36TH CONGRESS, 1st Session. } SENATE. { MIS. DOC. No. 48.

MEMORIAL OF DUFF GREEN,

PRESIDENT OF THE

SABINE AND RIO GRANDE RAILROAD COMPANY,

IN THE

State of Texas, praying such enlargement of the powers and privileges of said company as will enable them to extend their road to the Pacific, at or near Mazatlan.

APRIL 4, 1860.—Ordered to lie on the table. Motion to print referred to the Committee on Printing.

APRIL 5, 1860.—Report in favor of printing the usual number submitted, considered, and agreed to.

To the honorable Senate and House of Representatives of the United States in Congress assembled:

SABINE AND RIO GRANDE RAILROAD.

The memorial of the undersigned respectfully represents, that he is president of the Sabine and Rio Grande Railroad Company, organized under a charter granted by the State of Texas with authority to construct a railroad from the Sabine, through the cities of Austin and San Antonio, to such point on the Rio Grande, as, after exploration and survey, may be selected as the crossing, with a view to extend this railway to the Pacific, at or near Mazatlan; and that he has made arrangements with parties having a grant from the government of Mexico for a railway from the Rio Grande to the Pacific, for the union of the interests of the two companies, thus securing the right to construct a railway from New Orleans to the Pacific, at or near Mazatlan; for the Sabine and Rio Grand railway will be an extension of the New Orleans and Opelousas and Great Western railway from the Sabine, at which point they form a junction. Your memorialist further represents that it is the further purpose of the Sabine and Rio Grande Railroad Company, and of the New Orleans and Opelousas and Great Western Railroad Company to aid in the construction of a railroad from Austin or San Antonio, in Texas, to some suitable point on the Southern Pacific railroad, or to such other road north of that road, if a more northern route be selected as the railroad mail route to California; and that the Sabine and Rio Grande Railroad Company and the New

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Orleans and Opelousas and Great Western Railroad Company, and the whole people of the United States are especially and deeply interested in the early completion of these lines of communication with the Pacific, at Mazatlan, and with San Francisco; and he would urge that there are special reasons which give to these lines of railway claims for aid in their construction, some of which he begs respectfully to submit.

IMPORTANCE OF THE ROUTE.

Investigation has proved that the geological structure of the eastern part of the continent corresponds in a remarkable regularity with the sea-coast, and late surveys show that that correspondence extends through Texas into Mexico; and, although extraordinary efforts have been made in the development of the northwest, a glance at a railroad map of the United States will show that the route from Portland, in Maine, through Boston, New York, Philadelphia, Baltimore, Washington, Lynchburg, Knoxville, Mobile, New Orleans, and Texas, to Mazatlan, will be one of the main arteries of commerce and travel, and that whether it and the lines connecting it with the interior and the sea-coast be considered in reference to peace or war, to the relations of the several States with each other, or to their intercourse and commerce with foreign nations, it is, of all the railways now made, or to be hereafter made, in the United States, the most important. As the New Orleans, Opelousas, and Great Western and Sabine and Rio Grande railroads are parts of this line which, with appropriate aid from the United States, will soon be completed, this fact might be urged as sufficient of itself to secure special legislation, if the required aid could not be otherwise obtained; but your memorialist believes that it is the duty of Congress, in view of the obligations imposed by the Constitution, to adopt a system applicable to the transportation of the mails which will embrace all other railroads, and give to these companies all that they require, and that this system instead of increasing will diminish the expenditures of the Post Office Department. But there is another consideration which, at this time, appeals with peculiar force to Congress, and makes it the imperative duty of the federal government to grant the aid we ask for, if it be within the scope of the powers delegated to your honorable body, which the undersigned believes it to be.

OF THE TARIFF AND ABOLITION.

THE CONSTITUTION declares, that it was established "in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity;" and no one, however deaf to the voice of patriotism and duty he may be, can have witnessed or read the discussions which have occupied the present Congress, without being impressed with the fact that the most prominent feature of party politics is the sectional conflict between the North and South; the South uniting in opposition to what is termed a protective duty, because they believe that the effect of such a duty will be to tax the produce of their industry for the benefit of Northern

labor, and the North being opposed to African slavery, because they believe that the influence of the South prevents such a modification of the tariff as will, in their opinion, give prosperity to the North. It is in this view that the North and the South have been accustomed to consider their respective industrial interests, until grave statesmen have announced an "irrepressible conflict" between slave labor and free labor, and the question which at this time most occupies the Congress, the press, and the people, is the effect of the next presidential election upon the perpetuity of our Union.

ORGANIZATION OF THE ABOLITION PARTY.

Whilst he concedes sincere and honest conviction to many of those who differ with him in opinion, and admits that there are many who believe that African slavery is "*a cruel injustice to the slave and a curse to the master*," and ought therefore to be abolished, the undersigned in view of its history and progress, and especially in reference to its organization in England and in the United States, believe, it is clearly demonstrable, that the abolition party had its origin in the same motives and passions which gave birth to the slave trade itself, to wit: in avarice and ambition; in the desire to accumulate wealth and power; and, plausible as he admits the arguments to be by which the passions and prejudices of many good and pious persons have been enlisted in this sectional warfare on the rights and interests of the South, such is his abiding confidence in the power of truth, aided, as he believes it will be, by the intelligence, virtue, and patriotism of the people, to whom is confided the preservation, protection, and defense of the Constitution, that he does not hesitate to submit to your honorable body, who are their representatives, some of the facts and arguments which he believes should, and, which he hopes, will tend to harmonize conflicting interests, and thus allay the passions and prejudice which now disturb the peace and threaten the future welfare and prosperity of this country.

THE PROPOSITION SUBMITTED for consideration is, the capitalization of the sums paid, under the present system, for railroad mail service; and as his purpose is, to urge this measure in aid of the construction of railroads in the South, it is apparent that it is desirable to show that the North and the South have a common interest and should therefore unite in its support. He respectfully submits, &c.:

1st. That the tariff is more a question of *cheap capital* than of cheap *labor*, and is therefor a question of *currency*, which is common to the North and to the South, and affects in like manner the interests of both sections.

2d. That so far as it relates to the African, the issue between the white race and the black is subjection and protection, or war and extermination.

3d. That slavery is indispensable to the maintenance of a republican form of government, and that God in his providence introduced the African into this country, because his purpose is to use the products of slave labor to aid in the diffusion of civilization and Christianity throughout the world.

OF VALUE.

In the discussion of these questions it is indispensable that the meaning of terms be properly defined, and especially the meaning of the terms "value," "money," and "currency." "*Value*" is that quality of a thing which is capable of being transferred, and which is considered equal to some other thing or things which it is agreed between two contracting parties shall be given for it. Thus air, water, climate, good society, honors, and all articles for which men will pay a price, are of "value."

OF THE STANDARD OF VALUE.

Things which are capable of multiplication and exact reproduction to an extent equal to the demand, are valuable in reference to a *fixed standard* of value.

The standard by which the value of goods and services is properly estimated, in ordinary cases, in Europe, is *corn;* in eastern countries, it is *rice;* because food is the greatest necessity of life, next to air and water. Without it, man cannot sustain life; and having this, he can at all times barter his superfluity of it for all other things. It can only be obtained by labor; and with labor, it may always be obtained in proportion to the wants of the community. It is perishable, and therefore cannot be laid up in store or accumulated, so as to cause it at any time to lose its value. Thus, it is guarded from enhancement on the one hand or depreciation on the other; and these two qualities, joined with its universal desirableness and invariable necessity, fit it preëminently for a *standard* of value. Further, it may be obtained by the lowest degree of skill; so, as long as there is land to be cultivated, there is no need that any man, however humble his capacity, should perish for the want of it, or suffer from the privation of anything which he can procure in exchange for it.

It is admitted that, as the quantity of corn varies from year to year, the average of five, seven, or ten years, should be taken to form a *standard* of value.

OF THE MEASURE OF VALUE.

As there would be great inconvenience in the payment of debts with corn or rice, gold and silver are made the *measure* of value, and this has been done by estimating the service or *labor* required to bring gold and silver from the mines, and computing the compensation of such service or *labor* in corn. We then give gold instead of corn as an equivalent for goods or services. But it will be seen that, as gold as well as corn is the product of labor, labor is the true source of national as well as individual wealth and prosperity, and that labor is the natural condition of the white man and the black. Hence, the true question for civilized society is, how can the labor of man be made most conducive to the purpose of his creation? and what proportion of the

joint products of capital and labor shall go to capital, and what to labor?

Money is a *token* of certain nominal amount, issued by government in return for value received, and payable for taxes, whence it becomes, of necessity, a *legal tender*.

Currency is money of the State, and also bills of exchange, bank-bills, and checks; all of which, being accustomed to pass current among men, in the transaction of business, as the representatives of value, are hence called *currency*. Therefore,

Value is that quality in things which makes them an object of barter.

Corn is a *standard* of value.

Gold and *silver* are the *measures* of value.

Money is a *token* issued by the government, and made a legal tender in payment of debts.

Currency is money or credit, used in the transfer of the produce of the soil, or of labor, from the producer to the consumer.

CONGRESS TO COIN MONEY AND REGULATE ITS VALUE.

The Constitution gives to Congress the power to *coin* money and regulate the value thereof, and of foreign coins, and fix the standard of weights and measures. It provides further, that "no State shall coin money," and that "no State shall make anything but gold and silver coin a tender in payment of debts." It likewise provides that "no State shall emit bills of credit." These provisions show conclusively that the term "money," as used in the Constitution, applies exclusively to such as may be *coined* by authority of Congress, and to foreign coins, the value of which has been regulated by Congress; or, in other words, the money of the Constitution is that, and that only, which is made a legal tender in payment of debts; and, therefore, inasmuch as gold and silver coin only is a legal tender in payment of debts, nothing but gold and silver coin is money. Yet, in common parlance and the ordinary operations of trade, bank notes, payable in specie *on demand*, are accounted as money, and are so accounted because they are paid in money on demand. Bank notes, therefore, are not money, although they are used as money.

OF BANK NOTES.

Our government is a hard-money government, and by some it has been said the issue of bank notes is forbidden by that clause of the Constitution which forbids the States to emit bills of credit, upon the ground that *qui facit per alium, facit per se*, and that, inasmuch as a State cannot issue a bill of credit, so a State cannot authorize a bank to do that which itself is forbidden to do.

Noah Webster defines a bill of credit to be "*a bill or note for raising money on the mere credit of a State;*" and it is such a bill of credit that is forbidden by the Constitution. Now, as a bank note is not such a bill of credit, it follows that a bank note is not a bill of credit such as the States are prohibited to issue.

