rave been the motive, the measure was an unwise and unfortunate one, deranging the whole internal commerce of the country, producing panic, breaking up exchanges, and destroying credit, at the very time of all others, when the country should have been permitted to make the best of its resources, without plence or surprise.

Mr. K. said he was sorry to see his friends who had voted against this Executive measure throughout, now coming forward sanctifying an Executive triumph over the legislative authority, by acknowledging their error. Ilis worthy friend from Connecticut had said that though he had voted uniformly against it, yet that it "might have done some good in saving the banks." This confession of his friend was, perhaps, a harmless offering to Executive power; but as he did not approve of such grathitous benevolence at the cost of consistency, in it matter of such importance to the country, he must say to his friend that he entirely disagreed with him, and mut call upon him for some of the beneficial effects of this wise and salutary measure. The Senator told us himself in next breath that the deposite banks, and all other banks are broken, and that the public money, both specie and paper, have become unavailable in their aults. The patient is dead, and yet the treatment is lauded. Ha quack, in defiance of all remonstrances, continues his treatment, and the patient dies, we may conjecture that he would have done no better with a different treatment, or without treatment; but how he could have done worse, it is somewhat difficult to conceive. This measure, then, condemned by the Senate, condemned by the Cabinet, condemned by the People, after a full trial, condemned by the whole legislative authority; and condemned by the strong evidences of the mischief it has produced, is still persevered in by the Executive, handed for its "salutary effects," and w s referred to by one Sen-ator (looking at Mr. Benton) as "the glorious specie circular." [Mr. Benton. "Yes, the ever-glorious specie circular."] Mr. K. with great animation. Ah, yes, it is all glary and no good. Where are the evidences of your glory? . Is there any thing glorious in the present unhappy condition of the country? Your government insolvent and disgraced. Our people branded by foreigners as a nation of fradulent bankrupts and swindlers; your merchants bankrupt; jour manufacturers languishing in increase and distress; your planters ruined, and two-thirds of the labouring population of the United States threatened with actual reation. These are the evidences of the " salutaeffects of measures we are called on to glorify. Why, sir, the Senator must have forgotten that glory epreciated in the market. Like paper cnrrency, it has been redundant, and is now almost as much below par, as mg money; very much for the same reason, too. On examination we fin _ that neither has

had a very solid basis to restupon. So much (said Mr. King) for the GLORY of this order. I now propose to take a more dispassionate, and better reasoned view of it as a financial mea-

The plain objection to the circular as a financial measure is, that it did violence to all the laws of trade and commerce by the forcible interference of the Government. The easing operations of exchanges, so useful and necessary in adjusting ascertained balances between different sections of the country, were suddenly and violently nterrupted. The useful admonition of an unfavorable balance, as indicated by the exchanges, was not only disregarded, but that balance forcibly increased. The destructive tendeney of such an interference by Government in the arce of the country has been acknowledged by the Senator from North Carolina (Mr. Strange) tho' I thought the principle might have been better rpdied by him. Such measures produce the same efts in the same way, whenever and wherever aplied in a free commercial country; always taking the People by surprise, and breaking up the established order of things. The business of the country is as effectually deranged and disorganized by such violence as is the human system by the destruction of the heart.

Commerce has its laws. The people study them, and by study observation and experience, become acquainted with them, to a very great extent, and make their ca culations and regulate their business accordingly. They always must greatly suffer when foreibly deprived of those advantages; and particu-larly if the force be applied to a paper or mixed curreacy. Doubtless the evils of a paper currency

they were suddenly and effectually closed. They could not pay out paper for fear that specie would be demanded for it, for the reasons before named. They could not pay out specie or discount for merchants, because the high rate of exchange and difficulty of procuring it at any price, would have started it back in twenty four hours to the section from which it had been unnaturally exiled. They could not pay out specie to the planters, for they owed the merchants, and its destination would have been the same. If, then, they did any business at all, they must do it with the purchasers of public lands, in which they were secure of a return of the specie deposites. Accordingly they favoured this class of customers, in order to do any business at all, and the President himself, in his Message, refers to the circular operation by which they contracted many millions of debt upon few millions of specie; and yet one popular catch to recommend this measure has been, that it was

aimed at land speculators! The measure, Mr. K. said, seemed to have been attended with unmitigated mischief. Even the sales of public lands had most prohably been increased by it, before the suspension of specie payments. There was no other way of accounting for the heavy amount of those sales, after the mania for speculation had already begun to decline. Money became dear aud difficult to procure, and all the public lands in market nery much culled and selected. The deposite banks in the new States had been devoted almost exclusively to the use of speculators, as before stated, and moreover, a great number were induced to go into the business after the adoption of the order, who otherwise would not have thought of it. Ours, he said, is an enterprising, speculative People; and whenever Government commits an error, or adopts an unusual measure, they begin to think what can be made of it in a financial point of view. Accordingly, the impression was very general that this measure would greatly check purchases, and that the monopoly of those who would raise specie for the purpose would be much more valuable than if no step had been taken to destroy competition. He said he knew of several himself who collected their capital, turned it into specie, and went into the business who, but for the order, would not have thought of it. For these reasons, an intelligent gentleman from the West had given it to him as his opinion, that the sales had been much increased by the operation of t' e order, and he (Mr! K) believed it. If, then, it were so desirable to check the sales of the public lands. the bject had failed: even the President acknowledges in his Message, that the effect of the order in that particular had been over estimated. But this was not the object of the order. The object of the order was to prop up a few tottering deposite banks, against the combined but salutary operation of the distribution law, and a heavy exchange. The President, or his advisers, saw that some of the deposite banks in the West and Southwest had expanded enormously, and were in a precarious condition, and exchange already sufficiently high to endanger demands on them for specie; and he feared that, when asked also for a portion of the public money, they would explode and give a triumph to his enemies, by the failure of his favorite experiment. He determined to sustain them at every hazard, and without a sufficient regard to the interests of the people. Did he succeed in this object? No. On the contrary, in this last grand coup d'etat, or, rather, coup d'argent to sustain his experiment, by succoring a few tottering pet banks, he broke the whole; yes, sir, broke the whole; for, alhough I do not intend to attribute to this order more mportance than it deserves in bringing the country into its present condition, yet I have not the remotest conception that we should have had a general sespension of specie payments, and a national hankruptcy. but for the adoption of this order. He said he believed he could prove this to the satisfaction of all who would listen to the facts, and impartially attribute to human passion its natural agency in stimulating human action.

