great measure, expelled by banks, instituted by twenty-five distinct and independent powers, and notes issued under the authority of the direction of those institutions. They are, in point of fact, the mint of the United States.—They coin the actual money, (for such we must call bank notes,) and regulate its issue and consequently its value. If we inquire as to their number, the amount of their issue, and other circumstances calculated to show their actual condition, we shall find that, so rapid has been their increase, and so various their changes, that no accurate information can be had. According to the latest and best that I have been able to ascertain, they number at least four hundred and fifty—with a capital of not less than one hundred and forty-five millions of dollars, with an issue exceeding seventy millions; and the whole of this immense fabric standing upon a metallic currency of less than fifteen millions of dollars, of which the greater part is held by the Bank of the United States. If we compare the notes in circulation with the metallic currency in their vaults, we shall find the proportion about six to one; and if we compare the latter with the demands that may be made upon the banks, we shall find that the proportion is about one to eleven. If we examine the tendency of the system at this moment, we shall find that it is on the increase—rapidly on the increase. There is now pending a project of a ten million bank before the Legislature of New York; but recently one of five millions was established in Kentucky; within a short period one of a large capital was established in Tennessee, besides others in agitation in several of the other States. [Here Mr. Porter, of Louisiana, said that one of eleven millions had just been established in that State.]

This increase is not accidental. It may be laid down as a law, that where two currencies are permitted to circulate in any country, one of a cheap and the other of a dear material, the former necessarily tends to grow upon the latter, and will ultimately expel it from circulation, unless its tendency to increase be restrained by a powerful and efficient check. Experience tests the truth of this remark, as the history of the banking system clearly illustrates. The Senator from Massachusetts truly said that the Bank of England was derived from that of Amsterdam, as ours, in turn are from that of England. Throughout its progress the truth of what I have stated to be a law of the system is strongly evinced. The Bank of Amsterdam was merely a bank of deposite—a store-house for the safe-keeping of the bullion and precious metal brought into that commercial metropolis, through all the channels of its widely extended trade. It was placed under the custody of the city authorities; and, on the deposite, a certificate was issued as evidence of the fact, which was transferrable, so as to entitle the holder on demand to the return. An important fact was soon disclosed, that a large portion of the deposites might be withdrawn, and that the residue would be sufficient to meet the returning certificates; or, what is the amount in effect, that certificates might be made without making a deposite. This suggested the idea of a bank of discount as well as deposite. The fact thus disclosed fell too much in with the genius of the system to be lost, and, accordingly, when transplanted to England it suggested the idea of a bank of discount and of deposite; the very essence of which form of banking, that on which their profit depends, consists in issuing a greater amount of notes than it has of specie in its vaults. But the system is regularly progressing under the impulse of the laws that govern it, from its present form to a mere paper machine—a machine for fabricating and issuing notes not convertible into specie. Already has it once reached this condition both in England and in the United States, and from which it has been forced back, in both, to a redemption of its notes with great difficulty.

This natural tendency of the system is accelerated in our country by peculiar causes, which have greatly increased its progress.—There are two powerful causes in operation. The one resulting from that rivalry which must ever take place in States situated as ours are, under one general government, and having free and open commercial intercourse. The introduction of the banking system in one State necessarily, on this principle, introduces it into all the others, of which we have seen a striking illustration on the part of Virginia and some of the other southern States, which entertained, on principle, strong aversion to the system, yet they were compelled, after a long and stubborn resistance, to yield their objections, or permit their circulation to be furnished by the surrounding States at the expense of their own capital and commerce. The same cause which thus compels one State to imitate the example of another, in introducing the system from self defence, will compel other States, in like manner and from the same cause, to enlarge and give increased activity to the banking operation, whenever any one of the states sets the example of so doing on its part; and thus by mutual action and reaction, the whole system is rapidly accelerated to the final destiny which I have assigned.

This is strikingly exemplified in the rapid progress of the system since its first introduction into our country. At the adoption of our Constitutian, a period of forty-five years, there were but three banks in the United States, the amount of whose capital I do not now recollect but it was very small. In this short space they have increased to four hundred and fifty, with a capital of one hundred and forty-five millions, as has already been stated—an increase exceeding nearly an hundred fold the proportionate increase of our wealth and population, as great as they have been.

