

of the Constitution, recognized by the statutes of every State as a tender for debts, or the still more perfect and permanent of a paper currency. "Establishments must ever be the characteristic of a currency of which the precious metals are not the chief ingredient, or which can be supplied or contracted without regard to the principles that regulate the value of those metals as a standard in the general trade of the world. With us, bank issues constitute such a currency, and must ever do so, until they are made dependent on those just proportions of gold and silver, as a circulating medium, which experience has proved to be necessary, not only in this, but in all other commercial countries. Where those proportions are not infused into the circulation, and do not control it, it is manifest that prices must vary according to the tide of bank issues, and the value and stability of property must stand exposed to all the uncertainty which attends the administration of institutions that are constantly liable to the temptations of an interest distinct from that of the community in which they are established.

"But although various dangers to our Republic, institutions have been obtained by the failure of that bank to extend from the Government a renewal of its charter, it is obvious that little has been accomplished, except a salutary change of public opinion, towards restoring to the country the sound currency provided for in the Constitution. In the case of several of the States, prohibiting the circulation of small notes, and the auxiliary enactments of Congress at the last session, forbidding their reception or payment on public account, the true policy of the country has been advanced, and a larger portion of the precious metals infused into our circulating medium. These measures will probably be followed up in due time by the enactment of State laws, banishing from circulation bank notes of still higher denominations; and the object may be materially promoted by further acts of Congress, forbidding the employment as fiscal agents, of such banks as issue notes of low denominations, and those impositions in the way of the circulation of gold and silver.

"The effects of an extension of bank credits and necessities of bank paper, have been strikingly illustrated in the case of the public lands. From the returns made by the various registers and receivers in the early part of last summer, it was perceived that the receipts arising from the sales of public lands were increasing to an unprecedented amount. In effect, however, these receipts amount to nothing more than credits in banks. The banks lent out their notes to speculators, they were paid to the receivers, and immediately returned to the banks, to be lent out again, and again, being mere instruments to transfer to speculators the most valuable public land, and pay the Government by a credit on the books of the banks. Those credits on the books of some of the Western banks, usually called deposits, were already greatly beyond their immediate means of payment, and were rapidly increasing. Indeed, each speculation furnished means for another for one individual or company paid in the notes, than they were immediately lent to another for a like purpose, and the banks were extending their business and their issues so largely as to alarm considerate men, and render it doubtful whether these bank credits, if permitted to accumulate, would ultimately be of the least value to the Government. The spirit of speculation and speculation was not confined to the deposit banks but pervaded the whole multitude of banks throughout the Union, and was giving rise to new institutions to aggravate the evil.

"The safety of the public funds, and the interest of the People generally, required that these operations should be checked, and it became the duty of every branch of the General and State Government to adopt all legitimate and proper means to produce that salutary effect. Under this view of my duty, I directed the issuing of the order, which will be laid before you by the Secretary of the Treasury, requiring payment of the public lands sold to be made in specie with an exception until the 15th of the present month in favor of actual settlers. This measure has produced many salutary consequences. It checked the career of the Western banks, and gave them additional strength in anticipation of the pressure which has since pervaded our Eastern as well as the European commercial cities. By preventing the expansion of the credit system, it measurably cut off the means of speculation, and retarded its progress in monopolizing the most valuable of the public lands. It has tended to save the new States from non-resident proprietorship—one of the greatest obstacles to the advancement of a new country and the prosperity of an old one. It has tended to keep open the public lands for entry by emigrants at Government prices, instead of their being compelled to purchase of speculators at double or treble prices. And it is conveying into the interior large sums in silver and gold, there to enter permanently into the currency of the country, and place it on a firmer foundation. It is confidently believed that the country will find, in the motives which induced that order, and the happy consequences which have ensued, much to commend and nothing to condemn."

