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SPEECH

OF

HENRY CLAY, OF KENTUCKY,

ON THE

BILL IMPOSING ADDITIONAL DUTIES,

AS

DEPOSITARIES, IN CERTAIN CASES,

ON

PUBLIC OFFICERS

IN SENATE OF THE UNITED STATES, SEPTEMBER 25, 1837.

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SPEECH.

The Senate having resumed the consideration of the bill imposing additional duties, as depositaries of the public moneys, on certain officers of the General Government—

Mr. CLAY rose and addressed the Senate upwards of three hours. He commenced by observing that, feeling an anxious desire to see some effectual plan presented to correct the disorders in the currency, and to restore the prosperity of the country, he had avoided precipitating himself into the debate now in progress, that he might attentively examine every remedy that should be proposed, and impartially weigh every consideration urged in its support. No period had ever existed in this country, in which the future was covered by a darker, denser, or more impenetrable gloom. None, in which the duty was so imperative to discard all passion and prejudice, all party ties, and previous bias, and look exclusively to the good of our afflicted country. In one respect—and he thought it a fortunate one—our present difficulties are distinguishable from former domestic troubles, and that is their universality. They are felt, it is true, in different degrees, but they reach every section, every State, every interest, almost every man in the Union. All feel, see, hear, know their existence. As they do not array, like our former divisions, one portion of the Confederacy against another, it is to be hoped that common sufferings may lead to common sympathies and common councils, and that we shall, at no distant day, be able to see a clear way of deliverance. If the present state of the country were produced by the fault of the People; if it proceeded from their wasteful extravagance and their indulgence of a reckless spirit of ruinous speculation; if public measures had no agency whatever in bringing it about, it would nevertheless be the duty of Government to exert all its energies and to employ all its legitimate powers to devise an efficacious remedy. But if our present deplorable condition has sprung from our rulers; if it is to be clearly traced to their acts and operations, that duty becomes infinitely more obligatory; and Government would be faithless to the highest and most solemn of human trusts should it neglect to perform it. And is it not too true that the evils which surround us are to be ascribed to those who have had the conduct of our public affairs?

In glancing at the past, (continued Mr. C.) nothing can be further from my intention than to excite angry feelings, or to find grounds of reproach. It would be far more congenial to my wishes that, on this occasion, we should forget all former unhappy divisions and animosities. But, in order to discover how to get out of our difficulties, we must ascertain, if we can, how we got into them.

Prior to that series of unfortunate measures which had for its object the overthrow of the Bank of the United States, and the discontinuance of its fiscal agency for the Government, no People upon earth ever enjoyed a better currency, or had exchanges better regulated, than the People of the United States. Our monetary system appeared to have attained as great perfection as any thing human can possibly reach. The combination of United

States and local banks presented a true image of our system of General and State Governments, and worked quite as well. Not only within the country had we a local and a general currency perfectly sound, but in whatever quarter of the globe American commerce had penetrated, there also did the bills of the Bank of the United States command unbounded credit and confidence. Now we are in danger of having fixed upon us, indefinitely as to time, that medium—an irredeemable paper currency, which, by the universal consent of the commercial world, is regarded as the worst. How has this reverse come upon us? Can it be doubted that it is the result of those measures to which I have adverted? When, at the very moment of adopting them, the very consequences which have happened were foretold as inevitable, is it necessary to look elsewhere for their cause? Never was prediction more distinctly made; never was fulfilment more literal and exact.

Let us suppose that those measures had not been adopted; that the Bank of the United States had been rechartered; that the public deposits had remained undisturbed; and that the Treasury order had never issued: is there not every reason to believe that we should be now in the enjoyment of a sound currency; that the public deposits would be now safe and forthcoming; and that the suspension of specie payments in May last would not have happened?

The President's message asserts that the suspension has proceeded from over-action—over-trading—the indulgence of a spirit of speculation produced by bank and other facilities. I think this is a view of the case entirely too superficial. It would be quite as correct and just, in the instance of a homicide perpetrated by the discharge of a gun, to allege that the leaden ball, and not the man who levelled the piece, was responsible for the murder. The true inquiry is, how came that excessive over-trading and those extensive bank facilities which the message describes? Were they not the necessary and immediate consequences of the overthrow of the bank, and the removal from its custody of the public deposits? And is not this proven by the vast multiplication of banks, the increase of the line of their discounts and accommodations, prompted and stimulated by Secretary Taney, and the great augmentation of their circulation which ensued?

What occurred in the State of Kentucky, in consequence of the veto of the recharter of the Bank of the United States, illustrates its effects throughout the Union. That State had suffered greatly by banks. It was generally opposed to the re-establishment of them. It had found the notes of the Bank of the United States answering all the purposes of a sound currency at home and abroad, and it was perfectly contented with them. At the period of the veto, it had but a single bank of limited capital and circulation. After it, the State, reluctant to engage in the banking system, and still cherishing hopes of the creation of a new Bank of the United States, encouraged by the supporters of the late President, hesitated about the incorporation of new banks. But, at length, despairing of the establishment of a Bank of the United States, and finding itself exposed to a currency in bank notes from adjacent States, it proceeded to establish banks of its own, and since the veto, since 1833, has incorporated for that single State bank capital to the amount of ten millions of dollars—a sum equal to the first Bank of the United States created for the whole Union!

That the local banks, to which the deposits were transferred from the Bank of the United States, were urged and stimulated freely to discount upon them, we have record evidence from the Treasury Department.

The message, to reconcile us to our misfortunes, and to exonerate the measures of our own Government from all blame in producing the present state of things, refers to the condition of Europe, and especially to that of Great Britain. It alleges that “in both countries we have witnessed the same redundancy of *paper money*, and other facilities of credit; the same spirit of speculation; the same partial successes; the same difficulties and reverses; and, at length, nearly the same overwhelming catastrophe.”

The very clear and able argument of the Senator from Georgia (Mr. KING) relieves me from the necessity of saying much upon this part of the subject,

It appears that during the period referred to by the message, of 1833-4-5, there was, in fact, no augmentation, or a very trifling augmentation, of the circulation of the country, and that the message has totally misconceived the actual state of things in Great Britain. According to the publications to which I have had access, the Bank of England in fact diminished its circulation, comparing the first with the last of that period, about two and a half millions sterling; and although the joint stock and private banks increased theirs, the amount of increase was neutralized by the amount of diminution.

If the state of things were really identical, or similar, in the two countries, it would be fair to trace it to similarity of causes. But is that the case? In Great Britain a sound currency was preserved by a recharter of the Bank of England about the same time that the recharter of the Bank of the United States was agitated here. In the United States we have not preserved a sound currency, in consequence of the veto. If Great Britain were near the same catastrophe (the suspension of specie payments) which occurred here, she nevertheless ESCAPED it; and this difference in the condition of the two countries makes all the difference in the world. Great Britain has recovered from whatever mercantile distresses she experienced: we have not; and when shall we? All is bright and cheerful and encouraging in the prospects which lie before her; and the reverse is our unfortunate situation.

