ed without, than with, a Bank of the United States, these banks were not only encouraged, but admonished, to be free and liberal in loans and discounts, made on the strength of the public moneys, to merchants and other individuals. The circular letter from the Treasury Department, addressed to the new deposite banks, under date of 26th September, 1833, has this significant clause, which could not have been misunderstood:

"The deposites of public money will enable you to afford increased facilities to commerce, and to extend your accommodation to individuals; and as the duties which are payable to the Government arise from the business and enterprise of the merchants engaged in foreign trade, it is but reasonable that they should be preferred in the additional accommodation which the public deposites will enable your institutions to give, whenever it can be done without injustice to the claims of other classes of the community."

Having read this letter, sir, I ask leave to refer the Senate to the 20th section of the bill now before us. There we find that, "if any officer, charged with the safe-keeping of the public money, shall lean the same, or any portion thereof, with or without interest, such act shall be deemed an embezzlement and high misdemeanor, and the party convicted thereof, shall be sentenced to imprisonment." Sir, what a pretty piece of consistency is here! In 1833 the depositories of the public money were not even left to their own desire for gain, or their wishes to accommodate others, as being sufficient incentives to lend it out: they were admonished and directed to afford increased facilities to commerce, and to extend their accommodation to individuals, since the public moneys in their vaults would enable them to give such additional accommodation! Now, sir, under this bill, any officer who shall do any one of the same things, instead of being praised, is to be punished: he is to be adjudged guilty of embezzlement and of a high misdemeanor, and is to be confined, for ought I know, in cells as dark and dismal as the vaults and safes which are to contain our metallic currency. But although I think, sir, that the acts of Government created this expansion, yet I am certainly of opinion that there was a very undue expansion created. A contraction, however, had begun; and I am of opinion, that had it not been for the specie order of July, 1836, and for the manner in which the deposite law was executed, the banks would have gone through the crisis without suspension. This is my full and firm belief. I cannot, however, discuss these points here. They were treated with very great ability, last year, by a gentleman who then occupied one of the seats of Georgia on this floor. Whomsoever he did not satisfy, I cannot convince. Still, sir, the question is, whether there was an excess in the general amount of our circulation, in May last, or whether there be now such excess.

By what standard is this to be judged? If the question be, whether there be too much paper in circulation, it may be answered, by reference to the amount of coin in the banks from which the paper issues; because I am unquestionably of opinion—an opinion which I believe nothing can ever shake—that the true criterion by which to decide the question of excess, in a convertible paper currency, is the amount of that paper compared with the gold and silver in the banks. Such excess would not be proved, absolutely and certainly, in every case, by the mere fact of the suspension of specie payments because such an event might be produced by panic, or other sudden cause, having power to disturb the best regulated system of paper circulation. But the immediate question now is, whether, taking the whole circulation together, both metallic and paper, there was an excess existing in May, or is an excess now existing? Is one hundred and thirty millions an excessive or undue amount of circulation for the United States? Seeing that one part of this circulation is coin, and the other part paper, resting upon coin, and intended to be convertible, is the whole mass more than may be fairly judged necessary to represent the property, transactions, and the business of the country? Or in order to sustain such an amount of circulation, and to keep that part of it which is composed of paper in a safe state, should we be obliged to attempt to draw to ourselves more than our just proportion of that metallic money, which is in the use of all the commercial nations? These questions appear to me to be but different modes of stating the same inquiry.

Upon this subject we may, perhaps, form some general idea, by comparing ourselves with others. Various things, no doubt, exist in different places and countries, to modify, either by enlarging or diminishing, the demand for money or currency in the transactions of business; still the amount of trade and commerce may furnish a general element of comparison between different states or nations. The aggregate of American imports and exports in 1836 was three hundred and eighteen millions; that of England, reckoning the pound sterling at $4 80, again, was four hundred and eighty millions, as near as I can ascertain; the currency of England being, as already stated, sixty millions sterling, or two hundred and eighty eight millions of dollars. If we work out a result from these proportions, the currency of the United States, it will be found, should be one hundred and ninety millions, in order to be equal to that of England; but, according to the estimates of the Treasury, it did not, even in that year, exceed one hundred and eighty millions.