A bank note is not emitted by the State; it is not money, nor is it a

legal tender. It is the obligation of an individual or a company promising to pay money. It is an evidence of debt, which the bank is bound to pay in money, and does not come within the policy which it was the purpose of the Constitution to enforce. That purpose was to regulate the value of money, so as to "establish justice" between the debtor and creditor; to give a measure of value certain and fixed, so that the debtor may always know what he is bound to pay, and the creditor may know what he is entitled to receive. The States had emitted bills of credit, which they had made a legal tender. This it was the purpose of the Constitution to forbid. The banks are created by the States, it is true, but they are not the States, and, being chartered companies, they may lawfully contract debts as other chartered companies may. Their notes are obligations to pay money, as the notes, or bonds, or obligations of other chartered companies are; and with the same propriety it may be said that the note or bond of a railroad company, or of a manufacturing company, is a bill of credit, because such company is created by the State, as that a bank note is a bill of credit, because the bank is chartered by the State. As neither is a bill of credit *emitted* by the State, so neither is forbidden by the Constitution.

OF BILLS OF EXCHANGE.

Although nothing but gold and silver can be made a legal tender in payment of debts, bank notes and bills of exchange are used as currency, and, under a well regulated system of credit, are of equal value with gold and silver in the transfer of the produce of the soil and of labor from the producer to the consumer; for under such a system the notes and bills used as currency are convertible into gold and silver, and, being more convenient for the operations of trade, are of greater value; but, inasmuch as to make them equal to gold or silver, they must be at all times convertible, it follows that the currency should consist of such proportions of gold and silver, and of notes and bills, that the latter, used as currency, may be at all times converted into specie. And, inasmuch as the relative proportion of gold and silver, and of notes and bills, requisite to organize such a system of credit, will be regulated by the quantity of gold and silver required to pay on demand such of the notes and bills as in the current operations of trade may be presented for payment, it follows that, if the quantity of gold and silver is sufficient to pay the notes and bills on demand, then such notes and bills will be of equal value to gold and silver; and, inasmuch as all the gold and silver, beyond the sum thus required to maintain the value of the notes and bills used as currency, will be "*dead capital*," it follows, likewise, that no gold and silver, beyond the sum required to maintain the par value of the notes and bills, is necessary to give us a mixed currency, consisting of gold, silver, notes, and bills, which will be of greater value than gold and silver alone would be in all the operations of trade.

The bearing of this proposition is of so much importance as to require illustration. If a merchant in London wishes to purchase $100,000 worth of wheat at Chicago, or of cotton at New Orleans, and the owners at Chicago and New Orleans require him to transfer gold

from London, it is apparent that he must accumulate a capital of $100,000, which, from the time it is so accumulated (that is, from the time he leaves London) until he can realize upon the sale of the wheat or cotton, will be dead and unproductive. In addition to this, there must be paid insurance and cost of transportation. Is it not apparent that the interest and these charges must be deducted from the price which the purchaser could afford to pay for the wheat or the cotton, and that these extra charges fall upon the producer, and are deducted from the price which he would otherwise receive?

For, as the gold or silver is worth more in London than it would be at Chicago or New Orleans, if, instead of being subject to the risk and cost of transporting it from London, the purchaser could draw a bill of exchange, that bill (the money in London being worth more than in Chicago or in New Orleans) would bring a premium, it follows that the owner of the wheat or cotton would receive the cost of transportation, the interest, the insurance, and the premium, in addition to the price which such purchaser could afford to pay if he were compelled to transfer the gold and silver to make the payment.

OF THE CLEARING-HOUSE.

Again: "The clearing-house at London, as its name indicates, is an establishment to which every day the accounts of individuals, traders, and others, come for liquidation, through the intermediation of their bankers. In 1859 this establishment had already attained such efficiency that, for the annual liquidation of £950,000,000 sterling, ($4,750,000,000,) or three millions ($15,000,000) daily, it required, on an average, each day, £200,000 in sovereigns, ($1,000,000,) or rather in bank notes. At present, with a mass of transactions amounting to £1,500,000,000, or £2,000,000,000 sterling annually, ($10,000,000,000,) instead of a proportionate addition to the £200,000 required for the daily balance being necessary, not one shilling is wanted. The clearing-house now dispenses completely with the use of bank notes; all is settled by the transfer of sums from one account to another in the books of the Bank of England." (See *Mr. Cobden's translation of Chevalier on Gold, page* 98.) The same writer proceeds: "This is the place to point out the increase that has taken place by the employment of bills of exchange, and to compare it with the stationary state of the amount of bank notes in circulation. An estimate, somewhat conjectural, but still plausible, made by an English banker, Mr. Latham, taking for his point of departure the produce of the stamps on commercial bills, make the mass of the bills of exchange drawn in the United Kingdom, in 1839, amount to £528,000,000 sterling. The augmentation was continual; from 1832 it was at the rate of £24,000,000 *per annum.* A more interesting fact, probably, is the amount of bills of exchange at one time in circulation, which, it would seem from the same calculation, amounted, at a given date in 1839, to £132,000,000 sterling; according to this, the average annual increase since 1832 must have been more than £18,000,000 sterling, ($90,000,000.)

"The statistical accounts of Mr. William Newmarch, the able fellow-laborer of Mr. Thomas Tooke, of the two last volumes of the history

of prices which appeared in 1857, give the total number of bills of exchange in circulation at a given moment in the United Kingdom in 1856, at about £180,000,000 sterling, or, probably, as he adds, nearly £200,000,000—£200,000,000 of bills of exchange against less than £40,000,000 of bank notes. What more need be said to prove that, in a country where the commercial institutions are in an advanced state, the currency of every kind, whether metallic or paper, fills, in respect to quantity, a secondary part?"

The same writer says:

"Now we know, in the most exact manner, the variations which in England the quantity of paper *money* necessary for her transactions undergoes. The official returns show periodically the amount of bank notes in circulation. A glance at these returns is sufficient to show that the sum total is almost stationary, in spite of the astonishing rapidity in which her commerce has increased. In ten years, from 1846 to 1856, for Great Britain alone, which is the great seat of the commerce of the United Kingdom, the circulation of bank notes has only increased £75,904 upon £30,925,123, ($379,520 upon $154,725,615,) or an annual average of the insignificant sum of £7,590 only, in the proportion of 1 to 4,000—a proportion, so to speak, imperceptible alongside of its population, and especially of that of its commerce, as is disclosed to us, among other signs, by the table of importations and exportations."

"If we confine ourselves to England and Wales, which comprise the most populous, the most industrial, and the richest portion of the United Kingdom, it will be found that from 1846 to 1856 the average circulation (of bank notes) instead of increasing had diminished, and that even for the very inconsiderable sum of £1,592,500, ($7,962,500.)"

OF THE USE OF CREDIT IN ENGLAND.

These extracts show that in England commerce and currency are so regulated that most of their transactions are made by credit, and that, although gold and silver are the measure of value, and therefore the basis upon which their commerce and credit rest, the relative proportion of the precious metals requisite to give stability to the value of credit and property is comparatively small; yet, small as this proportion of gold and silver is, the requisite sum is indispensable to preserve the vitality of credit and of commerce; for they are to credit and to commerce the vital principle, as the blood is to the human system, and therefore it will be seen that, to regulate the value of money, Congress must do more than to fix the weight and fineness of the gold and silver coin. Thus, as there are about fourteen pounds of blood in the human body, which, by force of the contraction of the heart, is driven into circulation and maintains vitality, and we know that in case, from any cause, the quantity be reduced, if it be only one seventh part thereof, the heart being no longer able to maintain the circulation, the system will sink, until by food and air the requisite quantity be restored; so it is that gold and silver, being the vital principle of commerce and of credit, if, at any time, from any cause, the quantity be reduced below the sum required, commerce and credit will be depressed, until

the requisite sum be regained; and, therefore, inasmuch as bank notes and bills of exchange are not equal in value to gold and silver, unless they are, at all times, paid on demand, and it required a certain proportion to be held in reserve for the payment of the notes and bills used as part of the currency, it follows that the proper questions for consideration are—

WHAT IS THE PROPER RELATIVE PROPORTION OF GOLD AND SILVER requisite to maintain the par value of a mixed currency consisting in part of notes and bills? And how is that proportion to be maintained?

The answer to these questions is to be found in the history of banks and bankers, and their relation, past, present, and future, to finance, commerce, and credit.

Jacobs says: "The gold and silver in a country, contrary to the opinions of the vulgar, are the least part of its wealth. They can scarcely, under any of the changes of metallic value which they may cause in other commodities, amount to an hundredth part of the wealth of the country; and in a prosperous state they will bear a much less proportion. The possession of them is real wealth only in a small degree, though every addition to them produces real wealth by the stimulus which the apparent advance of prices gives to every kind of industrious exertion."

Mr. Calhoun, in his speech on the recharter of the Bank of the United States, in March, 1834, said: "If we take the aggregate property of a community, that which forms the currency constitutes in value a very small proportion of the whole. What this proportion is in our country and other commercial and trading communities is somewhat uncertain. I speak conjecturally in fixing as one to twenty-five or thirty, though I presume this is not far from the truth."

Adam Smith says: "The gold and silver which circulates in any country, and by means of which the produce of its land and labor is annually circulated and distributed to the proper consumers, is in the same manner as the ready money of the dealer, all *dead stock;* it is a very valuable part of the capital of a country, which produces nothing to the country. The judicious operations of banking, by substituting paper in the room of a great part of this gold and silver, enables the country to convert a great part of this dead stock into active and productive stock, which produces something to the country."

And again, he says: "A paper money, consisting in bank notes, issued by a people of undoubted credit, payable on demand without any condition, and in fact always readily paid as soon as presented, is, *in every respect, equal in value to gold and silver money.*"

Ricardo, who by some is regarded as equal authority, says:

"If there was perfect security that the power of issuing paper money would not be abused, that is, if there was perfect security for its being used in such quantities as to preserve its value relatively to the mass of circulating commodities nearly uniform, *the precious metals might be entirely discarded from circulation.*"

These authorities show, that gold and silver being the measure of values, a certain quantity only is required to maintain the value of credit, and that bank notes and bills of exchange, payable on demand,

being cheaper and more convenient, will be used in preference to gold and silver in the operations of trade; and that, as the sum required, according to Jacobs, is not more than one per cent. of the values of property, and according to Mr Calhoun not more than four per cent., and as all above this sum is "dead stock," it follows, that as labor is the only means of accumulating capital, and so large a proportion of credit may be used in giving it employment, and as the chief end of government is to protect and promote the acquirement of property, it is the duty of a good government to foster and promote all legitimate means of giving strength and activity to credit, as a means of promoting the prosperity of the people.

The undersigned is aware that there is a deep-seated prejudice against the use of credit, resulting from monetary revulsions, and therefore it is proper, in this connection, to explain the causes by which the revulsions have been produced.

OF THE INCREASE OF GOLD AND SILVER, AND ITS EFFECT ON PRICES.

Jacobs says, that in Wilkins's Leger, (Saxon,) as quoted by Dr. Henry, we have the prices of various articles in England, in the reign of Ethelred, about the year 997, which the learned doctor has calculated with great correctness in money of the present time:

Price of a man or slave	£2	6*s*.	3*d*.	sterling.
Price of a horse	1	15	2	"
Price of a mare or colt	1	3	5	"
Price of an ass or mule		14	1	"
Price of an ox		7	½	"
Price of a cow		6	2	"
Price of a swine		1	10½	"
Price of a sheep		1	2	"
Price of a goat			4½	"

We are told, upon the same authority, that at the end of the tenth century a bushel of wheat was sold in Alsace and in Saxony for less than a penny farthing, and that about two hundred and sixty years later, the same measure of wheat was sold for about 3¼ pence.

