

the country in exporting gold. Being substantial wealth, the dollars would command substantial wealth, for their full value, in return.

There is now a certainty of a rise in the value of gold, that is, a fall in the price of commodities, that will temporarily stop in the export of gold, set in motion our exportable merchandise, and give a start to navigation. In every such revulsion as the present, the reaction reduces money below the amount that would occupy the currency in specie alone, if there were no paper money, and necessarily carries down the average price of commodities below the true specie measure.

From the considerations herein presented, it results that whenever the banks of this country have so reduced their loans as to put a stop to the export of specie, they have done all that can be done in the reduction of prices *permanently*; they have then reduced the currency till money is as valuable at home as abroad. From that point the path is easy to a full resumption of specie payments; and, infallibly, that path, if followed, would be one of continued activity in business, and of unexampled prosperity. To that point they are compelled to recede, at certain periods, for their own salvation: it is no new thing. Their promises then occupy no more space, and amount to no more, than the specie they have displaced.

To that condition the banks are now receding, violently, for the New York banks lead the country in this regard; and when they reach it, if they would then stand still and not again increase the fictitious money, specie would flow in, and our commodities flow out, in exchange, inevitably and rapidly. We should gain, in the increased value of money, more than we should lose in the price of merchandize. Our idle ships would soon spread their canvas to the breeze, and more ships would be required. Railroads would find full and profitable employment, their stocks would rise like magic, in the market, and we should secure the greatest sale of merchandize, and enjoy the greatest prosperity ever witnessed on the habitable globe.

But will the banks do this? Surely not. Their present system imperatively demands the utmost expansion of debt to earn, or rather to win, dividends, and the utmost expulsion of money to make room for their debt. Their loans will increase, the moment they shall be relieved of the demand for specie beyond their receipt; and the almost fabulous supply of gold will secure this to them speedily. We shall then go on selling gold for less than it costs, or less than it is worth, and increasing debt as usual. Debt, failing, and unnecessary suffering—aching and breaking hearts, among conscientious men; and defalcation, lying, and stealing among the unconscientious—must continue to be conspicuous in the walks of trade, so long as this system controls the commercial finances of the country.

All this might be easily remedied by a few influential men in New York and Boston, in the establishment of institutions for banking with specie, obtained as deposits are obtained by the savings banks, borrowing—or rather obtaining from the depositors, who would be the only proprietors—coin at a low rate of interest, and lending at a higher, and charging commissions for service, thus giving a true and practical direction to public opinion in the use of legitimate money—*coin alone*.

I have not time or space for the consideration of the remedy in this article.