

as prescribed by the act of 1836, a source rather of embarrassment than aid, and of necessity placed the custody of most of the public money afterwards collected in charge of the public officers. The new securities of its safety, which this required, was a principal cause of my convening an extra session of Congress; but in consequence of a disagreement between the two Houses, neither then, nor at any subsequent period, has there been any legislation on the subject. The effort made at the last session to obtain the authority of Congress to punish the use of public money for private purposes as a crime, a measure attended under other Governments with signal advantage, was also unsuccessful, from diversities of opinion in that body, notwithstanding the anxiety doubtless felt by it to afford every practicable security. The result of this is still to leave the custody of the public money without those safeguards which have been for several years earnestly desired by the Executive; and as the remedy is only to be found in the action of the Legislature, it imposes on me the duty of passing a law providing for the safe keeping of the public money, and especially to ask that it be used for private purposes by any officers entrusted with it, may be declared to be a felony, punishable with penalties proportioned to the magnitude of the offence.

The circumstances, added to known defects in the existing laws and unusual derangement in the general operation of trade, have during the last years, much increased the difficulties attendant on the collection, keeping, and disbursement of the revenue, and called forth corresponding exertions from those having them in charge. Happily these have been successful beyond expectation. Vast sums have been collected and disbursed by the several departments with unexpected cheapness and ease; transfers have been readily made to every part of the Union, however distant; and defalcations have been far less than might be anticipated, from the absence of adequate legal restraints. Since the offices of the Treasury and Post Office departments were charged with the custody of most of the public moneys received by them, there have been collected sixty six millions of dollars, and excluding the case of the late collector of New York, the aggregate amount of losses sustained in the collection cannot, it is believed, exceed sixty thousand dollars. The defalcation of the late collector at that city, of the extent and circumstances of which Congress has been fully informed, ran through all the modes of keeping the public money that have been hitherto in use, and was distinguished by an aggravated disregard of duty that broke through the restraints of every system, and cannot, therefore, be usefully referred to as a test of the comparative safety of either. Additional information will also be furnished by the report of the Secretary of the Treasury, in reply to a call made upon that officer by the House of Representatives at the last session, requiring detailed information on the subject of defalcations by public officers or agents under each administration, from 1799 to 1837. This document will be submitted to you in a few days. The general results, (independent of the post office, which is kept separately and will be stated by itself,) so far as they bear upon this subject, are that the losses which have been, and are likely to be, sustained, by any class of agents, have been—the greatest by banks, including, as required in the resolution, their depreciated paper received for public dues;—that the next largest have been by disbursing officers and the least by collectors and receivers. If the losses on duty bonds are included, they alone will be threefold those by collectors and receivers. Our whole experience, therefore, furnishes the strongest evidence that the desired legislation of Congress is only wanting to insure in those operations, the highest degree of security and facility. Such also appears to have been the experience of other nations. From the results of inquiries made by the Secretary of the Treasury in regard to the practice among them, I am enabled to state, that in twenty two out of twenty seven foreign governments from which undoubted information has been obtained, the public moneys are kept in charge of public officers. This concurrence of opinion in favor of that system is perhaps as great as exists on any question of internal administration.

In the modes of disbursing officers, no legal change was produced by the suspension of specie payments. The report last referred to will be found to contain, also, much useful information in relation to this subject. I have, heretofore, assigned to Congress my reasons for believing that the establishment of an Independent National Treasury, as contemplated by the Constitution is necessary to the safe action of the Federal Government. The suspension of specie payments in 1837, by the banks having the custody of the public money, showed in so alarming a degree our dependence on those institutions for the performance of duties required by law, that I then recommended the entire dissolution of that connection. This recommendation has been subjected, as I desired it should be, to severe scrutiny and an animated discussion; and I allow myself to believe that, notwithstanding the natural diversities of opinion which may be anticipated on all subjects involving such important considerations, it has secured in its favor as general a concurrence of public sentiment as could be expected on one of so magnitude.

Recent events have also continued to

develop new objections to such a connection. Seldom is any bank under the existing system and practice, able to meet on demand, all its liabilities for deposits and notes in circulation. It maintains specie payments, and transacts a profitable business, only by the confidence of the public in its solvency; and whenever this is destroyed, the demands of its depositors and noteholders—pressed more rapidly than it can make collections from its debtors, force it to stop payment. This loss of confidence with its consequences occurred in 1837 afforded the apology of the banks for their suspension. The public then acquiesced in the validity of the excuse; and, while the State Legislatures did not exact from them their forfeited charters, Congress, in accordance with the recommendation of the Executive, allowed them time to pay over the public money they held, although compelled to issue Treasury notes to supply the deficiency thus created.