What then would probably have been the condition of the country, if this measure had never been adopted? It was, before the adoption of the order, in a diseased, bloated and feverish condition, entirely at the mercy of our toreign creditors. The Bank of England had already taken steps to prevent the further extension of our credits there, and by the advance in the rate of interest had stopped our credit drain upon their bullion, before or about the time the weat into operation. This raised the value of thought, for those who made them. What were money on the seaboard, where the European debt | they when compared to the present ? That of 1819 was owing. Credits to Western and Southwestern inks, and individuals, which had been greatly extended by Northern and Eastern banks, had been checked, and balances were expected to aid in adjusting the foreign debt. This debt, every intelligent merchant saw, must now press upon us to a very considerable extent. The foreign exchange would have pressed upon the seaboard; the seaboar i would have pressed upon their Western, Southern, and Southwestern debtors. Much of the specie of the banks of this section would have gone back to the seaboard, from which it had been taken, and gone o Europe, from which it had been first borrowed. We should have had a pressure, some bankruptcies among merchants, and many failures among speculators: many of whom, however, never had any thing and therefore could loose nothing but their credit. A great number of imprudent and unsound hanks would also have exploded, as they should have done: and the impurities of the system would have run off. Many of these banks were more fancy affairs-the mere funguses of the Treasury-built up without capital, and managed without prudence. Banks that could not sustain themselves under the legitimate operations of trade and commercial demand, should have been permitted to stop. The public good, and even of prudent and solvent banks, required it. What signified a few millions of unavailable funds, in a few imprudent deposite banks (even if this measure had saved them, which it had not,) compared with the mischief and loss resulting from breaking up the exchanges, destroying credit, choking up the natural channels of commerce, and preventing the resources of the country from flowing to those points where the demands of commerce required them? The condition of the country was known, and the necessity of preparing for a heavy revulsion began to be felt. As usual, however, in the financiering of the ex-President; what was raised by unsuccessful experiment, must be torn down by passion. Never, at any period in our history, did we so much need the privilege of making the best of our resources by a free and undisturbed circulation of our means. Because the patient was diseased by experiments, was this a reason that he could not be killed by quackery? His condition equired the greater care, and a freer circulation; but the President's remedy was like turning the patient heels upwards to cure him of the apoplexy; or putting him to the rack, to reduce a paroxysm of the fever. Fifteen millions of specie-perhaps much less -shipped precisely at the time, from the points and at the rates which should have sent it to meet our foreign debt, would have satisfied our foreign creditors for the present, maintained the value of our exports, and given us time to meet the balance, by economy and another crop. Men are operated upon by the same passions, whether acting in numbers or as individuals. If one man, by extravagance or bad management, becomes indebted to another more than he has immediate means to pay, but honestly acknowledges the debt. pays down, with punctuality, all the ready means he as to spare, and asks for time to collect his means. and make another crop, the indulgence will be granted. But if he insultingly tells the creditor he had no business to trust him-that this debt shall not be paid, and adopts measures to run off his means into the wilderness, to keep his creditor from getting hold of them, openly boasts of the tricks by which the creditor is thus defrauded; the latter immediately stops all credit, and, instead of receiving part, he demands the whole, and resorts to the most summary and violent process to collect the debt. This was precisely the relation between England and this country when this order went into operation. The Bank of England ascertained early in 1836 that the United States had been draining them of their bullion "on credit." They adopted the most gentle means in their power to restore the exchanges and bring back a part of their bullion. The drain was stopped, but nothing or but very little returned to them. By the adoption of the circular, specie was drawn out of active circulation to a great extent, and bore a premium which drewit in the wrong direction. This premium in the West was at one time 5 and 10 per cent. It was drawn from the commercial points by some to sell to small dealers; all emigrants drew and carried it, besides what was drawn by others for larger speculations. But it was not only carried off by a premium in the wrong direction, but that which was so carried off, and all other specie, was locked up and prevented from flowing to the points where it was required. What was the result? Why, the usual rate of exchange did not carry off the specie except to a very small extent. While the foreign exchange pulled one way, the strange policy was 12 or 14 per cent before the suspension of specie

were made to a very trifling extent. In the mean | just as well have undertaken to encourage the cause part of the community, both merchants and planters, ime, the President and his friends were boasting of the wise policy of the President, in forcibly preventing the operations of exchange, and preventing the poy-ment of our foreign debt. This circular, with the villages, and the Western wilderness. He thought it eulogiums on this "wise policy," reached England, and the enemies of the Bank of England began to taunt them with the impotency of the means they had adopted to get back the gold which it was alleged their own mismanagement and want of foresight had suffered to be drawn from them. The temper inspired by this measure, and the taunts and boastings which followed it, was natural enough, and may be seen by the anguage of the deputy Governor of the bank. It will be recollected that it is admitted on all hands that it was the last action of the Bank of England on American credits that produced our suspension. If I prove that this action was made necessary, or provoked by the specie circular, and what followed it, I have fully established my conclusion rom admitted premises. What says this officer of the bank in reference to

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the vaporings of the debtor who tricks and defies his creditor instead of paying him, or showing a willing ness to pay him? I will read to the Senate his own words.

