

FLEMING KENTUCKIAN

BY W. T. CLAY.

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 Letters addressed to the editor on business, to insure attention, should be post paid.

AGENTS.
 Popular Place, W. F. Stockwell,
 Plainesville, Daniel Picklin, Jr.
 Shaver's Mills, John Andrews,
 Mount Carmel, R. Henderson,
 Helena, Wilson Wood,
 State Hill, Bath Co., John M. Rice,
 Wyoming, John N. Lee,
 Martin's Mills, Robert C. Fant,
 Hillsborough, E. H. Hunt,
 Mayslick, Kirk & Spford,
 Albany, Morgan Co., W. P. Mosely,
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SPEECH OF MR. CLAY,
 OF KENTUCKY.
 On the Sub-Treasury Bill. Delivered in the Senate of the United States, September 25, 1837.

The Senate having resumed the consideration of the bill imposing additional duties, as depositors of the public monies, on certain officers of the General Government—

Mr. CLAY rose and addressed the Senate upwards of three hours. We cannot understate the report that he said, exactly as it will be. We must content ourselves with exhibiting a view of his argument, employing generally the language in which it was expressed.

He commenced by observing, that feeling an anxious desire to see some effectual plan proposed to correct the disorders in the currency, and to restore the prosperity of the country, he had avoided precipitating himself into the debate now in progress, that he might, as he said, have examined every remedy that should be proposed, and impartially weigh every consideration urged in its support. No period ever existed in this country, in which the future was so obscure, as it is at present. He said, that he had seen, in the past, a state of affairs, in which the day was so imperative to discard all passion and prejudice, all party ties and divisions, and look exclusively to the good of our afflicted country. In one respect he thought it a fortunate one—our present difficulties are distinguishable from former domestic troubles, and that is their universality. They are felt, it is true, in different degrees, but they reach every section, every age, every interest, almost every individual in the Union. As they do not bear, like our former divisions, one portion of the confederacy against another, it is to be hoped that common sufferings may lead to common efforts for mutual consolation; and that we shall, at no distant day, be able to see a clear way of alleviation. If the present state of the country were produced by the fault of the people, and their inaction, we would have no ground for complaint. If, however, it be the result of some error of policy, or of some error of judgment, it is our duty to correct it. If the present state of the country were produced by the fault of the people, and their inaction, we would have no ground for complaint. If, however, it be the result of some error of policy, or of some error of judgment, it is our duty to correct it.

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domable paper currency—which, by the universal consent of the commercial world, is regarded as the worst. How has this remedy been discovered? Can it be doubted that it is the result of those measures to which I have adverted? When, at the very moment of adopting them, the very consequences which have happened were foretold as inevitably it is necessary to look elsewhere for their cause! Never was prediction more distinctly made; never was fulfillment more literal and exact.

Let us suppose that those measures had not been adopted; that the Bank of the United States had not been chartered; that the public deposits had remained undisturbed; and that the Treasury order had never issued; and there is every reason to believe that we should be now in the enjoyment of a sound currency; that the public deposits should be now safe and forthcoming; and that the suspension of specie payments in May last would not have happened.

The President's Message asserts that the suspension proceeded from over-trading—over-trading—the indulgence of a spirit of speculation produced by bank and other facilities. I think this is a view of the case entirely too superficial. It would be quite as correct to put in the text of the President's Message, after the discharge of a man, to allege that the leaden ball, and not the man who levelled the piece, was responsible for the murder.—The true inquiry is, how came that excessive trade, which has been in operation there. They are to be found in that series of measures to which I have already adverted.

1st. The veto of the bank.
 2d. The removal of the public deposits, with the arrangement of Secretary Taney, upon the banks to enlarge their accommodations.
 3d. The gold bill, and the demand of gold for the foreign indemnities.
 4th. The summary execution of the deposit law; and
 5th. The Treasury order of July, 1836.