It now appears there are other motives than a want of public confidence under which the banks seek to justify themselves in a refusal to meet their obligations. Scarcely were the country and Government relieved, in a degree, by the difficulties occasioned by the general suspension of 1837 when a partial one, occurring within thirty months of the former, produced new and serious embarrassments though it had no palliation in such circumstances as were alleged in justification of that which have previously taken place.

There was nothing in the condition of the country to endanger a well managed banking institution; commerce was deranged by no foreign war; every branch of manufacturing, industry was crowned with rich rewards; and the more than usual abundance of our harvest, after supplying our domestic wants, had left our granaries and storehouses filled with a surplus for exportation. It is in the midst of this, that an irredeemable and depreciable and depreciated paper currency is entailed upon the people by a large portion of the banks. They are not driven to it by the exhibition of a loss of public confidence, or of a sudden pressure from their depositors or noteholders, but they excuse themselves by alleging that the current of business, and exchange with foreign countries, which draws the precious metals from their vaults, would require, in order to meet it, a large curtailment of their loans to a comparatively small portion of the community, than it will be convenient for them to bear, or perhaps safe for the banks to exact. The plea has ceased to be one of necessity. Convenience and policy are now deemed sufficient to warrant these institutions in disregard of their solemn obligations. Such conduct is not merely an injury to individual creditors, but it is a wrong to the whole community, from whose liberality they hold most valuable privileges—whose rights they violate, whose business they derange, and the value of whose property they render unstable and insecure. It must be evident that this new ground for bank suspensions, in reference to which their action is not only disconnected with, but wholly independent of, that of the public, gives a power to their suspensions more alarming than any which they exhibited before, and greatly increases the impropriety of relying on the banks in the transaction of the Government.

A large and highly respectable portion of our banking institutions are, it affords me unfeigned pleasure to state, exempted from all blame on account of this second delinquency. They have to their great credit, not only continued to meet their engagements, but have even repaid the grounds of suspension now resorted to. It is only by such a course that the confidence and good will of the community can be preserved, and in the sequel the best interest of the institutions themselves promoted.

New dangers to the banks are daily disclosed from the extension of this system of extravagant credit of which they are the pillars. Formerly our commerce was principally founded on an exchange of commodities, including the precious metals, and leaving in its transactions but little foreign debt. Such is now the case. Aided by the facilities afforded by the banks, mere credit has become too commonly the basis of trade. Many of the banks themselves, not content with largely stimulating this system among others, have usurped the business, while they impair the stability of the mercantile community; they have become borrowers instead of lenders; they establish their agencies abroad they deal largely in stock and merchandise; they encourage the issues of state securities until the foreign market is glutted with them; and, unsatisfied with the legitimate use of their own capital and the exercise of their lawful privileges, they raise, by large loans, additional means for every variety of speculation. The disasters attended on this deviation from the former course of business in this country, are now shared alike by banks and individuals, to an extent of which there is perhaps no previous example in the annals of our country. So long as a willingness of the foreign lender, and a sufficient export of our productions to meet any necessary partial payments, leave the flow of credit undisturbed, all appears to be prosperous; but as soon as it is checked by any hesitation abroad, or by any inability to make payment there in our productions, the evils of the system are disclosed. The paper currency which might serve for domestic purposes, is useless to pay the debt due in Europe. Gold and silver are therefore drawn in exchange for their notes from the banks. To keep up their

supply of coin, these institutions are obliged to call upon their own debtors, who pay them principally in their own notes, which are so unavailable to them as they are to the merchants to meet their foreign demand. The calls of the banks, therefore, in such emergencies, of necessity, exceed the demand, and produce a corresponding curtailment of their accommodations and of the currency, at the very moment when the state of trade renders it most inconvenient to be borne. The intensity of this pressure on the community is in proportion to the previous liberality of credit and consequent expansion of the currency; forced sales of property are made at the time when the means of purchasing are most reduced, and the worst calamities to individuals are only at last arrested, by an open violation of their obligations by the banks, a refusal to pay specie for their notes, and an imposition upon the community of a fluctuating and depreciated currency.