"It is seen that he again calls the attention of Congress to the currency of the country, alleges that it was apparent 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 establish a currency consisting of the precious metals; imputes variability and a liability to inordinate contraction and expansion to the existing paper system, and denounces bank issues as being an uncertain standard. He felicitates himself upon the dangers which have been obviated by the overthrow of the Bank of the United States, but declares that little has been yet done, except to produce a salutary change of public opinion towards restoring to the country the sound currency provided for in the Constitution. I will here say, in passing, that all this outcry about the precious metals, gold, and the constitutional currency, has been put forth to delude the People, and to use the precious metals as an instrument to break down the banking institutions of the States, and to thus pave the way for the ultimate establishment of a great Government bank. In the present advanced state of civilization, in the present condition of the commerce of the world, and in the actual relations of trade and intercourse between the different nations of the world, it is perfectly chimerical to suppose that the currency of the United States should consist exclusively, or principally, of the precious metals.

In the quotations which I have made from the last annual message of Gen. Jackson, he speaks of the extension of bank credits; and the over-issues of bank paper, in the operations upon the sales of public lands. In his message of only the preceding year, the vast amount of those sales had been dwelt upon with peculiar complaisance, as illustrating the general prosperity of the country, and as proof of the wisdom of his Administration. But now that which had been announced as a blessing is deprecated as a calamity. Now, his object being to assail the banking institutions of the States, and to justify that fatal Treasury order, which I shall hereafter have occasion to notice, he expresses his apprehension of the danger to which we are exposed of losing the public domain, and getting nothing for it but bank credits. He describes, minutely, the circular process by which the notes of the banks passed out of those institutions to be employed in the purchase of the public lands, and returned again to them in the form of credits to the Government. He forgets that Mr. Secretary Taney, to reconcile the People of the United States to the daring measure of removing the public deposits, had stimulated the banks to the exercise of great liberality in the grant of loans. He informs us, in that message, that the safety of the public funds, and the interests of the People generally, required that these copious issues of the banks should be checked, and that the conversion of the public lands into mere bank credits should be arrested. And his measure to accomplish these objects was that famous Treasury order, already adverted to. Let us pause here for a moment, and contemplate the circumstances under which it was issued. The principle of the order had been proposed and discussed in Congress. But one Senator, as far as I know, in this branch of the Legislature, not and a solitary member, within my knowledge, in the House of Representatives, was in favor of it. And yet, in about a week after the adjournment of Congress, the principle, which met with no countenance from the legislative authority, was embodied in the form of a Treasury edict, and promulgated under the Executive authority, to the astonishment of the People of the U. States!

If we possessed no other evidence whatever of the hostility of President Jackson to the State banks of the U. States, that order would supply conclusive proof. Bank notes, bank issues, bank credits, were distrusted and denounced by him. It was proclaimed to the People that they were unworthy of confidence. The Government could no longer trust in their security. And at a moment when the banking operations were extended, and stretched to their utmost tension; when they were almost at tottering and ready to fall, for the want of that metallic basis on which they all rested, the Executive announces its distrust, issues the Treasury order, and enters the market for specie, by a demand of an extraordinary amount to supply the means of purchasing the public land. If the sales had continued in the same ratio they had been made during the previous year, that is, at about the rate of twenty-four millions per annum, this unprecedented demand created by Government for specie must have exhausted the vaults of most of the banks, and produced much sooner the catastrophe which occurred in May last. And, what is more extraordinary, this wanton demand for specie upon all the banks of the commercial capitals, and in the busy and thickly peopled portions of the country, was that it might be transported into the wilderness, and, after having been used in the purchase of public lands, deposited to the credit of the Government in the books of Western banks, in some of which, according to the message, there were already credits to the Government "greatly beyond their immediate means of payment." Government, therefore, did not itself receive, or rather did not retain, the very specie which it professed to demand as the only medium worthy of the public lands. The specie, which was so uselessly exacted, was transferred from one set of banks, to the derangement of the commerce and business of the country, and placed in the vaults of another set of banks in the interior, forming only those bank credits to the Government upon which President Jackson placed so great a value.

Finally, when General Jackson was about to retire from the cares of Government, he favored his countrymen with a farewell address. The solemnity of the occasion gives to any opinions which he has expressed in that document a claim to peculiar attention. It will be seen on perusing it, that he denounces, more emphatically than in any of his previous addresses, the bank paper of the country, corporations, and what he chooses to denominate the spirit of monopoly. The Senate will indulge me in calling its attention to certain parts of that address, in the following extracts:

"The Constitution of the United States unquestionably intended to secure to the people a circulating medium of gold and silver. But the establishment of a national bank by Congress, with the privilege of issuing paper money receivable in payment of the public dues; and the unfortunate course of legislation in the several States upon the same subject, drove from general circulation the constitutional currency, and substituted one of paper in its place."