But it is not in numbers only that they have increased; there has in the same time been a rapid advance in the proportion which their notes in circulation bear to the specie in their vaults. Some twenty or thirty years ago it was not considered safe for the issues to exceed the specie by more than two and a half or three for one, but now, taking the whole, and including the Bank of the United States with the State banks, the proportion is about six to one; and excluding that bank, it would very greatly exceed that proportion. This increase of paper in proportion to metal, result from a cause which deserves more notice than it has heretofore attracted. It originates mainly in the number of the banks. I will proceed to illustrate it

The Senator from New York, (Mr. Wright, in assigning his reasons for believing the Bank of the United States to be more dangerous than those of the States said that one bank was more dangerous than many.—That, in some respects may be true; but in one, and that most important one, it is strikingly the opposite; I mean in the tendency of the system to increase. Where there is but one bank, the tendency to increase is not near so strong as where there are many, as illustrated in England, where the system has advanced much less rapidly in proportion to the wealth and population of the kingdom, than in the United States. But where there is no limitation as to their number the increase will be inevitable, so long as banking continues to be among the most certain, eligible, and profitable employment of capital as is now the case. With these inducements, there must be constant application for new banks, whenever there is the least prospect of profitable employment—banks to be founded mainly on nominal and fictitious capital, and adding but little to that already in existence; and with our just and natural aversion to monopoly, it is difficult, on principles of equality and justice, to resist such application. The admission of a new bank tends to diminish the profits of the old, and between the aversion of the old to reduce their income and the desire of the new to acquire profits, the result is an enlargement of discounts, affected by a mutual spirit of forbearance; an indisposition on the part of each to oppress the other; and finally, the creation of a community of feeling to stigmatise and oppose those, whether banks or individuals, who demand specie in payment of their notes. This community of feeling which ultimately identifies the whole, as a peculiar and distinct interest in the community, increases and becomes more and more intense just in proportion as banks multiply; as they become, if I may use the expression, too populous, and from the pressure of increasing numbers, in maintaining their existence, there results a corresponding increase of issues, in proportion to their means; which explains the present extraordinary disproportion between specie and notes, in those States where banks have been most multiplied, equal in some to sixteen to one. There results, from this state of things, some political considerations which demand the profound attention of all who value the liberty and peace of the county.

While the banking system rests on a solid foundation there will be, on their part, but little dependence on the government, and but little means by which the government can influence them, and as little disposition on the part of the banks to be connected with it; but in the progress of the system, when their number is greatly multiplied, and their issues, in proportion to their means, are correspondingly increased, the condition of the banks becomes more and more critical. Every adverse event in the commercial world, or political movement that disturbs the present state of things, agitates and endangers them. They become timid, and anxious for their safety, and necessarily court those in power, in order to secure their protection. Property is in its nature, timid, and seeks protection, and nothing is more grateful to government than to become a protector. A union is the result; and when that union takes place—when the government, in fact becomes the bank direction, regulating its favors and accommodation, the downfall of liberty is at hand. Are there not indications that we are not far removed from this state of things? Do we not behold in those events which have so deeply agitated us within the last few months, and which have interrupted all the business transactions of this community, a strong tendency to this union on the part of one department of this government, and a portion of the banking system? Has not this union been, in fact, consummated in the largest and most commercial of the States? What is the safety fund system of N. York but a union between the banks and the State, and a consummation, by law, of that community of feeling in the banking system, which I have attempted to illustrate; the object of which is to extend their discounts; and to obtain which the interior banks of that State have actually put themselves under the immediate protection of the government? The effects have been striking. Already have they become substantially mere paper machines; several having not more than from one to two cents in specie to the dollar, when compared with their circulation; and taking the aggregate, their average condition will be found to be but little better. I care not (said Mr. C.) whether the present commissioners are partisans of the present state administration or not; or whether the assertion of the Senator from New York [Mr. Wright,] that the government of the State has not interferred in the control of these institutions be correct. Whether it has taken place or not, interference is inevitable. In such state of weakness, a feeling of dependence is unavoidable, and the control of the government over the action of the banks, whenever that control shall become necessary, to subserve the ambition or the avarice of those in power is certain.

