

AN

ORATION

DELIVERED BEFORE THE

DEMOCRATIC CITIZENS

OF THE

COUNTY OF WORCESTER,

WORCESTER, JULY 4, 1837.

BY ROBERT RANTOUL, JR.

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WORCESTER, JULY 4, 1837.

SIR:—

The Democratic citizens of Worcester County, assembled for the celebration of the glorious 4th., elected the undersigned a Committee to request of you a copy of your able and eloquent Oration delivered this day. We are happy to make this request, and hope that an Oration so well adapted to the times, and calculated to effect so much good, will not be withheld from the public.

Yours, with sentiments of

Very great respect,

ISAAC DAVIS,
SAMUEL WARD,
NATHANIEL WOOD.

To ROBERT RANTOUL, JR., ESQ.

WORCESTER, JULY 5, 1837.

GENTLEMEN:—

I have just received your very flattering invitation to submit to the press the remarks delivered by me yesterday. I place them at your disposal, though well aware how far they fall short of a thorough discussion of the subject treated of.

With the utmost respect,

Very truly yours, &c.,

ROBERT RANTOUL, JR.

Messrs. ISAAC DAVIS,
SAMUEL WARD,
NATHANIEL WOOD, Esqrs., } *Commmitté of the
Democratic citizens
of Worcester Co.*

ORATION.

THERE is no incident in the history of mankind, except the advent of their Redeemer, that can rival in importance and interest that which we have met to commemorate. The capacity of the people in any nation to govern themselves, however excellent might be their intellectual, moral and political education, and under whatever favorable circumstances, was not merely called in question ; it was almost universally denied : it was only the theory of a few sanguine speculators upon human perfectibility, thinly scattered over the world, until the Fourth of July seventeen hundred and seventy-six. Since that day it has been a fact, obvious, indisputable, penetrating everywhere, dispelling by its radiant clearness that political bigotry, in which the millions of our race had blindly submitted to the fiat of arbitrary power as to the irresistible decree of fate. It is the star of Hope and Promise. Enlightened by its beams, the oppressed discern the weakness of the tyrant. They now no longer must bow their servile necks beneath the yoke of one of their fellows, neither stronger nor better than themselves: no longer must the many sow, that the few may reap : no longer must myriads toil, and sin, and suffer, and perish, that one glorious name may fill a page in history : no longer shall the husbandman and the artizan, torn from their peaceful labors to carry desolation and death to the homes of those who have never wronged them, be dragged, brute victims to slaughter, at the chariot wheels of a conqueror. Freedom guarantees govern-

ments in the interests of those that are governed, and intelligence and virtue are now the only qualifications necessary for the enjoyment of freedom.

Independence is proclaimed, and with the sound a nation starts into being, not like her elder sisters, held in thralldom, but all her limbs unbound and free ; not like them, slow of growth, and after a tardy developement, attaining only to a dwarfish deformity, but like Minerva, from the head of Jove, at once mature in wisdom, courage, dignity, and power, knowing her rights, and fully armed to maintain them against every aggressor, asking nothing but what is right, submitting to nothing wrong — equally ready to vindicate her just cause, whether Britain provokes her youthful energies, or France delays to do her justice, or Algiers or Mexico insults her hardy sons upon that element which is their home and empire. Her sudden entrance on the theatre of action changed essentially the positions and relations of all the other nations of the world. The nature of this change, the extent to which it has already reached, and must proceed hereafter, the momentous consequences that spring from it, affecting both governments and subjects, to what peculiar dangers it exposes them and us, and how we may best secure and improve the blessings of our most fortunate location and condition, are all fair topics of inquiry upon this hallowed anniversary. The field open for our discussion is fertile and inexhaustible. Many have entered it, and some with signal and lasting benefit to their countrymen, but there is still rich room for more. In view of the vast variety of considerations which suggest themselves, and recollecting the ability with which this occasion has been often illustrated, one is at a loss to choose the theme of a discourse addressed to an audience like that before me.

The great experiment of our Independence has been in its general results even more successful than the most sanguine would have dared to hope. Allowing for all those deductions

which truth and candor, and justice to ourselves require to be made in the account, there still remains a long continued career of prosperity, interrupted we must confess, by evils, which for the most part, wisdom might have avoided or at least mitigated, yet far surpassing the best estate of the most fortunate people that ever before appeared upon the face of the globe. The population of this Union has just reached its second duplication since the census of seventeen hundred and ninety — being now about sixteen millions.* The population of our own State is this year double what it was at the date of the declaration of Independence, while about a million and a half of the inhabitants of other States are either emigrants, or the children of those who have emigrated from Massachusetts since the opening of the Revolution. Not the pressure of want at home, but the cheap abundance of a richer soil in the West, tempted these multitudes of our brethren to go out to people the prairie, and subdue the wilderness. The wealth of Massachusetts is probably ten times as great as when the Revolution broke out; some estimates would make it thirty times as great; but if ten times only, it gives to each family, upon an average of the whole Commonwealth, five times the amount of comforts and conveniences of every kind, that they enjoyed before the Revolution. Those who have staid by the old homestead have done well then; if those who have gone and are now going from among us have done better, we desire to be devoutly thankful for the benignant smiles of a kind Providence on our kindred and acquaintance. God speed them on their way, and watch over and bless them in their selected abode, and may they carry

* Population of the United States, in 1776, about 2,600,000. In 1790, 3,921,328. In 1830, 12,856,407. In 1837, about 15,720,000.

Population of Massachusetts, in 1776, 348,094. In 1790, 378,787. In 1830, 610,014. In 1837, about 702,000.

Property of Massachusetts, in 1776 estimated at eleven millions of dollars, but *probably at least* thirty millions, at the present value of money. In 1830, \$208,660,407. *Real value*, in 1837, probably exceeding three hundred millions; perhaps four hundred millions.

with them, preserve, and perpetuate to the end of time, throughout the broadest and noblest valley in the world, the enterprise, the perseverance, the intelligence, morality, and religion, the good old primitive virtues of New England.

Poverty, want, starvation, disease, misfortune, and crime are the checks of population, and the amazing rapidity of that progress whose measure I have just given, a progress whereby the inhabitants of this Union must exceed one hundred millions within the life time of many who now hear me, proves more conclusively than any labored argument, how seldom and to how small extent these checks are prevalent within our borders. Oh, knew we but our happiness, of men the happiest we! Yet the happiness which we enjoy, vast in comparison with the most numerous portions of our race, approaches not by an almost equal difference that happiness which Heaven has placed within our reach, if wisely determining and boldly executing the policy and the measures necessary to develope in the highest perfection the greatest good of the greatest number. Even what we have, we hold by sufferance, so long as we deserve it, duly prize it, and guard it with that perpetual vigilance which is the price that must be paid for the living spirit of our institutions, without which their empty form is worthless.

Our ship of state navigates no pacific ocean ; she rides the stormy billows of liberty. Give her sea room enough, and she rides secure, and defies the fury of embattled winds. — Hidden perils only can endanger her safety. Treacherous insects have been at work in the unseen depths ; slowly and long have the coral reefs been rising ; if treason takes the helm a moment, she strikes, and all hope is lost. But the ever watchful eye of our experienced pilot, wise in counsel, resolute in action, sagacious amid difficulties, and unshaken by the terrors of the crisis, has already descried the course through which her passage opens ; she leaves destruction behind, and

goes bounding on her glorious way, a home of life and joy and confidence, freighted with the welfare of a nation, and cheered by the admiration of a world.

In the midst of our heartfelt rejoicing, as not unaware of the greatness of our deliverance, let us look back and survey the hazard past. Let us survey it calmly, yet faithfully, patiently and thoroughly. Who can tell how soon we may find ourselves again in the same jeopardy. If so, danger well known is already half avoided.

According to American principles, all men are born free and equal, although in point of fact, a majority of mankind live in slavery. The condition of slavery is an abuse. By our Constitution, perfect freedom is a natural, essential, and unalienable right. The body politic is formed by a voluntary association of individuals, covenanting together for their common good. The just powers of government are derived wholly from the consent of the governed, all power residing originally in the people, and all magistrates being merely their accountable agents. The end of the institution, maintenance, and administration of government, is to secure the existence of the body politic, to protect it, and to furnish the individuals who compose it, with the power of enjoying, in safety, and tranquillity, their natural rights and the blessings of life. It is not for the profit, honor, or private interest of any one man, family, or class of men.

The source of all the legitimate power that a government can possess is the general will. The only legitimate object of government is the general welfare. The only legitimate means, it can employ for this object, are the preservation of social order, and the protection of each individual in the enjoyment of his life, liberty, and property, according to standing laws operating equally upon all the citizens. Such is the theory of the Constitution of Massachusetts. It is the theory of a democratic government, of a sovereign people governing themselves. Its source, the public will : its aim,

the public good : its means, the public order. Such also, though much more strictly limited, is the Constitution of the Federal Union. But the Constitution of Human Nature is the same under American, as under European or Asiatic governments.

In the nature of mankind there exist the elements of three different parties which under every democratic government must be expected to display themselves in very different aspects, according to circumstances, their real character being often so ingeniously disguised, at least as to two of them, that without a large share of penetration and sagacity, a disinterested looker on would not at first detect it. These three parties consist respectively of those who desire that the government should tend towards an aristocracy, of those who desire that it should continue to be purely democratical, and of those who desire that it should tend towards anarchy—They may be severally denominated Aristocrats, Democrats, Anarchists.

In every community there will be men of talents, wealth, and energy, who, when they devote their whole powers to the public good, will be numbered among the most excellent and esteemed citizens ; and will enjoy, precisely in the proportion that they deserve it, the confidence of the people. But if these men are not under the restraint of moral principles, if they feel no sense of public duty, but give themselves up to the impulses of selfishness, being capable of forming and pursuing systematic plans of personal aggrandizement, under the guidance of their inordinate ambition, they will strive to press into their service all the machinery of government, and to make that machinery as effective as possible for their purposes. These men would monopolize power, and share the benefits to be reaped from the monopoly, exclusively among their own order. As all governments anciently favored accumulations both of property and power, they hold fast both to ancient laws and usages, and fight manfully against the equalizing and liberalizing spirit of the age.

They delight to call themselves Conservatives, but are in truth Retrogrades, for they vainly attempt to carry back society to maxims and a regime which have had their day and are gone forever.

The popular party includes both rich and poor, learned and unlearned, those endowed with genius, and those unbles-
 sed by nature ; but its greatest strength resides in what is often called the middling interest and especially in the substantial yeomanry of the country, for they have seldom any interest adverse to the common good of all. Democracy is the party of equal rights, equal laws, equal privileges, universal protection. Its foundation rests upon eternal principles of equity and justice. Its creed is in the ordination of Providence, the Constitution of Nature, and the wisdom of Revelation. It has their common sanction, and therefore is not troubled with doubts or misgivings. Its policy is honesty, and its counselors are common sense and an enlightened conscience. It has no partialities. It neither plunders the rich, nor oppresses the poor. It does not reserve its smiles for the fortunate, nor its frowns for the unhappy ; nor does it look with envy on success or merit, or pass by with cold indifference the helpless and abject, but its sympathies are for all, wide as the world, and liberal as the sun. It rather reveres those sacred axioms of immutable right which our fathers embodied in the Declaration of Independence, and in the articles prefixed to our Constitution; and which form the best inheritance they have left us, than blindly follows them in any errors of their conduct wherein they forgot or violated those axioms. It admires and participates largely in those bold efforts for improvement which characterize our times, but it is not blown about by every wind of doctrine. It neither worships a venerable abuse because it is old, nor is carried away with every wild project of innovation because it is new. But it moves steadily on in its beneficent course of prudent, judicious, well considered reform.

The anarchists among us are so few in number, that they hardly exist as a political party, yet that there are individuals who hate the law which protects the honest man, a very slight inspection of our jails and prisons will suffice to convince us. There are men of irregular and ungovernable passions, desperate and depraved, who would pull down all above them to their own miserable level, but we look upon them with wonder, and regard them rather as monsters than as men. One of the first objects of good government is to control them, of course the more faithfully the government performs this duty the more violent will be their animosity against it. Having interests adverse to the common interests of society, and only hoping to rise upon the downfall of the good, they are naturally destructives—the architects of ruin.

In those countries where ignorance prevails among the masses, the aristocracy will govern, and the many will pay tribute to the few. Such has been the situation of almost the whole world, through its whole history, with one prominent exception in America, in the last half century.

In those countries where universal corruption and vice have penetrated every class of society, until the body politic is fully ripe for destruction, the anarchists may for a moment seize upon the powers of government, and endeavor to wield them for their own nefarious purposes. But such a condition is convulsive and unnatural, and there is no instance in history where it has continued beyond a very short period.

In those countries where the great majority of the people are enlightened and virtuous, inequalities both of property and power will be comparatively trifling. There, and there only can the experiment of self-government be successful, because there the democratic party will vastly outnumber all other parties put together.

