each other than is essential to the performance of these duties.

So far as our legislation is concerned, it is precisely as if a United States Bank had been proposed, which should merely receive the public deposites, and by domestic bills of exchange, distribute them as required by the Government. Was it practicable to have such a United States Bank, without the addition of any powers or immunities, every one who pretends to regard the constitution would be bound to support it. No objection could be raised to the powers, either by reference to the constitution or to the consequences of exercising them. The proposed bill is identical with this in principle, and experience has shown it to be practicable.

I wish I could discern its operation upon our commercial interests, (mentioned in the two first objections,) as clearly as I perceive its constitutionality. I have thought for many years that some controlling power was necessary to check excessive issues of credit by the local banks. Our credit system, resting upon the narrow basis of our small metallic currency, and supported alone by public confidence, fluctuates with every cause that affects it—whether that cause be the excessive issue of fictitious notes, by ill-conducted banks—or the excessive issue of fictitious alarms, by heated partisans in Congress. To these evils no adequate remedy has ever been applied. The United States Bank has served indirectly as a fly-wheel to moderate these fluctuations, although it has been by gathering to itself the power to produce at any moment fluctuations far more disastrous. One of these we have just experienced. But under the organization which I hoped to have seen adopted, this would not probably have been intentionally repeated. Yet, however perfect may have been the organization, the evils could only have been palliated. They are inseparable from the system. Until the proportion of specie to the paper currency is greatly changed, we cannot be exempt from occasional and sometimes ruinous fluctuations.

Our credit system is a great good, converted by excess into an alarming evil.

Mr. Speaker, I will take the present moment to notice the amendment presented by the honorable gentleman from Illinois, (Mr. Duncan,) which is, in fact, a re-charter of the present United States Bank; in which there is much to approve, and more to condemn. To its adoption, I have insuperable objections.

First. Should Congress present such a re-charter of that audacious institution, it would be spurned from the Bank as impudent on the part of the Government.

Second. I would never serve or court that institution while she stands in contempt of the House, the People, the Nation; setting the laws and the constitution at defiance. Let her open her doors, her books, her vaults, to the inspection of our Committee; then, and not till then, will it become the Representatives of the People to accept or offer terms to the Bank.

To the amendment offered by the honorable gentleman from Virginia, (Mr. Gordon,) and the proposition of the honorable and eloquent gentleman from Pennsylvania, (Mr. Coulter,) I have an objection equally conclusive to my mind. They propose that the Treasury of the Nation shall be kept by the Treasurer and his agents, until disbursed. This proposition adopted, and the millions of the money of the People, from the time of collection to the period of disbursement, would be drawn from circulation, and rest as useless as if out of existence. This could but produce fluctuations, and periodical ruin and distress.

In reading an ingenious pamphlet, by a gentleman of Philadelphia, aiming to prove that paper notes were better than metallic coin, I could not help noticing the inapplicability of the reasoning used in the exact sciences, to political subjects. If all the causes which operate upon the result could be condensed in a syllogism, or stated in an equation, the conclusion would be infallible. But moral influences, in their countless varieties, admit no such easy estimates or abridgments; and he who relies on having mastered them, will often discover that his mathematical truths are moral absurdities.

In examining credit, the first point presented is, the lenders and borrowers.

The thing lent is *uninvested value*, which the lenders think it more profitable to loan to the borrowers than to keep it in their own hands.

The inducements to lenders are,

1st. The supposed certainty or security that the loan will be repaid.

2d. The interest to be paid for its use.

The security, or certainty, consists in *the ability* of the borrower to fulfil his engagements. The case of a loan on endorsement is no exception; the endorsement is merely a certificate of this ability, for the truth of which the endorser is responsible. In the extreme case, when the endorsement is thought to constitute the sole security, the loan is in effect first made to the endorser, and by him handed over to the borrower.

The actual ability of the borrower comprises the following items:

1st. His property when the loan is asked.

2d. His opportunity of investing profitably his labor and capital, both owned and borrowed.

These may be termed his "accidental capital."

3d. *His physical ability*, including health, strength, and mechanical skill.

