

# THE STAR AND NORTH CAROLINA GAZETTE.

RALEIGH, N. C. WEDNESDAY, MARCH 28, 1838.

VOL. XXIX NO 14

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EDITOR AND PROPRIETOR.

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## SPEECH OF MR. CLAY, ON THE Sub-Treasury Bill;

Delivered in the Senate, February 19, 1838.

Mr. CLAY, of Kentucky, rose and  
addressed the Senate as follows:

I have seen some public service,  
passed through many troubled times,  
and often addressed public assemblies,  
in this capitol and elsewhere; but never  
before have I risen in a deliberative  
body, under more oppressed feelings,  
or with a deeper sense of awful responsibility.  
Never before have I risen  
to express my opinions upon any  
public measure, fraught with such tremen-  
dous consequences to the welfare  
and prosperity of the country, and so  
perilous to the liberties of the people,  
as I solemnly believe the bill under  
consideration will be. If you knew,  
sir, what sleepless hours reflection  
upon it has cost me; if you knew with  
what fervor and sincerity I have im-  
plored Divine assistance to strengthen  
and sustain me in my opposition to it,  
I should have credit with you, at least,  
for the sincerity of my convictions, if I  
shall be so unfortunate as not to have  
your concurrence as to the dangerous  
character of the measure. And I have  
thank'd my God that he has prolonged  
my life until the present time, to en-  
able me to exert myself in the service  
of my country, against a project far  
transcending in pernicious tendency  
any that I have ever had occasion to  
consider. I thank him for the health  
I am permitted to enjoy; I thank him  
for the soft and sweet repose which I  
experienced last night; I thank him  
for the bright and glorious sun which  
shines upon us this day.

It is not my purpose, at this time,  
Mr. President, to go at large into a  
consideration of the causes which have  
led to the present most disastrous state  
of public affairs. That duty was per-  
formed by others, and myself, at the  
extra session of Congress. It was  
then clearly shown that it sprang from  
the ill-advised and unfortunate mea-  
sures of Executive administration. I  
now will content myself with saying  
that, on the 4th day of March, 1829,  
Andrew Jackson, not by the blessing of  
God was made President of these U-  
States; that the country then was em-  
inently prosperous; that its currency  
was as sound and safe as any that a  
people were ever blessed with; that,  
throughout the wide extent of this  
whole Union, it possessed a uniform  
value; and that exchanges were con-  
ducted with such regularity and per-  
fection, that funds could be transmitted  
from one extremity of the Union to the  
other, with the least possible risk or  
loss. In this encouraging condition of  
the business of the country it remained  
for several years, until after the war,  
wantonlly waged against the late Bank  
of the United States, was completely  
successful, by the overthrow of that  
invaluable institution. What our pre-  
sent situation is, it is as needless to  
describe as it is painful to contemplate.  
First felt in our great commercial  
ports, distress and embarrassment  
have penetrated into the interior, and  
now pervade almost the entire Union.  
It has been justly remarked by one of  
the soundest and most practical writers  
that I have had occasion to consult, that  
"all convulsions in the circulation and  
commerce of every country must origi-  
nate in the operations of the Govern-  
ment, or in the mistaken views and er-  
roneous measures of those possessing  
the power of influencing credit and  
circulation; for they are not otherwise  
susceptible of convulsion, and, if left  
to themselves, they will find their own  
level, and flow nearly in one uniform  
stream."

Yes, Mr. President, we all have but  
too melancholy a consciousness of the  
unhappy condition of our country.—  
We all too well know that our noble  
and gallant ship lies helpless and im-  
movable upon breakers, dismantled,  
the surge beating over her venerable side,  
and the crew threatened with instan-  
taneous destruction. How came she  
there? Who was the pilot at the helm  
when she was stranded? The party in  
power! The pilot was aided by all the  
science and skill, by all the charts and  
instruments of such distinguished na-  
vigators as Washington, the Adamses,  
Jefferson, Madison, and Monroe; and  
yet he did not, or could not, save the  
public vessel. She was placed in her  
present miserable condition by his  
bungling navigation, or by his want of  
skill and judgment. It is impossible  
for him to escape from one or the other  
horn of that dilemma. I leave him at  
liberty to choose between them.

