

have imbibed very incorrect opinions concerning the views entertained by the department, it becomes proper on the present occasion to repeat, in explicit terms, the real character and extent of those views.

“ 1. The order as to the mode of collecting bonds by yourself, rather than through the banks, and in specie or its equivalent, was, in the last respect, in accordance with the course which you reported to this department for its approval on the suspension of payment by the banks. The order was the same in substance, in all respects, at your port, as that adopted at all other ports in the United States, where no banks paid specie on demand for their notes, and where, in that event, the express language of the deposite act of June, 1836, imperatively required their discontinuance as public depositories; and other laws virtually forbid the receipt of their notes for duties.

“ 2. But, in the wide-spread calamity which had recently fallen on the commercial world, and through it upon those banking institutions in common with others which were depositories of the public money, it was evident that our finances must become embarrassed through the previous embarrassments of others, and that great care and efforts must be exercised to meet faithfully the current public engagements. At the same time, it was desirable that every indulgence and forbearance should be exercised, and were intended by the president and this department to be liberally exercised towards the public debtors, which those engagements would permit.

“ 3. Accordingly, *in order to mitigate the evils which pressed so heavily on the merchants, this department, with the sanction of the president, at once authorized a postponement to be granted, in all suitable cases, of the payment of duty bonds, as well before as after suit: and subsequently as new events justified, permitted it to be extended till after the commencement of the next session of congress.*

“ The department likewise empowered the collectors to receive for duties the drafts of the treasurer, in favor of the public creditors, which might not be paid in specie to the holders by the banks on which they were drawn.

“ Outstanding debenture bonds are also receivable in the same way; and, to afford the opportunity to procure further aid and relief, if it shall be deemed proper by congress, that body has been specially convened by the president at the earliest convenient day.

“ After all these mitigating measures, neither the president nor this department saw any further indulgence which could be given consistent with the acts of congress, and which it was within our powers to bestow, limited and regulated as those powers are by various express laws.

“ It was, and still is, hoped that the merchants would, till congress assembled, cheerfully incur the diminished sacrifices, in respect to the payment