Mr. King then read from a late English pamphlet written by Horsley Palmer, the deputy Governor of the bank, in answer to the charges of Mr Lloyd : "In answer to the fifth objection, it is to be stated that no expectation was intended to be held out that gold would return from America so long as it proved more advantage ous to ship silver ; but the expectation meant to be conveyed was, that not withstanding all the bombast of the American President, bullion would shortly return to Europe from the United States, and that belief is now in the course of being fulfilled by the daily expected arrivals of silver, with which gold is procurable in the markets of Europe ' The "expected arrivals of silver," or gold either,

however, did not come, or at most were very triffing. Our modern financiers had put a clamp upon it, with about as much wisdom as would have been indicated by seizing upon and stopping the exportation of our cotton when more valuable in Europe than here. The principle of expediency is precisely the same. There was one mode by which we could be crushed in an instant. It was "to blow upon American credits" when offered for discount or rediscount by the American houses, or the joint-stock banks. This was postponed to the last, from the disastrous consequences apprehended to the manufacturing interests .-The temper displayed in the above extract, however, will show that they were ready to do that, if absolutely necessary, to prevent an insulting triumph. The "bombast" and the circular were continued "the bank blew on Americon credits;" our whole foreign debt came upon us at once; a panic was produced; a short struggle was made by the merchants; but a run upon the banks followed ; they suspended ; the Government suspended; the nation became bankrupt; and we are now assembled to contemplate the wisdom and glory of turning the commerce of a country upside down to make it proper, and burying its resources to enable it to pay its debts. Who cannot plainly see from this connexion of facts and inferences, causes and consequences, that this unwise interference with the finances produced the action of the Bank of England which is admitted to have produced the suspension? This is all plain enough, but an effort is made to draw our attention from the true causes by crying out conspiracy; yes, a conspiracy between our merchants and English bankers and the bank of England, to defeat the erecutive policy !! Never was a man so beset with plots and conspiraries as our venerable ex-President: Whenever a new financial system explodes, or one of his experiments fails, he insists it is the result of a vile combination against him and his policy, and calls upon the democracy to rescue him from the hands of his enemies. Now, the interest of the parties is a sufficient guaranty against this, and it again most unfortunately happens to be contraducted by a known and notorious historical fact ; the bank applied to Government to drive American securities out of market !- They were saved by the liberais. A curious conspiracy this; and rather an unprofitable one, too, methinks, for merchants and bankers to engage in John Bull will probably loose twentyfive or thirty millions by it. But, (continued Mr K) we are told of frequent

convulsions before. Unfortunate references, Mr. K.

up one respectable grocery in Chesnut street, that he might raise up 500 grog shops in the Liberties, the the part of wisdom not to waste itself on impracticable extremes, but to secure the blessings of the system, and avoid as many of its evils as possible. This he thought was best effected by a national bank, with the aid of the Treasury. The vast extent of our country gave full time to such an institution to lop off redundancies and fill up deficiencies on notice of an irregularity in the currency in any particular sections before the effect became general. It was clearly the interest of such an institution to perform these duties faithfully. Its own successful operation in a great measure depended on it; which was the best guaranty to the public that they would be so performed. He also believed that the money of the nation could be entrusted to no agency so little dangerous to liberty, or so unlikely to use it for political purposes. Experience proved the truth of this opinion. We had again the best of all security-that is, the security of interest. To engage in politics, or unite itself with a political party, is douth to the institution. What evidence had been shown, or could be shown, that the bank ever hinted an interference with politics, until it supposed the Executive to make an overture for that purpose? In 1829 the Executive commenced a correspondence with the bank to procure a change in the President of the New Hampshire branch. He did not say that any thing improper was intended by the Executive, but it was the first interference of the kind, and the bank supposed it to be an attempt to inlist it in politics, and unite the power of the bank with the power of the Government. It declined on the ground that the bank never had and could not now think of interfering in the politics of the country. The rest is known. The Message followed with a charge of what nobody had ever heard of before, and recommending a Treasury bank, uniting the power and patronage of a bank to that of the Government. From that time forth the Executive continued to struggle for the money power until it took possession of it in 1833, by the removal of the deposites. I only mention these facts, sir, to prove the great reluctance with which such an institution will always engage in politics .--Its interest requires the custom and friendship of both political parties, and it cannot prosper against a war by either The money power of the Treasury is great, let it be lodged where it will; but for the reasons stated, I believe it is less in a national bank, connected with and dependent on the business of the country, than in any other. There was no danger of the political influence of a bank, if the Executive would let it alone. Some admitted that the bank had been improperly attacked, but that, being attacked, it had over-issued and otherwise mismanaged in ts struggles for a re-charter. This might be true to some extent, but, if so, it is more an objection to the lirection than the institution, and might be prevented by a simple provision in the charter, which the old charter ought to have contained.

