

see exceeding seventy millions; and the whole of this immense fabrication standing upon a metallic currency of less than fifteen millions of dollars, of which the greater part is held by the bank of the United States. If we compare the notes in circulation with the metallic currency in their vaults, we shall find the proportion about six to one, and if we compare the latter with the demands that may be made upon the banks, we shall find that the proportion is about one to eleven. If we examine the tendency of the system at this moment, we shall find that it is on the increase—rapidly on the increase. There is now pending a project of a ten million bank before the Legislature of New York; but recently one of five millions was established in Kentucky, within a short period, one of a large capital was established in Tennessee, besides other agitation in several of the States. [Here Mr. Porter of Louisiana, said that one of eleven millions had just been established in that State.] This increase is not accidental. It may be laid down as a law, that where two currencies are permitted to circulate in any country one of a cheap and the other of a dear material, the former necessarily tends to grow upon the latter, and will ultimately expel it from circulation; unless its tendency to increase be restrained by a powerful and efficient check. Experience tests the truth of this remark, as the history of the banking system clearly illustrates. The Senator from Massachusetts truly said that the Bank of England was derived from the Austere law, as ours in turn are from that of England. Throughout its progress, the truth of what I have stated to be a law of the system is strongly evinced. The Bank of Amsterdam was merely a bank of deposits—a store house for the safe keeping of the bullion and precious metal brought into that commercial metropolis, through all the channels of its widely extended trade. It was placed under the custody of the city authorities; and, on the deposit, a certificate was issued as evidence of the fact, which was transferable, so as to entitle the holder to demand the return. An important fact was soon discovered that a large portion of the deposits might be withdrawn, and that the residue would be sufficient to meet the returning certificates, or what is the same in effect, that certificates might be issued without making a deposit. This suggested the idea of a bank of discount as well as deposits. The fact thus disclosed, fell too much in with the genius of the system to be lost, and, accordingly, when transported to England, it suggested the idea of a bank of discount and of deposits; the very essence of which form of banking, that on which their profits depend, consists in issuing a greater amount of notes than it has of specie in its vaults. But the system is regularly progressing under the impulse of the laws that govern it, from its present form to a mere paper machine—a machine for fabricating and issuing notes, not convertible into specie. Already has it once reached this condition, both in England and the United States, and from which it has been forced back, in both, to a redemption of its notes with great difficulty. This natural tendency of the system is accelerated in our country by peculiar causes which have greatly increased its progress. There are two powerful causes in operation. The one resulting from that rivalry which must ever take place in States situated as ours are, under an general government, and having a free and open commercial intercourse. The introduction of banking system in one State necessarily, on this principle, introduces it in to all others of which we have seen a striking illustration on the part of Virginia, and some of the Southern States, which entertained on principle, strong aversion to the system; yet they were compelled, after a long and stubborn resistance, to yield their objections, or permit their circulation to be furnished by the surrounding States at the expense of their own capital and commerce. The same cause which thus compels one State to imitate the example of another, in introducing the system from self-defence, will compel the other States in like manner and from the same cause, to enlarge and give increased activity to the banking operation, whenever any one of the States sets the example of so doing on its part; and thus, by mutual action and reaction, the whole system is rapidly accelerated to the final destiny which I have assigned.

