

## **Charles Pinckney, Speech in the Ratification Convention, 20 May 1788**

Speech of Mr. CHARLES PINCKNEY, on the 10th Section of Article 1st of the Federal Constitution.

This section I consider as the soul of the Constitution--as containing, in a few words, those restraints upon the states, which, while they keep them from interfering with the powers of the Union, will leave them always in a situation to comply with their federal duties--will teach them to cultivate those principles of public honor and private honesty which are the sure road to national character and happiness.

The only parts of this section that are objected to are those which relate to the emission of paper money, and its consequences, tender-laws, and the impairing the obligation of contracts.

The other parts are supposed as exclusively belonging to, and such as ought to be vested in, the Union.

If we consider the situation of the United States as they are at present, either individually or as the members of a general confederacy, we shall find it extremely improper they should ever be intrusted with the power of emitting money, or interfering in private contracts; or, by means of tender-laws, impairing the obligation of contracts.

I apprehend these general reasonings will be found true with respect to paper money: That experience has shown that, in every state where it has been practised since the revolution, it always carries the gold and silver out of the country, and impoverishes it--that, while it remains, all the foreign merchants, trading in America, must suffer and lose by it; therefore, that it must ever be a discouragement to commerce--that every medium of trade should have an intrinsic value, which paper money has not; gold and silver are therefore the fittest for this medium, as they are an equivalent, which paper can never be--that debtors in the assemblies will, whenever they can, make paper money with fraudulent views--that in those states where the credit of the paper money has been best supported, the bills have never kept to their nominal value in circulation, but have constantly depreciated to a certain degree.

I consider it as a granted position that, while the productions of a state are useful to other countries, and can find a ready sale at foreign markets, there can be no doubt of their always being able to command a sufficient sum in specie to answer as a medium for the purposes of carrying on this commerce; provided there is no paper money, or other means of conducting it. This, I think, will be the case even in instances where the balance of trade is against a state; but where the balance is in favor, or where there is nearly as much exported as imported, there can be no doubt that the products will be the means of always introducing a sufficient quantity of specie,

If we were to be governed by partial views, and each state was only to consider how far a general regulation suited her own interests, I think it can be proved there is no state in the Union which ought to be so anxious to have this part of the Constitution passed as ourselves

We are to reflect that this Constitution is not framed to answer temporary purposes. We hope it will last for ages--that it will be the perpetual protector of our rights and properties.

This state is, perhaps, of all others, more blessed in point of soil and productions than any in the Union. Notwithstanding all her sufferings by the war, the great quantity of lands still uncultivated, and the little attention she pays to the improvement of agriculture, she already exports more than any state in the Union, (except Virginia,) and in a little time must exceed her.

Exports are a surer mode of determining the productive wealth of a country than any other, and particularly when these products are in great demand in foreign countries.

Thus circumstanced, where can be the necessity of paper money? Will you not have specie in sufficient quantities? Will you not have more money in circulation without paper money than with it?--I mean, without having only paper in such quantities as you are able to maintain the credit of, as at present. I aver you may, and appeal only to the experience of the last five or six years. Will it not be confessed that, in 1783 and 1784, we had more money than we have at present, and that the emission of your present paper banished double the amount out of circulation? Besides, if paper should become necessary, the general government still possess the power of emitting it, and Continental paper, well funded, must ever answer the purpose better than state paper.

How extremely useful and advantageous must this restraint be to those states which mean to be honest, and not to defraud their neighbors! Henceforth, the citizens of the states may trade with each other without fear of tender-laws or laws impairing the nature of contracts. The citizen of South Carolina will then be able to trade with those of Rhode Island, North Carolina, and Georgia, and be sure of receiving the value of his commodities. Can this be done at present? It cannot! However just the demand may be yet still your honest, suffering citizen must be content to receive their depreciated paper, or give up the debt.

But above all, how much will this section tend to restore your credit with foreigners--to rescue your national character from that contempt which must ever follow the most flagrant violations of public faith and private honesty! No more shall paper money, no more shall tender laws, drive their commerce from our shores, and darken the American name in every country where it is known. No more shall our citizens conceal in their coffers those treasures which the weakness and dishonesty of our government have long hidden from the public eye. The firmness of a just and even system shall bring them into circulation, and honor the virtue shall be again known and countenanced among us. No more shall the widow, the orphan, and the stranger, become the miserable victims of unjust rulers. Your government shall now, indeed, be a government of laws. The arm of Justice shall be lifted on high; and the poor and the rich, the strong and the weak, shall be equally protected in their rights. Public as well as private

confidence shall again be established; industry shall return among us; and the blessings of our government shall verify that old, but useful maxim, that which states, as well as individuals, honesty is the best policy.

Jonathan Elliot, ed., *The Debates in the Several State Conventions, on the Adoption of the Federal Constitution*, Vol. 4, Philadelphia: J.B. Lippincott and Company, pp. 333-336.