The North Carolina Standard.

THOMAS LORING, *Editor and Proprietor.*

THE CONSTITUTION AND THE UNION OF THE STATES.....THEY "MUST BE PRESERVED."

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SPEECH

OF

Mr. Strange, of North Carolina,

On the Bill Imposing Additional Duties as Depositaries in certain cases, on Public Officers, &c.

(*Continued from our last.*)

But the highest claim, after all, which the original bill has over the substitute, is, that the one is in strict conformity with the letter and spirit of the Constitution, while the other violates both. The first clause of the eighth section of the first article of the Constitution declares: "The Congress shall have power to lay and collect taxes, duties, imposts, and excises." For what purpose? "To pay the debts, and provide for the common defence and general welfare, of the United States," ect.—But some time must, of course, intervene between the said collection and the application of the money to the purpose for which it was so raised; and the question is, what is to become of it in the mean time? The Constitution informs us, in the sixth clause of the ninth section: "No money shall be drawn from the Treasury but in consequence of appropriations made by law," ect. In the Treasury, then, the money must be placed when raised. True, the Constitution does not so directly declare, but it says it shall not be drawn thence; and surely, the interdiction against its withdrawal distinctly implies that it must be there placed. And can any one, I ask, imagine that the Treasury in contemplation was a bank? If such a thing was in contemplation, it was easy to have so declared; but it was not so declared. It is not said money shall not be drawn out of the United States Bank, or the deposite bank, but out of the Treasury; and we learn by the debates in convention that the framers of the Constitution were not ignorant of banks, but purposely declined granting to Congress the power of chartering one. But the word Treasury had a plain and significant meaning, understood by every one as a place where individuals or communities kept their treasure, and in that plain, popular sense was used.

But allow, for the sake of the argument, that the Government might, in the general meaning of the word Treasury, elect to make a bank such Treasury, yet surely, under the clause I have just read, it could not make such bank the Treasury by a general deposite; for, whether the Treasurer be the cashier of a bank, or whatever complication of character may belong to him, he cannot withdraw money from the Treasury but in consequence of appropriations made by law. Will it be said that a general authority granted by Congress to the cashier to withdraw and replace money in the Treasury, is an appropriation made by law? Does not such an interpretation reduce the provision to an empty sound, and repeal it as to all substantial operations? But it may be said that the specific authority to lend out the money is an appropriation made by law. From whence does Congress derive the authority to make such an appropriation? The purposes for which Congress is authorized to collect revenue, are expressly set forth in the first clause of the eighth section of the first article: "to pay the debts, and provide for the common defence and general welfare of the United States." To lend money is not one of them. It will be said that, having the money, we have a right to lend it. This right is exceedingly doubtful; but grant it to exist, the substitute not only proposes to lend the money which you now have, but all that you shall hereafter raise, and places the same, ere yet it is raised, in the very process of getting to you, in the hands of banks to be lent out.

There is yet another part of the Constitution standing directly in the way of the proposed substitute, to wit: the latter part of the first clause of the eighth section of the first article: "But duties, imposts, and excises, shall be uniform throughout the United States." Now, is not the effect of the substitute entirely to destroy this provision? Grant that there is a uniformity in the original levy and collection, is not the effect of uniformity entirely done away if the revenue is immediately distributed by way of loan, in unequal proportions, among the different States of the Union. Suppose, for instance, ten gentlemen were to go to a boarding house in this city, and say to the landlord or landlady, as the case might be, "We all desire to have equal fare, and to be charged at the same rate."—"Certainly," is the reply; "you shall all have the same fare and be charged at the same rate," and the bargain is accordingly closed. It turns out, however, in the event, that the landlord has stipulated with one of the guests to lend him out of the ten dollars agreed to be paid weekly, seven dollars; to another five; to another three, and to another one, without interest, and this for the whole time they remain boarders at his house; that is to say, to make the same return weekly for which they would give their notes, which the landlord stipulates with them shall be treated by him as so much gold and silver. Will any one pretend the parties had been treated with the stipulated impartiality? Clearly not, and so in a much more absolute sense is this stipulation of equality in the Constitution violated by the operation of the deposite system.

Again it is declared in the 5th clause of the 9th section of the 1st article that "no preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another." And can any one doubt that the revenue regulations of the General Government hitherto acted upon, and those proposed to be adopted by the substitute of the Senator from Virginia has, and will have, the effect of giving decided advantages to the ports of one State over those of another? Have they not and will they not, paralyze the commerce of the Southern States, and give more vigor to that of a favored few at the North? To any one who does not see this, it is useless to address argument.