The aristocrats believe, that “it is the part of wisdom to found government on property,” for the good of the few. — The democrats believe that it is both wise and just to found

government on the intelligence and virtue of the whole population, for the greatest good of the greatest number. The anarchists, setting aside wisdom and justice, would overturn the foundations of government, to rid themselves of the wholesome restraints which it imposes upon their dishonest propensities and wicked passions.

The aristocrats go for their order: the democrats, for the people: the anarchists, each one for himself.

The aristocrats would erect a fabric like a feudal castle, with a few capacious and splendid apartments, but with no provision for the comfort of the family at large. The democrats would repair and enlarge the building so as to accommodate, in the best possible manner, all the inmates. The anarchists would tear down the house, for the sake of what they might purloin while wandering amid the ruins.

The aristocrats, or self-styled conservatives, are consolidationists. The democrats, or reformers, are constitutionalists. The anarchists, or destructives, are practical and thorough going nullifiers.

Of these last I am loath to speak. I would not willingly believe that there can be such a party on this side of the Atlantic: but the events of the last eight years show too clearly that we have among us determined and inveterate enemies of our laws, of our Constitution, and of our glorious Union. — As every man, who has an estate, or a good character, or a profitable employment, or a family, or a friend, or a hope ever to possess any of these, or a spark of true patriotism, or a sentiment of humanity, has a stake and must feel an interest in the preservation of our established institutions, the absolute destructives must be so few in number, and so weak in all the elements of moral influence, that we need not waste a word or a thought upon them, unless they were adopted into the ranks and employed under the direction of those who profess to be conservatives, bold bad men, with ambition gnawing at the heart like the worm that never dies, and who marshal the

heterogeneous forces of opposition with the feeling of "the first whig,"* better to reign in Hell, than serve in Heaven.

Is it conceivable, said Fisher Ames, that the owners of the commercial and monied wealth of the nation, will plot a revolution that would make them beggars as well as traitors, if it should miscarry? In these convulsions of the State property shifts hands. As well might they suspect the merchants of a plot to choak up the entrance of our harbors, by sinking hulks, or that the directors of the several banks had confederated to blow up the money vaults with gunpowder.

Mr. Ames gives his friends more credit for wisdom than they deserve. Have we not seen a leader of our aristocracy proclaiming that we were in the midst of a revolution, and another justifying the profanation of the Sabbath by the doctrine that there are no Sabbaths in revolutionary times? — Have we not seen those who owe their political existence to the Union, calculating the value of the Union; those who live by credit making war on credit by getting up a panic; those whose commerce our navy protects offering the grossest insult to our navy; manufacturers, who believe that the slightest reduction of the protective duties would be "the death warrant of the manufacturing establishments of New England," on the brink of treason, because the protective duties are not reduced, by collecting them in bad paper; members of Congress, who voted for laws which control the Executive, threatening instant rebellion if the Executive obeys those laws? There is no infatuation too absurd for faction.

Disappointed aristocrats have always been the principal fomenters of treason. Lucius Cataline was one of the higher aristocracy. He was by nature greedy and prodigal, covetous of what belonged to others, lavish of his own. Of course his pecuniary situation was desperate. He was a member of the national Senate, and had been defeated in his

* Whiggism is the negation of all principle. The Devil was the first whig.
Dr. Johnson.

intention to be a candidate for the office of chief magistrate, but at the time of the conspiracy he was determined to be nominated again, though he had got into a small minority in the Senate. He harangued his accomplices, and "when he perceived all their spirits elevated, he pressed them to take care of his interest at the next election." He collected about him eleven other Senators, all the speculators, and those who had pushed the credit system too far, the young men of quality, and anarchists void of every honest hope. Crassus, the Biddle of the day, was believed to be privy to the design, because he hated the old hero who then defended the constitution, and besides, he hoped if the conspiracy succeeded, with the immense funds under his control, to govern the conspirators. Cataline pretended that he had undertaken the cause of the oppressed, and his followers maintained that he was a defender of the constitution.

The Catalines of all ages are alike. The Duke of Orleans employed Danton, just as our aristocrats would have employed our anarchists, hoping to cheer them on and call them off as easily as a hunter does his hounds.

A coalition of the partizans of arbitrary government and of the enemies of social order is not unnatural. Extremes often meet, and in the present case, they are drawn together by a common interest, to aggrandize and enrich themselves from the plunder of the masses. This is not only the plan, but the practice, and to a very considerable degree the successful practice of both members of the existing coalition. — Those who aim to introduce a strong government, desire to make use of its powers, as the aristocracy of all old nations have done, to direct to their own reservoirs those innumerable, minute streams of wealth, which, under the equalizing influence of freedom, diffuse a general fertility over the whole surface of society. Those who would pull down all established institutions, and violate the right of property, can be

only actuated by the hope of appropriating to themselves fragments of the wreck more valuable to them than their present interest in the fabric. Though these ulterior designs may never be realized, and in their full extent never can be without a revolution more terrible than any yet recorded in history, still it will be the part of wisdom to understand precisely how far the coalition have advanced towards the end they have in view. The perilous progress towards consolidation was indeed appalling, and the firmest friends of their country had begun to apprehend that it was irresistible, when it encountered an obstacle which neither force nor craft could remove, nor seduction, intrigue, or intimidation overcome. The old Roman vigor, incorruptible integrity, and austere probity of Andrew Jackson, sternly rejecting the immense accession of Executive influence and patronage which an infatuated opposition never ceased for a moment to urge upon him, turned back the current of federal encroachment, and restored, before it was too late, the violated constitution to its original purity. During his career as chief magistrate, the world beheld for the first time the astonishing spectacle, which, unless human nature be wholly regenerated it will seldom witness again, of an administration, which voluntarily, and in defiance of the bitterest opposition, in defiance of reproaches, threats, and maledictions, diminished its own revenue ; lightened, by refusing income offered and almost forced into its hands, the burthens of the people ; cut off and cast from it the strongest means of influence ; lessened the number of its powers ; narrowed the limits of its action ; and not only restrained itself from corruption, and abuses, to which its enemies invited it, but removed to the utmost of its capacity, the possibility of abuses and corruption hereafter. The overthrow and ruin of that administration were confidently predicted if it should dare persist to follow the self-denying path of duty. Truly formidable was the combination of learning, and talent, and wealth, and weight of authority en-

listed against it ; fearful was the conflict, and doubtful for a while seemed the issue. But the Hero who filled the post of danger had adopted the maxim of Metellus, whom, in unbending fortitude and unblemished virtue, he most resembled. "If it were always safe to do right, who would ever do wrong? It is the part of good men to do that which is right, even when least for their safety." He was ready therefore to take the responsibility of fulfilling the oath he had sworn, of maintaining the Constitution of his country, and of seeing that her laws should be faithfully executed. — Andrew Jackson had made an experiment some years before at New Orleans. He had tried, and knew the effect of a well directed energy in scattering the solid columns of British veterans, officered by choice scions of British nobility. He was not therefore to be driven from his purpose by the most determined onset of whatever array of British principles, British precedents, and British interests, the whole British party in these United States could marshal against him. He proceeded steadily in the work of Reform. God speed the right, was the fervent prayer of every true hearted patriot, every honest statesman, every wise philanthropist in the world. That prayer was accepted. The enemies of our Liberty rushed upon him in mad fury, to hurl him from his station. Like the unclouded summit of a lofty mountain, against whose base the storms spend their vain rage, he stood unshaken, above the whirlwind of passions that threatened the overthrow of our social institutions. Where now are his assailants? Shall I say, a Waterloo defeat awaited them? Our language furnishes an expression somewhat more emphatical. A New Orleans defeat annihilated them. Nullification is nullified. The British Bank is bankrupt. The British system of restriction is abandoned. Unconstitutional taxation is disavowed. Massachusetts cannot be assessed to tunnel the Alleghanies. The traitors who deserted the cause of their country in the hour of her peril have sunk into con-

genial oblivion. The tenant of the throne of Napoleon has redressed the wrongs of his predecessor. The last remnant of the system of consolidation has disappeared, and neither from discontent and division at home, nor through aggression from abroad, can any opportunity now be anticipated to restore its hated sway. The consolidationists are completely consolidated, "if to crush be to consolidate." The nullifiers have folded up that tattered banner which bore for its motto that "miserable interrogatory — What is all this worth?" — and the northern and the southern whigs, alike discomfited, despair of seizing the government and wielding it for their own purposes; or of overthrowing it, by an organized rebellion, to rule over the ruins.

But though both members of this unholy alliance must have surrendered long ago their hopes of carrying their plans directly and openly into effect, yet by the control of the monied power of the country they have reaped and are still reaping much of the advantage they might have expected from a victory over the government. Though in a minority, they were strong enough to prevent the reduction of the revenue to the wants of the government; though the reductions which have been made with the concurrence of the administration, and which it wished to carry farther, removed from the shoulders of the people taxes to the amount of at least one hundred and thirty millions of dollars, since the year eighteen hundred and thirty. The whigs contrived to prevent a sufficient reduction, in order to accumulate in the Treasury enough of the people's money to constitute splendid bribes to the States; in hopes, by the offer of so much plunder, to purchase votes at the elections of eighteen hundred and thirty-six. Having brought about by their manœuvres the deposit act, a measure of which they boast as their own work, they have been sadly disappointed in pocketing the spoils; thanks to the democratic spirit which prevails among the yeomanry of the land, even here in whig Massa-

chusetts. When the farmer puts his "huge paw upon the statute book," it is to do equal justice to all, not to parcel out riches to favorites. But though the public treasure did not reach the destination intended for it by the projectors of the distribution, it fully answered their expectations in another point of view: it deranged incurably the circulation and business of the country. In August, eighteen hundred and thirty-three, the public deposits in the United States Bank amounted to about seven millions and six hundred thousand dollars: in December, of the same year, they were diminished to about five millions one hundred thousand dollars.* During part of the intermediate time the amount was increasing instead of diminishing. What was withheld was deposited in other banks, in the same cities, where it was loaned on quite as liberal terms, to say the least. Yet every whig statesman in the country is pledged to the opinion that this removal of less than two and a half millions, in more than four months, by an operation carefully conducted, from one side of the street to the other, was sufficient to convulse the whole commerce of the nation, to bankrupt tens of thousands and to overwhelm in one common ruin the industry and enterprize of these United States. It will be recollected that it was in August that the Great Bank began to contract, and in December that those terrible panic orations were fulminated from the capitol, to spread desolation through the land, if panic could break down credit, and if the annihilation of credit could be as disastrous as they proclaimed the gentle touch it had received had been already. If those gentlemen believed their repeated declarations, and if they were not idiots, they must have intended, when they voted for the distribution bill, to produce calamities ten fold greater

* Public moneys in the Bank of the United States in the latter half of the year 1833.

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|------------|--------------|-----------|--------------|
| July, | 6,511,503,32 | October. | 9,868,435,58 |
| August, | 7,599,931,47 | November, | 8,426,305,69 |
| September, | 9,182,173,18 | December, | 5,162,260,63 |

than those they attributed to the removal of the deposits. — The distribution bill removed eighteen millions of dollars from the United States Treasury, in about three months — not a half million in a month, and gradually, across the street, but nine millions in little more than one month, and nine millions more at once, on the first day of April, much of it to be carried thousands of miles from the points at which the necessities of business had collected and required it. Nine millions more have just been called for on the first instant, and the same sum is to be again abstracted from the channels of business on the first of October next. If there was a man in Congress who believed the title of the panic doctrines promulgated there three years and a half ago, he must have anticipated with perfect certainty that this violent operation would effect the last great whig exploit, the suspension of specie payments. Those who denounced the removal of the deposits as fraught with ruin, and yet afterwards advocated the policy of distribution, should inform us whether they wish to be regarded as hypocritical in their professions in the first instance, or, in the latter case dishonest in their conduct.

The suspension of specie payments having been naturally brought about by the paper money party, by their unprecedented overbanking and consequent speculation, having been precipitated by their favorite measure the distribution, having been recommended by them long before it happened, justified by them ever since, and profitable to them while it lasts, is the appropriate consummation of the whig policy upon the subject of the currency. By a currency of irredeemable paper the many are made to pay tribute to the few. The aristocracy, who in all countries desire to enrich themselves out of the taxes of the people, make it an engine of taxation. — Anarchists, whose aim is plunder, through its instrumentality enjoy a rich harvest.

Our monopoly, paper money, banking system in its best

estate, when free from derangement, and enjoying undoubted credit, imposes heavy taxes on the people. *The expenses* of carrying on the whole complicated machinery fall ultimately upon the consumer of the goods which are bought and sold by the borrowers from the banks. As the consumer in the country has to pay interest on the capital invested in these goods for a much longer time than the consumer in the city, as the poor man, buying in smaller quantities, pays a much larger advance on the first cost, and consequently on the interest which makes a part of the cost, than the rich man who buys in larger quantities, this tax, as well as all other taxes levied on consumption, falls more nearly an equal imposition of so much a head on the whole population, than in any other proportion. The rent of land and buildings, loss, and repairs upon them, cost of bills, salaries of the various officers, presidents, cashiers, tellers, clerks, and messengers, fees of notaries on protested notes, fees of attorneys on suits brought, all these are paid, with interest on them all, by the consumer. These charges in the aggregate must considerably exceed one per cent on the capital employed. The capital stock of the banks in Massachusetts is about forty millions. For the expenses of these banks, then, we, the people pay of our earnings more than four hundred thousand dollars per annum.