Such is the strong tendency of our banks to terminate their career in the paper system—in an open suspension of specie payment. When ever that event occurs, the progress to convulsion and revolution will be rapid. The currency will become local, and each state will have a powerful interest to depreciate its currency more rapidly than its neighbor, as the means, at the same time, of exempting itself from the taxes of the Government and drawing the commerce of the country to its ports. This was strongly exemplified after the suspension of specie payment during the late war, when the depreciation made the most rapid progress, till checked by the establishment of the present bank of the United States, and when the foreign trade of the country was as rapidly converging to the point of the greatest depreciation with a view of exemption from duties, by paying in the debased currency of the place.

What then is the disease which afflicts the system; what the remedy; and what the means of applying it? These are the questions which I shall next proceed to consider. What I have already stated points out the disease. It consists in a great and growing disproportion between the metalic and paper circulation of the country effected through the instrumentality of the banks, a disproportion daily and hourly increasing under the impulse of most powerful causes, which are rapidly accelerating the country to that state of convulsion and revolution which I have indicated. The remedy is to arrest its future progress, and to diminish the existing disproportion—to increase the metals and to diminish the paper—advancing till the currency shall be restored to a sound, safe and settled condition. On these two points all must be agreed. There is no man of any party capable of reflecting and who will take the pains to inform himself, but must agree that our currency is in a dangerous condition, and that the danger is increasing; nor is there any one who can doubt that the only safe and effectual remedy is to diminish the disproportion to which I have referred. Here the extremes unite—the Senator from Missouri, (Mr. Benton,) who is the open and avowed advocate of a pure metallic currency, and the Senator from Massachusetts, (Mr. Webster,) who stands here as the able and strenuous advocate of the banking system, are on this point united, and must move from it in the same direction, though it may be the design of the one to go through, and of the other to halt after a moderate advance.

There is another point in which all must be agreed; that the remedy must be gradual—the change, from the present to another and sounder condition, slow and cautious. The necessity for this results from that highly delicate nature of the currency which I have already illustrated. Any sudden and great change from our present to even a sounder condition, would agitate and convulse society to the centre. On another point there can be but little disagreement. Whatever may be the different theoretical opinions of the members of the Senate, as to the extent to which the reformation of the currency should be carried, even those who think it may be carried practically and safely to the restoration of a metallic currency, to the entire exclusion of paper, must agree that the restoration ought not to be carried further than a cautious and slow experience shall prove that it can be done, consistently with the prosperity of the country, in the existing fiscal and commercial condition of the world. To go beyond the point to which experience shall show it is proper to go, would be to sacrifice the public interest merely to a favorite conception. There may be ultimately a disagreement of opinion where that point is, but since all must be agreed to move forward in the same direction and at the same pace, let us set out, start in the spirit of harmony and peace, though we intend to stop at different points. It may be that, enlightened by experience, those who intended to stop at the nearest point may be disposed to advance further, and that those who intended the farthest, may halt on this side, so that finally all may agree to terminate their journey together.

This brings us to the question of how shall so salutary a change be effected? What the means and the mode of application? A great and difficult question, on which some diversity of opinion may be expected.

No one can be more sensible than I am of the responsibility that must be incurred in proposing measures on questions of so much magnitude, and which in so distracted a state of the public mind, must effect seriously, great and influential interests. But this is no time to shun responsibility. The danger is great and menacing, and delay hazardous, if not ruinous. While, however, I would not shun, I have not sought the responsibility. I have waited for others, and had any one proposed an adequate remedy, I would have remained silent. And here, said Mr. Calhoun, let me express the deep regret which I feel, that the administration with all that weight of authority which belongs to its power and immense patronage, had not, instead of the deposite question, which has caused such agitation and distress, taken up the great subject of the currency; examined it gravely and deliberately in all its bearings; pointed out its diseased condition; designated the remedy, and proposed some safe, gradual, and effectual means of applying it. Had that course been pursued, my zealous and hearty co-operation would not have been wanting. Permit me also to express a similar regret, that the administration having failed in this great point of duty, the opposition, with all its weight and talents, headed on this question by the distinguished and able Senator from Massachusetts who is so capable of comprehending this subject in all its bearings, had not brought foward, under its auspices, some permanent system of measures, based upon a deliberate and mature investigation into the cause of the existing disease, and calculated to remedy the disordered state of the currency. What might have been brought forward by them with such fair prospects of success, has been thrown on more incompetent hands; unaided by patronage or influence, saving only that influence which truth, clearly developed, and honestly and zealously advanced, may be supposed to possess; and on which I must wholly rely.