Our whole system of Government is based upon principles of equality, and these principles have always been more or less violated in its administration. But the substitute proposes a violation even greater than has yet been practised. Even the U. States Bank might locate a branch in any State desiring it; and under the deposite law of 1836, the Secretary of the Treasury was not restricted to any State for the choice of banks, nor to any given number of banks in any one State. But we have, by the provisions of the substitute, the system of equality completely subverted, and the power of the large States magnified, and that of the small ones diminished. In the first place, the banks, are limited to twenty-five, so that one State of the Union must of necessity be excluded from any participation in the real or imaginary benefits of this arrangement, and only twenty-five banks out of the hundreds in the Union are allowed to share it. This will be a pet bank system with a vengeance. And what is worse, the selection of these banks is to be committed in part to Congress, where the large States, in one branch at least, have a most decided advantage. Truly is the principle of equality altogether overlooked in this measure. But there is another clause of the Constitution standing in the way of the adoption of the substitute, (for it runs counter to a whole phalanx of constitutional provisions,) and that is a portion of the 2d clause 2d section of the 2d article: "he, [the President,] shall nominate, and by and with the advice and consent of the Senate, shall appoint, ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the U. States," &c. Now, waving the question raised by my colleague, whether corporations are competent to be chosen officers of the Government, (and I do not say that the objection is not a valid one,) it seems to me evident, from this clause of the Constitution, that whether the officer be an individual or corporation, he can only be appointed by the President, by and with the consent of the Senate, or by the President alone, or the heads of Departments, if they shall be vested by law with that power. And yet the substitute proposes that banks shall be selected as fiscal agents of the Government by Congress, contrary to the letter of the Constitution, and its manifest policy.

Whether receiving paper in payment of the public dues, be a direct violation of the Constitution, as insisted by the Senator from South Carolina, [Mr. CALHOUN,] or not, it ought, at any rate, to receive no sanction from Congress: because, in the first place, if not actually prohibited by the Constitution, it is evident it would have been done had its framers foreseen that an attempt would be made to establish it as the regular medium of receipt for the public dues. We find whole masses of the Constitution directed by them against the paper system, and we well know that it was a thing of which bitter experience had made *them* heartily sick; that they were, in the memorable language of a gentleman on the other side, hard money men.—In the second place, no prudent person ought to receive what he cannot with propriety pay out; and it was well urged by the Senator from Massachusetts [Mr. WEBSTER] on another occasion, that the Government ought only to pay, or even offer to pay, its creditors in a sound, uniform medium, so that the actual amount paid to each creditor should be equal to the nominal amount due him. In this I heartily concur; and therefore think the commanding the receipt by revenue officers in payment of public dues of what cannot be considered as such a medium, highly improper. Money is the only medium in which the law should authorize or compel the receipt of debts, and especially public debts; and it is an abuse of terms to call bank notes money. They want the main characteristic of money, and have, by looseness of conversation as well as of ideas, assumed the name of that for which they only stood as a substitute. From England, from whom we have borrowed the paper system, we have also borrowed this vice of expression, which confounds things essentially different. Bank notes are no more money than the note of an individual is money. It is of the nature of money, when paid to discharge altogether the previously existing debt, and to vest without more the property purchased in one person, and the money paid for it in another.—But the payment of a bank note merely changes the debtor, and substitutes the bank as a debtor to the holder of its note, in lieu of him from whom he received it. It is still but what the lawyers call a *chose* in action. In ancient times, money consisted of cattle or other articles which had an intrinsic value, and the transactions were rather barters than sales, in the modern meaning of that term. In later times, gold and silver were found to possess all the requisites of a common standard of value in a higher degree than any thing else. They combined intrinsic value in a small compass with indestructibility and almost indefinite divisibility, and they have been adopted, by the common consent of all mankind, as the only general money of the world. When they are transferred, the debt before existing is extinguished, and no new one is created. They are the arbiter and finisher of all transactions. But it is insisted by the Senator from Kentucky [Mr. CLAY] that the Government makes money of whatever it receives as such. I agree that the Government does, by affixing its stamp of approbation, cause to pass as money what is not so in truth.—And does not this consideration of itself, so far from furnishing a reason why Government should fix its stamp upon bank notes, operate directly the other way? In declaring that to be money which is not money, Government gives currency to a falsehood, and unsettles the sound foundations of public opinion; and no man can see the consequences to which a falsehood may lead, which he has once labelled as truth. The notes of a bank are no more money than the notes of individuals; and the Government can, by its action, make one pass as money as well as the other. And why should they not? Why should favored associations be taken under the fostering care of the Government, and individuals, whose worth and ability may be more distinctly known, discarded from it? Is this in keeping with the great principles of equality upon which our institutions are based? If assistance to the poor, in whose behalf the Senator from Massachusetts who last addressed you [Mr. DAVIS] spoke so pathetically, were a legitimate object of the action of this Government, it would certainly be much better accomplished by its endorsing the notes of the poor and needy, but worthy and struggling, citizen, than those of these wealthy corporations.