The Bank tax to the State Treasury is drawn from the same source, and robs us every year of four hundred thousand dollars more. I shall be answered that it defrays the expenses of the State: what then? Is it just to defray those expenses by a capitation tax? Ought they not to be borne in the ratio of property? But the bank tax, just or unjust, even if it cost the people nothing, has been a curse to this Commonwealth rather than a blessing. It has introduced corruption into the State Government, augmenting its expenses more than the whole amount received from the banks.

In eighteen hundred twenty-four a committee of both houses of our Legislature reported that the expenses of the State were enormously great and ought to be diminished. Ever since that time they have been rapidly increasing. In eighteen hundred and twenty-five they amounted to less than two hundred thousand dollars, last year they exceeded six hundred thousand! This we owe to the bank tax, and to that tax we owe the present unparalleled extension of our banking system: the one per cent to be annually paid to the State operating as a bribe whenever new charters are asked for.

The Bank receives interest not only on its capital, but also on that portion of the debts it owes which is represented by *its circulation*. The people are thus compelled to pay interest first on what they owe the Banks, and second on what the Banks owe them. For the use of their capital, it is right that they should receive a fair compensation, but the power of putting their own debts in circulation and receiving interest on them as long as they remain unpaid is an exclusive privilege of the Banks, and a tax is thereby levied from the people. The whole circulation of the Banks by the State returns last September was about eleven millions. The interest accruing on this on banking principles exceeds seven hundred thousand dollars.

The *monopoly* which the Banks enjoy raises the rate of interest to those who wish to effect loans without recourse to Banks, and enables the favorites of those institutions to take advantage of the state of the markets, which others, not so favored, cannot do. This monopoly is undoubtedly worth to the Bankers and their favorites much more than double the profit they derive from their circulation. Of late years it is the principal object in establishing new Banks. It taxes the people more than fourteen hundred thousand dollars a year.

By the combined operation of the Banking system and the usury laws, it has become very difficult for any one not belonging to the party of the Bankers to obtain money on loan except through the intervention of *brokers*. The profits paid to brokers for changing notes for money, discount on uncurrent notes, commission for negotiating loans, and the higher rate of interest on money borrowed by them at or below the legal rate, and let again for extra interest, all these constitute another tax which the Banking System levies on us. Whoever considers for how small a part of the money let in this State the actual owner receives more than legal interest, while two and even three per cent. a month have been paid on large sums for a great part of last year, will not be disposed to doubt, especially if he recollects that the revolution in the money market returns regularly every three or four years, that this tax far exceeds three times the profit of the circulation. It is therefore more than two millions, and one hundred thousand dollars.

Bills lost or accidentally destroyed are also a tax on the public. When a government calls in the metallic currency to be re coined and reissued, the depreciation by friction and clipping is a loss to the government. But when a Bank calls in its notes, the whole amount of bills lost, or destroyed by wear and tear, or accident, is so much clear gain to the Bank; and not only so, but on double the amount of every bill lost the Bank receives compound interest from the day of its loss down to the close of its own existence. Thus for all its bills lost in the year eighteen hundred and seventeen, the United States Bank has received eight times their value. How much the Banks abstract from the public in this way cannot be known until the expiration of their charters. The sum is no doubt large; but in the absence of fixed data, I will make no attempt to estimate it.

So also *counterfeit notes* are a tax on the people, though not to the profit of the Banks, yet a part of the price we

have to pay for the Banking System, a loss falling almost exclusively on persons of small property. They are not as a class so good judges of bills, and counterfeiting is mostly confined to small bills. There are about two hundred known *editions* of counterfeit bills of the United States Bank, and about nine hundred editions of those of the local Banks. How many of each edition ever passed into circulation we have no means of determining, but evidently many millions of dollars of it have been manufactured, and the loss which falls on honest and unsuspecting poverty must be considerable. It is useless to attempt to estimate it.

The loss by *the failures of Banks*, which always have, and always will occasionally happen, is also a tax on the community. By Mr. Gallatin's tables 330 banks were in operation in 1830, and 165 had failed before that date! We boast of the superior prudence with which our banks are managed, and of the safeguards which the laws have established for the protection of the public. The greater security of our New England banking system seems to be as well settled as that there are fewer steamboats blow up on Long Island Sound than on the Mississippi River. Yet the failure of the Farmer's Exchange, Berkshire, Coos, Hillsborough, Keene, Hallowell and Augusta, Wiscasset, Castine, Belchertown, Sutton, Nahant, and Chelsea banks, all in New England, and not to mention more, are quite enough to demonstrate that such catastrophes are by no means impossible. It would be difficult to estimate the total loss they have occasioned.

These are the burthens of legitimate paper money banking, inseparable from the system; and before proceeding to enumerate the evils of overbanking, let us add up these items which no one can deny must always exist wherever banks, having the exclusive power to issue paper money, are to be found. Let us look at the aggregate cost of these institu-

tions, and judge whether they are worth it in any good we receive from them. The account, so far, is stated thus :

| | |
|------------------|-----------|
| Expense tax, | 400,000 |
| State tax, | 400,000 |
| Circulation tax, | 700,000 |
| Monopoly tax, | 1,400,000 |
| Brokerage tax, | 2,100,000 |

In all, \$5,000,000—

besides lost bills, forged bills, and bank failures, not estimated, for which a round sum might be justly added.

These FIVE MILLIONS OF DOLLARS are mostly the product of hard labor, and by the legerdmain of paper money they are transferred to the pockets of the note makers. Thus a tax is levied on the inhabitants of this Commonwealth of about seven dollars a head, or from thirty-five to forty dollars for each family. What feudal nobility ever gathered a larger tribute from its vassals ?

There are one hundred and eighty thousand able bodied men in this State, the average wages of whose labor cannot exceed two hundred and fifty dollars a year. That rate would give a total of forty-five millions : so that the manufacturers of paper money and their associates convert to their own use one ninth part of the wages of labor. This they do without rendering any equivalent, for this whole tax is exclusive of a fair interest on the actual capital loaned.

A large majority of those who earn the wages of labor are unable to add to them the wages of skill, and very few receive the still higher wages of machinery, yet all bear the burden alike. Though persevering industry and rigid economy will enable a man living solely by the labor of his hands to accumulate something, even under such disadvantages, yet slow and hard must be the process, and it is evident that many can never extricate themselves from a hopeless poverty who might rise, were this weight removed ; and that many

who now attain a competence only when old age is unfitting them to enjoy it, might have found themselves in easy circumstances of pecuniary independence, in early manhood, if the paper money tax had not borne them down.

We are yet upon the threshold of our investigation. We have examined the effects of our system of banking in its ordinary and natural operation merely. We have not yet touched upon the effects of *overbanking*. We have, it is true, seen enough to give us some faint conception of the injury a paper currency inflicts on the community, but its most odious and alarming characteristics remain to be exposed.— We will develop to the view its calamities, its convulsions, its agrarianism, its paralyzing, desolating, withering influence. Before we have concluded our enquiries we shall be satisfied that there is no other evil in the land, except, Intemperance, that can be compared for magnitude with Paper Money: there is no other cause so fruitful of misery, pauperism and crime.

The first effect of overbanking is wild *speculations*, the weight of which falls as a tax on the consumers of all foreign and domestic products. Banks, by issuing paper, cheapen the currency, and of course raise prices: rising prices tempt more purchasers into the market, and the competition of purchasers runs up the prices still higher. The banks furnish funds to the speculators, and enable them to hold on their purchases, in order to profit by the rise. The enhanced prices take so much out of the pocket of the consumer, for which he receives no equivalent.

In 1830, the bank capital of the United States was ONE HUNDRED AND FORTY-FIVE MILLIONS: in 1836, it had risen to THREE HUNDRED AND SEVENTY-EIGHT MILLIONS: it is now probably about TREBLE its amount seven years ago. The paper circulation in 1830 was SIXTY-ONE MILLIONS: in 1836 it was ONE HUNDRED

AND FORTY MILLIONS, the highest point it reached was probably about ONE HUNDRED AND EIGHTY-SIX MILLIONS. In 1830 the loans and discounts of the banks amounted to about TWO HUNDRED MILLIONS: in 1836 they were FOUR HUNDRED AND FIFTY-SEVEN MILLIONS: they have since exceeded FIVE HUNDRED AND NINETY MILLIONS. The bank capital, circulation, and discounts, having more than doubled, and indeed *nearly trebled*, in less than seven years time, the immense and unparalleled speculations we have witnessed, have been the necessary result. Sales of public lands rose from less than two and a half millions in 1830, to more than twenty-four millions in 1836. Lands in Maine were purchased in vast quantities at ten times their former prices.—House lots enough were laid out to accommodate two or three times the present population of the nation. The land immediately about New York and within ten miles of that city, which in 1830 was valued at ten millions of dollars, changed hands at prices which would have made the whole amount to over one hundred millions. Our imports increased from seventy millions in 1830, to one hundred and ninety millions in 1836. Prices of all articles of consumption rose, some forty, some sixty, and many a hundred per cent. But the wages of labor, fixed salaries, and compensation for services of all kinds are the last to rise, and the first to fall, in a general change of prices, nor do they fluctuate half so much as articles of merchandise. Laboring men therefore suffer most by the rise of prices which speculation occasions. Those who live on fixed salaries, or receive fixed fees, or enjoy the fixed income or interest of funds invested, suffer next, in the enormous tax levied by speculators.

The hundred and eighty thousand laborers in the State might earn, in the best of times, and if they were all temperate and industrious, two hundred and fifty dollars a year upon an average. Of this they would find it necessary

to expend including the taxes of legitimate paper money banking, already estimated, two hundred dollars, laying up fifty at the end of the year, for sickness, or old age, or future comfort. In the aggregate then, labor earns forty-five millions, spends thirty-six millions and lays up at the end of the year a reserved sum of nine millions. In a year of speculation like the last, even if labor had risen to three hundred dollars a year, which *it has not*, taking the whole mass together, and if the rise in consumable products had been only fifty per cent., and *it has been more*, the laborer might earn his three hundred dollars; but in order to live as well as in ordinary times he must also expend three hundred dollars, so that at the end of the year he has nothing left. The wages of the year will be fifty-four millions, and its expenditure fifty-four millions; accumulation, nothing: while without the blighting influence of speculation, labor should have saved nine millions. The losses of those who live upon an income not capable of sudden expansion, such as clergymen, widows and orphans, and old men retired from business, agents and *employees* of every sort are at least two thirds as much more, or six millions. Those workmen who earn the additional wages of their skill, or of some cheap machinery which they employ, generally invest their earnings either in articles of immediate consumption, or in tools, stock in trade, land, buildings, and repairs upon them, and furniture. On all these, their loss by the artificial prices cannot be less than three millions of dollars. The total of these three sums is eighteen millions, and as under our banking system we may expect to suffer under speculation prices at least one year out of three, one third part of that sum will be the annual amount of the speculation tax, or six million dollars.

But all this is independent of the fortunes lost by those engaged in trade and commerce, and the sacrifice submitted to by one of the parties to every contract, by the *fluctuations* in the money market, which follow each other at intervals of

about three years, rising and falling with as much regularity as the billows of the ocean, and having always a smaller series of intermediate waves between the billows. These fluctuations are the natural result of the banking system, and will always grow out of it. When confidence begins to return after one of our terrible convulsions, prices, from the mere fact that they had fallen too low, begin to rise. This gives business an impulse, and disposes dealers to borrow money and make purchases. There is a competition between those who wish to supply themselves, as they are all anxious to lay in their stock of goods before there is any essential advance. The banks are willing to loan freely for this purpose, because purchases at the low prices being perfectly safe, they are secure of repayment. Each bank can enlarge its discounts and loans, because, as all the other banks are doing the same, its bills are not forced home upon it for redemption. The more money is issued, the more purchases are made; and prices rise both from depreciation of the currency, and from the briskness of the demand. The faster prices rise, the more pressing will be the applications to the banks for loans; and the banks, as their first object is to make large dividends, will grant these applications as long as confidence continues. New banks are created: old banks push to the verge of prudence. More goods are imported, more goods are manufactured, production of every kind is over stimulated.

There must, however, be a pause in this progress. Either from the depreciation of the currency, specie becomes of less value here than abroad, and is therefore exported; or the market is so glutted with products, that buyers are indifferent about taking them off the hands of holders, in which case a competition arises among the sellers which runs down prices; or a suspicion springs up in the minds of capitalists, or of the bankers themselves, and finally of the whole community, that prices artificially high are unsafe, and must fall. From whatever cause it happens, when once

confidence is shaken, the banks, willing or unwilling, must contract. They find themselves in a precarious situation, and to fortify themselves, they call in their paper, and diminish their discounts. Contraction once begun, must go on, by a necessity as irresistible as the decree of fate, for every bank sends home the paper of every other bank. By the contraction, money is restored to its true value, prices are reduced again, and the improvident, surprised with large stocks on hand, are ruined.

