AN ADDRESS
TO THE
ASSEMBLY OF PENNSYLVANIA,
ON THE
ABOLITION
OF THE
BANK
OF
NORTH-AMERICA.

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M.DCC.LXXXV.
To the Honorable the Representatives of Pennsylvania in General Assembly.

Gentlemen,

Whether the Bank shall be abolished or established, is one of those important questions which will in course attract your notice. The heat of disputations will then give birth to many arguments. But disputants do not always convey information. There is (no doubt) a great majority of members who will vote according to their dispassionate judgment; and such men will naturally wish to form opinions on plain reason plainly delivered. To them therefore this paper is addressed. And, in order that we may have a clear view of the object, let us consider (first) whether admitting the institution of the Bank to have been pernicious, a law to abolish it would be wise, and (secondly) whether it is really a pernicious institution.

First then, admitting the institution of the Bank to have been pernicious, would a law to abolish it be wise. The answer to this question depends on two points. First, whether such a law would be effectual; and secondly, whether it would be prudent. An enquiry whether the law would be effectual, involves a doubt of your power, and may therefore offend the weak or illiberal, but wise representatives of free citizens, will listen with candour and form a dispassionate judgment. They know that the boasted omnipotence of legislative authority is but a jingle of words. In the literal meaning it is impious. And whatever interpretation lawyers may give, freemen must feel it to be absurd and unconstitutional. Absurd, because laws cannot alter the nature of things; unconstitutional, because the constitution is no more, if it can be changed by the legislature. A law was once passed in New-Jersey which the judges pronounced to be unconstitutional, and therefore void, surely no good citizen can wish to see this point decided in the tribunals of Pennsylvania. Such power in judges is dangerous; but unless it some where exists, the time employed in framing a bill of rights and form of government was merely thrown away.

The doubt which arises on this occasion, as to the extent of your authority, is not founded on the charter granted by Congr;
afflicting lessons of wisdom and moderation. Look back to the
disputes which convulsed this commonwealth twenty years ago.
Mark the succeeding revolutions. See how friendships and how
enmities have changed. See how power has been wrested from
one, and grasped by another. This generation will soon pass
away. Who can designate the men that will fit in seats of au-
thority twenty years hence? or five? or one? You are here to-day,
and gone to-morrow. Beware then how you lay the foun-
dation for future encroachments. While justice is the principle
of government, to be innocent is to be secure. Be not then
seduced by the momentary bubble of power; for place it where
you will it is dangerous, and the tyrannical use of it is always
tyranny. Those who live by the sword shall die by the sword.
The violent must, of necessity, become victims of violence.
Should the next election give power to those who may now be
oppressed, what bounds shall he set to unbridled retrenchment?
May not all charters be at once laid low, by a general law de-
claring the existence of corporations to be incompatible with
the public welfare? Since, then, these consequences may fol-
low, we may reasonably doubt whether a law to abolish the
Bank would be wise, even if the institution had been pernicious.
But is it really a pernicious institution?

This question is of great magnitude. Some objections against
the bank may perhaps be well founded. Let us examine them.
They are, first, that it enables men to trade to their utter ruin by
giving them the temporary use of credit and money. Secondly,
that the punctuality required at the Bank, throws honest men
into the hands of usurers. Thirdly, that the great dividend on
bank stock induces money men to buy stock rather than lend
on interest. Fourthly, that rich foreigners will (for the same
reason) become stockholders so as that all the property will fi-
nally vest in them. Fifthly, that the payment of dividends to
foreigners will be a constant drain of specie from the country.
Sixthly, that the Bank facilitates the exportation of coin? Sev-
enthly, that it injures the circulation of bills of credit. Eighthly,
that the wealth and influence of the Bank may become dan-
gerous to the government. NINTHLY, that the directors can ob-
tain unfair advantages in trade for themselves and their friends.
And tenthly, that it is destructive of that equality which ought
to take place in a free country.

