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SPEECH OF MB. CLAY. OF KENTUCKY,

ON THE SUB-TREASURY BILL. IN SENATE-JANUARY 20, 1840.

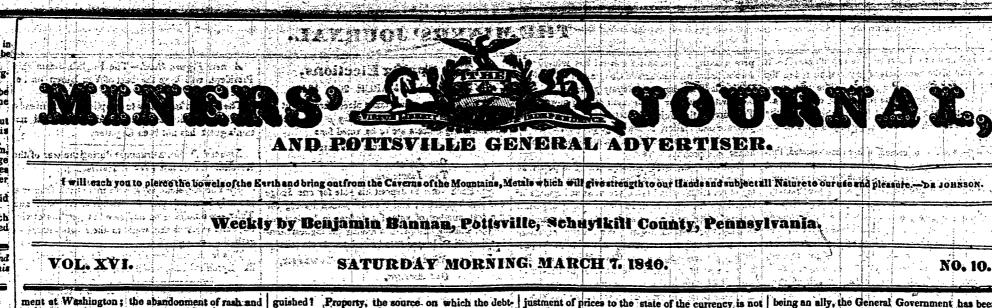
Mr. CLAT rose and said: I have been desirous Mr. President, before the passage of this bill, not to make a speech, but to say a few words about it. I have come to the Senate to-day unaffectedly indispose ed, from a serious cold, and am in no condition to address this body ; but I regard this bill as so pregnant with injurious, and dangerous, and direful consequences, that I cannot reconcile it to a sense of duty to allow it finally to pass without one last, although unavailing, effort against it. I am aware that the decree for its passage hath gone forth-a decree of urgency, two, argent that a thort postponement of the consideration of the measure to admit of the filling of vacant seats in the Senate by legislative bodies now in session-seats which have remained vacant. not by the fault of the People, but from the inability of those bodies to agree in the choice of Senators-has been refused by the vote of the Senate-refused, scornfully refused, although, whether the bill be transmitand two or three weeks sooner or later to the House of Representatives, owing to its unorganized condition, and its known habits of business, will not expedite its passage a single hour ! Refused by the to which their suffrages have elevated him, deliberate concurrence of Senators who, not representing on this subject the present sentiments and opinions of their respective States, seem unwilling to allow the arrival of those who would fully and fairly represent them !

-It is remarkable, sir, that, judging from the vote on the engrossment of the bill for a third reading, it is to be hurried through the Senate by less than a majority of the body. And if the two Senators from Tennessee had clung to their seats with the same temacity with which other Senators adhere to theirs. who have been instructed to vote against the bill, and -are violating their instructions; and if the Senate were full, the vacant sents being filled, as we have every reason to believe they will be filled, there would be a clear majority against the passage of the bill. Thus is this momentous measure, which both its friends and foes unite in thinking will exert a tremendous, if not revolutionary, influence upon the business and concerns of the country - a measure which has so long and so greatly distracted and divided our councils, and against which the People have so often and so signally pronounced their judgement, to be

forced through the Senate of the U. States. Mr. President, it is no less the duty of the states man than the physician to ascertain the exact state of the body to which he is to minister before he ventures to prescribe any healing remedy. It is with no pleasure, but with profound regret, that I survey the present condition of our country. I have rarely, I think never, known a period of such universal and

intense distress. The General Government is in debt,

and its existing revenues is inadequate to meet its



uinous experiments; the practice here of economy; and the pursuits of the safe lights of experience. Give us these ; and the growth of our population the enterprise of our People, and the abundance, variety, and richness of the products of our soil and of our industry, with the blessings of Providence, will carry us triumphantly through all our complicated embarrassments. Deny these-presevere in a mal administration of government-and it is in vain that the bounties of Heaven are profusely scattered around ns.

There is one man-and I lament to say, from the current of events and the progress of Executive and party power-but one man, at present in the country, who can bring relief to it, and bind up the bleeding wounds of the People. He, of all men in the nation, ought to feel as a parent should feel, most sensibly. the distresses and sufferings of his family. Bu, looking to his public course and his official acts, I am constrained to say that he surveys unconcerned the wide-spread ruin and bankruptcy and wretchedness before him, without emotion and without sympathy. Whilst all the elements of destruction are at work, and the storm is raging, the Chief Magistrate, standing in the midst of his unprotected fellow-citizens, on the distinguished position on honor and confidence ly wraps around himself the folds of his India-rubber cloak, and, lifting his umbrella over his head, tells them, drenched and shivering as they are under the beating rain and bail and show falling upon them, that he means to take care of himself and the official corps, and that they are in the habit of expecting too much from Government, and must look out for their own shelter, and security, and salvation !!

