the same banks of a larger denomination, or by the notes, of small denominations, of the banks of other states.

As to the first of these expedients, I think I have shown that no considerable and permanent increase of specie could be expected, and if it could be obtained, it would not be by any means as convenient to the people as the currency now in use.

In the second place it is probable that the deficiency would, in a considerable degree, be supplied by notes of a larger denomination of the same banks. These would be of no better credit than the small notes, and much less convenient for the purposes of business.

The only remaining method of supplying the deficiency, would be by the circulation of the bank notes of other states. This, if permitted, would be attended with the same, or greater, evils than are now complained of; and to exclude the notes of our own banks, while we permitted the circulation of those of other states, would be manifestly against the interests and policy of the government.

Should it be said that such a circulation might be prohibited by law: to this I would reply, that it would be impolitic and injurious, by a constitutional provision, to place Pennsylvania in such a situation as to compel her to pass laws tending to obstruct and impede her commercial intercourse with her sister states.

Mr. Chairman, there is one other point of view in which this subject may be considered, and which, in my judgment, furnishes a conclusive argument against the adoption of the amendment now before the committee. Whatever provisions may be made, with a view of regulating the currency, or controlling the operations of banks, they should never be permitted to form a part of the constitution of the state.

The object of a constitution is, to declare and secure the rights of the people, to create and establish the several departments of the government, allot to each its appropriate powers and duties, prescribe the manner in which laws shall be enacted, and how they shall be executed, and define the great and fundamental principles which are the foundation of all free governments. All these depend on principles which are sanctioned by experience.

But if there is any subject which is incapable of being reduced to rules, and regulated by laws, which cannot be changed as circumstances may require, it is that of currency. The result of all experience shows, that regulations of the currency are mere matters of experiment; the results of

which are beyond the power of human wisdom to foresee. The reason of this is, that the causes which operate on and affect it, are continually varying. The currency of every commercial country is dependent upon, and affected by, the business and monetary regulations of every community with which it has any intercourse. And if, as I apprehend, it would be found impracticable for any government, even if it were wholly independent of all others, to establish permanent regulations on this subject, how greatly must that difficulty be increased by the peculiar structure of our political institutions.

Pennsylvania is but one of the members of a confederate republic—herself forming the centre of that great confederacy, and from her situation and her productions daily carrying on a most extensive commerce with the other members by whom she is surrounded. Are not her business and her currency so connected with, and dependent upon those of her sister states, that the regulation of her own currency must be made in a great degree conformable to theirs? Would it be wise in Pennsylvania to prohibit the circulation of five or ten dollar notes, when it was allowed by the states on every side of her? Suppose Pennsylvania to impose such restrictions on her banks, as to embarrass their operations, and finally put an end to their existence, would it not drive much of her capital and business from her borders, and would it not be gladly received and cherished by her great commercial rivals?

Or suppose that present circumstances should seem to justify the adoption of a system that would prohibit the circulation of such notes; can any one tell how long such a state of things would continue? Can we predict what the wants and wishes of the people may require in five or ten years from this time? Is it not the height of presumption for us to suppose that we can legislate for those who are to come after us better, on these subjects, than they can for themselves? Are we to suppose that we are the only wise people, and that wisdom is to die with us?

If we were the only body that had the power of doing this, there might be more reason for attempting it. But have not the legislature ample powers for regulating these matters? And has not the governor, in his late message, commended the subject to their special attention?—Every successive legislature will have the same authority; and coming, as they do, annually, from the body of the people, will carry with them a knowledge of their wants and wishes; and what do we propose? To restrict them from doing that which is the object of all legislation—from carrying into effect that which the wants and wishes of the people may require.

If regulations on this subject are required for the public safety, let us leave the matter with the legislature; the people can then judge of the effects of any legislative enactments; if they are injurious, the same power that enacted, can repeal or modify and amend them, so as to meet the ever-varying wants and circumstances of the community.

I will, sir, notice one other objection which has been made against banks. It is said that the privileges granted to them are *exclusive*, and not open to all the citizens of the commonwealth, and that such privileges are in their character unequal and unjust. In answer to this, I would

observe, that if we admit the necessity of any paper currency, the necessity of banking institutions, as permitted and chartered by the state, follows as a necessary consequence. The safety of the community, and not the particular benefit of the banks, requires that such a currency should be permitted and regulated by the laws of the commonwealth. Some complain that the privilege of issuing bank notes is restricted, and not left free to every individual, or association of individuals. We have had the trial of such a state of things, in the period that occurred after the close of the late war. There was then no law prohibiting the issuing of paper in the form of bank notes, by unauthorized individuals or associations. And what was the consequence? The country was flooded with paper in the form of bank notes, issued by irresponsible individuals and companies. The greater part of it proved to be totally worthless, and the loss fell upon the ignorant and unwary.

