

REMARKS OF MR. ADAMS,

OF MASSACHUSETTS,

In the House of Representatives, March 2, 1837—

Mr. PEYTON, of Tennessee, having called upon Mr. ADAMS to make a statement in relation to a report of the minority of the bank investigating committee in 1832—

Mr. ADAMS said, that after the course which he had deemed it his duty to take throughout the whole of this investigation, that is, of taking no part in it whatever, he had hoped to be spared the necessity of saying one word to the House in relation to it, or having any connection with it, or with the individual whose very name he had no disposition to pronounce. But as the gentleman from Tennessee, (Mr. Peyton,) after reading a passage from the report of the minority of the committee appointed to investigate the condition of the Bank of the United States in April, 1832, to which report his (Mr. Adams's) name was subscribed, had thought proper specially to call upon him to confirm the statement which he had read, he felt it was no longer proper for him to remain silent; but in what he was about to say to the committee, he should confine himself strictly within the call of the gentleman from Tennessee, with the exception of a very few remarks upon what had fallen from the member from Maryland, who had also been a member of the bank investigating committee of 1832, (Mr. Thomas.)

There were three reports made from that committee to the House of Representatives, with a considerable mass of documents appended to each: the report of a bare majority, which had the assent of the gentleman from Maryland; a report written by the chairman of the committee, Judge Clayton, of Georgia, who afterwards, in a manner highly honorable to himself, and with a magnanimity as generous as it was rare, publicly retracted, in this hall, every word of it that was disparaging to the character of the president of the bank; the report of the minority, from which the gentleman from Tennessee has read the extract which he now called on Mr. Adams to avouch; and a separate report made by Mr. Adams himself, and signed by one other member of the committee. The report from which the extract had been read was written, not by Mr. Adams, but by a member then among the most eminent men in the House, and since that time Governor of the State of South Carolina, (Mr. McDuffie.) It had also been subscribed by Mr. Adams, who, in his own report, had given his own views in relation to the transactions referred to in the extract just read. That extract, he repeated, was not written by him, but he had subscribed his name to the report in which it was contained; and as he stood in presence of God and of the House, he now believed every word of the extract to be true, as he did believe when he signed the report.

With regard to the explanations and revisions of opinions of the gentleman from Maryland, with which he had favored the committee, Mr. Adams would not have thought himself called upon to notice them, but that they had an appearance, he could not believe intentional, of reviving and countenancing dark suspicions of dishonor against a man as honorable as any one that breathed upon earth; a man basely slandered and persecuted, and whom he numbered among the dearest of his friends: he meant the president of the Bank of the United States.