But to return to the subject. Whatever diversity of sentiment there may be as to the means, on one point all must be agreed; nothing effectual can be done; no check interposed to restore or arrest the progress of the system by the action of the State. The reasons already assigned to prove that banking by one State compels all others to bank, and that the excess of banking in one, in like manner compels all others to like excess, equally demonstrate that it is impossible for the States, acting separately to interpose any means to prevent the catastrophe which certainly awaits the system and perhaps the Government itself, unless the great and growing danger to which I refer be timely and effectually arrested. There is no power any where, but in this Government—the joint agent of all the States, and through which the concert of the action of the whole can be effected, adequate to this great task. The responsibility is upon us, and upon us alone. The means, if means there be, must be applied by our hands, or not applied at all—a consideration, in so great an emergency, and in the presence of such imminent danger calculated, I would suppose, to dispose all to co-operation, and to allay every party feeling in the heart even of the least patriotic.

What means do we possess and how can they be applied?

If the entire banking system was under the immediate control of the General government, there would be no difficulty in devising a safe and effectual remedy to restore the equilibrium, so desirable between the specie and the paper which compose our currency. But the fact is otherwise. With the exception of the Bank of the United States, all the other banks owe their origin to the authority of the several States, and are under their immediate control, which presents the great difficulty experienced in devising the proper means of effecting the remedy, which all feel to be so desirable.

Among the means which have been suggested, a Senator from Virginia, not now a member of this body, (Mr. Rives,) proposed to apply the taxing power to suppress the circulation of small notes, with a view of diminishing the paper and increasing the specie circulation. The remedy would be simple and effective, but is liable to great objection. The taxing power is odious under any circumstances; it would be doubly so when called into exercise with an overflowing treasury; and still more so, with the necessity of organizing an extensive body of officers to collect a single tax, and that on an inconsiderable subject. But there is another and of itself a decisive objection. It would be unconstitutional—palpably and dangerously so. All political powers, as I stated on another occasion, are trust powers, and limited in their exercise to the subject and object of the grant. The tax power was granted to raise revenue for the sole purpose of supplying the necessary means of carrying on the operations of the government. To pervert this power from the object thus intended by the constitution, to that of repressing the circulation of bank notes, would be to convert it from a revenue into a penal power—a power in its nature and object essentially different from that intended to be granted in the constitution; and a power which in its full extension, if once admitted, would be sufficient of itself to give an entire control to this government over the property and the pursuits of the community, and thus concentrate and consolidate the entire power of the system in this government.

Rejecting then, the taxing power, there remains two obvious and direct means in possession of the government which may be brought into action to effect the object intended, but neither of which, either separately or jointly, are of sufficient efficacy, however indispensable they may be as a part of an efficient system of measures, to correct the present or repress the growing disorders of the currency; I mean that provision in the constitution which empowers Congress to coin money, regulate the value thereof and of foreign coin, and the power of prohibiting any thing but the legal currency to be received either in whole or in part, in the dues of the government. The mere power of coining and regulating the value of coins, of itself, and unstained by any other measure, can exercise but a limited control over the actual currency of the country, and is inadequate to check excess or correct disorder, as is demonstrated by the present diseased state of the currency. Congress has had, from the beginning, laws upon the statute books to regulate the value of the coins; and at an early period of the government the Mint was erected, and has been in active operation ever since; and yet, of the immense amount which has been coined, a small residue only remains in the country; the great body having been expelled under the operation of the banking system. To give efficacy to this power, then, some other must be combined with it. The most immediate and obvious is that which has been suggested, of excluding all but specie in the receipts of the government. This measure would be effectual to a certain extent; but with a declining income which must take place under the operation of the act of last session, to adjust the tariff, and which must greatly reduce the revenue, (a point of the utmost importance to the reformation and regeneration of our institutions,) the efficacy of the measure must be correspondingly diminished.