"The mischief springs from the power which money, which they are able to control, from the multitude of corporations, with exclusive privileges, which they have succeeded in obtaining in the different States, and which employ and altogether for their benefit, and unless you

become not a monopoly in your States, why check this spirit of monopoly and think for exclusive privileges, you will, in the end, find that the most important powers of Government have been given or bestowed away, and the control over your dearest interests has passed into the hands of these corporations."

"But I will require steadily and persevering exertions on your part to rid ourselves of the iniquities and mischiefs of the paper system, and to check the spirit of monopoly and other abuses which have sprung up with it, and of which it is the main support. No money interests are wont to resist all reform of this subject, that you must not hope that the conflict will be a short one nor success easy. My humble efforts have not been spared during my administration of the Government, to restore the constitutional currency of gold and silver; and something, I trust, has been done towards the accomplishment of this most desirable object. But enough yet remains to require all your energy and perseverance. The power, however, is in your hands, and the remedy must and will be applied, if you determine upon it."

The mask is now thrown off, and he boldly says that the Constitution of the United States unquestionably intended to secure to the people a circulating medium of gold and silver. They have not enjoyed, he says, that benefit, because of the establishment of a national bank, and the unfortunate course of legislation in the several States. He does not limit his condemnation of the past policy of his country to the Federal Government, of which he had just ceased to be the chief, but he extends it to the States also, as if they were incompetent to judge of the interests of their respective citizens. He tells us that the mischief springs from the power which the moneyed interest derives from a paper currency, which they are able to control, and the multitude of corporations; and he stimulates the people to become more watchful in their several States, to check this spirit of monopoly. To invigorate their fortitude, he tells the people that it will require steady and persevering exertions on their part, to rid themselves of the iniquities and mischiefs of the paper system, and to check the spirit of monopoly. They must not hope that the conflict will be a short one, nor success easy. His humble efforts have not been spared during his administration, to restore the constitutional currency of gold and silver; and although he has been able to do something towards the accomplishment of that object, enough yet remains to require all the energy and perseverance of the people.

Such, Mr. President, are the proofs and the argument on which I rely to establish the second and third propositions which I have been considering. Are they not successfully maintained? Is it possible that any thing could be more conclusive on such a subject?

I pass to the consideration of the fourth proposition. That the present Administration, by acknowledgments emanating from the highest and most authentic source, has succeeded to the principles, plans, and policy, of the preceding Administration, and stand solemnly pledged to complete and perfect them.

The proofs on this subject are brief; but they are clear, direct, and plenary. It is impossible for any unbiased mind to doubt for a moment about them. You, sir, will be surprised, when I shall array them before you, at their irresistible force. The first that I shall offer is an extract from Mr. Van Buren's letter of acceptance of the nomination to the Baltimore convention, dated May 23d, 1835. In that letter he says:

"I content myself, on this occasion, with saying that I consider myself the honored instrument, selected by the friends of the present Administration, to carry out its principles and policy; and that as well from inclination as from duty, I shall, if honored with the choice of the American people, endeavor generally to follow in the footsteps of President Jackson, happy if I shall be able to perfect the work which he has so gloriously begun."

Mr. Van Buren announces that he was the honored instrument selected by the friends of the present Administration, to carry out its principles and policy. The honored instrument! That word, according to the most approved definition, means tool. He was, then, the honored tool—to do what? to promote the honor, and advance the welfare, of the People of the United States, and to add to the glory of his country? No, no; his country was not in his thoughts. Party, party, filled the place in his bosom which country should have occupied. He was the honored tool to carry out the principles and policy of Gen. Jackson's Administration; and, if elected, he should, as well from inclination as from duty, endeavor, generally, to tread in the footsteps of Gen. Jackson—happy if he should be able to perfect the work which he had so gloriously begun. Duty to whom? to the country, to the whole People of the United States? No such thing; but duty to the friends of the then Administrations; and that duty required him to tread in the footsteps of his illustrious predecessor, and to perfect the work which he had begun! Now, the Senate will bear in mind that the most distinguishing features of Gen. Jackson's Administration related to the currency; that he had denounced the banking institutions of the country, that he had overthrown the Bank of the United States; that he had declared, when that object was accomplished, only one-half the work was completed; that he then commenced war against the State banks, in order to finish the other half; that he constantly persevered in, and never abandoned, his favorite project of a great Government Treasury bank; and that he retired from the office of Chief Magistrate, pouring out, in his farewell address, anathemas against paper money, corpora-