4th. His intellectual capacity, including industry, judgment, talents, education, and professional skill.

5th. His moral character, the indispensable requisite which ensures the preservation of his capital from waste, by expensive habits and guarantees the punctual and honest fulfilment of his engagements.

These three last may be termed his personal worth, or "personal capital"—although the 5th item deserves a separate place by the name of "moral capital." It may be possessed by all, and the young farmer and mechanic may rely on it with perfect certainty for the attainment, with proper exertions, of fortune and reputation. It is the basis of confidence between individuals, and the aggregate of these individual "moral capitals" is the "moral capital" of the community—the basis of *public* confidence.

These components are combined in very different proportions in different individuals. One of them, (1st,) property, may be entirely wanting, but all the others must be possessed in a greater or less degree, and their sum is the ability of the borrower or the actual security to the lender. A deficiency in any one of these components diminishes this security, which is one of the inducements to the lender and renders it necessary to *increase* the other inducement—the interest to be paid for its use.

The better the lender knows the borrower, the nearer will the *supposed* security approach the actual security, and the interest asked, to the interest which should be paid.

Assuming the aggregate of personal capitals such as to render loans liable to no extraordinary risk, the investment of capital in loans will be regulated by the same laws that govern other investments.

The lenders will not loan their capital at less profit than they can obtain at the same risk and with the same trouble, by investing it in any other way—allowing for the greater or less facility with which the investment may be disengaged and converted into money.

The average profit upon capital, fixes, therefore, the *lowest* rate of interest that the lenders will receive and they will obtain as much more as they can get.

The interest *actually* paid depends upon the relation between the supply of capital for loans to the demand for them. When these are equivalent the average interest actually paid will coincide with the lowest rate of interest just mentioned. The lowest class of borrowers will be those, whose profits derived from their *accidental*, their personal and their borrowed capital, are barely sufficient to pay the interest and to subsist themselves.

If, as is usual, the supply is less than the demand, the lenders can exact a higher interest.

The lowest class just named, cannot pay the increased rate, and of necessity thus cease to be borrowers.

The next higher class in the scale of profits, take their place with profits diminished, in like manner, to a bare subsistence. The additional rate of interest occasions other less profitable investments to be disengaged into capital for loans. The increased supply diminishes somewhat the rate of interest, enlarges the lowest class of borrowers, and brings about an equilibrium between the profits of these and other investments, raising somewhat the general average.

Similar changes are caused by every increase of the disproportion.

The same remarks apply to every individual case. Circumstances of position or necessity may limit the supply available to the borrower, and the lender may therefore exact the highest rate, leaving to the borrower only as much of the profits as will subsist him.

These may vary from the general average of interest, as well as those which are made under the spur of some especial necessity, in which the usurious rate is only limited by the satiated covetousness of the lender, or the extreme ability of the borrower.

This analysis exhibits the true sources of *credit*, which enables one man to borrow the value which may be held by another.

In every country containing intelligent, industrious, and honest citizens, these sources of credit exist. That they should be *available*, there must be two other requisites: 1st, that the country should afford opportunities for the profitable employment of the capital borrowed; and 2d, that there should be capital to loan.

This capital consists of value accumulated in the country by labor, or accumulated by labor elsewhere and brought thither.

This value should be easily transferable, and universally receivable. It should also retain permanently the worth assigned to it when loaned, that the borrower might (if possible) return to the lender the identical value loaned.

The metallic coins fulfil all these conditions, and they constitute the transferable capital actually accumulated by labor.

Any fluctuation in the value of this transferable capital, will occasion embarrassment and loss—as the borrowers will, in the one case, have to repay more, and the lenders in the other case, to receive less, than in right bound to do.

A country possessing a metallic currency, will not be liable to any extrinsic fluctuations, except such as may arise from material changes in the relative prices of the mass of its staple products, compared with those of the countries with which it is connected by commerce; and these fluctuations will be slower and slighter as the metallic currency is greater in amount, the staple products more numerous, various, and valuable, and foreign and domestic commerce more rapid and extensive.