Does not this show that the safety of the community requires that the privileges appertaining to banking should be regulated and prescribed by law? And how has the legislature attempted to perform this duty? By prohibiting individuals and companies who are not authorized by law from issuing bank notes; and, by subjecting those who are allowed the privilege, to such rules and regulations as are supposed to insure the safety of the community in receiving and passing the paper issued by them.

With this view the legislature have incorporated companies, and vested them with the privilege of banking. But they have subjected them to such rules and regulations as are deemed sufficient to secure the safety of the community; they have imposed restrictions upon them which, individuals would be unwilling to submit to, in the management of their own private business; they are prohibited from issuing notes above a certain extent in proportion to their capital. They are always subject to the supervision of the legislature, and must make an annual return of the whole state of their business and affairs, of their capital, their debts, credits, liabilities and every thing else connected with their business. Their books must be always open to the inspection of committees of the legislature, and they are bound to exhibit their accounts, their books and papers, and every thing relating to their business, to their examination.

These precautions are no doubt necessary, and if they are not adequate to the protection of the community, let the legislature impose other regulations, until the object shall be fully obtained. Such regulations are no doubt necessary, and when applied to corporations, perfectly proper; but if applied to individuals, they would ill accord with the spirit of freedom and independence which is the effect of our political institutions.

The great desideratum of the gentleman from Indiana, (Mr. Clarke) appears to be the circulation of the precious metals instead of bank notes; and that he may see the time when every man in the country has some gold or silver in his pocket, or in the till of his chest. I do not doubt the benevolence or sincerity of his wish, and should be pleased to see him gratified in its fulfilment. But, sir, he might see all this, and still see a miserable and degraded people. Let him look to the most

arbitrary and despotic governments of Europe—to Spain, to Prussia, and even to enslaved and unhappy Poland, and he will see a country where the people have no liberty, few of the comforts of life, but where their money, if they are so fortunate as to possess any, will be in gold and silver.

But, sir, I can point the gentleman to scenes far better calculated to cheer the heart of the patriot, and gratify the most fervent aspirations of him who loves his country.

Let him look around him, and he will see a splendid city, the metropolis of his own state, abounding in all the comforts and elegances of life, where enterprise has extended a commercial intercourse to every portion of the world; where the arts have obtained their highest degree of perfection; where genius has reared and beautified the temple of science, and the hand of charity has planted institutions for the promotion of human happiness and the alleviation of human misery in all the various forms to which mankind are subject.

Let him then extend his view throughout the whole length and breadth of this great commonwealth, from east to west and from north to south, and he will still see cause for the most grateful admiration. He will see villages, towns and cities, filled with a busy and thriving population, springing up and flourishing in every quarter of the land. He may see the borders of his own state, stretching from the Atlantic to the great waters of the west; her mountains yielding up her mineral treasures, and furnishing inexhaustible supplies of wealth and comfort; her valleys, unsurpassed for beauty and fertility, richly rewarding the labors of the husbandman, and cultivated by the hands of independent freemen. He will see a vast community of free and happy people, enjoying the protection of equal laws; each one pursuing his own industry and consulting his own happiness; stimulated to exertion by the sure prospect of reward; adding to the comfort of himself and family; in the enjoyment of competence and peace; no one to molest or make him afraid; his children growing up around him, enjoying the means of education which are brought home to his door, and gladdening his heart with the prospect of their future usefulness and respectability.

After having viewed this scene of individual prosperity and comfort, let him turn his eyes to the great political family which all these individuals compose—*The Commonwealth of Pennsylvania*. And here may be seen a government, mild and peaceful in its character, of immense resources and power, extending its protection over all its citizens, and seeking the happiness of all; engaged in a grand system of internal improvement, extending through every portion of the state, piercing the mountains with her canals, and overcoming them with her railroads; maintaining a faith which has never been violated, and commanding a credit adequate to the performance of any undertaking which her enterprize may suggest and her judgment approve.

Mr. Chairman, when I contemplate this prospect, when I reflect that all this has grown up and been achieved under the systems and policy of Pennsylvania, long would I pause, long would I reflect, before I would give my vote in favor of measures, which, in my judgment, would tend

to their destruction, and be productive of the most injurious effects to the prosperity of the country.