Here Mr. Clay went into an examination of these measures to show that the fulfilled condition of the currency, the wild speculations, which had risen to their height when they began to be checked by the preparations of the local banks necessary to meet the deposit law of June, 1836, the total suspension of specie payments, the consequent disorders in the currency, commerce, and general business of the country, were all to be traced to the influence of the measures announced. All these causes operated immediately, directly, and powerfully upon us, and the effects were indirectly felt in Europe.—The message imputes to the deposit law an agency in producing the existing embarrassments. This is a charge frequently made by the friends of the administration against the deposit law, and which the law has increased their accommodations, in conformity with the orders of Secretary Taney, it might not have been convenient to recall and pay them over for public use. It is true, also, that the measure in which the law was executed by the Treasury Department, transferring large sums from creditor to debtor portions of the country, without regard to the commerce or business of the country, might have aggravated the existing embarrassments. But what measure, who object to the law might have been done with the surplus which had accumulated, and were daily augmenting to such an enormous amount in the hands of the deposit banks. Were they to be distributed, it would be as if the Government were to pay the stockholders' claims. It was not proper and just that they should be applied to the use of the people from whom they were collected! And whenever they were so applied, the inconvenience necessarily happened! The message asserts that the Bank of the United States, chartered by Pennsylvania, has been able to save itself or to check other institutions, notwithstanding the suspension of its present charter. That Bank is now a mere State or local institution. Why is it referred to, more than the Bank of Virginia or any other local institution? The only reason is that the President's bill forbids the indulgence of the supposition that the allusion has been made to enable the administration to profit by the prejudices which have been excited against it. Was it the duty of that Bank to save itself or to check the other local institutions? Was it not even under less obligation to do so than the deposit banks, selected and fostered by the General Government?

But how could the message venture to assert that it has greater strength than the late Bank of the United States possessed! Whatever may be the liberality of the conditions of its charter, it is impossible that any single State could confer upon it such equal strength. The message is equally false in its allusion to the late Bank of the United States—first, in making it the sole depository of the revenue of the United States; and, secondly, in making its notes receivable in payment of all public debts. If that Bank had not been chartered, it would have had no legal notice of the accumulation of public moneys in the local banks, and, by timely measures of precaution, it could have prevented the speculative use to which those moneys had been put. The message would have been bound, by its relations to the Government, to observe its appropriations, and financial arrangements, and to hold itself always ready promptly to meet the demands of the Government. It is, however, certain, that the public moneys, however deposited, would have been consigned to commercial transactions, con-

centrated upon it alone, instead of being weakened or lost by diffusion among some eighty or ninety local banks, distributed throughout the country, and acting without any effective control.
 A subordinate but not unimportant cause of the evils which at present encompass us has been the course of the late administration towards the compromise act. The great principle of that act, in respect to our domestic industry, was its stability. It was intended, and hoped that, by withdrawing the tariff from those annual discussions in Congress, which had been the fruitful parent of numerous factious would have a certain, for a long period, as the measure of protection, extended to them by its provisions, which would compensate any reduction in the amount of the tariff in prior acts. For a year or two after it was adopted, the late administration manifested a disposition to respect it, as an arrangement which was to be inviolable. But, for some time past, it has been constantly threatened from that quarter, upon a settled purpose has been displayed to disregard its conditions. Those who had an energy in bringing it forward, and carrying it through Congress, have held it up as an illustration, in the confidence of the administration in both Houses, to possess no obligatory force beyond an ordinary act of legislation, and new adjustments of the tariff have been proposed in both Houses, by the Executive, in violation of the principle of the compromise; and, at the last session, one of them actually passed the Senate, against the most earnest protest and remonstrance. A portion of the South threatened from that quarter, upon a settled purpose has been displayed to disregard its conditions. Those who had an energy in bringing it forward, and carrying it through Congress, have held it up as an illustration, in the confidence of the administration in both Houses, to possess no obligatory force beyond an ordinary act of legislation, and new adjustments of the tariff have been proposed in both Houses, by the Executive, in violation of the principle of the compromise; and, at the last session, one of them actually passed the Senate, against the most earnest protest and remonstrance.