Great Britain has, in truth, experienced only those temporary embarrassments which are incident to commercial transactions, conducted upon the scale of vast magnitude on which hers are carried on. Prosperous and adverse times, action and reaction, are the lot of all commercial countries. But our distresses sink deeper; they reach the heart, which has ceased to perform its office of circulation in the great concerns of our body politic.

Whatever of embarrassment Europe has recently experienced may be satisfactorily explained by its trade and connexions with the United States. The degree of embarrassment has been marked, in the commercial countries there, by the degree of their connexion with the United States. All, or almost all, the great failures in Europe have been of houses engaged in the American trade. Great Britain, which, as the message justly observes, maintains the closest relations with us, has suffered most; France next, and so on, in the order of their greater or less commercial intercourse with us. Most truly was it said by the Senator from Georgia that the recent embarrassments of Europe were the embarrassments of a creditor, from whom payment was withheld by the debtor, and from whom the precious metals have been unnecessarily withdrawn by the policy of the same debtor.

Since the intensity of suffering, and the disastrous state of things in this country, have far transcended any thing that has occurred in Europe, we must look here for some peculiar and more potent causes than any which have been in operation there. They are to be found in that series of measures to which I have already adverted:

1st. The veto of the bank.

2d. The removal of the deposites, with the urgent injunction of Secretary Taney upon the banks to enlarge their accommodations.

3d. The gold bill, and the demand of gold for the foreign indemnities.

4th. The clumsy execution of the deposite law; and

5th. The Treasury order of July, 1836.

[Here Mr. CLAY went into an examination of these measures, to show that the inflated condition of the country, the wild speculations, which had risen to their height when they began to be checked by the preparations of the local banks necessary to meet the deposite law of June, 1836, the final suspension of specie payments, and the consequent disorders in the currency, commerce, and general business of the the country, were all to be traced to the influence of the measures enumerated. All these causes operated immediately, directly, and powerfully upon us, and their effects were indirectly felt in Europe.]

The message imputes to the deposite law an agency in producing the existing embarrassments.. This is a charge frequently made by the friends of the administration against that law. It is true that the banks having increased their accommodations, in conformity with the orders of Secretary Taney, it might

not have been convenient to recall and pay them over for public use. It is true also, that the manner in which the law was executed by the Treasury Department, transferring large sums from creditor to debtor portions of the country, without regard to the commerce or business of the country, might have aggravated the inconvenience. But what do those who object to the law think ought to have been done with the surpluses which had accumulated, and were daily augmenting to such an enormous amount in the hands of the deposite banks? Were they to be incorporated with their capitals, and remain there for the benefit of the stockholders? Was it not proper and just that they should be applied to the uses of the People from whom they were collected? And whenever and however taken from the deposite banks, would not inconvenience necessarily happen?

The message asserts that the Bank of the United States chartered by Pennsylvania, has not been able to save itself or to check other institutions, notwithstanding "the still greater strength it has been said to possess under its charter." That bank is now a mere State or local institution. Why is it referred to, more than the Bank of Virginia, or any other local institution? The exalted station which the President fills forbids the indulgence of the supposition that the allusion has been made to enable the administration to profit by the prejudices which have been excited against it. Was it the duty of that bank, more than any other State bank, to check the local institutions? Was it not even under less obligation to do so than the deposite banks, selected and fostered by the General Government?

But how could the message venture to assert that it has greater strength than the late Bank of the United States possessed? Whatever may be the liberality of the conditions of its charter, it is impossible that any single State could confer upon its faculties equal to those granted to the late Bank of the United States--first, in making it sole depository of the revenue of the United States; and secondly, in making its notes receivable in the payment of all public dues. If a Bank of the United States had existed, it would have had ample notice of the accumulation of public moneys in the local banks, and by timely measures of precaution, it could have prevented the speculative uses to which they were applied. Such an institution would have been bound, by its relations to the Government, to observe its appropriations, and financial arrangements and wants, and to hold itself always ready promptly to meet them. It would have drawn together gradually, but certainly, the public moneys, however dispersed. Responsibility would have been concentrated upon it alone, instead of being weakened or lost by diffusion among some eighty or local banks, dispersed throughout the country, and acting without any effective concert.

A subordinate but not unimportant cause of the evils which at present encompass us has been the course of the late administration towards the compromise act. The great principle of that act, in respect to our domestic industry, was its stability. It was intended and hoped that, by withdrawing the tariff from those annual discussions in Congress, of which it had been the fruitful topic, our manufactures would have a certainty, for a long period, as to the measure of protection, extended to them by its provisions, which would compensate any reduction in the amount contained in prior acts. For a year or two after it was adopted, the late administration manifested a disposition to respect it, as an arrangement which was to be inviolable. But, for some time past, it has been constantly threatened from that quarter, and a settled purpose has been displayed to disregard its conditions. Those who had an agency in bringing it forward, and carrying it through Congress, have been held up to animadversion; it has been declared by members high in the confidence of the administration in both Houses, to possess no obligatory force beyond any ordinary act of legislation, and new adjustments of the tariff have been proposed in both Houses, in direct contravention of the principles of the compromise; and, at the last session, one of them actually passed the Senate, against the most earnest entreaty and remonstrance. A portion of the South has not united in these attacks upon the compromise; and I take pleasure in saying that the two Senators from South Carolina, especially, have

uniformly exhibited a resolution to adhere to it with perfect honor and fidelity. The effect of these constant threats and attacks, coming from those high in power, has been most injurious. They have shown to the manufacturing interest that no certain reliance was to be placed upon the steadiness of the policy of the Government, no matter under what solemn circumstances it was adopted. That interest has taken alarm; new enterprises have been arrested, old ones curtailed; and at this moment it is the most prostrate of all the interests in the country. One-half in amount, as I have been informed, of the manufacturers throughout the country have actually suspended operations, and those who have not chiefly confine themselves to working up their stocks on hand.

The consequence has been, that we have made too little at home, and purchased too much abroad. This has augmented that foreign debt, the existence of which so powerfully contributed to the suspension, and yet forms an obstacle to the resumption of specie payments.

The Senator from South Carolina (Mr. CALHOUN) attributed the creation of the surplus revenue to the tariff policy, and especially to the acts of 1824 and 1828. I do not perceive any advantage, on the present occasion, in reviving or alluding to the former dissensions which prevailed on the subject of that policy. They were all settled and quieted by the great healing measure (the compromise) to which I have referred. By that act I have been willing and ready to abide. And I have desired only that it should be observed and executed in a spirit of good faith and fidelity similar to that by which I have been ever actuated towards it.