From the nature of things, it cannot greatly exceed the average of the government deposites, which I hope, will, before many years, be reduced to the smallest possible amount, so as to prevent the possibility of the recurrence of the shameful and dangerous state of things which now exists, and which has been caused by the vast amount of the surplus revenue. But there is in my opinion a strong, if not an insuperable objection against resorting to this measure, resulting from the fact that an exclusive receipt of specie in the treasury would to give it efficacy and to prevent extensive speculation and fraud, require an entire disconnection on the part of the Government with the banking system in all its forms, and a resort to the strong box as the means of preserving and guarding its funds—a means, if practicable at all, in the present state of things, liable to the objection of being far less safe, economical and efficient than the present.

What then, Mr. C. inquired, what other means do we possess, of sufficient efficacy, in combination with those to which I have referred, to arrest the farther progress and correct the disordered state of the currency? This is the deeply important question, and here some division of opinion must be expected, however united we may be, as I trust we are thus far, on all other points. I intend to meet this question explicitly and directly, without reservation or concealment.

After a full survey of the whole subject, I see none—I can conjecture no means of extricating the country from its present danger and to arrest its farther increase, but a bank—the agency of which, in some form, or under some authority—is indispensible. The country has been brought into the present diseased state of the currency by banks, and must be extricated by their agency. We must, in a word, use a bank to unbank the banks, to the extent that may be necessary to restore a safe and stable currency—just as we apply snow to a frozen limb, in order to restore vitality and circulation, or hold up a burn to the flame to extract the inflammation. All must see that it is impossible to suppress the banking system at once. It must continue for a time. Its greatest enemies, and the advocates of an exclusive specie circulation must make it a part of their system to tolerate the banks for a longer or a shorter period. To suppress them at once would, if it were possible, work a greater revolution—a greater change in the relative condition of the various classes of the community, than would the conquest of the country by a savage enemy. What then must be done? I answer, a new and safe system must gradually grow up under, and replace the old; imitating, in this respect, the beautiful process, which we sometimes see of a wounded or diseased part in a living organic body, gradually superceded by the healing process of nature.

How is this to be effected? How is a bank to be used as the means of correcting the excess of the banking system? And what bank is to be selected as the agent to effect this salutary change? I know, said Mr. C. that a diversity of opinion will be found to exist, as to the agent to be selected, among those who agree on every other point, and who, in particular, agree on the necessity of using some bank as the means of effecting the object intended; one preferring a simple recharter of the existing bank—another the charter of a new Bank of the U. States—a third a new bank engrafted upon the old—and a fourth the use of the state banks as the agent. I wish (said Mr. C.) to leave all these as open questions, to be carefully surveyed and compared with each other; calmly and dispassionately, without prejudice or party feeling; and that to be selected which on the whole shall appear to be the best—the most safe; the most efficient; the most prompt in application; and the least liable to constitutional objection. It would, however, be wanting in candour on my part, not to declare that my impression is, a new Bank of the U. States, engrafted upon the old, will be found, under all the circumstances of the case, to combine the greatest advantages, and to be liable to the fewest objections; but this impression is not so firmly fixed as to be inconsistent with a calm review of the whole ground, or to prevent my yielding to the conviction of reason; should the result of such review prove that any other is preferable. Among its peculiar recommendations may be ranked the consideration, that while it would afford the means of a prompt and effectual application for mitigating and finally removing the existing distress, it would at the same time open to the whole community a fair opportunity of participation in the advantages of the institution, be they what they may.

Let us then suppose, (in order to illustrate and not to indicate a preference,) that the present bank be selected as the agent to effect the intended object. What provisions will be necessary? I will *suggest* those that have occurred to me, mainly, however, with a view of exciting the reflection of those much more familiar with banking operations than myself, and who, of course, are more competent to form a correct judgment on their practical effect.