These objections, though artfully made and industriously
circulated, do not confi very well together. For if it be true
that the Bank enables men to overtrade themselves, it is the tie of
of money at an easy rate; it cannot be true that it throws men into the hands of usurers, who exact for the use of money an exorbitant rate. If it be true, that foreigners will buy one stockholder (even as is paid at fifty per cent advance) so as to become proprietors of the whole; it cannot be true that the money of our rich citizens will be veiled in bank stock, and none remain for loans. If it be true, that the Bank facilitates the exportation of coin; it cannot be true that it injures the circulation of bills of credit, which bills are always expressly emitted to supply the real or supposed want of specie. If it be true, that the use of money obtained by discounts at the Bank ruins the trade; it cannot be true that the directors and their friends would gain any advantage by it. If it be true, that the Bank has a tendency to lock up in its vaults the money of rich citizens; it cannot be true that it facilitates the exportation of coin. If it be true, that foreigners will continually bring in money to buy the principal of the stock; it cannot be true that the country will continually be drained of specie by paying the dividends on that principal. If it be true, that the funds of the Bank must finally vest in foreigners; it cannot be true that it is destructive of equality among the citizens. Thus much in general. Let us next consider each objection by itself; and first, that it enables men to trade to their utter ruin, by giving them the temporary use of money. It is true that the Bank has given great facility to commercial people, of which some have made an imprudent use, by engaging in rash and ruinous enterprises. But this abuse of commercial advantage cannot be prevented, otherwise than by the destruction of commerce itself, or by confining the trade (as in China) to an exclusive company. Neither of these modes would suit the genius and temper of Pennsylvania. We must therefore (as in former times) leave the foolish to suffer the consequence of their folly, and not punish (for their sakes) the sober and discreet. The convenience merchants derive from being able to obtain money for short periods, and on easy terms, is of the greatest consequence to them. And it would be a marvellous thing indeed, if the use of water were prohibited, because some people chose to drown themselves. Secondly, it is said that the punctuality required at the Bank throws honest men into the hands of usurers. This objection will admit of nearly the same answer with the last. If men who borrow for a short term, will engage the funds borrowed in long speculations, thereby depriving themselves of the means of payment, who is to blame? Is it the benevolent lender, or the foolish and dishonest borrower? Why did he incur the debt and undertake the payment? or why didst he himself of the means? But say, that a man is (by misfortune) in want of considerable sums, without which his credit would suffer. The Bank advance the sum for forty days, and fave him from ruin. If within that period he collects his funds, and repays the advance, has he derived no benefit from the Bank? If at the end of forty days he should be unable to pay, is the situation worse than it was? If in that case the Bank renew the discount for forty days more, (which has usually been done) is it not the benefit increased? And if after all (when they will trust him no longer) he apply to usurers, (which he must otherwise have done in the first instance) is the Bank to blame? But the man it seems has been unfortunate, and is ruined, which ruin the Bank did delay, but could not prevent. Now what is the conclusion drawn from these premises, and how is it drawn? Why thus. Misfortune is the cause of loss. Imprudence is the source of disappointment. Losses and disappointment demand supplies of cash. Usurers exact enormous interest. Bad voyages, wild speculations, mismanagement, and unmerited interest, produce ruin. Therefore the Bank must be destroyed. It must be destroyed, because it would not continue to trust men who were no longer trustworthy. Before this objection be repeated, let these men, or at least one of them, be openly named; so that the directors may have an opportunity fairly to combat the charge; and then, if they do not show that the party received every indulgence which he had any right to claim, expect, or even hope for, let the charge be established. But until this opportunity be given, let not the voice of slander be heard in the sanctuaries of Legislation. Rely on it, Gentlemen, that however calamity may sait the aperiton, no proof will ever be adduced. It might therefore be abandoned to the merited contempt. But since such pains have been taken to inculcate a false idea that the Bank promotes fury, let us recur to facts. Before the establishment of the Bank, fury had been carried to an alarming degree. Men of the greatest property, who happened to be here from the neighbouring states, were forced to pay as high as ten per cent. for one month's anticipation of their remittances; merchants who met with misfortune were driven to the greatest distresses, and the public could not obtain advances upon any terms. Under these circumstances, the Bank was instituted; and there are many in this city and elsewhere whom it saved from destruction. The
The number of usurers and the rate of usury, were soon diminished. But as there still remained some objects whose distresses the Bank could not relieve, because 'most of its funds were employed in the public service,' so there still remained some usurers to prey on those distresses. In proportion as the number who want money is increased, or (which comes to the same thing) as the means of obtaining money are diminished, in the same proportion will usury abound and flourish. This the usurious know, and therefore they have never intermitted their efforts to destroy the Bank, as the sure means of increasing and securing their unrighteous gains. Beware then, Gentlemen, that ye be not dupes to the artifice of such wretches. It is indeed a tender and delusive artifice. A poor attempt to persuade you, that an institution which lends for one half per cent, per month, drives folks to borrow at ten per cent. And on this ground they suggest, that the best mode of preventing men from giving ten per cent. for a month's use of money, is to disable them from obtaining it on any other terms.

Thirdly, it is said the dividend on bank stock induces monied men to buy it rather than lend on interest. The object of this assertion is to persuade you, that the difficulty of obtaining money arises merely or chiefly from the Bank; which is not true. For first, it is notorious that few stock holders are of that class who were in the habit of lending on interest. Such as are foreigners or inhabitants of the neighboring States (and these it is said own half the stock) would not lend their money in Pennsylvania, even if circumstances favoured such loans. A considerable part of the remaining half belongs to small stock holders, who would not lend their money into the country. And a far more considerable part is the property of merchants, who would be obliged immediately to employ their funds in their own business, if deprived of those facilities which the Bank affords. After making these deductions from the capital of the Bank, the remainder (belonging to those who would and could lend) will be inconsiderable. But such as it is, to whom would it be lent? Not to farmers who pay interest irregularly, and from whom the principal cannot always be recovered without legal process. No, it would be lent to merchants, and the greater part to such as (through necessity) give more than legal interest. Can it be believed, while usurers get ten per cent. per month for the use of money, and pledges in hand for security, that the twenty or thirty thousand dollars (now vested in bank stock) which belong to men not engaged in active business, would be lent on bonds

and mortgages for six per cent per annum? It is true that money cannot be borrowed, and it is also true that the purchase of bank stock is more profitable than lending on interest. But trace the evils complained of to their true sources, and it will be found that they flow from that usury which has been occasioned by the peculiar circumstances of the times, and from that opposition which has been excited against the Bank. Why is money scarce and not to be borrowed? Why is it so desirable to own bank stock? An answer to these two questions will lead to the solution of a third. How is money to be made more plenty, and to be obtained with more ease?