tions, and the spirit of monopoly. When all these things are recollected, it is impossible not to comprehend clearly what Mr. Van Buren means, by carrying out the principles and policy of the late Administration. No one can mistake that those principles and that policy require him to break down the local institutions of the States and to discredit and destroy the paper medium which they issue. No one can be at a loss to understand that, in following in the footsteps of President Jackson, and in perfecting the work which he began, Mr. Van Buren means to continue attacking, systematically, the banks of the States, and to erect on their ruins that great Government bank, begun by his predecessor, and which he is the honored instrument selected to complete. The next proof which I shall offer is supplied by Mr. Van Buren's inaugural address, from which I request permission of the Senate to read the following extract:

"In receiving from the People the sacred trust twice confided to my illustrious predecessor, and which he has discharged so faithfully and so well, I know that I cannot expect to perform the arduous task with equal ability and success. But, united as I have been in his councils, a daily witness of his exclusive and unsurpassed devotion to his country's welfare, agreeing with him in sentiments which his countrymen have warmly supported, and permitted to partake largely of his confidence, I may hope that somewhat of the same cheering approbation will be found to attend upon my path."

Here we find Mr. Van Buren distinctly avowing, that the American People well knew before, that he had been united in the councils of Gen. Jackson; that he had agreed with him in sentiments, and that he had partaken largely of his confidence. This intimacy and confidential intercourse could not have existed without the concurrence of Mr. Van Buren in all those leading and prominent measures of his friend, which related to the establishment of a Government bank, the overthrow of the Bank of the United States, the attack upon the State institutions, and the denunciation of the paper currency, the spirit of monopoly, and corporations. Is it credible that General Jackson should have aimed at the accomplishment of all these objects, and entertained all these sentiments, without Mr. Van Buren's participation?

I proceed to another point of powerful evidence, in the conduct of Mr. Van Buren, in respect to the famous Treasury order. That order had been promulgated, originally in defiance of the opinion of Congress, had been continued in operation in defiance of the wishes and will of the people, and had been repealed by a bill passed at the last ordinary session of Congress, by overwhelming majorities. The fate of that bill is well known. Instead of being returned to the House in which it originated, according to the requirement of the Constitution, it was sent to one of the pigeon-holes of the Department of State to be filed away as an opinion of a convenient Attorney General, always ready to prepare one in support of executive encroachment. On the 5th of March last not a doubt was entertained, as far as my knowledge or belief extends, that Mr. Van Buren would rescind the obnoxious order. I appeal to the Senator from Missouri, who sits near me, Mr. Linn to the Senator from Mississippi, who sits farthest from me, (Mr. Walker,) to the Senator from Alabama, (Mr. King,) and to the whole of the Administration Senators, if such was not the expectation of all of them. Was there ever an occasion in which a new Administration had so fine an opportunity to signalize its commencement by an act of grace and wisdom, demanded by the best interest and most anxious wishes of the People? But Mr. Van Buren did not think proper to embrace it. He had shared too largely in the confidence of his predecessor, agreed too fully with him in sentiments, had been too much united with him in his councils, to rescind an order which constituted so essential part of the system which had been deliberately adopted to overthrow the State banks.

