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"PRINCIPLES AND MEASURES, AND MEN BY THEIR PRINCIPLES."

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SPEECH OF MR. GRUNDY,
OF TENNESSEE.

In Senate, March 4 and 5, 1840—In favor of the report of the Select Committee, against the assumption, by the General Government, of the States' debts, contracted for local internal improvements, and other State purposes.

MR. PRESIDENT: The duty which lies before me is laborious, but, in my judgment, it is not difficult. So soon as I discovered the manner in which the report was treated by Senators on the other side when it was first presented, I resolved in my own mind that I would take some suitable occasion to answer all the arguments which should be urged against it. By pursuing this course, I am aware that much which I may say will be a dull, cold repetition of what has been better said by others; but the Senate will bear with me. I owe a duty to my country, to the committee whose honored organ I was, and to myself. My present purpose is to discharge all the obligations and duties which rest upon me *most faithfully*. This I will endeavor to do in a manner and in a temper becoming a Senator, who is not unmindful of what is due to that enlightened and elevated body of which he is a member. It is not, however, my intention to reargue in a regular way the subjects introduced and discussed in the report. That document is now before the people of the United States, and whatever may be said for or against it here, will not materially affect the estimate which the public have already placed, or will hereafter place upon it. Whenever the people read a public document upon an interesting subject, they can and will form opinions for themselves, and those opinions they will carry out by their acts. Without intending it, our political opponents have secured for the report a very general perusal. Their opposition to its being printed, their effort to suppress it, and prevent its circulation, have excited public curiosity, and produced a desire to see it; and I doubt not that it will now be read by hundreds and thousands, whose attention might never have been turned to it, had it been treated in the ordinary way.

Mr. President, I have seen, as you know, much of public life. At times, circumstances have made me a more prominent actor in political scenes than I could have wished. I have been, and my sentiments have been, too often denounced for denunciation to carry any alarm or terror to me. The denunciation of my friends I should fear; but whenever I cease to receive the disapprobation and denunciations of my political enemies, I shall begin to doubt whether I have not lost my efficiency, and whether the best service I could render to my country, would not be my retirement to private life. Political opponents condemn and censure those who are most in their way, and interpose the most formidable obstacles to the attainment of their favorite objects. Therefore, in general, it is a safe rule to say that men and things most condemned by them, are best deserving the approbation of the public who are opposed to their views and schemes. I did not come into this honorable body, nor was I sent here, for the purpose of conciliating the favorable opinion of the Opposition. On the contrary, those who bestowed on me the high honor of a seat in this body, intended and expected that I would firmly pursue the same course which I had hitherto taken; that I would support the same principles I had heretofore uniformly maintained. Nor shall they be disappointed. Let denunciations come as they may, I shall not deviate in my principles or my course. I recollect that, in the other end of the Capitol, more than a quarter of a century ago, when our country was bleeding at every pore; when our armies were suffering for supplies which we had no money to purchase; when our ranks could not be filled because men of influence used all their power to prevent loans to the Government, and the enlistment of soldiers, I in public debate advanced the sentiment, that American citizens who thus acted and used their influence to prevent loans or enlistments, were guilty of *moral treason*. Then, sir, you remember how this sentiment was denounced in Congress, and by the whole Federal press. Nay, I did not even escape animadversion from the sacred desk. I then believed I was right; and I maintained my opinion with what little ability I possessed. And now how is it?—Does any one now doubt the correctness of what I then said? If any one does so, he will scarcely venture at this day to avow a contrary sentiment. So I verily believe it will be with this report. The great principles it discusses will stand the test of the strictest examination; and even now, gentlemen who condemned the first and greater portion of it, will not controvert the soundness of its principles. If they disapprove it, why do they not do this; why do they not candidly and manfully discuss its principles? Instead of so doing, they pronounce it unnecessary—to be uncalled for, and calculated to produce no good They seem afraid to meet the questions involved upon their merits. Every sort of evasion is resorted to. They demur; they plead in abatement; they resort to all the devices which skilful pleaders employ to get rid of a trial upon the merits of their cause. Such a trial is what they dread, and dare not meet. Pursuing this course of opposition, they assert that no such proposal as the assumption by the General Government of the debts of the States has been made here or elsewhere. We, on this side of the House, believe that such a proposition has not only been made, but made in the most formidable and imposing shape. This I will now proceed to prove. For this purpose, I shall use the extracts from the public papers which were read by my honorable friend from Alabama, [Mr. CLAY.] a few days since, when he addressed the Senate upon this subject.—The New York Herald and the Courier and Enquirer are known to be papers of high Whig authority; they are situated in the great commercial emporium of the country, in the city where Wall street is, and where the agents of the British capitalists and the principal brokers of this country reside, & where more of these State bonds have been bought and sold than in all the rest of the Union.—If these papers have advocated the assumption of the State debts by the General Government, it may fairly be inferred that a very serious intention exists to carry this scheme into effect. The New York Herald, in November last, introduced this subject into its columns, and used the following language:—"This plan is so far matured by the leaders of the whig party, as to be officially promulgated in the Courier and Enquirer of yesterday morning. The following extract conveys, *in petto*, the skeleton of the scheme." Here is the declaration of a leading Whig paper, published in the city of New York, announcing the fact that the "plan is so far matured by the leaders of the whig party as to be officially promulgated by the Courier and Enquirer." Has this annunciation ever been denied in the city of New York by any other whig paper? Never, that I have learned. It is declared not only to be a whig measure, but to have been matured by the leaders of that party. Now for the "plan" which the Herald says was "matured by the leaders of the whig party." This is given in the Courier and Enquirer:

"Let the Government of the United States—which means the people's immediate Representatives in both Houses of Congress—create three hundred millions of stock, bearing an interest of four per cent. per annum, and let this be apportioned among the States on the principle of Mr. Clay's land bill, that is, *pro rata*, according to the number of their Senators and Representatives in Congress; and let the proceeds of the sales of the public lands be set aside and sacredly pledged as a sinking fund for the redemption of this stock. Let the Secretary of the Treasury, or some other suitable person, be appointed to exchange so much of this stock as may be the portion of any State for the stock of such State now issued, and after a certain period—say six months—pay over the balance to the respective States. Most probably the holders of some State stocks would not be willing to make such exchanges, and, if so, the State would receive its entire portion; and from the interest annually received on the U. States stock, and sales of it from time to time, as their necessities required, be in a situation to progress at once with all its public works, whether commenced or only in embryo—United States stock would then immediately fill the space at present occupied by about two hundred millions of State stock: the remaining one hundred millions would be deposited in the State treasuries, and would only be offered for sale as their public works or other necessities required, and which the capitalists of Europe and America would gladly purchase at a premium."

This is the scheme; this is the plan which the Herald says was matured by the "leaders of the Whig party!" and the editor puts down the State debts at about two hundred millions of dollars, and yet the committee has been rebuked, severely rebuked, for saying that they were estimated at about that sum, I wish the Senate to notice the nature of this proposition. It is not to divide the proceeds of the public lands among the States, but it is to create a national debt; to make United States stock to the amount of three millions of dollars, which is to be exchanged for the State stocks, and the proceeds of the sales of the public lands are to be set aside and sacredly pledged as a sinking fund for the redemption of this stock. This proposition would not only embrace the revenue arising from the whole public lands; but, in case of a deficiency, it would have to be made up from other sources. Listen, further, to the language of the Herald; it says:

"In illustration of this great scheme, the Courier goes at length into its popularity, economy, and means of escape from direct taxation, which the several States must submit to if the present system continue. With every view taken on these points, we cordially concur. It is the only efficient system for the financial troubles of the age. A new National Bank is as frail as a fair one of the third tier. We have seen the *coup de grace* given to the rotten fair one in Philadelphia. Free banks are equally worthless and numerous. Safety fund can hardly cover their nakedness. There is no plan, no scheme, nothing short of a miracle from Heaven, can save the great credit system, except it be the plan now proposed."

Nor have these views been confined to the city of New York. The Cincinnati Gazette, the ables whig paper in Ohio, has taken and sustained the same ground. Am I not safe, then, in affirming that the leading organs of the whig party, or at least many of them, have made the proposition spoken of in the report of the committee, and strongly urged upon the public mind the propriety of its adoption? But I stop not here. The bankers of England, Baring, Brothers and Co., who have traded more in these State stocks, and perhaps, own more of them than all other individuals put together, in their circular, issued last fall, distinctly make the proposition, and declare:

"But if the old scheme of internal improvements in the Union is to be carried into effect on the scale, and with the rapidity lately projected, and by the means of foreign capital, a more comprehensive guarantee than that of individual States will be required, to raise so large an amount in a short time.