First, why is money scarce and not to be borrowed. It is a melancholy truth, that during the late war many were ruined by payment of their debts in paper greatly depreciated. Some who received the paper while it was valuable, put it in the loan office. Some purchased land. And some kept it till it was good for nothing. It is evident, that these persons (who before the war were lenders of money) have no money to lend now; and that every shilling of paid and disposed of, must be deducted from the sum formerly at interest in Pennsylvania. The remainder of that sum, is still in the hands of those who borrowed it ten years ago, and cannot be lent before it is paid. It may perhaps be said, that some merchants made money during the war. But it will be found that the gainers were few, the losers numerous; and that the merchants collectively as a body, is poorer by millions. The reason therefore, why money is not to be borrowed is that no one has money to lend, and even admitting that there should be a few who can lend, there are none who will: for the following reasons: Those who want are always willing to borrow, but those who owe are not always willing to pay. If therefore the laws of a country, or the administration of those laws, countenance unreasonable delays of payment, the owners of money (or any thing else) will not dispose of their property on credit, unless they be tempted by great interest, or great profit. And such as disdain usurious dealing, will not be tempted at all. A prudent peaceable man would rather buy stock in the British funds, and receive regularly but five per cent., than take a mortgage at six, on the best estate in Pennsylvania. Because he may suffer for years, a detention of both interest and principal, and because he apprehends some things which have happened already, and may therefore happen again. For instance, he trembles left a long train of paper emitions, with a legal tender at the tail of them, shuld cancel his debt for a tenth of the value. He fears also, that a tax on his bond may reduce
reduce the precarious interest of six per cent to four, and even oblige him to pay the two per cent tax, though he cannot recover the six per cent interest. Thus we find, on fair investigation, that money is scarce, because (in one way or other) it has been taken or withheld from the owners. And that money is not to be borrowed, from a well-grounded apprehension that (when due) it will not be repaid.

Let us then, in the second place, inquire why it is so desirable to own bank stock. Three causes present themselves. First, that the dividend gives something more than legal interest, although by extension of the capital, and contraction of the bills, it yields less than formerly. Secondly, that this dividend is payable with rigid punctuality at the end of every half year, so that the proprietors can count with certainty on their income, to defray their expenses. Thirdly, that in case of unforeseen demands, the stockholder can (for legal interest) command a temporary accommodation; and if unfortunate events should oblige him to collect all his resources, he can speedily fall and thereby command the value of the stock. To these three reasons, which strike every person at first sight, must be added a fourth, viz., applying more directly to the charge, that the benefits of bank stock incline men to purchase it rather than lend. After the peace, when the advantages of the Bank had been felt, and the property of stock had become secure, an opposition was raised by some of the same persons who are now the opposers, but on ground somewhat different. For then, instead of condemning a Bank as pernicious, it was declared to be so highly beneficial that they must needs have two. They did indeed complain of the old Bank. But for what? Not because the capital was so large as to threaten general ruin, but because the directors would not open a subscription to make it larger. And what was the modest request of that day? Why truly such an extension of the capital, as might enable those who had waited for events in perfect safety, to enjoy the same advantages with those who had borne the burden, and ran the risk of the contest.

It was indeed a hard case, that many worthy gentlemen who would not have given a flaxling to save the State, should be obliged either to pay five hundred dollars for a share in bank which had cost but four, or to lend their money on bond and mortgage to the farmers of Pennsylvania. A very hard case! And so loudly did they complain of it, that at last many sensible members of Assembly were prevailed upon to believe it would be a good thing to have two Banks. Two shops to go to; for that was the fashionable phrase. And they were the more easily led into this opinion, because it was laid down by some in high station for whose sentiments they had acquired an habitual respect. But that respect may perhaps be diminished, if those who pronounced decisive judgment two years ago that two Banks were necessary, should now as positively pronounce that no Bank at all is necessary; and (wonderful to relate) go cackling round the country, that one Bank is pregnant with ruin to the State. The language of truth is uniform, and the sudden changes of halfly opinion, seem to greatly want of temper and knowledge, that those who really mean the public good will quit such blind guides, and think for themselves. The consequence of the noise made at that time must be well remembered. The Assembly were plagued with long arguments on both sides, which might as well have been spared, and then all at once the thing was hustled up and accommodated. Because such of the promoters of the new Bank as had money, found out that most of their new friends had none. Because they all found out, that the scheme did not promise so much either of profit or security as was imagined. And because they had not too much confidence in each other, being (like Nebuchadnezzar's image) composed of discordant materials. They agreed, therefore, to abandon their project, on certain conditions acceded to by the old Bank, one of which was to extend the subscription; and this it is which has converted all the surplus money of the State into bank stock. For otherwise, let the price of a share have risen ever so high, nay it had gone to four thousand instead of four hundred dollars; not one penny would have been added to the bank capital. But in proportion as stock rose, the dividend would have been less valuable, till at length it would have been more profitable to lend at fix per cent, than to purchase bank stock. For instance, if the dividend on a share of four hundred dollars had continued to be forty dollars, and the price of such a share had risen to be eight hundred dollars, then the purchaser would have got only five per cent for his money, instead of fix.