The effect of these constant threats and attacks coming from those high in power, has been most injurious. They have shown to the manufacturing interests, that no certain reliance was to be placed upon the steadiness of the policy of the Government, no matter under what solemn circumstance it was adopted. It has induced the manufacturers to suspend their operations, and those who have not chiefly confine themselves to working up their old stock on hand. The consequence has been that we have made too little at home, and purchased too much abroad. This has augmented that foreign debt, the existence of which has so powerfully contributed to the suspension of specie payments.
 The Secretary of the South Carolina, Mr. Calhoun, attributed the creation of the surplus revenue to the tariff policy, and especially the acts of 1824 and 1828. I do not perceive any advantage, on the present occasion, in reviving or alluding to the former dissensions, which prevailed on the subject of that policy. They are the result of the compromise, to which I have referred. By that act I have been willing and ready to abide. And I have desired only that it should be observed and executed in a spirit of good faith and fidelity similar to that which I have been ever accustomed towards it.
 The year 1828 was no measure of the friends of the manufacturers. Its passage was forced by a coalition between the secret and open opponents. But the system of production of American industry did not cause the surplus. It proceeded from the extraordinary sale of the public lands. The receipts from all other sources, than that of the public lands, and expenditures of the years 1823-34-35-36, (during which the surplus was accumulating) both amount to about \$87,000,000, thus clearly showing that the surplus was produced by the sale of the public lands, and not by the tariff. If the land bill had been allowed to go into operation, it would have distributed gradually and regularly among the several States the proceedings of the public lands, as they would have been received from time to time. They would have been turned back into small streams similar to those of which they have been collected, animating, and improving, and fructifying the whole country. There would have been no surplus to embarrass the Government; no removal of deposits from the Bank of the United States to the State banks; no accumulation in the deposit banks of immense sums of public money, augmented by the circuit it was performing between the land offices and the banks, and the banks and the land offices; no occasion for the Secretary of the Treasury to issue the deposit banks, and to pacify the public mind by the grant of specie payments. But that bill was suspended by a most extraordinary and dangerous exercise of executive power.
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 The year 1828 was no measure of the friends of the manufacturers. Its passage was forced by a coalition between the secret and open opponents. But the system of production of American industry did not cause the surplus. It proceeded from the extraordinary sale of the public lands. The receipts from all other sources, than that of the public lands, and expenditures of the years 1823-34-35-36, (during which the surplus was accumulating) both amount to about \$87,000,000, thus clearly showing that the surplus was produced by the sale of the public lands, and not by the tariff. If the land bill had been allowed to go into operation, it would have distributed gradually and regularly among the several States the proceedings of the public lands, as they would have been received from time to time. They would have been turned back into small streams similar to those of which they have been collected, animating, and improving, and fructifying the whole country. There would have been no surplus to embarrass the Government; no removal of deposits from the Bank of the United States to the State banks; no accumulation in the deposit banks of immense sums of public money, augmented by the circuit it was performing between the land offices and the banks, and the banks and the land offices; no occasion for the Secretary of the Treasury to issue the deposit banks, and to pacify the public mind by the grant of specie payments. But that bill was suspended by a most extraordinary and dangerous exercise of executive power.
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traced upon it alone, instead of being weakened or lost by diffusion among some eighty or ninety local banks, distributed throughout the country, and acting without any effective control.
 A subordinate but not unimportant cause of the evils which at present encompass us has been the course of the late administration towards the compromise act. The great principle of that act, in respect to our domestic industry, was its stability. It was intended, and hoped that, by withdrawing the tariff from those annual discussions in Congress, which had been the fruitful parent of numerous factious would have a certain, for a long period, as the measure of protection, extended to them by its provisions, which would compensate any reduction in the amount of the tariff in prior acts. For a year or two after it was adopted, the late administration manifested a disposition to respect it, as an arrangement which was to be inviolable. But, for some time past, it has been constantly threatened from that quarter, upon a settled purpose has been displayed to disregard its conditions. Those who had an energy in bringing it forward, and carrying it through Congress, have held it up as an illustration, in the confidence of the administration in both Houses, to possess no obligatory force beyond an ordinary act of legislation, and new adjustments of the tariff have been proposed in both Houses, by the Executive, in violation of the principle of the compromise; and, at the last session, one of them actually passed the Senate, against the most earnest protest and remonstrance.

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