Our population is about equal to that of England and Wales. The amount of our mercantile tonnage, perhaps, one-fifth less. But then we are to consider that our country is vastly wider, and our facilities of internal exchange, by means of bills of exchange, greatly less. Indeed, there are branches of our intercourse, in which remittances cannot be well made, except in currency. Take one example: the agricultural products of Kentucky are sold to the South: her purchases of commodities made at the North. There can be, therefore, very little of direct exchange between her and the places of purchase and sale. The trade goes round in a circle. Therefore, while the Bank of the United States existed, payments were made to a vast amount in the North and East by citizens of Kentucky, and of the States similarly situated, not in bills of exchange, but in the notes of the Bank.

These considerations augment the demand for currency. More than all, the country is new, sir, almost the entire amount of property in the aggregate, rapidly increasing. In the last three years thirty-seven millions of acres of land have been separated from the wilderness, purchased, paid for, and become subject to private individual ownership, to transfer and sale, and all other dispositions to which other real estate is subject. It has thus become property, to be bought and sold for money; whereas, while in the hands of Government, it called for no expenditure, formed the basis of no transactions, and created no demand for currency. Within that short period our people have bought from Government a territory as large as the whole of England and Wales, and, taken together, far more fertile by nature. This seems incredible, yet the returns show it. Suppose all this to have been bought at the minimum price of a dollar and a quarter per acre, and suppose the value to be increased in the common ratio in which we know the value of land is increased, by such purchase, and by the preliminary steps and beginnings of cultivation, an immense augmentation, it will readily be perceived, is made, even in so short a time, of the aggregate of property, in nominal price, and to a great extent, in real value also.

On the whole, sir, I confess I know no standard by which I can decide that our circulation is at present in excess. I do not believe it is so. Nor was there, as I think, any depreciation in the value of money, up to the moment of the suspension of specie payments by the banks, comparing our currency with the currency of other nations. An American paper dollar would buy a silver dollar in England, deducting only the charge of transporting a dollar across the ocean, because it commanded a silver dollar here. There may be excess, however, I admit, where there is no present depreciation, in the sense in which I now use the term.

It is hardly necessary to dwell, Mr. President, on the evils of a suddenly depreciated circulation. It arrests business, puts an end to it, and overwhelms all debtors, by depression and downfall of prices. And even if we reduce circulation—not suddenly, but still reduce it farther than is necessary to keep it within just and reasonable limits—we produce many miseries; we augment the necessity of foreign loans; we contract business, discourage enterprise, slacken the activity of capital, and restrain the commercial spirit of the country. It is very important to be remembered, sir, that, in our intercourse with other nations, we are acting on a principle of equality, that is to say, we do not protect our own shipping interest by peculiar privileges; we ask a clear field, and seek no favor. Yet, the materials for ship-building are high with us, and the wages of shipbuilders and seamen are high also. We have to contend against these unfavorable circumstances, and if, in addition to these, we are to suffer further by unnecessary restraints on the currency, and by a cramped credit, who can tell what may be the effect? Money is abundant in England, very abundant; the rate of interest, therefore, is low, and capital will be seeking its investment wherever it can hope to find it. If we derange our own currency, compulsively curtail circulation, and break up credit, how are the commerce and navigation of the United States to maintain themselves against foreign competition?

Before leaving, altogether, this subject of an excessive circulation, Mr. President, I will say a few words upon a topic which, if time would permit, I should be glad to consider at more length; I mean, sir, the proper guards and securities for a paper circulation. I have occasionally addressed the Senate on this subject before, especially in the debate on the specie circular, in December, 1836; but I wish to recur to it again, because I hold it to be of the utmost importance to prove, if it can be proved, to the satisfaction of the country, that a convertible paper currency may be so guarded as to be secure against probable dangers. I say, sir, a convertible paper currency, for I lay it down as an unquestionable truth, that paper can be made equal, and kept equal to gold and silver, but such as is convertible into gold and silver, on demand. But, I have gone further, and still go further than this; and I contend that even convertibility, though itself indispensable, is not a certain and unfailing ground of reliance. There is a liability to excessive issues of paper, even while paper is convertible at will. Of this there can be no doubt. Where, then, shall a regulator be found? What principle of prevention may we rely on?

Now I think, sir, it is too common with banks, in judging of their condition, to set off all their liabilities against all their resources. They look to the quantity of specie in their vaults, and to the notes and bills becoming payable, as means or assets; and, with these, they expect to be able to meet their returning notes, and to answer the claims of depositors. So far as the bank is to be regarded as a mere bank of discount, all this is very well. But banks of circulation exercise another function. By the very act of issuing their own paper, they affect the amount of currency. In England, the Bank of England, and in the United States, all the banks, expand or contract the amount of circulation, of course, as they increase or curtail the general amount of their own paper. And this renders it necessary that they should be regulated and controlled. The question is, by what rule? To this I answer, by subjecting all banks to the rule which the most discreet of them always follow—by compelling them to maintain a certain fixed proportion between specie and circulation without regarding deposits on one hand, or notes payable on the other.

