and loaned them out. This was reported by the investigating committee of 1819, and made one of the charges of misconduct against the bank at that time. To counteract this tendency, the bank applied to Congress for leave to issue their bank notes on terms which would have made them *a mere local currency*. Congress refused it; but the bank is now attempting to do it herself, by refusing to take the notes received in payment of the federal revenue, and sending it back to be paid where issued. Such was the history of the branch bank *notes*, and which caused that currency to disappear from all the interior, and from the whole south and west, so soon after the bank got into operation. The attempt to keep out branch notes, or to send the notes of the mother bank to any distance, being found impractiable, there was no branch currency of any kind in circulation for a period of eight or nine years,—until the year 1827, when the branch *checks* were invented to perform the miracle which notes could not. Mr. B. would say nothing about the legality of that invention; he would now treat them as a legal issue under the charter; and in that most favorable point of view for them, he would show that these branch checks were nothing but a quack remedy—an empirical contrivance—which made things worse. By their nature, they were as strongly attracted to the northeast, as the branch notes had been; by their terms, they were still more strongly attracted; for they bore Philadelphia on their face! they were payable at the mother bank! and, of course, would naturally flow to that place for use, or payment. This was their destiny, and most punctually did they fulfil it. Never did the trade winds blow more truly,—never did the gulf stream flow more regularly—than those checks flowed to the northeast! The average of four years next ensuing, the invention of these checks, which went to the mother bank, or to the Atlantic branches, north of the Potomac, including the branch notes which flowed with them, was about nineteen millions of dollars per annum!—Mr. B. then exhibited a table to prove what he alleged, and from which it appeared that the flow of the branch paper to the northeast was as regular and uniform as an operation of nature; that each city, according to its commercial importance, received a greater, or less, proportion of this inland paper gulf stream: and that the annual variation was so slight as only to prove the regularity of the laws by which it was governed. The following is the table which he exhibited. It was one of the tabular statements obtained by the investigating committee in 1832.

Amount of Branch Bank paper received at:

1, New York,	1828,	11,938,350
	1829,	11,294,960
	1830,	9,168,370
	1831,	12,284,320
2, Philadelphia,	1828,	4,453,150
	1829,	4,106,985
	1830,	4,579,725
	1831,	5,398,800
3, Boston,	1828,	1,010,730
	1829,	1,844,170
	1830,	1,794,750
	1831,	1,816,430
4, Baltimore,	1828,	1,437,100
	1829,	1,429,360
	1830,	1,376,320
	1831,	1,588,680
	Total,	
In 1828,	18,888,330	In 1830, 16,919,160
1829,	18,666,475	1831, 21,092,230

After exhibiting this table, and taking it for complete proof of the truth of the theory which he had laid down, and that it demonstrated the impossibility of keeping up a circulation of the U. States Bank paper in the remote, and interior parts of the Union, Mr. B. went on to say that the story was yet but half told—the minister of this systematic flow of national currency to the northeast, was but half disclosed; another curtain was yet to be lifted,—another vista was yet to be opened,—and the effect of the system upon the metallic currency of the States, was to be shown to the people and the States. This view would show that as fast as the checks or notes, of any branch were taken up at the mother bank, or at the branches north of the Potomac, an account was opened against the branch from which they came. The branch was charged with the amount of the notes, or checks, taken up, and periodically served with a copy of the account, and commanded to send on SPECIE, or bills of exchange to redeem them. When redeemed, they are remitted to the branch from which they came; while on the road they were called *notes in transitu*; and when arrived they were put in circulation again at that place,—fell into the current immediately which carried them back to the north east,—there taken up again, charged to the branch, the branch required to redeem them again with specie or bills of exchange; and then returned to her, to be again put in circulation, and to undergo again, and again, and until the branch could no longer redeem them, the endless process of flowing to the north east. The result of the whole was, is, and forever will be, that the branch will have to redeem its circulation till redemption is impossible; until it has exhausted the country of its specie; and then the country in which a branch is situated, is worse off than before she had a branch, for she had neither notes nor specie left. Mr. B. said that this was too important a view of the case to be rested on argument and assertion alone; it required evidence to vanquish incredulity, and to prove it up, and that evidence was at hand. He then referred to two tables to show the amount of hard money which the mother bank, under the operation of this system, had drawn from the states in which her branches were situated. All the tables were up to the year 1831, the period to which the last investigating committee had wrought up their inquiries. One of these statements showed the amount abstracted from the whole Union; it was $40,040,622 and 20 cents; another showed the amount taken from the Southern and Western States; it was $22,523,387 and 94 cents; another showed the amount taken from the branch at New Orleans; it was $12,815,798 and ten cents. Such, said Mr. B. has seen the result of the experiment to diffuse a national paper currency over this extended Union—Twice in eighteen years it has totally failed; leaving the country exhausted of its specie, and destitute of paper. This was proof enough; but there was still another mode of proving the same thing; it was the fact of the present amount of U. S. Bank notes in circulation, Mr. B. had heard with pain the assertion made in so many memorials presented to the Senate, that there was a great scarcity of currency; that the Bank of the U. States had been obliged to contract her circulation in consequence of the removal of the deposites, and that her notes had become so scarce that none could be found; and strongly contrasting the present dearth which now prevails with the abundant plenty of these notes which reigned over a happy land before that fatal measure came to blast a state of unparalleled prosperity. The fact was, Mr. B. said that the actual circulation of the Bank is greater now than it was before the removal of the deposites; greater than it has been in any month, but one, for upwards of a year past. The discounts were diminished, he said, but the circulation was increased.