And now allow me to examine, and carefully and candidly consider, the remedy which this bill offers to a suffering People for the unparalleled distresses under which they are writtling. I will first analyse and investigate it as its friends and advocates represent it. What is it ? What is this measure, which has so long and so deeply sgitated this country, under the various denominations of Sub-Treasury. Independent Treasury, and Divorce of the State from Banks? What is it? Let us define it truly and clearly. Its whole principle consists in an exaction from the People of specie, in the payment of all their duties and dues to Government, and the disbursement of specia by the Government, in the payment of all salaries and of all the creditors of the Government. This is its simple and entire principle. Divest the bill under consideration of all its drapery and paraphernalia, this is its naked, unvarnished, and unexaggerated principle, according to its own friends. This exclusive use of specie, in all receipts and pay-

ments of the Government, it is true, is not to be instantaneously enforced; but that is the direct and avowed aim and object of the measure, to be accomplished gradually, but in the short space of a little of our country, there is not one that has given me claim. And if any one or more of the states were more than three years. The twenty-eight sections of the bill, with all its safes, and vaults, and bars. here is not one which indicates more clearly the and bolts, and receivers-general, and examiners, have nothing more nor less in view than the exaction of specie from the People, and the subsequent distribution of that specie among the officers of the Government and the creditors of the Government. It does not touch, nor profess to touch, the actual currency of the country. It leaves the local bank, where found them, unreformed, uncontrolled, unchecked in all their operations. It is a narrow, selfish, heartless measure. It turns away from the People, and abaudong them to their hard and inexorable fate; feaving them exposed to all the permicious consequences of an unsound currency, utterly irregular and disordered exchanges, and the greatest derangement in all business. It is worse; it aggravates and perpetuates the very evils which the Government will not redress. for, by going into the market and creating a new and additional demand for specie, it cripples and disables the State banks, and renders them incapable of furnishing that relief to the People which a parental Government is bound to exert all its energies and nowers to afford. The divorce of State from banks, of which its friends boasts, is not the only separation which it makes-it is a separation of the Government from the constituency-a disunion of the inter-

or relied for his payment, will decline in value ; and it may happen that a man, who honestly contracted debt, will find himself stripped of all his property, and his debt remain unextinguished. The gentleman from Pennsylvania (Mr. BUCHANAN) has put the case of two nations, in one of which 'the amount of its currency shall be double what it is in the other, and, as he contends, the prices of all property will be double in the former nation of what they are in the latter. If this be true of the two nations, it must be equally true of one, whose circulating medium is at

one period double what it is at another. Now, as the friends of the bill argue, we have been and yet are in this inflated state, our currency has been double. or in something like that proportion, of what was necessary, and we must come down to the lowest standard. Do they not percieve that inevitable ruin to thousands must be the necessary consequence ? A man, for example, owning -property to the value of \$5,000, contracts a debt for \$5,000. By the reduction of one-half of the currency of the country, his property, in effect, becomes reduced to the value of \$2,500. But his debt undergoes no corresponding reduction. He gives up all his property, and remains still in debt \$2,500. Thus this measure will operate on the debtor class of the nation, always the weaker class, and that which, for that eason, most needs the protection of Government. But if the effect of this hard money policy upon the debtor class be injurious, it is still more disastrous, if possible, on the laboring classes. Enterprize will be checked or stopped, employment will become lifficult, and the poorer classes will be subject to the greatest privations and distress. Heretofor it has been one of the pretentions and boasts of the dominant pariy, that they sought to elovate the poor by depriving the rich of undue advantages. Now their in this country, were desirable, is it practicable, can policy is to reduce the wages of labor, and this is it be possibly brought about ? I have said that the openly avowed; and it is argued by them that it is legislator is bound to have due regard to the wants. eccessary to reduce the wages of American labor to wishes, necessities and condition of the country for the lowest standard of European labor, in order to | which he acts. But a practical American statesma enable the American manufacturer to enter into a has a farther duty to perform ; that of attentively consuccessful competition with the European manufactuter in the sale of their respective fabrics. Thus is this dominant party perpetually changing; one day caloling the poor, and fulminating against the rich ; and the next cajoling the rich, and folminating against the poor. It was but yesterday that we heard that all who were trading on borrowed capital ought to break. It was but yesterday we heard denounced the long-established policy of the country, by which it was alleged, the poor were made poorer, and the fich were made richer.