Sir, these are the opinions I have always entertained, and were the opinions of my then colleague, when I came into the Senate : they were known to our constituents. But as this was a matter of expediency, on which they had a right to judge, they expected to be, and shall be, represented; and their wishes, when I last heard from them, were against a national bank. In fact, although I believe it unortunate that the old bank was destroyed, the quesion of establishing a new one, at this time, is a very different question. Under our anti-bank administration, the bank capital has been much more than doubled, in a few years. Is it expedient to add to it? If so, the practicability of controlling it, by a national bank of permissible size, and the manner of loing it, are important questions. The present rate of exchange, too, would render it difficult to procure specie for the institution, and create a demand for t, that would, for the present, add to the distress. There were some other reasons that had been referred to, but which he would not, at this time, notice. But, we are gravely told, sir, that the "Bank of the United States, with its 'still greater strength,' has not been able to prevent the present state of affairs; that it 'has not been able to check other institutions, or save itself." " This reference to the bank would have done very well for a party newspaper; but I must confess I was somewhat astonished to find it in a message of the President of the United States. Can it be supposed that the most ignorant can be deceived by this catch at a name Whoever thought of holding the Bank of the United States responsible for the currency, or as a financial regulator, after the withdrawal of its branches, or wen after the removal of the deposites? What ob-" igation was it under to the publick, after the public had taken away the deposites and dispensed with its services? Was it under any very strong obligation, f it had the power, to aid the Executive in an expeiment made at its expense, and intended for its desruction? I should think not; and to hold a State ank responsible, because it is called "the Bank of the United States," is absolutely ridiculous. It has fallen into line with the multitude of State banks. created under the late Administration. It has supported his "policy" by importing specie on credit, hat it might hatch more paper upon it. It has glo ried in the confusion of the'exchanges, by which it has made millions. In short, like the rest of the State banks, it has gone for making money; it has joined its fortunes with the State banks; it has borrowed specie like the State banks; has expanded with the State banks; has shaved with the State banks; has failed with the State banks, and is a S ate bank, and yet it is held responsible to the country as a national bank. Sir, it is no more a United States bank, and not so much as the little Burlington bank, which produced such a happy effect with a modicum of the spoils sent to it, and pressingly sent for more to operato on the elections. "in anticipation of the wool clip." There is a United States Bank for ye, established by the Executive to prevent the public mony from being employed to operate on

ple have sufficient intelligence to qualify them for , an irredeemable bank paper, it was too precarious, of temperance in which he is engaged, by breaking irresponsible power in every possible form in which it can be presented; whether it be presented in the hypocritical garb of republican homespun, or tinselled over in the glittering trappings of royalty. I go for a strict construction of the Constitution, limited Executive patrovage, and an economical administration of the Government; and you will never find me here, sir, with democracy and economy upon the lips, and tyranny and plunder in the heart. "I other motion, and, therefore, moved the postponeporrow no false liveries from heaven to serve the devil in.

Mr. K. after some further remarks. concluded this branch of the subject, by saying, that he had full confidence that the President, when some present difficulties were removed, would administer his department with wisdom and patriotism, and he hoped and expected to be able to give him his feeble support. But he just wished to tell him now, that if he intended "to tread in the footsteps" of his predecessor in trampling on the legislative authority, in the management of a subject of all others of the most importance to the people, he should feel it his duty to jostle him out of them. He never would consent, he said, to surrender the finances to the exclusive control of the Executive. If we did this, we should share the fate of every other nation who had submitted to Executive financiering : we should first become a nation of beggars, and then a nation of

Mr. K. said he had been led on to a length altogether unexpected to himself, and he feared tiresome to the Senate. Several other topics had been suggested by the remarks of other gentlemen, that he would like to touch, but he would dispense with them, and come to a conclusion, after a few words more upon the bill and amendment under consideration. As to the separation from the State banks great consequence, if in the details we could provide safety to the money. and guard against too much patronage and expense. But, the bil. he thought imperfect and obscure on both these points. And when we had passed the bill, we should have but little idea of what we had cone.

As to the amendment proposed, which restricted the receipts of the Government to gold and silver, he could never consent to think of it, without hearing from his constituents, so long as specie is not the common currency, used by the people in the busi-ness transactions of the country. They are never prepared with a currency not in common circulation, and would often and truly be reminded of the Ro man quætors, who were in the habit, among other acts of tyranny, of demanding particular kinds of money for the purposes of extortion. Here, 11 000 specie gatherers, demanding a currency not furnished the people by their own States, or by the ordinary circulation, will give them more trouble than all their other pecuniary transactions, and, being different to the demands made upon them for State taxes, will give to the Federal Government an alien character of tyranny and oppression. He could not conceive, he said, of a measure better calculated to give to the Government of the Union the appearance of a foreign Government, and alienate the affections of the people from it, than the measure proposed.

But, we are told that the Government only demands the constitutional currency, and therefore part of practical wisdom to exert all the power we have, and assert all the rights we claim? Every man has a right to demand specie at all times for every sale he makes, and for every debt due him. the country?