Mr. FLEMING, of Lycoming, moved that the committee now rise, which was decided in affirmative,—ayes 43, nays 40.

The committee then rose, reported progress, and obtained leave to sit again; and,

The convention adjourned.



APPENDIX

TO THE SIXTH VOLUME.

APPENDIX.

The following are the remarks of Mr. BIDDLE, on the 29th of November, as published in the newspapers.

Sketch of the remarks made by Mr. J. C. BIDDLE, in the convention, on the 29th instant.

Mr. BIDDLE said,—Mr. Chairman, I do not rise to enter on the argument which the question before the committee presents. I cannot, however, remain silent in regard to several declarations made by the gentleman from Susquehanna, (Mr. Read.) He has said the suspension of specie payments was a mere matter of caprice! Who, that recollects the state of the community in May last—the utter prostration of confidence—the numerous bankruptcies—the wide spread dismay—the apprehension which every man felt, each succeeding morning, as he repaired to his place of business, lest some new and astounding calamity should overwhelm him and his fortune;—who, with this state of things in view, will say, that at such a crisis, the suspension of specie payments was a matter of caprice? Sir, the gentleman from Susquehanna has not hesitated to make bold charges against the banks. Truth must be spoken—justice requires it. The suspension of specie payments was the natural, the necessary consequence, of a long continued war waged by that government which was bound to foster and protect the best interests of the nation, against the property, the industry, the enterprise and the commerce of the community.

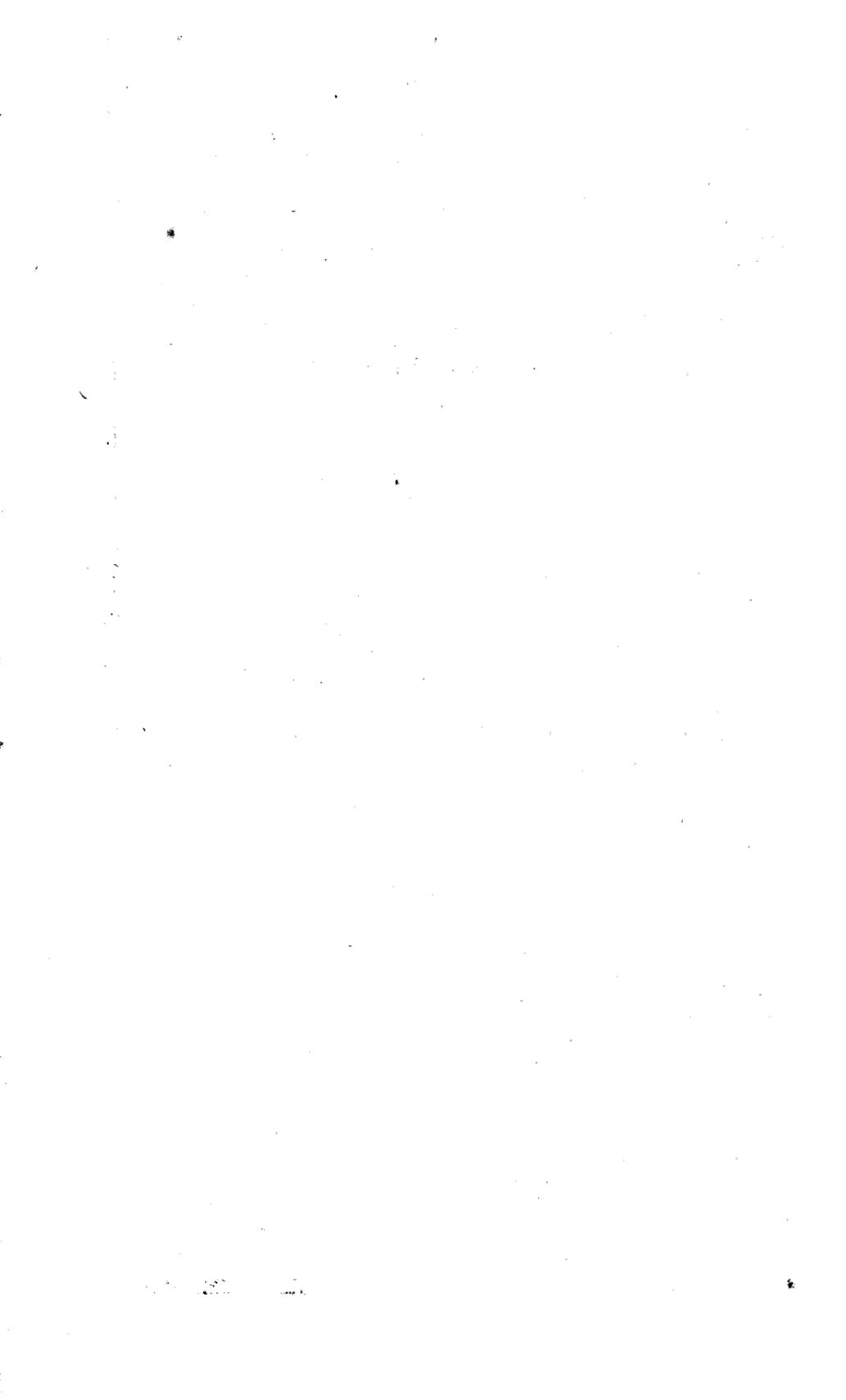
The gentleman has reiterated his charges against the moneyed aristocracy. What is the moneyed aristocracy? The wealth of the country. By whom is that wealth held? By the people. In no part of the world is property so generally distributed, so equally divided; some fortunes of vast magnitude have been accumulated by individuals—but the richest men among us have been the architects of their own fortunes—the poor—who, by labor, industry, intelligence, enterprise and frugality, have reaped their reward, and amassed their estates. Are such men to be denounced? The instances are not frequent of immense wealth; the general distribution of property among children, soon wastes away the largest estate. By the moneyed aristocracy of our country, perhaps it is intended to embrace only the banks. If so, sir, let me ask what it is