Mr. President, of all subjects of national policy, not one ought to be touched with so much delicacy as that of the wages, in other words, the bread of the poor man. In dwelling, as I have often done, with inexpressible satisfantion upon the many advantages

so sudden a work as is imagined. Long after the specie standard should be established, the old prices of many articles would remain ; and all foreign productions which enter into the consumption of the poor man would continue unaffected by our domestic entrency. If it be true that there would be no alteration in the condition of the laborer, if he would really get us much, in value, in the new state of things as in the old, how is that of the capitalist, engaged in manufactures, to be improved ! Would not his situnation also remain unaltered ?

The assumption that an exclusive hard money cir culation is best for the laborer, best for the manufacturer, best for the country, is against all the experience of the world. Beyond all doubt, England is the most prosperous of all the nations of the old world. and England is the greatest paper money country. that exists. Her manufactures find a market in every portion of the world ; her operatives and laborers are paid better and fed better than any in Europe .--Have the manufictures of the hard money countries of the continent prevailed over those of England, and driven them out of the market, in fair competition ! Far from it. Their policy is to exclude by prohibitions and heavy duties, the entry of British goods into their ports. England has sought to make treaties with them all, and especially with France, upon the basis of free trade; and France has replied that her manufactures are two much behind those of England to admit of their being placed upon a footing of equality. Paper money-inflated-England manufactures about two-thirds of all the cotton exported from the United States ; and the cotton manufactures alone is probably greater than that of all the rest of Europe. But, Mr. President, if the banishment from circula tion of all bank paper, and the exclusive use of specie sidering the distributions of the power of government in this confederacy. Here we have local governments for the respective states, and a general government for the whole. The general government has but few, limited, and well defined powers, the states severally possessing all power not denied to them or delegated by the Federal constitution. Whatever difference of opinion night exist, if it were a new question, it cannot now be controverted that each of the twenty-six state governments has the power to bring into existence as many banks as it pleases .-

Banks have accordingly been created, and will continue, and must exist, in spite of the general government. The paper of banks will therefore remain, as it has been, a part of the general circulation, in defiance of any policy which this government may pro-

being an ally, the General Government has been in the relation of an enemy to it. And it has had to encounter all the enmity of a powerful party within the bosom of the Commonwealth. So far trom assuming the office of a regulator of the local banks. its late distinguished President, upon whose authority the Senator velies for proof of the extent and liberality of its new charter, expressly declared that it had ceased to be a general agent, and had retired within the circle of its state duties. So far from having derived any strength from its connexion with the late

Bank of the United States, there cannot be a doubt that that connecion rendered it far less efficient than it would have been, if it had gone into operation with an unencumbered capital, freshly subscribed, and thirty-five millions of dollars,

To guard against all misconception or misrepte sentation, I repeat what I said on a former occasion, that, although I am convinced that this country cannot get along well without a Bank of the United States, I have no thought of proposing such a bank, and have no wish to see it proposed by any other, until it is demanded by a clear and undisputed majority of the peeple of the United States.

Seeing that a Bank of the United States could not be established, two years ago, Fexpressed my willingness to make an experiment with the state banks, rather than resort to this perilous measure .-And now, such are my deep convictions of the fatal tendency of this project of a sub-Treasury, that I would greatly prefer the employment of the agency of state banks. But whilst I should entertain hopes of their success, I confess that I should not be without strong appreheasions of their failure. My belief is, that the state banks will be constantly exposed to disorder and derangement without the co-operation of a Bank of the United States; and that our basking system will only be safe and complete when we shall have both a Bank of the United States and state banks.