the whole, and including the Bank of the United States with the State banks, the proportion is about six to one, and including that bank it would very greatly exceed that proportion. This increase of paper in proportion to metal, results from a cause which deserves much more notice than it has heretofore attracted. It originates mainly in the number of the banks. I will proceed to illustrate it. The Senator from New York, (Mr. Wright,) in assigning his reasons for his believing the bank of the United States to be more dangerous than those of the States, said that one bank is more dangerous than many, and in one, some respects, may be more than one, and that a most striking illustration of this tendency is the system to increase. Where there is but one bank, the tendency to increase is not near so strong as where there are many, as illustrated in England where the system has advanced much less rapidly, in proportion to the wealth and population of the kingdom than in the United States. But where there is no limitation as to their number, the increase will be inevitable so long as banking continues to be among the most certain eligible and profitable employment of capital, as is now the case. With these inducements, there must be constant application for new banks, whenever there is the least prospect of profitable employment—banks to be founded mainly on nominal and fictitious capital, and adding but little to that already in existence—and with unjust and natural aversion monopoly, it is difficult, on principles of quality and justice, to resist such application. The admission of a new bank tends to diminish the profits of the old, and between the aversion of the old to reduce their income, and the desire of the new to acquire profits, the result is an enlargement of discounts effected by a mutual spirit of forbearance, an indisposition on the part of each to oppress the other, and finally the creation of a community of feeling to stigmatize and oppose those, whether banks or individuals, who demand specie in payment for their notes. This community of feeling which ultimately identifies the whole as a peculiar and distinct interest in the community, increases and becomes more and more intense, just in proportion as banks multiply as they become, if I may use the expression, too populous, and from the pressure of increasing numbers, in maintaining their existence, there results a corresponding increase of issues, in proportion to their means which explains the present extraordinary disproportion between specie and notes, in those States where banks have been most multiplied equal in some to sixteen to one. These results, from this state of things, some political consideration which demand the profound attention of all who value the liberty and peace of the country. While the banking system rests on a solid foundation, there will be, on its part, but little dependence on the government, and but little means by which the government can influence them, and as little disposition on the part of the banks to be connected with it; but in the progress of the system, when their number is greatly multiplied, and their issues, in proportion to their means, are correspondingly increased, the condition of the banks becomes more and more critical. Every adverse event in the commercial world, or political movement that disturbs the present state of things, agitates and endangers them. They become timid and anxious for their safety, and necessarily count those in power, in order to secure their protection. Property is, in its nature, timid, and seeks protection, and nothing is more grateful to government than to become a protector. A union is the result—and when that union takes place—when the government, in fact, becomes the bank director, regulating its favors and accommodations, the downfall of liberty is at hand. Are there not indications that we are not far removed from this state of things? Do we not behold, in those events, which have so deeply agitated us within the last few months, and which have interrupted all the business transactions of this community, a strong tendency to this union on the part of one department of this government, and a portion of the banking system? Has not this union been, in fact, consummated in the largest and most commercial of the States? What is the safety fund system of New York but a union between the banks and the State, and a consummation by law of that community of feeling in the banking system, which I have attempted to illustrate the object of which is to extend their discounts, and to obtain which, the inferior banks of that State have actually put themselves under the immediate protection of the government.

evitable. In such state of weakness a feeling of dependence is unavoidable, and the control of the government over the action of the banks, whenever that control shall become necessary to subvert the ambition or the avarice of those in power, is certain. Such is the wrong tendency of our banks to terminate their career on a paper system—in an open, that event specie payment. Who convulsions and occurs, the price of the currency. The current revolution, the local, and each state will by its powerful interest to depreciate its currency more rapidly than its neighbor, as the means at the same time, of exempting itself from the taxes of the government and drawing the commerce of the country to its ports. This was strongly exemplified after the suspension of specie payment during the last war, when the depreciation made the most rapid progress, till checked by the establishment of the present bank of the United States, and when the foreign trade of the country was as rapidly converging to the point of the greatest depreciation, with a view of exemption from duties, by paying in the debased currency of the place. What, then, is