The sum of the *accidental* and *personal* capitals of individuals to the transferable capital or currency, coming in contact with every species of property, diffuses among the whole an impulse upon every part, and diminishing it as it spreads it into an average effect upon all. This currency, or transferable capital should perform two important offices:

1st. Serving as the means of estimating and exchanging all other values.

2d. As the medium for correcting and preventing the fluctuations arising from sudden changes of relative value.

It is evident that the agent for performing these offices must be in itself uniform, permanent, and sufficiently plentiful and widely diffused to reach every kind of property.

If such a currency exist, and co-existent, a credit system, resting on a well ascertained basis of "accidental," and especially "personal" capital *public confidence* cannot be destroyed, unless some great national calamity annihilates existing capital. Even if, in a particular district, such causeless distrust should exist, the metallic currency, unaffected itself, would furnish the means of checking it at once—perhaps in some instances at slight sacrifices by individual debtors. The credit system in itself, is, as I have already said, a great good, when resting upon the basis of accidental and particularly personal capital, and supported by a uniform and permanent currency.

In this country we have every element that I have mentioned; we have personal capital in a higher degree than any other country, and are only deficient in a permanent and uniform currency.

Our Banks have *coined credit* into transferable capital. An adventurous and beardless nephew of a Bank Director, with no "personal capital," obtains a loan of "Bank credit," in the shape of notes, "of promise to pay," and gives them *his own note* instead.

The farmer who sells his corn and pork to this youngster, and receives these "Bank credits" in exchange, little thinks that the eventual means for redeeming these notes, are really the note of the young man placed in the Bank—a note for which the farmer would not give him an armful of husks. But all this would be corrected by clear-sighted self-interest, if the means of doing it were supplied. It is not so much the excess of credits, as it is the want of the metallic basis, which would limit while it supported it.

It is worse than nonsense to talk of diminishing credits. They will always, in an enterprising country like this, be kept to the highest point to which the borrowers can carry it. Create a bank in every village, and you will find persons eager to borrow every cent, and with personal capital as security. But these banks, limited in the *real value* at their disposal, are *unlimited* in the fictitious values, the bank notes—their own credits—far beyond the proper ratio to their means—these they can issue to any extent that a gambling calculation of chances may permit. Here is the evil; and its consequences are obvious and disastrous.

The first effect is to drive away their rival, metallic currency, and evidences of credit receivable *elsewhere*. These are taken away, because they will pass abroad. The bank notes will pass *only* at home, and therefore they will stay at home. A paper currency is immediately created as unstable as the varying opinions of men. A bank which will throw into circulation a large quantity of these bills, and from the public confidence in its notes, or other causes, can maintain them in circulation, has the control of the currency, and necessarily, in a degree, of the commerce of the country.

This the United States Bank has done, and has made most wicked use of the power. It is what the State Banks did from a fancied necessity, during the war, and for eagerness of gain at a later period. But the remedy is not to diminish the number of Banks. Those remaining will issue more to supply the vacuum left by their notes.

Let the Banks be as numerous as the leaves on the trees—if they are called for—they are useful agents—especially our State Banks—between the capitalists and the honest and industrious men whose only wealth is their "personal capital."

No, the remedy must reach the *currency itself*, and not the credits founded on it.

Make the currency good and the credits will be good. As I have said already, the only permanent benefit is to be obtained by increasing the quantity of coin in proportion to the quantity of paper. I will not now weary you with an analytical attempt to ascertain the exact proportion that should exist between them. All that it is now necessary to understand, is, that our currency is composed of too much paper and too little coin.

We must change the proportion. There is no fear that we shall have too much coin or too little paper. Every change will make the currency more stable, will dimish the evil influence of the Banks, while it increases their salutary agency, and will preserve our farmers, mechanics, and merchants, from the periodical losses which they have heretofore suffered.

How, Mr. Speaker, is this object to be accomplished?

Commerce comprises two divisions.

1st. Local commerce.

2d. General commerce.

It is necessary that the currency should, by the division of its value, be adapted to both of these.