We are told by the President of the United States his message at the opening of the session, that a great moneyed power exists in London that exerts a powerful influence on this country ; that it is the result of the credit system; and that every bank established in a remote village in this country becomes bound to that power by a cord, which it touches at its pleasure.

There is, sir, some truth in this representation and every genuine American must feel it with shame and regret. It is a melancholy fact that the arrival of steam vessels in the port of New York from England is looked for with more curiosity and interest, on account of the financial intelligence which they hear from London and the Bank of England, than the arrival of the mail from Congress. Our people have been taught, by sad experience, to expect nothing good from the Councils of their own country, and turn their attention toward the operations in a foreign country. Was this eager inquiry into the trans-

nie comp lled her to make. The inter was streauously opposed by the merchants engaged in the Ameritan trade, on account of the difficulty which is created in making collections and Temittance home. So great was that drain of specie; that we know that Virginia and other colonies were constrained to adopt tobacco as a substitute for money. The principal cause, then fore, of the influence of the moneyed power of London over this country, is to be found in the vast extent of our dealings with hier. The true remedy is to increase our manufactures and purchase less of hers, and to augment our exports by all the means in our power, and to diminish our imports as much as possible. We must increase our productions, or economize much more than we have done. New Jersey, before the revolution, being much pressed for £100,000 sterling, Dr. Franklin proposed a plan by which she could, in one Year. make up that sum. The plan was this ; she was in the habit of importing annually from England merchandize to the amount of £200,000. He recommended that the ladies should buy only half the amount of silks, calicoes, teas, &c., during the year, which they had been in the habit of consuming; and in this way, by saving the colony would make the required sum of £100,000. If we would for a few years, import only half the amount from England that we have been in the habit of doing, we should no longer feel the influence of the London money mar-

of paper money which the necessities of Pennsylva-

1000 50

Mr. President, gentlemen, in my humble oninion. utterly deceive themselves in supposing that this mensure is demand by a majority of the people of the United States, and in alleging that this is proven by the result of elections, of the past year. That there were a vast majority of them opposed to it was demonstrated incontestably by previous elections, The elections of the last year did not in many, perhaps most instances, turn at all upon the ments of this measure. In several states the people were deceived by the assurances, that the sub-Treasury was at an end, and would be no longer agitated. In others, the people had reason to be dissatisfied with the conduct of their banks; and they were artfully led to believe that this bill would supply a corrective of the errors of the banking system. Aud where they have apparently yielded their assent to the bill, it has been that sort of assent which the patient yields whose constitution has been exhausted and destroyed by the experiments of empiricism, and who finally consents to take the last quack medicine offered to him, in the hope of saving his life. I know the people of the United States well. They are ever ready cheerfully to submit to any burden demanded by the interest, the honor, or the glory of their country. But what people ever consented to increase their own burdens unnecessarily ? The effect of this measure is, by exacting specie exclusively from the people, and paying it out to the official corps and the public creditor, to augment the burdens of the people. and to swell the emoluments of office. It is an insult to the understanding and judgment of the enlightened people of the United States to assert that they can approve such a measure.