"A national would undoubtedly collect capital together from all parts of Europe; but the forced sales of loans, made separately by all the individual States in reckless competition through a number of channels, render the terms more and more onerous for all, lower the reputation of American credit, and (as reliance is almost exclusively placed upon the London market) produce temporary mischief here, by absorbing the floating capital, diverting money from regular business, deranging banking operations, and producing an unnatural balance of trade against this country.

"It would seem, therefore, as if most of the States must either pause in the execution of their works of improvement, or some general system of combination must be adodted."

From this extract it is evident that an assumption of the State debts, or a guarantee of their payment, was not only proposed, but anxiously desired, by these vast traders in American stocks. In addition to all this, a member of the other House from my own State, [Mr. Gentry,] gave notice that he would introduce a bill to assume certain State debts, and appropriate the public lands for the purpose. That bill has not been introduced, and after what has passed in this body, it may not be; but it is evident, from the title of the bill, that an assumption was contemplated though to what extent I do not know; and unless the bill be introduced, I probably never shall. The Senotor from Kentucky, [Mr. Clay,] who, I regret has been detained from his seat longer than I had expected, has said that he had seen no evidence of a design to offer such a proposition as an assumption of the State debts. All the answer I can make to this, is, that it seems to me he has not looked into this subject with his usual diligence and accuracy, and the evidence must have escaped his notice; for, to my mind, it is ample and conclusive. He says that he is against an assumption. No one will doubt this after the declaration he has made; but how far short of this is the measure he proposes? He will not assume; but does he not contend for a distribution of the revenue arising from the public lands among the States, to be applied by them to any purpose whatsoever? Now this, I admit, is not an assumption, nor the creation of a national debt; but it is furnishing the means of payment, so far as they may go, to the States. It is not an assumption of the States debts, but an actual payment of them, to the extent of the proceeds of the public lands. The same honorable Senator has remarked, that I am wrong in attempting to give warning to the public from this place upon this subject. If, sir, I err in this, this body sins every day in the same way. Why do we order extra numbers of reports and other documents to be printed? Why do the mail coaches daily groan under the weight of speeches delivered in this honorable body? I have always understood that these things were done and intended for the purpose of diffusing information among the people, and enlightening the public mind. Scarcely a day passes but we hear it declared on this floor that no expectation is entertained by the speaker of influencing the votes of Senators; but the public may be affected by what he is about to say; and he proceeds to deliver his sentiments. I think this remark of the honorable Senator has no force whatever in it.

We are asked emphatically, what right have we to notice the proceedings of the Legislature of the States? My answer is, that the right to speak of their proceedings exists at all times; it should be exercised rarely, only upon great and important occasions. In this instance, as little has been said in the report as possible, consistently with the duty which has been assigned to the committee.—But I entertain views upon the subject differing radically from those which have been expressed by some gentlemen. I do not consider the State Legislatures in any degree superior to the Congress of the United States.—We are co-agents for the same people in the respective States. The State Legislatures are supreme in all things not prohibited by their State Constitutions, and which have not been delegated to this Government; and this Government is supreme in all matters confided to it by the Constitution of the United States, but it must be recollected, that both are acting for the same people, and are the guardians of their interests. Hence the propriety, that the Governments, State and National, and their members, should give warnings to the people whenever a great sacrifice of their interests shall be attempted by either. In conformity with this view, the Governors of States, in their messages to their Legislatures, and the Legislatures themselves, upon occasions which they judge proper, are in the constant habit of treating of, and expressing their opinions upon, subjects which are intrusted by the Constitution to Federal legislation and action I think this is all proper, nor do I even take exception to the proceedings of the Legislature of New Jersey, however much I may differ from them in opinion, in denouncing and condemning the proceedings of the other House of Congress in organizing itself without admitting either of the party claimants to their seats; and in calling upon the Legislatures of other States to unite in this condemnation In my opinion the right to speak and remonstrate exists, although I should not concur in the propriety of exercising it but upon important and interesting occasions.

I wish gentlemen would assign some reason why this right is not reciprocal. I believe it to be so, and, therefore, whenever a case occurs, which, in my judgment, demands it, I shall not hesitate to speak out and give warning to my countrymen of impending danger, let that danger arise from what quarter it may.