I shall endeavour, Mr. President, in  
the course of the address I am now a-

bout making, to establish certain propo-  
sitions, which I believe to be incontes-  
tible; and, for the sake of perspicuity,  
I will state them severally to the Sen-  
ate. I shall contend—

1st. That it was the deliberate  
purpose and fixed design of the late Ad-  
ministration to establish a Government  
bank—a Treasury bank—to be admin-  
istered and controlled by the Execu-  
tive Department.

2d. That, with that view, and to  
that end, it was its aim and intention  
to overthrow the whole banking system,  
as existing in the United States when  
that Administration came into power,  
beginning with the bank of the United  
States, and ending with the State banks.

3d. That the attack was first confin-  
ed, from considerations of policy, to  
the Bank of the United States; but  
that, after its overthrow was accom-  
plished, it was then directed, and has  
since been continued, against the State  
banks.

4th. That the present Administra-  
tion, by its acknowledgments, emanat-  
ing from the highest and most authen-  
tic source, has succeeded to the princi-  
ples, plans, and policy, of the preced-  
ing Administration, and stands solemnly  
pledged to complete and perfect them.

And, 5th. That the bill under con-  
sideration is intended to execute the  
pledge, by establishing, upon the ruins  
of the late bank of the United States,  
and the State banks, a Government  
bank, to be managed and controlled by  
the Treasury Department, acting un-  
der the commands of the President of  
the United States.

I believe, solemnly believe, the truth  
of every one of these five propositions.  
In the support of them, I shall not rely  
upon any gratuitous surmises or vague  
conjectures, but upon proofs, clear,  
positive, undeniable, and demonstra-  
tive. To establish the first four, I  
shall adduce evidence of the highest  
possible authenticity, or facts admitted  
or undeniable, and fair reasoning  
founded on them. And as to the last,  
the measure under consideration, I  
think the testimony, intrinsic and ex-  
trinsic, on which I depend, stamps,  
beyond all doubt, its true character as  
a Government bank, and ought to carry  
to the mind of the Senate the convic-  
tion which I entertain, and which I  
feel perfectly confident the whole coun-  
try will share.

1. My first proposition is, that it  
was the deliberate purpose and fixed  
design of the late Administration to  
establish a Government bank—a Treas-  
ury bank—to be administered and  
controlled by the Executive Depart-  
ment. To establish its truth, the first  
proof which I offer is the following ex-  
tract from President Jackson's Annual  
Message, of December, 1829:

"The charter of the Bank of the United  
States expires in 1836, and its stockholders  
will most probably apply for a renewal of  
its privileges. In order to avoid the evils  
resulting from precipitancy, in a measure  
involving such important principles, and  
such deep pecuniary interests, I feel that I  
cannot, in justice, to the parties interest-  
ed, too soon present it to the  
consideration of the Legislature and the  
People. Both the constitutionality and the  
expediency of the law creating this bank  
are well questioned by a large portion of  
our fellow citizens; and it must be ad-  
mitted by all that it has failed in the  
great end of establishing a uniform and  
sound currency.

"Under these circumstances, if such an  
institution is deemed essential to the fiscal  
operations of the Government, I submit to  
the wisdom of the Legislature, whether a  
national one, founded upon the credit of the  
Government and its revenues, might not be  
devised, which would avoid all constitutional  
difficulties, and, at the same time, secure  
all the advantages to the Government and  
the country that were expected to result  
from the present bank."

This was the first open declaration  
of that implacable war against the late  
bank of the United States, which was  
afterwards waged with so much ferocity.  
It was the sound of the distant  
bugle, to collect together the dispersed  
and scattered forces, and prepare for  
battle. The country saw with surprise  
the statement "the constitutionality  
and expediency of the law creating this  
bank are well questioned by a large  
portion of our fellow citizens," when,  
in truth and in fact, it was well known  
that but few then doubted the constitu-  
tionality, and none the expediency of  
it. And the assertion excited much  
greater surprise, that "it must be ad-  
mitted by all that it has failed in the  
great end of establishing a uniform and  
sound currency." In this message,  
too, whilst a doubt is intimated as to  
the utility of such an institution, Presi-  
dent Jackson clearly first discloses  
his object to establish a national one,  
founded upon the credit of the Govern-  
ment and its revenues. His language  
is perfectly plain and unequivocal.—  
Such a bank, founded upon the credit  
of the Government and its revenues,  
would secure all the advantages to the  
Government and the country, he tells  
us, that were expected to result from  
the present bank.