the disease which affects the system? what the remedy? & what the means of applying it? These are the questions which I shall next proceed to consider. What I have already stated points out the disease. It consists in a great and growing disproportion between the metallic and paper circulation of the country, effected through the instrumentality of the banks, a disproportion daily and hourly increasing under the impulse of most powerful causes, which are rapidly accelerating the country to that state of convulsion and revolution which I have indicated. The remedy is to arrest its future progress, and to diminish the existing disproportion—to increase the metals and to diminish the paper—advancing all the currency shall be restored to a sound, safe, and settled condition. On these two points all must be agreed. There is no man of any party capable of reflecting, and who will take the pains to inform himself, but must agree that our currency is in a dangerous condition, and that the danger is increasing; nor is there any one who can doubt that the only safe and effectual remedy is to diminish the disproportion to which I have referred. Here the extremes unite, the Senator from Missouri, (Mr. Benton) who is the open and avowed advocate of a pure metallic currency, & the Senator from Mass. (Mr. Webster) who stands here as the able and strenuous advocate of the banking system, are on this point united, and must move from it in the same direction, though it may be the design of the one to go through, and of the other to halt after a moderate advance. There is another point in which all must be agreed; that the remedy must be gradual, the change, from the present to another and sounder condition, slow and cautious. The necessity for this, results from that highly delicate nature of currency which I have already illustrated. Any sudden and great change from our present to even a sounder condition, would agitate and convulse society to the centre. On another point there can be but little disagreement. Whatever may be the different theoretical opinions of the members of the Senate, as to the extent to which the reformation of the currency should be carried, even those who may think it may be carried practically and safely to the restoration of a metallic currency to the entire exclusion of paper, must agree that the restoration ought not to be carried further than a cautious and a slow experience shall prove that it can be done, consistently with the prosperity of the country, in the existing fiscal and commercial condition of the world. To go beyond the point to which experience shall show it is proper to go, would be to sacrifice the public interest merely to a favorite conception. There may be ultimately a disagreement of opinion where that point is, but since all must be agreed to move forward in the same direction, and at the same space, let us set out in the spirit of harmony and peace, though we intend to stop at different points. It may be that enlightened by experience, those who intended to stop at the nearest point may be disposed to advance farther, and that those who intended the farthest, may halt on this side, so that finally all may agree to terminate the journey together. This brings us to the question of how shall so salutary a change be effected? What the means and the mode of application. A great and difficult question, on which some diversity of opinion may be expected. No one can be more sensible than I am of the responsibility that must be incurred in proposing measures on questions of so much magnitude, and which, in so distracted a state of the public mind, must affect seriously great and influential interests. But this is no time to shun responsibility. The danger is great and menacing, and delay hazardous, if not ruinous. While however I would not shun, I have not sought the responsibility. I have waited for others, and had any one proposed an adequate remedy, I would have remained silent. And here (said Mr. Calhoun) let me express the deep regret which I feel that the administration, with all that weight of authority which belongs to its power and immense

patronage, had not instead of the opposite question, which has caused the agitation and distress, by examining great subject of the—liberally, in all ed it gravely designated the remedy and proposed some safe, gradual, and effectual means of applying it. Had that course been pursued my zeal and hearty co-operation would not have been wanting. Permit me also to express a similar regret that the administration having failed in this great point of duty, the opposition with all its weight and talents, headed on this question by the distinguished and able Senator from Massachusetts, who is so capable of comprehending the subject in all its bearings had not brought forward, under its auspices, some permanent system of measures, based upon a deliberate and mature investigation into the cause of the existing disease, & calculated to remedy the disordered state of the currency. What might have been brought forward by them with such fair prospects of success, has been thrown on more incompetent hands; unaided by patronage or influence, saving only that influence which truth, clearly developed, and honestly and zealously advanced, may be supposed to possess, and on which I must wholly rely. But to return to the subject. Whatever diversity of sentiment there may be as to the means, on one point all must be agreed; nothing effectual can be done; no check interposed to restore or arrest the progress of the system by the action of the States. The reasons already assigned to prove that banking by one State compels all others to bank, and that the excess of banking in one, in like manner compels all others to like excess, equally demonstrate that it is impossible for the States, acting separately, to