There will always occur occasional fluctuations in trade, and a demand for specie, by one country on another, will arise. It is too much the practice, when such occurrences take place, and specie is leaving the country, for banks to issue more paper, in order to prevent a scarcity of money. But exactly the opposite course should be adopted. A demand for specie to go abroad should be regarded as conclusive evidence of the necessity of contracting circulation. If, indeed, in such cases, it could be certainly known that the demand would be of short duration, the temporary pressure might be relieved by an issue of paper to fill the place of departing specie. But this never can be known. There is no safety, therefore, but in meeting the case at the moment, and in conforming to the infallible index of the exchanges. Circulating paper is thus kept always nearer to the character, and to the circumstance of that which it is designed to be the representative—the metalic money. This subject might be pursued, I think, and clearly illustrated; but, for the present, I only express my belief that, with the experience before us, and with the lights which recent discussions, both in Europe and America, hold out, a national bank might be established, with more regard to its function of regulating currency, than to its function of discount, on principles, and subject to regulations, such as should render its operations extremely useful; and I should hope that, with an example before them of plain and eminent advantage, State institutions would conform to the same rules and principles; and that, in this way, all the advantages of convertible paper might be enjoyed, with just security against its dangers.

I have detained the Senate too long, sir, with these observations upon the state of the country, and its pecuniary system and condition.

And now, when the banks have suspended payments, universally; when the internal exchanges are all deranged, and the business of the country most seriously interrupted, the questions are,—

Whether the measure before us is suitable to our condition; and

Whether it is a just and proper exercise and fulfilment of the powers and duties of Congress?

What then, sir, will be the practical operation and effect of this measure, if it should become a law?

Like its predecessor of the last session, the bill proposes nothing for the general currency of the country; nothing to restore exchanges; nothing to bring about a speedy resumption of specie payments by the banks. Its whole professed object is the collection and disbursement of the public revenue. Some of its friends, indeed, say, that when it shall go into operation, it will, *incidentally*, produce a favorable effect on the currency, by restraining the issue of bank paper. But others press it as if its effect was to be the final overthrow of all banks, and the introduction of an exclusive metallic currency for all the uses of the country.

Are we to understand, then, that is intended, by means, of which this is the first, to rid the country of all banks, as being but so many nuisances, and to abolish all paper currency whatever?

Or is it expected, on the contrary, that after this system shall be adopted for the use of Government, there will still be a paper currency in the country for the use of the people?

And if there shall still be a paper currency, will that currency consist of irredeemable Government paper, or of convertible bank notes, such as have circulated heretofore? These questions must be answered, before we can judge accurately of the operation of this bill.

As to an exclusive metalic currency, sir, the Administration on this point is regularly janus-faced. Out doors, and among the people, it shows itself "all *el aquant*, all in gold." There every thing is to be hard money—no paper rags—no delusive credits—no bank monopolies—no trust in paper of any kind. But in the Treasury Department, and in the Houses of Congress, we see another aspect—a mixed appearance, partly gold and partly paper; gold for Government, and paper for the people. The small voice which is heard here, allows the absolute necessity of paper of some sort, and to some extent. But the shouts in the community demand the destruction of all banks, and the final extermination of all paper circulation.

To the people, the lion roars against paper money in all the loudness and terror of his natural voice; but to members of Congress, he is more discreet; lest he should frighten them out of their wits, he here restrains and modulates, and roars "as gently as any sucking dove, or, as it were, any nightingale." The impracticability of an exclusive metallic currency, the absurdity of attempting any such thing in a country like this, are so manifest, that nobody here undertakes to support it by any reasoning or argument. All that is said in its favor, is general denunciation of paper, general outcry against the banks, and declamation against existing institutions, full of sound and fury, signifying nothing.

The moment any one considers it, he sees how ridiculous any such attempt would be. An exclusive metallic circulation for the second commercial country on earth, in the nineteenth century!—Sir, you might as well propose to abolish commerce altogether.