Another course pursued by the Administration, after the catastrophe of the suspension of specie payments by the banks, demonstrates the hostile purposes towards them of the present Administration. When a similar event had occurred during the Administration of Mr. Madison, did he discredit and discountenance the issues of the banks, by refusing to receive them in payment of the public dues? Did the State Governments, upon the former or the late occasion, refuse to receive them in payment of the dues to them, respectively? And if irredeemable bank notes are not good enough for State Governments and the People, are they not good enough for the Federal Government of the same People? By exacting specie, in all payments to the General Government, that Government presented itself in the market as a powerful and formidable competitor with the banks, demanding specie at a moment when the banks were making unexampled struggles to strengthen themselves, and prepare for the resumption of specie payments. The extent of this Government demand for specie does not admit of exact ascertainment; but when we reflect that the annual expenditures of the Government were at the rate, including the Post Office Department, of about thirty-three millions of dollars, and that its income, made up either of taxes or loans, must be an equal sum, making together an aggregate of sixty-six millions, it will be seen that the amount of specie required for the use of Government must be

immensely large. It cannot be precisely determined, but would not be less probable than: fifteen or twenty millions of dollars per annum. Now, how is it possible for the banks, coming into the specie market in competition with all the vast power and influence of the Government, to provide themselves with specie in a reasonable time to resume specie payments? That competition would have been avoided, if, upon the stopping of the banks, the notes of those of whose solvidity there was no doubt, had been continued to be received in payment of the public dues, as was done in Mr. Madison's Administration. And why, Mr. President, should they not have been? Why should not this Government receive the same description of currency which is found to answer all the purposes of the several State Governments? Why should they have resorted to the expedient of issuing an inferior paper medium, in the form of Treasury notes, and refusing to receive the better notes of safe and solid banks? Do not misunderstand me, Mr. President. No man is more averse than I am to a permanent inconvertible paper medium. It would have been as a temporary measure only that I should have thought it expedient to receive the notes of good local banks. If, along with that measure, the Treasury order had been repealed, and other measures adopted to encourage and coerce the resumption of specie payment, we should have been much higher than that desirable event than I fear, we now are. Indeed, I do not see when it is possible for the banks to resume specie payment, as long as the Government is in the field making war upon them, and in the market demanding specie.

Another conclusive evidence of the hostility to the State Banks, on the part of Mr. Van Buren, is to be found in that extraordinary recommendation of a bankrupt law contained in his Message at the extra session. According to the principles of any bankrupt system with which I am acquainted, the banks, by the stoppage of specie payment, had rendered themselves liable to its operation. If the recommended law had been passed, commissions of bankruptcy could have been immediately sued out against all the suspended banks, their assets seized, and the administration of them transferred from the several corporations to which it is now intrusted, to commissioners appointed by the President. Thus, by one blow, would the whole of the State banks have been completely prostrated, and the way cleared for the introduction of the favorite Treasury bank; and is it not in the same spirit of unfriendliness to those banks, and with the same view of removing all obstacles to the establishment of a Government bank, that the bill was presented to the Senate from Tennessee (Mr. Grundy) against the circulation of the notes of the old Bank of the United States? At a time when there is too much want of confidence, and when every thing that can be done should be done to revive and strengthen it, we are called upon to pass a law denouncing the heaviest penalty and ignominious punishment against all who shall reissue the notes of the old Bank of the United States, of which we are told that about seven millions of dollars are in circulation; and they constitute the best portion of the paper medium of the country; the only portion of it which has a credit everywhere, and which serves the purpose of a general circulation; the only portion with which a man can travel from one end of the continent to the other; and I do not doubt that the Senator who has submitted these severe pains and penalties against that best part of our paper medium, provides himself with a sufficient amount of it, whenever he leaves Nashville, to take him to Washington.

[Here Mr. Grundy rose, and remarked: No, sir; I always travel on specie.]

Ab! continued Mr. Clay, my old friend is always specious. I am quite sure that members from a distance in the interior generally find it indispensable to supply themselves, on commencing their journey, with an adequate amount of these identical notes to defray its expenses. Why, sir, will any man in his senses deny that these notes are far better than those which have been issued by that Government banker, Mr. Levi Woodbury, aided though he be by the chancellor of the exchequer, (I beg his pardon, I mean the ex-chancellor, (the Senator from New York, Mr. Wright?)) I am not going to stop here to inquire into the strict legality of the reissue of these notes; that question, together with the power of the Government to pass the proposed bill, will be taken up when it is considered. I am looking into the motive of such a measure. Nobody doubts the perfect safety of the notes; no one can believe that they will not be fairly and fully paid. What, then, is the design of the bill? It is to assail the only sure general medium which the People possess. It is because it may come in competition with Treasury notes or other Government paper. Sir, if the bill had not been proposed by my old friend from Tennessee, I would say its author better deserved a penitentiary punishment than those against whom it is directed. I remember to have heard of an illustrious individual, now in retirement, having, on some occasion, burst out

into the most patriotic indignation, because of a wretched trick played off upon him, by putting a note of the late Bank of the United States into his silk purse with his gold.