Mr. B. then exhibited a table of the actual circulation of the Bank of the U. States for the whole year 1833, and for the two past months of the present year, and stated it to be taken from the monthly statements of the Bank, as printed and laid upon the tables of members.—It was the nett circulation,—the quantity of notes and checks actually out,—excluding all that were on the road returning to the branch banks, called notes *in transitu*, and which would not be counted till again issued by the branch to which they were returned.

The following is the table:

January, 1833,	$17,666,444.
Febuary, -	18,384,050.
March, - -	18,033,205.
April, - -	18,384,075.
May, - -	18,991,200.
June, - -	19,366,555.
July, - -	18,896,565.
August, -	18,413,287.
September, -	19,128,189.
October, -	18,518,000.
November, -	18,650,912.
December, -	(not found.)
January, 1834,	19,208,385.
February, -	19,260,472.

By comparing the circulation of each month, as exhibited on this table, Mr. B. said, it would be seen that the quantity of U. S. Bank notes, now in circulation, is three quarters of a million greater than it was in October last; and a million and a half greater than it was in January, 1833. How then are we to account for this cry of no money, in which so many respectable men join? It is in the single fact of their flow to the north east! The pigeons, which lately obscured the air with their numbers, have all taken their flight to the north! But pigeons will return of themselves; whereas these bank notes will never return till they are purchased with gold and silver and brought back.—Mr. B. then alluded to a petition from a meeting in his native State, North Carolina, and in which one of his esteemed friends, Mr. CARSON, late a member of the House of Representatives, was a principal actor, and which stated the absolute disappearance of U. S. Bank notes from all that region of country. Certainly the petition was true in that statement; but equally true that it was mistake in supposing that the circulation of the Bank was diminished. The table which he had read had showed the contrary; it showed an increase, instead of a diminution, of the circulation. The only difference was that it had all left that part of the country; and that it would do for ever. If an hundred millions of U. S. Bank notes were carried to the upper parts of North Carolina, and put into circulation, it would be but a short time before the whole would have fallen into the current which sweeps the paper of that bank to the north east.—Mr. B. said there were four other classes of proof which he could bring in, but it would be a consumption of time, and a work of supererogation. He would not detail them, but state their heads: 1 One was the innumerable orders which the mother bank had forwarded to her branches to send on specie and bills of exchange to redeem their circulation,—to pour in *reinforcements* to the points to which their circulation tends; 2. Another was in the examination of Mr. Biddle, President of the Bank, by the Investigating Committee, in 1832, in which this absorbing tendency of the branch paper to flow to the northeast, was fully charged and admitted. 3. A third was in the monthly statement of the notes *in transitu*, which amount to an average of four millions and a half for the last twelve months; making fifty millions for the year; and which consist, by far the greater part, of branch notes and checks redeemed in the northeast, purchased back by the branches, and on their way back the place from which they issued; and 4. The last class of proof was in the fact that the branches North of the Potomac, being unable, or unwilling, to redeem these notes any longer actually caused them, last fall, even when taken in revenue payments to the United States, until coerced by the Secretary of the Treasury; and they will not be redeemed for individuals now, and are actually degenerating into a mere local currency.—Upon these proofs and arguments, Mr. B. rested his case; and held it to be fully established, *first*, By argument, founded in the nature of Bank circulation, over an extended territory, and, *secondly*, By proof, derived from the operation of the present Bnak of the United States, THAT NEITHER THE PRESENT BANK, NOR ANY ONE THAT THE WISDOM OF MAN CAN DEVISE, CAN EVER SUCCEED IN DIFFUSING A GENERAL PAPER CIRCULATION OVER THE STATES OF THIS UNION.