The currency of England is estimated at sixty millions sterling: and it is Mr. McCulloch's calculation, that if this currency were all gold, allowing only one-quarter of one per cent. for wear of metals, the annual expense, attending such a currency, would be three millions and a quarter a year, or nearly five per cent. upon the whole. With us, this charge would be much greater. The loss of capital would be more, owing to the higher rates of interest; and besides all this, is the cost of transportation, which, in a country so extensive as ours, would be vast, and not easily calculated. We should also require, proportionally, more specie than is requisite in England, because our system of exchange, by means of bills of exchange, is, at present, and would be, under such a system as is proposed, much less perfect and convenient than that of England. Besides the English metallic circulation is mostly gold, gold being in England the standard metal. With us, silver and gold both are made standards, at a fixed relation; and if we should succeed to keep this relation so true as to preserve both of the precious metals among us, (which, indeed, is not very probable,) our circulation would be still more expensive and cumbrous from the quantity of silver which it would contain. The silver in the world is estimated to be fifty times that of gold in amount, and consequently something more than three times in value. If both should circulate, therefore, equally in proportion to value, the currency would be three parts silver and one gold.

Now, sir, the annual expense of such a circulation, upon the basis of Mr. McCulloch's estimate, would exceed the whole annual expenditure made for our army and navy. Consider, sir, the amount of actual daily payments made in the country. It is difficult to estimate it, and quite impossible to ascertain it, with any accuracy. But we can form some notion of it, by the daily amount of payments in the banks in some of the cities. In times of prosperous business and commerce, the daily amount of payments in the banks of New York alone has been equal to eight millions. Whether we call this a tenth, a twentieth, or a fiftieth part of all the payments and receipts made daily in the country, we see to what an aggregate result the whole would rise. And how is it possible that such amount of receipt and payment could be performed by an actual passing of gold and silver from hand to hand?

Such notions, sir, hardly require serious refutation.

Mr. President, an entire metallic currency would necessarily create banks immediately. Where would the money be kept, or how could it be remitted? Banks of deposite must and would be instantly provided for it. Would the merchants of the cities be seen, in their daily walks of business, with servants behind them, with bags of gold and kegs of silver on their wheelbarrows? What folly is great enough to imagine this? If there were not now a bank note, nor a bank in the country, and if there should be an exclusive specie currency to-morrow morning at nine o'clock, there would be fifty banks before sunset. From necessity, there would be created at once places of deposite; and persons having money in such depositories would draw checks for it, and pass these checks as money, and from one hand they would pass to another; or the depositary himself would issue certificates of deposite, and these would pass as currency. And all this would do no more than just to carry us back two or three hundred years, to the infancy of banks. We should then have done nothing but reject the experience of the most civilized nations, for some centuries, as well as all our own experience, and have returned to the rude conceptions of former times. These certificates of deposite would soon be found to be often issued without any solid capital, or actual deposite. Abuses arising from this source would call for legislative interference, and the Legislature would find it necessary to restrain the issue of paper intended for circulation, by enacting that such issue should only be made on the strength of competent capital, actually provided and assigned, placed under proper regulation, and managed by persons responsible to the laws. And this would bring us again exactly to the state of things in which we now are; that is to say, to the use of the paper of banks, established, regulated, and controlled by law. In the mean time, before this process could be carried through, half the community would be made bankrupt by the ruin of their business, and by the violent and revolutionary changes of property which the process would create. The whole class of debtors, all that live more by industry than on capital, would be overwhelmed with undistinguishing destruction.

There will then, sir, be no such thing as an exclusive paper currency. The country will not be guilty of the folly of attempting it.

I should have felt that I had occupied too much time with such a senseless and preposterous suggestion, were it not the manifest object of partisans to press such notions upon the attention of the people, in aid of the war against the banks.

We shall then, sir, have paper of some sort, forming a part of our currency. What will that paper be? The honorable gentleman from South Carolina, admitting that paper is necessary as a part of the currency, or circulation, has contended that that paper ought to be Government paper—Government paper, not convertible nor redeemable, only so far as by being receivable for debts and dues to Government. My colleague has endeavored to satisfy the Senate, that the aim of the whole system, of which he regards this bill as but a part, is to establish a circulation of Government paper and a Government bank. Other gentlemen have taken the same view of it. But, as the bill itself does not profess any such purpose, I am willing to discuss it in the character in which it presents itself. I take it for what its friends say it is—a bill making further provision for collecting the revenues.

We are, then, sir, still to have paper as a general medium of circulation; that paper is to be the paper of banks; but Government is to be divorced from these banks, altogether. It is not to keep its funds in them, as heretofore. It is to have nothing to do with them, but is to collect and disburse its revenues by its own means, and its own officers.

The receipt of the notes of specie-paying banks is to be partially allowed for some time, but it is to be gradually discontinued, and six years hence, we are to arrive at the maturity and the perfection of the system. When that auspicious day comes, Government is to receive and to pay out gold and silver, and nothing but gold and silver.