It is in the power of a combination of banks, or of one mammoth bank, to increase these periodical fluctuations, or to create lesser intermediate vibrations, for their own advantage, at pleasure. In June 1819, a leading press, Nile's Register, complained and justly too, that "We have now indubitable evidence that twenty-five men at Philadelphia can make money plenty at their own will and discretion—an immense command over the nation, by fixing the value of every acre of land, and of any other species of property, from the lowest point of Florida, to the lake of the Woods." It might with more truth have been alleged four years ago that one man in Philadelphia possessed this power, and the nation felt soon afterwards that he did not scruple to use it.

A bank with a capital of thirty-five millions can make its managers and their favorites rich, at a single operation, by making money alternately plenty and scarce. Having first secured large loans to its favorites as a permanent accommodation for twelve months or more, they then contract their discounts suddenly. This compels all the lesser banks to curtail their accommodations and collect their debts rapidly. In three or four months time this sinks prices a fourth or even a third. Then the managers invest their funds to the best advantage, and the arrangements being completed, the bank floods the country with its notes again, and the lesser banks freed from the pressure of balances against them, follow its example; and money instantly abounds and property

assumes higher values than before its fall. The speculators sell at the highest point, the bank itself furnishing the purchasers with funds if necessary. When the golden harvest is fully reaped, they may make money scarce again, and prepare for another.

In describing this process, Mr. Niles, in 1819, used this strong language. "At the end of the year, the managers in the scheme realize from fifty to one hundred thousand dollars each, which they may be said as completely to rob the people of, as if, with pistol in hand, they took the money from travelers on the highway. Indeed the last should be considered the most honorable." These expressions are too severe; they were wrung from sober men at that time, by the torture which the United States Bank inflicted, when it first *regulated the currency*, much as one might regulate the packing of gunpowder, by clapping a coal of fire into a cask of that article. The bank no sooner touched the currency than a universal explosion ensued, scattering the broken fragments of credit over the South and West, and covering the land with the wreck of blasted hopes, enterprise arrested, commerce stagnant, industry prostrate, mutual confidence annihilated, and the whole business intercourse of society thrown into a chaos of irremediable confusion. Mr. Niles's phrase was, "the bank was saved, but the country was ruined." Their agony under the screws of the great engine may excuse the sufferers under the first *regulation* for the intemperate warmth of such remarks. The victim broken on the wheel is not expected to groan with grace and decorum. It is fashionable, now-a-days, to speak more tenderly and respectfully of this mode of conveying one man's property into another man's pocket, and no one I think would venture to compare it with highway robbery.

It is neither to be asserted nor intimated, because it cannot be proved, that the directors of banks, often, with a deliberate design, create a pressure in order to take advantage of it, as

just now described : but the effect on the community, of the fluctuations produced by banks, is of the same nature, even in the absence, which we believe is generally the case, of any injurious intention on the part of the managers of those institutions. In times of scarcity, the directors and their friends are naturally accommodated before strangers. Those who stand at the source of the stream drink first. With scarce money, they buy at low prices. When prices are rising and money easy, then it is that the banks discount freely, because they then can do it, not being pressed or run upon. Then it is that the knowing ones sell, because then they can sell highest, and pay their debts to the banks, because just then a loan is no favor. A large balance of profit remains in their hands, and as soon as a falling market and contracted issues have brought about the proper moment to enter on a new speculation, they are ready to borrow and buy again.

But it is not only the favored borrowers from banks who tax the people through these fluctuations, if it were, that tax has been reckoned already in speaking of the advantage they gain from their monopoly. But the whole amount of property transferred by the fluctuation, vast as it is, is a tax on the losers, which the banking system has enabled the gainers to levy on them. We have not the means of determining definitely the amount under this head, though we have facts which will assist in forming an idea of its magnitude.

In eighteen months previous to June of last year the discounts of the banks had increased one hundred and eighty millions of dollars. Of course this additional sum was invested in various ways at the high prices of that period, and the sellers at those prices pocketed the whole advance. Suppose the sums of which this aggregate is composed to be expended in transactions averaging six months from their inception to their completion, each sum would then make

two purchases in a year, and the additional discounts would represent purchases in one year to the amount of **THREE HUNDRED AND SIXTY MILLIONS** more than the legitimate business of the country at average prices. Of this whole sum about one third part is not yet paid off, constituting the extra debts of the people beyond their immediate means of payment, and composed of about fifty millions foreign debt, and seventy millions domestic debt besides all ordinary indebtedness in the common course of business. That these estimates are not extravagant might be shown in many ways. In January, eighteen hundred and thirty-five, the bank note circulation was one hundred and three millions: January, eighteen hundred and thirty-six, it was one hundred and forty millions: increase during the year, to be paid in extra prices, thirty-seven millions: increase during the next year, rather more. Now allowing every dollar to make ten payments in a year which is Mr. Gallatin's estimate, but which is much too low, the whole amount of extra prices paid in the year above the standard of the circulation of the first of January, would be **THREE HUNDRED AND SEVENTY MILLIONS**, about the same sum as before.

Look at some of the items. Cotton which averaged about ten cents a pound for eight years before eighteen hundred and thirty-three, last year averaged sixteen or seventeen cents. Every cent advance on the pound is a rise of near five millions of dollars on the crop. Cotton having risen at this enormous rate, speculations in cotton lands and in negroes were proportionally extensive. The purchase of public lands, referred to already, is nothing compared to these. The negroes imported into Alabama last year cost more than ten millions of dollars. Those carried into the Southern cotton country together cost at least forty or fifty millions. The growth of the State of Mississippi will illustrate this fact. In eighteen hundred and thirty it had one hundred and thirty-six thousand inhabitants: in eighteen

hundred thirty-seven by the census just taken it had three hundred and two thousand, an increase of one hundred and twenty-one per cent. in seven years. In the same time the slaves in that State have increased from sixty-five thousand to one hundred and sixty-two thousand, an increase of one hundred and forty-six per cent. in seven years, or twenty-five per cent. a year. Cotton lands have been bought as high as forty dollars an acre, and slaves at fifteen hundred dollars, and fortunate will it be for creditors if the next two crops prove sufficient to pay off the balance of debt remaining.

If the whole capital employed in the growth of cotton is to be reckoned at eight hundred millions of dollars, at prices two years ago, a rise of twenty-five per cent. only during the last year would amount to an artificial advance of two hundred millions.

In New York the sales of lands at auctions in the city, during the last two years, exceeded thirty-eight millions.—The fall on the price of stocks mostly owned in that city, this spring, was estimated at twenty millions, by the committee of merchants sent on to Washington, who also estimated that merchandise of all sorts had fallen in that city at least thirty per cent. The price of pork, flour, bread stuffs, had been double what it was six years before.

From these facts it is evident that the losses by fluctuation far—very far, exceed the sum that has been named. Of this sum of three hundred and sixty millions, one eighteenth part at least falls on Massachusetts, making her share twenty millions. As the fluctuation is continually going on, the loss is annual.

On account of these fluctuations, no contract involving the payment of money can be equitably performed. One party or the other is defrauded by the alteration in the standard of value. Either the debt is paid in a cheaper medium whereby the creditor is deprived of his due, or in a medium

of enhanced value, to the injury of the debtor, and often to his total ruin.

But in taking into account the losses which grow out of these revulsions, we must not stop at the mere rise and fall of prices. The *bankruptcies* at every revulsion tax the community heavily; the banks are generally secured on account of the indorsers, for if these institutions bore their share of the losses in proportion with other creditors, the business must have been abandoned long ago. It is impossible to measure this tax. In New York where overtrading has been pushed to a great excess, the imports last year amounting to \$118,885,194, the failures have been more numerous than ever before known. Two hundred and fifty large houses failed in two months. In New Orleans where the banking mania had gone to the wildest extremity, the capital of the banks in that city being \$54,554,000, of which the sum of \$36,769,455 is paid up, the failures were for the most tremendous amounts; such as were never before heard of in the United States. The New Orleans True American of the thirteenth of April says—“On Wednesday the largest cotton house in the southern country went by the board for fifteen millions of dollars. * * * *

The other houses that have suspended are estimated at about twelve millions.” These houses had all large assets; yet the cotton monopoly fostered by the immense banking capital of the city, was not only injurious to the public at large, and to all smaller cotton traders, but having inflicted severe losses on their creditors, it ended in the ruin of the monopolists themselves. They fell blasted before it, like the magician before the demon he has conjured up. In Boston before the stoppage of specie payments, out of thirteen hundred and seven wholesale and retail establishments, there had been one hundred and sixty-eight failures: but the citizens of this State have suffered by failures in other States as well as their own, to an enormous extent. The losses to the people of

Massachusetts, from bankruptcies growing out of our paper money system cannot be less than six millions of dollars a year.

In addition to all the losses by the fluctuations of our mixed currency, there is now to be reckoned an actual depreciation of the best bank paper below the specie standard. On the tenth of May last, the banks in New York stopped specie payment; those of Philadelphia and Baltimore stopped the next day, those of Boston on the twelfth, and those of New Orleans on the thirteenth. The country banks were of course compelled to stop, however much they might regret the necessity. On the eleventh of May, one hundred dollars in specie were worth in New York City bills of the nominal value of one hundred and six dollars. On the first of June bills of one hundred and nine dollars, and on the twenty-fourth of June one hundred and twelve dollars, were required to purchase one hundred dollars in hard money—a depreciation more rapid than that of continental paper during the first year it was issued. On the third of July bills were one hundred and twelve for one hundred.

By the last bank returns of this state their circulation and deposits together exceeded twenty-six millions. By a depreciation of twelve per cent., bill holders and depositors would lose three millions on that sum. Those who pay their debts in bad paper gain the amount of the depreciation, and by paying off creditors at ninety cents or less on a dollar, many may be preserved from bankruptcy: but those who receive the paper for debts, or are obliged to make purchases with it, lose to the same amount. This is already allowed for in speaking of the losses by the fluctuation of the currency, except the loss in the hands of holders while it falls.

These then are the pecuniary results of a paper money monopoly system, not that we have made exact estimates, but the sums assumed are below the reality, and yet quite

large enough to illustrate the subject fully. Let us look at their aggregate amount. —

| | |
|--------------------------------------|-------------|
| Legitimate banking taxes, as before, | \$5,000,000 |
| Speculation tax, | 6,000,000 |
| Fluctuation tax, | 20,000,000 |
| Bankruptcy tax, | 6,000,000 |
| Depreciation tax, | 3,000,000 |

| | |
|---|-------------------------|
| Aggregate burthen of the present paper system, | } <u>\$40,000,000 :</u> |
|---|-------------------------|

A sum equal to the actual capital employed.

That this sum is below the actual annual amount of the losses sustained by the operation of the paper system, no one can doubt who will take pains to examine the subject. — It is indeed very far from the fact that this whole sum of money is taken from one set of individuals exclusively, and bestowed altogether upon another set. If it were so, we should have been divided into lords and paupers, long ago. — Most of those who generally gain by the system, occasionally lose by it; and many of those who lose in the long run occasionally come in for a share of the profits. If these losses and gains of each individual would in a long series of years balance each other, even then the injustice would be gross and the effect highly demoralizing. If every man were compelled every week to put all his surplus earnings into a State lottery, would he be reconciled to this arrangement, because, in the course of his life, he might reasonably expect to draw a prize or two, equal to all he had paid for? In the currency lottery, the prizes are by no means equally distributed: those who pay for most of the blanks, find their turn seldom comes for a prize, and when at last it does come, their prizes are very small.

That the man who loses by the banking system in various ways, one hundred dollars, gains also by it in various other ways

sixty or eighty dollars, does not lessen the injustice of any separate loss, still less does it do away the injustice of that final balance of loss of twenty or forty dollars, to which he must after all submit. The use of Banks is a game partly of chance and partly of skill, the best players lose sometimes, and the worst players do not always lose; yet in a long game the best players always go off with the largest winnings. It may be that ninety out of a hundred lose more than they gain; nine more gain enough to overbalance their losses; one out of a hundred gains decidedly; one out of a thousand makes himself rich, and one out of ten thousand builds up a princely fortune.

This general effect of paper money banking, in the excess to which it naturally tends, was admirably depicted by the late President of the United States in his message at the commencement of the second session of the twenty-fourth Congress. His views are thus expressed, in his usual plain and decided manner.