The act of 1828 was no measure of the friends of the manufacturers. Its passage was forced by a coalition between their secret and open opponents. But the system of protection of American industry did not cause the surplus. It proceeded from the extraordinary sales of the public lands. The receipts, from all sources other than that of the public lands, and expenditures of the years 1833-4-5-6, (during which the surplus was accumulating,) both amount to about eighty-seven millions of dollars; thus clearly showing that the customs only supplied the necessary means of public disbursement, and that it was the public domain that produced the surplus.

If the land bill had been allowed to go into operation, it would have distributed gradually and regularly among the several States the proceeds of the public lands, as they would have been received from time to time. They would have returned back in small streams, similar to those by which they had been collected, animating, and improving, and fructifying the whole country. There would have been no vast surplus to embarrass the Government; no removal of deposits from the Bank of the United States to the deposit banks, to disturb the business of the country; no accumulations in the deposit banks of immense sums of public money, augmented by the circuit it was performing between the land offices and the banks, and the banks and the land offices; no occasion for the Secretary of the Treasury to lash the deposit banks into the grant of inordinate accommodations; and possibly there would have been no suspension of specie payments. But that bill was suppressed by a most extraordinary and dangerous exercise of Executive power.

The cause of our present difficulties may be stated in another way. During the late Administration we have been deprived of the practical benefit of a free Government; the forms, it is true, remained and were observed, but the essence did not exist. In a free, or self-government, the collected wisdom, the aggregate will of the whole, or at least of a majority, moulds and directs the course of public affairs. In a despotism, the will of a single individual governs. In a practically free Government, the nation controls the Chief Magistrate; in an arbitrary Government, the Chief Magistrate controls the nation. And has not this been our situation in the period mentioned? Has not one man forced his own will on the nation? Have not all those disastrous measures—the veto of the bank; the removal of the deposits; the rejection of the land bill; and the Treasury order, which have led to our present unfortunate condition, been adopted, in spite of the wishes of

the country, and in opposition, probably, to those of the dominant party itself?

Our misfortune has not been the want of wisdom, but of firmness. The party in power would not have governed the country very ill, if it had been allowed its own way. Its fatal error has been to lend its sanction, and to bestow its subsequent applause and support upon Executive acts which, in their origin, it previously deprecated or condemned. We have been shocked and grieved to see whole legislative bodies and communities approving and lauding the rejection of the very measures which previously they had unanimously recommended! To see whole States abandoning their long-cherished policy and best interests in subserviency to Executive pleasure! And the numberless examples of individuals who have surrendered their independence, must inflict pain in every patriot bosom. A single case forces itself upon my recollection as an illustration, to which I do not advert from any unkind feelings towards the gentleman to whom I refer, between whom and myself civil and courteous relations have ever existed. The memorial of the late Bank of the United States praying for a recharter was placed in his hands, and he presented it to the Senate. He carried the recharter through the Senate. The veto came; and, in two or three weeks afterwards, we behold the same Senator at the head of an assembly of the People in the State-house yard, in Philadelphia, applauding the veto, and condemning the bank—condemning his own act! Motives lie beyond the reach of the human eye, and it does not belong to me to say what they were which prompted this self-castigation, and this praise of the destruction of his own work; but it is impossible to overlook the fact that this same Senator, in due time, received from the author of the veto the gift of a splendid foreign mission!

The moral deducible from the past is, that our free institutions are superior to all others, and can be preserved in their purity and excellence only upon the stern condition that we shall forever hold the obligations of patriotism paramount to all the ties of party, or to individual dictation; and that we shall never openly approve what we secretly condemn.

In this rapid, and, I hope, not fatiguing review of the causes which I think have brought upon us existing embarrassments, I repeat that it has been for no purpose of reproaching or criminating those who have had the conduct of our public affairs; but to discover the means by which the present crisis has been produced, with a view to ascertain, if possible, what (which is by far much more important) should be done by Congress to avert its injurious effects. And this brings me to consider the remedy proposed by the Administration.

The great evil under which the country labors is the suspension of the banks to pay specie, the total derangement in all domestic exchanges, and the paralysis which has come over the whole business of the country. In regard to the currency, it is not that a given amount of bank notes will not now command as much as the same amount of specie would have done prior to the suspension; but it is the future, the danger of an inconvertible paper money being indefinitely or permanently fixed upon the People, that fills them with apprehensions. Our great object should be to re-establish a sound currency, and thereby to restore the exchanges and revive the business of the country.

The first impression which the measures brought forward by the Administration make is, that they consist of temporary expedients, looking to the supply of the necessities of the Treasury; or, so far as any of them possess a permanent character, its tendency is rather to aggravate than alleviate the sufferings of the People. None of them proposes to rectify the disorders in the actual currency of the country; but the People, the States, and their banks, are left to shift for themselves as they may or can. The Administration, after having intervened between the States and their banks, and taken *them* into the Federal service, without the consent of the States; after having puffed and praised them; after having brought them, or contributed to bring them, into their present situation, now suddenly turns its back upon them, leaving them to their fate! It is not content with that; it must absolutely discredit their issues. And the very People who were told by the Administration that these banks would supply them with a better currency, are now

left to struggle as they can with the very currency which the Government recommended to them, but which it now refuses itself to receive !

The professed object of the Administration is to establish what it terms the currency of the Constitution, which it proposes to accomplish by restricting the Federal Government, in all receipts and payments, to the exclusive use of specie, and by refusing all bank paper, whether convertible or not. It disclaims all purposes of crippling or putting down the banks of the States ; but we shall better determine the design or the effect of the measures recommended by considering them together, as one system.

1. The first is the sub-Treasuries, which are to be made the depositories of all the specie collected and paid out for the service of the General Government, discrediting and refusing all the notes of the States, although payable and paid in specie.

2. A bankrupt law for the United States, levelled at all the State banks, and authorizing the seizure of the effects of any of them that stop payment, and the administration of their effects under the Federal authority exclusively.

3. A particular law for the District of Columbia, by which all the corporations and people of the District, under severe pains and penalties, are prohibited from circulating, sixty days after the passage of the law, any paper whatever not convertible into specie on demand, and are made liable to prosecution by indictment.

4. And, lastly, the bill to suspend the payment of the fourth instalment to the States, by the provisions of which the deposite banks indebted to the Government are placed at the discretion of the Secretary of the Treasury.

It is impossible to consider this system without perceiving that it is aimed at, and, if carried out, must terminate in, the total subversion of the State banks ; and that they will be all placed at the mercy of the Federal Government. It is in vain to protest that there exists no design against them. The effect of these measures cannot be misunderstood.