Jacobs says, the wages of labor, and the rates allowed for the subsistence of persons, may both be usefully employed to estimate the value of the precious metals. By an act, 36 Edward III, in the year 1414, it is ordered that no man shall give to a parish priest more than £10 a year, or else his board and £4 a year. In 1421, the Archbishop of Canterbury, in convocation, confirmed a former order, by which each priest was to content himself with 8 marks a year, or with 4 marks and his diet. In 1351, workmen took their wages in wheat, at 16 pence per bushel, and weeders and haymakers were paid at the rate of 2½ pence per day; reapers, 4 to 6 pence per day; masons and tilers, 6½ pence per day; and other laborers, 1¼ penny per day. In the year 1470, Edward IV held King Henry VI a prisoner in the Tower. He was attended by ten persons, and the allowance for the subsistence of the whole was at the rate of £3 10*s*. per week; and lady Anne, daugh-

ter of King Edward III, who was married to Lord Howard, son of the Earl of Surrey, was allowed, in 1496, £1 11*s*. weekly "for her exhibition, sustentation, and convenient diet of meat and drink; also, for one gentlewoman, one woman, one girl, one yeoman, and three grooms, in all eight persons, £80 12*s*. per year, which included their clothing and wages, besides £25 10*s*. 4*d*. for the maintenance of horses."

We make these extracts, that the prices before and after the discovery of America may be compared with each other, and that we may realize the effect of the increase of the quantity of precious metals which Jacobs estimates to have been in 1599 about £155,000,000 ($575,000,000,) "being nearly five times as much as was in the possession of *mankind* in 1492, when America first became known to the Europeans." The sum which formed the stock of money current in in *Europe* at the latter end of the sixteenth century is estimated by Jacobs as follows:

OF THE QUANTITY OF MONEY AT DIFFERENT PERIODS.

At the time of the discovery of America	$170,000,000
Produced in one hundred and twelve years	690,000,000
Making	860,000,000
Deduct what has been conveyed to Asia, and what has been applied to other uses	210,000,000
Leaving in Europe	650 000,000

By comparison of prices of wheat, as given in the Oxford tables, being the average of the highest and lowest prices of each year from 1583 to 1829, it will be seen that the increase was nearly 400 per cent., corresponding in a remarkable degree with the increase of the precious metals.

Jacobs estimates the quantity held in Europe in 1599, as follows:

Stock left at the end of 1599		$650,000,000
Deduct loss by abrasion		215,000,000
Leaving		435,000,000
Produce of mines in one hundred years	$1,687,500,000	
Transferred to India and China	166,250,000	
Leaves	1,521,250,000	
Deduct for sums used otherwise	301,250,000	
Leaves	1,220,000,000	
Deduct for loss by wear	170,000,000	
		1,050,000,000
Leaving in Europe in 1699		1,485,000,000

OF THE EFFECT WHICH THE INCREASED SUPPLY OF GOLD AND SILVER WILL HAVE ON THE RELATIVE VALUE OF BONDS AND SHARES.

Jacobs further estimates the stock of coin in existence in 1809 to be	$1,900,000,000
Deduct for abrasion and loss in twenty years	90,476,100
Leaves	1,809,523,900
To this he adds as the produce of the mines for twenty years	518,680,000
Making	2,328,203,900
From this must be deducted, as the sum sent to Asia and used in manufactures	761,261,100
Which leaves in Europe in 1829 but	1,566,942,800

Being $333,057,200 less at the end of the year, in 1829, than there was at the end of the year, in 1809, and it follows that, as the effect of the increased supply of gold and silver consequent upon the discovery of America was to diminish their value by increasing the prices of other commodities five-fold, so the effect of the diminished supply consequent upon the revolutionary condition of Spanish America was to diminish the value of property in a comparative degree during the period referred to, to wit: from 1809 to 1829; and it follows that the discovery of gold in California, Australia, and northeastern Russia, and the new developments of the silver mines in California, Mexico, and South America, will cause an increase of prices corresponding with the increased supply of gold and silver resulting from the increased product of the mines, indicated by the new discoveries and the rapid development which all must foresee will be the consequence of extending our system of railways into Mexico and California, and the undersigned cannot permit himself to believe that the Congress or the people of the United States will forego the advantages so obviously within their reach.

UNLESS PAYMENTS FOR RAILROAD MAIL SERVICE BE CAPITALIZED, MANY RAILROADS WILL BE PURCHASED BY BONDHOLDERS.

He respectfully reminds your honorable body that the civil wars in Spanish America so lessened the working of the mines that, owing to the loss by abraison and the sum consumed in manufactures, the quantity left in Europe was $333,057,200 less at the year 1829 than it was at the year 1809, and that as the value of property, and especially of *fixed incomes*, depends upon the quantity of gold and silver, the effect of this reduction of quantity was to increase the value of money, and to reduce the value of other commodities in a corresponding ratio, and that therefore, during that period and until the discoveries and working of the mines in California, European capitalists preferred railroad

bonds to railroad *shares;* and the consequence was that our railroad companies gave *first* mortgage bonds for foreign iron, which bonds are mostly held in Europe. It is also known that there is at this time an extraordinary effort being made to depreciate the value of all our railroad securities, and that certain parties in Europe who were prominent agents in placing these bonds, and who are themselves large holders, are among the most active in causing this depreciation. Why is this? Is it not that they may have a plausible pretense for foreclosing their mortgages and buying up these railroads?

It is also known that some of the most prominent European bankers, who were, during the period to which we have referred, (from 1800 to 1829,) the principal agents for the sale of government securities, and who then preferred to deal in fixed incomes, are now transferring their capital into railway shares and other investments connected with industrial pursuits.

The consequence of this change of policy will be that a large number of our railways, which represent an immense sum of the capital and labor of our own people, will pass into the hands of the owners of these first mortgage bonds, unless, admonished by the facts which we here present, the directors of our railway companies are enabled to make provision for the payment.

EFFECT OF CAPITALIZATION.

The proposition to capitalize the payment for transporting the mails, will place within the reach of many of these companies the means of doing so; because, although the tendency of the great increase of the precious metals is to depreciate the value of fixed incomes, such is the credit of the United States, and such the demand for government securities, that they can be readily sold, and the proposed capitalization may be made on terms which will relieve many of the railway companies from the perilous condition in which they are placed, and, at the same time, diminish the cost of railroad mail service much below that which is now paid for it. And it is not the least merit of the proposed measure, that if applied to the railroads yet to be made, and especially to the roads to the Pacific, it will relieve those engaged in their construction from the necessity of borrowing money and issuing first mortgage bonds to secure their payment.

The proposition is simply this: that the weight and size of parcels and packages sent in the mails be so increased as to justify payment for railroad mail service on first class roads at the rate of $500 per mile, instead of $300, which is now paid, and instead of paying that sum as now, under the present system, the government shall capitalize the payment, and deliver to such companies bonds chargeable upon the revenues of the department, and payable at the pleasure of the government, bearing interest at four per cent. for a sum the interest upon which at five per cent. would be equivalent to the payments made under the present system. The government will thus save one per cent., which compounded would soon provide a sum of itself, independent of the service performed by the railroad companies, sufficient to pay the

debt thus created. There are details by which the interests of the government will be protected which it is not necessary now to give.

Is it true that the increased quantity of the precious metals gives an increase of the prices of other commodities? Is it true that the effect of the supply subsequent to the discovery of America has been to diminish their value? Is it true that the revolutions and civil wars in Spanish America caused so great a suspension of the working of the mines, as that the loss, by wear and manufacture, during the twenty years from 1809 to 1829, greatly reduced the quantity then in use? And is it true that the discoveries in California, in Australia, and in Russia, and the probable restoration of peace and good order in Spanish America, and the probability that Africa and Asia will soon furnish large additions, give assurance that the increase of the precious metals will, for a continuous period, the length of which no one can foresee, be much greater than it ever was at any former period? If so, it is surely the part of wisdom for us to avail ourselves of the advantages which our position and connection with the countries from whence this great increase is to come, will give us. What will be the effect of this increased supply?

OF THE FURTHER INCREASE OF GOLD.

Mr. Chavalier estimates the increased annual supply of gold at the rate of $175,000,000, giving in 10 years.....$1,750,000,000

He estimates that there will be used for currency in States now short of gold.....	$250,000,000	
To meet increase of population and commerce.....	154,000,000	
In addition to the currency of the world...	154,000,000	
For wear and tear during 10 years.....	24,500,000	
For hoarding and losses in 10 years.....	105,000,000	
For uses of jewelers and manufactures, &c.	245,000,000	
Giving an aggregate in ten years of.....		892,500,000
Leaving an excess of gold, to act on prices, of.....		857,500,000

Mr. Chavalier argues that the effect of this increase of gold will be to reduce in ten years the value of fixed incomes *one half*. That is, that the price of commodities will be so much increased that in ten years it will require two dollars to purchase as much as can now be purchased for one. In the enumeration of the persons who are to suffer by this transition he includes—

1. The creditors of the State, of departments, of cities and joint-stock companies, and mortgages. Unable to make a proximate estimate of other items, he gives the public debt of England and France at $5,450,000,000. He includes in the list of sufferers, superanuated public servants who are pensioners, all persons having mortgages, owners of land who made long leases, those who have invested their

property for life, the multitude of public servants, civil and military, all the liberal profession, such as barristers, physicians, professors, engineers, architects, and agents of every kind, who would have again and again to raise their fees, a process which will endanger their positions. For the working classes it will be a trying ordeal; for experience shows that wages do not necessarily increase in proportion to the price of provisions. "*The working population,*" says Mr. Chavalier, "*are of all classes of society the least able to wait. Owing to the pressure of want, they are the more apt to resign themselves to the terms offered to them.*" He adds, that "capital invested in public securities, railway bonds, bank shares, and similar establishments, *will diminish by a self-acting process, and waste away, so to speak, by a species of consumption.*"

OF THE EFFECT OF THE INCREASE OF GOLD AND SILVER ON THE PROGRESS OF CIVILIZATION AND CHRISTIANITY.

That under the improved organization of credit, the use of the precious metals may, to a very great extent, be dispensed with, is admitted, for now the property in *transitu* is made to represent its own value, and the process of transfer from the producer to the consumer is by a bill of exchange, instead of gold or silver, as in the earlier stages of civilization; and although bank notes and bills of exchange are the chief agencies of commercial operations, and the demand for gold and silver may not keep pace with the increased supply, yet, as we have seen, gold and silver being the *measure* of value, the increased quantity will enlarge and strengthen the basis of credit, and by stimulating the energies and multiplying the resources, civilized society will expand its sphere and influence, and thus give the blessings of civilization and Christianity to the heathen nations of the earth. It is in this aspect that the Christian philosopher and statesman should regard the *miraculous* development of the precious metals which characterizes the present day, confirming the most sanguine hopes of those whose interpretation of the prophecies led them to believe that we of the present generation should witness a most extraordinary development of God's providence in the spread of the Gospel. He works by means, and He suits His means to His purpose. He created gold and silver, and has made them so much the object of man's desire, that to obtain them, he explores the most distant parts, and the inmost recesses of the earth. This desire extends to all nations and people, and the universal demand for them scatter them abroad throughout the world; yet the energy and enterprise of our people send our ships and our merchants in search of them to the remotest parts of the globe; and as commerce is the missionary of Christian civilization, our ships and our merchants are the agents of God's providence in giving to heathen nations the knowledge of the truths proclaimed in the Scriptures.