VI. Dropping every other objection to the bank,—looking at it purely and simply as a supplier of national currency,—he, Mr. B. could not consent to prolong the existence of the present bank. Certainly a profuse issue of paper at all points,—an additional circulation of even a few millions poured at the destitute points,—would make currency plenty for a little while; but for a little while only. Nothing permanent would result from such a measure. On the contrary, in one or two years, the destitution and distress, would be greater than it now is. At the same time, it is compeletely in the power of the bank at this moment, to grant relief, full, adequate, instantaneous, relief.—In making this assertion, Mr. B. meant to prove it; and to prove it, he meant to do it in a way that should reach the understanding of every candid and impartial friend that the bank possessed; for he meant to discard, and drop from the inquiry, all his own views upon the subject; to leave out of view every statement made, and every opinion entertained, by himself, and his friends; and proceed to the inquiry upon the evidence of the bank alone,—upon that evidence which flowed from the bank directory itself, and from the most zealous, and best informed, of its friends, on this floor. Mr. B. assumed that a mere cessation to curtail discounts, at this time, would be a relief;—that it would be the salvation of those who were pressed,—and put an end to the cry of distress; he averred that this curtailment must now cease, or the bank must find a new reason for carrying it on; for the old reason is exhausted, and cannot apply. Mr. B. then took two distinct views to sustain his position; one founded in the actual conduct, and present condition, of the bank itself; and the other in a comparative view of the conduct and condition of the former Bank of the United States, at the approaching period of its dissolution.

First as to the conduct, and condition of the present bank.

Mr. B. appealed to the knowledge of all present for the accuracy of his assertion, when he said that the bank had now reduced her discounts, dollar for dollar, to the amount of public deposites withdrawn. The adversaries of the bank said the reduction was much larger than the abstraction; but he dropped that, and confined himself strictly to the admissions, and declarations, of the bank itself. Taking then the fact to be, as the bank alleged it to be, that she had merely brought down her business in proportion to the capital taken from her it followed of course that there was no reason for reducing her business any lower. Her relative position—her actual strength—was the same now, that it was before the removal; and the old reason could not be available for the reduction of another dollar.—Next as to her condition. Mr. B. undertook to affirm, and would quickly prove, that the general condition of the bank, was better now, than it had been for years past; and that the bank was better able to make loans, or to increase her circulation, than she was in any of those past periods in which she was so lavishingly accommodating the public. For the proof of this, Mr. B. had recourse to her specie fund, always the true test of a bank's ability, and showed it to be greater now than it had been for two years past, when her loans and circulation were so much greater than they are now. He took the month of May, 1832, when the whole amount of specie on hand was $7,891,347 and 59 cents; when the nett amount of notes in circulation was $21,044,415; and when the total discounts were $70,428,070 and 72 cents; and then contrasted it with the condition of the Bank at this time, that is to say in the month of February last, when the last return was made; the same items stand thus: specie $10,523,385 and 63 cents; nett amount of notes in circulation, $18,260,472; total discounts, $54,841,973 and 54 cents. From this view of figures, taken from the official bank returns, which it appeared that the specie in the bank was nearly three millions greater than it was in May 1832, her nett circulation nearly two millions less, and her loans and discounts upwards of fifteen millions less, Mr. B. would submit it to all candid men to say whether the bank is not more able to accommodate the community now than she was then? at all events, he would demand if she was not now able to cease pressing them?

Secondly, as to the comparative condition, and conduct, of the first Bank of the United States at the period of its approaching dissolution.