But the system proposed by the substitute is a radical change in the whole action of our Government from that proposed by the Constitution. In the first place, it legislates into perpetual existence a currency unknown to the Constitution, and against which many of its provisions are directed.—In the next, it introduces into the texture of the Government a fourth estate, never designed by its framers to enter into it. It in effect declares that our ignorant forefathers knew nothing of the dire corruption which pervades the human heart, or had overlooked the only means of providing against it. That they did not see the beauties of that bank machinery by which the public treasure might be secured against the fingers of the pilferer, and neglected to provide it. And it is now proposed by their more sagacious sons to supply by legislation this dangerous omission. If all this is true, shall we suffer that sacred instrument to be thus interpolated without a regular process of amendment—that the legislature shall thus alter what was framed for the express purpose of circumscribing its own action? Surely not. But it is not true that the framers of the Constitution were ignorant of this bank agency, but it seems had it distinctly before them, and deliberately repudiated it.

But, notwithstanding all this, the Opposition calls the Independent Treasury a *novelty*—an experiment. That is to say, that the only plan known for the first 5,000 years of the existence of the world, is a novelty, although it has been, with very few exceptions, continued ever since; while that which was never heard of until about seven hundred years ago, and did not receive any thing like the form in which it is now urged until a little more than one hundred years since, is a perfect antiquity, and stands protected by hoary experience. The first bank which we hear of in the history of the world was that of Venice, established in 1157, A. D.; the next was that of Genoa, in 1345, near two hundred years after; the next was that of Amsterdam, in 1609; and then that of Hamburg, in 1619. The famous Bank of England had no existence until 1694, and about twenty years afterwards was followed by the Bank of France, to wit: in 1716.—These places have all been conspicuous upon the theatre of the world, but not least for their wars and robberies. Commerce has enriched them, but it has been a commerce conducted in fraud and enforced in blood. I will not go back to Venice and Genoa, but take England, and the groans of oppressed India speak for her. The rivers of blood which have deluged that unhappy land, cry out for vengeance upon her lust of gold. Plunder by force or stratagem is the real sustenance of those nations, who subsist only on commerce. The first bank in France was a part of Mr. Law's famous bubble, for the payment of the national debt, and a very similar origin is found for that of England. From their unlucky explosions, the alchemists learnt lessons by which they profited in future experiments. But no bank became the fiscal agent of the Government, until the Bank of England became so in the reign of Queen Anne, whose expensive wars on the continent had involved the Government in pecuniary difficulty, and compelled her to apply to the bank for assistance. In consideration of that assistance, the bank was secured in a monopoly with a doubled capital. The equivalent she paid was an advance to the Government of £400,000 in cash, the cancelling of exchequer bills to the amount of £1,775,027, and throwing into circulation £2,500,000 more of the exchequer bills. And thus the bank for relieving the necessities of the Government, had secured to it a larger privilege of plundering the citizens—of covertly taxing them to reimburse herself. Upon the same principle it was that our U. S. Banks of 1791 and 1816 came into existence. Government necessities were great, and bonus, loans, and other accommodations to the Government obtained for the banks the authority to make these disguised exactions from the people. *Yet gentlemen say* that banking is not profitable, and refer to the small dividends of the U. States Bank. They leave out of the calculation the amounts paid to Government for their monopoly, the losses by frauds and mismanagement up to 1819, and the contingent fund for promoting the spread of bank principles. These are the institutions which claim the merit of antiquity, and look down upon that as a novelty, which, beginning with the history of mankind, has existed in its native simplicity to this day.