Thirdly, then, let us inquire how money may be rendered more plenty and easier to be obtained. And first, the fairest way to render money plenty is to bear the evils of scarcity. To make it plenty (according to the desire of some) would be, as in the continental times, to make it no money at all. For when it can be obtained without labor, and found without search, it is of no use to the possessor. Those nice politicians, therefore, who try to make money so plentiful that people may get it for nothing, will find that their money is good for nothing.
thing. The scarcity constitutes the value. And when that scarcity is such that men will do a great deal for a little, it will become plenty; for those will always have most money, who will give most for it. The complaint that money is scarce, is generally made by the idle or the unfortunate; by those who will not, or those who cannot give any thing in exchange for money, except bare promises which they cannot or will not perform. Now such men would suffer more from the want of cash in Amsterdam or London, where it is most plenty, than in any part of the state of Pennsylvania. If folks are idle they must be relieved by labor, and if poor by charity. Till this be done, the complaint that money is scarce will continue, and though very loud will not be very just. There was (for instance) a grievous complaint of the want of money at the close of the war, and yet every man who had a bushel of wheat could get eight or nine shillings for it. People in general plunged into extravagance, and laid out their coin for foreign fripperies, and the merchants (unable to remit for payment of these things in produce, except on ruinous terms) lent away the coin; so that in two years there has been more money exported from this country (in which a scarcity was then complained of) than is necessary for a circulating medium. The several rates are now incurring paper, that what little specie is left may also be exported, instead of the wheat, corn, rice, tobacco, &c. Flour has long been cheaper in London than in Philadelphia. We buy fine coats, and handsome buckles, and a thousand other handsome fine things in London, and then when called on to pay, though our barns be full of wheat, we will not sell it as formerly for five shillings the bushel, but sit down and cry because money is scarce. The wagon is in the mud, and we beg Hercules to pull it out without putting our own shoulders to the wheel. The legislature must relieve us, for we will not relieve ourselves. And again, what do we want to be relieved? Why against our idleness, extravagance and folly.

But, secondly, another means of making money plenty is to render it less necessary. For this purpose enforce the punctual payment of debts, so that those who trust can be sure of recovering, in season, from those whom they have trusted. This will produce two happy consequences. First, that men will no longer run in debt for idle gewgaws, which they must pay for with their substance when pay day comes. Executions for debt will then be as wholesome warnings to the extravagant, as executions for crimes are to the profligate. Secondly, a man who wants to buy land or needful goods on credit, will then obtain the credit desired. The punctuality of his payments will extend his credit. Those payments will also enable the merchant to comply with his engagements, which will (in like manner) extend his credit at home and abroad. In proportion to the punctuality of remittances, the merchant will get longer credit, and on better terms; and thus money will be plentiful because the trading people (who have always a preference in such things) will be relieved from the necessity of borrowing.

Thirdly, another means of making money plenty, is to enforce a collection of taxes, make solid provision for paying the interest of our debts in coin, and introduce order and economy into the administration of affairs. This will restore the public confidence, and then the value of certificates will rise, and the possessor be able to dispose of them for cash. Thousands will thereby be relieved who are now in great want of money, and under the dire necessity of getting it from usurers, or going to gaol.

Lastly, these plain and simple measures will make money not only plenty but easy to be obtained. Because industry and frugality (which want but little) will thereby be introduced, and we can always command money when we are not in want of it. As to those blades who must forever want, because they spend their time in streets and taverns, and occupy themselves with idle affairs, instead of their own affairs, and who dress and feast and will not work, but will to borrow; let them meet the rebuff given by an old philosopher to one of their predecessors: "Friend borrow of thy back and belly, they will never ask thee for the money, but I should be very troublesome."