Mr. B. took the condition of the bank from Mr. Gallatin's state nent of its affairs to Congress, made in January 1811, just three months before the charter expired; and which showed the discounts and loans of the Bank to be $14,578,294, and 25 cents, her capital being $10,000,000; so that the amount of her loans, three months before her dissolution, was nearly in proportion—near enough for all practical views,—to the proportion which the present loans of the Bank of the United States bear, to its capital of $35,000,000. Fifty per cent. upon the former would give 15 millions; fifty per cent. upon the latter would give 52 millions and a half. To make the relative condition of the two banks precisely equal, it will be sufficient that the loans and discounts of the present bank shall be reduced to 52 millions by the month of January 1836; that is to say, the bank need not make any further, sensible, reduction of its loans for nearly two years to come! Thus, the mere imitation of the conduct of the old bank, will be a relief to the community. A mere cessation to curtail, will put an end to the distress, and let the country go on, quietly and regularly, in its moneyed operations. If the Bank will not do this,—if it will go on to curtail—it is bound to give some NEW REASON to the country. The old reason, of the removal of the deposites, will no longer answer. Mr. B. had no faith in that reason from the beginning; but he was now taking the Bank upon her own evidence, and trying her upon her own reasons; and he held it to be impossible for her to go in without the production of a *new* reason. The hostility of the Government,—rather an incomprehensible, and altogether a gratuitous reason, from the beginning,—will no longer answer. The Government in 1811 was as hostile to the old Bank, as the Government now is to this one; and rather more so. Both Houses of Congress were then hostile to it, and hostile unto death! For they let it die! die on the day appointed by law for its death, without pity, without remorse, without the reprieve of one day. The Government can do no worse now. The Secretary of the Treasury has removed the deposites; and that account is settled by the reduction of an equal amount of loans and discounts. The rest depends upon the government, and the humanity of the government cannot go further than to kill the Bank, and cannot kill it more dead than the old Bank was killed in 1811. Mr. B. had a further comparison to draw between the conduct of the old Bank and the present one.—The old Bank permitted her discounts to remain at their maximum to the very end of her charter; she discounted sixty days paper up to the last day of her existence; while this Bank has commenced a furious curtailment two years and a half before the expiration of her charter. Again; the old Bank had not an hour, as a corporation, to wind up her business after the end of her charter; this Bank has the use of all her corporate faculties, for that purpose, for two years after the end of her charter. Again: the present Bank pretends that she will have to collect the whole of her debts within the period limited for winding up her affairs; the old Bank took upwards of twelve years after the expiration of her charter, to collect hers! She created a trust; she appointed trustees; all the debts and credits, were put into their hands; the trustees proceeded like any other collectors, giving time to all debtors who would secure the debt, pay interest punctually, and discharge the principal by instalments. This is what the old Bank did; and she did not close her affairs until the 16th of June, in the year 1823. The whole operation was conducted so gently, that the public knew nothing about it. The cotemporaries of the dissolution of the Bank, knew nothing about its dissolution. And this is what the present Bank may do, if it pleases. That it has not done so,—that it is now grinding the community, and threatening to grind them still harder, is a proof of the dangerous nature of a great moneyed power, and should be a warning to the people who now behold its conduct,—who feel its gripe, and fear its threat,—never to suffer the existence of such another power in our free and happy land.

VII. Mr. B. deprecated the spirit which seemed to have broken out against the State banks: it was a spirit which argured badly for the rights of the States. Those banks were created by the States; and the works of the States ought to be respected; the stock in those banks was held by American citizens, and ought not to be injuriously assailed to give value to stock held in the federal bank by foreigners, and aliens. The very mode of carrying on the warfare against State banks, has itself been an injury, and a just cause of complaint. Some of the most inconsiderable have been picked out,—their affairs presented in the most unfavorable light,—and then held forth as a fair sample of the whole. How much more easy would it have been to have acted a more grateful, and a more equitable part? a part more just to the State governments which created those banks, and the American citizens who held stock in them? Instead of hunting out for remote and inconsiderable banks, and instituting a most disparaging scrutiny into their small affairs, and making this high Senate the conspicuous theatre for the exhibition of their insignificance, why not take the higher order of the State banks? Those whose names and characters are well known; whose stock upon the exchange of London and New York, is superior to that of the United States Bank; whose individual deposites are greater than those of the rival branches of the Bank of the United States, seated in their neighborhood? whose bills of exchange are as eagerly sought for as those of the federal bank? which have reduced exchange below the rates of the federal bank; and which, in every particular that tries the credit, is superior to the one which is receiving so much homage and admiration? Mr. B. said there was a plenty of such State banks as he had described; they were to be found in every principal city, from New Orleans to Boston. Some of them had been selected for deposite banks, others not; but there was no difficulty in making a selection of an ample number.