The striking parallel between the history of the Jewish nation and our own has been the subject of frequent comment. That the Jews were a people under God's peculiar care and protection, until in fullness of time He made known His plan of redemption, through the crucifixion

of the Saviour, all good Christians believe. That His purpose is to send "the Gospel to every creature," none such will deny. If we pause for a moment and look upon the early settlement of the colonies, since become the United States, we will find that as the Jews were trained by their servitude in Egypt for those manifestations of His power, which intended to confirm in them, as a people, a knowledge of His character, and by their travel in the wilderness, they were fitted for those efforts of valor and self-denying fortitude which enabled them to subdue and possess the promised land, so were our ancestors fitted by the trials, persecutions, and privations which drove them to this country, to become a people chosen of Him, to bear the light of the Gospel to the most remote regions of the earth.

OF THE ADOPTION OF OUR CONSTITUTION AND FORM OF GOVERNMENT.

Who can believe that the pilgrims were sent to Plymouth by accident, or that accident carried Sir Walter Raleigh and the chivalry of England to Virginia and North Carolina, or the Huguenots to Charleston? Was it accident that took Penn and the Scotch-Irish to Pennsylvania, and Lord Baltimore to Maryland, and that molded the descendants of all these united into the hardy pioneer of Kentucky? Was it accident which led to the persecution of the Quakers and Anabaptists of Massachusetts, and drove Roger Williams to Rhode Island? Was it accident which led Thomas Jefferson, himself an unbeliever, to study the discipline and church government of a small Baptist community, and enabled him to conceive the idea of an independent republic for America? Was it accident which led the Baptists to memorialize the Congress of the Confederation in behalf of freedom of religion? Or, was it accident that enabled them, through the intervention of General Washington, to obtain an amendment to the Constitution in these words:

"Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof, or abridging the freedom of speech or of the press, or the right of the people peaceably to assemble, and to petition the government for a redress of grievances."

No, these were not accidents. They are the evidences of God's special providence in building up this great people, as instruments under his care and guidance, for the promotion of his honor and glory; and it follows that this government is much wiser than those who framed it; that the compromises and concessions which characterized its adoption were the result of preëxisting circumstances, creating necessities compelling their admission; and prominent among the circumstances was African slavery. Was it accident which sent Joseph into Egypt, or was it not rather one of the manifestations of God's special providence?

OF THE DECLARATION OF INDEPENDENCE AND AFRICAN SLAVERY.

Why man, for his disobedience, was driven from the garden of Eden, or why he became subject to sin and death, is a mystery hidden in the inscrutable will of the Creator, which, without the aid of revelation,

no one can comprehend. Yet, that he is a sinner, and that he is born to die, all must believe. Why it was that the peculiar organization of the African better suits him to endure the labor and the diseases of a tropical climate, and why he should have been brought as a slave to the colonies, against the remonstrance of the early settlers, may be as difficult to comprehend. That he should be held in servitude, and compelled to labor, cannot be reconciled to the conception which many have of God's character, of his justice and mercy; and many refer to the opinions of Mr. Jefferson, and other prominent men of the Revolution, to prove that it was their purpose to embrace the African slave in that clause of the Declaration of Independence which declares that "all *men* are created equal, and endowed by their Creator with certain inalienable rights, and that among these are life, liberty, and the pursuit of happiness," and argue that by virtue of that Declaration African slavery was abolished.

If we concede that such was the purpose of Mr. Jefferson, the question still remains whether the effect of the Declaration was to emancipate the slaves? The Declaration was not a legal act. The parties in convention had no power over the subject. Their authority was limited to the special purpose for which they were convened; and if any doubt this, they are referred to the Articles of Confederation, without which each State would have been a separate and independent government—the only effect of the Declaration of Independence being to sever their relations to the mother country; for, by dissolving those relations, the colonies became as independent of each other as they were of Great Britain.

THE ARTICLES OF CONFEDERATION

gave limited powers, and recognized, expressly, that the States were separate and independent governments. The relations thus established conferred no authority to interfere in anywise with the institution of slavery as it then existed in the States; and the Constitution which was subsequently adopted, so far from admitting that emancipation was a resulting consequence of the Declaration of Independence, expressly recognizes the rights of the master, and provides for enforcing the authority of the States in maintaining them.

But it is known that Jefferson and Franklin and Paine and many others of the prominent men of that period, were deeply imbued with the French philosophy; and it may as well be argued that we should disbelieve the Christian religion, because they were unbelievers, as to insist that African slavery is sinful or improper because they believed it to be so, even if it be true, as alleged, that such was their opinion. If, as we believe, it was the purpose of the Almighty to create a people who are to be the chosen instruments through whom He will send the Gospel to heathen nations, no one can doubt that, in the dispensations of His providence, He had special care in their organization, as well in the selection of the elements constituting the whole as in the form of government under which His purpose should be developed. If it be true, as some believe, that it is impossible to maintain a republican form of government with universal suffrage, then, as slaves are excluded

from the polls, the institution acts as a qualified suffrage, and tends to elevate and maintain the purity of the elective franchise. And if it be true that the maintenance of liberty depends upon the virtue and intelligence of the people, the fact that the use of money and bribery at elections is a thing unknown in the southern States, whilst they have become so common in the North as to be considered a necessary and controlling influence in elections, proves that there is some feature in the social and political organization of southern society which elevates the standard and protects the public morals.

Is it not notorious that in the northern States politics has become a trade, a profession, and that many, finding that they can make more money by voting than by working, prefer voting to working as a means of subsistence? Is it not a fact, that these politicians have not only organized combinations for the purpose of controlling the elections, but that they combine to control the legislation of the northern States and of Congress? Is it not true that these combinations exist to a much greater extent, and exert a much greater influence on the elections, and upon the proceedings of their legislatures, in the North than in the South? If so, then candid men must admit, that there is some cause exerting a characteristic influence in favor of the South. What is that cause? Is it not, that in the South *color* constitutes a *caste*, and that every white man feels that there are certain privileges which pertain to him as such, and which, he therefore desires to maintain, and which he would forfeit, if it were even suspected that he was guilty of selling his vote? If this be so, as we affirm it to be, it will be seen that instead of degrading the laboring white man to the condition of a slave, the tendency of the institution is to elevate his character by enhancing the value of his condition in society.

CONFLICT BETWEEN CAPITAL AND LABOR.

As we have before said, the great question for civilized society is, what proportion of the joint products of labor and capital shall be given to capital, and what to labor? As the white man in the South owns the labor of the slave, he is interested in maintaining at the highest rate the wages of labor; and hence in the South there is no conflict, there are no strikes or turnouts for higher wages, because the interest of the laboring white man is identified with the interest of the owner of slaves. It is the South, then, and not the North, which may properly be termed the "labor States," and it is the North and not the South, which should be called the "capital States," for there capital hires *labor*, and the question of wages creates a constant conflict between labor and capital, as is witnessed at the present time in New England. What may be the effect of this conflict when our population shall have so increased so as to place labor in the power of capital, as it now is in England, is exemplified by the condition of the laboring poor in that country? It is admitted, that the enjoyment of civil and religious liberty is greater in Great Britain than in any other part of the world, Switzerland and the United States only excepted, and yet there the wages of labor are reduced so much below the point of subsistence, that government is compelled to make large contributions in the shape

of poor rates, to prevent many able-bodied laborers from perishing for want of food. That some idea may be formed of the system and the effect of free labor, we give the following table compiled from official documents, and showing the population of England and Wales, and the

AMOUNT EXPENDED AS POOR RATES:

Years.	Population of England and Wales.	Amount expended for the relief of the poor in England and Wales.
		Pounds sterling.
1803	9,148,314	4,077,891
1811	10,163,676	6,656,106
1814	10,775,074	6,294,581
1815	10,979,437	5,418,846
1816	11,160,557	5,724,839
1817	11,349,750	6,910,925
1818	11,524,389	7,870,801
1819	11,700,965	7,516,704
1820	11,893,155	7,330,254
1821	11,978,875	6,959,251
1822	12,313,810	6,358,704
1823	12,508,956	5,722,962
1824	12,699,098	5,763,900
1825	12,889,906	5,786,989
1826	13,056,931	5,928,505
1827	13,242,019	6,441,089
1828	13,441,913	6,298,003
1829	13,620,701	6,332,411
1830	13,811,467	6,829,042
1831	13,897,187	6,798,888
1832	14,105,645	7,036,968
1833	14,317,229	6,790,799
1834	14,531,987	6,317,254
1835	14,749,966	5,526,416
1836	14,971,214	4,717,254
1837	15,195,782	4,044,741
1838	15,423,718	4,123,604

It appears from the official returns that, for the year ending in 1841, there was levied on the real estate of England and Wales as poor rates, the sum of..... £6,351,828

And that there was received for poor rates from all other sources the sum of..... 226,984

And that the total expenditures for poor rates was..... 6,578,812

It also appears that the net rental or annual value of real estate assssed for the poor rates was but £62,540,030, so that the assessment for the poor rates alone, was equal to ten per cent. on the entire rental thereof, and that as compared with the population, the sums paid in 1841 as poor rates, were at the rate of six shillings per head, being three shillings and nine pence per head less than in 1834.

FURTHER OF THE FREE LABOR OF ENGLAND.

As we have remarked, there is no part of the world, Switzerland and the United States alone excepted, in which there is greater civil or religious liberty than in Great Britain; and all know, that there, in proportion to population, is the greatest accumulation of capital; why, is it then, professing to be the special advocates of free labor, and most of all others opposed to slavery and the slave-trade, that the condition of her own laboring poor is such as to require a contribution of so large a sum as ten per centum on the whole annual rental of their real estate, to prevent starvation? Is it not because the owners of property have reduced the compensation for labor so much below the point of subsistence, that they are compelled to add to the price of wages, in the shape of poor rates, a sum equal to ten per cent. of the total value of their rentals? Is this not placing the condition of the laboring poor of England far below the condition of the southern slaves? And does it not follow, as a necessity, that their condition, moral, social, and religious, must partake of, and be affected by this degradation?

Those familiar with the history of the poor laws know that the effect was so to degrade the condition of the laboring poor, and to impose so heavy a tax upon the capital of the kingdom; that in 1834, Parliament organized a board of poor law commissioners, who, after a careful examination, made a detailed report, giving us authentic facts, and recommended regulations amendatory of the system, by which, as may be seen above, the cost of maintaining the poor was reduced from £7,870,801, in a population of 11,524,389, in 1818, to £6,578,812, in 1841, in a population of 15,906,700, and that the comparative annual charge *per capita* was reduced from nine shillings and nine pence per head in 1834 to six shillings in 1841. Yet the effect of these amendments has been, as given in the words of the Encyclopedia Brittanica, that "pauperism seems to have become an engine for the purpose of disconnecting each member of a family from all the others, and of reducing all to the state of domesticated animals, fed, lodged, and provided for by the parish, without mutual dependence or mutual interest."

