

2. A valuation of real estate as the foundation of the public currency.
3. A court of managers and a treasurer in each of the counties and cities, to pass on application and disburse loans.
4. A law officer in each department to investigate and report on titles.
5. Proprietors, on the favourable report of the law officer, to receive an amount not exceeding half the valuation of their real estates.
6. The interest of loans to be paid half yearly, and the principal to be reimbursed by easy instalments.
7. The privilege of funding at an equitable rate, to be allowed.
8. The nett revenue to be invested in productive capital, as a further assurance of eventual redemption.

Of the conflict of opinions on this proposition, the committee are aware, but convinced as they are of its capability to remove evil and create good—of the emergent need of its interposition in this crisis; and relying on the influence of reasoning and the force of facts, they invite a free and full discussion; and in answer to some of the most prominent objections, in the course of this report they may apply such arguments as seem appropriate.

Many predict depreciation and refer to the fate of what they call similar projects—such as “the continental trash, French assignats, treasury notes—the spurious currencies of Kentucky—the Carolinas—the state of Georgia, and the worthless rags of mushroom banks,” but none of these will bear comparison, or analogy with the plan proposed; as over and above the state’s integrity, every dollar will be represented and secured, by double its value in solid worth. The revolutionary paper, emitted without limitation of amount; resting merely on public faith, and made an absolute legal tender, failed in course, from a radical defect in its origin—but the loss was gradual, and being widely dispersed it operated as a common tax. Some it is true, paid more than a due share; but cases of individual suffering are inseparable from a state of war. But bad as it was, are we not indebted to that “trash,” did it not render us some service, was it not instrumental in supporting the struggle, was it not chiefly the price of independence, or could we have gained the glorious conquest without its aid? A negation of these queries must precede the further discussion of this point. The foregoing remarks may apply in some degree to “French assignats” and the treasury notes, although not declared, to all intents, a legal tender, were in effect forced into circulation, in large masses, to pay the army and other expenses of the late war, and the design to support the war upon an emission so defective, must have proved vain and futile, we know however, that when war was over and constraint had ceased, those notes rose considerably above par. The case of Kentucky is most unfortunate, and being generally not understood, is eminently calculated to swell the odium unjustly raised against this principle, the most precious improvement in political economy, that the wisdom of providence ever has disclosed to human knowledge, but properly viewed it is obviously owing to her relative geographical situation, and the excessive indulgence of her enterprising population, in eastern credits; and it is comprised in the class of new and vigorous states, whose capital may grow rapidly in despite of an adverse balance of foreign traffick, and notwithstanding that the paper of the “Commonwealth’s bank” was not founded on that sure and permanent basis which is here proposed; we may believe that perseverance and a strict adherence to their system, will in time, have restored an equality of exchange with other states, and have realised their expectations.

As to the local currencies of the “Carolinas and the state of Georgia,” although not convertible into coin, and although less stable in its base than the western paper, it sustains a value but little short of silver and gold—and we have seen those currencies beating a large premium, even in the northern cities. But we repudiate, and utterly reject the idea of convertibility, as communicating an equivalent to facilities of any denomination, or as imparting intrinsic value, nor can we allow intrinsic value as indispensable; that it represent and be bottomed on value, is all sufficient, intrinsic value injures money in its proper character of money, as it tends to restrain its circulation, and operates to prevent its employment in useful works. We contend that the mystery exists solely, in the principle of supply and demand, which regulates the commercial balance; as when three dollars of the nominally depreciated notes of Maryland and Virginia, would supply a barrel of the best flour, the same barrel would demand twenty dollars of precious metal in Massachusetts. And suppose a farmer having in his chest a thousand dollars, and that he shall limit his expenditures within his income; his cash would then repose in undisturbed possession, but if the extravagance of his household should exceed his income, it would flee away; and it is with nations as with families, if their buyings, exceed their sellings, the exchange of course, must be against them, and coin must close the hostile difference.

A currency founded, on real estate, might be justly called real money—And it could not long remain in excess, or depreciate to any considerable extent, because it would be the extreme of folly to pledge an estate, and pay interest for worthless money.

Admit, however, that the state’s emission may experience a moderate scale of depreciation; but possessing, as it will, peculiar properties to sustain its credit, it could not exceed a moderate scale—And where’s the damage—Would it not rather operate to our advantage? It would tend directly to enhance demand for our staples, and stimulate their exportation—At the same time by raising the price of foreign goods, and increasing the difficulties of their procurement, it would impel industry, and multiply domestic fabrics.

Our own annals afford proof of the delusive properties of money of intrinsic value, “The metals of France, Spain, Portugal, and the states of Italy—nations rich in resources, and fortified by nature, have yielded to the symbolical monies of Britain, Russia and Austria.

The stimulating and invigorating effects of this principle, are manifest in all countries who have judiciously employed it. For no propositions are more susceptible of demonstration, than that money procures labour and impels enterprise; and that a public currency, wisely adjusted and amply secured, may assume the character and perform the functions of money.

The defalcations of chartered banks have arisen from mismanagement, culpable neglect, or downright fraud. But the origination of that class of corporations, was impolitic and wrong, ab initio. It was and is an undue cession of a most important public right, and a most productive source of revenue. The natural effect of the earliest errors in such grants to individuals, was the concentration of the common me-

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