This spirit of hostility to the State banks, Mr. B. said was of recent origin, and seemed to keep pace with the spirit of attack upon the political rights of the States. When the first federal bank was created in the year 1791, it was not even made, by its charter, a place of deposite for the public moneys. Mr. Jefferson preferred the State banks at that time, and so declared himself in his cabinet opinion to President Washington. Mr. Gallatin deposited a part of the public moneys in the State banks during the whole of the long period that he was at the head of the Treasury. At the dissolution of the first bank of the United States, he turned over all the public moneys which he held in deposite to these banks, taking their obligation to pay out all the treasury warrants drawn upon them in gold and silver, if desired by the holder. When the present bank was chartered, the State banks stood upon an equal footing with the federal bank, and were placed upon an equality with it as banks of deposite, in the very charter which created the federal bank. Mr. B. was alluding to the 14th fundamental article of the constitution of the Bank,—the article which provided for the establishment of branches,—and which presented an argument in justification of the removal of the deposites which the adversaries of that measure most pertinaciously decline to answer. The Government wanted banks of deposite, not of circulation; and by that article, the State banks are made just as much banks of deposite for the United States as the Bank of the United States is. They are put upon exact equality, so far as the federal government is concerned; for she stipulates but for one single branch of the United States Bank, and that to be placed at Washington City. As for all other branches, their establishment was made to depend, not on the will, or power, of the federal government,—not on any supposed or real necessity on her part to have the use of such branches,—but upon contingencies over which she had no control; contingencies depending, one upon the mere calculation of profit and loss by the Bank itself; the other upon the subscription of stock within a State, and the application of its Legislature. In these contingencies, namely, if the Bank of the United States thought it to her interest to establish branches in the States, she might do it; or, if 2000 shares of stock were subscribed for in a State, and thereupon an application was made by the State legislature for the institution of a branch, then its establishment within the State became obligatory upon the bank. In neither contingency had the will, the power, or the necessities of the federal government, the least weight, concern, or consideration, in the establishment of the branch. If not established, and so far as the government is concerned, it might not be, then the State Banks, selected by the United States Bank, and approved by the Secretary of the Treasury, were to be the banks of deposite for the federal moneys. This was an argument, Mr. B. said, in justification of the removal of the deposites, and in favor of the use of the State banks which gentlemen on the opposite side of the question—gentlemen who take so much pains to decry State banks,—have been careful not to answer. But it is not the only argument in favor of those banks which can be drawn from the legislation of the same Congress which chartered the federal bank. He alluded to the joint resolution of 1816, for the better collection of the federal revenue. That resolution admitted the notes of all specie paying State banks to receivability in payment of federal dues. It was a resolution of cardinal importance for the regulation of local paper currency, and, with an amendment, might be made the efficient instrument of restraining, and eventually suppressing, the small note circulation. Mr. B was of opinion that this resolution, and the effect it had had in rectifying and purifying a disordered currency, had been too much overlooked. The homage of the day had been directed to another object. The very authors of the resolution seem to have dropped it from their affections, and that for the purpose of doing honor to another object which was formerly a stranger to their affections. Mr. B. would endeavor to correct this oversight, and to supply the defect of this natural effect. He would bring forward the orphan resolution from the obscurity in which it had lain for eighteen years, and place it before the public in a proper and becoming point of view. It emanated from the same Congress which chartered the Bank of the United States, and was deemed a far more efficient remedy than that bank, for rectifying the disordered currency of the day. Its professed object was to regulate the paper currency of the State Banks, and to regulate it by the power of the federal government, through the agency of the Treasury Department. This was the object of the resolution; and the mode of accomplishing that object, was as obvious, and simple in its suggestion, as it was efficacious, and certain, in its operation. It was merely for Congress to use its authority over the collection of the revenue, and to RESOLVE THAT NONE BUT SPECIE REPAYING BANKS SHOULD HAVE THEIR NOTES RECEIVED IN PAYMENTS TO THE FEDERAL GOVERNMENT! This brief enactment drew the line between good, and bad, Banks; between current, and uncurrent paper. It sunk one, and raised the other. The resolution was passed on the 30th day of April, 1816,—just twenty days after the passage of the act to establish the present Bank of the United States;—a circumstance which strongly implies that the Congress which granted the charter to the Bank, but *this resolution*, as the true remedy for a disordered currency, and the proper regulator of the local Banks. This implication, so clearly resulting from the premises, becomes an established proposition, when it is seen, by looking deeper into the origin of the resolution, that it was not only passed after the Bank charter was granted, but that it was introduced into the House of Representatives after the passage of that charter, and that it owes its first conception to a speech delivered in opposition to that charter, in which it was wisely asserted and elaborately argued, that the Federal Government, and not a national Bank, was the true corrector and regulator of local Bank currency; and that the exclusion of all non specie paying Bank notes from payments to the Federal Government, was the true, and the only, remedy for the enormous disorders which then prevailed in the paper currency of the States. Mr. B. said, there was at that time a general suspension of specie payments among the Banks. The people were using unconvertible paper. A mass of fifty millions of such paper was supposed to be afloat; and to infuse life and heat into this mass—to act directly upon it—and to draw the line between that which was dead, and that which only slept, the joint resolution of 1816 was passed, and the power of the Federal Government brought to bear upon it. It was argued, and well argued, at the time, and by those who were entirely friendly to national Banks,* that the introduction of a new paper circulation was not the remedy for a disordered paper currency,—that the present national Bank, then under discussion, was not the remedy; that the engine for Congress to use was its own revenue system, and the interdiction, from revenue payments, of all local paper which was not precisely equivalent to gold and silver; that gold and silver was the legal currency of the United States; that the framers of the constitution were hard money men; and that it was the legitimate office of Congress to hold the State Banks to the test of specie payments; that the new Bank of the United States, independent of its connexion with the Government, would not be able to get its notes into circulation; and that the whole strength of the Government ought to be put forth to compel the payment of the duties and taxes to the Federal Government in the legal currency of the country, that is to say, in gold and silver; that in the end the revenue must be paid in this legal currency, and the sooner that was brought about the better.