And why this new experiment or untried expedient ? The People of this country are tired of experiments. Ought not the Administration itself to cease with them ? Ought it not to take warning from the events of recent elections ? Above all, should not the Senate, constituted as it now is, be the last body to lend itself to further experiments upon the business and happiness of this great People ? According to the latest expression of public opinion in the several States, the Senate is no longer a true exponent of the will of the States or of the People. If it were, there would be thirty-two or thirty-four Whigs to eighteen or twenty friends of the Administration.

Is it desirable to banish a convertible paper medium, and to substitute the precious metals as the sole currency to be used in all the vast extent of varied business of this entire country ? I think not. The quantity of precious metals in the world, looking to our fair distributive share of them, is wholly insufficient. A convertible paper is a great time-saving and labor-saving instrument, independent of its superior advantages in transfers and remittances. A friend, no longer ago than yesterday, informed me of a single bank whose payments and receipts in one day amounted to two millions of dollars. What time would not have been necessary to count such a vast sum ? The payments, in the circle of a year, in the city of New York, were estimated several years ago at fifteen hundred millions. How many men and how many days would be necessary to count such a sum ? A young, growing, and enterprising People, like those of the United States, more than any other, need the use of those credits which are incident to a sound paper system. Credit is the friend of indigent merit. Of all nations, Great Britain has most freely used the credit system ; and of all she is the most prosperous. We must cease to be a commercial people ; we must separate, divorce ourselves from the commercial world, and throw ourselves back for centuries, if we restrict our business to the exclusive use of specie.

It is objected against a convertible paper system, that it is liable to expansions and contractions ; and that the consequence is the rise and fall of prices, and sudden fortunes or sudden ruin. But it is the importation or exportation of specie which forms the basis of paper, that occasions these fluctuations.

If specie alone were the medium of circulation, the same importation or exportation of it would make it plenty or scarce, and affect prices in the same manner. The nominal or apparent prices might vary in figures, but the sensation upon the community would be as great in the one case as in the other. These alternations do not result, therefore, from the nature of the medium, whether that be specie exclusively, or paper convertible into specie, but from the *operations of commerce*. It is commerce, at last, that is chargeable with expansions and contractions; and against commerce, and not its instrument, should opposition be directed.

I have heard it urged by the Senator from South Carolina (Mr. CALHOUN) with no little surprise, in the course of this debate, that a convertible paper would not answer for a currency, but that the true standard of value was to be found in a paper medium not convertible into the precious metals. If there be, in regard to currency, one truth which the united experience of the whole commercial world had established, I had supposed it to be that emissions of pure paper money constituted the very worst of all conceivable species of currency. The objections to it are: First, that it is impracticable to ascertain, *a priori*, what amount can be issued without depreciation; and, secondly, that there is no adequate security, and, in the nature of things, none can exist, against excessive issues. The paper money of North Carolina, to which the Senator referred, according to the information which I have received, did depreciate. It was called Proc., an abbreviation of the authority under which it was put forth, and it took one and a half and sometimes two dollars of proc. to purchase one in specie. But if any one desires to understand perfectly the operation of a purely paper currency, let him study the history of the Bank of the Commonwealth of Kentucky. It was established about 15 or 16 years ago, with the consent of a majority of the people of that State. It is winding up and closing its career, with the almost unanimous approbation of the whole people. It had an authority to issue, and did issue, notes to the amount of about two millions of dollars. These notes, upon their face, purported an obligation of the bank to pay the holder, on demand, the amount in specie; but it was well known that they would not be so paid. As a security for their ultimate payment, there were, 1st, the notes of individuals supposed to be well secured, every note put out by the bank being represented by an individual note discounted. 2d. The funds of the State in a prior State bank, amounting to about half a million of dollars. 3d. The proceeds of a large body of waste lands belonging to the State. And 4th. The annual revenue of the State and public dues, all of which were payable in the notes of the Commonwealth Bank.

Notwithstanding this apparently solid provision for the redemption of the notes of the bank, they began to depreciate shortly after it commenced operation, and in the course of a few months they sunk as low as fifty per cent.—two dollars for one specie dollar. They continued depreciated for a long time, until after large amounts of them were called in and burnt. They then rose in value, and now, when there is only some fifty or one hundred thousand dollars out, they have risen to about par. This is owing to the demand for them, created by the wants of the remaining debtors to the bank, and their receivability in payment of taxes. The result of the experiment is, that, although it is possible to sustain at about par a purely paper medium to some amount, if the legislative authority which creates it will also create a demand for it, it is impracticable to adjust the proportions of supply and demand so as to keep it at par; and that the tendency is always to an excess of issue. The result, with the people of Kentucky, has been a general conviction of the mischiefs of all issues of an irredeemable paper medium.

Is it practicable for the Federal Government to put down the State banks, and to introduce an exclusive metallic currency? In the operations of this Government, we should ever bear in mind that political power is distributed between it and the States, and that, whilst our duties are few and clearly defined, the great mass of legislative authority abides with the States. Their banks exist without us, independent of us, and in spite of us. We have no constitutional power or right to put them down. Why, then, seek their de-

struction, openly or secretly, directly or indirectly, by discrediting their issues, and by bankrupt laws, and bills of pains and penalties? What are these banks now so decried and denounced? Intruders, aliens, enemies that have found their way into the bosom of our country against our will? Reduced to their elements, and the analysis shows that they consist: 1st, of stockholders; 2d, debtors; and 3d, bill-holders and other creditors. In some one of these three relations, a large majority of the People of the United States stand. In making war upon the banks, therefore, you wage war upon the People of the United States. It is not a mere abstraction that you would kick and cuff, bankrupt and destroy, but a sensitive, generous, confiding people, who are anxiously turning their eyes towards you, and imploring relief. Every blow that you inflict upon the banks reaches them. Press the banks, and you press them.

True wisdom, it seems to me, requires that we should not seek after, if we could discover, unattainable abstract perfection; but should look to what is practicable in human affairs, and accommodate our legislation to the irreversible condition of things. Since the States and the People have their banks, and will have them, and since we have no constitutional authority to put them down, our duty is to come to their relief when in embarrassment, and to exert all our legitimate powers to sustain and enable them to perform, in the most beneficial manner, the purposes of their institution. We should embank, not destroy, the fertilizing stream which sometimes threatens an inundation.

We are told that it is necessary to separate, divorce the Government from the banks. Let us not be deluded by sounds. Senators might as well talk of separating the Government from the States, or from the People, or from the country. We are all, People, States, Union, banks, bound up and interwoven together, united in fortune and destiny, and all, all entitled to the protecting care of a parental Government. You may as well attempt to make the Government breathe a different air, drink a different water, be lit and warmed by a different sun from the People! A hard-money Government and a paper-money People! A Government, an official corps—the servants of the People—glittering in gold, and the People themselves, their masters, buried in ruin, and surrounded with rags.