These consequences are inherent in the present system. They are not influenced by the banks being large or small, created by National or State Governments. They are the results of the irresistible laws of trade and credit. In the recent events which have so strikingly illustrated the certain effects of these laws, we have seen the bank of the largest capital in the Union, established under a National charter, and lately strengthened, as we are authoritatively informed, by exchanging that for a State charter, with new and unusual privileges—in a condition, too, as it was said, of entire soundness and great prosperity—not merely unable to resist these effects, but the first to yield to them.

Nor is to be overlooked that there exists a chain of necessary dependence among these institutions which obliges them, to a great extent, to follow the course of others, notwithstanding its injustice to their own immediate creditors, or injury to the particular community in which they are placed. This dependence of a bank, which is in proportion to the extent of its debts for circulation and deposits, is not merely on others in its own vicinity, but on all those which connect it with the centre of trade. Distant banks may fail, without seriously affecting those in our principal commercial cities; but the failure of the latter at the extremities of the Union.—The suspension at New York, in 1837, was everywhere, with very few exceptions, followed, as soon as it was known; that recently at Philadelphia immediately affected the banks of the South and West in a similar manner. This dependence of our whole banking system on the institutions in a few large cities, is not found in the laws of their organization, but in those of trade and exchange. The banks at that centre to which currency flows, and where it is required in payments for merchandise, hold the power of controlling those in regions whence it comes, while the latter possesses no means of restraining them; so that the value of individual property, and the prosperity of trade, thro' the whole interior of the country, are made to depend on the good or bad management of the banking institutions in the great seats of trade on the seaboard.

But this chain of dependence does not stop here. It does not terminate at Philadelphia or New York. It reaches across the ocean, and ends in London, the centre of the credit system. The same laws of trade, which give to the banks in our principal cities power over the whole banking system of the United States, subject the former, in their turn, to the money power in Great Britain. It is not denied that the suspension of the New York banks in 1837, which was followed in quick succession throughout the Union, was produced by an application of that power; and it is now alleged, in extenuation of the present condition of so large a portion of our banks, that their embarrassments have arisen from the same cause.

From this influence they cannot now entirely escape, for it has its origin in the credit securities of the two countries; it is strengthened by the current of trade and exchange, which centres in London, and it is rendered almost irresistible by the large debts contracted there by our merchants, our banks and our states. It is thus that an introduction of a new bank into the most distant of our villages, places the business of that village within the influence of the money power of England. It is thus that every new debt which we contract in that country, seriously affects our own currency, and extends over the pursuits of our citizens its powerful influence. We cannot escape from this by making new banks, great or small, State or National. The same chains which bind those now existing to the centre of this system of paper credit, must equally fetter every similar institution we create.—It is only by the extent to which this system has been pushed of late, that we have been made fully aware of its irresistible tendency to subject our own banks and currency to a vast controlling power in a foreign land; and it adds a new argument to those which illustrate their precarious situation. Endangered in the first place by their own mismanagement, and again by the conduct of every institution which connects them with the centre of trade in our own country, they are yet subjected, beyond all this, to the effect of whatever means, policy, necessity, or caprice may induce those who control the credits of England to resort to. I mean not to comment upon these measures, present or past, and much less to discourage the prosecution of fair commercial dealings between the two countries, based on reciprocal benefits, but it having now been made manifest that the power of inflicting these

and similar injuries, is, by the resistless law of a credit currency and a credit trade, equally capable of extending their consequences through all the ramifications of our banking system, and by that means indirectly obtaining, particularly when our banks are used as depositories of the public moneys, a dangerous political influence in the United States, I have deemed it my duty to bring the subject to your notice and ask for your serious consideration.

Is an argument required beyond the expostitions of these facts, to show the impropriety of using our banking institutions as depositories of the public money? Can we venture not only to encounter the risk of their individual and mutual mismanagement, but, at the same time, to place our foreign and domestic policy entirely under the control of a foreign moneyed interest? To do so, is to impair the Independence of our Government, as the present credit system has already impaired the independence of our banks. It is to submit all its important operations, whether of peace or of war, to be controlled or thwarted at first by our own banks, and then by a power abroad greater than themselves. I cannot bring myself to depict the humiliation to which this Government and people might be sooner or later reduced, if the means for defending their rights are to be made dependant upon those who may have the most powerful motives to impair them.

