ditors once or more, or who can pay their debts at last. In distributing the wealth of the country, they come more immediately in contact with the banking system, and suffer the most accordingly.

It is slander to say that all this is the result of individual mismanagement of business; it is the result of an abnormal system of finance. Bankruptcy in trade occurs in proportion to the extent of the debt banking system all over the world; it almost never happens in countries using only a specie currency. It has visibly deminished in New Orleans—formerly the most notorious place in the country for bad debts—since the passage of the restrictive banking law of Louisiana, suppressing bank notes below the denomination of $5, and requiring the banks to hold one-third the amount of their immediate liabilities in specie. New Orleans is now the safest of our Atlantic cities in regard to commercial obligations, and has greatly the advantage of the others in the exchanges of trade. Seldom does the name of a New Orleans merchant appear in the published bankrupt list; and in the present financial epidemic, originating in the inflation of the New York banks, which distresses almost every other city, New Orleans remains unscathed.

With such experience to guide public opinion, it is unaccountably strange that the transparent evils of our banking system do not fix the attention of every intelligent person in the land. They could be easily remedied, with great gain to the country, and the remedy would impart immediate activity to trade.

If we should retain the annual supply of California gold—$50,000,000, and buy $50,000,000 more from Europe, what would it be but selling an additional $100,000,000 of merchandise for cash? Every trader is desirous to sell his goods for cash, but few are aware that the reason he cannot do this, is that the cash is not here, because it has less utility and value in our commerce than in any other. The bank debt, that we use in its place, and call *money*, is mortgaged by a conn er debt as soon as it is created and remains mortgaged as long as it exists. It is debt issued, for debt received, and is in constant demand to discharge itself. There is none of it to spare for cash traffic in merchanise. Its only office is one of transfer; debt can never be reduced by that sort of money. As long as the community owe the bank, the bank must owe the community. Unfortunately, the contract on both sides is for planchets of gold that neither party ever possessed. It is precisely the cornering trick of the stock exchange, elaborated and extended over the whole country. When the shorts are called upon to deliver, the planchets are in Europe and Asia; they can only be obtained by a journey round the world, and in the struggle to obtain them, the means relied upon may probably collapse one-half. What then is to be done? We are skilled by extensive practice in this emergency. Settle the difference in bankruptcy!

Now, I ask the reader to consider well the vast importance of this subject. The banks of the United States owe, in circulation and inscriptions of credit, about $400,000,000, over and above the coin they hold in reserve, and there remains $200,000,000 of coin in the whole country, including the amount in the banks, the government treasury, and the pockets of the people. That portion of this whole sum—$600,000,000—which is not hoarded, that is, which is being offered for the purchase of property, measures and determines the price of all the property of this country.