Again, it is argued that the collection and disbursement of the revenue in gold and silver are altogether impracticable, without creating great public distress through the scarcity of those articles.—And here I will frankly confess, that when I first began to consider this subject, I was apprehensive that the adoption of the Independent Treasury system would materially affect the price of property, reducing it to a distressingly low value; and that has been, in my view, the only unfavorable circumstance connected with it. But longer observation and deeper reflection has dissipated that fear, and I now feel confident that the depression in the value of property, produced by the present reaction, is far greater than that which would be more permanently produced by any probable check given to the paper system by this or any other measure within the reach of Congress, or, indeed, by the total suppression of bank paper. I will call your attention to a report furnished by the Secretary of the Treasury at the present session, showing the balances in the Treasury at the end of each year, by which it is, in my judgment, manifest that five millions of dollars are enough for the Treasury circulation; and with the reduction in the revenue, which I hope to see take place, three millions will be amply sufficient.—Mr. Gallatin computed the precious metals in the world (in 1819 I think it was) at between four and five thousand millions; and after all allowances each way, supposed the annual increase to be equal to about one per cent.; which, by this time, would bring it up to between five and six thousand millions. Of this about two thousand five hundred millions exists in coin. But our calculations are not to be circumscribed within the two thousand five hundred millions, the whole amount of the five or six thousand millions belonging to the great family of nations, for that purpose for which the God of nature seems especially to have provided them; and whenever the coin is found deficient, the bullion existing in other forms will, by an irresistible law, come as offerings to the altar of public convenience, whether it is found in the embellishments of modern life, or the curious vases dug from the ruins of antiquity. The circulating medium of the world may be compared to a vast ocean, of which the peculiar portion of each nation is connected with it, like a bay or arm of the sea. Each is affected by its tides; receives of its fullness at its flood, and must pour back into it at its ebb. From this ocean all that we would want for the purposes of our Treasury, would be but as a bucket-full from the waters of the Potomac.

It is next urged against the Independent Treasury that it is in fact a Government bank. "If this were so, it were a grevous fault," and many of its present friends, could they be so persuaded, would at once abandon it. But assertion is not proof, and after all the ingenious efforts of the Opposition to make good this charge, they have, as I think, signally failed. The most plausible of all the untenable arguments to which they have resorted to support this charge is, that the bill authorizes a transfer, by draft, if necessary, of the funds of the Government from one part of the country to another; and this they say constitutes a bank. If this be so, then almost every man in the country is not only a *banker*, but a *bank*. For who is there who may not, by bill of exchange, transfer money which he may have in one part of the country where he does not want it, to another where he does. But this objection of a Government bank comes with peculiarly ill grace from the Opposition; for however we may beat around the subject, the sting of a Government bank lies at last in its power to furnish a circulating medium to make loans and pay dividends. These are the levers by which public opinion is to be moved, and all these the substitute in effect proposes to give to a system of institutions connected with the Government, while, whatever may be said to the contrary, the Independent Treasury wants them all, and no human ingenuity can lay its finger on the clause of the bill in which either of them lies. If gentlemen choose to suspect covert purposes not appearing on the face of the bill, there is no reasoning with suspicion. In this respect it resembles confidence: a man confides, because he will confide; and he suspects, because he will suspect.