The Senator from Indiana [Mr. Smith] insists that all proceedings, or expressions of opinion, upon subjects not immediately connected with legislation, are wrong; that the Virginia and Kentucky resolutions, passed upon the subject of the alien and sedition laws, have produced much mischief growing out of the different constructions placed upon them. That honorable Senator was too young to understand the matter of which he spoke. You and I, Mr. President, both know that these, and Mr. Madison's report upon the Virginia resolutions, were the great lever which elevated Mr. Jefferson to the Presidential chair, and expelled from power the Federal party, which at that time rule and governed this country. This I have always considered a great and beneficial result, growing out of the resolutions which he condemns. If he thinks the effects produced were not advantageous to the country, then we may well differ, and shall continue to do so, because there is a rational difference of opinion between us.

The same Senator has made a practical commentary upon our right to speak of the State authorities in debate here, very different from the doctrines held by his party upon this occasion. In the course of his remarks the other day, he told us that the Governor of the State of Pennsylvania was now acting patriotically, but that there were a number of destructives in the Legislature of the State, who were determined to destroy him. Was not this speaking of high State dignitaries, of the legislative authority of a sovereign State, with a freedom not claimed, or attempted to be practised, by any friend of this report and its principles.

Having thus disposed, as I think, successfully, of these general objections to the course pursued by the committee, I shall proceed to show the correctness of the positions laid down and sustained in the report; and, with this view, I shall ask the attention of the Senate to the terms of the cession by Virginia of her public lands. Before doing so, however, I beg to advert to the language of the resolution of the old Congress, in pursuance of which this cession, and that of the other States, were made.

It was passed on the 10th of October, 1780, as follows:

Resolved, That the unappropriated lands which may be ceded or relinquished to the United States by any particular State, pursuant to the recommendation of Congress, of the 6th day of December last, shall be disposed of for the common benefit of the United States, and be settled and formed into distinct Republican States, which shall become members of the Federal Union, and have the same rights of sovereignty, freedom, and independence, as other States.

From this resolution, it is apparent that Congress asked for the cessions of the vacant and unappropriated lands, not for the purpose of benefiting the States separately, but collectively, and the cession made by Virginia on the 1st of March, 1784, clearly conveys the same idea. The language is: "That all the lands within the territory so ceded to the United States, and not reserved or appropriated to any of the before mentioned purposes, or disposed of in bounties to the officers and soldiers of the American army, shall be considered as a common fund for the use and benefit of such of the United States as have become, or shall become, members of the Confederation, or federal alliance of said States, Virginia inclusive, according to the usual respective proportions in the general charge and expenditure, and shall be faithfully and *bona fide* disposed of for that purpose, and for no other use or purpose whatsoever."

It should here be remarked, that this cession, and the deed made by Mr. Jefferson, Mr. Monroe, and others, in pursuance of it, reserve nothing, and contain no expression conveying the idea that a reversion, remainder, or limitation of uses, other than those expressed in the cession, was in the contemplation of the parties. The absolute fee was granted. It was known to the States, and to Congress, that a Federal Government then existed, which had to be supported by taxes upon the people of the States; and, also, that the expenses of the Revolutionary war had to be paid. No one at that day could have believed that the revenue arising from the ceded lands could support the Government and discharge the Revolutionary debt; and experience has proved it to be insufficient for either purpose. Therefore, it never entered into the minds of the grantors or grantee, that the revenue arising from the public lands was to be drawn from the general Treasury of the United States, and placed in the treasuries of the different States.

It is further objected to the report, that it states that the rule of contribution is changed under the present Federal Government, and yet the report alleges that the disposition now made of the proceeds of the public lands, is according to the letter and spirit of the cessions. Such, to my mind, is precisely the fact. If lands were sold under the Confederation, the proceeds were placed in the public Treasury, and drawn from it to defray the expenditures of the Confederacy—not one dollar went into the treasury of any State.—Such also is the case at present. I think it therefore clear, that both the letter and spirit of the cessions are complied with in the present mode of appropriating the revenue arising from the public lands.