No true patriot can contemplate the course of the party in power without the most painful and mortified fcelings. They began some years ago their war on the Bank of the United States. It was dangerous to liverty; it had failed to fulfil the purposes of ite institution ; it did not furnish a sound currency, although the sun, in all its course, never shone upon a better ; it was, in short, a monster, which was condemned to death, and it was executed accordingly .---During the progress of that war, the state banks were the constant theme of praise, in sperch and song, of the dominant party. They were the best institutions in the world, free from all danger to public liberty, capable of carrying on the exchanges of the country, and of performing the financial duties to government, and of supplying a far better currenmore delight than the high price of manual labor .- to adopt the hard money policy, there would be others actions of the Bank of England made during the ex- cy for the people than the Bank of the United States. We told you that the state banks would not do without the co-operation of a Bank of the United States. We told you that you would find them a weak league -a mere fleet of open boats tied together by a hickory withe, and which the first storm would disperse and upset. But you scorned all our warnings; and continued year after year to puff and praise the operations of these banks. You had the boldness, in the face of this abused nation, to aver that the country had been supplied by them with a better currencontrary, the Bank of England has recently been cy and better exchanges than it had been by the compelled to apply to the Bank of France for a large Bank of the United States! Well, by your own measures, by your Treasury circular, distribution of the surplus, &c., you accelerated the catastrophe of potent cause than the operations of any bank, foreign the suspension of the banks. You began with proor domestic, for the lively interest which is felt in this mises to the people of better currency, tetter times, more security to civil liberty; and you end with no currency at all, the worst possible times, and increase of Executive power, and a consequent increase of danger to civil liberty. You began with promises to leged, to render one country dependent upon anoth. fill the pockets of the people, and you end with emptying theirs and filling your own. I now proceed, sir, to the object which constituted dependence arises out of the unfavorable balance of the main purpose of my rising at this time. I have hitherto considered the bill, as its friends in the Senate represent it, as a measure simply for exacting spelittle at home. If we would shake off this degrading cie, keeping it in the custody of officers of the Government, and disbursing it in a course of administra. tion. I mean now to show that, whateversits friends here may profess or believe, the bill lays the foundations deep and broad of a Government bank - a Trea. surv bank, under the sole management of the President. Let us first define a bank. It may have three faculties, separately or combined. The faculty of insues, entering into and forming a part of the circulating medium of the country; that of receiving deposites; and that of making discounts. Any one of these three faculties makes it a bank; and by far the, most important of the three is that of the power of issues. That this bill creates a bank of issues, most succerely believe, and shall now attempt to prove; and the proof will be first extraheous, and secondly intrinsic. As to the extraneous proof, I rely upon the repeated declarations of the late President of the United States in his annual messages. On more than one, occasion he stated the practicability of establishing a bank on the revenue of the Government, and to be under the superintendence of the Secretary, of the Treasury. And when he voted the charter of the late bank of the United States, he expressly declared that, if Congress had applied to him, he could have furnished the scheme of a bank free from all constitutional objections; doubtless meaning a Treasury bank. The present chief magistrate and the present Secretary of the Treasury have, also, repeatedly in language, in their messages and reports, characteristically ambiguous, it is true, but sufficiently intelligible, intimated the facilites which the commerce and business of the country would derive from the drafts issued by the Treasury in virtue of this bill. The party, its press, and its leaders, having constantly put this sub-Treasury scheme in competition with a Bank of the United States, and contended that the issue was sub-Treasury or Bank of the United States .---But how can they be compared of come in competition with each other, if the most important function of a Bank of the United States, that of supplying a medium of general circulation and uniform value, is net to be performed under this bill ? I pass to the more important, and, I think, conclusive proof, supplied by the provisions themselves of the bill. After providing that all money paid to Government for duties, public lands, and other dues, shall be deposited with the Treasurer of the United States, the receivers-general and the mints, the tenth section enacts: "That it shall be lawfol for the Secretary of the Treasury to transfer the moneys in the hands of sny depositary hereby constituted, to the Treasury of the United States; to the Mint at Philadelphia; to the dence. The People want, in short, good governs example it has been, how is this debt to be extind the office of et-

ordinary expenditure. The States are in debt, some of them largely in debt, insomuch that they have been compelled to resurt to the ruinous expedient of contracting new loans to meet the interest upon prior loans; and the People are surrounded with difficulties, greatly embarrasied, and involved in debt. Whilst this is unfortunately, the general state of the country, the means of extinguishing this vast mass of debt are in constant diminution. Property is falling in value-all the great staples of the country are declining in price, and destined, I fear, to farther decline. The certain tendency of this very measure is to reduce prices. The banks are rapidly decreasing the amount of their circulation. About one-half of them, extending from New Jersey to the extreme Southwest, have suspended specie payments, presenting an image of a paralytic, one molety of whose body is stricken with palsy. The banks are without a head; and, instead of union, concert, and co-operation between them, we behold jealousy, distrust, and enmity. We have no currency whatever possessing uniform value throughout the whole country. That which we have, consisting almost entirely of the issue of banks, is in a state of the utmost disorder, insomuch that it varies, in comparison with the specie standard, from par to fifty per cent. discount. Exchanges, too, are in the greatest possible confusion not merely between different parts of the Union, but between cities and places in the same neighborhood. That between our great commercial marts of the New York and Philadelphia, within five or six hours of each other, vacillating between seven and ten per cent The products of our agricultural industry are unable to find their way to market from the want of means in the hands of traders to purchase them, or from the want of confidence in the stability of things. Many of our manufactories stopped or stopping, especially in the important branch of wooliens ; and a vast accumulation of their fabrics on hand, owing to the destruction of confidence and the wretched state of exchange between different sections of the Union. Such is the unexaggerated picture of our present condition. And agidst the dark and dense clouds that surround us, I percieve not one gleam of light.