A fourth objection made against the Bank is that rich foreigners will be induced to become stockholders, so as that all the property will finally yield to them. This objection has some weight, and if it be allowed to operate as a bar to measures of public utility, will prove a deal of time and trouble to the government, though it may not conduce to the prosperity of the state, and must prove injurious to those by whom it is made. People in general seem now to expect some permanent provision for the interest of the public debts, and if that should happen, foreigners will purchase a considerable share. The Dutch are said to hold about thirty millions sterling in the British funds, bearing an interest of four per cent, and they lent five million guilders to Congress at five per cent, when no funds were provided, and during the war. Hence we may with certainty infer, that they will
will buy up the certificates bearing six per cent. when placed on a lusty footing. Is that a sufficient objection against providing for the public creditors? And if not in one case, why in the other? The practice some men have of affirming today, and denying tomorrow, is neither decent nor becoming. A grievous complaint is made of the want of money, and yet as grievous a complaint of the only means to obtain any. We have it not at home, and we must not receive it from abroad. Do these gentlemen suppose it will rain money now, as it did manna of old? And because they have the same perniciousness with the children of Israel, do they expect the same miracle? To experience a want of public credit is (they say) terrible; but to destroy the only means of supporting public credit is (they say) deplorable. Let us appeal to facts. No country on earth enjoys extensive credit which has not a public Bank. We have ourselves experienced its good effects, when we were in the greatest distress. And shall we now be told that the Bank must be destroyed, and yet public credit be supported? People who speak in this way show great ignorance, or something worse. They ask how a Bank contributes to public credit; and (if no reply be made) think they have gained a victory, when they have puzzled an opponent. For the sake of those who love truth, and not with any hope of making such men sensible either to fame or conviction, their question shall be answered. The Bank may be likened to that which bears the same name, a bank or dam for collecting the waters. After a head is raised, some part turns the wheels of the mill, and some part waters the adjacent grounds. Take the bank away, and the water will still flow, but not with the same beneficial effect. If revenues were appropriated to the interest of the public debt, and other important objects of government; should any delay take place in collections, a similar delay of payment would also happen. The want of punctuality, would lessen the value of stock. And, on the other hand, if collections were more rapid than the payments, much money might be taken out of circulation, and lodged in the public coffers. The consequence would be, either that commerce must suffer (as at present) for the want of it, or that the state must procure more money than is necessary; which might not be very easy, if we may judge from past experience. But with the aid of a Bank, the same stream turns the wheel, and fertilizes the grounds; being prudently applied to either purpose as occasion requires. And for the same sum of money, will not only supply the business of the merchant and of the state, but the funds proceeding from trade, and those arising from taxes, will (when thrown into the same mint) mutually aid the operations of each, and jointly secure the objects of both. Nor is there the least danger that foreigners will hold even a great proportion of the bank stock. Bank stock will always be most useful for the mercantile man who lives on the spot. Because he (and he alone) can at once receive the dividend, and when occasion requires have (by loan for a short time) the use of his money; so that he will naturally withdraw the foreign. And as the object of the foreigner must be to secure a certain annual income from his funds, make but the interest of the public debt as regular and safe as the bank dividend, (which by means of the Bank is easily done) and the foreigner will as naturally wish to change bank stock, for an amount of funded loan office certificates yielding more annual interest, as the merchant will to change such an amount of certificates for bank stock. And so far from any danger to the State, by the interest of foreigners in their funds, there is a great security. Every foreign creditor is an advocate for us with his own government, in times of public calamity, and is induced to lend more, as the means of securing what has been already lent; especially if he has been regularly paid the interest of his capital.

The next objection against the Bank is, that the payment of the dividend to foreigners will be a drain of specie from the country. This has already been answered in part, but farther; a man who has bought a piece of ground, wants to borrow money for the purpose of clearing, fencing, draining and cultivating it. He would not relish the advice of a neighbour who might tell him not to borrow, lest the payment of interest should drain him of cash. He might indeed be glad to get the money at a low interest, or for no interest, but he would certainly get it if he could; and by industrious attention, and a prudent application of it, he would pay both principal and interest from the profits of his farm. And thus by degrees a wilderness is converted into beautiful cultivation. From the discovery of America to the present hour, we have been paying interest for what we owe on the other side of the Atlantic. Our debt and our prosperity have gone hand in hand. And yet when people now complain of the difficulty of borrowing money, they must be told it is for their advantage not to obtain the principal, because they will not (in that case) be obliged to pay the interest. If a farmer in Pennsylvania has to pay annually five pounds for the use of a hundred pounds borrowed, it is of any consequence to him whether the lender lives in Philadelphia, New-York, Boston,
Boston, London, or Amsterdam? Twenty bushels of wheat do the bushnels. And when he has parted with them, whether they are eaten in Philadelphia, or sent to Lisbon, is none of his affair. On the large scale, indeed, it might be convenient that wealthy men should cross the Atlantic to become citizens of Pennsylvania; and so they will, if equal just laws, and a mild firm administration, give that security to property without which it is a curse instead of a blessing. But if bad laws be made, or the good laws be badly executed, and if solid establishments be overthrown by every capricious breath, the wife and the good will avoid us as they would the pestilence. Then indeed there will be a constant drain of wealth, for none will leave property in a country where it is insecure.