But it is unnecessary to dwell longer on the innumerable proofs of the hostility against the State Banks, and the deliberate purpose of the late Administration to overthrow them. We hear and see daily throughout the country, among their partisans and presses, denunciations against banks, corporations, rag barons, the spirit of monopoly, &c., and the howl for gold, hard money, and the constitutional currency; and no one can listen to the speeches of honorable members, friends of the Administration, in this House and the other, without being impressed with a perfect conviction that the destruction of the State banks is meditated.

I have fulfilled my promise, Mr. President, to sustain the first four propositions with which I set out. I now proceed to the fifth proposition:

5. That the bill under consideration is intended to execute M. Van Buren's pledge, to complete and perfect the principles, plans, and policy, of the past Administration, 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 under the commands of the President of the United States.

The first impression made by the perusal of the bill is the prodigious and boundless discretion which it grants to the Secretary of the Treasury irreconcilable with the genius of our free institutions, and contrary to the former cautious practice of the Government. As originally reported, he was authorized by the bill to allow any number of receivers general, and to fix their salaries. It will be borne in mind that this is the mere commencement of a system; and it cannot be doubted that, if put into operation, the number of receivers general and other depositaries of the public money would be indefinitely multiplied. He is allowed to appoint as many examiners of the public money, and to fix their salaries, as he pleases, he is allowed to erect at pleasure costly buildings, there is no estimate for any thing; and all who are conversant with the operations of the Executive branch of the Government know the value and importance of previous estimates. There is no other check upon wasteful expenditure but previous estimate; and that was a point always, particularly insisted upon by Mr. Jefferson. The Senate will recollect that, a few days ago, when the salary of the receiver general at New York was fixed, the chairman of the Committee on Finance rose in his place and stated that it was suggested by the Secretary of the Treasury that it should be placed at \$3,000 and the bank was accordingly so filled. There was no statement of the nature or extent of the duties to be performed, of the time that he would be occupied, of the extent of his responsibility, or the expense of living at the several points where they were to be located; nothing but the suggestion of the Secretary of the Treasury, and that was deemed all-sufficient by a majority. There is no limit upon the appropriation which is made to carry into effect the bill, contrary to all former usage, which invariably prescribed a sum not to be transcended.

[Concluded in our next.]

#### Voice of the Whigs of Philadelphia.

At a meeting of the Whigs of the City and County of Philadelphia, held agreeably to public notice, on Monday before last, at which John Swift presided, and at which the speakers were William B. Reed, J. G. Clarkson, James C. Bidle, and Joseph R. Chandler, a series of Resolutions, moved by Mr. Reed, were adopted by acclamation. Amongst these resolutions, those which referred to National Politics were the following:

Resolved, That one lesson of experience outweighs all the theories of selfish or disinterested economists; and that, with full confidence in that lesson, we appeal from the experiment of to-day to the experience of yesterday, and find in the fact that, until the government began to interfere mischievously with what it now pretends to have no concern, we were blessed with the best currency known in the history of finance—an argument that official logic cannot answer.

Resolved, That the currency which the principles and policy of Madison bequeathed to us, is what the people know to be constitutional, and have a right to demand, and that, in our opinion, the currency, which, if paper, is convertible every where and by every body into gold and silver, is preferable to a mixed medium of specie for the officers, and inconvertible and depreciated government paper for the citizen.

Resolved, That the true cause of the unparalleled distress and discredit under which this country has latterly labored, is to be found in the unlawful interferences of the Executive with the National Treasury, which confided to a safe depository, and in the recommendation of the then Secretary of the Treasury to the new fiscal agents to extend facilities of enlarged credit to those who have since been calumniated for using it.