DAILY APPEAL.

MEMPHIS.

SUNDAY MORNING, NOVEMBER 29, 1857.

ALABAMA UNITED STATES SENATOR.

We learn from the Tuscumbia *North Alabamian* that the Hon. C. C. Clay, Jr., was on the 26th inst re-elected to the United States Senate for the period of six years, from the 4th of March, 1859. He had no opposition, Gov. Winston having withdrawn from the contest.

CAUSE OF THE CRISIS.

The *Bulletin* propounds an entirely novel theory to account for the money crisis of 1857, when it boldly asserts, that "the hard times," from which every branch of business has suffered, were the offshoot, not of a worthless currency, but of an insufficient currency."

"Driven to a curtailment of nearly two millions," continues that organ, "every one felt the depletion." "Push the process further, and make the currency gold and silver alone, and the pest pressure would be but as a feather's weight to that which would crush the industry of the people." "*Credit*, which is the poor man's capital, would be at an end, and the rich alone be able to command the facilities which have enabled the industry of our people to work out such marvels." "The transition, come when it may, and however it may be produced, is annihilation to those without an already accumulated capital."

The error of the *Bulletin*, in asserting that the "hard times" were the offshoot, not of a worthless currency, but of an insufficient currency, has doubtless arisen from confounding the *proximate* with the *efficient* cause of the money panic. The *proximate* cause of the derangement of the finances of the country may be plausibly attributed to the sudden and extraordinary curtailment of the circulation of bank issues. But he, who desires to probe the money system until he discovers the real disease, and who wishes to apply an efficient remedy, will not stop here in his investigations, and pronounce a mere *symptom* to be the disease itself. If the curtailment, as the *Bulletin* asserts, were indeed the radical cause of the hard times, why did not the banks apply the natural nostrum, and at once enlarge the circulation to such an amount as would have cured the evil? If an "insufficient currency," and not a "worthless currency," was, in fact, the disease, then the remedy would have been the simple and easy one of making it *sufficient* to meet the demand of the commercial community, by issuing an increased amount of bank paper.

The question, then, arises, why did not the banks pursue this policy instead of curtailing? The answer is readily given. They saw bankruptcy and dishonor staring them in the face, if they dared to maintain their circulation, much less to increase it. They saw their vaults rapidly yielding up their coin and that coin exported abroad to meet an indebtedness which was the result, in part, of their extravagant over-issues. They were obliged to curtail to prevent failure, but their curtailing came too late and did not check the tendency to draw coin from their vaults. So they were compelled to take the next step to bankruptcy—to suspend the payment of their liabilities. The nostrum of the *Bulletin*, we suppose, would be to enlarge their issues at this point of suspension and thus furnish a *sufficient* currency for the country, and yet to maintain that a totally irredeemable currency is not *worthless* to a certain extent, because it makes all bank issues alike, the notes of really solvent institutions and of those which cannot pay more than ten cents on the dollar being at par with each other.

From all this, it is very evident that the efficient cause of the money crisis was the extraordinary expansion of bank credits and circulation, running up prices of every species of property to a panic point, stimulating extravagance and excessive importations of foreign fabrics and engendering a wild and crazy speculation in bonds and stocks, which exhausted the country of its coin and left the banks without a sufficient metallic basis to sustain their circulation. This sort of game the *Bulletin* designates the *abuse* of the banking system, and solemnly asks if we would destroy the system rather than correct these abuses. We reply that these *abuses*, as they are termed, seem to us to overbalance very far any of the compensations of the system, and while we have advocated, and shall continue to contend, with zeal and earnestness, for such corrections of the existing system, while it remains in existence, as will remedy the defects, as far as possible, and place the currency upon a safer and sounder basis, yet we have thought it our duty to advocate an ultimate and radical change in the whole system. That a currency, adequate to the commercial wants of the whole country, can be furnished from the precious metals, we have not a doubt.

But if experience, to be demonstrated by a gradual approach to a metallic currency, according to the safe and prudent system we have suggested, should show that our commercial wants and the general interests of the country demand an increased circulation, it will be very easy to enlarge the currency to the amount needed, and no more, making gold and silver the general basis and paper issue the exception, thus directly reversing the present system which makes paper issues the general basis and coin the very rare exception. One thing is clear to every sound-minded observer of events, that the policy of our legislation has diverged very widely from the metallic basis or constitutional currency, and that the consequence has been recklessness, extravagance, visionary schemes, speculation and fraud. To correct this, should be the object of every reflecting citizen, and we abate nothing of our original conclusion, that to make the reform we shall have to gradually withdraw the circulation of notes of credit, until we shall have arrived at a strict basis of gold and silver, effecting exchanges through properly regulated banks of deposit.

MESSAGE OF THE GOVERNOR OF SOUTH CAROLINA.

We find in our Charleston exchanges the message of Gov. Allston, of South Carolina, transmitted to the Legislature on the 23d inst. On the interesting subjects of Banks, Finance and the Usury Laws, he advances the following views:

In the first half of the year, I was pleased to learn that the bills of the principal banks in South Carolina constituted still a section of the united currency in the West, nor were available also to travelers as far North as the city of New York. Those of some of the smaller banks, it was said, were sometimes found, at certain points in the Western States, circulating too freely and in too great numbers. In granting charters hereafter, I think it would be well to confine the banks to dealing in exchange, discount and deposit. The issue of bills to be the paper money should be exclusive of the Bank of the State, which, in its turn, should be denied the privilege of discounting notes or dealing in domestic exchange. The corporations which demand a circulating medium for their business, should apply to the State authority for the same, depositing public stocks to the amount desired in specie, and the remainder in satisfactory securities, so as to assure the public of the soundness and convertibility of a mixed currency. This suggestion is made on the supposition that the State will adhere to the Bank of the State, as its fiscal agent, not because I prefer it as such. Unless some such modification of the system be adopted, I seriously ask