Mr. B. said it was not for the purpose of raising contrasts, that he had gone so radically into the origin of this joint resolution, but to shew the opinions of the Congress which chartered this bank, and to enable him to prove the truth of these opinions as verified by the events of succeeding years. His great position was, that this bank had not reformed the disordered paper currency of 1816, but that this joint resolution had done it! This was his position! To sustain it, he should appeal to facts, not confined to books and documents inaccessible to the People; but diffused throughout the country, and existing in the knowledge of every citizen who had arrived at years of discretion in 1816, and had remained of sound mind and memory since. The facts were these: That, within eighteen months after this bank *went* into operation, it *ceased* operation as a bank of circulation; that in April, 1819, it was virtually insolvent, owing the State banks more than it could pay, and only living from day to day by their mercy; that a committee of Congress had reported its charter to be violated, in four specified cases; that resolutions were successively offered in Congress, 1. to order out a *scire facias* against the bank to vacate its charter; 2. to bring in a bill to repeal the charter without the formality of a *scire facias;* 3. to direct the removal of the depoites; 4. to forbid the notes of the bank from being received in payment of public dues. The consequence of all these events was, that the bank, in the second year of its existence, ceased to do business as a bank of cirulation; its branches were nearly all shut up; in the South and West not a note was put out; no currency, of any kind, issued from them; and this state of things continued till 1827, when the spurious checks began to be put into circulation, and which since the decision of the Supreme Court in the case of Brewster, the counterfeiter, are given up as illegal. But it is not necessary to go further into the misconduct of the bank. The position on which he, Mr. B. had taken his stand, was, that the Bank of the U. States did not reform the paper currency of 1816; the proof is, that the bank, for all the purposes of supplying a currency, was a dead institution from the second year of its existence to 1827; and the fact is, that within this period, the local currency *was* reformed, and has remained so ever since. The conclusion is inevitable, that it was the joint resolution of 1816 that did it! And who made that resolution? The People's Representatives! Their agents and servants in Congress made it; that is to say, the People themselves made it, for they make their representatives, and through their representatives act in Congress. It is the people themselves, then, who did reform the disordered currency of 1816; it is they who can now prevent it from becoming disordered; and this is the answer which ought to be given, and will be given, to every demand, to every inquiry, that supposes the Bank of the United States to be necessary to control the future currency of the State Banks. Yes, said Mr. B. with great emphasis, it was the joint resolution of 1816,—it was the power of the Government itself, acting upon the local paper currencies, through its revenue system, through its custom-houses, land offices, post offices, district attorneys, and marshal's offices and its federal courts, that reformed these currencies after the great disorders of the war; that did it while the Bank of the United States was prostrate and powerless,—while she was a pauper upon the parish of the United States, a criminal at the bar of Congress! and it was not to be endured that, that Bank should now claim the merit of a reformation which it never effected, and be held up to the people as the only true and safe regulator of local currencies in all time to come.