CONDITION OF POOR OF ENGLAND AND WALES.

Nichols, in his history of the poor law, says:

"In parishes containing a population of 300 to 800, the building called the work-house is described as being usually occupied by sixty or eighty paupers, made up of a dozen or more neglected children, twenty or thirty able-bodied paupers, of both sexes, and probably an equal number of aged and impotent persons who are proper objects of relief. Amidst these, mothers of bastard children and prostitutes live without shame and associate freely with the youth, who have also the example and conversation of the frequent inmates of the county jail, the poacher, the vagrant, the decayed beggar, and other characters of the worst description. To these may often be added a solitary blind person, one or two idiots, and not unfrequently are heard, from among

the rest, incessant ravings of some neglected lunatic. In such receptacles the sick poor are often immured."

To ameliorate this revolting picture, the poor law commissioners give it as their opinion that the inmates of every work-house should be separated into not less than four classes, viz: 1. The aged and really impotent. 2. The children. 3. The able-bodied females. 4. The able-bodied males, of whom they remark, "we trust the two latter will be the least numerous classes."

We would call the attention of your honorable body to the picture here presented. It will be seen that the amendment proposed by the commissioners separates the husband and wife, and the parent and child, and incarcerates them with associates so vicious and depraved that it is apparent that the miserable poor who are the subjects of this charity are so much degraded by it that there is no reasonable ground to believe that they ever can thereafter become useful members of society, and yet the returns show that this class constitutes nearly or quite ten per cent. of the entire population of England and Wales.

OF ABOLITION AND THE SLAVE TRADE.

We need not be told that this picture is not applicable to the system of free labor in our northern States. We know that the condition of the laboring poor in England is the result of the comparative proportion of population to territory, and that as yet land in this country being abundant, the northern capitalist who hires labor is compelled to give higher wages (that is a greater proportion of the joint product of capital and labor) than he will give when the population has so much increased as to place the laboring poor in this country as much under the control of capital as it is now in England. Are not the British government and the British people *par excellence* the advocates of free labor? Is not the abolition party of this country a branch and offshoot of the abolition party in England? Were not Wilberforce and Clarkson and John Quincy Adams fellow-laborers in the abolition of the slave trade? Was it not British influence which induced our commissioners at Ghent to pledge this government to unite with Great Britain to abolish the "traffic in slaves," which Mr. Adams construed to be a pledge to exert our influence, not only for the abolition of the African slave trade, but of slavery itself?

And why do the government and people of England, whose social system has reduced their laboring poor to this degraded condition, much more degraded than that of our slaves, exert themselves with such energy and perseverance in suppressing the African slave trade and for the emancipation of the African slaves? The Duke of Wellington, in a speech on the repeal of the corn laws in 1842, said:

"I am sure that no man laments more than I do that commerce and manufactures should be at all depressed, but I believe, if the corn laws were repealed to-morrow, not a yard of cloth, or a pound of iron more would be sold in any part of Europe or of the world, over which this country (England) does not exercise a control. My lords, the greatest number of European nations, and of the nations of the globe, have adopted measures for the encouragement of home manufactures,

these measures are not, as stated by some, taken in consequence of the English corn laws, they are attributable to the example of this country. They had their rise in the spectacle which this country exhibited during the late war, and in the great and noble exertions by which her power and strength were displayed on every occasion. Those who contemplated these exertions, as well as those who were relieved and assisted by them thought they might as well follow the example of our power, of our industry, and our system of commerce. They have followed our example, and have established among themselves manufactures and given a stimulus to their commerce."

It will be seen that this great statesman believed that the commerce and manufactures of England were then depressed, not because of the effect of the corn laws upon the price of bread, but because other European nations had established for themselves a system of commerce and manufactures, and that being deprived of the European market, England was compelled to look to those countries, over which she could exercise a control, for the consumption of her surplus manufactures. And it is because the British public are impressed with this truth that they, who at one time gave 400,000 crowns to Spain for the privilege of supplying her colonies with African slaves, afterwards gave her $2,000,000 to induce her to relinquish the slave trade. That we are correct in this assertion, is proved by the declaration of Wilberforce, who in his speech upon the treaty, said:

"He could not but think that the grant to Spain would be more than repaid to Great Britain in commercial advantages by the opening of a great continent to British industry, an object which would be entirely defeated if the slave trade was to be carried on by the Spanish nation. Our commercial connection with Africa will much more than repay us for any pecuniary sacrifices of this kind. He himself would live to see Great Britain deriving the greatest advantages from the intercourse with Africa."

EMANCIPATION OF WEST INDIA SLAVES, AND WHY.

We know that many believe that the emancipation of the British West India slaves was an act of disinterested benevolence, and that the British government and people are accustomed to so consider it.

But it should be borne in mind, that the East India Company, for more than two hundred years, had a close monopoly of the trade with India; that British subjects found in India, without the consent or permission of that company, were liable to be arrested, sent home, and be imprisoned, and that, therefore, it became necessary to abolish that monopoly before the manufactures and merchants of England could avail themselves of that market. At the same time, it was found that the West India planters (with a population of 200,000 whites and 800,000 blacks) had a monopoly of the supply of the home markets with tropical products. It was seen that as the power-loom and spinning-jenny enabled the manufacturer of England to produce textile fabrics much cheaper than they could be produced in India, without machinery; to enable India to consume British manufactures, the British merchant must receive tropical products in exchange for them, and therefore, in 1834, Great Britain emancipated the West

India slaves, abolished the monopoly of the East India Company, and opened India to British enterprise. The consequence has been that, whereas, in 1816, England imported from India 1,600,000 pieces of cotton goods, her exports of manufactures to India were in 1850 worth $40,122,055. To enable her to do this, she levied a duty of three per cent. on British goods sent to India, and of twenty per cent. on India goods brought to England. The consequence was that, inasmuch as the population of India is divided into castes, who are accustomed to particular employments, the children being brought up to the same business as their parents, the articles brought from England (the produce of machinery) being so much cheaper than similar articles produced in India without machinery, so many were thrown out of employment, that the number of those who perished for want of food, was many times greater than the number of those who were emancipated in the West Indies."

These facts prove conclusively that British emancipation in the West Indies, instead of being, as many believe, an act of disinterested benevolence, originated, as we have said, in the same motives which prompted the slave trade, and it is a striking fact that Warren Hastings, immediately after his conquest of India, wrote a pamphlet, in which he urged the abolition of the African slave trade, with a view to the enlargement of British commerce in India, and upon the ground that, cheap as the labor of India then was, and desirable as the commerce of India might be, India could not compete in the product of tropical commodities with slaveholding countries, so long as the African slave trade was permitted to be carried on; and it is a question well worthy of investigation, to ascertain how far the influence of the East India Company, united with the influence of those who were then interested in the slave trade, was arrayed against him in his trial.

We know that this view of British policy in reference to the slave trade and West India emancipation differs very much from that taken of it by those who are accustomed to consider slavery as sinful. In addition to the facts already given, we content ourselves with saying that in 1834 there were in the West Indies a population of but 200,000 whites and 800,000 blacks, and that the population of India, including China, was estimated at more than 500,000,000, and that England might well emancipate the West India slaves in view of the increased commerce with Asia.

OF SECTIONAL PARTIES—J. Q. ADAMS AND MISSOURI RESTRICTION.

In our previous remarks we have identified the abolition party of the United States with the abolitionist of England. All who are well informed in the history of this country know that from the date of the Revolution to this time there has been a rivalry and corresponding jealousy between the North and the South. Mr. Jefferson said that the Democracy of the North were the natural allies of the Republicans of the South. He would have expressed the same fact if he had said, those in the North who supported his election in opposition to Mr. Adams, who was the northern candidate, were the natural allies of those in the South, who were also opposed to Mr. Adams, and therefore supported him. The elder Adams, being the northern candidate,

was defeated by Mr. Jefferson; so the younger Adams, also a northern candidate, was superseded by General Jackson. The sectional conflict during the pendency of the election of Mr. Jefferson strengthened the preëxisting sectional feeling and jealousy, and hence, when Mr. Adams, as one of the commissioners at Ghent, and as our minister in London, was urged by the British government to favor the abolition of the slave trade, he saw that the same question might be advantageously used in organizing a sectional feeling in support of his pretensions as a candidate for the Presidency, and hence he urged Daniel P. Cook, who had been sent by Mr. Monroe to notify him of his appointment as Secretary of State, to relinquish his purpose of residing in the South and return to Illinois, and become a member of Congress from that State, with a view to agitate the slavery question, and Mr. Cook did commence the agitation in 1817 by a series of letters addressed to Mr. Monroe, which were published in Meade's Register, then printed in Washington, and did go to Illinois and came into Congress, and was in truth the author of the Missouri restriction. That he acted under the advice of Mr. Adams, and that his purpose was to organize the non-slaveholding States as a sectional party, with a view to obtain the political control of this country, Mr. Cook openly avowed to the undersigned in person, and that the effect of such an organization would be to give them the political ascendancy in the United States was urged upon the undersigned, who was then about to remove to Missouri, as an inducement for him to become identified therewith. This proposition then made and the subsequent attempt to prohibit slavery in Missouri prompted the undersigned to investigate the subject in all its bearings, social, moral, religious, and political. The result has been the convictions herein expressed, viz: That African slavery is not sinful; that it is the best relation that can exist between the white man and the black; and that, so far from depressing the condition of the white man or the black, its tendency is to elevate the character and condition of both, and that in politics it constitutes a conservative element, in this: The contrast between the freeman and the slave reminds the white man, whether he be poor or rich, that he has rights which belong to him as such, and on which, upon that account, he places a higher estimate; and again, the slaveholding States know themselves to be in a permanent minority, and that they have no hopes of maintaining their rights within the Union but by a rigid construction, and resisting all abuse of the powers of the federal government. It is thus that the slaveholding States have become the conservators of the Constitution.

HOW THESE FACTS APPLY TO CAPITALIZATION OF MAIL PAY.

Does any one ask how these facts and arguments are applicable to our proposition for the capitalization of the payments for railroad mail service? The purpose is to show that the institution of slavery is alike advantageous to the North and the South, and, by reconciling the consciences as well as convincing the judgments of northern men, bring them to consider all our railroads as part of a single system that, however much some may seem to be in conflict, those who are interested in

each may sympathize so far with those who are interested in all others as to agree upon the measure proposed, which, although it is applicable to each that can give the requisite security for the proposed advance upon their contracts, leaves each, as now, to enjoy their separate relative advantages.