Now, Mr. President, let us anticipate this joyous epoch; let us suppose the six years to have expired; and let us imagine this bill, with its specie payments and all, to be in full operation at the present hour. What will that operation be? In the first place, disregarding all question of public convenience, or the general interests of the people, how will this system work as a mere mode of collecting and paying out revenue? Let us see.

Our receipts and expenditures may be estimated, each, at thirty millions a year. Those who think this estimate either too high or too low, may make the necessary allowance. Here, then, is the sum of thirty millions, to be collected and paid out every year; and it is all to be counted, actually told over dollar after dollar, and gold piece after gold piece, and how many times counted? Let us inquire into that. The importing merchant, whose ship has arrived, and who has cash duties to pay, goes to the bank for his money, and the teller counts it out: that is once. He carries it to the custom-house, pays it, and the clerks count it over: that is twice. Some days afterwards, the collector takes it out of his bags and chests: carries it to the receiver-general's office, and there it is counted again, and poured into the bags and chests of that office: that is the third time. Presently a warrant comes from the Treasury, in favor of some disbursing officer, and the boxes are opened, and the necessary sums counted out: this is the fourth counting. And, fifthly and lastly, the disbursing officer pays it to the persons entitled to receive it, on contracts, or for pensions, salaries, or other claims. Thirty millions of hard money are thus to be handled and told over five times in the course of the year; and if there be transfers from place to place, then, of course, it is to be counted so much oftener. Government officers, therefore, are to count over one hundred and fifty millions of dollars a year; which, allowing three hundred working days in the year, gives five hundred thousand dollars a day. But this is not all. Once a quarter, the naval officer is to count the collector's money, and the register in the land office is to count the receiver's money. And moreover, sir, every now and then the Secretary of the Treasury is to authorize unexpected and *impromptu* countings, in his discretion, and just to satisfy his own mind!

Sir, what a money counting, tinkling, jingling generation we shall be! All the money changers in Solomon's temple will be as nothing to us. Our sound will go forth unto all lands. We shall all be like the king in the ditty of the nursery:

"There sat the king, a counting of his money."

You will observe, sir, that these receipts and payments cannot be made in parcels, without the actual handling of each piece of coin. The marks on kegs of dollars, and the labels on bags of gold, are not to be trusted. They are a part of *credit*—and all credit, all trust, all confidence, is to be done away with. When the surveyor, for instance, at the custom-house, is to *examine the money on hand*, in possession of the collector, or receiver-general, he is, of course, to count the money. No other examination can come to any thing. He cannot tell, from external appearance, nor from the weight, whether the collector has loaned out the money, and filled the bags and boxes up with sand and lead, or not. Nor can counterfeit pieces be otherwise detected than by actual handling. He must open, he must examine, he must count. And so at the land offices, the mints, and elsewhere. If these officers shall have a taste for silver sounds, they are likely to be gratified.

Mr. President, in all soberness, is not this whole operation preposterous?

It begins by proposing to *keep* the public moneys. This, itself, in the sense the word is here used, is a perfect novelty, especially in the United States. Why *keep* the public moneys, that is to say, why hoard them, why *keep* them out of use? The use of money is in the exchange. It is designed to circulate, not to be hoarded. All that Government should have to do with it, is to receive it to-day, that it may pay it away to-morrow. It should not receive it, before it needs it; and it should part with it as soon as it owes it. To *keep* it—that is, to detain it, to hold it back from general use, to hoard it, is a conception belonging to barbarous times and barbarous Governments. How would it strike us, if we should see other great commercial nations acting upon such a system? If England, with a revenue of fifty millions sterling a year, were found to be collecting and disbursing every shilling of it in hard money, through all the ramifications of her vast expenditure, should we not think her mad? But the system is worse here, because it withdraws just so much active capital from the uses of a country that requires capital, and is paying interest for capital wherever it can obtain it.