In his annual message of the ensuing  
year, the late President says:  
"The importance of the principles involved  
in the inquiry, whether it will be proper to  
recharter the bank of the United States,  
requires that I should again call the attention  
of Congress to the subject. Nothing has  
occurred to lessen in any degree the  
dangers which many of our citizens  
apprehend from that institution, as at  
present organized. In the spirit of improve-  
ment and compromise which distinguishes  
our country and its institutions, it becomes  
us to inquire

whether it be not possible to secure the ad-  
vantages afforded by the present bank,  
through the agency of a bank of the United  
States, organized in its principles as to  
obligations, constitutional and other  
objects.

"It is thought practicable to organize such  
a bank, with the necessary officers, as a  
branch of the Treasury Department, based  
on the public and individual deposits, without  
power to make loans or purchase property,  
which shall remit the funds of the Govern-  
ment; and the expense of which may be paid,  
if thought advisable, by allowing its officers  
to sell bonds of exchange, to relieve individ-  
uals, and a moderate premium."

Not being a corporate body, having no  
stockholders, debtors, and property, and but  
few officers, it would not be objectionable  
to the constitutional objections which are  
urged against the present bank; and having  
no means to operate on the hopes, fears, or  
interests of large masses of the community,  
it would be shorn of the influence which  
makes the bank formidable."

In this message, President Jackson,  
after again adverting to the imaginary  
dangers of a bank of the United States,  
recurs to his favorite project, and in-  
quires "whether it be not possible to  
secure the advantages afforded by the  
present bank, through the agency of a  
bank of the United States, so modified  
in its principles and structures as to ob-  
viate constitutional and other objections."  
And to dispel all doubts of the  
timid, and to confirm the wavering,  
he declares that it is thought practicable  
to organize such a bank, with the  
necessary officers, as a branch of the  
Treasury Department. As a branch  
of the Treasury Department! The  
very scheme now under consideration.  
And, to defray the expenses of such an  
anomalous institution, he suggests that  
the officers of the Treasury Depart-  
ment may turn bankers and brokers,  
and sell bills of exchange to private in-  
dividuals at a moderate premium!

In his annual message of the year  
1831, upon this subject, he was brief  
and somewhat covered in his expres-  
sions. But the fixed purpose which he  
entertained is sufficiently disclosed to  
the attentive reader. He announces that,

"Entertaining the opinions heretofore ex-  
pressed in relation to the bank of the United  
States, as at present organized, I felt it my  
duty, in my former messages, frankly to  
disclose them, in order that the attention  
of the Legislature and the People should  
be reasonably directed to that important  
subject, and that it might be considered,  
and finally disposed of, in a manner  
best calculated to promote the ends of the  
constitution, and subserve the public inter-  
ests."

What were the opinions heretofore  
expressed we have already seen. They  
were adverse to the bank of the United  
States, as at present organized, that is  
to say, an organization with any in-  
dependent corporate Government; and in  
favor of a national bank which should  
be so constituted as to be subject to  
exclusive Executive control.

At the session of 1831-'32, the ques-  
tion of the recharter of the bank of the  
United States came up; and although the  
attention of Congress and the coun-  
try had been repeatedly and delibera-  
tely before invited to the considera-  
tion of it by President Jackson himself,  
the agitation of it was now declared by  
him and his partisans to be precipitate  
and premature. Nevertheless, the  
country and Congress, conscious of the  
value of a safe and sound uniform cur-  
rency, conscious that such a currency  
had been eminently supplied by the  
bank of the United States, and unmoved  
by all the outcry raised against that  
admirable institution, the recharter  
commanded large majorities in both  
Houses of Congress. Fatally for the  
interests of this country, the stern self-  
will of General Jackson prompted him  
to risk every thing upon his overestima-  
tion of his own power. On the 10th of  
July, 1832, the bill was returned with  
his veto; from which the following  
extract is submitted to the  
attentive consideration of the Senate:

"A bank of the United States is, in many  
respects, convenient for the Government,  
and useful to the people. Entertaining this  
opinion, and deeply impressed with the belief  
that some of the powers and privileges  
possessed by the existing bank are author-  
ized by the Constitution, and subservive  
to the rights of the States, and danger-  
ous to the liberties of the people, I felt  
it my duty, at an early period of my  
administration, to call the attention of  
Congress to the practicability of organizing  
an institution, combining all its advantages,  
and obviating these objections. I sincerely  
regret that, in the act before me, I can  
perceive none of those modifications  
of the bank charter which are necessary,  
in my opinion, to make it compatible with  
justice, with sound policy, or with the  
Constitution of our country."

"That a Bank of the United States, com-  
petent to all the duties which may be re-  
quired by Government, might be so organ-  
ized as not to infringe upon our own  
delegated powers, or the reserved rights  
of the States, I do not entertain a  
doubt. Had the Executive been called  
upon to furnish the project of such an  
institution, the duty would have been  
cheerfully performed.— In the absence  
of such a call, it is obviously  
proper that he should confine himself to  
pointing out those prominent features  
in the act presented, which, in his  
opinion, make it incompatible with the  
Constitution and sound policy."

President Jackson admits, in the cita-  
tion which has just been made, that a  
bank of the United States is, in many  
respects, convenient for the Govern-  
ment; and reminds Congress that he  
had, at an early period of his adminis-  
tration, called its attention to the  
practicability of so organizing such an  
institution as to secure all its advantages,  
without the defects of the existing  
bank. It is perfectly manifest that he  
alludes to his previous recommenda-  
tions of a Government—a Treasury  
bank. In the same message he tells  
Congress, that if he had been called  
upon to furnish the project of such an

institution, the duty would have been  
cheerfully performed. Thus it appears  
that he had not only settled in his mind  
the general principle, but had adjusted  
the details of a Government bank, to be  
subjected to Executive control, and  
Congress is even charged for not coming  
upon him to present them. The bill  
now under consideration, beyond all  
controversy, is the very project which  
he had in view, and is to consummate  
the work which he began. I think,  
Mr. President, that you must now con-  
cur with me in considering the first  
proposition as fully maintained. I pass  
to the second and third, which, on ac-  
count of their intimate connexion, I  
will consider together.

2. That, with a view of establish-  
ing a Government bank, it was the settled  
aim and intention of the late Adminis-  
tration to overthrow the whole banking  
system of the United States, as exist-  
ing in the United States when that Ad-  
ministration came into power, begin-  
ning with the Bank of the United  
States, and ending with the State  
banks.

3. That the attack was first confin-  
ed, from considerations of policy, to  
the bank of the United States; but  
that, after its overthrow was accom-  
plished, it was then directed, and has  
since been continued, against the  
State banks.

We are not bound to inquire into  
the motives of President Jackson for  
desiring to subvert the established  
monetary and financial system which  
he found in operation; and yet some  
examination into those which probably  
influenced his mind is not without u-  
tility. These are to be found in his  
peculiar constitution and character.  
His egotism and vanity prompted him  
to subject every thing to his will; to  
change, to remould, and to retouch  
every thing. Hence the positiveness  
which characterize his Administration,  
the universal expulsion from office, at  
home and abroad, of all who were not  
devoted to him; and the attempt to  
render the Executive Department of  
Government, to use a favorite expres-  
sion of his own, a complete "unit."  
Hence his seizure of the public de-  
posits in the Bank of the United  
States, and his desire to unite  
the purse with the sword. Hence his  
attack upon all the systems of policy  
which he found in practical opera-  
tion—on that of internal improvements,  
and on that of the protection of national  
industry. He was animated by the  
same sort of ambition which induced  
the master-mind of the age, Napoleon  
Bonaparte, to impress his name upon  
every thing in France. When I was  
in Paris, the sculptors were busily en-  
gaged chiselling out the famous N.,  
so odious to the Bourbonne line, which  
had been conspicuously carved on the  
palace of the Tuilleries, and on other  
public edifices and monuments in the  
pride capital of France. When Mr.  
President shall see effaced all the  
vestiges of the ravages committed by  
the administration of Andrew Jackson,  
Society has been uprooted, virtue  
punished, vice rewarded, and talents  
and intellectual endowments despised,  
brutality, vulgarity, and loco-focoism  
upheld, cherished, and countenanced.  
Ages will roll around before the moral  
and political ravages which have  
been committed will, I fear, cease to  
be discernible. General Jackson's  
ambition was to make his administra-  
tion an era in the history of the Amer-  
ican Government, and he has accom-  
plished that object of his ambition;  
but I trust that it will be an era to  
be shunned as sad and lamentable,  
and not followed and imitated as sup-  
plying sound maxims and principles  
of administration.