It is notorious that, under the influence of the existing prejudice against slavery, capital has been much more readily obtained for investment in northern than in southern railroads. This, then, is a justification for endeavoring, in a memorial like this, to vindicate the people and the institutions of the South; and, having done this, the undersigned turns with equal earnestness to the other proposition: That, instead of being, as some suppose it to be, a tax upon the labor of the South for the benefit of the labor of the North, the *tariff* is a question of *currency* rather than of the protection of labor; that our ability to compete with foreign manufacturers depends rather upon our having cheap *capital* than upon cheap *labor;* and that the South will be as much benefited as the North by the measures requisite to accomplish this; and the undersigned believes that this can only be done by the accumulation of capital in a shape to be made available at all times, so as to secure "*a general distribution of labor*" and "*a money market undisturbed by continual fluctuations.*" That it was the purpose of the federal Constitution to accomplish this is apparent, because it not only gives to Congress power to coin money, but also to *regulate the value* thereof, and of foreign coins, and likewise to *regulate commerce* with foreign nations, and among the several States; and also "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers."

As THE POWER TO REGULATE COMMERCE WITH FOREIGN NATIONS is expressly given to Congress, and as the power to regulate the value of money is also given, and the purpose of these grants was to promote the common interests and permanent harmony of all the States, it is the duty of Congress to so regulate our foreign commerce as best to promote the interests and harmony of the States; and, if it shall appear, as it will, that the value of money depends not upon the weight or quality of the coin, but upon the quantity of money, and it be found, as it will be, that our foreign commerce, as now regulated by Congress, enables the Bank of England to export our specie, and, by diminishing the quantity, regulate its value, then it is the duty of Congress to so modify the existing regulations of our foreign commerce as to prevent, as far as practicable, the fluctuations in the quantity, and consequently in the value of money, which is the inevitable consequence of the spasmodic action of

THE BANK OF ENGLAND.

To understand this branch of the subject a brief notice of that bank is indispensable. The notes of the bank are by law made a legal tender in payment of debts, except at the counter of the bank, where they are to be paid in specie on demand. The whole capital, ($72,750,000,) is invested in government securities, and the bank is authorized to issue

bank notes for the whole sum of its capital thus invested, and also for an amount, in addition to its capital, equal to the bullion in its vaults. Thus, as the capital is $72,750,000, if there be, as there was in 1852, one hundred millions of dollars of bullion, then the bank will be authorized to issue *one hundred and seventy-two millions, seven hundred and fifty thousand dollars* in bank notes, that being the aggregate sum of its capital and of its bullion. It will be seen that, as the amount of bank notes which the bank is authorized to issue is regulated by the amount of bullion which it may have, if from any cause the quantity of bullion is diminished, then the bank is compelled to diminish its issues, it follows that whenever, from any cause, there is an extraordinary demand for specie in England, whether it be to purchase bread, to pay the expenses of wars in Europe, in India, or China, then the bank is compelled to coerce the commerce of the country to bring back the bullion which the high price of corn, the necessities of war, or the speculations of the money dealers, may have taken from its vaults. It matters not what the value of bank notes as compared with other commodities may be, the bank must increase the pressure, however severe. It may be that, in August, the owner of bank notes may be able to purchase twenty or even fifty per cent. more of other commodities with bank notes than he could have purchased with specie in January, (and it is apparent that this depreciation of the value of property is the consequence of the scarcity of bank notes,) yet so long as there is a deficiency of bullion in the bank, the bank is not permitted to relieve this pressure on the money market by a greater issue of paper; no, not even if such paper could be at all times converted into specie.

HOW THE TARIFF OPERATES ON OUR CURRENCY.

It will be seen that, under such circumstances, the merchant or manufacturer who may want funds cannot obtain relief from the bank, and will be compelled to suspend payment unless funds can be obtained elsewhere; and whence can they be obtained so readily as from New York? Therefore, instead of making sales at auction in that market, which would injure his credit and depress the price of his goods, such merchant or manufacturer makes an invoice, upon which he receives an advance sufficient to meet his immediate wants from some capitalist, with the understanding that the goods are to be sent to an agent in New York, and sold for account of the owner, the proceeds to be remitted in bullion, and the balance paid over, after deducting the advance, commissions, interests, and charges. The proceeds are remitted in specie; and thus, by our regulation of our commerce with England, we make ours the weaker part of the British financial system, and, whatever cause may derange the money market of London, it reacts upon us with ruinous effect. And a careful analysis of the regulation of our "commerce with foreign nations" will, as the undersigned believes, show that, if it had been the purpose of Congress so to regulate it as to transfer that commerce to the agents of foreign manufacturers, and favor frauds upon the treasury, and cause constant variations and fluctuations in the value of money, they could not have devised a process better suited to that purpose than our present tariff.

BY THE AD VALOREM VALUATION,

the agent of the foreign manufacturer is enabled to enter goods at the lowest rates which his principal may assume to be the *cost* of manufacture. Our government furnishes a warehouse, in which those goods are stored until the sale is made. The agent may be a clerk residing in a garret, paying nothing towards the support of the government. His sales are to the jobbers, on the pattern card, and his *vender's* invoice the duties to be paid on the *manufacturer's* invoice; for it is said, and we believe, that in such cases there are two invoices, one for the custom-house and the other for the purchaser! The jobber gives his note payable to his own order, which, being indorsed, is place with a bill-broker in Wall street, and sold to the men who, under a wise regulation of our foreign commerce, would have been American merchants, the owners of American ships, whose energy and enterprise would carry now, as under our former system of trade they did, our ships, our name, and our religion into every sea, but who, under the present regulation of our "commerce with foreign nations," reside in splendid palaces on the Fifth avenue, and live in a style of princely magnificence, upon the profits made by shaving the notes of the jobbers, given to the agents of the foreign manufacturers, who have monopolized our "commerce with foreign nations." We have driven them from the employment which would have made them patriots, and have converted them into usurers; and *cui bono*. The pressure of the Bank of England compels the foreign manufacturer to send his goods to New York to be sold at a sacrifice. The agent sells at the best price he can get, knowing that the note of the purchaser (the jobber) must be sold for whatever it will bring in the market; and the jobber, knowing that he will be compelled to pay the face of his note, puts a corresponding price upon the goods. Thus, the southern consumers of foreign goods, who have forced upon the country the present system, and believe they obtain cheap goods by their low duties, are compelled to pay the discount on the notes of the jobbers, who purchase such goods, in addition to the merchant's profit on that discount, as well as the duties and other charges. And that discount, instead of going into the treasury, as the duties paid under a wise regulation of our foreign commerce would do, enriches those who, instead of being patriotic merchants, devoted to the honor and interests of their country, are converted into usurers, preying upon the misfortunes and distresses, to create which their ill-gotten wealth and influence is exerted, because their profits are derived from these instead of being the meritorious reward of a legitimate commerce.

This process of the Bank of England, is well understood in England. Its effects upon the commerce and prosperity of England has been the subject of frequent comment and rigid investigation, until many persons of great wealth and influence are as anxious as we are to strengthen our financial position; and this anxiety will induce them to coöperate in the measures, which the undersigned believes are indispensible to secure

OUR FINANCIAL INDEPENDENCE.

As this is of no less importance than our political independence, it deserves special consideration. We have seen that, although the notes of the Bank of England are a legal tender, and convertible into specie, the transactions at the clearing-house in London, being the every-day accounts of individuals brought there for adjustment, amounting to ten thousand millions of dollars per annum, are balanced and disposed of without a single dollar in money (specie or bank notes.) "*All is settled by a transfer of sums from one account to another on the books of the Bank of England.*" So Mr. Colwell, in his able publication on "The ways and means of payment," says:

"The monthly payments in New York were little less than $900,000,000 from January to August, in 1857. During that time the average amount of specie in the banks was under $12,000,000, the deposits averaged $95,000,000, and the circulation (bank notes) $8,000,000. It is apparent then, that $103,000,000 of bank notes and deposits effected by aid of the banks payments of not less than $30,000,000 daily, whilst the $12,000,000 specie in the banks scarcely moved at all."

The same writer estimates the aggregate payments for the whole country in 1857, at $90,000,000,000, of which sum at least eighty-five thousand millions were paid by set-off. To explain:

The specie in the banks was, say	$12,000,000
The bank notes in circulation was	8,000,000
And the deposits were	95,000,000

It is apparent that these deposits were neither bank notes nor specie; of what, then, did they consist? They were bank credits, the proceeds of mercantile paper discounted by the banks, passed to the credit of the merchants of New York by the banks, and the process of adjustment was as follows: Say that there were sixty banks, each having discounted commercial paper for persons actively engaged in the purchase and sale of commodities in that market. It is apparent that the amount of *sales* and of *purchases* must balance each other, and that as these transactions are, through the agency of the clearing-house, brought together, they will be balanced, and that the only use of specie will be to pay the sum not provided for by a deposit in one of these sixty banks. To provide for such a contingency as between the banks themselves, they have selected one bank in which funds are deposited. Part of the $12,000,000, and any balance due on adjustment at the clearing-house, instead of being paid in specie, is paid by a check on the funds thus deposited, and as all that is required to sustain the credit of the New York banks is that they shall provide a sufficient specie fund to pay the *balances* occurring in their transactions with the public and each other, so all that is required to protect the value of our credit, is to maintain at all times a sum in specie sufficient to pay all the balances that may occur in our transactions with each other

and with "*foreign nations.*" We have seen that the regulations of commerce in England and Wales is such, that notwithstanding the increase of population and wealth from 1832 to 1839 was such as to require an increase of ninety millions of dollars per annum in the shape of bills of exchange, the average circulation of money, including bank notes as well as specie, instead of increasing had diminished $7,962,500. And why was this? Was it not because such was the regulation of commerce that BILLS OF EXCHANGE HAD BECOME MORE VALUABLE THAN SPECIE?

Was it not thus because London is enabled, through the commerce of England, to regulate the exchanges of the world? And why is this? Is it not because whilst the capitalists of London, and especially those who have been connected with the commerce of this country, have been interested in depreciating our credit, our government, so far from regulating our commerce so as to promote and protect it, have coöperated in the measures best calculated to depress it, and such are our convictions and experience of the force of prejudice, and of the general want of information on the subject, that we would despair of any modification of the measures and policy of this country, were it not that so large a part of our credit and resources consists in land and its products, the value of which will be increased in a much greater ratio, in consequence of the increase of the precious metals, than any other objects of investment in any other country will be, and inasmuch as the effect of the precious metals will be to increase the value of our lands and our railway shares, and especially of the shares of companies having large land grants, at the same time that it will depreciate the value of the objects of investment in Europe, and especially in England, we believe that such will be the desire of Europeans to become interested in our railways, that there will be no difficulty in making them the basis of credit of sufficient strength, aided by a wise modification of the tariff, to give us the power to regulate the exchanges of the world. And it is in this view that the undersigned implores your honorable body to consider his proposition to capitalize the payments for railroad mail service, and by relieving our railroad system to that extent from our dependence upon foreign capital, foster that important interest. And in this connection he ventures to suggest that it may be made one of the conditions of the proposed capitalization, that the iron thereafter used on such railroads shall be of American manufacture.

SAVING TO THE RAILROAD COMPANIES.