But farther, though we admit that borrowing does every year carry a sum out of the country for payment of interest, it will not follow that the country is impoverished by the amount of that sum. When a farmer wants necessaries, and has not cash, he must either take them on trust, or borrow money on interest. Everybody knows that the difference between buying with ready money, and buying on credit, is much greater than the interest on the price of the goods, and therefore it is cheaper for the farmer to borrow, than to run in debt at the store. Just so it is with the country. Most of the articles we want (when purchased at the first hand) must be immediately paid for; and when merchants abroad lay out their cash to buy goods, and after selling them to us on credit, we pay (in the price of such goods) not only an interest on the purchase money, but for the trouble foreign merchants take, and the risks they run. To all this is added a handsome commission, and then a round profit into the bargain. Thus, for instance, since it has been the practice to buy tea with cash at the first hand, we get that article for nearly one half of what it used to cost. Let any man therefore calculate the difference between paying fifty pounds per annum instead of a hundred, in price, and five per cent (or even ten per cent) per annum for interest on the fifty, and he will be convinced that we are recompensed five fold for the dividend paid abroad. On the whole, the matter stands thus: The merchant whose business it is, and who must for that reason be the best judge, tells you that the advance of money by foreigners for bank stock, and the facility which the Bank can thereby give to commercial operations, enable him to carry on business more advantageously though he sells imported commodities lower, and buys produce higher, than before the war. The farmer (who perhaps neither comprehends nor cares for the reasons on which this assertion may be founded) prudently brings it to the test of experience. The tree (says he) is known by its fruits. Let me examine the facts. He does so, and finds that most of the articles imported can be purchased for much less than formerly and that he can get half as much again for his wheat. So that duties properly laid on articles, the consumption of which is chiefly unnecessary, and sometimes pernicious, would pay the interest of the public debts and not cost the consumer more than before the war. Thus, without imposing new burdens, full relief may be given to the public creditors, and they be thereby enabled more cheerfully and more easily to sustain their share of such burdens as circumstances may hereafter require. All which advantages we must (it seems) forego, and preclude ourselves from the possibility of establishing public credit, left foreigners should derive an interest on lending us money. Overturn the Bank say they, and perhaps you may get a little of their money. Kill the goose that lays golden eggs, and you may wear her feathers.

Sixthly, it has been said that the Bank facilitates the exportation of specie. Of all the charges in the world, this is the least which one would have expected. The operations of the Bank depend as every body knows on the quantity of specie in their vaults. When that is gone, the Bank is done, just as the mill stands still when the pond is dry. And therefore to suppose the directors would facilitate the exportation of coin, is the most absurd of all suppositions. Truth is, the directors of the Bank are extremely solicitous to prevent the exportation of coin, and happily for the state, have the means in their power. The Bank capital is about a million of dollars, part of which is in their vaults, and the remainder lent for short periods. The amount of their loans is supposed to be twice as much as their capital. A part of the sum lent is in bank notes, the remainder in coin. Now therefore when the directors find that cash is exported (which they do at once, by perceiving that any considerable sum goes out of the Bank in a week more than is received) they are not merely led by inclination, but driven by necessity, to refuse or to stop their discounts, according to the nature of the case and the degree of the evil. This stoppage has the effect; for not only the money is prevented from going abroad, but if the stoppage continue, it is brought in from every quarter. The operation is so powerful, that on one occasion many thousand dollars were brought to the Bank, and there taken out of those packages.
packages in which they were (next morning) to have been shipped to London.

In this place it may be proper to observe the strange opinion, that in the present state of trade a bank is injurious. This opinion seems to have been founded on the idea, that because money is collected in the Bank it may easily be taken out of the Bank. And so indeed it might by an armed force, but those who have tried the experiment in any other way have been disappointed. The money is collected in bank "tis true, but how is a man to get it out? Either he must fell property for the purpose, and then it is of no consequence whether the payment comes out of the Bank, or out of the Treasury, or where it comes from. The owner may dispose of it as he thinks meet; and we might as well say that David Rittenhouse, Esq., facilitates the exportation of money, when he pays for arms or clothing to a merchant who sends it to Europe, as lay that blame on the Bank. The other mode of getting at money in bank, is by borrowing for the short period of forty days, and if the borrower ships it off, he will be obliged (when the forty days expire) to hunt for it, and will sometimes pay dearly for his trick. Perhaps it will be found on examination that some of those who complain of being driven to deal with usurers, had been dabbling in this way, and proved too cunning for themselves, as cunning men generally do. So far is the Bank from being injurious to the present state of trade, that the converse of the proposition is true, viz. that the present state of trade is injurious to the Bank. And it would have been ruinous to the commonwealth, but for the reasonable checks given by the Bank, which checks are among the causes of the present complaints. They lay the Bank facilitates the exportation of coin, and that therefore they complain; but in truth the Bank prevented them from exporting the coin, and therefore they complain. While a man spends more than he earns, his coin must go to pay the difference, and he will have less of it when the year ends than when it began. Just so it is with a country. We import great quantities of goods, we either cannot or will not give produce on moderate terms to pay for them, and yet we grumble that our cash runs low. We will not acknowledge our own imprudence, but accuse the Bank, which has alone refilled the general torrent; by which means Pennsylvania is better off than any of the neighbouring states.