It is further objected to the Independent Treasury, that it increases Executive patronage. We have heard a great deal of humbugs upon this floor; but of all the humbugs which have ever come under my observation, this is the merest. Already, the offices holden at the will of the Executive exceed ten thousand, and our fears are suddenly appealed to upon the addition of twenty. Public liberty is perfectly safe with a corps of ten thousand office holders, but ten thousand and twenty threaten its immediate annihilation. Sir, I say again, as I have said before, that, under our institutions, an open and acknowledged patronage is a principle of weakness, rather than of power to him who wields it. I feel it in my own humble sphere. My situation here entitles my opinions to some little respect in the appointment of officers in my own State, & I am, of course, occasionally applied to on that ground by those who desire them. In the discharge of my legislative duties, my constituents and I understand each other perfectly; they know what course I am likely to take upon any great measure, and there is no disappointment. But in the exercise of the little influence I possess in the distribution of offices it is different. For one whom I have it in my power to gratify, I am forced to disappoint ten; and I am more fortunate than I expect to be if those whom I cannot oblige do not impute my not doing so, some to ingratitude, some to a want of a due sense of their merits, some to a wish to accomplish objects of my own, and others to a want of that influence which a more able man in my place would command. In either view I have made a bad bargain, and have lost much more than I have gained. Such, in a much larger sphere, is the situation of the President. But that is not all; his appointments, when made, do not always add strength to his administration. So far as my experience goes, the mass of applicants for office are from the ranks of the Opposition; and their feelings of Opposition, though temporarily smothered, are seldom appeased, but are certain to show themselves on the first occasion of trial; and the instances are far more numerous of those who received office while professing attachment to the Administration, afterwards becoming its opponents, than of opposititon being won over by appointment to attachment and advocacy. But what is true of open and undisguised patronage, is not true of that secret and complicated influence which may be exercised through the banks, whenever the objects of the Administration and of the banks become identified. Agents of this influence start up, like Rhoderick Dhu's men, from behind every bush, and their appeals can be addressed in the most subtle, and yet, in appearance, most innocent forms. Take a single instance. A member of this, or one of the State Legislatures, is debtor to a bank, and a measure of great importance is pending before the legislative body—those most conversant in bank affairs choose to suppose that it will in some way materially affect banking interests, and the general conversation upon the subject inculcates that belief. A bank officer has occasion to write to this member merely to inform him that on such a day his note will be due; but as he has his pen in hand, he adds: "The measure now under consideration in your body, if it becomes a law, will, it is thought, create a necessity for the banks to curtail their issues, and the debtors will, of course, be required to pay up their notes in full." Now, there is nothing wrong in all this; but what is the effect upon the recipient of the letter? A perfectly natural one. His thoughts take a new direction. "It is true," he says to himself, "I had intended to have voted for this measure, and supposed it a beneficial one; but in that I may be mistaken; and if it is to affect the banks as stated in this letter, the consequences to myself are appalling. I am not able to pay up this note without the sacrifice of all that I possess. My wife will be reduced to beggary, and the prospects of my little ones forever blighted. The hazard is too great: I cannot encounter it." So would reason, under these circumstances, a man who had not the integrity of Aristides, with the firmness of Socrates. Sir, we all feel this bank influence pervading the very atmosphere we breathe. The filaments of its attraction insinuate themselves every where, into the most secret and retired places; and every man feels himself drawn on this side, and upon that, by some subtle power of which he is scarcely conscious.

I now proceed to the consideration of the subject as connected with commerce and political economy. I am not induced to take this view from any belief of my own, that it is pertinent to the present investigation; but our friends on the other side have obtruded it upon us, and by pressing it themselves in debate, have made it necessary for us to meet them upon that ground. I insist, as I did at the extra session, that the President was right in his opinion of the obligations of this Government, in relation to the currency. I deny that the Government is bound to furnish or regulate any other currency than that of gold and silver, nay, I deny its right to do so. Sir, the word *currency* is not in the whole Constitution, although a late fellow-traveller of high respectability, who had been recently reading the speech of the Senator from Massachusetts, [Mr. WEBSTER,] delivered at the last session of Congress, insisted that it was. I ventured modestly to put in my dissent to this opinion of my fellow-traveller, but to no effect; and as the argument grew warmer, he finally brought the weighty authority of the Senator from Massachusetts to bear upon me, and declared that that gentleman was unrivalled in his knowledge of constitutional law, and that any man who would read his speech must be satisfied that it was there. I was forced to admit, as I now do, that any man who was not himself acquainted with the Constitution, and would read the speech of the Senator, would come to the conclusion that the word currency was in the Constitution; and yet I admit that the honorable Senator from Massachusetts did not say that the word *currency* was there. He derives the authority of Congress over the currency, and the obligation to regulate it, from the third clause of the eighth section of the first article, which declares that Congress shall have power "to regulate commerce with foreign nations and among the several States," &c., and this, he says, coupled with the seventeenth clause of the same section and article, gives to Congress the power to create and regulate the means of commerce. I did understand the Senator, at the last session, to insist that the words regulate and create often meant the same thing; and, if my memory serves me, he offered some examples to prove it. But, sir, if the meanings of words are to be thus confounded, it seems to me that language loses all its utility, and words cease to be as they were designed—the vehicles of ideas. "God created the heavens and the earth," and his right to regulate them, grows out of his creative power. But yet the two rights or powers are altogether distinct. One of them he has transferred, to some extent, to man, and given him "dominion over the fish of the sea, and over the fowls of the air, and over every living thing that creepeth upon the earth." But his creative power is uncommunicated, and perhaps incommunicable. But relieving the Senator from any verbal criticisms, and even granting him his premises, namely, that Congress, under the Constitution, has power to regulate commerce, and under the seventeenth clause of the eighth section of the first article, to furnish such medium of commerce as may be necessary for its regulation, his conclusion will not follow; for the *necessity* does not exist, upon which his superstructure rests; and, of course, that superstructure must fall to the ground. The best medium on earth for commerce is already provided and there is no necessity for another. But if this matter could be reduced to a mere question of commercial expediency, I deny that Congress ought to connect her fiscal affairs with the local banks. Who applies the scourge to the flying courser? And such would be the effect of Government continuing the stimulus of her deposites, and receipt of bank paper, with the local institutions.—But I know it will be said she is invited to apply the rein, and not the scourge. Sir, this is a ruinous fallacy. It is, in fact, an invitation to place both the scourge and the rein in irresponsible hands, and with the power to use them with the wildest discretion, or, rather, without any discretion at all. And a scourge it would prove to the whole country. The Independent Treasury system proposes nothing more than to withdraw the stimulus which the Government has heretofore given to a system she has neither the right nor the power to control, and leave it to the action of those laws to which it is properly subject; laws founded on the eternal principles of truth and nature, and by which it will certainly, in the end, be properly guided. But the soundest principles of Government are at war with any connection with the paper system. Fluctuation is one of the most prominent characteristics of that system; in proof of which, if any is required, I will read an extract from the last April number of the Edinburgh Review, pages 33 and 34:

"There might, indeed, and most probably would be, commercial revulsions, and a fall of the exchange, even though the currency were wholly metallic, or fluctuated exactly as a metallic currency would do; but there is not the slightest reason for supposing that they would be either half so frequent or severe, as under the existing system. A mixed currency, or a currency of coin and paper, supplied like that of England, is exposed to fluctuations in its amount, and capacity of transacting business, ten times greater than any that could attach to a purely metallic currency, or to a mixed currency, fluctuating according to the demand for bullion. If the currency consisted wholly of gold, or if no additional supplies of paper could be obtained except upon the deposite of an equivalent amount of gold, no general rise of prices could take place, except when there was an influx of the precious metals; and these, as every one knows, cannot be accumulated in any one country to a much more considerable degree than in others. But when individuals or associations are allowed to issue notes, or paper fitted to serve all the purposes of money, not upon a deposite of bullion, but merely upon their receiving a promise to re-pay it with interest at some future period, a new and most powerful element of variation is brought into the field."

Mr. Locke, one of the most profound writers in the English language, has said: "It is the interest of every country that the standard of its money, once settled, should inviolably and immutably be kept to perpetuity; for whenever that is altered, from what pretence soever, the public will lose by it. Men, in their bargains, contract not for denominations or sounds, but for intrinsic value." I know that Mr. Locke is here speaking of an alteration by the arbitrary action of the Government.—But the consequences of alteration will follow as certainly, by whatever power it may be brought about. But if the Government adopts the paper system, the principle of fluctuation will be incorporated in the money of the country by the Government itself, and the alteration of its standard will be the act of the Government. One of the most serious evils of this fluctuation is the sudden change it produces in the condition of men. The paper system, in addition to its tendency to fluctuation, increases this latter evil also by the encouragement it gives to speculation, and by the joint operation of these two causes men are continually rising suddenly from *poverty* to wealth, and sinking from wealth to poverty. Mutability is one of the worst features in human destiny, and is always reckoned among the chief ills of life. Men become accustomed to any state or condition, and fitted to avail themselves of its enjoyments, whatever they may be, and to bear the ills attendant upon it. A gradual improvement of a man's condition is healthful to both the soul and body, and a gradual deterioration may be borne with philosophical composure, and without any very perceptible loss of comfort.—But any sudden revulsion either way is attended always with many painful incidents. Even where the change, humanly speaking, is for the better, it is seldom attended with real happiness. The heir of poverty, who is suddenly advanced in fortune, has rarely any of those qualifications which fit him for its enjoyment. He is removed from the circles and associations which were wont to engage his affections, and thrown into others with which his heart knows no sympathy. But who can paint the misery of him who, reared to better hopes, has lived under sunny skies and amid bright prospects, and suddenly finds himself overwhelmed with pecuniary ruin? Time will not allow us to follow out this fruitful and affecting theme.