“Variableness must ever be the characteristic of a currency, of which the precious metals are not the chief ingredient, or which can be expended or contracted without regard to the principles that regulate the value of those metals as a standard in the general trade of the world. With us, bank issues constitute such a currency, and must ever do so until they are made dependent on those just proportions of gold and silver, as a circulating medium, which experience has proved to be necessary not only in this, but in all other commercial countries. Where those proportions are not infused into the circulation, and do not control it, it is manifest that prices must vary according to the tide of bank issues, and the value and stability of property must stand exposed to all the uncertainty which attends the administration of institutions that are constantly liable to the temptation of an interest distinct from that of the community in which they are established.

“The progress of an expansion, or rather a depreciation of the currency, by excessive bank issues, is always attended by a loss to the laboring classes. This portion of the community have neither time nor opportunity to watch the ebbs and flows of the money market. Engaged from day to day in their useful toils, they do not perceive that although their wages are nominally the same, or even somewhat higher, they are greatly reduced in fact by the rapid increase of a spurious currency, which, as it appears to make money abound, they are at first inclined to consider a blessing. It is not so with the speculator, by whom this operation is better understood, and is made to contribute to his advantage. It is not until the prices of the necessaries of life become so dear that the laboring classes cannot supply their wants out of their wages, that the wages rise, and gradually reach a justly proportioned rate to that of the products of their labor.

“When thus by the depreciation in consequence of the quantity of paper in circulation, wages as well as prices become exorbitant, it is soon found that the whole effect of the adulteration is a tariff on our home industry for the benefit of the countries where gold and silver circulate, and maintain uniformity and moderation in prices. It is then perceived that the enhancement of the price of land and labor produces a corresponding increase in the price of products, until these products do not sustain a competition with similar ones in other countries; and thus both manufactured and agricultural productions cease to bear exportation from the country of the spurious currency, because they cannot be sold for cost. This is the process by which specie is banished by the paper of the banks. Their vaults are soon exhausted to pay for foreign commodities; **THE NEXT STEP IS A STOPPAGE OF SPECIE PAYMENT**—a total degradation of paper as a currency—unusual depression of prices—the ruin of debtors, and *the accumulation of property in the hands of creditors and cautious capitalists.*”

The theory thus laid down by the President has been followed out in its operation, by showing the modes in which this accumulation in the hands of capitalists and creditors, and this loss to the laboring classes and ruin of debtors takes place. The summary is so frightful as to fully justify the strong language used by Daniel Webster five years since.

“Of all the contrivances for cheating the laboring classes of mankind, none have been more effectual than that which deludes them with paper money. This is the most effectual of inventions *to fertilize the rich man's fields by the sweat of the poor man's brow*. Ordinary tyranny, oppression, excessive taxation, these bear lightly on the happiness of the mass of the community compared with fraudulent currencies, and *the robberies committed by a depreciated paper*. Our own history has recorded for our instruction enough and more than enough of the demoralizing tendency, the injustice, and the intolerable oppression, on the virtuous and well disposed, of a degraded paper currency, authorized by law, or in any way countenanced by government.”

That an aristocracy having in its hands such sources of revenue, and able to wring from the people so large a portion of their honest earnings would push its advantages to the utmost, is to be expected, indeed, it is inevitable. Never did they relinquish their hold upon the spoils voluntarily. The power to do wrong becomes a vested right in the view of him who has long possessed it. Those who understand perfectly well the nature of “the robberies committed by a depreciated paper,” will be loudest in their indignation at any attempt to resist or put an end to those robberies.

A great crime, a national crime, has been committed, and is still persisted in — the crime of cheating the laboring classes by the delusion of paper money — fertilizing the rich man's field by the sweat of the poor man's brow. Who then are guilty of this heinous crime ; for the innocent must not share the shame ; who are the guilty ?

Not every stockholder of a bank, not every officer of a bank, not every borrower from a bank, not every trader, or capitalist, who has profited by the fluctuations caused by a paper currency. Oh no! We should do them great injustice if we set down all these as our enemies, when among them are many of our best friends — friends who are ready to witness their sincerity by cheerfully submitting to great sacrifices to restore a wholesome currency. The system is riveted upon us. It has insinuated itself into all business intercourse, so that no business man can keep clear of it, any more than he could keep clear of cold, if he had been born in the frigid zone, or of heat on the sands of the great desert, for paper money is all pervading as the atmosphere. We might as well proscribe every man who takes a bank bill, as every man who owns a bank share, or assists in managing a bank, for it is the bill holders, ultimately, who produce the fluctuations: if they refused to receive paper it could not be issued. There are thousands, tens of thousands, who abhor irredeemable paper, and will go as far as any man to suppress the mischief, but who cannot, so long as bad legislation forces it upon them, disentangle themselves from the system, without neglecting duties they are bound to discharge, and abandoning the station in which Providence has placed them. A sober man may disapprove of war, and of all preparation for war, yet if the government has established a powder magazine in the heart of his village, it is better that he should keep it than a drunkard or a lunatic. In the debate on the charter of the United States Bank, John Randolph said, that he owned no stock whatever, except live stock, and had determined never to own any: but if this bill passed, he would not only be a stockholder to the utmost of his power, but would advise every man, over whom he had any influence, to do the same, because it was the creation of a great privileged order of the most hateful kind to his feelings, and because he would rather be the master than the slave. Without going quite this length

with Mr. Randolph, many feel justified in defending themselves with the same weapons with which they are attacked, though anxious to prohibit the use of those weapons to all. These are on our side, and we must not make war upon them, for without their assistance we shall never be able to reduce the trade in money to an equal footing with all other trades. To whom then does the guilt belong, for it must fall somewhere?

To those who fastened the system on us, who uphold and defend it, who oppose all efforts to abolish it or mitigate its evils, who are determined to perpetuate it, with all its most grievous abuses. To all who sustain it by their votes in the National, or State Legislatures. To all who vote for the bank candidate for President of the United States; the bank candidates for Congress; the bank candidate for Governor of the Commonwealth; paper money partizans for State Senators and Representatives. Among these are thousands who own no bank stock, and who groan under the curses they invite. If they kneel for the rider to mount, who can pity them when they feel the spurs?

Who have fastened the system upon us? Clearly those who profit by it, the aristocratic, or whig party, so called because they somewhat resemble the party in Great Britain thus described in the Edinburgh Review, "THE STRENGTH OF THE WHIGS LAY IN THE GREAT ARISTOCRACY, IN THE CORPORATIONS, AND IN THE TRADING OR MONIED INTERESTS."— Look at their course in Massachusetts. In the spring session of eighteen hundred and thirty-five there were many petitions for new banks. Some few whig presidents and directors of banks opposed petitions asking for a share in their monopoly; but the *majority* of the whig party voted to grant them. The whole democratic party opposed them, as did many nominal whigs, with democratic consciences, from among the yeomanry, and they were defeated. All the support they received

came from whigs, the most ardent opposition they encountered was from democrats. If one fourth part of the democrats in the Legislature had supported them, they would all have passed, and a numerous litter of banks would that year have cursed the State.

In the fall session of the same year, an order discharging the committee on banks, and most other committees, and confining the action of the House to the Revised Statutes, was reported by a democrat, most violently and repeatedly assailed by prominent whigs, sustained by the reporter, and the whole democratic party, in *five* distinct and most animated debates, and with the aid of votes from the semi-whig farmers, carried and adhered to. Had that order been rescinded the door would have been opened for all the bank petitions of the former session.

In eighteen hundred thirty-six, petitions came in asking, in the aggregate, for an increase of the bank capital of the State from thirty millions to *fifty-six millions*, and the bank capital of Boston and its immediate vicinity from eighteen millions to *double that amount*. The whig leaders, the Suffolk delegation, and a large majority of the whig members, went for the petitions. The democrats went in mass, against them. The semi-whig farmers discriminated and passed bills for about ten millions, rejecting the petitions for the other sixteen millions.

Of all the rejected petitions the most formidable was that for the ten million bank. The whole aristocracy of the city and country enlisted to carry it through. They commanded the unanimous vote of the representatives from Suffolk county, and all the thorough going whig partizans. The language of Mr. Burke, with very little alteration, describes the contest and result.* The debate lasted in the House, with intervals, for weeks. It opened the eyes of several to

* Speech on American taxation, 19th of April, 1774.

the true state of affairs ; it enlarged their ideas ; it removed prejudices ; it harmonized opinions. At its conclusion the House, by an independent, noble, spirited, and unexpected majority, in the teeth of all the old mercenary Swiss of State, in despite of all the speculators and augurs of political events, in defiance of the whole embattled legion of party hacks and willing instruments rejected the bill. That majority was not afraid to look steadily in the face that glaring and dazzling influence at which the eyes of eagles have blanched. They looked in the face one of the ablest, and not the most scrupulous combinations ever formed in this State, and which embodied the whole power of wealth. Every sort of intrigue, artifice, and negotiation was carrying on. Persuasion and argument, conviviality and intimidation were exhausted. Every thing on every side was full of traps and mines. It was in the midst of this chaos of plots and counterplots ; it was in the midst of this complicated warfare against public opposition and private treachery, that the firmness of the democratic party was put to the proof. They never stirred from their ground, no not an inch. They remained fixed and determined in principle, in measure and in conduct. They practiced no managements. They secured no retreat.

If one of our majority had gone over to the enemy we should have been defeated, yet the weakest in our phalanx withstood the onset with alacrity and confidence. Every one of them might have said truly in Mr. Burke's words, "I declare for one, I knew well enough (it could not be concealed from any body) the true state of things ; but, in my life, I never came with so much spirits into the House. It was a time for a *man* to act in. We had powerful enemies ; but we had faithful and determined friends, and a glorious cause. We had a great battle to fight ; but we had the means of fighting ; our arms were not tied behind us. We did fight that day and conquer."

From that victory the democracy of Massachusetts received

new life and vigor. We came into the Legislature of the present year recruited in numbers, and with renovated strength. Again bank petitions swarmed as before. Again the whole weight of whig influence was thrown into their scale. Again a large majority of whigs went for the petitions, but a few nominal whigs had the independence to vote with the democratic party, and again the petitions were rejected. We shall go into the next legislature stronger than ever. We shall charter no more banks; but we shall ascertain how many members of that body will agree with John Quincy Adams, that "the violation of moral principle, committed by a bank in suspending specie payments, is not inferior to that of fraudulent bankruptcy in an individual. The right of any legislature to authorize such a suspension is questionable, and the repeal of laws expressly enacted to enforce the fulfillment of contracts, at the very moment when they have been broken, is a mockery of all moral principle, and a scandal to human legislation."

The aristocracy has lately come before the country more distinctly than ever as the bank party. The coalition evidently intend to fight over again the battle for a National Bank in which they were defeated in eighteen hundred and thirty-two. They cannot at this moment agree upon the precise plan of the institution they would establish, and the difficulty of determining the details may cause some delay in bringing forward their project; but the hope of a National Bank is their only bond of union. The whigs profess that the revolution of 1688, from which they derive their name, "was a revolution in favor of property." They believe that "it is the part of wisdom to found government on property." They "avow their belief that in a great majority of cases, the possession of property is the proof of merit." They hope to become much more *meritorious*, if the government can be founded on their property, by creating a National Bank,

and investing it with controlling power : for this result they would effect a revolution.

The merchants doing a moderate business would be crushed and ground into the dust beneath the wheels of this ponderous engine, as so many thousands of their predecessors have been, yet many of them are still ready to cast themselves before the car of Juggernaut, at the bidding of their political priesthood, and perish for the glory of the money king. They are as much incensed against the government which has delivered them from their oppressor, as the Hindoos are with the government of India for its efforts to suppress the Thugs.