It gives me nothing but pain to sketch the picture .--But duty and truth require that existing diseases should be fearlessly examined and probed to the bottom. We shall otherwise be utterly incapable of conceiving of applying appropriate remedies. If the present unhappy state of our country had been brought upon the people by their folly and extravagance, it ought to be born with fortifude and without complaint, and without reproach. But it is my deliberate judgment that it has not been that the people are not to blame-and that the principal caused of existing embarrassments are not to be traced to them. Sir, it is not my purpose to waste the time or excite the feelings of members of the Senate by dwelling long on what I suppose to be those causes. My object is a better, a higher, and I hope a more acceptable oneto consider the remedies proposed for the present extisting exigency. Still, I should not fulfil my whole duty if I did not briefly say that, in my conscience, I believe that our pecuniary distresses have mainly sprung from the refusal to re-charter, the late Bank of the United States; the removal of the public deposites from that institution; the multiplication of state banks in consequence; and the Treasury stimulus given to them to extend their operations ; the bungling manner in which the law, depositing the surplus treasure with the states was executed; the Treasury circular; and although last, perhaps not least, the exercise of the power of the veto on the bill for distributing among the stites the neit proceeds of the sales of the public lands. What, Mr. President, is needed, at the present cri-

ais, to restore the prosperity of the Beople ! A sound Incal currency, mixed with a currency possessing uniform value throughout the whole country ; a reesta lishment of regular exchanges between different

ests of the servants of the People from the interest of the People. This bill, then, is wholly incommensurate with the evils under which the country is suffering. It leaves them not only altogether unprovided for, but aggravates them. It carries no word of cheering hope or encouragement to a depressed People. It leaves their languishing basiness in the same state of hopeless disconragement.

But its supporters argue that such a system convertible paper as this country has so long had is adically wrong; that all our evil is to be traced to the banks; and that the sooner they are put down, and a currency exclusively metalic is established, the better. They farther argue that such a metalic currency will reduce inflated prices, lower the wages of labor, enable us to manufacture cheaper, and thereby admit our manufacturers to maintain a successful competition with foreigners. And all these results. at some future time or other, are to be brought about by the operation of this measure.

Mr. President, in my opinion, a currency purely metalic is neither desirable, in the present state of the commercial world, nor, if it were, is it practicable, or possible to be attained in this country. And, if it were possible, it could not be brought about without the most frightful and disasterous consequences creating convulsion, if not revolution.

Of all conditions of society, that is most prosper ous in which there is a gradual and regular increase of the circulating medium, and a gradual but not too rapid increase in the value of property and the price of commodities. In such a state of things, business of all kinds is active and animated, every department | into existence, and commencing its career-one for of it flourishes, and labor is liberally rewarded. No which they may, without reference to what they see sacrifices are made of property, and debtors find, without difficulty, the means of discharging promptly their debts. Men hold on to what they have. wishout the apprehension of loss, and we behold no glutted markets. Of all conditions of society, that is most adverse in which there is a constant and rapid diminution of the amount of the circulating medium. Debtors become unable to pay their debts, property falls, the market is glutted, business declines. and labor is thrown out of employment. In such a state of things, the imagination goes shead of the reality. Sellers become numerous, from the apprehension that their property, falling, will fall still lower; and purchasers scarce, from an unwillingness to make investments with the bazard of almost cer-

tain loss. Have gentleman reflected ppon the consequences of their system of depletion 1 - I have already stated that the country is borne down by a weight of debt. parts of the Union ; and a revival of general confi- If the currency be greatly diminiahed, as beyond sil would be in the greatest danger of starvation before And it is wholly without the deposits of the Govern-N. S. S.