But another great evil of the paper system is, that it causes the producers of the country to sell at specie prices, and buy at paper prices, or in other words to buy at prices, regulated by an inflated currency, and sell at those which are regulated by a stable currency. Gentlemen affect not to see the force of this argument, and ask whether the planters do sell their produce in one country, and buy their articles of consumption in another? I answer yes. The price of every article produced in this country, and which usually goes to a foreign market, is here regulated by the price in the foreign market. The paper currency of a country does not form a portion of that great ocean to which I had reference in a former part of my remarks; but is, as it were, an isolated lake which has no outlet by which it may mingle itself with those vast waters. You may pour into it until it will overflow and inundate the country in which it is situate, and thus involve it in ruin; but it leaves the great ocean without unaffected by its swell. It raises prices at home but affects them not in other markets. However abundant, therefore, money so called may be at home, the exporter can afford to give the farmer no more than the price in the foreign market will warrant, leaving him his reasonable expenses and profit besides. But it is not so with the articles he imports; when he gets them here they at once feel the influence of the swollen circulation, and bring correspondent prices, and at those prices the consumer must purchase. But it will be said that England, the principal country with whom we trade, is a paper country, and therefore we lose nothing by our paper system in our intercourse with her. Sir, a man loses all by any circumstance, that, but for that circumstance, he would have made. Although England is a paper country, yet, if we were exclusively a metallic country, we should make more by our intercourse with her. And why should we, because she chooses to maim herself by her paper system, follow her example? The whole business of life is a struggle between nations and individuals for their respective portions of the goods of fortune; & why should any wise man, who is embarking in any strife disable himself because his adversary has had the folly to do so. I am certain, sir, that to do justice to this argument it should be more elaborate, but I must leave it with the few hints I have thrown out, which I trust will be understood by any intelligent mind. And yet the paper system is applauded to the skies, as the wing upon which England has soared to her present prosperous height. Sir, England has thriven in spite of her paper system, and not by reason of it; and the same answer applies to the panegyrics which has been poured forth upon the wonders attributed to the banks in this country. They have, it is said, caused the wilderness to blossom, built up towns in the desert, opened our lands, constructed our rail roads, and caused the steam-moved palaces to float upon our waters. If this were so, they would indeed deserve our gratitude and praise; but I have thought, and still think, that we owe all these things to the enterprise and industry of our citizens, and the abundant resources with which it has pleased heaven to bless our country. Through them all these wonders have been accomplished, and the banks supported besides.—Such has been the vigor of the patient's constitution, that he has supplied nutriment to this vast wen, and borne its enormous growth, and furnished support, at the same time, to all the functions of life, and his own natural increase.

And this brings me to the consideration of another evil of the paper system, and that is, its tendency to call men off from the most productive employments to those which are less so, or not so at all; drawing them off from the cultivation of the soil to become speculators, bank officers, shop-keepers, and livers upon their wits. All values are created by the spontaneous production of the earth, by human labor, by animal procreation, or by some or all of these united. The spontaneous production of the earth is, of course, the most profitable to him who can avail himself of it of any other; and the production of the earth, combined with human labor, furnishes at last the basis of all wealth. Human labor may, after the production by the earth is completed, put into more advantageous forms, and in more advantageous places, what has been produced; but to the earth we must go back for the origin of all wealth. Wealth to a nation is happiness; that is to say, the more aggregate wealth a nation possesses, provided it be sufficiently distributed, the more people does it place in possession of the means of procuring the essentials of happiness. The larger portion of a nation's population engaged in the production of values, and the more advantageously engaged, the better for that nation. Labor applied to bringing into action the productive powers of the earth, is, as a general rule, the most advantageous mode of producing values. Every thing, therefore, which has a tendency to divert any considerable portion of a nation from agricultural pursuits, by turning them to speculation, professions, merchandise, or even to manufactures, where that nation possesses a suitable field for agricultural pursuits, has, as a general rule, the effect of diminishing the wealth of that nation. But I can pursue this topic no further. I conclude that Congress has not the right, and if it had, it would not be expedient for it to undertake the creation and regulation of a common paper medium through banks. But if it possessed such right, and such obligation rested upon it, the substitute proposed by the Senator from Virginia provides no such medium, the currency it would foster would be, after all, but local in its character, and with all the disadvantages, would possess few of the advantages of a common paper medium.