But now, sir, allow me to examine the operation of this measure upon the general interest of commerce, and upon the general currency of the country. And in this point of view the first great question is, *What amount of gold and silver will this operation abstract from the circulation of the country, and from the use of the banks?*

In regard to this important inquiry we are not without the means of forming some judgment. An official report from the Treasury, made to the other House, shows that, for the last ten years, there has been, at the end of each year, on an average, fifteen millions and four hundred thousand dollars in the Treasury. And this sum is exclusive of all that had been collected of the people, but had not yet reached the Treasury; and also of all that had been drawn from the Treasury by disbursing officers, but which had not yet been by them paid to individuals. Adding these sums together, sir, and the result is, that on an average for the last ten years, there have been at least twenty millions of dollars in the Treasury. I do not mean, of course, that this sum is, the whole of it, unappropriated. I mean that this amount has in fact been in the Treasury, either not appropriated, or not called for under appropriations; so that if this subtreasury scheme had been in operation, in times past, of the specie in the currency, twenty millions would have been constantly locked up in the safes and vaults. Now, sir, I do not believe that, for these ten years, the whole amount of silver and gold in the country has exceeded, on the average, fifty or sixty millions. I do not believe it exceeds sixty millions at the present moment; and if we had now the whole system in complete operation, it would look up, and keep locked up, one full third of all the specie in the country. Locked up! I say—hoarded—rendered as useless to all purposes of commerce and business, as if it were carried back to its native mines. Sir, is it not inconceivable that any man should fall upon such a scheme of policy as this? Is it impossible that any one can fail to see the destructive effects of such a policy on the commerce and the currency of the country?

It is true the system does not come into operation all at once. But it begins its demands for specie immediately; it calls upon the banks, and it calls upon individuals, for their hard dollars, that they may be put away and locked up in the Treasury, *at the very moment when the country is suffering for the want of more specie in the circulation, all the banks are suffering for means to enable them to resume their payments.* And this, it is expected, will improve the currency, and facilitate resumption!

It has heretofore been asserted, that the general currency of the country needed to be strengthened, by the introduction of more specie into the circulation. This has been insisted on, for years. Let it be conceded. I have admitted it, and, indeed, contended for the proposition heretofore, and endeavored to prove it. But it must be plain to every body, that any addition of specie, in order to be useful, must either go into the circulation, as a part of that circulation or else it must go into the banks, to enable them the better to sustain and redeem their paper. But this bill is calculated to promote neither of those ends, but exactly the reverse. It withdraws specie from the circulation and from the banks, and piles it up in useless heaps in the Treasury. It weakens the general circulation, by making the portion of specie, which is part of it, so much the less; it weakens the banks, by reducing the amount of coin which supports their circulation. The general evil imputed to our currency, for some years past, is, that paper has formed too great a portion of it. The operation of this measure must be to increase that very evil. I have admitted the evil, and have concurred in measures to remedy it. I have favored the withdrawing of small bills from circulation, to the end that specie might take their place. I discussed this policy, and supported it, as early as 1832. My colleague, who shortly after that period, was placed in the chair of the chief magistracy of Massachusetts, pressed its consideration, at length, upon the attention of the Legislature of that State. I still think it was a right policy. Some of the States had begun to adopt it. But the measures of the Administration, and especially this proposed measure, throw this policy all aback. They undo at once all that we have been laboring. Such, and so pertinacious has been the demand of Government for specie, and such new demand does this bill promise to create, that the States have found themselves compelled again to issue small bills for the use of the people. It was a day of rejoicing, as we have lately seen, among the people of New York, when the Legislature of that State suspended the small-bill restraining law, and furnished the people with some medium for small payments, better than the miserable trash, which now annoys the community.

The Government, therefore, I insist, is evidently breaking down its own declared policy; it is defeating, openly, and manifestly defeating, its own professed objects.

And yet, theory, imagination, presumptuous generalization, the application of military movements to questions of commerce and finance, and the abstractions of metaphysics, offer us, in such a state of things, their panacea. And what is it? What is it? What is to cure or mitigate these evils, or what is to ward off future calamities? Why, sir, the most agreeable remedy imaginable; the kindest, tenderest, most soothing, and solacing application in the whole world! Nothing, sir, nothing upon earth, but a smart, delightful, perpetual, and irreconcileable warfare, between the Government of the United States and the State banks. All will be well, we are assured, when the Government and the banks become antagonistical! Yes, sir, "antagonistical!"—that is the word. What a stroke of policy, sir, is this. It is as delicate a stratagem as poor old King Lear's, and a good deal like it. It proposes that we should tread lightly along in felt or on velvet, till we get the banks within our power, and then, "kill, kill, kill!"

Sir, we may talk as much as we please about the resumption of specie payments, but I tell you that, with Government thus warring upon the banks, if resumption should take place, another suspension I fear would follow. It is not war, successful or unsuccessful, between Government and the banks; it is only peace, trust, confidence, that can restore the prosperity of the country. This system of perpetual annoyance to the banks, this hoarding up of money which the country demands for its own necessary uses, this bringing of the whole revenue to act, not in aid and furtherance, but in direct hindrance and embarrassment of commerce and business, is utterly irreconcileable with the public interest. We shall see no return of former times till it be abandoned—altogether abandoned. The passage of this bill will create new alarm and new distress.