“It is impossible to conceal from ourselves that we are at this moment on the brink of a dreadful precipice ; the question is whether we shall submit to be guided by the hand which hath driven us to it, or whether we shall follow the patriot voice which has not ceased to warn us of our dangers, and which would still declare the way to safety and to honor.”* Did the administration advise the rechartering of the United States Bank by Pennsylvania ? Did the administration advise that the number of banks, the amount of bank capital, of loans, and of paper circulation should be more than doubled, nay, almost trebled, within six years ? Did the administration urge the banks to issue more notes than they could redeem ; the merchants to import more than they could pay for ; and to supply the retailers with more goods than they could dispose of ? Did it instigate thousands of young men to abandon the cultivation of the soil and throng to the great cities, to embark in the lottery of trade ? Did it run up the prices of articles of commerce ? Did it encourage speculators to invest immense amounts in fancy stocks, in products, house lots, and public lands ? Did it recommend the distribution bill, to withdraw, in four payments, near forty millions from the channels of commerce ? These are the causes of our

* Junius.

distress, and against these it has never failed to remonstrate ; it has not ceased to warn us of our dangers. The bank party have driven us towards the precipice, over which they would now compel us to plunge. The administration has labored faithfully to avert impending evils. The bank veto was intended to put an end to that great disturbing power over the currency, which has made its successive expansions and contractions so sudden and terrible. The removal of the deposits paralyzed the destructive energy with which the bank was then waging war on credit and industry, and prepared the community for the redemption of its notes and the collection of its debts by that institution, if it had been disposed to acquiesce in the decision of the nation. The specie circular checked the frauds, speculations, and monopolies in the public lands ; checked the excessive bank credits in the West ; checked also the overbanking and overtrading of the Atlantic cities from which it retained specie ; secured the safety of the treasury receipts ; strengthened the western banks, and thereby lessened the losses of the merchants on the sea board by their inland debtors ; and by retarding the exportation of gold and silver to England, made the resumption of specie payments possible, whenever the honest indignation of the people shall compel the banks to the performance of their promises. The suppression of small bills, so repeatedly and urgently recommended by the administration, and adopted in several of the democratic States, strongly tends to discourage the ruinous extension of bank issues and bank credits. Mr. Huskisson, in his speech of February tenth, eighteen hundred and twenty-six, said, that, "it was his opinion, an opinion not hastily formed, but the result of long and anxious observation, that a permanent state of cash payments, and a circulation of one and two pound notes, could not co-exist." Our late experience has abundantly confirmed Mr. Huskisson's opinion. If we had had no bank notes under fifty

dollars, the late stoppage of specie payments would never have taken place. The collection of the government dues in specie is not only necessary to enable the government to go on, but is the only course which could prevent the sudden withdrawal of protection from our manufactures, to an amount greater than that which the whigs of the Massachusetts legislature resolved would be "THE DEATH WARRANT OF THE MANUFACTURING ESTABLISHMENTS OF NEW ENGLAND." It is the only course which could prevent great inequality in the duties levied at different ports, and the consequent transfer of business to those points where the currency had depreciated most, to the ruin of our own merchants. It is the only course which could keep specie in the country, so as to give us a chance of the return of a sound currency without running through the miseries of assignats and continental paper. As the wisdom of whiggery lately threatened insurrection because the government would not usurp the arbitrary power to dispense with the laws and violate the constitution, for the sake of thus ruining our merchants, signing the death warrant of our manufacturing establishments, and fastening upon us the curse of irredeemable paper, it may be well to remember the sentiments of the whig oracle upon the same question years ago. In 1816, Mr. Webster spoke wisely thus: "There is no nation which had guarded its currency with greater care; for *the framers of the Constitution*, and those who enacted the early statutes *were hard money men*. They had felt, and therefore duly appreciated, the evils of a paper medium. They therefore sedulously guarded the currency of the United States from debasement. *The legal currency of the United States was gold and silver coin.*"

"This government has a right, in all cases, to protect its own revenues, and to guard them against defalcation by bad or depreciated paper."

“The only power which the general government possesses of restraining the issues of the State Banks, is to refuse their notes in the receipts of the treasury.”

“With a perfectly sound legal currency, the National Revenues are not collected in this currency, but in paper of various sorts, and various degrees of value. * * * Not being, however, a part of the legal money of the country, it could not, by law, be received in the payment of duties, taxes or other debts to government.” But being payable, and paid, on demand, it had been received, &c.

During the war the banks issued immense quantities of paper. “The consequence immediately followed, which it would be imputing a great degree of blindness both to the government and to the banks to suggest that they had not foreseen. The excess of paper which was found every where created alarm. Demands began to be made on the banks, and they all stopped payment. No contrivance to get money without inconvenience to the people, ever had a shorter course of experiment, or a more unequivocal termination. The depreciation of bank notes was the necessary consequence of a neglect or refusal on the part of those who issued to pay them.”

“The depreciation has not been and is not now uniform throughout the United States. Taxes and duties collected in Massachusetts are one quarter higher than the taxes and duties collected by the same laws in the District of Columbia.”

“Can a greater injustice than this be conceived? Can Constitutional provisions be disregarded in a more essential point? Commercial preferences also are given, which, if they could be continued, *would be sufficient to annihilate the commerce of some cities, and some States*, while they would extremely promote that of others. * * * Surely this is not to be endured. *Such monstrous inequality and injustice are not to be tolerated.* Since the commence-

ment of this course of things, it can be shown, that the people of the northern States have paid a million of dollars more than their just proportion of the public burdens."

Because the Executive refused to be guilty of this "monstrous inequality and injustice," "sufficient to annihilate the commerce of some cities (Boston) and some States" (Massachusetts) the late representative from Boston declared in a meeting of those dependent on the commerce of Massachusetts, that no people under heaven were ever before so trampled upon by their government. Let us see how Mr. Webster regarded this *trampling*.

"If Congress were to pass forty statutes on the subject," said the oracle, in 1816, "they could not make the law more imperative than it now is that nothing should be received in payment of duties to the government but specie. The whole strength of the government, I am of opinion, should be put forth to compel the payment of the duties and taxes to the government in the legal currency of the country."

The "expounder of the Constitution," called the receipt of the bills of non specie paying banks, "a state of things which every body knows to exist **IN PLAIN VIOLATION OF THE CONSTITUTION**, and in open defiance of the written letter of the law."

"It is quite clear, that by the statute all duties and taxes are required to be paid in the legal money of the United States, or in treasury notes."

"Wars and invasions are not always the most certain destroyers of National prosperity. They announce their own approach, and the general security is preserved by the general alarm. Not so with the evils of a debased coin, a depreciated paper currency, or a depressed and falling public credit. Not so with the plausible and insidious mischiefs of a paper money system. They insinuate themselves in the shape of facilities, accommodation, and relief. They hold out the most fallacious hope of an easy payment of debts, and a

lighter burden of taxation. On these subjects it is that government ought to exercise its own peculiar wisdom and caution. It is bound to foresee the evil before every man feels it, and to take all necessary measures to guard against it, although they may be measures attended with some difficulty, and not without temporary inconvenience.”

“I repeat the opinion, that it was the duty and in the power of the Secretary of the Treasury, on the return of peace, to have returned to the legal and proper mode of collecting the revenue. * * * It can hardly be doubted that the influence of the treasury could have effected all this.”

“As to the opinion advanced by some—that the revenues cannot be collected otherwise than as they are now, in the paper of any and every banking association which chooses to issue paper, it cannot for a moment be admitted. This would be at once giving up the government; for what is government without revenue, and what is a revenue that is gathered together in the varying, fluctuating, discredited, depreciated, and still falling promissory notes of two or three hundred distinct, and as to this government, irresponsible banking companies? *If it cannot collect its revenues in a better manner than this, it must cease to be a government.*”

“If taxes be not necessary, they should not be laid. If laid, they ought to be collected without preference or partiality.”

Mr. Webster continued to a very late date to express similar opinions, though his conduct, in the view of many, forms a singular contrast to them. At New York on the fifteenth of March last, he said: “I abhor paper; that is to say, irredeemable paper, paper that may not be converted into gold or silver at the will of the holder.” And again: “I hold this disturbance of the measure of value, and the means of payment, and exchange, this derangement, and if I may so say, this violation of the currency to be one of the

most unpardonable of political faults. He who tampers with the currency robs labor of its bread. He panders indeed to greedy capital, which is keen sighted, and may shift for itself; but he beggars labor, which is honest, unsuspecting, and too busy with the present to calculate on the future. The prosperity of the working class lives, moves, and has its being in established credit, and a steady medium of payment. All sudden changes destroy it. Honest industry never comes in for any part of the spoils in that scramble which takes place when the currency of a country is disordered. Did wild schemes and projects ever benefit the industrious? Did irredeemable bank paper ever enrich the laborious? Did violent fluctuations ever do good to him, who depends on his daily labor for his daily bread? Certainly never. All these things may gratify greediness for sudden gain, or the rashness of daring speculation; but they can bring nothing but injury and distress to the homes of patient industry and honest labor. Who are they that profit by the present state of things? They are not the many but the few. They are speculators, brokers, dealers in money, and lenders of money at exorbitant interest. Small capitalists are crushed, they have no longer either money or credit. And all classes of labor partake and must partake in the same calamity."

On another occasion he described that "miserable, abominable, and fraudulent policy which attempts to give value to any paper of any bank one single moment longer than such paper is redeemable, on demand, in gold and silver." He asserted that such paper "represents nothing but broken promises, bad faith, bankrupt corporations, cheated creditors, and a ruined people."

While such professions were yet ringing in the ears of the American people, it was hardly to be expected that the expounder would second the insurrectionary movements of his friends in Boston, New York, and other cities. Indeed, to do him justice, he has too much sagacity to suppose that

the yeomanry of the country would commit treason for the privilege of being cheated with paper money. Accordingly, in his late speech at Cincinnati, he stated explicitly that the administration, under existing circumstances, could take no other course than to exact specie. The city rebels, therefore, disavowed by their leader, and having had time to meditate on the course and fate of Shay's rebellion, have thrown down their weapons, and disbanded. They no longer talk of forcible resistance, but they still rail at the Bank veto, the removal of the deposits, and the specie circular, and oppose the suppression of small bills; while they justify the suspension of specie payments by the banks, and advocate a National Bank. The remark of Fisher Ames, in 1787 is not out of date at the present time :

“In spite of National beggary, paper money has still its advocates, and probably of late, its martyrs. In spite of National dishonor, the continental impost is still opposed with success. Never did experience more completely demonstrate the iniquity of the one, and the necessity of the other. But in defiance of demonstration, knaves will continue to proselyte fools, and to keep a paper money faction alive. The fear of their success has annihilated credit, as their actual success would annihilate property.”

A National Bank cures none of the evils of paper money banking, but enhances them all. It increases all the *expenses* of the system, for the great bank, being on a more magnificent scale than any other, sets an example of extravagance to all the rest which by degrees they follow. It vastly increases the *fluctuations* of the currency, for the smaller institutions bank upon its paper as they otherwise would upon specie; and as this paper is much more easily obtained than specie, while the Bank is expanding, it makes the general expansion more rapid; and as it is more suddenly withdrawn than specie, when the great bank contracts, it makes the general contrac-

tion more sudden. If the State banks issued paper on a specie basis, the fluctuations of the paper currency would still be a great evil, but how much greater must be the fluctuation, when the basis itself is an elastic medium, which expands when it ought to contract, and contracts when it ought to expand. It of course increases the *depreciation*, which must be greater in proportion as the whole amount of paper out exceeds the specie.

That such an institution fosters more than any other the spirit of *speculation* is too evident to need proof. The larger the bank, the more enormous will be the speculations it occasions, and these enormous speculations, deranging prices, will engender innumerable smaller operations of a similar character. April 9th, 1832, the loans of the mother bank, at Philadelphia, made that day, were :

| | | |
|-----------------------|-----------|-------------|
| In one loan over | \$400,000 | \$417,766 |
| 4 loans not less than | 200,000 | 995,456 |
| 3 " " " " | 100,000 | 341,729 |
| 19 " " " " | 50,000 | 1,274,882 |
| 72 " " " " | 20,000 | 2,404,278 |
| | | \$5,434,111 |

leaving less than a tenth part this amount, \$529,974 only, to be divided in sums less than twenty thousand dollars, among all the rest of the community. The speculations into which men launch with such facilities, terminate in *bankruptcies* of a proportionate magnitude.

A National bank is the great parent of *forgery*. Small banks having a local circulation, their bills are less extensively counterfeited, because the chance of detection is greater, the fraud sooner becomes impossible, the field to operate in is not so wide. From 1797 to 1819, the prosecutions for counterfeit notes of the Bank of England were nine hundred and ninety-eight; the convictions were eight hundred and forty-three, of which three hundred and thirteen were capital.

The counterfeit notes detected *at the bank alone*, during six years and three months of that time, were

| | | | |
|---------|----------------------|---|---|
| 107,238 | one pound notes, | | |
| 17,787 | two | “ | “ |
| 5,826 | five | “ | “ |
| 419 | ten | “ | “ |
| 54 | twenty | “ | “ |
| 35 | above twenty pounds. | | |

If more than twenty thousand a year are detected at the bank, how shall we estimate the numbers detected elsewhere?

The verdict of history is decisive against national banks. The Royal Bank of France was one of the most flattering and fatal delusions. Never was a financier more popular than John Law, its founder. Never was a country more prosperous than France seemed before that bubble burst. An eminent French writer of that time called the projector, “a minister far above all that the past age has known, that the present can conceive, or that the future will believe.” All France was seized with a rage for speculation. “All the world,” says Postlethwaite, “ran to Paris.” There were half a million of new comers in the city. Twelve hundred new coaches were set up. As fast as new blocks and streets could be built up, lodgings could not be had. The reaction shook the social fabric to its base. Gloom and despair were inmates with every household. Four hundred thousand fortunes had been sacrificed, and the State loaded itself with a specie debt of sixteen hundred and thirty-one millions of livres. The amount of its paper in circulation at the time of the crash was four hundred and nineteen millions of dollars, not so much beyond our own paper circulation, in proportion to the population, as the terms in which this bank is usually described would naturally imply, while the specie thrown into the bank in March and April 1720 exceeded fifty-six millions of dollars, an accession of hard money such as our banks never received, in so short a time. John Law died at Ve-

nice, in 1729, never relinquishing for a moment the firmest conviction of the solidity of his system, the disastrous failure of which he attributed entirely to the malice of his enemies ; and thousands of his disciples entertained the same belief for many years.