Suppose all the merchants of a single city were to suddenly demand specie for all dues from their customers for sales made and to be made, they would only assert a right : and yet what would be the re-The effect would be such upon their debtors sult? and dealers, that they would probably mob the merchants out of the city. You propose that the Govemment shall do that with the people which people dare not do with each other Look at the conduct of the people towards the banks ever since they have stopped payment, and specie is at a large premium : de they assert their rights, though they have every inducement to do so? I will refer to my own State as a strong argument to dissipate theoretical beauties by practical consequences. There the banks w compelled to pay 18 per cent. on a refusal to pay specie. They are good, and every billholder could get his principal and his 18 per cent. in sive. The dates are fourteen days later than specie, if he were to demand and insist on it. No man of capital could make so good an investment as to get a large sum in Augusta bank bills, make a demand, and hold them till the bank resumes specie payments. Yet nobody does this; and why? Be-cause they are all friendly to banks? Not at all, sir It is because they are frightened at a view of the con-sequences, and yield their own to the interests of the community. They know that if specie is forced from the banks, the banks will have to force it from the merchants, and the merchants from the planters and the great mass of consumers; and, before th matter wound up, its effects would be equal to the confiscation of one-third of the property of the coun try. The laborious and industrious classes consti tute the debtor class, which are much the most numerous, and much the most needy. On this class the sacrifice would ultimately fall. The benefits would be confined to a few creditors, capitalists, and money-lenders. And the measure you propose (said Mr. K.) will operate precisely in the mancer I have described, though perhaps not to the same extent. It will do to talk about and speak about here, and some people may think well of it, whilst they think it is only going to put the merchants to a lit tle trouble; but when they find, from experience, that the merchants are only their factors, and the operation falls on them, they will be prepared for a but in other qualities and descriptions we do more practical view of the subject. Mr. K. said he was, to be sure, opposed to the banking system, particularly its abuses. But the Pcople had established it, become accustomed to it, and it now seemed necessary to their business and prosperity. He saw no reason or expediency in taking away the discretion of the Secretary of the Treasury to receive the notes of specie paying banks when they resume, disburse them for Government purposes at the points where collected, and call on the banks for balances, when necessary for transfers of the Government funds from the points where collected, to the points where needed. Mr. K. here commented upon the estimates which the Senators from Missouri and North Carolina had put upon current bank bills, and the losses which the bill-holders had sustained by the suspension of specie payments. They seemed to estimate the actual value of a bank bill by the proportion which the specie in the vaults of the banks bore to the aggregate of circulation and deposites; as though the banks had no other means to pay their liabilities but specie. In this way the Senators make out the loss of the People by the banks to be immense. Could there be any advantage in propagating errors so palpable ? As a practical question, so far from the bill-holders having lost, they had generally gained by the suspension. Mr. K. here discussed the nature and purposes of money. Money said he, represents commodities Its uses are to command them at pleasure, and circulate them with convenience. Whatever answers this purpose, answers the purposes of money. Its value depends on the quantity of commodities it will command, and this again depends on the relation which the quantity of money bears to the quantity of ommodities. The active circulating medium has been greatly reduced in quantity since the suspension, not only by withdrawing specie from circulation, which has become a commodity, but by a reduction of bank paper, and hence it is that current bank paper is Now much more valuable than gold and silver was before the suspension, whilst the whole currency both paper and spe-cie, was depreciated by its redundant quantity. Are the passions and prejudices of men to be wrought upon when their senses may direct them ? Do we not know as an admitted fact, that current bank bills are more valuable now than before the suspension? Let me ask one of these suffering bill holders what he wishes to do with his money which he held at the time of the suspension ? Does he owe a debt ? If so, his creditor will be glad to receive it, and expects nothing else. Does he wish to buy provisions for his family? If so, he gets them cheaper than he could before the suspension of specie payments. Does he wish to buy real estate or stocks? If so, he can get them from 30 to 50 per cent. cheaper than he could before the supension of specie payments. In short, there is no purpose for which money is used, for which bills are not now more valuable to the holder than before the suspension, whilst the whole currency was depreciated by its quantity, except for the payment of a foreign debt. Those, then, who clamor most about their losses have lost nothing, but gene-rally gained. The merchants sustain the whole loss that is sustained, for they receive it from their debtors at par, and have to pay a premium for specie to pay their foreign creditors.

self-government. I. therefore, abhor tyranny and and subject to fluctuation. But as practical legisla tors, we should view things as they are, and he could see no expediency in endeavoring to impose such fallacies on an already excited community.

Mr. K. concluded by saying that he had no wish to postpone discussion, and. therefore, was indifferent as to the present fate of his motion. But as he did not like either project, as presented, and wished time to digest a better, he could not consistently make any ment of the whole subject to the first Monday in December next.

From the Madisonion, THE UNTRIED "EXPEDIENT."

The sub-treasury system is not an untried expedient. Its principles have been tested by the General Government, and by one of the States, and found by both to he so defective. as to make it indespensibly necessary to abandon it.

Under the administration of General Washngton, the principle was adopted of allowing the public moneys, as they were collected, to remain in the hands of the individual collectors and to be by them deposited in banks to their individual credit. During this period, many and large defalcations took place among the officers of Government. The collector of the City of New York, a revolutionary officer of high and irreproachable character, became a defaulter to a large amount, as depositories, he conceived that a matter of no not by fraudulently appropriating the Government money to his own use, but by a mistaken feeling of indulgence to others who borrowed it. The same result took place with the collector at Boston; and so fatally did this system work to the prejudice of the Government, and the rain of individual character, that by an order from the head of the Treasury, the principle was changed, and the public money was ordered to be deposited in the banks to the credit of the Government, to be subject to the drafts of the Treasurer. Thus was the measure tried by the Government, and thus did it fail, and was abandoned.