People begin already to fear their own Government. They have an actual dread of those who should be their protectors and guardians. There are hundreds of thousands of honest and industrious men, sir, at this very moment, who would feel relieved in their circumstances, who would see a better prospect of an honest livelihood, and feel more sure of the means of food and clothing for their wives and children, if they should hear that this measure had received its death. Let us, then, sir, away with it. Do we not see the world prosperous around us? Do we not see other Governments and other nations, enlightened by experience, and rejecting arrogant innovations and theoretic dreams, accomplishing the great ends of society?

Why, sir, why are we, why are we alone among the great commercial States? Why are we to be kept on the rack and torture of these experiments? We have powers, adequate, complete powers. We need only to exercise them; we need only to perform our constitutional duty, and we shall spread content, cheerfulness, and joy, over the whole land.

This brings me, sir, to the second inquiry.

Is this measure, Mr. President, a just exercise of the powers of Congress, and does it fulfil all our duties?

Sir, I have so often discussed this point, I have so constantly insisted, for several years past, on the constitutional obligation of Congress to take care of the currency, that the Senate must be already tired of the speaker, if not weary of the topic; and yet, after all, this is the great and paramount question. Until this is settled, the agitation can never be quieted. If we have not the power, we must leave the whole subject in the hands of those who have it, or in no hands; but if we have the power, we are bound to exercise it, and every day's neglect is a violation of duty. I therefore again insist, that we have the power, and I again press its exercise on the two Houses of Congress. I again assert, that the regulation of the general currency—of the money of the country, whatever actually constitutes that money—is one of our solemn duties.

The Constitution confers on us, sir, the exclusive power of coinage. This must have been done for the purpose of enabling Congress to establish one uniform basis for the whole money system. Congress, therefore, and Congress alone, has power over the foundation, the groundwork of the currency; and it would be strange and anomalous, having this, if it had nothing to do with the structure, the edifice to be raised on this foundation. Convertible paper was already in circulation when the Constitution was framed, and must have been expected to continue and to increase. But the circulation of paper tends to displace coin; it may banish it altogether: at this very moment it has banished it. If, therefore, the power over the coin does not enable Congress to protect the coin, and to restrain any thing which would supercede it, and abolish its use, the whole power becomes nugatory. If others may drive out the coin, and fill the country with paper which does not represent coin, of what use, I beg to know, is that exclusive power over coins and coinage which is given to Congress by the Constitution?

Gentlemen on the other side admit that it is the tendency of paper circulation to expel the coin; but then they say, that, for that very reason, they will withdraw from all connexion with the general currency, and limit themselves to the single and narrow object of protecting the coin, and providing for payments to Government. This seems to me to be a very strange way of reasoning, and a very strange course of political conduct. The coinage power was given to be used for the benefit of the whole country, and not merely to furnish a medium for the collection of revenue. The object was to secure, for the general use of the people, a sound and safe circulating medium. There can be no doubt of this intent. If any evil arises, threatening to destroy or endanger this medium or this currency, our duty is to meet it, not to retreat from it; to remedy it, not to let it alone; we are to control and correct the mischief, not to submit to it. Wherever paper is to circulate, as subsidiary to coin, or as performing, in a greater or less degree, the function of coin, its regulation naturally belongs to the hands which hold the power over the coinage. This is an admitted maxim by all writers; it has been admitted and acted upon, on all necessary occasions, by our own Government, throughout its whole history. Why will we now think ourselves wiser than all who have gone before us?

This conviction of what was the duty of Government led to the establishment of the bank in the Administration of General Washington. Mr. Madison, again, acted upon the same conviction in 1816, and Congress entirely agreed with him. On former occasions, I have referred the Senate, more than once, to the clear and emphatic opinions and language of Mr. Madison, in his Messages in 1815 and 1816, and they ought to be repeated, again and again, and pressed upon the public attention.