prosperity of the mass of the community. In prosperity of the mass of the community. In the features of human society, there are none, I that which more decisively display the general welfare than a permanent high rate of wages, and a permanent high rate of interest. Of course I do not mean thuse excessive high rates, of temporary existence, which result from sudden and unexpected demands for labor or capital, and which may, andgenerally do, evince some unnatural and extraordinary state of things ; but I mean a settled, steady and durable high rate of wages of labor, and interest apon money .--Such a state demonstrates activity and profit in all the departments of business. It proves that the emplove: can afford to give high wages to the laborer. in consequence of the profits of his business, and the borrower high interest to the lender, in consequence of the gains which he makes by the use of the capital. On the contrary, in countries where business is dull and languishing, and all the walks of society are full, the small profits that are made will not justify high interest or high wages. Wages of labor will be low where there is no bu

siness, and of course but little or no demand for inbor; or where, from the density of population, the competition for employment is great, and the demand for labor is not equal to the supply. Similar casues will tend to the reduction of the rate of interest. Our vast unpeopled regions in the West protect us against the evils of too crowded population In our country, such is the variety of profitable business and pursuits that there is scarcely any in which one can engage with diligence, integrity, and ordinary skill, in regular and ordinary times, that he is not sure of being amply rewarded. Surveying our happy condition in this respect, it was during the last war, temarked by the present Lord Jeffry that America was the heaven of the poor man, and the hell of the rich. There was extravagance in the observation, mixed with some truth. It would have been more accurate to have said that, with a good government, it was an earthly heaven both for the rich

and poor. It is contended, however, that the reduction of wages would be only nominal; that an exclusive specie currency being estiblished, the prices of all commodities would fall; and that the laborer would be able to command as many of the necessaries of life with his low wages as he can at present.

The great errors of Senators on the other side is, that they do not sufficiently regard the existing structure of society, the habits and usages which prevail; in short, the actual state of things. All wise legislation should be founded upon the condition of society as it is, and even where reform is necessary, it should be introduced slowly, cautiously, and with a careful and vigilant attention to all consequences .--But gentlemen seem disposed to consider themselves at liberty to legislate for a new people, just sprung. all around them, speculate and theorize at pleasufe. Now, if we were such a people, and were deliberating on the question of what was the best medium of circulation to represent the property and transact the business of the country, it is far from being certain that it would be deemed wisest to adopt an exclusive specie standard. But, when we glance at society an t actually exists, with all its relations and ramifica tions, its engagements, debis, wants, habits, castoma nothing can be more unwise, it seems to me, than to attempt so radical a change as that which is contemplated.

I cannot admit that the laborer, with his low wages, would be in as eligible a situation as he now is ____ jects of internal improvement, levied upon the pre-The argument excludes all consideration of his condition during the transition from the paper to the millions of dollars. Then, the General Government specie medium. In the descending process from an has withdrawn from it the seven millions of stock abundant to a scarce circulation, there would be for which it held in the old bank -a circumstance which him nothing but distress and wretchedness; and he I have no doubt has tended to cripple its operations.

which would find, in the very forbearance of certain members of the confederacy to establish or continue banks, a fresh motive to create and sustain them ; for the issues of their banks would run into the states which had them not, and they would thus appropriate to themselves, at the expense of others, all the benefits of banking. I recollect well how banks were originally first introduced into many of the Southern and Western states. They found themselves exposed to all the inconveniences, without enjoying the bene fits, of the backing system ; and they were reduced to the necessity of establishing banks to share the advantages as well as the disadvantages of the sys-

Banks, bank notes, a convertible paper money, are, therefore, inevitable. There is no escape from them. You may deliver as many homilies as you please, send forth from this Capitol as many essays and disquisitions as you think proper, circulate President's messages denouncing them as widely as you choose, and thunder forth from a party press as loud and as long as you can against banks, and they will continue to exist in spite of you. What, then, is it the daty of a wise practical Federal statesman to do? Since he finds a state of things which is unalterable, to which he must submit, however convinced he may be of the utility of a change, his duty is to accommodate his measures to this immutableostate of public affairs. And, if he cannot trust the eight or nine hundred local banks which are dispersed through the country, create a Federal Bank, amenable to the General Government, subject to its inspection and authority, and capalile of supplying a general currency worthy of its confidence ; make, in short, the government of the whole partake of the genius, and conform to the fixed character of the parts.