Nor is it only in reference to the effect of this state of things on the independence of our Government or of our banks, that the subject presents itself for consideration; it is to be viewed also in its relations to the general trade of our country. The time is not long past when a deficiency of foreign crops was thought to afford a profitable market for the surplus of our industry; but now we await with feverish anxiety the news of the English harvest, not so much from motives of commercial sympathy, but fearful lest its anticipated failure should narrow the field of credit there. Does not this speak volumes to the patriot? Can a system be beneficent, wise or just, which creates greater anxiety for interests dependant on foreign credit, than for the general prosperity of our own country, and the profitable exportation of the surplus fruits of our labor?

The circumstances to which I have thus adverted appear to me to afford weighty reasons, developed by late events, to be added to those which I have on former occasions adduced, when submitting to your better knowledge and discernment the propriety of separating the custody of the public money from banking institutions. Nor has any thing occurred to lessen, in my opinion, the force of what has been heretofore urged. The only ground on which custody can be desired by the banks, is the profitable use which they may make of the money. Such use would be regarded by individuals as a breach of trust, or crime of great magnitude, and yet it may be reasonably doubted whether, first or last, it is not attended with more mischievous consequences when permitted to the former than the latter. The practice of permitting the public money to be used by its keepers as here, is believed to be peculiar to this country, and to exist scarcely any where else. To procure it here, improper influences are appealed to; unwise connections are established between the Government and vast numbers of powerful State institutions; other motives than the public good are brought to bear both on the Executive and Legislative departments, and selfish combinations, leading to special legislation, are formed. It is made the interest of the banking institutions and their stockholders throughout the Union to use their exertions for the increase of taxation and accumulation of a surplus revenue; and while an excuse is afforded, the means are furnished for those excessive issues which lead to extravagant trading and speculation, and are the forerunners of a vast debt abroad, and a suspension of the banks at home.

Impressed, therefore, as I am, with the propriety of the funds of the Government being withdrawn from the private use of either banks or individuals, and the public money kept by duly appointed agents; and believing as I do, that such also is the judgment which discussion, reflection and experience will produce on the public mind, I leave the subject with you. It is, at all events, essential to the interests of the community and the business of the Government, that a decision should be made.

Most of the arguments that dissuade us from employing banks in the custody and disbursement of the public money apply, with equal force, to the receipt of their notes for public dues. The difference is only in form. In one instance the Government is a creditor for its deposits, and in the other for the notes it holds. They afford the same opportunity for using the public moneys, and equally lead to all the evils attendant upon it, since a bank can as safely extend its discounts on a deposit of its notes in the hands of a public officer, as on one made in its own vaults. On the other hand, it would give to the government no greater security; for, in case of failure, the claim of the noteholder would be no better than that of a depositor.

I am aware that the danger of inconvenience to the public and unreasonable pressure upon sound banks have been urged as objections to requiring the payment of the revenue in gold and silver.—These objections have been greatly exaggerated. From the best estimates we may safely fix the amount of specie in the country at eighty-five millions of dollars, and the portion of that which would be employed at any one time in the receipts and disbursements of the Government, even if the proposed change was made at once, would not, it is now, after fuller investigation believed, exceed four or five millions. If the change were gradual, several years would elapse before that sum would be required, with annual opportunities, in the mean time, to alter the law, should experience prove it to be oppressive or inconvenient. The portions of the community on whose business the change would immediately operate, are comparatively small, nor is it believed that its effect would be in the least unjust or injurious to them.

In the payment of duties, which constitute by far the greater portion of the revenue, a very large proportion is derived from foreign commission houses and agents of foreign manufacturers, who sell the goods consigned to them generally, at auction, and after paying the duties out of the avails, remit the rest abroad in specie or its equivalent. That the amount of duties should, in such cases, be also retained in specie, can hardly be made a matter of complaint. Our own importing merchants, by whom the residue of the duties

is paid, are not only peculiarly interested in maintaining a sound currency, which the measure in question will especially promote but are, from the nature of their dealings, best able to know when specie will be needed, and to procure it with the least difficulty or sacrifice. Residing, too, almost universally in places where the revenue is received, and where the drafts used by the Government for its disbursements must necessarily, they have every opportunity to obtain and use them in place of specie, should it be for their interest or convenience. Of the number of these drafts, and the facilities they may afford, as well as of the rapidity with which the public funds are drawn and disbursed, an idea may be formed from the fact, that of nearly twenty millions of dollars paid to collectors and receivers during the present year, the average amount in their hands at any one time has not exceeded a million and a half, and of the fifteen millions received by the collectors of New York alone during the present year, the average amount held by him, subject to draft during each week, has been less than half a million.