The effect of the capitalization of the payment for railroad mail service, as compared with the present system, will be to save the Post Office Department one per cent., which, in thirty-six years, will be equal to the creation of a sinking fund more than sufficient to pay the whole debt, at the same time that it will save to the railroad companies at least five per cent., which, compounded at ten per cent., the rate which many of them, and especially the southern railroad companies are now compelled to pay, will in ten years be to them a saving of more than the whole sum thus advanced. That Congress has the power to

do so, no one can doubt. They have power to establish post offices and post roads, and, of necessity, thus have the power to pay for carrying the mails; and they may make the payment by advancing these bonds as proposed. The present system is part of that warfare on credit, which has become the principle of political action with many, and has made the credit and property of this country subject to the contingencies which from time to time afflict with paralysis the money market of London. In further illustration of this, the undersigned appeals to the

HISTORY OF THE BANK OF ENGLAND

And to the proofs, showing the manner in which its measures have operated to our prejudice. To enable the bank to aid the government with funds to carry on the war with Napoleon, Mr. Pitt, in 1796, passed an act authorizing the suspension of specie payments. The following table shows the equivalent of the debt funded in three per cent. stock; the amount of stock created for each £100 pounds in money; the average price of gold; the market value of the paper pound in gold; and the market value per cent. of the paper currency:

Year.	Equivalent of the debt funded in 3 per cent. stock.	Stock created for £100 in money.	Average price of gold per ounce.			Market value of paper pound in gold.		Market value per cent. of paper currency.		
	£.	£.	£.	s.	d.	s.	d.	£.	s.	d.
1800	32,185,000	158.50	3	18	0½	20	0.0	100	0	0
1801	63,578,100	174.54	4	5	0	18	3.8	91	12	4
1802	32,990,630	132.17	4	4	0	18	6.5	92	14	2
1803	20,483,330	173.55	4	0	0	19	5.6	97	6	10
1804	26,390,000	185.00	4	0	0	19	5.6	97	6	10
1805	41,800,000	177.20	4	0	0	19	5.6	97	6	10
1806	33,200,000	167.70	4	0	0	19	5.6	97	6	10
1807	24,198,290	157.20	4	0	0	19	5.6	97	6	10
1808	23,530,622	162.67	4	0	0	19	5.6	97	6	10
1809	36,218,740	161.39	4	0	0	19	5.6	97	6	10
1810	33,112,100	152.67	4	10	0	17	6.3	86	10	6
1811	39,124,570	166.53	4	4	6	18	5.1	92	3	2
1812	57,198,330	180.00	4	15	6	16	3.7	79	5	3
1813	118,736,690	184.87	5	1	0	15	5.4	77	2	0
1814	36,839,930	154.17	5	4	0	14	11.7	74	16	6
1815	102,787,340	191.52	4	13	6	16	7.8	83	5	9

Your honorable body will note that whilst the credit of the government depreciated more than ninety-one per cent., the depreciation of the paper was less than twenty-three per cent., and we find, in the exhibit given in this table, that it was the depreciation of the credit of the government and of the paper currency of the Bank of England which caused the peace of 1815. This table gives another striking fact, to wit: This immense debt of $3,617,853,360 was taken by the creditors of England at an average discount of 67.60 per cent., and

that, as it was created in paper currency, its value would be increased by the resumption of specie payments. It should be borne in mind, that although the effect of the increased quantity of money consequent upon the discovery of America had been to increase the prices of other commodities fivefold, the effect of the diminished supply of the precious metals before the discovery of gold in California had enhanced their value, hence the necessary consequence of the resumption of specie payments, acting on this diminished supply of bullion, was to give greater value to fixed incomes. Hence public securities and bonds and mortgages became favorite investments, and the accumulated capital invested in such securities became the best basis of credit, because, being preferred, money, property, or labor could at all times be obtained for them.

FIXED INCOMES COMPARED WITH RAILROAD SHARES.

As the great increase of the precious metals consequent upon the discoveries in California and Australia, and the new development of the mines in South America and Mexico will diminish the value of fixed incomes and of public securities and bonds and mortgages, and give greater value to railway shares, and especially those having grants of land, and therefore these shares will become a much better basis of credit, the capitalization of the payments for railroad mail service will enable many of the railroad companies to convert their bond debt into shares, and such an arrangement will enable the New Orleans, Opelousas, and Great Western Railroad Company, the Sabine and Rio Grande Railway Company, the Southern Pacific Railroad Company, and many other companies in the South and West, to construct their roads without issuing any bonds, and the rapid accumulation of capital resulting from the profitable employment of so much labor, and the greatly increased value of property, and the great increase of the products of labor, will soon create so firm a basis of credit as to mitigate, if it does not entirely prevent, the effects heretofore resulting from the measures and policy of the Bank of England. The completion of the Southern Pacific railroad to San Francisco, and the New Orleans, Opelousas, and Great Western to the Sabine, and the extension of the Sabine and Rio Grande from Austin or San Antonio to its connection with the Southern Pacific, and to Mazatlan, will concentrate upon New Orleans a commerce, commanding resources, commercial and financial, greater than were ever before given to any city. She will have the cotton, the wool, the pork, the beef, the corn, the hemp, the tobacco, the copper, and the lead, borne on the bosom of her great river, and to these will be added the same commodities borne in exhaustless quantities on the system of railways, which will soon develop the resources of the Great West, and in addition will deposit in her warehouses and in her coffers the rich products of India and China, and the bullion of the Californias, of Australia, Mexico, and South America. With the proper development of these resources by a system of railways connecting this great depot of national wealth with the North, and with the East and the West, New Orleans will become the creditor of "foreign nations," and supply the means of commerce

and of credit and prosperity to the other sections of this great republic, binding each to all the others with so strong a ligature of mutual interest and dependence as to render the efforts of any one, whether he be fanatic or demagogue, who may attempt to sever it utterly impotent and innocuous. Are we asked

HOW THESE RESULTS ARE TO BE OBTAINED?

We reply, we would place the foreign commerce of the United States once more in the hands of *American* merchants (by which we mean naturalized as well as native-born) by reviving the system of custom-house credit. Before the crisis of 1837, an American merchant who could get an acceptance of one of the three W's, Wilde, Wiggin, or Wilson, (Americans located in London,) could purchase any amount of merchandise upon such time as to enable him to sell the goods, and purchase American produce to make his remittance. He gave his bonds for the duties and sold the goods, and thus obtained the funds to pay them. That system gave a value to American credit, which enabled the American merchant to use it in the purchase of *British* merchandise. Then our credit was equal to foreign *capital*, now foreign credit commands our capital; and strange as it may seem, the South furnish the *capital* and pay a premium for foreign *credit*. The operation is this: A planter wishing to anticipate the sale of his cotton, sends a note to his broker, who has it discounted in a bank. The cotton is sent to the broker, and the agent of a foreign banker makes an advance of, say, eighty per cent. of the current value upon the bill of lading, upon the condition that the cotton is sent to his house in Liverpool. That advance is not made in money, but in a bill upon New York; when that bill becomes due, it is not paid in money, but by a second bill upon London or Liverpool, and before this second bill is due the cotton is sold to pay for it. Is it not clear that in this case the planter has furnished the *capital* and paid interest, commissions, and charges for the *credit* of this *foreign* agent? Is such a system a wise or proper regulation of our "commerce with foreign nations?" And are not the southern planters of all men, those who are most interested in reforming it? Give us American merchants as the owners of American ships, who, using American *credit* to purchase foreign merchandise, use the proceeds of the sales of these foreign goods to purchase American products to be sold in these foreign markets, and thus control and regulate the foreign exchanges so as to protect our currency and maintain the value of our property. But we may be told the revulsions of 1820 and 1837, and

THE LOSSES CONSEQUENT UPON OVERTRADING,

Made it necessary to change the system, and that the sub-treasury is universally popular. We do not propose to abolish or modify the sub-treasury. We propose to so modify and regulate our commerce with foreign nations as that our merchants may command *their* capital with *our* credit, instead of their using our capital with their credit as they now do; and in reply to the suggestion that the change of system was

intended to prevent losses by overtrading, we refer to the following tables to show that these losses were the consequences of the fluctuations in the currency resulting from the export of our specie by the Bank of England. It exhibits the amount of indebtedness to the United States on custom-house bonds, embracing successive periods of four years from the 4th of March, 1789, to the 4th of March, 1837, also the amount of duties collected during the same period, and the sums unpaid on custom-house bonds:

Years.	Whole amount of duties collected each 4 years.	Custom-house bonds unpaid and the loss during the same period.
From March 4, 1789, to March 4, 1793	$12,097,850	$686
Do.....1793.....do.....1797	24,552,164	82,359
Do.....1797.....do.....1801	33,548,222	85,179
Do.....1801.....do.....1805	46,952,705	61,872
Do.....1805.....do 1809	54,172,790	122,478
Do.....1809.....do.....1813	44,079,932	374,654
Do.....1813.....do.....1817	75,871,937	688,836
Do.....1817.....do.....1821	65,470,053	880,111
Do.....1821.....do.....1825	74,655,234	1,568,476
Do.....1825.....do.....1829	88,941,104	2,278,558
Do.....1829.....do.....1833	103,644,579	299,798
Do.....1833.....do.....1837	70,185,498	1,305,305
Total	694,172,034	7,748,318

It will be seen that the entire loss is but little more than one per cent., and the greatest losses were in the years from 1821 to 1829, and the four years from 1833 to 1837, inclusive; and these losses may be traced directly to the Bank of England. We have seen that the bank suspended payment in 1796. It did not resume until 1825, although Sir Robert Peel's bill requiring it to *prepare* for resumption passed in 1819. During the war of 1812, the banks in the Middle and Western States suspended, and it was with the notes of these suspended banks —borrowed by the government from the banks which had suspended, that they might be able to make loans to the government—that our armies and gallant navy were enabled to meet and repulse the enemy. The peace extinguished the Indian title to immense tracts of fertile lands, which were soon surveyed and brought into market. Payment for lands, and duties on imports were made in bank notes, which, although they had been put in circulation by the government, did not answer the purpose of merchants engaged in foreign commerce, and as ours is a hard-money government, the Bank of the United States was chartered to aid in the process of resumption, and became the agency through which our "foreign commerce" supplied specie to the Bank of England, which, although it did not resume until 1825, and had accumulated $75,000,000 in gold and silver, much of which had been taken from us, was then saved from suspension by the accidental discovery of a large amount of one pound notes, which were in one of the vaults of the bank, and which, being sent to the country bankers, arrested

the run on them for specie, and thus saved the Bank of England. So much as to the crisis of 1820; as to

THE CRISIS OF 1837

It will be recollected that the payment of the national debt left a very large deposit in the Bank of the United States, which was transferred by General Jackson to the deposit banks, and that the effect of this transfer was to increase the number of banks and of bank notes about 100 per cent. during General Jackson's second term, and so stimulated speculation that the sales of the public lands, which during the nine years preceding his election did not average 800,000 acres, were increased in 1836 to the enormous quantity of 20,074,870 acres, proving incontestably that those who controlled the deposit banks were using the public deposits to speculate in public lands. To prevent this, Congress transferred the public money to the States. Alarmed lest this transfer should cause the western banks to suspend specie payments, and render his transfer to them unpopular, General Jackson issued his specie circular, thus creating an extraordinary demand for specie at the moment when, from causes which we now proceed to explain, there was an extraordinary pressure on the Bank of England, which compelled that bank to adopt the measures which overwhelmed us with bankruptcy and ruin.