Having finished what I had to say upon other branches of this subject, I now propose to treat it, in the last place, as a mere political question. This, after all, is by far the most interesting and important light in which it presents itself. Two great political parties have been striving for mastery in this nation ever since its existence began, and probably will continue to strive as long as its present institutions remain. Indeed, the strife may be said to have bugun before the nation had an existence, and to have been waged in giving form and character to that existence. The party to which I belong holds, and ever has held, the capacity of man for self-government; that Providence has bestowed on each individual certain natural gifts and advantages, which he has a right to use without molestation or restraint, so long as he forbears to use them in infringing upon similar rights in others. But that owing to a corrupt propensity in our race to infringe the rights of others, Government is necessary, and to support Government taxation is necessary; but that no more government should be exercised than is required for the purpose for which alone it was instituted, and no more taxation resorted to than is necessary for its support, and that it is a gross abuse of Government to take from one man any of his natural or providential rights and advantages, and bestow them on another. That Government is at best but a necessary evil, or, in the beautiful language of Thomas Paine, "Government, like dress, is the badge of lost innocence; and the palaces of kings were founded upon the ruins of the bowers of Paradise." That this necessary evil was designed for the benefit of the many, and not of the few, and that the greatest good of the greatest number should be the object as well of the philanthropist as of the honest and enlightened politician. That every new society of men has a right to choose its own form of Government, and to change it afterwards, with the concurrence of a majority of the parties to the original compact. That the best form of Government, upon the whole, is that under which we at present live, reduced as it was by its wise founders to a solemn written compact, which no man has a right to change or modify peaceably and insidiously by *construction*, or openly and violently, without incurring great political guilt and just condemnation. We believe in the existence of virtue and patriotism, and hold them to be the only proper bases of political action; and that every thing tending to place political action upon any other basis, is dangerous to liberty and subversive of our institutions. History informs us that much the opposite of all this was held by the other party; that the present Constitution was very far from being such as they would have had it; that it was too Democratic in its nature, and distributed power too equally among all classes of the people, the bulk of whom they believed unfit either to govern themselves, or to participate in the government of others. But they agreed to accept it upon the whole, believing that, by construction, many deficiencies might be supplied, and that vigor in which it was eminently wanting might be imparted. We learn, from high authority, that the Constitution was scarcely put in operation, before the principle of construction was applied, and that those who were most active in its application avowedly held the doctrine that a monarchy was the best Government on earth, and, with Sir Robert Walpole, that a man's patriotism was to be sought for in his pocket.

"But Hamilton was not only a monarchist, but for a monarchy founded on corruption. In proof of this, I will relate an anecdote, for the truth, of which I attest the God who made me. Before the President set out on his Southern tour, in April, 1791, he addressed a letter of the fourth of that month, from Mount Vernon to the Secretaries of State, Treasury, and War, desiring, that if any serious and important cases should arise during his absence, they would consult and act upon them. And he requested that the Vice President should also be consulted. This was the only occasion on which that officer was ever requested to take part in a cabinet question. Some occasion for consultation arising, I invited those gentlemen to dine with me, in order to confer on the subject. After the cloth was removed, and our question agreed and dimissed, conversation began on other matters, and by some circumstance was led to the British Constitution, on which Mr. Adams observed "purge that Constitution of its corruption, and give to its popular branch equality of representation, and it would be the most perfect constitution ever devised by the wit of man." Hamilton paused, and said, "purge it of its corruption, and give to its popular branch equality of representation, and it would become an *Impracticable* Government: as it stands at present, with all its supposed defects, it is the most perfect Government which ever existed.—*Jefferson's Memoirs, page* 450.

The leader of this party was a splendid man, whose talents I admire, and the integrity of whose purposes I do not mean to question; but his notions on government were, I believe, as erroneous as those of Tycho Brache in philosophy. The first fruits or these principles were the funding system and United States Bank, with respect to which Mr. Pitt, looking to their consequences with the eagle eye of a profound statesman, declared, that if the Americans embarked in them, he would give but little for their liberties. The nature and operation of these measures will be found explained in Mr. Jefferson's Works, vol. 4, pp. 446—449.

"Hamilton's financial system had then passed. It had two objects; first, as a puzzle to exclude popular understanding and inquiry; and second, as a machine for the corruption of the legislature: for he avowed the opinion that man could be governed by one of two motives only, force or interest; force, he observed in this country was out of the question, and the interest therefore of the members must be laid hold of, to keep the legislature in unison with the Executive. And with grief and shame it must be acknowledged that his machine was not without effect; that even in this the birth of our Government, some members were found sordid enough to bend their duty to their interests, and look after personal rather than public good"—*Jefferson's Memoirs, page* 446, *vol.* 4th.

"I know very well, and so must be understood, that nothing like a majority in Congress had yielded to this corruption. Far from it. But a division not very