

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 respon-
sibility. 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
thanked 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-
nited States; that the country then was
eminently 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,
wantonly 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 neatly 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 naviga-
tors 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 incontro-
vertible; 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, emanating
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 conviction
which I entertain, and which I feel
perfectly confident the whole country
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 feroc-
ity. 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, Pres-
ident 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,
modified in its principles as to obviating
constitutional and other objections.

"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 their exchange, to relieve individuals
of 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 power 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 country
had been repeatedly and deliber-
ately 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 unmov-
ed 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 that the
exercise of them is essential to the
practicability of organizing an institution,
combining all its advantages, and obviating
its 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
organized as not to infringe upon our
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
improper 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
citation 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-
tion 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
presenting 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 establishing
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
utility. 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 postscript 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 we see effaced all the
traces of the ravages committed by the
administration of Andrew Jackson? I
think 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 extraor-
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-

fluence of the public funds remaining in that bank, and to the honor

of the American People, that measure be
taken to separate the Government entirely
from an institution so mischievous to the
prosperity, and so regardless of the Consti-
tution and laws. By transferring the
public deposits, by appointing other
persons to receive the same, so far
as it had the power, by ordering the dis-
cussure of the receipt of the bank checks in
payment of the public dues after the first
day of January next, the Executive has
exercised all its lawful authority to
revert the connection between the
Government and this faithless corpora-
tion."

In this quotation it will be seen that
the first germ is contained of that
separation and divorce of the Govern-
ment from banks, which has recently
made such a conspicuous figure. It re-
lates, it is true, to the late Bank of
the United States, and the speaks of
separating and severing the connexion
between the Government and that in-
stitution. But the idea, once devel-
oped, was easily susceptible of applica-
tion to all banking institutions. In
the Message of the succeeding year,
his meditated attack upon the State
banks is more distinctly disclosed.
Speaking of a sound currency, he says:

"In considering the means of obtaining so
important an end, (that is, a sound cur-
rency,) we must set aside all calculations of
temporary convenience, and be influenced
by those only that are in harmony with
the true character and permanent inter-
ests of the Republic. We must recur to
first principles, and see what is it that
has prevented the legislation of Congress
and the States, on the subject of currency,
from satisfying the public expectation,
and realizing results corresponding to
those which have attended the action of
our system when truly consistent with
the great principle of equality upon
which it rests, and with that spirit of
forbearance mutual concession and gen-
erous patriotism which was originally,
and must ever continue to be, the vital
element of our Union.

"On this subject, I am sure that I cannot
be mistaken in ascribing our want of
success to the undue countenance which
has been afforded to the spirit of monopoly.
All the serious dangers which our system
has yet encountered may be traced to the
resort to implied powers, and the use of
corporations clothed with privileges, the
effect of which is to advance the inter-
ests of the few at the expense of the
many. We have felt but one class of
these dangers, exhibited in the contest
waged by the Bank of the United States
against the Government for the last
four years. Happily, they have been
obviated for the present by the indignant
resistance of the People, but we should
remember that the principle which they
sprang is an ever active one, which will
not fail to renew its efforts in the same
and in other forms, so long as there is
a hope of success, founded either on
the treachery of their representatives, or
the public progress of its influence."

"We are now to see, whether, in the
present favorable condition of the
country, we cannot take an effectual
stand against this spirit of monopoly,
and practically prove, in respect to the
currency, as well as other important
interests that there is no necessity for
so extensive a resort to it as that which
has been heretofore practised."

"It has been seen that with-
out the agency of great moneyed
monopolies the revenue can be collected
and safely applied to all the purposes
of the public expenditure. It is also
ascertained that, instead of being
necessary to make good the deficiency
of the revenue, the management of the
revenue can be made auxiliary to the
reform which the Legislature of several
of the States have already commenced
in regard to the suppression of small
bills, and which has only to be
fostered by proper regulations on the
part of Congress, to secure a practical
return, to the extent required for the
security of the currency, to the
constitutional medium."

As in the instance of the attack upon
the Bank of the United States, the
approach to the State banks is slow,
cautious, and insidious. He reminds
Congress and the country that all
calculations of temporary convenience
must be set aside; that we must recur
to first principles; and that we must
see what it is that has prevented the
legislation of Congress and the States
on the subject of the currency from
satisfying public expectation. He de-
clares his conviction that the want
of success has proceeded from the
undue countenance which has been
afforded to the spirit of monopoly. All
the serious dangers which our system
has yet encountered may be traced to
the resort to implied powers, and to
the use of corporations. We have
felt, he says, but one class of these
dangers in the contest with the Bank
of the United States, and he clearly
intimates that the other class is the
State banks. We are now to see, he
proceeds, whether in the present
favorable condition of the country, we
cannot take an effectual stand against
this spirit of monopoly. Reverting to
his favorite scheme of a Government
bank, he says it is ascertained that,
instead of being made necessary to
promote the evils of an uncheckered
paper system, the management of the
revenue can be made auxiliary to the
reform which he is desirous to introduce.
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 is apparent, from the whole context of
the Constitution, as well as from the history
of the times that gave birth to it, that it
was the purpose of the convention to
establish a currency consisting of the
precious metals. These, from their
scarcity, which rendered them a stand-
ard of value in all other countries, were
adopted in this, as well to establish a
commercial standard, in reference to
foreign countries, by a permanent
rule, as to exclude the use of a
mixture of medium of exchange, such as
of certain gold

Mississippi