Standing upon the inattackable position that it was the joint resolution of 1816 which had reformed the disordered paper currency of that day,—that it was this resolution which had acted upon the mass of depreciated paper itself—that *it* had communicated heat and life into that mortified mass of the body politic,—that *it* had given health and soundness to fifty millions of unconvertible bank notes;—after seeing these wonders performed by the resolution, he must be permitted to believe that the same medicine which had worked the miracle of raising the dead, would now be able to effect the comparatively easy operation, of keeping the living, alive! of preserving the sound, whole! The State Banks were now all paying specie for their notes; there were about 500 specie paying Banks in the Union; and the credit of many of these, in the first money markets of Europe and America,—upon the exchange of New York and London,—was far superior to that of the Bank of the United States. The joint resolution of 1816, which restored them to specie payments, can hold them on to specie payments! Without alteration, or amendment that resolution can continue to perform its high and goodly function; but it can be made still better; and especially can be made the instrument, in conjuction with gold, of restraining, and eventually suppressing, the whole circulation of Bank notes under the denomination of twenty dollars. The evils of a small paper circulation, he considered among the greatest grievances that could afflict a community. The evils were innumerable, and fell almost exclusively upon those who were least able to bear them, or to guard against them. If a Bank stops payment, the holders of the small notes, who are usually the working part of the community, are the last to find it out, and the first to suffer. If counterfeiting is perpetrated, it is chiefly the small notes which are selected for imitation; because they are most current among those who know least about notes and, who are most easily made the dupes of imposition, and the victims of fraud. As the expeller of hard money, small notes were the bane, and curse, of a country. A nation is scarce, or abundant, in hard money, precisely in the degree in which it tolerates the lower denomination of Bank notes. France tolerates no note less than $100, and has a gold and silver circulation of 450 millions of dollars; England tolerates no note of less than $25, and has a gold and silver circulation of 130 millions of dollars; in the United States, where $5 is the minimum size of the federal Bank notes, the whole specie circulation including what is in the Banks, does not amount to 30 millions of dollars. To increase the quantity of hard money in the United States, and to supply the body of the People with an adequate specie currency to serve for their daily wants, and ordinary transactions, the Bank note circulation, below twenty dollars, ought to be suppressed. If Congress could pass a law to that effect, ought to be done; but she cannot pass such a law; she has no constitutional power to pass it. She can, however, do something else, which will, in time, effectually put down such a currency. She can discard it, and disparage it. She can reject it from all federal payments. She can reject the whole circulation of any Bank that will continue to issue small notes. Their rejection from all federal payments, would check their currency, and confine the orbit of their circulation to the immediate neighborhood of the issuing Bank. The Bank itself would find but little profit from issuing them.—Public sentiment would come to the aid of federal policy. The people of the States, when countenanced and sustained by the Federal government, would indulge their natural antipathy and honest detestation of a small paper currency. They would make war upon all small notes. The State legislatures would be under the controul of the People; and the States that should first have the wisdom to limit their paper circulation to a minimum of twenty dollar bills, would immediately fill up with gold and silver. The common currency would be entirely metallic; and there would be a broad and solid basis for a superstructure of large notes; while the States which continued to tolerate the small notes would be afflicted with all the evils of a most pestilential part of the paper system,—small notes, part counterfeit, part uncurrent, half worn out, and all incapable of being used with any regard to a beneficial economy. Mr. B. went on to depict the evils of a small note currency, which he looked upon as the bane and curse of the laboring part of the community, and the reproach and approbrium of any Government that tolerated it. He said that the Government which suffered its currency to fall into such a state that the farmer, the artisan, the market man, the day laborer, and the hired servant, could only be paid in small Bank notes, was a Government which abdicated one of its most sacred duties, and became an accomplice on the part of the strong in the oppression of the weak.