that procures for the industrious the wealth of the rich, on which to exercise their ingenuity and display their enterprise? The banking capital. Gentleman avow that that they would destroy the credit system. The credit system is the system of a free people—that which diffuses activity, energy and resources, throughout the mass of society. The gentleman has said that caprice dictated the suspension of specie payments. If he alludes to this commonwealth—and with it alone are we specially interested—then, sir, I inquire whether it was not the duty—a duty due to the people—on the part of the banks of this city and state, to suspend specie payments at the time they did? The banks in New York had suspended specie payments—those in the southwest, had done so too. What would have been the course of things, if in Philadelphia, specie payments had been continued. Every debtor in Philadelphia would have been called on to pay his foreign creditor, and the payment would have been in specie—all capital deposited here would have been withdrawn, in specie—all the notes of our banks, wherever distributed, would have been returned upon them for payment, in specie—one continuous demand for specie would have been made, until it had been all carried to where it would command the highest premium. In fact, it is known that in twenty-four hours after the suspension, nearly a million of dollars would have been carried out of this city. During all this time, let it be borne in mind, that we could not have got back a single dollar, for all else had suspended, and to our demand the answer would have been, “We have stopped specie payments.”

It requires no argument to prove, that the banks throughout the state, were similarly situated. If then, the banks had gone on paying specie, they would have, in a very short time, been compelled to stop—not as a measure of prudence and self-defence—but because there was no specie left in their vaults. It would have all departed to other states. What then would have been our condition? That is, if the policy of the gentleman from Susquehanna had been adopted. Then our bank notes would have been paper money literally—for they would have had no specie basis—and when the time for the resumption of hard money payments shall arrive, the banks of this commonwealth, instead of being among the most safe and well fortified, would have been powerless; and our great commonwealth, now holding her just position among her sister states, would have been prostrated—the last to return to that condition the gentleman professes so much to desire. Sir, a constitution is not intended for a day, or a year—it is designed to be applicable to all times, and to suit the varying aspects of society. Legislation is the remedy for ordinary mischiefs; it is adequate to restrain improper issues of small notes, and to provide such safeguards in banking, as from time to time experience may point out to be wise. Every constitutional restriction is so much taken from the general liberties of the people; let us impose none not necessary. Every useless restraint, by producing dissatisfaction and a consequent effort to get rid of it, insomuch impairs the durability or security of the constitution itself. Let the provisions of our organic law be few—simple—such as are clearly calculated to secure the rights, and conduce to the well being of all. I am not sat-

isfied that the amendment proposed by the gentleman from Susquehanna, is of this character; I shall vote for the amendment to the amendment, offered by the gentleman from Adams, (Mr. Stevens.)

If the gentleman from Susquehanna really desires a resumption of specie payments, he is taking the course best calculated to defeat his object. Infusing suspicion into the minds of men, may induce them to hoard their dollars in garrets and cellars, but confidence alone is the talismanic influence which will once more give renovated energy to the business of our country. I rose, sir, not to make a speech, but on the impulse of the moment, to repel some of the allegations which I considered unjust, and calculated to do great mischief.



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