No prudent or practical Government will in its measures run counter to the long-settled habits and usages of the People. Religion, language, laws, the established currency and business of a whole country, cannot be easily or suddenly uprooted. After the denomination of our coin was changed to dollars and cents, many years elapsed before the old method of keeping accounts, in pounds, shillings, and pence, was abandoned. And, to this day, there are probably some men of the last century who adhere to it. If a fundamental change becomes necessary, it should not be sudden, but conducted by slow and cautious degrees. The People of the United States have been always a paper money People. It was paper money that carried us through the Revolution, established our liberties, and made us a free and independent People. And, if the experience of the revolutionary war convinced our ancestors, as we are convinced, of the evils of an irredeemable paper medium, it was put aside only to give place to that convertible paper which has so powerfully contributed to our rapid advancement, prosperity, and greatness.

The proposed substitution of an exclusive metallic currency, to the mixed medium with which we have been so long familiar, is forbidden by the principles of eternal justice. Assuming the currency of the country to consist of two-thirds of paper and one of specie; and assuming also that the money of a country, whatever may be its component parts, regulates all values, and expresses the true amount which the debtor has to pay to his creditor, the effect of the change upon that relation, and upon the property of the country, would be most ruinous. All property would be reduced in value to one-third of its present nominal amount; and every debtor would, in effect, have to pay three times as much as he had contracted for. The pressure of our foreign debt would be three times as great as it is, whilst the six hundred millions, which is about the sum now probably due to the banks from the People, would be multiplied into eighteen hundred millions.

But there are some more specific objections to this project of sub-Treasuries, which deserve to be noticed. The first is its insecurity. The sub-Treasurer and his bondsmen constitute the only guaranty for the safety of the immense sums of public money which pass through his hands. Is this to be compared with that which is possessed through the agency of banks? The collector, who is to be the sub-Treasurer, pays the money to the bank, and the bank to the disbursing officer. Here are three checks; you propose to destroy two of them, and that most important of all, the bank, with its machinery of president, directors, and cashier, teller and clerks, all of whom are so many centinels. At the very moment when the Secretary of the Treasury tells us how well *his* sub-Treasury system works, he has communicated to Congress a circular signed by himself, exhibiting his distrust in it; for he directs in that circular that the public moneys, when they amount to a large sum, shall be specially deposited with those very banks which he would repudiate. In the State of Kentucky, (other gentlemen can speak of their respective States,) although it has existed but about forty-five years, three Treasurers, selected by the Legislature for their established characters of honor and probity, proved faithless. And the history of the delinquency of one is the history of all. It commenced in human weakness, yielding to earnest solicitations for temporary loans, with the most positive assurances of a punctual return. In no instance was there originally any intention to defraud the Public. We should not expose poor weak human nature to such temptations. How easy will it be, as has been done, to indemnify the sureties out of the public money, and squander the residue?

2. Then there is the liability to favoritism. In the receipts, a political partisan or friend may be accommodated in the payment of duties, in the disbursement, in the purchase of bills, in drafts upon convenient and favorable offices, and in a thousand ways.

3. The fearful increase of Executive patronage. Hundreds and thousands of new offices are to be created; for this bill is a mere commencement of the system, and all are to be placed under the direct control of the President.

The Senator from South Carolina (Mr. CALHOUN) thinks that the Executive is now weak, and that no danger is to be apprehended from its patronage. I wish to God I could see the subject in the same light that he does. I wish that I could feel free from that alarm at Executive encroachments by which he and I were so recently animated. When and how, let me ask, has that power, lately so fearful and formidable, suddenly become so weak and harmless? Where is that corps of one hundred thousand office-holders and dependants, whose organized strength, directed by the will of a single man, was lately held up in such vivid colors and powerful language by a report made by the Senator himself? When were they disbanded? What has become of proscription? Its victims may be exhausted, but the spirit and the power which sacrificed them remain unsubdued. What of the dismissing power? What of the veto? Of that practice of withholding bills, contrary to the Constitution, still more reprehensible than the abuses of the veto? Of Treasury orders, put in force and maintained in defiance and contempt of the legislative authority? And, although last, not least, of that expunging power which degraded the Senate, and placed it at the feet of the Executive?

Which of all these enormous powers and pretensions has the present Chief Magistrate disavowed? So far from disclaiming any one of them, has he not announced his intention to follow in the very footsteps of his predecessor? And has he not done it? Was it against the person of Andrew Jackson that the Senator from South Carolina so ably co-operated with us? No, sir, no, sir, no. It was against his usurpations, as we believed them, against his arbitrary administration, above all, against that tremendous and frightful augmentation of the power of the Executive branch of the Government, that we patriotically but vainly contended. The person of the Chief Magistrate is changed, but there stands the Executive power, perpetuated in all its vast magnitude, undiminished, re-asserted, and overshadowing all the other departments of the Government. Every trophy which the late President won from them now decorates the Executive mansion. Every power, which he tore

rom a bleeding Constitution, is now in the Executive armory, ready, as time and occasion may prompt the existing incumbent, whoever he may be, to be thundered against the liberties of the People.

Whatever may have been the motives or the course of others, I owe it to myself and to truth to say, that in deprecating the election of General Andrew Jackson to the office of Chief Magistrate, it was not from any private considerations, but because I considered it would be a great calamity to my country; and that, in whatever opposition I made to the measures of his Administration, which more than realized my very worst apprehensions, I was guided solely by a sense of public duty. And I do now declare my solemn and unshaken conviction that until the Executive power, as enlarged, extended, and consolidated by him, is reduced within its true constitutional limits, there is no permanent security for the liberties and happiness of this People.

4. Lastly, pass this bill, and whatever divorce its friends may profess to be its aim, that perilous union of the purse and the sword, so justly dreaded by our British and revolutionary ancestors, becomes absolute and complete. And who can doubt it who knows that over the Secretary of the Treasury at Washington, and every sub-Treasurer, the President claims the power to exercise uncontrolled sway?—to exact implicit obedience to his will?

The message states that in the process both of collection and disbursement of the public revenue, the officers who perform it act under the Executive commands; and it argues that, therefore, the custody also of the Treasury might as well be confided to the Executive care. I think the safer conclusion is directly opposite. The possession of so much power over the national treasure is just cause of regret, and furnishes a strong reason for diminishing it, if possible, but none for its increase, none for giving the *whole* power over the purse to the Chief Magistrate.