I have heard his hostility to banks  
ascribed to some collision which he  
had with one of them, during the late  
war, at the city of New Orleans; and  
it is possible that may have had some  
influence upon his mind. The imme-  
diate cause, more probably, was the  
refusal of that perverse and uncom-  
modating gentleman, Nick Biddle, to  
turn out of the office of President of  
the New Hampshire branch of the  
Bank of the United States, at the  
instance of his Excellency Isaac Hill,  
in the summer of 1829, that giant-like  
person, Jeremiah Mason—giant in  
body, and giant in mind. War and  
strife, personal or national, foreign or  
domestic, were the ailment of the late  
President's existence. War against  
the bank, war against France, and  
strife and contention with a countless  
number of individuals. The wars with  
Black Hawk and the Seminoles were  
scarcely a lull in his voracious  
appetite; and he made his exit from  
public life, denouncing war and ven-  
geance against Mexico and the State  
banks.

My acquaintance with that extror-  
dinary man commenced in this city,  
in the fall of 1815 or 1816. It was  
short but highly respectful, and mutu-  
ally cordial. I beheld in him the gal-  
lant and successful general, who, by  
the glorious victory of New Orleans,  
had honorably closed the second war  
of our independence, and I paid him  
the homage due to that eminent ser-  
vice. A few years after, it became  
my painful duty to animadvert, in the  
House of Representatives, upon the in-

stitution, the duty would have been  
cheerfully performed. Thus it appears  
that he had not only settled in his mind  
the general principle, but had adjusted  
the details of a Government bank, to be  
subjected to Executive control, and  
Congress is even charged for not coming  
upon him to present them. The bill  
now under consideration, beyond all  
controversy, is the very project which  
he had in view, and is to consummate  
the work which he began. I think,  
Mr. President, that you must now con-  
cur with me in considering the first  
proposition as fully maintained. I pass  
to the second and third, which, on ac-  
count of their intimate connexion, I  
will consider together.

dependence which belongs to the rep-  
resentative character, upon some of  
his proceedings in the conduct of the  
Seminoles war, which I thought illegal  
and contrary to the Constitution and  
the law of nations. A non-intercourse  
between us ensued, which continued  
until the fall of 1824, when he being a  
member of the Senate, an accommoda-  
tion between us was sought to be  
brought about by the principal part of  
the delegation from his own State.  
For that purpose, we were invited to  
dine with them at Claxton's boarding-  
house, on Capitol hill, where my venera-  
ble friend from Tennessee, (Mr.  
White,) and his colleague, on the Spanish  
commission, were both present. I re-  
tired early from dinner, and was follow-  
ed to the door by General Jackson and  
the present minister of the United  
States at the Court of Madrid. They  
pressed me earnestly to take a seat  
with them in their carriage. My faith-  
ful servant and friend, Charles, was  
standing at the door, waiting for me,  
with my own. I yielded to their ar-  
gent politeness, directed Charles to  
follow with my carriage, and they sat  
me down at my own door. We after-  
wards frequently met, with mutual  
respect and cordiality; dined several  
times together, and reciprocated the  
hospitality of our respective quarters.  
This friendly intercourse continued  
until the election, in the House of Rep-  
resentatives, of the President of the  
United States came on in February,  
1825. I gave the vote which, in the  
contingency that happened, I told my  
colleague, (Mr. Crittenden,) who sits  
before me, prior to my departure from  
Kentucky, in November, 1824, and  
told others that I should give. All in-  
tercourse ceased between General  
Jackson and myself.— We have never  
since, except once accidentally, ex-  
changed salutations, nor met, except  
on occasions when we were performing  
the last offices towards deceased  
members of Congress or other officers  
of Government. Immediately after  
my vote, a rancorous war was com-  
menced against me and all the bark-  
ing dogs let loose upon me. I shall  
not trace it during its ten years' bitter  
continuance. But I thank my God  
that I stand here, firm and erect, un-  
shaken, unbroken, unsubdued, un-  
winded, ready to denounce the mischievous  
measures of his Administration, and  
ready to denounce this, its legiti-  
mate offspring, the most pernicious  
of them all.

