

special deposit with the banks, till his retirement from office. Thus all the systems, which either the whigs or conservatives rely on for the safe custody of the public funds, have been tried in his case, namely :

“ The system of deposit with a great national bank ; the system of deposit with the state banks. \* \* \* \* ”

“ We will not at present dwell on the moral features of this transaction which are dark enough, we will not dwell on the fact that Mr. Swartwout was appointed to his office contrary to the wish of the democracy of the city, and, therefore, that *they* are under no responsibility for his misdeeds, but we will affirm, without fear of contradiction, that this prodigious embezzlement of the public funds, this enormous fraud upon the treasury and the nation, has been owing to the want of just such a law as *the* friends of a constitutional treasury have twice brought into congress, and the friends of the banks have twice defeated.

“ The bonds entered into by the sureties of Mr. Swartwout are of course inadequate to cover the amount kept back by him from the treasury.”

That the allegations of Henry Ogden and Joshua Phillips respecting the defalcations of Samuel Swartwout were fictitious and seemingly concocted either for the concealment of undiscovered peculations augmenting their own wealth or invented to further their own personal interests, becomes more evident and established as the subsequent statements of the solicitor and the comptroller of the treasury, and the later testimony of Nathaniel Schultz, the auditor, and David S. Lyon, the deputy collector, under Samuel Swartwout, are examined.

The two treasury officials, writing to the secretary from the city of New York, on November 15, 1838, furnished him with the following information derived from the misleading *data* and allegations of the cashier and the assistant cashier :

“ We have completed, with the aid of Mr. Underwood [the treasury clerk], the examination of the records of the custom-house at this place. *From them, with the information derived from Mr. Phillips, the assistant cashier, we have ascertained, AS WE BELIEVE CORRECTLY, the sums withdrawn by Mr. Swartwout from the public moneys under his charge, during each successive quarter of his official term, and never replaced.* \* \* \* \* ”

“ The amount, as settled at the treasury on the 10th instant, exhibits a balance due from Mr. Swartwout, exclusive of interest, of \$1,344,119.65. It is supposed that a further adjustment of his accounts, and the production of the formal and necessary vouchers for sums for which he may be entitled to credit, will authorize a further allowance of \$148,413.96. THIS WILL MAKE THE SUM WITH WHICH HE IS CHARGEABLE \$1,225,705.69, EXCLUSIVE OF INTEREST. THIS IS THE AMOUNT THAT HE APPEARS TO HAVE WITHDRAWN AND NEVER REPLACED.