A seventh objection against the Bank is that it injures the circulation of bills of credit. This is a popular argument and therefore it is made. But as to the truth of the assertion, the authors do not trouble their heads about it. Their maxim is, let us lay it on and let them take it off as they can. Some will stick. Suppose this kind of morality were extended a little, and when these charitable kind hearted people walk the streets one of their profligate should bedaub them with the contents of the kennel, hugging himself in the idea that fame will stick, would they not find the practice of their own principles rather unpleasant? Pray how has the Bank injured the circulation of paper money? Why the paper is not received in bank as specie. And did ever any man suppose it would, or could, be so received? If it had, would not the directors have been guilty of an infamous breach of trust? Could they have excited themselves to those of whose specie they had the custody? The Bank might indeed have given currency to the bills, as long as their coin lasted, by exchanging one for another; and no one can doubt that in this case the coin would, as fast as exchanged, have been packed up and sent to our good friends and favorites in London. Under such circumstances, those candid Gentlemen who prayed and voted for paper currency, and afterwards refused to receive it, would perhaps have played their patriotic game quite through. And we may reasonably suppose too, that when the coffers of the Bank were filled with their emoluments, they would have found as good reasons to abolish the paper, as they now do to abolish the Bank. If a refusal to give money for bills of credit be an injury, what shall be paid for those who (though patrons of the plan) would neither give money nor any thing else for the bills. It would be difficult to make an apology, if the generality of the refusal were not a sufficient reason for each individual. Let us then be candid, and far from reprehending the practice, calmly seek the cause. Paper can only circulate on a par with specie, from a general belief that it is equal to specie. The faith makes the thing. If there be not such a general belief, it cannot be equal to coin, because it will not so generally answer the purpose. The holder may think (as in the continental times) that his three pound bill is worth eight dollars, and be very angry that his neighbour is not of the same opinion. But unless he can persuade the person whole goods he wants, that the paper is really equal to the silver, his own conviction will be of small avail. Admitting then, for argument sake, that every merchant in Philadelphia did really and truly believe the new bills to be worth what they specify; still they could do nothing with them, unless the farmers (whole produce they want to purchase) had the same belief, and would sell that produce for paper as freely as for gold. f}
either in debt, or wanting to purchase goods, in foreign countries, can make no other use of the paper than to buy such things as may be sent abroad. And further, they must be able to buy not only such things, but at such prices, as may answer in foreign markets. If, therefore, the country Gentlemen will agree to sell wheat for five shillings the bushel in paper money, merchants will be as solicitous to receive, as they are now to avoid paper. But while produce continues at the present prices, wise merchants will not sell but for specie, which they can export safely because they must lose by sending away produce, a practice which some have pursued to their ruin. Having thus hinted at the true means to give paper a brisk and lively circulation, candor requires that a few words be said in favor of the landed interest, on whom the blame might otherwise be thrown. Supposing, therefore, the charge to be made against an honest farmer, he would perhaps make the following reply—How can it be expected that I should repose confidence in government, who for eight years past have been the victim of that confidence? A piece of my land was sold for continental bills; these are all sunk in the gulph of depreciation. Part of my property was seized by officers of Congress, and part was sold to officers of the state. For all this I have nothing but useless certificates. When every body had grown sick of the old money, Congress issued new, and though experience was against the measure, yet (relying on their wisdom) I took the new bills cheerfully; but found, to my sorrow, that the new travelled in the same road with the old, and the only difference was that they travelled faster. The bills issued (about that time) by the state, had what they call funds for redemption, but they soon fell to fix for one. I have observed, too, that when these bills become of little value, the government joins in and agrees to the depreciation; so that every one who receives them is sure to suffer in the end. Now, therefore, until I have eight years experience that government may safely be trusted, I cannot forego the benefit of that experience which I have bought so dear. By trusting government, one half my substrance is gone; the other half must be kept to provide for my family. These reasons, or reasons like these, are not confined to any one body of men, either merchants, husbandmen or manufacturers. They pervade all ranks and degrees. The citizens of Pennsylvania will not give free circulation to the state paper, because they have not confidence in the government. We know that confidence cannot otherwise be established, than by the steady pursuit of just measures, for a number of years. It is well evi-
tion could they offer to obtain relief? Not a prolongation of the charter, because the supposition implies a breach of the contract made when the Bank was first instituted, and therefore no reliance could be placed on any subsequent contract. For if the Bank should lend to the government, then the cancelling of that debt would be an additional motive for dissolving the Bank. Nor is this supposition injurious, for one act of moral turpitude is always the prelude of another. But admitting that the Bank would purchase a few years existence; from whom would the purchase be made, and for what price? The directors of that day, would naturally cast their eyes on the leading members in Assembly, and open the negotiation with them. Men of great wealth and influence (though any such arise) would make use of the Bank to extend and increase their authority. They would watch this moment to obtain seats in Assembly. And if a majority could be prevailed on to vote with such leaders, the purchase would be made of them, and the price would be some private gain, and not the public good. In like manner, if the capital be limited, it is not the State but great men in the State who would receive the benefit of an enlargement. And why should the capital be limited within narrower bounds than at present? It is notorious that if the directors had not been under compulsion they would not have extended the subscription beyond the first four hundred thousand dollars. It is notorious also, that every addition to the number of shares lessens the value of each. And therefore we have the best security in the world, (the interest of the proprietors themselves) against an increase of the capital. In like manner there is every reason to believe that the Bank will continue to afford that aid to government, which has never yet been withheld when it could with propriety be granted. And if they should extend their capital (a thing contrary to their interest) it can only be on some trying occasion, to support the government of which they are citizens, and prefer the ship in which all are embarked. The charter being held sacred (as chartered rights ought ever to be), applications for aid by the State, will be plain and manly transactions, not dirty jobs. The Bank will candidly state their means, the extent to which they are willing to go, and the security they are willing to accept. They will perhaps (on such an occasion) point out the ill-treatment they have received when funds appropriated by the Assembly to payment of a former loan, were diverted to another object: and in their quality of citizens as well as that of directors, they will perhaps go a little farther, and state with becoming firmness, the dangers which must ensue if any individual shall dare to alter appropriations of public money made by legislative authority. But surely this can do no harm. Calm reflection will therefore convince a candid man, that the wealth and influence of the Bank can only become dangerous to the State, by laying it at the mercy of great men in the State. For it is utterly inconceivable that four or five hundred stockholders, (of all ranks, parties and denominations) should join in chusing directors who would attempt to overturn the government. On the contrary it is a truth vouched by uniform experience (from the earliest ages) that the monied interest of a country will ever oppose, check, and counteract, all changes and convulsions of government; because that interest is sure to be the victim of confusion and disorder. This last consideration applies forcibly also to the arguments of those who would now dissolve the charter. Let them further consider, that the bullions of banking is not (of necessity) to be carried on by public Banks alone. One or more individuals may form a banking company, whose operations will be extensive and lucrative, in proportion to the degree and extent of their credit and connections. Over such a Bank (or such Banks) there can be no control. The citizens of Philadelphia will have no voice in chusing directors, nor will any person be particularly interested in observing their conduct. Dissolve the national Bank in March, and by the first day of May a private Bank will rise on its ruins. The merchants of Philadelphia will pour in their coin, with as much confidence as they now do into the national Bank; and experience has so clearly shown the advantages of such an institution, that they will not; cannot, be without it. If therefore the enemies of the Bank will look round; and see who are the men that will probably set up such a private Bank, it may do more towards bringing them to a right judgment, than the most conclusive arguments.