Local commerce comprises all traffic which does not require the *transportation to a distance* of either of the values exchanged. All ordinary purchases and sales which are occurring every moment in every part of the Union, incalculable in number and in amount, come under this head—including all the ordinary transactions of the farmer, the mechanic, the lawyer, the doctor, indeed of every citizen except the merchant.

These constitute at least three-fourths of the entire commerce of the country. As no transportation of the money is necessary, the metallic coins would answer, even though the amounts were larger than they ordinarily are. Gold pieces of \$20, \$10, and \$5, and silver dollars, and halves, with quarters, tenths, twentieths, (5 cent pieces,) and cents, for change, would answer every purpose. The proposition is too plain for doubt. I proceed to the second branch: general commerce. In which one or all of the values exchanged is transported to a distance.

I will first remark, as a general principle, that when any article of value is transported from the place of production, to the place of transportation, a corresponding value is returned from the place of consumption to the place of original production. When applied to local commerce, this merely means that for every article which is bought, is, in general, paid for.

To take an example. The western merchants buy, on credit, goods in New York, sell them for produce in the west, ship this to New York to pay for their goods.

This is the simplest possible case, and one which does not very often occur. Our own farmers are frequently their own merchants—take their produce to New Orleans, sell it for money, purchase groceries with a part, return with the rest, and pay cash to the merchant for his dry goods. This cash the merchant must now transmit to New York, to pay for his goods. It would be as tedious as it is unnecessary, to trace out this principle in the infinite and complicated varieties of its application.

It is evident that, as the products of one country cannot, in most instances, be exchanged directly for those of another, that the returning or paying value must be currency, or transferable capital.

If there were no currency but metallic coins, a large portion of the coins of one place would be travelling to another, at the same instant that a like portion of the coin of the second place was travelling to the first place. For instance: New Orleans sends groceries to Cincinnati, and Cincinnati sends produce to New Orleans. Supposing no currency but coins, the money to pay for the groceries would be on its way from Cincinnati to New Orleans at the same time that the money to pay for the produce would be on its way from New Orleans to Cincinnati.

The inconvenience and expense of transporting the coin, although small in the instance mentioned, would be, in most cases, an oppressive tax upon the People. This would not be the only evil; the coin, while on its way, would be a dead loss of commercial capital, and its removal from local commerce would be deeply felt. The withdrawals and sudden arrivals of considerable amounts of specie, would occasion injurious fluctuations, which, though small in degree, and limited in extent, in each instance, would be deeply injurious in the aggregate.

I will not follow the inquiry further. It is evident that metallic currency is as unfit for general commerce as it is necessary for local commerce. The question at once arises, what is the proper currency? It must be transferable, and such as, when used, will not withdraw any portion of productive capital from the community.

The interchange of commodities, effected by commerce, suggests at once the means.

He who owes the New Orleans merchant for his groceries, applies to the pork merchant, to whom the commission merchant at New Orleans is indebted for his produce, and pays him in money for an order on the commission merchant. This is sent to the grocer, who, on application to the commission merchant, obtains the money. The same is done in New Orleans, and the debts, all round, are discharged without sending a dollar out of either neighborhood.

But, as those who owe debts in distant places cannot easily find the persons who have debts owing to them in the same places, an agency is necessary to do this business. As a matter of course, it falls into the hands of banks or bankers.

Those who owe debts abroad, pay the amount in money to the nearest bank, and receive, instead, an order or bill of exchange on the bank near which the debt is to be paid. Meanwhile, those abroad who owe debts in this country, have in like manner purchased bills of exchange of their own banks on Banks in this country, and forwarded them to their creditors here.

All the debts are thus paid without the transportation of a dollar; the bank receiving a small premium on each bill, as a compensation for its services.

As the debts mutually owed do not exactly balance each other at any point of time, the banks find it expedient to extend their business on the more capital, and to ensure greater confidence by becoming responsible for the punctual payment of their bills of exchange.

This is the system of exchange now in operation. A more admirable or important one cannot be found in the whole frame-work of society. It is to commerce what printing is to knowledge.