Hitherto I have considered this scheme of sub-Treasuries as if it was only what its friends represent it—a system solely for the purpose of collecting, keeping, and disbursing the public money, in specie exclusively, without any bank agency whatever. But it is manifest that it is destined to become, if it be not designed to be, a vast and ramified connexion of Government banks, of which the principal will be at Washington, and every sub-Treasurer will be a branch. The Secretary is authorized to draw on the several sub-Treasurers in payment for all the disbursements of Government. No law restricts him as to the amount or form of his drafts or checks. He may throw them into amounts suited to the purposes of circulation, and give them all the appearance and facilities of bank notes. Of all the branches of this system, that at New York will be the most important, since about one-half of the duties is collected there. Drafts on New York are at par, or command a premium from every point of the Union. It is the great money centre of the country. Issued in convenient sums, they will circulate throughout the whole Union as bank notes, and, as long as confidence is reposed in them, will be preferred to the specie which their holders have a right to demand. They will supply a general currency, fill many of the channels of circulation, be a substitute for notes of the Bank of the United States, and supplant, to a great extent, the use of bank notes. The necessities of the People will constrain them to use them. In this way, they will remain a long time in circulation; and in a few years we shall see an immense portion of the whole specie of the country concentrated in the hands of the branch bank—that is, the sub-Treasurer, at New York, and represented by an equal amount of Government paper dispersed throughout the country. The responsibility of the sub-Treasurer will be consequently greatly increased, and the Government will remain bound to guaranty the redemption of all the drafts, checks, or notes (whatever may be their denomination) emitted upon the faith of the money in his custody, and, of course, will be subject to the hazard of the loss of the amount of specie in the hands of the sub-Treasurer. If, in the commencement of this system, the holders of this Government paper shall be required to present it for payment in coin, within a specified time, it will be found inconvenient or impracticable to enforce the restriction, and it will be ultimately abandoned.

Is the Senate prepared to consent to place not only all the specie that may

be collected for the revenue of the country, at the will of the President, or, which is the same thing, in the custody of persons acting in obedience to his will, but to put him at the head of the most powerful and influential system of Government banks that ever existed ?

It is said, in the message, that Government is not bound to supply the country with the exchanges which are necessary to the transaction of its business. But was that the language held during the progress of the contest with the late Bank of the United States ? Was not the expectation held out to the People that they would be supplied with a better currency, and with better regulated exchange ? And did not both the late President and the Secretary of the Treasury dwell, with particular satisfaction, in several messages and reports, upon the improvement of the currency, the greater amount in exchange, and the reduction of the rates, under the operation of the State bank system, than existed under the Bank of the United States ? Instead of fulfilling the promises then held out, the Government now wraps itself up in its dignity—tells the People that they expect too much of it ; that it is not its business to furnish exchanges ; and that they may look to Europe for the manner in which, through the agency of private bankers, the commerce and business of its countries are supplied with exchange. We are advised to give up our American mode of transacting business, through the instrumentality of banking corporations, in which the interests of the rich and the poor are happily blended, and to establish bankers similar to the Hopes, the Barings, the Rothschilds, the Hofinguers, of Europe ; houses which require years or ages to form and to put in successful operation, and whose vast overgrown capitals, possessed by the rich exclusively of the poor, control the destiny of nations and determine the fate of empires !

Having, I think, Mr. President, shown that the project of the Administration is neither desirable nor practicable, nor within the constitutional power of the General Government, nor just ; and that it is contrary to the habits of the People of the United States, and is dangerous to their liberties, I might here close my remarks ; but I conceive it to be the duty of a patriotic opposition not to confine itself merely to urging objections against measures to promote the general prosperity, brought forward by those in power. It has further and higher duties to perform. There may be circumstances in which the Opposition is bound formally to present such measures as, in its judgment, are demanded by the exigency of the times ; but if it has just reason to believe that they would be unacceptable to those who *alone* can adopt them, and give them effect, the Opposition will discharge its duty by suggesting what it believes ought to be done for the public good.

I know, sir, that I have friends whose partiality has induced them to hope that I would be able to bring forward some healing measure for the disorders which unhappily prevail, that might prove acceptable. I wish to God that I could realize this hope ; but I cannot. The disease is of such an alarming character as to require more skill than I possess ; and I regret to be compelled to fear that there is no effectual remedy but that which is in the hands of the suffering patient himself.

Still, under a deep sense of the obligation to which I have referred, I declare that, after the most deliberate and anxious consideration of which I am capable, I can conceive of no adequate remedy which does not comprehend a National Bank as an essential part. It appears to me that a National Bank, with such modifications as experience has pointed out, and particularly such as would limit its profits, exclude foreign influence in the government of it, and give publicity to its transactions, is the only safe and certain remedy that can be adopted. The great want of the country is a general and uniform currency, and a point of union, a sentinel, a regulator of the issues of the local banks ; and that would be supplied by such an institution.

I am not going now to discuss, as an original question, the constitutional power of Congress to establish a National Bank. In human affairs, there are some questions, and I think this is one, that ought to be held as terminated. Four several decisions of Congress affirming the power, the concurrence of every other Department of the Government, the approbation of the People,

the concurrence of both the great parties into which the country has been divided, and forty years of prosperous experience with such a bank, appear to me to settle the controversy, if any controversy is ever to be settled. Twenty-two years ago, Mr. Madison, whose opposition to the first Bank of the United States is well known, in a message to Congress, said :

“ Waiving the question of the constitutional authority of the Legislature to establish an incorporated bank, as being precluded, in my judgment, by repeated recognitions, under varied circumstances, of the validity of such an institution, in acts of the legislative, executive, and judicial branches of the Government, accompanied by indications, in different modes, of a correspondence of the general will of the nation ; the proposed bank does not appear to be calculated to answer the purposes of reviving the public credit, of providing a national medium of circulation, and of aiding the Treasury by facilitating the indispensable anticipations of revenue, and by affording to the public more durable loans.”

To all the considerations upon which he then relied, in treating it as a settled question, are now to be added two distinct and distant subsequent expressions of the deliberate opinion of a republican Congress, two solemn decisions of the Supreme Court of the United States, twenty years of successful experience, and disastrous consequences quickly following the discontinuance of the bank.

I have been present, as a member of Congress, on the occasion of the termination of the charters of both the Banks of the United States ; took part in the discussion to which they gave rise, and had an opportunity of extensively knowing the opinions of members ; and I declare my deliberate conviction that, upon neither was there one-third of the members in either House who entertained the opinion that Congress did not possess the constitutional power to charter a bank.

But it is contended that, however indispensable a Bank of the United States may be to the restoration of the prosperity of the country, the President's opinion against it opposes an insuperable obstacle to the establishment of such an institution. It will, indeed, be unfortunate, if the only measure which can bring relief to the People should be prevented by the Magistrate whose elevated station should render him the most anxious man in the nation to redress existing grievances.