The Senator from Kentucky [Mr. CLAY] takes a further exception to the report, because, in a single sentence, or point, there is a coincidence in thought, and some similarity of language between it and a report once made by himself. I see nothing in this to which exception should be taken. It only proves that in my judgment, he has thought correctly upon a single point in relation to this whole subject. But he says, although we agree on one point, we immediately separate and part again. Yes, sir, this is true. We hibitually differ on political subjects, and have done so for nearly forty years, except for a few sessions, when we were in the other House of Congress. That Senator, sir, has referred on a former occasion, to the first subject of difference between us, which was respecting the first bank that was chartered in the State of Kentucky. I was a member of the Legislature of that State at the time this corporation was established. A bill was presented with the imposing title "to incorporate an insurance company," not a word was said in it respecting a bank, there was, however, a provision in it, that the company might issue notes payable to A B, or bearer; the bill passed without opposition, and I have never heard it said by any member of that General Assembly, that he suspected the incorporation of a bank was intended. It was as the honorable Senator has stated, a fraud upon the Legislature. When I returned to the Legislature, I attempted to repeal it. The honorable Senator had then become a member, I believe, for the first time. I introduced a bill to effect my object. I relied in argument upon the fact that a fraud had been committed, and that the Legislature possessed the power to repeal it. The Senator, on the other hand, relied upon the sacredness of the charter, and the vested rights acquired under it. The repealing bill passed the House, of which we were members; it also passed the Senate; but the Governor exercised his veto power. It again passed the House of Representatives by the constitutional majority, but failed in the Senate by two or three votes. The bank went on, and I heard little more of it, having ceased to be a citizen of the State, until the year 1820, when I was sent by the Legislature of Tennessee as a commissioner to the Legislature of Kentucky, to aid in settling the disputed boundary between the two States. I then learned that a citizen of one of the Eastern States, perhaps Massachusetts, had arrived in Kentucky, and, by some means, had acquired a control over the institution, and had run off, taking the bank with him, without leaving funds to discharge its outstanding debts.—Thus began and ended the first bank in the Western States. It came into the world by fraud, and went out of it by stealth.

The same honorable Senator said, when I made the report now under discussion, I did not even stand the first fire. I have served in this body with that honorable Senator about ten years, and, according to my recollection, he has never before drawn upon the military science for any comparison, or figure of speech. This may have been owing to his dislike to "military chieftains;" but now that he has enlisted under the banner of a "military chieftain," he has added to his powers of rhetoric all the tropes and figures that can be gathered from that science. It seems to me, however, that I stood the first fire pretty well, under the circumstances. In the first place I had no suspicion of an ambuscade; I considered myself in the Senate of the United States, where nothing was practised, but fair open, manly warfare. It so happened in this case, that upon the presentation of the report, the Senator from Kentucky [Mr. Crittenden] commenced his fire upon me. I defended myself as well as I could. Then the Senator from South Carolina [Mr. Preston] opened his batteries upon me. Next in order came the Senator from New Jersey, [Mr. Southard.] Last, though not least, the distinguished Senator from Massachusetts [Mr. Webster] came into the battle. The odds against me, in point of numbers, were certainly considerable; but, having truth and justice on my side, I did not feel that inferiority, which, under different circumstances, I might have experienced. At last my gallant friend from North Carolina (Mr. Brown] came to my assistance, and so heavy a fire did he open upon the enemy, that I then felt able to maintain the contest without yielding a single inch of ground. Late in the evening, when it was almost dark, the Senator from Alabama [Mr. King] always judicious, retired us from the field, and the enemy took from us no spoils of victory. We carried with us the subject-matter of the war, and, on the following morning, we renewed the fight; and here we have been, day after day, ready at all times to do battle, and have even waited until the sick and wounded should recover and the absent return and fill up the ranks of our adversaries. Sir, I delight to contend with Senators; there is something high and noble in it. If I am worsted one day, perhaps on the next, victory may perch on my standard; and if not, then it may at some future period; and if it should never come at all, the country may sustain no detriment, nor should I experience mortification or chagrin. But, sir, there is another species of attack about which I entertain very different sentiments and feelings. There is another class of men who have assailed this report in no measured terms. I mean those letter writers who are sent to this place by distant editors. These men I consider the basest and meanest of manking; they misrepresent and falsify every thing that is done here; misrepresentation and falsehood are their vocation and livelihood, and I am told that some of them are so degraded as to write letters for both sides—that is, the same writer, in describing the same transaction, will say in a letter to a Federal paper, that "Mr. A, today, made a most splendid effort in the Senate of the United States. His eloquence was so powerful, that the whole of the Democratic Senators looked aghast, and were unable to open their mouths in opposition to his eloquent effusions," &c. So soon as he has sealed up this letter and directed it, he writes a letter to a Democratic paper, in which he announces, that "this was a proud day for the Democracy of the country. Mr. B, to-day did himself immortal honor; he literally demolished the whole Federal phalanx of the Senate," &c. &c. As to this class of individuals, Mr. President, I have but a word to say. With them I will hold no controversy, and to them I say, *Procul, O! procul este profani!* Yes, sir, the farther off the better, for we can hold no communion together.

(*To be continued.*)