The case and safety of the operations of the Treasury in keeping the public money, are promoted by the application of its own drafts to the public dues. The objection arising from having them too long out standing, might be obviated, and they yet made to afford to merchants and banks holding them an equivalent for specie, and in that way greatly lessen the amount actually required. Still, less inconvenience will attend the requirement of specie in purchases of public lands. Such purchases, except when made on speculation, are in general, but single transactions, rarely repeated by the same persons; and it is a fact, that for the last year and a half, during which the notes of sound banks have been received, more than a moiety of these payments has been voluntarily made in specie being a larger proportion than would have been required in three years under the graduation proposed.

It is moreover a principle than which none is better settled by experience, that the supply of the precious metals will always be found adequate to the uses for which they are required. They abound in countries where no other currency is allowed. In our own states, where small notes are excluded, and gold and silver supply their place.—When driven to their hiding places by bank suspensions, a little firmness in the community soon restores them in a sufficient quantity for ordinary purposes. Postage and other public dues have been collected in coin, without serious inconvenience, even in states where a depreciated paper currency has existed for years, and this, with the aid of Treasury notes for a part of the time, was done without interruption during the suspension of 1837. At the present moment, the receipts and disbursements of the Government are made in legal currency in the largest portion of the Union—no one suggests a departure from this rule; and if it can now be successfully carried out, it will be surely attended with even less difficulty when bank notes are again redeemed in specie.

I need not think that a serious objection would arise were raised to the receipt and payment of gold and silver in all public transactions, were it not from an apprehension that a surplus in the Treasury might withdraw a large portion of it from circulation, and lock it up unprofitably in the public vaults. It would not, in my opinion, be difficult to prevent such an inconvenience from occurring; but the authentic statements which I have already submitted to you in regard to the actual amount in the public Treasury at any one time during the period embraced in them, and the probability of a different state of the Treasury for at least some years to come, seem to render it unnecessary to dwell upon it. Congress, as I have before observed will in every year have an opportunity to guard against it, should the occurrence of any circumstances lead us to apprehend injury from this source. Viewing the subject in all its aspects, I cannot believe that any period will be more auspicious than the present for the adoption of all measures necessary to maintain the sanctity of our own engagements, and to aid in securing to the community that abundant supply of the precious metals which adds so much to their prosperity and gives such increased stability to all their dealings.

In a country so commercial as ours, banks in some form will always exist; but this serves only to render it more incumbent on us, notwithstanding the discouragements of the past, to strive in our respective stations to mitigate the evils they produce; to take from them as rapidly as the obligations of public faith and a careful consideration of the immediate interests of the community will permit, the unjust character of monopolies; to check so far as may be practicable by prudent legislation, those temptations of interest and those opportunities for their dangerous indulgence, which beset them on every side, and to confine them strictly to the performance of their paramount duty, that of aiding the operations of commerce, rather than consulting their own exclusive advantage. These and their salutary reforms may, it is believed be accomplished without the violation of any Institutions so framed have existed and still exist elsewhere, giving to commercial intercourse all necessary facilities, without inflating or depreciating the currency, or stimulating speculation. Thus accomplishing their legitimate ends, they have gained the surest guarantee for their protection and encouragement in the good will of the community. Among a people so just as ours, the same results could not fail to attend a similar course, of the great principles of the social compact, the observance of which is indispensable to its existence, or interfering in any way with the useful and profitable employment of real capital.

The direct supervision of the banks belongs from the nature of our Government, to the States who authorize them. It is to the Legislatures that the people must mainly look for action on that subject. But as the conduct of the Federal Government in the management of its revenue has also a powerful, though less immediate influence upon them it becomes our duty to see that a proper direction is given to it. While the keeping of the public revenue in a separate and independent Treasury, and the custody of gold and silver, will have a salutary influence on the system of paper credit with which all banks are connected and thus aid those that are sound and well managed, it will at the same time sensibly check such as are otherwise, by at once withholding the means of extravagance afforded by the public funds, and restraining them from excessive issues of notes

which they would be constantly called upon to redeem.

I am aware it has been urged that this control may be best attained and exerted by means of a National Bank. The constitutional objections which I am well known to entertain, would prevent the proposed remedy; but in addition to this, I cannot, after my past experience, bring myself to think that it can any longer be extensively regarded as an effective remedy for such a purpose. The history of the late National Bank through all its mutations, shows that it was not so. On the contrary, it may, after a careful consideration of the subject, be, I think, safely stated, that at every period of banking excess it took the lead; that in 1817 and 1818, in 1823, in 1831, and in 1834, its vast expansions, followed by distressing contractions, led to those of the State institutions. It swelled and maddened the tides of the banking system, but seldom allayed, or safely directed them.