interpose any means to prevent the catastrophe which certainly awaits the system, and perhaps the government itself, unless the great and growing danger to which I refer, be timely and effectually arrested. There is no power any where, but in this government, the joint agent of all the States, and through which the concert of the action of the whole can be effected, adequate to this great task. The responsibility is upon us, and upon us alone. The means, if means there be, must be applied by our hands, or not applied at all—a consideration, in so great an emergency, and in the presence of such imminent danger, calculated, I would suppose, to dispose all to co-operation, and to allay every party feeling in the heart even of the last patriot. What means do we possess, and how can they be applied? If the entire banking system was under the immediate control of the general government, there would be no difficulty in devising a safe and effectual remedy to restore the equilibrium between the specie and the paper which compose our currency. But the fact is otherwise. With the exception of the bank of the U. States, all the other banks owe their origin to the authority of the several States, and are under their immediate control, which prevents the great difficulty experienced in devising the proper means of effecting the remedy, which all feel to be so desirable. Among the means which have been suggested a Senator from Virginia, not now a member of this body, (Mr. Rives) proposed to apply the taxing power to suppress the circulation of small notes with the view of diminishing the paper and increasing the specie circulation. The remedy would be simple and effectual, but is liable to great objections. The taxing power is odious under any circumstances, it would be doubly so when called into exercise with an overflowing treasury; and still more so, with the necessity of organizing an expensive body of officers to collect a single tax, and that on an inconsiderable subject. But there is another, and of itself, a decisive objection. It would be unconstitutional—palpably and dangerously so. All political powers, as I stated on another occasion, are trust powers, and limited in their exercise to the subject and object of the grant. The tax power was granted to raise revenue for the sole purpose of supplying the necessary means of carrying on the operations of the Government. To pervert this power from the object thus intended by the Constitution, to that of repressing the circulation of bank notes, would be to convert it from a revenue into a penal power—a power in its nature and object essentially different from that intended to be granted in the Constitution and a power, which in its full extension, if once admitted, would be sufficient of itself to give an entire control to this Government over the property and the pursuits of the community, and thus concentrate and consolidate the entire power of the system in this Government. Rejecting, then, the taxing power, there remains two obvious and direct means in possession of the Government which may be brought into action to effect the object intended, but neither of which, either separately or jointly, are of sufficient efficacy; however indispensable they may be as a part of an efficient system of measures, to correct the present or repress the growing disorders of the currency—I mean that provision in the constitution which empowers Congress to coin money, regulate the value thereof and of foreign coin, and the power of prohibi-

g any thing but the legal currency to be received either in whole or in part, for the dues of the government. The mere power of coining and regulating the value of coins of itself, and unassisted by any other measure, can exercise but a limited control over the actual currency of the country, and is inadequate to check excess or correct disorder, as is demonstrated by the present diseased state of the currency. Congress has had from the beginning, laws upon the statute books to regulate the value of the coins; and at an early period of the government the money was erected, and has been in active operation ever since, and yet of the immense amount which has been coined, a small residue only remains in the country; the great body having been expended under the operation of the banking system. To give efficacy to this power, then, some other must be combined with it. The most immediate and obvious is that which has been suggested, of excluding all but specie in the receipts of the Government. This measure would be effectual to a certain extent; but with a declining income, which must take place under the operation of the act of the last session, to adjust the tariff, and which must greatly reduce the revenue, (a point of the most importance to our institutions, the efficacy of the measure must be correspondingly diminished. From the nature of things, it cannot greatly exceed the average of the Government deposits, which I hope will before many years be reduced to the smallest possible amount, so as to prevent the possibility of the recurrence of the shameful and dangerous state of things which now exists, and which has been caused by the vast amount of the surplus revenue. But there is in my opinion a strong if not an insuperable objection against resorting to this measure, resulting from the fact that an exclusive receipt of specie in the Treasury would, to give it efficacy and to prevent extensive speculation and fraud, require an entire disconnection on the part of the Government with the banking system in all its forms, and a resort to the strong box as the means for the preserving and guarding its funds—a means, if practicable at all in the present state of things, liable to the objection of being far less safe, economical, and efficient than the present. (To be concluded next week.)