It was by deranging this, that the United States Bank produced embarrassment among the merchants, far more than by the direct operation of diminishing its discounts. Had it merely ceased to issue domestic bills of exchange, the State Banks would have supplied the void. But its operations were artfully directed to prevent, or at least delay the application of this remedy. The attempt has failed, and its effect has passed, or at least only remains in memory, that justice may be done to those who advised and aided it.

From what has been said, it is evident that there must be, at least, enough paper money, or bills of exchange, for general commerce. There are branches of general commerce for which paper money, in the form of ordinary bank bills, of a higher denomination, would suffice, and probably another increase of notes, for larger amounts, might be made without risk, to be used in the largest payments of local commerce. But every such increase takes the place of the corresponding quantity of metallic coins, and by so much diminishes the stability of the currency, and when carried farther, converts it into a power fluctuating at every impulse, and ruinous in every fluctuation.

If, then, any paper money is issued, beside bona fide bills of exchange, the notes must be for such amounts that they will not come immediately in competition with the metallic coins.

Withdraw all bank notes, under five dollars, and silver dollars and halves will rapidly fill their place.

Withdraw all notes, under ten dollars, and the same effect will be produced in a higher degree.

The excellent proposition of the Committee on Coins, will, if passed into a law, greatly aid this operation, by causing gold to circulate with silver, and thus enabling us to diminish the quantity of bank notes more than we could otherwise do.

By carrying it still farther, and withdrawing all bank notes under twenty dollars, gold and silver pieces would soon fill their places.

We need not fear going too far—the danger is in doing too little—not too much. We see the limit fixed by the wants of general commerce, far ahead of us. It is impossible for us to reach it. Even if any apprehensions were entertained of our doing too much, the gradual manner in which the change is to be effected, will remove them. In its progress we shall have full opportunity for examination and experience, which will, if impartially acted upon, urge us forward to its completion.

I will not lengthen out a speech already too long by an investigation of the proportion which *should* exist between the paper money and the metallic coin, and the proportion which should probably exist under the system proposed.

It may be remarked generally, that the paper money would be in far greater proportion to the business done by it, to wit—general commerce—than the metallic coins to the business performed by it, to wit—the local commerce.

The metallic coins, great in number and small in their several amounts, change hands rapidly and incessantly, making by each change an item of local commerce. While the notes and bills of exchange, few in number, and large in amount, change hands far less frequently, requiring in many instances considerable time to perform a single act of general commerce.

This will account for the disproportion at present existing between them, which is apparently contradictory of the principles I have stated.

Many of the errors in opinion upon this subject would in like manner be explained away or converted into confirmations. I wish much that I had time to examine some of the most common, by bringing them to the test of the principles which I have laid down.

These errors have arisen almost entirely from the want of a clear understanding of the differences between local and general commerce, and the currency required for each.

The merchant engaged in general commerce sees plainly that coins will not do his business, and therefore thinks a metallic currency, the dream of a visionary.

Financiers and writers upon the subject, deceived by the apparently large amounts of the business of general commerce, and not noting the infinite rills which constitute local commerce, have strengthened the erroneous opinions by ingenious arguments.

I am not aware that the distinction has ever before been clearly taken. I hope that the novelty will not prevent the truth from being acknowledged and acted upon.

It is true that the effect will be to diminish the circulation and the corresponding profits of the banks, but a thousand fold indemnification will be found in the perfect currency which would ensure to personal worth its due credit, and to honest industry its proper reward.

I need not say that I consider the United States Bank and the removal of the deposites, subordinate to this great question. Thoroughly convinced as I am of its necessity and importance to the nation, I cannot regard without deep regret the obstacles which party politics may present to the passage of a bill essential to the interests of our common constituents.

Strong indeed must be the prejudices, and bitter the party feeling which will prevent a western man from supporting it. Those who come from the cities, who have been associated with the stockholders and stock brokers, for them there may be some excuse, however weak and insufficient. But we of the west, who are not saddled with such a moneyed power, nor yet cursed with the system in all its complicated and injurious excess—we, whose constituents are industrious farmers and mechanics, whose prosperity depends upon a stable currency—how we can oppose the measure, passes my knowledge.