The ninth objection is, that the directors can obtain unfair advantages in trade for themselves and their friends. And it must be owned, that there is some force in this objection. But it cannot be alleged that the supposed advantages are unfair. Some advantages are necessarily attendant on the place of a director, and some inconveniences are as necessarily the appendages.

It is not possible that things should be otherwise, and the only check is in the annual election, by which the stockholders have an opportunity of testifying their sense of each director's conduct. This will always prevent any great mischief. For the Bank being an institution in which the money of many acts for the
the benefit of all, by being jointly applied to each in his turn; every stockholder is a centinel, bound by his private interest to discover unlawful practices, and sound the alarm, when undue advantages are obtained. Because the preference of one, must operate the exclusion of another. After all, however, we must acknowledge, that this evil will in some degree prevail; for we know that nothing on earth is perfect. But must we forego a great advantage to all, because a greater advantage will result to a few? We might as well object to the existence of government, because it must be administered by fallible men, and confer on them superior eminence and authority; or to the use of money, because it is sometimes applied to vile purposes, as object to a money government or bank, because the labors of a director are compensated (or more than compensated) by commercial advantages.

Lastly then, let us consider whether the Bank be destructive of that equality which ought to take place in a free country. And the first question is, whether by equality is meant equality of property, or equality of rights. If it be the former, then it may perhaps be doubted whether the opposers of the Bank would themselves agree to an equality (that is to say, a general division) of property among all the citizens of Pennsylvania. This might fit eight or ten thousand gentlemen who came over last year, from Ireland and Germany to give us the honor of their good company. But will the substantial freeholder, or wealthy mechanic, be willing to pay for that good company such an exorbitant price? We have in general (it must be confessed) been ready enough to give a preference to strangers, over our own brethren and countrymen, but there is reason in every thing. If an equality of rights be meant, then the objection vanishes, for any man may purchase the right of a stockholder in the Bank, for less money than he can purchase a farm, even in the back counties. So that he may be a stockholder, on easier terms than he can be a freeholder. And if it suits one man to be a stockholder and the other to be a freeholder, neither ought to grumble at the rights or possessions of the other. But, if (which is most likely) the opposers mean here under a plausible cry raised about equal rights, to cover the dictates of envy at superior fortune and success in the world, then they had best consider again, whether by overturning the public Bank they would not afflit in setting up a private Bank. And whether such private Bank would not bring very great accessions of wealth to those whom they particularly dislike.

You, gentlemen of the assembly, who are the guardians of Pennsylvania, and bound by every principle which can actuate honest men, to promote her welfare and prosperity, it is with you to confider this great object in all its lights. The objections raised will doubtless be varied. The answers given will certainly be disputed. Perhaps the arguments in support of the Bank, are not so strong as the advocates believe. One thing however is certain, that confidences of the last importance to your constituents, must follow from your decision. If therefore the event be doubtful, may the destruction of this charter should not be absolutely necessary, pause a moment and consider most deeply what you are about to do. How can we hope for public peace and national prosperity if the faith of government so solemnly pledged, can be so suddenly violated? If private property can be so lightly infringed? Destroy this prop, which once gave us support, and where will you turn in the hour of distress? To whom will ye look for succour? By what promises or vows can you hope to obtain confidence? This hour of distress will come. It comes to all, and the moment of affliction is known to him alone, whoe divine providence exalts or deprecies states and kingdoms. Not by the blind dictates of arbitrary will. Not by a tyrannous and despotic mandate. But in proportion to their obedience or disobedience of his just and holy laws. It is he who commands us that we abstain from wrong. It is he who tells us, "do unto others as ye would that they should do unto you."