Let, then, the bank charter be renewed for twelve years after the expiration of the present term, with such modifications and limitations as may be judged proper, and that, after that period, it shall issue no notes under ten dollars; that Government shall not receive in its dues any sum less then ten dollars, except in the legal coins of the United States; that it shall not receive in its dues the notes of any bank that issues notes of a denomination less then five dollars; and that the United States Bank shall not receive in payment or on deposite, the notes of any bank whose notes are not receivable in the dues of the Government: nor the notes of any bank which may receive the notes of any bank whose notes are not receiveable by the Government. At the expiration of six years from the commencement of the renewed charter, let the bank be prohibited from issuing any note under twenty dollars, and let no sum under that amount be received in the dues of the Government, except in specie; and let the value of gold be raised at least equal to that of silver, to take effect immediately, so tant the country may be replenished with the coin, the lightest and most portable in proportion to its value to take the place of the receding bank notes. It is unnecessary for me to state, that at present the standard value of gold is several per cent. less than that of silver, the necessary effect of which has been to expel gold entirely from our circulation, and thus to deprive us of a coin so well calculated for the circulation of a country so great in extent, and having so vast an intercourse, commercial, social, and political, between all its parts, as ours. As an additional recommendation to raise its relative value, gold has, of late, become an important product of three considerable States of the Union—Virginia, North Carolina, and Georgia—to the industry of which, the measure proposed would give a strong impulse, and which in turn would greatly increase the quantity produced.

Such are the means which have occurred to me. There are members of this body far more competent to judge of their practical operation than myself, and as my object is simply to suggest them for their reflection, and for that of others who are more familiar with this part of the subject, I will not at present enter into an inquiry as to their efficiency, with a view of determining whether they are fully adequate to effect the object in view or not. There are doubtless others of a similar description, and perhaps more efficacious, that may occur to the experienced, which I would freely embrace, as my object is to adopt the best and most efficient. And it may be hoped that, if on experience it should be found that neither these provisions, nor any other in the power of Congress, are fully adequate to effect the important reform, which I have proposed, the co-operation of the States may be afforded, at least to the extent of suppressing the circulation of notes under five dollars, where such are permitted to be issued under their authority.

I omitted in the proper place to state my reasons for suggesting twelve years as the term for the renewal of the charter of the bank. It appears to me that it is long enough to permit the agitation and distraction which now disturbs the country to subside, while it is sufficiently short to enable us to avail ourselves of the full benefit of the light of experience, which may be expected to be derived from the operation of the system under its new provision. But there is another reason which appears to me to be entitled to great weight. The charter of the Bank of England has recently been renewed for the term of ten years, with very important changes, calculated to furnish much experience upon the nature of banking operations and currency. It is highly desirable, if the bank charter should be renewed, or a new bank created, that we should have the full benefit of that experience before the expiration of the term, which would be effected by fixing the period for the time I have designated. But as my object in selecting the recharter of the Bank of the United States was simply to enable me to present the suggestions I have made, in the clearest form, and not to advocate the recharter, I shall omit to indicate many limitations and provisions, which seem to me to be important to be considered, when the question of its permanent renewal is presented, should it ever be. Among others I entirely concur in the suggestion of the Senator from Georgia, of fixing the rate of interest at five per cent; a suggestion of the very highest importance, as having a most important bearing on the value of property and the prosperity of the country, in every branch of its industry, and to which but one objection can, in my opinion, be presented; I mean the opposing interest of existing State institutions, all of which discount at higher rates, may defeat any measure of which it constitutes a part. In addition, I will simply say, that I, for one, shall feel disposed to adopt such provisions as are best calcuated to secure the Government from any supposed influence on the part of the bank, or the bank from an improper interference on the part of the government; or which may be necessary to protect the rights or interests of the States.

Having now stated the measuers necessary to apply the remedy, I am thus brought to the question; can the measure succeed? which brings up the inquiry of how far it may be expected to receive the support of the several parties which compose the Senate and on which I shall next proceed to make a few remarks.