In the State of Virginia the system was tried, and most signally did it fail. Two of the most distinguished gentlemen of that State were in succession appointed Treasurers of the State, and having custody of the whole revenue, they both proved to be defaulters to large amounts, and the sequel was as tragical as the event was mournful. Virginia abandoned the measure, and ordered the public money to be deposited in the banks to the credit of the State, where it has always been only asserts a right. This is true, sir; but is it the safe, and where the trust has been performed with scrupulous fidelity to the entire satisfacof the Commonwelth. All this is a practical commentary upon the Sub-treasury scheme, But suppose every body were to do it, whilst pape is the common currency, what would become of try, which ought not to be disregarded. The now so pertinaciously urged upon the countruth is, the system is demoralising; the temptations are too many and too strong for the frailties of man, and we should be admonished by the devine principle which teaches us to ask, "lead us not into temptation."

The more we reflect upon this subject, and the more we learn, the more confirmed are we in the soundness of our opposition to it.

From the New York Journal of Commerce, Oct. 15. FOURTEEN DAYS LATER FROM EUROPE. By the Packet ship Orpheus, Capt. Bursley, we have received London papers to Sept, 15th, and Liverpool to the 16th, both inclubefore received. The two armies in Portugal had an engagment Aug. 28th, in which it appears that the Queen's forces were victorious, and Gen. Saldana, commanding the insurgents, immediately retreated. He was pursued by the government troops.

is has some advantages) are very great. 1 do not know, in many respects, that they are over-esti-mated by the Senator from Missouri. I hope he, however, after the most fatal experience to the country, will come to the conclusion that the evils of the system can only be reached by a legislative authori-ty that can reach the system itself. It is acknowlriged that we have no power over the system, and yet, by this Executive lashing and fretting, and chastising, and torturing, we keep the country and the currincy in a perpetual fever and fluctuation, giving us all the evils of the system, without its advantages Sir, yoù might as well undertake to make a fall-grown intellectual man, with trowel and mortar and regulate the circulation of his blood with a tmand regulate the circulation of his blood with a tin-ker stools, as to undertake to make a uniform stand-ard of value of a paper or mixed, currency, and to regulate its functions, as money, by the continual tinkering, and the successive and sudden application of force by the iron hand of Government. Sir, you can't do it; you have not the materials nor the laws for such a consummation. You may do infinite mischief, but you will never do any good. You may break up business, and ruin the industrious classes, but you will do up the application of the second to any good. will do no good to any class, except such as know now to profit by confusion, and speculate on the mis fortunes of their fellow men. If a said that at the very time this strange order

He said that at the very time this strange order was issued, exchange was already sufficiently high against the S athwest and West, to have made the transmission of specie a profitable operation. This was seen by the Senate when they with such unani-mity refused to take the responsibility of the measure. The effect, as forescen, was first to raise the exchan-ges, and then break them up. Why, sir, said he, if the whole currency of the country had been specie, any measure opposing the force of Government to the haw of trade, the practical affect of which should be to require the actual transmission of specie against the mate of exchange, would so far double the exchan-es, upon a mathematical principle, by requiring two es, apon a mathematical principle, by requiring two transits of specie instead of one. So true is the ope-ration of this principle, that even an arbitrary requi-sition that the paper movey alone of the Atlantic senheard should be received for public lands would have produced a heavy effect upon the exchanges, because in the exchanges it would have added to the Wrong side of the account. But, sir, when we come to the actual operation in

on; when we come to take not only money from a point where it is due, and send it to a point from which it is owing—to take it from the creditor and send it to the debtor, but perform this rough and anti-commercial operation by taking away the very basis upon which five sixths of the cur ency rests, gou pruduce effects that can never be arithmetically ted, and of which no adequate conception can be formed, except by witnessing the actual effects al-most immediately produced by the measure on the commercial seaboard, and those sections upon which the measure was intended to operate. An exact ratio would contract the whole currency in the money market, from which the specie is thus drawn, in the proportion in which paper is based on specie, thereby contracting six millions for every one thus abstracted, if the proportion be five paper dollars based on one of specie. But we all know that such measures do not operate in an exact, but in a loose ratio, from the apprehension, the confusion, panic and slarm which they create, and the commercial resources they cut off. This measure cuts off, to a great estent, the resources of the Atlantic merchants in the enormous amount of debt due them from the West and Southwest, for it not only unnaturally sent their money from tien, but prevented any coming to But determining to have some friends to the measure, it has been insisted that although it may have ruined the Atlantic merchants, and done injury to creditors, yet it was a great blessing to the people of the West. These people, however, it seems, are not se easily gulled by these forced blessings, for, after a full trial of it, their representatives, with great unanimity, voted last session to repeal it. The able speech of one of their representatives (Mr Walker) at the last session, explained to us the nature and operation of this blessing, and the Legislature of his State had by a resolution, unanimously sustained him. He did not know how grateful his friend felt for these blessings forced upon him by the Executive, and which had contributed so largely to bankrupt his constituents; but for himself, Mr. K. said (to use a rustic phrase) he would not like to be funnelled, even