The opinion of the President which is relied upon is that contained in his celebrated letter to the Hon. S. Williams, and that which is expressed in the message before us. I must say, with all proper deference, that no man, prior to or after his election to the Chief Magistracy, has a right to say, in advance, that he would not approve of a particular bill, if it were passed by Congress. An annunciation of such a purpose is premature, and contrary to the spirit, if not the express provision of the constitution. According to that instrument, the participation of the President in the legislative power—his right to pass upon a bill—is subsequent, and not previous to the deliberations of Congress. The constitutional provision is that, when a bill shall have passed both Houses, it shall be presented to the President for his approval or rejection. His right to pass upon it results from the presentation of the bill, and is not acquired until it is presented. What would be thought of the judge who, before a cause is brought before the court, should announce his intention to decide in favor of a named party? Or of the Senate, which shares the appointing power, if it should, before a nomination of a particular individual is made for an office, pass a resolution that it would not approve the nomination of that individual?

It is clear that the President places his repugnance to a Bank of the United States mainly upon the ground that the popular will has been twice “ solemnly and unequivocally expressed” against it. In this I think the President is mistaken. The two occasions to which he is understood to refer, are the election of General Andrew Jackson in 1832, and in his own election in 1836. Now, as to the first, there was not, before it took place, any unequivocal expression of the opinion of the late President against a national bank. There was, in fact, a contrary expression. In the veto message, President Jackson admitted the public convenience of a bank ; stated that he did not find in the

renewed charter such modifications as could secure his approbation, and added that, if he had been applied to, he could have furnished the model of a bank that would answer the purposes of such an institution. In supporting his re-election, therefore, the People did not intend, by the exercise of their suffrage, to deprive themselves of a national bank. On the contrary, it is within my own knowledge, that many voted for him who believed in the necessity of a bank quite as much as I do. And I am perfectly persuaded that thousands and tens of thousands sustained his re-election under the full expectation that a national bank would be established during his second term.

Nor, sir, can I think that the election of the present Chief Magistrate ought be taken as evidence that the People are against a bank. The most that fairly can be asserted is, that he was elected, the expression of his opinion in the letter to Mr. Williams notwithstanding. The question of the election of a Chief Magistrate is a complex question, and one of compensations and comparison. All his opinions, all his qualifications are taken into consideration, and compared with those of his competitors. And nothing more is decided by the People than that the person elected is preferred amongst the several candidates. They take him as a man takes his wife, for better for worse, with all the good and bad opinions and qualities which he possesses. You might as well argue that the election of a particular person to the office of Chief Magistrate implies that his figure, form, and appearance exhibit the standard of human perfection, as to contend that it sanctions and approves every opinion which he may have publicly expressed on public affairs. It is somewhat ungrateful to the People to suppose that the particular opinion of Mr. Van Buren, in regard to a Bank of the United States, constituted any, much less the chief recommendation of him to their suffrages. It would be more honorable to him and to them to suppose that it proceeded from his eminent abilities, and his distinguished services at home and abroad. If we are to look beyond them and beyond him, many believe that the most influential cause of his election was the endorsement of that illustrious predecessor in whose footsteps he stands pledged to follow.

No, sir, no; the simple and naked question of a bank or no bank of the United States was not submitted to the People (and "twice solemnly and unequivocally" decided against by them. I firmly believe that if such a question were now submitted to them, the response of a vast majority would be in the affirmative. I hope, however, that no bank will be established or proposed, unless there shall be a clear and undisputed majority of the People and of the States in favor of such an institution. If there be one wanted, and an unequivocal manifestation be made of the popular will that it is desired, a bank will be established. The President's opposition to it is founded principally upon the presumed opposition of the People. Let them demonstrate that he is mistaken, and he will not separate himself from them. He is too good a democrat, and the tenor of his whole life shows that, whatever other divorces he may recommend, the last that he would desire would be one between him and the People. Should this not prove to be the case, and if a majority should not exist sufficiently large to pass a bank charter in spite of the veto, the ultimate remedy will remain to the People to change their rulers, if their rulers will not change their opinions.

But, during this debate, it has been contended that the establishment of a new Bank of the United States would aggravate existing distresses; and that the specie necessary to put it in operation could not be obtained without prejudice to the local banks.

What is the relief for which all hearts are now so anxiously throbbing? It is to put the banks again in motion, to restore exchanges, and revive the drooping business of the country. And what are the obstacles? They are, first, the foreign debt; and, secondly, a want of confidence. If the banks were to reopen their vaults, it is apprehended that the specie would immediately be exported to Europe to discharge the foreign debt. Now, if a Bank of the United States were established, with a suitable capital, the stock of that bank itself would form one of the best subjects of remittance; and an amount of it

equal to what remains of the foreign debt would probably be remitted, retaining at home or drawing from abroad the equivalent in specie.

A great, if not the greatest existing evil, is the want of confidence, not merely in the Government, but in distant banks, and between the banks themselves. There is no tie or connexion binding them together, and they are often suspicious of each other. To this want of confidence among the banks themselves, is to be ascribed that extraordinary derangement in the exchanges of the country. How otherwise can we account for the fact that the paper of the banks of Mississippi cannot now be exchanged against the paper of the banks of Louisiana, without a discount in the former of 10 or 15 per cent.; nor that of the banks of Nashville, without a discount of 8 or 10 per cent. against the paper of the banks of the adjoining State of Kentucky? It is manifest that, whatever may be the medium of circulation, whether it be inconvertible paper or convertible paper and specie, supposing confidence to exist, the rates of exchanges in both cases ought to be nearly the same. But, in times like these, no bank will allow its funds to accumulate, by the operations of exchange, at points where no present use can be made of them.

Now, if a Bank of the United States were established, with a proper capital, and it were made the sole depository of the public moneys, and its notes were receivable in all Government dues, it might commence operations forthwith, with a small amount of specie, perhaps not more than two millions. That sum would probably be drawn from the community, where it is now hoarded and dormant; or if it were taken even from the local banks, they would be more than compensated in the security which they would enjoy, by the remittance of the stock of the new bank to Europe, as a substitute for their specie.

Such a new bank, once commencing business, would form a rallying point; confidence would revive, exchanges be again regulated, and the business and prosperity of the country be speedily restored. And it is by no means certain that there would be any augmentation of the banking capital of the country, for it is highly probable that the aggregate amount of unsound banks, which can never resume specie payments, would be quite equal to that of the new bank.

An auxiliary resolution might be adopted with salutary effect, similar to that which was adopted in 1816, offering to the State banks, as a motive to resume specie payments, that their paper should be received for the public dues; or, as their number has since that period greatly increased, to make the motive more operative, the offer might be confined to one or two banks in each State, known to be trustworthy. Let them and a Bank of the United States commence specie payments, and all the other sound banks would be constrained, by the united force of public opinion and the law, to follow the example.