Mr. B. placed great reliance upon the restoration of the gold currency for putting down a small note circulation. No man would choose to carry a bundle of small Bank notes in his pocket, even new and clean ones, much less old, ragged, and filthy ones, when he could get gold in their place. A limitation upon the receivability of these notes, in payment of federal dues, would complete their suppression. It is in this point of view that the joint resolution of 1816 may be beneficially amended. There is nothing in that resolution to prevent the Secretary of the Treasury from making the limitation himself; and the object of the amendment that he proposed would be to compel a reluctant Secretary to do what he has a discretion to do, and to make it matter of law, and not of departmental discretion, to keep the power of the Government steadily bearing upon the small note circulation, until that pestiferous trash should disappear from the land. The Secretary is now to select the local Banks whose notes may be received on account of federal dues. He may give the notes a partial, or a general receivability. He is under no obligation by law, or charter, to admit the notes of any Bank to be received but those of the Bank of the U. States. All others are at his discretion. There is nothing in the present resolution of 1816 to prevent him from permitting local notes of less than five dollars to be received; and yet he has excluded all such. The only limitation upon him is as to their specie character; with respect to all the rest, it is matter of discretion. No local bank has a right, by law or charter, to have any part of its circulation received. It is matter of favor to receive any part of it; and the policy and interest of the U. States may say how far that favor may go. The Secretary may say it now; the Joint Resolution of 1816 is a *carte blanche* authority for him in that particular; but Mr. B. would prefer legal enactments to departmental discretion, even where he had every confidence in the Secretary; and, therefore, he would, at the proper time, propose that this Resolution,—to make it the instrument of restraining a small note currency, as well as of regulating local currencies—should be amended, so that, 1. After the expiration of the charter of the bank of the United States (which now has the chartered right of tendering five, and ten dollar notes to the U. States,) no note should be received on account of the Federal Government, or of the Post Office Department, of less denomination than twenty dollars; 2. nor the note of any bank which would continue to issue notes of less than five (or ten) dollars amount; 3. nor any note which should not be payable, at the place where issued, in gold and silver. These amendments, with the restoration of the gold currency,—the admission of foreign coins to circulation,—and raising them to their just value,—would put the currency of the Union on a footing of accommodation and safety, to all classes of the community; namely, gold and silver for common currency, and large bank notes for special occasions, and large operations. Mr. B. did not aspire to the felicity of seeing as fine a currency in the United States as there is in France, where there was no bank note under five hundred francs, and where there was a gold and silver circulation at the rate of eleven dollars a head for each man, woman, and child, in the kingdom, namely, three hundred and fifty millions of dollars for a population of thirty-two millions of souls; but he did aspire to the comparative happiness of seeing as good currency established for ouselves, by ourselves, as our old fellow subjects,—the people of old England,—now possess from their King, Lords, and Commons. They,—he spoke of England proper,—had no bank note less than five pounds sterling; and they possessed a specie circulation (of which three-fourths was gold) at the rate of about nine dollars a head, men, women, children, (even paupers) included; namely, about one hundred and thirty millions for a population of fourteen millions. He, Mr. B. must be allowed to aspire to the happiness of possessing, and in his sphere, to labor to acquire, as good a circulation as these English have; and that would be an immeasurable improvement upon our present condition. We have local bank notes of one, two, three, four dollars; we have federal bank notes of five and ten dollars,—the notes of those English who are using gold at home while we are using their paper here;—we have not a particle of gold, and not more silver than at the rate of about two dollars a head, men, women, and children (even slaves) included; namely, about thirty millions of silver for a population of thirteen millions.—Mr. B. believed there was not upon the face of the earth, a country whose actual currency was in a more deplorable condition than that of the United States was at present; the bitter fruit of that paper system which was brought upon us, with the establishment of the first Bank of the U. States in 1791, and which will be continued upon us until the citadel of that system,—the Bastile of paper money,—the present Bank of the U. States, shall cease to exist.

Mr. B. said, that he was not the organ of the President on this floor—he had no authority from the President to speak his sentiments to the Senate. Even if he knew them it would be unparliamentary, and irregular, to state them. There was a way for the Senate to communicate with the President, which was too well known to every gentleman to require any indication from him. But he might be permitted to suggest,—in the absence of all

*Mr. Webster.

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