And now let me say, sir, that no man in our history has carried the doctrine farther, defended it with more ability, or acted upon it with more decision and effect, than the honorable member from South Carolina. His speech upon the bank bill, on the 26th of February, 1816, is strong, full, and conclusive. He has heretofore said that some part of what he said on that occasion does not appear in the printed speech, but, whatever may have been left out by accident, that which is in the speech could not have got in by accident. Such accidents do not happen. A close, well conducted, and conclusive constitutional argument is not the result of an accident or of chance: and his argument on that occasion, as it seems to me, was perfectly conclusive. He founds the right of regulating the paper currency directly on the coinage power. "The only object," he says, "the framers of the Constitution could have in view, in giving to Congress the power to coin money, regulate the value thereof, and of foreign coin, must have been to give a steadiness and fixed value to the currency of the United States." The state of things, he insisted, existing at the time of the adoption of the Constitution, afforded an argument in support of the construction. There then existed, he said, a depreciated paper currency, which could only be regulated and made uniform by giving a power, for that purpose, to the General Government.

He proceeded to say that, by a sort of undercurrent, the power of Congress to regulate the money of the country had caved in, and upon its ruin had sprung up those institutions which now exercised the right of making money for and in the United States. "For gold and silver (he insisted) are not the only money, but whatever is the medium of purchase and sale, in which bank paper alone was now employed, and had therefore, become the money of the country." "The right of making money," he added, "an attribute of sovereign power, a sacred and important right, was exercised by two hundred and sixty banks, scattered over every part of the United States."

Certainly, sir, nothing can be clearer than this language; and, acting vigorously upon principles thus plainly laid down, he conducted the Bank bill through the House of Representatives. On that occasion, he was the champion of the power of Congress over the currency, and others were willing to follow his lead.

But the bank bill was not all. The honorable gentleman went much farther. The bank, it was hoped and expected, would furnish a good paper currency to the extent of its own issues; but there was a vast quantity of bad paper in circulation, and it was possible that the mere influence of the bank, and the refusal to receive this bad money at the Treasury, might not, both, be able to banish it entirely from the country. The honorable member meant to make clean work. He meant that neither Government nor people should suffer the evils of irredeemable paper. Therefore, he brought in another bill, entitled "A bill for the more effectual collection of the public revenue." By the provisions of this bill, he proposed to lay a direct stamp tax on the bills of State banks, and all notes of non-specie paying banks were, by this stamp, to be branded with the following words, in distinct and legible characters, at length—"NOT A SPECIE NOTE." For the tax laid on such notes, there was to be no composition, no commutation; but it was to be specifically collected, on every single bill issued, until those who issued such bills should announce to the Secretary of the Treasury, and prove to his satisfaction, that, after a day named in the bill, all their notes would be paid in specie on demand.

And now, how is it possible, sir, for the author of such a measure as this, to stand up and declare, that the power of Congress over the currency is limited to the mere regulation of the coin? So much for our authority, as it has heretofore been admitted and acknowledged, under the coinage power.

Nor, sir, is the other source of power, in my opinion, at all more questionable.

Congress has the supreme regulation of commerce. This gives it, necessarily, a superintendence over all the interests, agencies, and instruments of commerce. The words are general, and they confer the whole power. When the end is given, all the usual means are given. Money is the chief instrument, agent of commerce; there can, indeed, be no commerce without it, which deserves the name. Congress must, therefore, regulate it as it regulates other indispensable commercial interests. If no means were to be used to this end but such as are particularly enumerated, the whole authority would be nugatory, because no means are particularly enumerated. We regulate ships; their tonnage; their measurement; the shipping articles; the medicine chest; and various other things belonging to them; and for all this we have no authority but the general power to regulate commerce: none of these, or other means or modes of regulation are particularly and expressly pointed out.

But is a ship a more important instrument of commerce than money? We protect a policy of insurance, because it is an important instrument of ordinary commercial contract: and our laws punish with death any master of a vessel, or others, who shall commit a fraud on the parties to this contract, by casting away a vessel. For all this we have no express authority. We infer it from the general power of regulating commerce, and we exercise the power in this case, because a policy of insurance is one of the usual instruments or means of commerce. But how inconsiderable and unimportant is a policy of insurance, as the means or an instrument of commerce, compared with the whole circulating paper of a country?

Sir, the power is granted to us, and granted without any specification of means; and therefore we may lawfully exercise all the usual means. I need not particularize those means, nor state, at present, what they are, or may be. One is, no doubt, a proper regulation of receipts at the custom houses and land offices. But this, of itself, is not enough. Another is a national bank, which I fully believe, would, even now, answer all desired purposes, and reinstate the currency in ninety days. These, I think, are the means to be first tried; and if, notwithstanding these, irredeemable paper should overwhelm us, others must be resorted to. We have no direct authority over State banks; but we have power over the currency, and we must protect it, using, of course, always, such means,