If, in contrasting the two periods of 1817 and 1837, some advantages for the resumption of specie payments existed at the former epoch, others which distinguish the present greatly preponderate. At the first there were none except the existence of a public debt, and a smaller number of banks. But then an exhausting war had wasted our means. Now we have infinitely greater wealth, our resources are vastly more developed and increased, our population nearly doubled, our knowledge of the disease much better, and, what is of the utmost importance, a remedy, if applied now, would be administered in a much earlier stage of the disorder.

A general currency of sound and uniform value is necessary to the well-being of all parts of the Confederacy, but it is indispensable to the interior States. The seaboard States have each of them banks, whose paper freely circulates within their respective limits, and serves all the purposes of their business and commerce at their capitals, and throughout their whole extent. The variations in the value of this paper, in passing through those States, from one commercial metropolis to another, are not ordinarily very great. But how are we of the interior to come to the Atlantic cities to purchase our supplies of foreign and domestic commodities, without a general medium? The paper of our own banks will not be received but at a ruinous discount. We want a general currency, which will serve at home, and enable us to carry on our

accustomed trade with our brethren of the Atlantic States. And such a currency we have a right to expect.

I do not arrogate to myself a right to speak for and in behalf of all the Western States ; but, as a Senator from one of them, I am entitled to be heard. This Union was formed to secure certain general, but highly important objects, of which the common defence, commerce, and a uniform currency were the leading ones. To the interior States, none is of more importance than that of currency. Nowhere is the attachment to the Union more ardent than in those States ; but, if this Government should neglect to perform its duty, the value of the Union will become impaired, and its very existence, in process of time, may become endangered. I do believe that between a sound general currency, and the preservation of the Union itself, in full vigor and perfect safety, there is the most intimate connexion.

If, Mr. President, the remedies which I have suggested were successful at a former period of our history, there is every reason to hope that they would again prove efficacious ; but let me suppose that they should not, and that some unknown cause, which could not then, should now, thwart their operation, we should have, in any event, the consolation of knowing that we had endeavored to profit by the lessons of experience, and, if they failed, we should stand acquitted in the judgment of the People. They are heartily tired of visionary schemes and wild experiments. They wish to get out of the woods, into which they have been conducted, back to the plain, beaten, wide road, which they had before trodden.

How, and when, without such measures as I have suggested, are the State banks to resume specie payments ? They never can resume without concert ; and concert springs from confidence ; and confidence from knowledge. But what knowledge can eight hundred banks, scattered over our vast territory, have of the actual condition of each other ? It is in vain that statements of it be periodically published. It depends, at last, mainly upon the solvency of the debtors to the bank ; and how, whenever their names are not known, can that be ascertained ?

Instead of coming to the aid of these prostrate institutions, and assisting them by a mild and parental exercise of your power, in a mode sanctioned and approved by experience, you propose to abandon them and the country to their fate. You propose worse : to discredit their paper, to distrust them even as special depositories, and to denounce against them all the pains and penalties of bankruptcy.

How and when will they resume specie payments ? Never, as far as my information extends, have exertions been greater than those which the banks have generally made to open again their vaults. It is wonderful that the community should have been able to bear, with so much composure and resignation, the prodigious curtailments which have been made. Confidence re-established, the foreign debt extinguished, and a national institution created, most of them could quickly resume specie payments. Some of them, urged by a high sense of probity, and smarting under severe reproaches, will, no doubt, make the experiment of resuming and continuing payment in specie. They may even go on awhile ; but, without the co-operation of the State banks generally, and without the co-operation of a national bank, it is to be apprehended that they will be again seized with a paralysis. It is my deliberate conviction that the preservation of the existence of the State banks themselves depends upon the institution of a national bank. It is as necessary to them as the Union is to the welfare of the States in our political system. Without it, no human being can foresee when we shall emerge from the difficulties which surround us. It has been my fortune several times to see the country involved in great danger ; but never before have I beheld it encompassed with any more menacing and portentous.

Entertaining the views which I have presented, it may be asked why I do not at once propose the establishment of a national bank. I have already adverted to the cause. Constituted as Congress now is, I know that such a proposition would be defeated ; and that it would be therefore useless to make it. I do not desire to force upon the Senate, or upon the country, against its

will, if I could, my opinion however sincerely and strongly entertained. If a national bank be established, its stability and its utility will depend upon the general conviction which is felt of its necessity. And until such a conviction is deeply impressed upon the People, and clearly manifested by them, it would, in my judgment, be unwise even to propose a bank.

Of the scheme of the Senator from Virginia, (Mr. RIVES,) I think now as I thought in 1834. I do not believe that any practicable connexion of State banks can supply a general currency, be a safe depository of the public moneys, or act efficiently as a fiscal agent of the General Government. I was not then opposed to the State banks in their proper sphere. I thought that they could not be relied upon to form exclusively a banking system for the country, although they were essential parts of a general system.

The amendment of the Senator, considered as a measure to bring about the resumption of specie payments so much desired, I think must fail. The motive which it holds out of the receivability in all payments to the Government of the paper of such banks as may resume by a given day, coupled with the conditions proposed, is wholly inadequate. It is an offer to eight hundred banks; and the revenue, payment of which in their notes is held out as the inducement, amounts to some twenty or twenty-five millions. To entitle them to the inconsiderable extension of their circulation, which would result from the credit given by Government to the paper of all of them, they are required to submit to a suppression of all notes below five dollars, and at no very distant period to all below twenty. The enlargement of their circulation, produced by making it receivable by Government, would be much less than the contraction which would arise from the suppression of the prohibited notes. Besides, if the quality proposed again to be attached to the notes of these local banks was insufficient to prevent the suspension, how can it be efficacious enough to stimulate a resumption of specie payments?

I shall, nevertheless, if called upon to give a vote between the project of the Administration and the amendment of the Senator from Virginia, vote for the latter, because it is harmless, if it effects no good, and looks to the preservation of the State banks; whilst the other is fraught with mischiefs, as I believe, and tends, if it be not designed, to the utter destruction of those institutions. But, preferring to either the postponement moved by the Senator from Georgia, I shall, in the first instance, vote for that.

Such, Mr. President, are the views which I entertain on the present state of our public affairs. It is with the deepest regret that I can perceive no remedy, but such as is in the hands of the People themselves. Whenever they shall impress upon Congress a conviction of that which they wish applied, they will obtain it, and not before. In the mean time, let us go home, and mix with and consult our constituents. And do not, I entreat you, let us carry with us the burning reproach, that our measures here display a selfish solicitude for the Government itself, but a cold and heartless insensibility to the sufferings of a bleeding People.

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