was established by the party to which he had always carefully concealed. I am , party man, sir. All I been attached, with the immortal Madison at their am as a politician I was made & by party. I have no debtor aided whilst the creditor was oppressed? Not been attached, with the immortant matison at their head; who after fatal experience had changed his opinion on the subject. This paternity recommend-ed it, but reflection as well as experience convinced been honored. I respect my political opponents as at all, sir. Whilst this specie was on the voyage of its exile, and after it reached the deposite banks, so fur as the commercial and planting interests were con of the President was pulling the other; and exchange Strictly and logically speaking, Mr. K. said paper and we know not how many of the latter was m of its great utility as a financial agent to the my fellow citizens, living under the sme laws, subcerned, it might as well have been buried in the mid-dle of the e rth, or carried back to the mines of Mexi-Government, as an aid to internal and external com- ject to the same Government, and equal: honest and payments. Our enterprising merchants saw their was now depreciated, when now compared with saved! Government, as an aid to internal and external com-merce, and a wholesome regulator of an otherwise merce, and a wholesome regulator of an otherwise some of the essential and fundamental ginciples some of the essential and fundamental ginciples no other legal standard to go by. All he meant to danger from this unnatural warfare against them, but co. Did it aid the merchant in paying his Northern some of the essential and fundamental vinciples upon which our Government should be administered, and Eastern debts? No; it immediately increased still continued manfully struggling to save their own unregulated paper system. As an original question, say was, that paper was more valuable now than specredit and the honor of the nation. This fact shows he cost to him of such payment, by increasing the he was and ever had been opposed to the whole pacie was before the suspension, and, therefore, the nd have nothing to expect from them. how unjust and crucl have been the charges heaped te of exchange, whils, at the same time, it closed persystem, but the system certainly had many adholder had lost nothing. So glaring was the fallacy of estimating the loss of the community by the diffe-I am a democrat, a real democrat. I do not mike upon the merchants, of conspiring against their own on him all the usual resources of obtaining money vantages in a free country, and moreover was fixed country by a run upon the banks. They con pired the profession ad captundum; I fear it is becoming class has been saved. is increase in the rate of exchange increased the upon us, and no one ge : aration either could or would rence of specie in their vaults and the liabilities of rather unpopular; but my early habits and youthto prevent a run, as appears by the premiums they conchants, whilst they had also to answer the demands bear the sacrifices it would cost to get rid of it. And banks, that the community owed the banks more sented to puy for exchange, rather than demand speful associations made me so. In fact, the sentiment (added he) the progress we should make in getting rid of the system and its abuses, by putting down cie. Even their interests, in fact, is a sufficient auwas planted in my heart by nature, cultivated by of their bill bolders, who might want to purchase the public lands. What Northern exchange they had was soon exhausted in reducing their circulation, whilst they could not prudeatly de any business that would place their own issues in the hands of the business part of the community. Against the business

arose from too hasty an effort to restore the confusion into which the finances had fallen under the State hanks; that of 1825 was known to have been brought upon us by England; and was short in duration and comparatively trifling in consequence; and what was that of 1832, that is so much harped on ? Why, but for the diligence of gentlemen in looking up evidences of these great revolutions, they would not have been known or recollected out of the seaports, and hardly there. He recollected some short paragraphs in 1832, alluding rather timidly to the "rattling of specie in Wall-street ;" this continued a few days, about five millions were shipped; the Bank of the United States drew bills for about an equal amount; the foreign creditor was satisfied, and the panic ended. We had then no Executive financiering, no specie circulars ; trade was left in the hands of its lawful guardians; specie went off when the rate of exchange required it; and, by the prompt payment of five millions, the Bank of the United States got the nation a credit for the balance, which was paid by the crop and a diminished import. Yet such had been the nature of the warfare

against the bank whilst in life, and now against its shost, that his friend from Connecticut, in the next breath after having praised the circular, made a fu rious attack upon the bank, for interfering with the laws of trade in 1832, and preventing the export of specie to the whole amount of the foreign debt How this argument was to be reconciled with the specie circular and the whole "policy" and arguments by which it has been lauded and justified. Mr. K. would leave to the Senator and the friends of that measure to settle among themselves. This charge against the bank, he thought, carried the true doctrine to the opposite extreme. A demand for a cash balance always admonishes the nation that it has overtraded ; and unless it has the whole amount to spare. it is frequently an advantage to pay a part and have time to adjust the balance. He thought then the bank had done well in 1832 to pay what was required in specie, and get the nation credit for the balance until the crop of exports could be sold. It was frequently of advantage to an individual, he said, when he had become unexpectedly indebted, to pay what ready money he had, and get credit for the halance until the sale of his crop; and one advantage of a national institution was, that its credit always enabled it in such circumstances to get indulgence for the nation, as a friend was sometimes useful in getting credit for an individual. Sir, said he, the fate of this institution was most extraordinary. If Mr. Biddle expanded, he was bribing the country : if he contracted, he was ruining the country : if he exported specie, he was conspiring against the country: f he stood up, he was impudent : if he sat down he was suspicious : if he lay down, he was useless : and whenever he made a move, whether he crossed above or below the executive, he equally muddled the waters.

He thought the Senator from Connecticut had made another mistake in stating that the expansion of the bank occasioned the speculative rise in prices, and our importations of 1831. The over-importation preceded the expansion, and the expansion was avowedly intended to circulate the increase of commodities occasioned by the over-importation. The speculative rise, and over-importation of 1831, were owing to a cause as natural as the ebb and flow of the tides, and almost as periodical. They arose from the proceeding low prices, which had stimulated con-sumption, and exhausted the stocks in 1830 These fluctuations are always going on in every nation to some extent, and arise from the impossibility of keeping up, in the extended business of a nation, an exact relation between supply and demand.