His administration consisted of a  
succession of astounding measures,  
which fell on the public ear like re-  
peated burst of loud and appalling  
thunder. Before the reverberations  
of one peal had ceased, another and  
another came, louder and louder,  
and more terrifying. Or rather, it  
was like a volcanic mountain, emitting  
frequent eruptions of burning lava.  
Before one was cold and crusted; be-  
fore the voices of the inhabitants of  
buried villages and cities were hushed  
in eternal silence, another, more desol-  
ating, was vomited forth, extending  
wider and wider the circle of death  
and destruction.

Mr. President, this is no unneces-  
sary digression. The personal charac-  
ter of such a chief as I have been  
describing, his passions, his propensi-  
ties, the character of his mind, should  
be all thoroughly studied, to compre-  
hend clearly his measures and his ad-  
ministration. But I will now proceed  
to more direct and strict proofs of my  
second and third propositions. That  
he was resolved to break down the  
Bank of the United States, is proven by  
the same citations from his messages  
which I have made to exhibit his purpose  
to establish a Treasury bank, is proven  
by his veto message, and by the  
fact that he did destroy it.— The war  
against all other banks was not origi-  
nally announced, because he wished the  
State banks to be auxiliaries in over-  
throwing the bank of the United States,  
and because such an announcement  
would have been too rash and shocking  
upon the people of the United States  
for even his tremendous influence.  
It was necessary to proceed in the  
work with caution, and to begin  
with that institution against which  
could be embodied the greatest amount  
of prejudice. The refusal to recharter  
the Bank of the United States was fol-  
lowed by a determination to remove  
from its custody the public money of  
the United States. That determina-  
tion was first whispered in this place,  
denied, again intimated, and finally,  
in September, 1833, executed. The agi-  
tation of the American Public which  
ensued, the warm and animated dis-  
cussions in the country and in Con-  
gress, to which that unconstitutional  
measure gave rise, are all fresh in our  
recollection. It was necessary to  
quiet the public mind, and to reconcile  
the people to what had been done, be-  
fore President Jackson seriously enter-  
ed upon his new career of hostility to  
the State banks. At the commencement  
of the session of Congress in 1834, he  
imagined a sufficient calm had been  
produced, and, in his annual message  
of that year, the war upon the State  
banks was opened.— In that message  
he says:

"It seems due to the safety of the public  
funds remaining in that bank, and to the honor

of the American People, that measures be  
taken to separate the Government entirely  
from an institution so mischievous to the  
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element of our Union.  
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be mistaken in ascribing our want of  
success to the undue countenance which  
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All the serious dangers which our system  
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duce. The designs of President Jackson  
against the State banks are more fully  
developed and enlarged upon in his  
annual message of 1836, from which I  
beg leave to quote the following pas-  
sages:  
"I beg leave to call your attention to another  
subject intimately associated with the  
preceding one—the currency of the country."  
"It appears, from the whole context of  
the Constitution, as well as the history of  
the times that gave birth to it, that it was  
the purpose of the convention to estab-  
lish a uniform currency, consisting  
of the precious metals. These, from their  
scarcity, which rendered them almost  
of value in all other countries, were  
adapted in this, as well to establish  
a commercial standard, by a per-  
manent rule, as to exclude the use of a  
miserable medium of exchange, such as  
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