If the Bank party dislike the financial system of the Government as now existing, they should vote for this bill to place it on a better footing.

I agree with them, that it is inexpedient to leave the temporary arrangement made by the Treasury as it is. Highly as I esteem the ability and integrity of the Secretary of the Treasury, and the pure patriotism and enlightened judgment of the President, I would not wish the State Banks to remain connected with the Government as they now are, unless an imperious necessity required it.

For once let us thrust aside party barristers, and move on calmly and impartially in the discussion and adoption of this measure.

If the distressed gentlemen are really desirous of applying a corrective to our fluctuating currency; if they will cease awhile from panic speeches, and panic letters, and turn seriously to the business of legislation, an opportunity is now afforded of applying that correction. Grant that the mode of applying it be not the one they would prefer—yet they should lend their aid in rendering it as effectual as possible. I do not myself believe that the system proposed in the bill, will effect the purpose as easily and as rapidly as a properly constituted United States Bank would do. But for two years we cannot bring into operation a new Bank, even if we were all agreed as to the restrictions required by the constitution. The measure proposed is the only one which is practicable. It has been shown to answer the purposes of the Government—it cannot operate injuriously until the United States Bank notes are withdrawn from circulation—and by that time, if we join heartily in applying the corrective provided by the bill, it will be out of the power of any, or all the Banks, to seriously effect our currency. Meanwhile it leaves us perfectly free to modify or abolish it, as experience may direct. A decent respect for our constituents should of itself induce us to support this measure, that we may learn the opinions to which the events of the last six months have given rise, instead of forestalling their influence by binding them down to an institution, which they may utterly reject.

But the hope of their acquiescence is, perhaps, visionary. It is the necessary consequence of high excitement, that men, acting in mass, are, by their own momentum, forced farther than any one individual would have gone. Party animosity grows into a habit; and those who are tainted with it read, speak, and think, of but one side. It is far more probable, that they will do as some of them have done before. The same influences were brought to bear when the last United States Bank approached the expiration of its charter. A quotation from a speech of the same distinguished gentleman from whom I have already quoted, will show an identity as remarkable as it is reprehensible.

Extract from Mr. Clay's speech on the bill to renew the bank charter of 1791, made in Congress, February 15, 1811.—*History of Bank, p. 354.*

"I shall not stop to examine how far a Representative is bound by the instructions of his constituents. That is a question between the giver and receiver of the instructions. But I must be permitted to express my surprise at the pointed difference which has been made between the opinions and instructions of *State Legislatures*, and the opinions and details of the deputations with which we have been surrounded from Philadelphia. Whilst the resolutions of these Legislatures—known, legitimate, constitutional, and deliberate bodies—have been thrown in the back ground, and their interference regarded as officious, these delegations from self-created societies, composed of whom nobody knows, have been received by the committee with the utmost complaisance. Their communications have been treasured up with the greatest diligence. Never did the Delphic priests collect with more holy care the frantic expressions of the agitated Pythia, or expound them with more solemnity to the astonished Grecians, than has the committee gathered the opinions and testimony of these deputies, and through the gentleman from Massachusetts *pompously* detailed them to the senate! Philadelphia has her immediate Representatives, capable of expressing her wishes upon the floor of the other House. If it be improper for *States* to obtrude upon Congress their sentiments, it is much more highly so for *the unauthorized deputies of fortuitous congregations*."

I leave to others the application of the quotation. Prophecies of ruin were then made and the prophets worked anxiously for their fulfilment. The same who prophecied that the election of Jefferson, the repeal of the sedition law, the war, nay, our vany victories, would ruin us. Happy country, that could thus be ruined! Although the gentleman from whom I have quoted, no longer advocates the principles for which he then contended, notwithstanding this and other changes read to us the humiliating lesson, that while events sweep onward in one unvarying chain of cause and consequence, the men who patriotically and ably struggled against them at one time, become their pliant tools at another. Yet enough of those who were then foremost in the democratic cause, still remain among us, to aid us with their counsel and experience.