Mr. K. said the United States Bank, though no longer in existence, had been the theme of every gentleman who had addressed the Senate. He hould say no more of it than was necessary to justify and defend himself, and the numerous friends of the administration who had believed in the utility of that institution. His defence was fully justified, for, although that institution was established by the demoratic party, every friend of it is placed, in sweeping denunciations, among aristocrats, rogues, and conspirators; ranked with the "Biddles and the Barings, and the banks," and set upon in full cry by dunces and demagogues, anxi us only to turn attention from their own mischievous blunders and errors.

When he came to maturity, he said, he found the apprehend that. I am only expressing freely senti-Bauk of the United States in successful and happy with champing. But what was its "happy effect" upon the West and Southwest, whilst it ruined the seaboard ? Was the operation. He learned its history, and found that it ments I and they have e-tertained, and not very

the politics of the country ! Why, then, these valiant charges upon a ghost; this war upon a sign : these tilts upon a tombstone? They are about as useful, and about as ratinal, as the charges of the redoubtable Don Quixotte upon the windmills.

In connexion with these perpetual efforts to frigh-ten us with ghosts and "things that are not," Mr. K. said he had never had his democratic feelings so shocked as they had been by a sentiment of the Senator from South Carolina, (Mr. Calhoun,) warmly applauded by his friend near him, (Mr. Strange.) We were told that though expedient, we should not make this State bank a depository, "because it would be a triumph over the Government!" What Government? 'The "Government" at the Hermitage, or the Government at the White House? These Governments were both, to be sure, supposed to be inimical to the present State bank, because they did not like Mr. Biddle, its president, who was formerly president of the national institution. But what had the Government had to do with the present State institution? He had supposed, until lately, that the Government meant the legislative power, as established by the Constitution; and if the people through their representatives, according to the forms of the Constitution, should deem it expedient to make any State institution a depository, it would be no objection with him that either the ex-President, or present Executive, was supposed to be inimical to one of its officere. I do not propose (said he) to make this institution a depoeitory, and nobody has proposed or thought of proposing it, so far as I know. Why, then, this warwhoop against it ? To show our devotion to the supposed Executive will ? "A change, what a change, has been produced in the tone of American feeling by these violent encroachments and recent triumphs of the Executive over the Legislative authority, in ion to the finances! All eyes are turned to the Executive. The spirit of our fathers has fled. blood of '76 has run out. Sir, there have been more gray hairs brought upon the head of our yonthful and vigorous Republic in the last four years, than ought to have grown upon it in one entire century of quiet and peaceful administration, with the constitutional co-operation of the legislative departments. My friends need not be astonished at the freedom with which I express these sentiments. They believe with me, they have acted with me. We have vainly stood up together against the will of the Executive. Our efforts have been impotent. We have been trampled under foot. The Executive has had his way, and we see the result. I only wish my friends to join me in taking a firm stand to teach the Executive that his friends are to be consulted in measures of such immense importance to the People is those by which our finances have been ruined. I have no idea of deserting them, sir ; they need not

Fears were still entertained as to a collision of the French and Turkish squadrons at Tu-

The cholera had nearly subsided at Marseilles, but was still raging in several places in the south of France.

The Plague was on the decline at Contantinople.

Liverpool Friday, Sept. 15. COTTON MARKET.—We have had a very imited demand and a quiet market this week, which has enabled buyers of ordinary to fair

qualities of American to supply themselves at ad to ad under the highest point of last week ; not at present observe any alteration in pri-

AWFUL CALAMITY.

The Steamboat Home, on her way from New York to Charleston, was wrecked with dreadful loss of life. The intelligence was first received in Charleston, through the following letter.

NEWBERN, N. C. Oct. 12, 1837. Messrs. L. M. Wiley, Parish & Co:-

GENTLEMAN-On Saturday last, I left New York in the steam packet Home, for your city with eighty or ninety passengers (30 to 35 ladies) and a crew of 43, in all about one hundred and twenty to 130, the wind and weather fine until Sunday night, when it commenced blowing a gale, and continued Monday afternoon, steamer commenced to leak, the gale very severe, all hands went to the pumps, but the warter gained on us when the man in command concluded to run her ashore. and did so on Monday night, between ten and eleven o'clock, six or 7 miles from Ocraacock Light House, and in about 20 minutes she had gone all to pieces, and lost about 80 or 90 drowned and 38 or 40 saved, among the latter was Mr. LOVEGREEN and Myself. Mr. L. was the only man saved with whom was acquainted, the soonest I can reach your city will be Tuesday next, when I hope to reach it in safety.

Please call on Mr. Lovegreen's family and say he was saved. Mr. H. TILESTON, of SPOFFORD, HASELTINE & Co. is lost. The mail being about to close, I must stop short and subscribe myself,

Yours, most respectfully, H. VANDERZER,

From the Newbern Spectator

On Monday night last, in consequence of stress of weather and the leaky state of the vessel the captain of the "Home," Captain White, was compelled to bear away for the nearest port. Either mistaking the entrance at the Bar, or unable to gain it, the Boat was driven on shore about six miles north of Ocracocke Bar. Our informant, (one of the passengers who was fortunately rescued from a watery grave) reports, that out of about ninely passengers and a crew consisting of forty three persons, only twenty of the former,

Among the passengers were between thirty and forty Ladies, of whom but two escaped ! Several children were among those who have been thus hurried to eternity, only one of this As we have neither space nor time to speak the banks, that the community. Each has a farther of, this most melancholy event, we shall merely append the names of the per-Well, sir, we leit England in expectation of getting some remittances to restore a part of the money we had borrowed from her. These remittances, however,