The resolution read by the gentleman from Tennessee, "that the charges brought against the president of the bank, of lending money to Thomas Biddle and Co. without interest, and of discounting notes for that house, and for Charles Biddle, without the sanction of the directors, are without foundation; and that there does not exist any grounds for charging the president with having shown, or manifested any disposition to show, any partiality to those individuals, in their transactions with the bank," is stated in the report to have been unanimously adopted by the committee. It was so understood at the time. But now, the gentleman seems not to know whether he voted for it or not. He says that if the yeas and nays had been taken, he should *probably* have voted for it then; but, after time for reconsideration and re-examination of the evidence, he has had occasion to alter his opinion. He withdraws now, at the end of five years, whatever credit his assent to that resolution may have given to the unanimous acquittal by the committee of the president of the bank from a charge maliciously and infamously false. He is not yet quite willing to assume the burden of defending the general character of the *delator*. He knows very little about him, and has been but once in his house; but he thinks his charges against the president of the bank were true, or, at least, not wilfully false; because, notwithstanding they were flatly contradicted and denied by every individual witness to whom he appealed for confirmation of his statements, they were yet confirmed by the entries on the books of the bank; and because Mr. Philander Stevens, then a member of Congress, did, even while the committee were at Philadelphia, obtain a loan by order of the president, and without a vote of the directors. The transaction with Mr. Stevens was not within the commission of the investigating committee, and was satisfactorily explained and accounted for at the time. But the charge affecting the integrity of the president of the bank was, that, by his direction, Thomas Biddle and Co. brokers, and his relations, were habitually allowed to take large sums of money out of the bank, giving merely their notes for the amount, or depositing mere slips of paper, or pledges of stock, in the teller's drawer, all without the knowledge of the directors, and *without payment of interest*, while they had the use of the moneys. This was no occasional irregularity, or incidental and inadvertent looseness of practice in the hurry and multiplicity of business; it was a direct charge of gross malversation in office against the president of the bank, and as such it was first brought forward in the committee. To substantiate this, a dirty old paper, containing a minute of two sums of money, thus alleged to have been taken from the teller's draw, on the 25th of May, forty-five thousand, and on the 26th of May, twenty-four thousand dollars, was produced, and sworn to be minutes taken at the time; and it was sworn that when this practice was thus detected, Mr. Whitney ordered these sums should be entered upon the books, which was accordingly done; that he immediately went into the president's room; there expostulated with him against this practice; that the president colored up very much, and promised that it should not happen again. The criminality of this charge had it been true, consisted in the allowance to the brokers to take out money and use it *without payment of interest*; and the pretended interview and expostulation with the president, and his blushes upon detection, were to prove a consciousness in him of dishonesty and breach of trust. Now, all this was not only positively and most solemnly denied by the president of the bank himself, but every individual to whom Whitney appealed to sustain his allegation of facts, as flatly denied them—the teller, the discount clerk, the cashier then of the bank, every one of them, denied every part of such a transaction as having occurred within their knowledge. When every individual named as having acted in the transaction, had thus explicitly denied his statements, he resorted for confirmation of his narrative to his own testimony as he had told the story to others shortly after the dates of his minutes. He had told it to a Mr. Wilson Hunt; and Mr. Hunt was examined by the committee. Mr. Hunt stated that Whitney had spoken of certain loans which he said had been made to Thomas Biddle and Co. without the knowledge of the directors, and had shown him a memorandum which he had taken of such loans; but he denied unhesitatingly, and with a strong expression of surprise, that he had ever told him they were without interest, and said he was very sure if he had told him so, it was impossible he should have forgotten it.

[Mr. ANTHONY interrupted Mr. Adams by raising a question of order, and objecting that these statements were not relevant to the subject under consideration. The chairman (Mr. Pierce of New Hampshire,) said, the debate had taken so wide a range already, that he did not feel himself authorized to call Mr. Adams to order, but thought he might proceed, unless the committee should direct otherwise. Mr. Adams said he had very reluctantly risen at the sudden and unexpected call of the gentleman from Tennessee (Mr. Peyton.) He had added a few remarks, which he thought called for by those of the gentleman from Maryland, (Mr. Thomas,) but nothing could be farther from his intention than to proceed a hair's breadth beyond the rules of order; nor would he now proceed without express authority so to do from the chairman or from the committee. Some debate then arose; the chairman referred the question to the committee, and two successive divisions, by tellers, took place; on both of which a majority of the voters were for authorizing Mr. Adams to proceed, the want of a quorum on the first division having rendered the second necessary. The chairman then directed Mr. Adams to proceed. He was twice or three times interrupted or replied to by Mr. Thomas. The following is the substance of what he said, though possibly some of the preceding, and some of the following observations may be transferred from the order in which they were spoken.]

Upon Mr. THOMAS's last replication Mr. ADAMS said:

Mr. Chairman: The gentleman from Maryland is anxious to have the last word, and he shall have it. He bore an honorable testimony to the unsullied integrity of the president of the bank by assenting to the resolution read by the gentleman from Tennessee, and now he does not know whether he voted for it or not. He has had new lights, by a re-examination of the evidence; and, above all, he believes Whitney's story, because his minute of the two sums taken from the teller's draw on the 25th and 26th May, 1824, is confirmed by the entries on the books of the bank. Now, sir, there are two ways of accounting for the conformity of Mr. Whitney's minutes and the books of the bank: one, that the entries and the books were conformed to the minutes; and the other, that the minutes were made conformable to the entries on the books. The gentleman from Maryland chooses to believe the first of these alternatives, and thence derives all his confidence in Whitney's testimony. I believe (said Mr. A.) that the minutes were made from the entries on the books, to which Whitney, as a director, always had access. Whitney swore at first that the entries on the books of those sums taken out of the teller's draw on the 25th and 26th of May, were made by his order. The clerk who made the entries swore not only that they were made without his order, but that if he had assumed to give such an order, it would not have been obeyed; no single director having any right to give such an order. Whitney then, with the permission of the committee, revised his testimony, to correct what he called discrepancies, and said his impression was that he directed the two loans to be put upon the books, or, that he was informed that they had been placed there, and that he confirmed their having done so. Confirmed their having done so! What was there to confirm? His charge was that there had been no entry on the books till he had ordered they should be made. The gentleman from Maryland relies upon the confirmation of the entries on the books. There is not one tittle of evidence on the books to show that there ever was such a transaction, as Whitney's going with Andrews and Wilson to the teller's draw, and to the discount clerk's desk, nor that Whitney's memorandum was made at that time. Andrews, Wilson, Patterson, the first teller, and Burtes, the discount clerk, denied positively all recollection of any such transaction having occurred, and these are the four persons with whom, and in whose presence, he had sworn that it took place. With regard to the non-payment of interest upon the loans to Thomas, Biddle and Co. of which Whitney swore Wilson had told him; Wilson denied with indignation that he had ever told him of, or known any such thing. Was there any confirmation of this charge on the face of the books? Not a particle. The face of the books, and all the witnesses, proved directly the reverse—and in this consisted the gravamen of the charge. It was not the mere hasty, incautious practice of loaning money upon deposits of stocks for three or four, ten or fifteen days, charged as cash, and repaid with interest to a day and hour; it was the embezzlement of the funds of the bank by unlicensed loans, to favorites and kinsmen, without interest. That was the charge to which Whitney swore against the president of the bank, and which the books of the bank, and every witness to whom he appealed for confirmation of his testimony, contradicted and disproved.

There was not a shadow of evidence that any such a transaction as his going to the teller's draw, or the discount clerk's desk, with the cashiers, ever occurred. They all denied any recollection of such an incident; but the remainder of his story, of an immediate private interview with the president, his remonstrance against the continuance of the practice, and the president's blushing promise that it should cease—of the falsehood of all this there was other conclusive proof besides the positive denial upon oath of the president himself. The dates upon the memorandum corresponding with the entries on the books of the bank, fix this transaction, if it happened at all, upon the 27th of May, 1824. Now it turned out that the president of the bank, on that day, and for a week before, and several days after, was not at Philadelphia, but at Washington; so that the loans and the deposit of stocks were made in his absence, and altogether without his knowledge—General Cadwalader then acting as president of the bank. The dates of the memorandum had fixed the time of the discovery and expostulation so unalterably, that if it did not happen then there was no pretence that it could have happened at all. The whole foundation of fact upon which this fabulous fabrication was erected, appears to be, that on the 25th and 26th of May, 1824, Thomas Biddle and Co. received upon interest from the bank considerable sums of money, on the security of deposited stock, and perhaps at other times upon their notes. That these loans were not for definite terms of thirty, sixty, or ninety days, but for an indefinite and small number of days, after which the cash was replaced, and the interest paid for all the time they had had the use of the money. One of the occasions of this practice was, that Thomas Biddle and Co. as brokers, were agents of the bank itself for the purchase of bills of exchange, sometimes to the amount of millions in a few days. As they purchased the bills in the market, they needed the money to pay for them; and in the process of such negotiations the money for payment may be wanted before the equivalent can be delivered. In such cases, moneys to a very large amount might appear to be borrowed by the brokers, when their real debt to the bank would be little or nothing; and such was the amount of all the charges against the bank which formed the subject of inquiry to the investigating committee of 1832.

Especially was every charge against the integrity of the president of the bank, at that time, signally defeated and confounded, notwithstanding the candor of the gentleman from Maryland—that candor of which he now makes such liberal profession, and of which that committee had abundant demonstration throughout the whole course of their labors. Even a majority of that committee, hostile as they were to the Bank of the United States, did, in the resolution read now by the gentleman from Tennessee, bear their unequivocal testimony to the integrity of the president of the bank, upon the very point with regard to which it has been impeached. The gentleman from Maryland accepted that resolution as a substitute for one of non-committal, which he himself had offered; and now he withdraws that acceptance, and does not know whether he votes for the resolution or not.

It is not, Mr. Chairman, for the purpose of interposing in the good offices of the gentleman from Maryland, in behalf of the individual whose character and conduct have recently occupied so much of the time of this House, that I have said thus much. Of them I have no disposition to discourse, or to open my lips. I rose merely to answer to the call of the gentleman from Tennessee, and to vindicate the untainted honor of my friend, which I am not disposed in silence to hear assailed in this place, either by open assault or by insidious insinuation.