

happened to break, all the banks through the United States would instantaneously follow the example. This is the most imminent danger to which the Treasury of the United States will be exposed in time of war; and what effect the Sub-Treasury system may produce in that respect remains to be tested by experience.

It is impossible to draw any inference respecting Treasury Notes, from what took place in the United States during the confused state of the currency in the years 1815 and 1816. The taxes were paid everywhere with the cheapest local currency, in Treasury Notes only in the places where specie payments had been continued, or where bank notes were nearly at par. The depreciation of the Treasury Notes was arrested by the fact, that they might at all times be converted into a six or seven per cent. stock; but in that case they became assimilated to a direct loan. They never can become a general currency, on account of their varying value, so long as they bear an interest and are made payable at some future day. In order to give them that character, they should assume that of bank notes, bearing no interest and payable on demand. It does not require the gift of prophecy to be able to assert that, as the wants of Government increased, such notes would degenerate into paper money to the utter ruin of the public credit.

They may, however, be made a special currency for the purpose of paying taxes as gold and silver, and to the exclusion of any other species of paper currency. The amount which might be thus kept in circulation, in addition to that wanted for short investments, would be limited by the gross amount of the annual revenue, and bear but a small proportion to it; since one thousand dollars, in silver or in any paper currency, are sufficient to effect in one year fifty payments of the same amount.

Although the amount kept in circulation may fluctuate according to circumstances, the fundamental principle is, that the issue of such notes is an anticipation of the revenue, which, after it has reached the maximum that may be kept in circulation without being depreciated, never can be increased. Be the amount ten or twenty millions, the anticipation may be continued, but not renewed; it is not an annual resource, but one, the whole amount of which never can exceed that which may be kept in circulation.