

redundant—exchange began to decline and a heavy drain for bullion compelled the Bank of England to lessen her issues.”

This was the signal for the repetition of the tragedy of 1793, but on a much larger and more magnificent scale, and with more destructive consequences. Save himself who can! was the universal cry: and the destruction of the country paper was so sudden and excessive, that in less than six weeks, above seventy banking establishments were swept away.”

In this country the same effects from like causes have invariably been the result. Taking a period since the late war, we have witnessed precisely the same consequences in 1820, 1825, 1829, and '30, 1834, 1839 and '40.

The Bank of the United States went into operation in 1817.

In 1818 its discounts had increased to \$51,000,000

In the same year they decreased to 41,000,000

In the same year its circulation was 9,000,000

In the same year its circulation decreased to 7,000,000

In 1820 its discounts were reduced to 37,000,000

In the same year its circulation was reduced to 3,000,000

From 1823 to 1824 its discounts increased from \$41,754,000 to 50,000,000

In the same year its circulation from 4,361,000 to 6,068,000

Gouge, in his admirable treatise on banking, page 194, says:—

“In 1825 the immediate danger was to the banks and through them to the community. In 1826 the United States Bank and the leading State Banks placed themselves in a situation of great strength and repose, but the sufferings of the community were not the less on that account. It was in fact by producing sufferings in the community, that the banks placed themselves in that situation, from which they regarded what was going on around them with so much complacency. The people implored them for relief, but the president of the United States Bank replied—It is in the order of nature that if men or nations live extravagantly, they must suffer till they repair their losses, and that neither men nor banks should impose on the community by promises to pay when they cannot pay. The laws of trade have their own remedy for such disorders as infallible as the laws of animal life, which enable the human system to relieve itself from its own excesses. Both must have their course. But the Bank of the United States is invoked to assume, that which, whoever attempts deserve the ruin he will suffer. It is requested to erect itself into a special providence to modify the laws of nature and to declare that the ordinary fate of the heedless and improvident shall not be applied to the United States. Our countrymen are to be indulged without restraint in the utmost extravagance of the luxuries of Europe on credit from the banks; and when the day of payment arrives, the debtor shall not be called upon for payment. The banks shall not be incommoded to pay their own notes, for the moment any inconvenience is felt, the Bank of the United States will certainly interpose and pay the debts. But if the Bank of the United States blends any sense with