Mr. President, I never have believed that the local banks were competent to supply such a general currency, of uniform value, as this people wants, or to perform those financial offices which are necessary o a successful administration of this Government. I pronounced them incompetent at the period of the removal of the deposites; and we forecold the unforunate state of things that now exists. But the party in power, which now denounces them, proclaim. ed their entire ability not only to supply as good but a better currency than that which was furnished by the Bank of the United States, and to perform all the financial duties which that institution fulfilled. After that party had succeeded in putting down the Bank of the United States, and got their system of ter year, to announce to the public that all its expect tations had been fully realized.

A Bank of the United States established by this Government would not only furnish it a currency in which it might safely confide, in all receipts and payments and execute every financial office; but it would serve as a sentinel, a cement, and a regulator to the state banks. The Senator from Pennsylvania has urged that the present Bank of the United States of Pennsylvania has a charter more extensive than that of the late Bank of the United States ; that it is in fact the old bank with a new charter; and that, with all its vast resources and means, it has been not only unable to act as a regulator of the lu cal banks, but was recently the first to set the permicious example of a suspension of specie payments. Mr. President, can the distinguished Senator be serious in his description of these attributes of the Pennsylvania Bank ? Surely he must have intended that part of his speech for some other theatre. In the first place, Pennsylvania, besides sundry other onerous conditions of loans and subscriptions to obsent bank, in the form of bonus, some four or five

istence of the Bank of the United States ! No, sir, no, sir. You denounced this bank as a monster, and destroyed it; and you have thrown us into the jaws of a foreign monster which we can never cage or control. You tore from us the best sheild against the Bank of England, and now profess to be surprised at the influence which it exercises upon our interests! We do not find that the continental nations of Europe, that have national banks, complain of the influence of the Bank of England upon them. On the sum of specie to sustain its credit and character.

But, sir, we must look to a higher and much more country in the monetary transactions of England. In England the credit system, as it is called, exists in a much more extensive degree than in this country; and if it were of the nature of that system, as is aler, why should not England be more dependent upon as than we upon England ? The real cause of our our foreign trade. We import too much and export too little. We buy too much abroad, and make too foreign dependence, we must produce more, or buy less. Increase our productions, in all the variety of forms in which our industry can be employed ; augment the products of the soil, extend our manufactures, give new stimulus to our tonnage and fishing interest, sell more than we buy, get out of debt to the foreigner, and he will no longer exert and influence upon our destiny.

And this unfavorable balance of our foreign trade is wholly independent of and unconnected with the nature of the character of the currency of the country, whether it be exclusively metallic, or mixed of paper and the precious metale. England, in a great measure, by means of that credit or paper system, now so much denounced, has become the centro of the commerce, the exchanges, and the moneyed operations of the world. By the extent, variety, and perfection of her manufactures, she lays most nations that admit them freely under contribution to her.-And, if we had no currency but specie, we should be just as much exposed to the moneyed power of London, or, which is the truestate of the case, to the effects of an unfavorable balance of trade, as we now are. We should probably be more so; because a state banks into full operation, it continued, year af- large portion of the specie of the country being in the vaults of a few depositories, it would be easier than to obtain it for exportation, in the operations of commerce, than now, when it is dispersed among nine hundred or a thousand banks.

What was our condition during the colonial state, when, with the exception of small amounts of Government paper money, we had no currency but specie, and no banks ! Were we not constantly and largely in debt to England ! Was not our specie perpetually drained to obtain supplies of British goods 1 Do not you recollect that the subject of the British debt formed one of those matters which were embraced in the negociations and treaty of peace which terminated the Revolutionary war? And that it was a topic of angry and protracted discussion. long after, until it was finally arranged by Mr. Clay's treaty of 1794 !

Look into the works of Dr. Franklin, in which there is more practical good sense to be found than is to be met with in the same compass any where .-He was the sgent of Pennsylvania from about the middle of the last century until the breaking out of the revolutionary war, and part of the time the agent also of the colonies of Georgia and Massachusetts. His correspondence shows that the specie of the colonies was constantly flowing from them, for the purchase of British goods, insomuch that the colonies were left absolutely destitute of a local currency ; and one of the main objects of his sgency was to ob-