The present bank of France was established in 1803 ; and though, issuing no small notes, its circulation is comparatively steady, yet it has twice produced considerable distress ; in 1806, when it occasioned numerous failures, and again in 1814, when it became so embarrassed that the government were obliged to limit its specie payments.

But the Bank of England is the model of American bankers. Its history is full of instruction and warning. In 1693, in the midst of national disasters both the people and the ministry were weary of the war, which produced nothing but disgrace, but which William was obstinately bent upon continuing. He therefore brought in a whig ministry, whom he expected to find tractable, partly from the ambition of being courted by the crown, and partly from the prospect of gain from advancing money to the government. The most scandalous practices in the mystery of corruption were at that time exercised in grants, places, pensions, and salaries to members, whereby the House of Commons was so managed that the king could quash all grievances, stifle the examination of accounts, and defeat any bill. When these practices were exposed, mere shame forced through both houses a bill for free and impartial proceedings in parliament, to which bill, the king, with the concurrence of his whig ministry, to whose existence corruption was essential, applied his veto. Corruption being thus perpetuated, a majority was secured in both houses, and the scheme of the Bank brought forward, and the charter granted in 1694. Its whole capital was a loan to the government ; its immediate object was to assist the government in carrying on an unpopular war. Its ultimate effects were distinctly foretold by the opposition, but the power of corruption prevailed.

In about one year from the date of the charter, the usual effects of paper money had begun to be seriously felt. "The nation was alarmed by the circulation of fictitious wealth, instead of gold and silver." Money sunk, till a guinea passed for thirty shillings, and this public disgrace lowered the credit of the government. In 1696, such was the languishing state of the Bank, then two years old, that the government, instead of being supported by it, was compelled to support it. Its notes were twenty per cent. below par; and to rescue it from impending bankruptcy, new subscriptions were ordered, payable four-fifths in government tallies, and the taxes were mortgaged for the redemption of the tallies. The charter was prolonged, and a monopoly vested in it; the government became responsible for the redemption of its bills; it was totally exempted from taxation, and several other valuable privileges conferred upon it. Thus was it snatched from the jaws of destruction, but instead of sustaining the government, it had very nearly overwhelmed the government in its own ruin. To support the credit of the government through these difficulties the taxes were raised immensely beyond all former precedent, the land tax being twenty per cent. on the rental. These enormous taxes proving insufficient, provision was made for raising about seven millions of dollars by a lottery, and for an additional issue of Exchequer bills. Smollett, a tory historian, thus comments on the Bank, the lottery, and the paper money. "One cannot, without astonishment, reflect upon the prodigious efforts that were made upon this occasion, or consider without indignation the enormous fortunes that were raised up by usurers and extortioners, from the distresses of their country. The experiment of mortgaging funds succeeded so well that later ministers have proceeded in the same system, imposing burden upon burden, as if they thought the sinews of the nation could never be over strained." Hallam, the ablest of whig

historians, and the friend and apologist of the Bank, thus confirms the account of the prevailing distress of that time. "Fresh schemes of finance were devised, and on the whole, patiently borne by a jaded people. The Bank of England rose under the auspices of the whig party, and materially relieved the immediate exigences of the government, while it palliated the general distress, by discounting bills and lending money at an easier rate of interest. Yet its notes were depreciated twenty per cent. in exchange for silver; and Exchequer tallies at least twice as much, till they were funded at an interest of eight per cent. But these resources generally falling very short of calculation, and being anticipated at such an exorbitant discount, a constantly increasing deficiency arose; and public credit sunk so low, that about the year 1696 it was hardly possible to pay the fleet and army, from month to month, and a total bankruptcy seemed near at hand. Certainly the vessel of our Commonwealth has never been so close to shipwreck as in this period; we have seen the storm raging in still greater terror round our heads, but with far stouter planks and tougher cables to confront and ride through it." In a note he adds that the peace of Ryswick was absolutely necessary, "because public credit in England was almost annihilated, and it was hardly possible to pay the army. The extreme distress for money is forcibly displayed in some of the king's letters to Lord Shrewsbury. These were in 1696, the very *nadir* of English prosperity." In one of those letters July 20th, 1696, the king says, "at present, I see no resource which can prevent the army from mutiny or total desertion." Since the publication of the Shrewsbury letters there can be no doubt but that the inglorious peace of Ryswick was precipitated by the derangement of the currency.

Like causes produce like effects. In 1819, our bank of the United States had been two years in operation, and it

had brought us to the *nadir*, the lowest point of depression, of our prosperity. It came even nearer to bankruptcy than the Bank of England. The Treasury department had to prop it up, and it mortgaged the government funds in its hands. The new Bank has had less than two years enjoyment of its new charter, "SAFER, STRONGER, AND MORE PROSPEROUS THAN IT EVER WAS," said Mr. Biddle, yet it has brought us down to the *nadir*, or very near it, again; and not having the treasury to lean upon for support, except as to the seven or eight millions of dollars it withholds, it has now committed bankruptcy.

As the troubles of the year 1696 have been in part attributed to the change of the metallic currency, by calling in all clipped and worn money, and substituting coin of full value, it may be interesting to know how prices were affected by the Bank of England in longer periods of its existence, for which no temporary cause can be applied. To ascertain this, we take the article of wheat, both because the prices are well known, and because the cheapness of bread is more essential to the comfort and to the subsistence of the people, than that of any other article.

It appears that for seven years before 1693, the price of wheat at Oxford averaged twenty-eight shillings eleven pence, while, for the next seven years it averaged fifty-two shillings and four pence, *an advance of eighty-one per cent.* If the alteration of the metallic currency had produced any effect, substituting coin of full weight for the clipped, the price of wheat would have fallen, instead of rising. Nor was this a war price, for in 1697 came the peace of Ryswick, and the price was much higher for that and the next two years of peace, than for the three previous years of war. The issues of bank notes raised the price; but after the currency had adjusted itself to the business of the country by the paper driving out an equal quantity of coin, prices fell again, and

continued for about sixty years to average a little more than thirty shillings a quarter, but when smaller notes were issued, they rose again.

In the great expansion of bank issues which followed the suspension of specie payments the price rose in proportion as the notes increased. For ten years before 1796 the average price of wheat at Oxford was fifty-one shillings, four and a half pence. The run upon the Bank took place in 1797 and that year and the next the price was falling. But for the next ten years after 1798 it averaged eighty-two shillings and five pence; and in the next ten years, from 1809 to 1818, it averaged one hundred and seven shillings and seven pence being considerably more than double the average before specie payments were suspended, and indeed an advance of *more than one hundred and nine per cent.*

In the year 1817, when the circulation of the Bank of England was at the highest point, being thirty millions of pounds sterling, instead of eleven millions as it had been before the suspension of specie payments, the average price of wheat was one hundred and twenty-four shillings, or more than four times what it was before the bank commenced its operations.

From the year 1797 to 1817, the metallic currency of the world had slightly diminished, while the business to be transacted had greatly increased; prices ought therefore to have fallen, instead of rising. Improvements in Agriculture had more than kept pace with the increase of population; for this reason also the prices of wheat should have fallen. War no doubt raises the price, but the war was raging in 1794 and 1795 when the price was under fifty shillings; and the country was at peace in 1817 when the price was one hundred and twenty-four shillings. Corn laws go but little way to account for the fluctuations, they must be mainly owing to bank paper.

Compare the circulation of the bank, and the price of wheat for a few years, and see whether you can doubt that they are cause and effect. The circulation of bank notes

| | | | | | |
|---------|-----|------------|-----------|------|-------|
| in 1787 | was | £8,688,570 | wheat was | 49s. | 9d. |
| 1790 | “ | 10,217,360 | “ | “ | 57 10 |
| 1795 | “ | 13,539,160 | “ | “ | 77 5 |
| 1805 | “ | 18,397,880 | “ | “ | 106 — |
| 1810 | “ | 21,000,000 | “ | “ | 116 2 |
| 1817 | “ | 30,099,908 | “ | “ | 124 — |

After Parliament had determined in 1819 that the bank should resume specie payment, it began to diminish its circulation, which was brought down to £18,000,000, a less sum, in proportion to the business done, than the circulation of 1795. Accordingly wheat fell, and for ten years after 1819 it averaged seventy shillings. As thirty millions are to eighteen millions, so are one hundred and twenty-four shillings to seventy-four shillings: so that wheat fell more than bank notes diminished, the increased business to be done giving a higher value to money.

“The average money price of corn regulates more or less that of all other commodities,” says Adam Smith; we may judge then what universal distress this bank produced by raising prices. We are not left to conjecture the effects, they are matter of record. The years 1812 and 1817 are the two years in which wheat reached the highest price it had borne for nearly six centuries, since the great famine of the year 1270. These were two years when the taxes were comparatively light, particularly 1817. In 1815, for instance, the taxes were £79,948,670, while in 1812, they were £70,435,679, and in 1817, they were only £55,836,257. The distress which existed then was produced by the high price of wheat, in *spite of lighter taxation*. Yet Mr. Huskisson singled out these two years, as those in which the pressure was most severe. These were his words: “If

distress bordering upon famine, if misery bursting forth in insurrection, and all the other symptoms of wretchedness, discontent, and difficulty, are to be taken as symptoms of pressure upon the people; then I should say, that 1812 and 1817 were two years, of which no good man can ever wish to witness the like again.”*

Thus has this institution taken the bread out of the mouths of the poor, literally and fatally. In Barton’s poor law tables the connection is shown between the high price of wheat and the increase of mortality. In seven manufacturing districts in England, when wheat was 11*s.* 3*d.* there were 55,965 deaths in a year: three years later, when wheat had fallen to 6*s.* 1*d.* there were but 44,794 deaths in the same districts. An extensive comparison between prices and mortality demonstrates the fact, that nothing tends more to prolong the average duration of life, than the cheapness of good wholesome bread. Indeed proof of this truth is before us all, in the extraordinary longevity of the inhabitants of the agricultural villages of New England.

Sin and Death are nearly related. What has been the effect of the Bank of England on crime? The year 1817 was that in which the amount of Bank notes was greatest, and that year is as distinguished in the annals of the criminal law as in the history of the Bank. In the year 1817, the number of criminal prosecutions suddenly rose from about 8000, to about 14000; the number of persons condemned to death, from 890 to 1302; of persons transported to New Holland, from 1054 to 1734. Want of employment, poverty, and hunger, all springing from high prices, and the deranged currency, caused these additional crimes. In June 1823, after the resumption of specie payments, Sir Robert Peel made the following statements to parliament. In 1817, seven out of nine of the manufacturing class were unem-

* Speech on Mr. Western’s motion. June 11, 1822.

ployed; in 1823, none. In Sheffield, the poor rates in 1820 were £36,000; in 1823, only £13,000. In 1817 there were 1600 houses empty; in 1823 none. In Birmingham, in 1817, of 84,000 inhabitants, 27,500 received aid from the poor fund; a third part of the workmen had no occupation; the remainder were only half employed; the poor rates amounted to about £60,000. In 1823, all the workmen were employed; the poor rates amounted to only £20,000. The weekly pay of weavers, which in 1817 had sunk to three shillings and three pence, now rose to ten, and sometimes sixteen shillings. The exports had increased, and disturbances ceased.

The mode in which paper money fluctuation, such as the Bank of England begets, grinds the independent poor into pauperism has been fully explained already. British pauperism is the offspring of the Bank. There were not two hundred thousand paupers, in England and Wales, when the Bank began to grind: in 1810 there were twelve hundred thousand, and the Bank ground harder, after that. The poor rates were but small in the time of King William, but in 1827 they were about thirty-eight millions of dollars.

The madman who scatters firebrands, arrows, and death, and says am I not in sport, is innocent and lovely compared with the monster that inflicts these miseries on the British people. It sucks the blood from their veins, the marrow from their bones: it makes them bond slaves, and mocks at their unpaid toil, till exhausted nature sinks into an early grave. It is such an incarnation of active, all pervading, unremitted cruelty, that our mushroom whig nobility worship; that they desire to see enthroned over us; and upon whose altar they are ready to sacrifice the properties, morals, lives, and liberties of American citizens.

The Bank of England has generally had no actual capital, no not a farthing, for the purposes of trade. Its loans and

advances to the government have, during almost the whole of its existence, exceeded its whole capital; so that it wrings from the people, by the machinery of paper money, the whole of that immense wealth, on which its stockholders fatten; and through which it has sometimes been, to use the expression of one of its friends, "strong enough to take the government on its shoulders." In such precarious strength there is inherent weakness; and the bank is more likely, ultimately, to bury the government in its ruins, as it threatened to do in 1696, and again in 1797. With the Bank, begun the funding system: hand in hand with the Bank, dependent on it, and growing out of it, the funding system has advanced. Like the Siamese twins, they have one common breath of life; separate them, and they perish. "The practice of funding," says Adam Smith, "has gradually enfeebled every State which has adopted it." He instances the Italian Republics, Genoa, Venice, Spain, France, and the United Provinces, and adds, "Is it likely that in Great Britain alone, a practice, which has brought either weakness or desolation into every other country, should prove altogether innocent?" Since Smith wrote this (in 1776) that explosion has taken place in France, which made all nations quake with fear,—an explosion, which would never have happened, but for the practice of funding: the British debt is quadrupled: is the practice of funding less likely now to bring desolation upon Great Britain?