First, then can the State rights party give it their support—that party, of which I am proud of being a member, and for which I entertain so strong an attachment—the stronger because we are few among many. In proposing this question, I am not ignorant of their long standing constitutional objection to the bank, on the ground that this was intended to be, as it is usually expressed, a hard money Government—a government whose circulating medium was intended to consist of the precious metals, and for which object the power of coining money, and regulating the value thereof, was expressly confered by the constitution.—I know how long, and how sincerely this opinion has been entertained, and under how many difficulties it has been maintained. It is not my intention to attempt to change any opinion so firmly fixed—but I may be permited to make a few observations, in order to present what appears to me to be the true question in reference to this constitutional point, in order that we may fully comprehend the circumstances under which we are placed in reference to it. With this view, I do not deem it necessary to inquire whether, in confering the power to coin money, and to regulate the value thereof, the constitution intended to limit the power strictly to coining money, & regulating its value, or whether it intended to confer a more general power over the currency; nor do I intend to inquire whether the word coin is limited simply to the metals, or may be extended to other substances, if though a gradual change they may become the medium of the general circulation of the world. I pass these points. Whatever opinion there may be entertained in reference to them, we all must agree as a fixed principle in our system of thinking on constitutional questions that the power under consideration, like other political powers, is a trust power, and that like all such powers, it must be so exercised as to effect the object of the trust as far as it may be practicable. Nor can we disagree, that the object of the power was to secure to these states a safe, uniform, and stable currency. The nature of the power; the terms used to convey it; the history of the times; the necessity; with the creation of a common Government; of having a common and uniform circulating medium, and the power conferred to punish those who, by counterfeiting, may attempt to debase and degrade the coins of the country, all proclaim this to be the object.

It is not my purpose to inquire, whether admitting this to be the object, Congress is not bound to use all the means in its power to give this safety, this stability, this uniformity to the currency, for which the power was conferred—nor to inquire whether the states are not bound to abstain from acts on their part, inconsistent with these objects; nor to inquire whether the right of banking, on the part of a state, does not directly, and by immediate consequence, injuriously affect the currency—whether the effect of banking, is not to expel the specie currency; which according to the assumption, that this is a hard money government it was the object of the Constitution to furnish, in conferring the power to coin money; or whether the effect of banking does not necessarily intend to diminish the value of a specie currency as certainly as clipping or reducing its weight would; and whether it has not, in fact, since its introduction, reduced the value of the coins one half. Nor do I intend to inquire whether Congress is not bound to abstain from all acts on its part, calculated to affect injuriously the specie, circulation, and whether the receiving of any thing but specie in its dues, must not necessarily so affect it by diminishing the quantity in circulation, and depreciating the value of what remains. All these questions I leave open; I decide none of them. There is one however, that I must decide. If Congress has a right to receive any thing else than specie in its dues, they have the right to regulate its value; and have a right of course to adopt all necessary and proper means, in the language of the Constitution, to effect the object. It matters not what they receive, tobacco or any thing else, this right must attach to it. I do not affirm the right of receiving, but I do hold it to be incontrovertible that, if Congress were to order the dues of the Government to be paid, for instance, in tobacco, they would have the right—they would be bound to use all necessary and proper means to give it a uniform and stable value; inspections, appraisment, designaton of qualities, and whatever else would be necessary to that object. So on, the same principle, if they receive bank notes, they are equally bound to use all means necessary and proper, according to the peculiar nature of the subject to give them uniformity, stability and safety. The very receipt of bank notes on the part of the Government, in its dues, would, it is conceded, make them money, and by a necesary consequence, would make them to a great extent, the currency of the country. I say nothing of the positive provisions in the constitution which declare that, "all duties, imports and excises, shall be uniform throughout the United States," which cannot be, unless that in which they are paid, should also have, as nearly as practicable, a uniform value throughout the country. To effect this, where bank notes are received, the banking power is necessary and proper within the meaning of the Constitution, and consequently, if the Government has the right to receive bank notes in its dues, the power becomes constitutional. Here lies, said Mr. C., the real constitutional question—has the Government a right to receive bank notes or no? The question is not upon the mere power of incorporating a bank, as it has been commonly argued; though even in that view, there would be as great a constitutional objection to any act on the part of the Executive, or any other branch of the government, which should unite any association of State banks into one system, as the means of giving the uniformity and stability to the currency which the constitution intends to confer. The very act of so associating or incorporating them into one, by whatever name called, or by whatever department performed, would be in fact an act of incorporation.