issued or hereafter to be issued? Where is the man who will come forward and avow this? And yet this is precisely the case under consideration, it is proposed to organize, arm and equip ten thousand men immediately, to be ready, as their name imports, to execute any "orders of the Executive" at the point of the bayonet! And for this readiness to sustain him, the Executive returns his "sincere acknowledgements." We are not disposed to continue time or paper on a subject like this. The Editor of the Ohio Atlas, in commenting on the warning we gave some time since, in reference to this matter, observes: Now we call on the reformer to show cause, if he has it, for these portentous intimations. It is not a light matter.—If the intimations well found, Mr. Cralle deserves the thanks of the country for giving timely warning; but unfounded, he should be held accountable for trifling with the best interests and happiness of the people. He of course must have been aware of the position which he occupied in throwing out these enquiries and warnings. Our answer to the Atlas, to the Louisville Journal, and others, is: Take the facts and circumstances, and reconcile them with the spirit of a free constitution if you can. For our selves, we can see nothing in them but an open declaration of war against the principles of the Constitution and the liberties of the people. The arming and equipping of a large military force, in a time of profound peace, to execute the "orders of the Executive" with the BAYONET! And this passing before our eyes, while we stand and look on like men who have not their understandings! Has the autocrat or the Sultan higher prerogatives than to issue orders at pleasure, and to have them executed by armed bands of mercenaries? What more is requisite to constitute a despotism? We protest we are unable to conceive of any additional pretensions. It is needless to enlarge upon this subject. A people so humbled as to contemplate these proceedings without feeling the spirit of their fathers burning in their bosoms, must have reached a point of debasement where the very name of liberty ceases to be an intelligible word. We perform our duty in placing the facts before the country, and solemnly warning the people against the evils that are to come. These extraordinary proceedings were not had without the countenance and assistance of the Executive. The simultaneous display of the motto, "the supremacy of the laws," was not a thing of chance. There is every reason to believe that there are more than ten thousand men already organized, armed and equipped. An active correspondence is going on between this city and various sections of the Union. The usurper himself is encouraging the military organizations, as his letter shows. The whole country is distressed, agitated, leaving with the elements of discord, insubordination, and anarchy. No man can anticipate the result. But we remain firmly impressed with the belief that the subversion of the Government is in contemplation; and that, unless timely steps be taken to arrest the Executive in its progress, the liberties of the country will be lost. We may be too suspicious of the character and interests of the individuals in power, but we had rather err from too much jealousy than allow ourselves to be taken by surprise and fettered while sleeping.—Reformer. From the Register. OUR UNIVERSITY. The late commencement exercises of this Institution, were highly gratifying to its friends. A very large concourse of visitors, of both sexes, were in attendance, together with a respectable number of Trustees, and the whole scene passed off with spirit and interest. The public exercises and exhibitions were held in Girard Hall, so called in honor of one of the most successful benefactors of the University, a commodious building with large galleries, just completed with becoming taste and in good style, by order of the executive committee. On Monday evening, select orations were delivered on the rostrum by the following competitors, selected from the Freshman class, viz: D. Sellen, L. R. Caldwell, J. A. Lillingston, M. Ship, W. M. Ship, W. H. Henderson, J. W. Cameron. On Tuesday evening, by competitors from the Sophomore and Junior classes, viz: D. D. Foreber, J. Summers, L. W. Evans, J. H. Heaton, W. R. Walker, W. A. Huske. And on Wednesday evening, by representatives, chosen by the two Literary Societies: Messrs B. M. Hobson, J. J. Jackson, T. D. Meares, representing the Dialectic, and Messrs J. M. Burke, H. W. Burgwin and W. S. Pate, representing the Philanthropic Society; and W. J. Long, under the appointment of the Faculty. The forensic exercises were well sustained, and evinced a commendable attention to the study of eloquence and public declamation. On Wednesday forenoon, the Hall was crowded to overflowing, to hear the Hon. Robert Strange, who had been selected to deliver the Annual Address before the two Literary Societies. His deep and profound attention, supported only by occasional bursts of applause, paid to this chaotic and unquiet address, is the best commentary on its merits. Suffice it to say, that the well-earned reputation of