The United States had one fair experiment of paper money at the outset of their national existence. An eye witness, Mr. Pelatiah Webster speaks thus, first of its supposed advantages, and afterwards of its real evils. "Though men of all descriptions stood trembling before this monster of force, without daring to lift a hand against it, during all this period (from 1776 to 1781) yet its unrestrained energy always proved ineffectual to its purposes, but in every case increased the evils it was designed to remedy, and destroyed

the benefits it was intended to promote: at best its utmost effect was like that of water sprinkled on a blacksmith's forge, which indeed, deadens the flame for a moment, but never fails to increase the heat and flame of the internal fire. Many thousand families of full and easy fortune, were ruined by these fatal measures, and lie in ruins to this day, without the least benefit to the country, or to the great and noble cause in which we were then engaged." He enumerates the sufferings incident to the war, the exorbitant price of foreign goods, the extreme scarcity of many necessary articles, such as salt, the total cessation of many trades for want of materials, the seizure of goods, wagons, stock, grain, cattle, timber, and every thing else which was wanted for the public service, the captures, ravages, and depredations, the burnings, and plunders of the enemy, which were very terrible and expensive. "They had possession, first or last, in the course of the war, of eleven of the capitals of the thirteen States, pervaded the country in every part, and left dreadful tracks of their marches behind: burning in cool blood a great number, not only of houses, barns, mills, &c., but also of most capital towns and villages." Yet all these evils he testifies were less than those of continental money. "We have suffered more from this cause" he says, "than from every other cause of calamity: it has killed more men, pervaded and corrupted the choicest interests of our country more, and done more injustice than even the arms, and artifices of our enemies." "While we rejoice in the riches and strength of our country, we have reason to lament with tears of the deepest regret, the most pernicious shifts of property which the irregularities of our finances introduced, and the many thousands of fortunes which were ruined by it; *the generous, patriotic spirits suffered the injury; the idle and avaricious derived the benefit from the confusion.*" This was written at the very period of the dissolution of the continental currency system, while the people were yet smarting under its

torments, the remembrance of which had so much power over the fathers of our constitution, that they deliberately and sternly REFUSED TO INCORPORATE IN THAT INSTRUMENT, ANY LICENSE TO THE FEDERAL GOVERNMENT TO CREATE ANY CORPORATION, LEST UNDER SUCH A LICENSE THEY MIGHT CHARTER A NATIONAL BANK.

It is natural to imagine that government paper which depreciates suddenly, and then becomes worthless, is an evil much more terrible than a National Bank with its ever fluctuating currency. Not so. A sword cut, or a gun shot wound, however appalling, yet if it heals or kills, is less to be dreaded, than to be stretched daily on the rack for years, to perish in the torture at last. Law's Bank and Mississippi Scheme, the South Sea Bubble, Assignats, and Continental Money, marked their course with wide destruction, but they had their end. The victims who survived recovered, others filled the places of the fallen, and a new career of prosperity commenced ; but when will England shake off the Incubus of her National Bank? A paper money explosion, even like the most awful on record, is far less to be deprecated than the perpetual wrong, injury, and tyranny of a perpetually fluctuating paper currency ; even as the fire that sweeps the prairie, but leaves the soil rich for a fresh vegetation, is less fatal than the eternal curse of barrenness on Sodom and Gomorrah.

Nothing can prevent a mixed currency partly of paper, from becoming superabundant, and consequently depreciating. Nothing can prevent such a mixed currency from fluctuating, and the larger the proportion of paper, the greater will be the fluctuations.

A National Bank, or any other banks, issuing small bills unrestrictedly, must sooner or later stop specie payment : its paper then becomes irredeemable paper, which even the whig oracle abhors. This result is not accidental, it is certain and

necessary: it is the inherent vice of the system. During the last forty years, the Bank of England has refused payment in specie twenty-six years, and the Banks of the United States generally have violated their obligations twice. The first suspension was brought to an end by totally breaking up a large proportion of those institutions. How the present bankruptcy will terminate, we do not know.

I say nothing of the Government Banks on the Continent of Europe, such as the banks of Petersburgh, Copenhagen, Vienna &c., because the friends of a National Bank among us have nothing to say for these. They admit them all to be miserable failures. Their only favorite model is the Bank of England, which has issued irredeemable paper about half of the time since the United States had a Banking system. "A bank not to pay specie," said Mr. Calhoun in 1816, "would be an instrument of deception; it would have no character or feature of a bank. He should regard it with disgust and abhorrence." Such a bank is the great bank in Pennsylvania, and such are the lesser banks. Small bills and specie payments, for any length of years, are incompatible. Let banks issuing small bills set out with what professions they may, to this complexion they must come at last: sooner or later, they will be banks not to pay specie.

No art, wisdom, or power of man can prevent irredeemable paper from depreciation. The promise of gold, however slightly doubtful, is worth less than gold itself; but nothing can make a promise known to be false, equal to a promise believed to be true. The severest penal laws could not prevent guineas from selling at twenty-eight, and even thirty shillings, in bank notes, while the Bank of England violated its promises. Congress passed an act of outlawry (January 11, 1776) and other threatening declarations, against those who refused continental bills at par: this did not keep them at par. Danton and Robespierre undertook to sustain the value of the assignats, the revolutionary money of France. First, they

decreed a long imprisonment to those who should take, pass, or offer assignats below their nominal value; then, they fixed a price on all the necessaries of life, and punished with death those who, having such articles for sale, refused to sell them at the legal price in assignats: but the terrors of the dungeon and the guillotine proved insufficient, though unsparingly employed, to give value to a worthless paper. The fear of death, then, cannot check the depreciation of irredeemable paper.

If we sum up in one grand total all the woes to which paper money banking, and the over-extended system of credit growing out of it, have given birth, we shall pronounce it to be the most tremendous of the plagues which the Almighty in his wrath has suffered to afflict degenerate men. Neither war, nor pestilence, nor famine, ever, for so long a time, spread desolation over so large a portion of the earth. What now paralyzes the energies of Great Britain? Her National Debt, which originated with the Bank, grew with its growth and strengthened with its strength, is a part of the same system, and without its aid could never have swelled to the colossal dimensions in which it overshadows the empire. When the bank commenced, the debt was about five millions of dollars. The object of the creation of the bank was to increase the debt, which it manages for the government, and which is now about four thousand millions of dollars; the sinews of the poor, from generation to generation, being mortgaged to pay the interest. The burthens and taxes, which I enumerated in speaking of the banks of Massachusetts, are but a drop from that fountain of bitterness, the preposterous extension of a fictitious credit, which has deluged the world with miseries. View the Bank and the funding system together, in their combined operation, and see what the abuse of credit, through fictitious paper, has done for mankind. What enabled Great Britain to carry on wars ruinous to her own interests, destructive of her own liberties, and fatal to the welfare of

the human race, for one half the period from the accession of King William to the downfall of Napoleon? Paper credit; whereby the ministry of the day could not only exhaust the resources of the nation, but beggar posterity, building up that National Debt which is the most stupendous phenomenon of modern times; perhaps, in the world's whole history. Not Napoleon in his march on Moscow, with that carnival of horrors, the retreat, gave so many corpses to the wolves and vultures, as paper credit. Neither Alaric, nor Attila, nor any other scourge of God, ever struck down so many heads, or glutted his revenge with so vast a havoc, or left behind him such wide spread devastation.

If France, in 1789, had had no debt, France might have been free and happy, without a bloody revolution, and the long years of succeeding agony. Who stimulated and kept alive the wars that grew out of the French Revolution, wherein three millions of human lives were sacrificed? England. How did she sustain those wars? By her paper credit. It was paper credit that held out through twenty-three years of carnage, and at last conquered at Waterloo. It is a stock corporation, existing by credit, and operating through credit, that has "sold every monarch, prince, and State, in India, broken every contract, and ruined every prince, and every State who had trusted them,*" that has bestrown that whole Empire with the bones of slaughtered millions, turning their temples into charnel houses, and making their Eden a Golgotha. It was paper credit that waged war eight years upon the liberties, and rising Independence of America. It is paper credit that rivets the fetters of Ireland, and tightens the ligatures which check the circulation of the British Empire's life blood.

Napoleon Bonaparte is said to have predicted, at St. Helena, that the next general convulsion of Europe would be a con-

* Edmund Burke.

flagration of paper credit. When that catastrophe befalls the insolvent governments of the old world, when the National Debt of England, “incurred one half in pulling down the Bourbons, and the other half in setting them up,” explodes, and blows up with it the bank, the East India Company, and the Government, while the debts of the Continent topple down with the shock, will not the contest over the wreck be fiercer than the memorable reign of terror, in proportion as greater interests are at stake, and greater numbers implicated? It seems that elements exist to form a crisis as much more terrible than the last, as the battle of Devils conceived by the genius of Milton exceeds in sublimity the ordinary conflicts of men.

It is time to return from these speculations to our own peculiar perils. “Let the Americans,” said William Pitt, “adopt their funding system, and go into their Banking Institutions, and their boasted Independence will be a mere phantom.”

Could William Pitt have foreseen, that in about sixty years from our Independence, we should have eight hundred and twenty-three banks, whose loans would exceed five hundred and ninety millions of dollars? Could he have foreseen that these banks would issue their bills to the amount of one hundred and eighty-five millions, and then, in May 1837, stop payment, and continue to flood the country with irredeemable paper? Could he have foreseen that a British banking house (the Barings) would in their circulars describe, truly describe, the contest between the Banks and their privileges on the one hand, and the People and their liberties on the other, as a contest between the Aristocracy of wealth, and the Democracy of numbers; and that in this contest, an institution modelled after the Bank of England, and largely owned by British stockholders, would lead the Bank interest; while the Democracy of numbers would sustain the Government, and the Constitution of their country? Could he

have foreseen that merchants, having a deep stake in the preservation of order, would threaten rather to rebel, than pay their dues to the government, while they could find plenty of specie to export to England; and that the government would be called on, in every form of entreaty and menace, to allow the whole basis of our circulation to be withdrawn from us, and to flow from the West to the Atlantic cities, and thence across the ocean, leaving our banks, and our people, to certain ruin, in order that the Bank of England might not be compelled to suspend specie payments? Could he have foreseen that for the benefit of England a new doctrine would be advanced in America, that "the truth is the Banks of the United States are always the **STRONGEST** when they hold the **LEAST SPECIE**, and the country always the **RICHEST** when it has the **LEAST GOLD AND SILVER**?" If he foresaw all this, no wonder he anticipated that Banks would one day reduce our boasted Independence to a mere phantom.

His forebodings will not, however, be realized. Our government is a popular government. With us, the will of the people is sovereign, and it is not the will of the people to barter their birthright for a mess of pottage. Though they believed all the promises of advantage which Banks hold out, promises which the history of other nations, and the experience of their own, have shown to be delusive, yet Liberty and Independence are blessings too dear to them to be weighed in the balance with wealth. What shall it profit a man if he gain the whole world, and lose his own soul? The slaves of filthy lucre, who prize it above Liberty, must have sold themselves, body and soul, into the service of the God of their idolatry; but the American people cling to their soul's freedom.

To deliver us from thralldom to the Banks, a sound currency is indispensable. There are in the world more than four thousand millions of dollars worth of gold and silver, coined

and uncoined, taken together. Of this, we want sixty millions only, in addition to what we now have, to give us a currency as solid as that of France, which is nine tenths specie. A tenth of our exports would pay for it in six years. If we will it, we shall have it. It must be had. The war against abhorred paper must go on, till Liberty is triumphant.

What though the monster we assail towers in portentous proportions, and frowns upon us with a fearful aspect? It is but an unholy image of Mammon. Its presence defiles the Temple of Liberty, whence its fragments shall soon be cast out, for its discordant materials are shattered and tumbling. Its impudent forehead is of brass, and its base feet of clay, its hollow carcass stuffed with worthless rags, by whose expansion it bursts asunder, like the Babylonish dragon, under whose table those that knew the privy doors entered continually, and devoured the expenses of an Empire.

Let the ban dogs of faction howl: fangless now, their malice is impotent. A great people is conscious of its rights and power. Calmly majestic, it gathers its strength, and rises to overturn, smite, and demolish, whatever the spirit of our institutions cannot tolerate. Rashness shall not rule the hour, nor an avenging fury confound innocence with guilt; but the inflexible determination of virtuous wisdom shall carry on reform, till her warfare be utterly accomplished. Then, when the proud bearing of paper feudality is humbled, the hoarse throat of anarchy silenced, and popular sovereignty sways over all the sceptre of equal justice, then may we exult in the security, eternal, as far as human foresight reaches, of American Liberty, Union, and Independence.