But, said Mr. Calhoun, my object as I have stated, is not to discuss the constitutional questions nor to determine whether the bank be constitutional or not. It is, I repeat, to show where the difficulty lies—a difficulty which I have felt from the time I first came into public service. I found then as now, the currency of the country consisting almost entirely of bank notes. I found the government intimately connected with the system, receiving bank notes in its dues and paying them away under its appropriations as cash. The fact was beyond my control; it existed long before my time and without my agency; and without deciding on the many questions which I have suggested, as connected with this subject, and on many of which, I have never yet formed a definite opinion. No one can pay less regard to precedent than I do, acting here in my representative and deliberative character, on legal or constitutional questions; but I have felt from the beginning the full force of the distinction so sensibly taken by the Senator from Virginia [Mr. Leigh,] between doing and undoing an act, and which he so strongly illustrated in the case of the purchase of Louisiana. The constitutionality of that act was doubted by many at the time, and among others by its author itself; yet he would be considered a madman who, *coming into* political life, at this late period, would now seriously take up the question of the constitutionality of the purchase; and, coming to the conclusion that it was unconstitutional, should propose to rescind the act and eject from the Union two flourishing States, and a growing territory; nor would it be an act of much less madness thus to treat the question of the currency, and undertake to suppress the system of bank circulation, which has been growing up from the beginning of the government, which has penetrated into and connected itself with every branch of business and every department of the government on the ground that the constitution intended a specie circulation; or who would treat the constitutional question as one to be taken up *de novo*, and decided upon elementary principles, without reference to the imperious state of facts.

But, in raising the question whether my friends of the state right party can consistently vote for the measure which I have suggested, I rest not on the ground, that their constitutional opinion in reference to the bank, is erroneous. I assume their opinion to be correct—I place the argument, not on the constitutionality or unconstitutionality, but on wholly different ground. I lay it down, as an inconvertible principle, that admitting an act to be unconstitutional, but of such a nature that it cannot be reversed at once, or at least without involving such gross injustice to individuals and distress to the community, that it cannot be justified, we may, under such circumstances, vote for its temporary continuance—for undoing gradually, as the only practicable mode of terminating it, consistently with the strictest constitutional objection. The act of the last session adjusting the tariff, furnishes an apt illustration. All of us believed that measure to be unconstitutional and oppressive, yet we voted for the act without supposing we violated the constitution in so doing; although it allowed upwards of eight years for the termination of the system, on the ground that to reverse it at once would spread desolation and ruin over a large portion of the country. I ask that the principle in that case be applied to this.

It is equally as impossible to terminate, suddenly, the present system of paper currency, without spreading a desolation still wider and deeper over the face of the country. If it can be reversed at all—if we can ever return to a metallic currency, it must be by gradually undoing what we have done, and to tolerate the system while the process is going on. Thus, the measure which I have suggested, proposes for the period of twelve years to be followed up by a similar process, as far as a slow and cautious experience shall prove we may go, consistently with the public interest, even to its entire reversal, if experience shall prove we may go so far which, however, I must say, I, for one, do not anticipate; but the effort, if it should be honestly commenced and pursued, would present a case every way parallel to the instance of the tariff to which I have already referred. I go farther, and ask the question, can you consistently, with your obligation to the Constitution, refuse to vote for a measure, if intended in good faith, to effect the object already stated? Would not a refusal to vote for the only means of terminating it, consistently with justice, and without involving the horror of revolution, amount in fact and in all practical consequences to a vote to perpetuate a state of things, which all must acknowledge to be eminently unconstitutional and highly dangerous to the liberty of the country?

But I know that it will be objected, that the Constitution ought to be amended and the power conferred in express terms. I feel the full force of the objection. I hold the position to be sound, that when a constitutional question has

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