A speech made against the recharter of the U. States Bank in 1811, by my honorable friend from Kentucky (Col. Johnson) then, as now, a distinguished member of this House, furnishes an explanation of the present and a guide to the future. This contest is to him but a repetition of the battles of his youth, and will but increase the many obligations which this country gratefully acknowledge to be due to him.

"The influence of this Bank is palpable and notorious. We have the evidence from the long roll of petitions now imploring Congress to renew the charter. If, in twenty years this Bank is to be the idol of some and the alarm of others—if the solvency of so many individuals depend on it—if ruin and devastation will in the event of its dissolution spread wide in the country—then, sir, it will only require twenty years more to make it stronger than the government. To induce us to vote for this institution we have been persuaded, flattered, alarmed, petitioned and threatened, and we have been amused with the rise and history of the banking system."

How truly this presents the present power of the Bank, and the succeeding paragraph may apply now to the entire West as it then applied to Kentucky:

Again: "My colleague, (Mr. McKee) whose opinions I had been in the habit of considering as my own, until this unfortunate question which divides us, has stated, that in his opinion the dissolution of this institution would be felt by the citizens of the western country, and that our surplus hemp would not command as good a price. I differ in opinion from my colleague, if he supposes the western country will feel any great pressure from the dissolution of this bank. I grant the people of Kentucky may not be entirely exempt from some inconveniences common on such an event. But our produce will fall from other very different causes. Interruptions in commerce—stagnation in trade—bankruptcies throughout the commercial part of the United States, arising from bankruptcies in England, which have occasioned the return of many bills from England protested. These are the causes which produce distress, and will continue to produce it, until we are a people less dependent on foreign commerce. But believing as I do on this subject—viewing the effects of this great political moneyed institution with abhorrence I would not vote for it, let the temporary distress be what it may. I would rather see the present crop of hemp brought to one deposite which would make a bulk larger than this capitol, and consumed with a lighted torch, and ascend to the Heavens in smoke as a sacrifice, than vote for the passage of this law; and sir, the people I represent would justify my vote. They would bear the loss without a murmur—they would act the part of freemen worthy of freedom—they would magnanimously bear the calamity without complaint, if their patriotism required the sacrifice. They are a most worthy people—a virtuous people—an enlightened people—a glorious people—descendants of this great American family, inheriting that spirit of independence which equally sustained our cause under defeat and victory, upon all the battle grounds of our revolution. I will not be alarmed out of my vote by clamor, no matter from what quarter it may assail me. I never will be driven from my duty by alarms and fears. I will stand firm to the cause I conceive to be just, and the People will support me; they despise wavering and temporizing. If you continue this charter twenty years more, you can never put it down." See p. 233.

"No sir; instead of having petitions which would reach from the speaker to the seats of the members, you would have them packed upon your tables until they would intercept my view in addressing you. Yes, sir, they would rise up higher, and implore that Goddess of Liberty who presides over the deliberations of this House. We are told that this Bank is necessary to the collection, safe-keeping, and the transmission of the revenue to different parts of the United States. It is stated that the State Banks are strangers to us, and cannot be trusted with the deposite of public money. I am sorry to hear such a sentiment. It has originated from a panic, an alarm, an ideal danger. That great and good man, the Secretary of the Treasury, has told you otherwise by his report now before me, of date 12th January, in which it appears that of about 2,400,000 dollars, upwards of 800,000 dollars are deposited in the State Banks—75,000 dollars of which are deposited in the State Bank of Kentucky, and I should be sorry if it was not as safe there as in the hands of the U. States Bank, in the possession of foreigners. If State Banks will not do let the United States build vaults for the safe keeping of the revenue.

"But, sir, the alarming consequences which must arise from a dissolution of this corporation. It will deprive us of a circulating medium; it will interrupt commerce and produce bankruptcies: It is to produce the distress of farmers and the ruin of merchants; it is to prevent emigration, and it is to strike the foundations of the Government. This picture gives me no alarm. It is the picture of a wild and distempered imagination. If serious injury will be felt by many in the power of this moneyed ar-

(*Concluded on second Page.*)