At a few periods only was a salutary control exercised, but an eager desire, on the contrary exhibited for profit in the first place; and if, afterward, its measures were severe towards other institutions, it was because its own safety compelled it to adopt them. It did not differ from them in principle or in form; its measures emanated from the spirit of gain; it felt the same temptation to over issues; it suffered from and was totally unable to avert, those inevitable laws of trade, by which it was itself affected equally with them; and at least on one occasion at an early date, it was saved only by extraordinary exertions from the same fate that attended the weaker institutions it professed to supervise.

In 1837 it failed, equally with others, in redeeming its notes, though the two years allowed by its charter for that purpose had not expired, a large amount of which remains to the present time outstanding. It is true, that having so vast a capital, and strengthened by the use of all the revenues of the Government, it possessed more power; but while it was itself, by that circumstance, freed from the control of which all banks require, its paramount object and inducement were left the same—to make the most for its stockholders, not to regulate the currency. Nor has it, as far as we are advised, been found to be greatly otherwise elsewhere. The national character given to the bank of England has not prevented excessive fluctuations in its currency, and it proved unable to keep off a suspension of specie payments, which lasted for nearly a quarter of a century.—And why should we expect it to be otherwise? A national institution, though deriving its charter from a different source than the State Banks, is yet constituted upon the same principles: is conducted by men equally exposed to temptation; and is liable to the same disasters, with the additional disadvantage that its magnitude occasions an extent of confusion and distress which the mismanagement of smaller institutions could not produce. It can scarcely be doubted that the recent suspension of the United States Bank of Pennsylvania, of which the effects are felt not in that State alone, but over half the Union, has its origin in a course of business commenced while it was a national institution; and there is no good reason far supposing that the same consequences would not have followed had it still derived its powers from the General Government. It is in vain when the influences and impulses are the same, to look for a difference in conduct or results.

By such creations we do, therefore, but increase the mass of paper credit and paper currency, without checking their attendant evils and fluctuations. The extent or power and the efficiency of organization which we give, so far from being beneficial, are, in practice, positively injurious. They strengthen the chain of dependence throughout the Union, subjects all parts more certainly to common disaster, and bind every bank more effectually, in the first instance, to those of our commercial cities, and, in the end, to a foreign power. In a word I cannot but believe that, with the full understanding of the operations of our banking system which experience has produced, public sentiment is not less opposed to the creation of a National Bank, for purposes connected with currency and commerce, than for those connected with the fiscal operations of the Government.

Yet the commerce and currency of the country are suffering evils from the operations of the State banks which cannot and ought not to be overlooked. By their means, we have been flooded with a depreciated paper, which it was evidently the design of the framers of the Constitution to prevent, when they required Congress to "coin money and regulate the value of foreign coin," and when they forbade the States "to coin money, emit bills of credit, make anything but gold and silver a tender in payments of debts," or "pass any law impairing the obligation of contracts." If they did not guard more explicitly against the present state of things, it was because they could not have anticipated that the few banks then existing were to swell to an extent which would expel to so great a degree the gold and silver, for which they had provided, from the channels of circulation, and fill them with a currency that defeats the objects they had in view. The remedy for this must chiefly rest with the States from whose legislation it has sprung. No good that might accrue in a particular case from the exercise of power, not obviously conferred on the General Government, would authorize its interference, or justify a course that might, in the slightest degree increase, at the expense of the States, the power of the Federal authorities—nor do I doubt that the States, will apply the remedy.

Within the last few years events have appealed to them so strongly to be disregarded. They have seen that the Constitution, though theoretically adhered to, is subverted in practice; that while on the statute books there is no legal tender but gold and silver, no law impairing the obligations of contracts, yet that, point of fact, the privileges conferred on banking corporations have made their notes the currency of the country; that the obligations imposed by these notes are violated under the impulses of interest or convenience; and that the number and power of the persons connected with these corporations, or placed under their influence, give them a fearful weight when their interest is in opposition to the spirit of the Constitution and laws. To the people it is immaterial whether these results are produced by open violations of the latter, or by the workings of a system of which the result is the same. An inflexible execution even of the existing statutes of most of the States, would redress many evils now endured; would effectually show the