THE EFFECT OF WEST INDIA EMANCIPATION ON THE BANK OF ENGLAND.

It will be remembered that in 1834, Parliament emancipated the British West India slaves, and abolished the East India monopoly. The sum requisite to pay the West India indemnity, and the proceeds of the commercial assets of the East India Company, placed upwards of $100,000,000 in the Bank of England, which was lent to the money dealers, and inflated the currency in England at least 50 per cent., at the same moment that the deposit banks were inflating ours, and the payment to the claimants of the sums awarded created a pressure upon the bank so severe that the managers were compelled to create a credit with the Bank of France, which, by restoring confidence again, saved the bank from suspension. It may be proper at this point to refer to the

CAUSE OF THE SUSPENSION OF THE UNITED STATES BANK.

It will be recollected that after his return from England, Mr. Van Buren was, in 1832, placed on the same ticket and chosen Vice-President, and that, wishing to secure his election in 1836, as the successor of General Jackson, his partisans wished to make him the party candidate. The payment of the public debt left a large accumulating fund (say $40,000,000) in the Bank of the United States, and being apprehensive that the influence of that bank would be exerted against him, and believing that the seizure and distribution of these deposits among the numerous selected banks would not only emasculate the Bank of the United States, but, by making the seizure a party measure,

and by causing him to be recognized as the party candidate, greatly strengthen his chances of election, by enlisting in his favor the active support of all the deposit banks, who, being the depositories, would become interested in procuring the election of him who had distributed among them so much "public plunder." Accordingly, a caucus of his partisans was convened in Boston—among whom were the late Joel R. Poinsett and David Henshaw—and through their influence General Jackson, who had been induced to make a triumphal procession through New York and New England, and preparatory therefor was made a Doctor of Laws by their most honored university, was induced to seize upon the public money in the Bank of the United States; and the ink was scarcely dry on his diploma before he issued his order for the removal of the deposits. Mr. Van Buren's hopes were realized; the influence of the public money, exerted through the deposit banks, carried him into the Presidency. Fearful, however, that the Bank of the United States might, by contracting the currency, create a pressure in the money market, and thus defeat his purpose of electing Mr. Van Buren his successor, General Jackson issued an order, through the Secretary of the Treasury, that the deposit banks should discount freely on commercial paper; the effect of this was, as we have seen, greatly to inflate the currency. The veto of its charter compelled the Bank of the United States to obtain a charter from Pennsylvania; and being compelled to sell out its branches, the directors availed themselves of the inflation of the currency, and received payment in the notes of the deposit banks. They saw that they could create a crisis by demanding payment in specie; but as this would have involved their own bank in the common ruin, and as they were admonished by the excessive imports that there would be an increased demand for foreign exchange, they invested largely in the bonds of the States, then commencing a system of internal improvements, and made large advances on American produce, shipped to Biddle & Humphries, an American house, established at Liverpool, intending to reinstate the capital of the bank by a sale of the State bonds and the American produce, and thus providing funds to pay their bills. By a comparison of dates it will be seen that Mr. Jandin, as the agent of the United States Bank, reached London with the State bonds at the moment when the Bank of England was under the severe pressure created by an extraordinary demand for specie to pay for foreign wheat, there having been two successive bad crops, increased by the payments to the owners of West India slaves, for which funds had been deposited with the bank, and which funds had been loaned to the money dealers, as before explained.

The result was that the Bank of England, unwilling to sanction the purpose of Mr. Jandin's visit to England, seeing that if permitted to establish in that market the value of American State bonds bearing an interest of six per cent., the holders of English three per cents. would convert them into American six per cents., and that, though the agency of such sales, a large part of British capital might be transferred by the bank of the United States to this country, refused to permit Mr. Jandin to open and account with that bank, the result was that Mr. Biddle, having drawn bills for near or quite five millions of dollars to

enable the merchants of New York, whose goods were consumed by the great fire, to pay their European creditors, and relying upon the sale of American produce and American securities to provide funds to pay them, the Bank of England passed an order that no note predicated on the purchase of American produce should be discounted in that bank. The effect of this order and of the combinations formed to depreciate American credit was that, to prevent a protest on the bills drawn by Mr. Biddle, Mr. Jandin was compelled to hypothecate American securities, to renew which hypothecations the Bank of the United States was compelled to make large advances in specie, until by this process its specie resources were exhausted, and being compelled to suspend payment, the balance due was paid in State bonds and other securities until the agent of the party making the advance on the hypothecation, wrote home in 1842, that the profit realized on the securities then taken from the bank, was more than two and one half millions of dollars! It is believed that the bonds of the State of Illinois were taken at sixteen cents on the dollar, they are now worth more than one hundred.

It will be seen that the failure of the bank of the United States resulted from the power and influence exerted by the monied power of England exerted directly through the Bank of England, and that the advances made by the directors on American produce were made not with a view to speculate therein, as many believe, but as a means of realizing the capital of the branches (which by the veto of its charter it was obliged to sell out) by the process, which but for the peculiar condition of the bank of England, as explained, and which compelled that bank to act as it did, would have saved this country from the monetary crisis which the directors of the Bank of the United States foresaw would be the inevitable consequence of the expansion of the currency, the speculation resulting from the seizure of the public money, and the use made of it by Mr. Van Buren and his party.

NICHOLAS BIDDLE.

That this view is correct is sustained by the following extract from a letter written to the undersigned by Mr. Biddle, dated Andalsia, April 20, 1841.

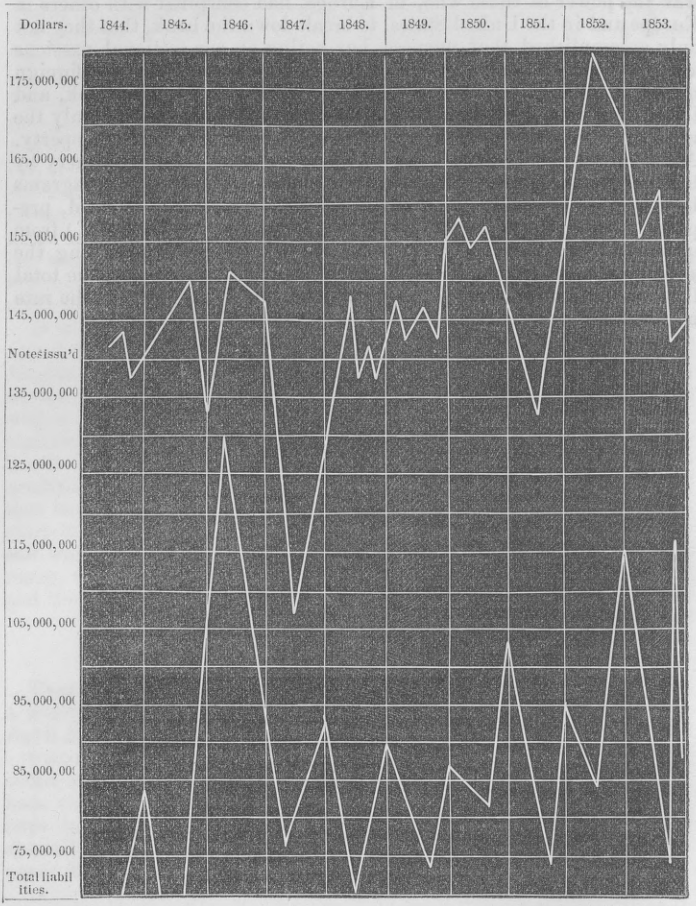
"At a time when so many sycophants who fawned upon me while I could serve them, are joining in an outcry against me, now that I have voluntarily renounced the power to confer favors upon them, and hope to make new friends by sacrificing an ancient benefactor, it is specially agreeable to me to hear the voice of an independent man who never flattered me in power now raised to defend me."

THE FLUCTUATIONS OF THE ISSUES OF THE BANK OF ENGLAND.

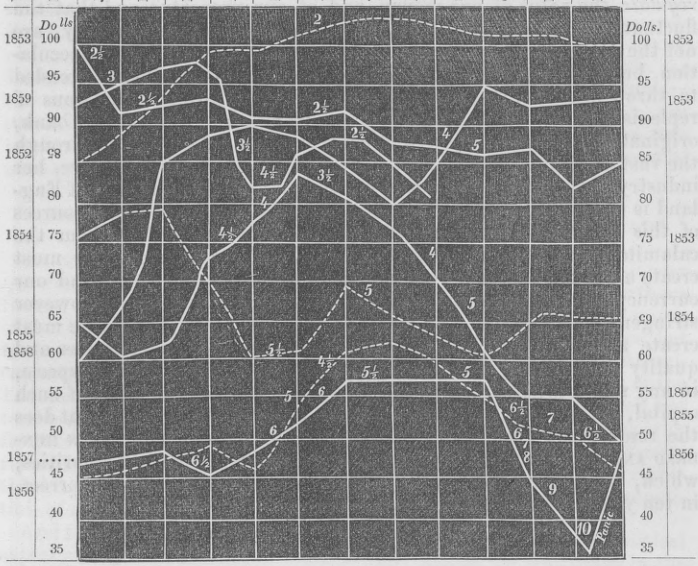
The undersigned never was the partisan of the Bank of the United States, but having the experience of the crisis of 1821, he saw that the effort to cast the odium upon Mr. Biddle, by those who, by the seizure of the public money and the inflation of the currency, were alone responsible for the desolation and bankruptcy which overwhelmed us, would greatly injure the country, and he endeavored then as now, to

arrest the current of popular prejudice. His convictions then formed were confirmed by a residence of nearly two years in London, and numerous facts, derived from sources the most reliable. Such, however, was the power of those who, in Europe, had conspired with others in Europe and in the United States, to break down the bank, that they not only accomplished that purpose, but acting on our sectional passions and prejudices, they have so regulated our "commerce with foreign nations," that they have become the substitute for that bank, and through the agency of our foreign exchanges regulate, not only the value of our *money*, but the value of our credit and of our property. As the Bank of England is so important a part of the machinery by by which this is done, the undersigned submits the following diagrams by way of illustrating its effect upon the currency of England, prepared by an eminent London banker, (Mr. Edward Hazelwood,) from upwards of 4,000 returns of the Bank of England, and giving the amounts of bullion in the bank, the amount of notes issued, the total liabilities of the banking department and the fluctuations in the rate of interest.

Fluctuations of the amount of notes issued and of the liabilities of the Bank of England during the ten years from 1844 *to* 1854.



Fluctuations of the rates of interest charged by the Bank of England.



In this table the figures upon the several lines indicate the rate of interest charged by the Bank of England at the date indicated by the diagram, and show that these rates of interest were regulated by the amount of bullion; thus, when in 1852 there was $100,000,000 of specie in the bank, the issue of bank notes had reached $180,000,000, and the rate of interest was two per cent., and it will also be seen that, in December, 1857, the bullion in the bank was reduced to $35,000,000, and the rate of interest was ten per cent. It is obvious that this increase in the rate of interest was intended to throw upon the commerce of England the onus of restoring the bullion which the government had taken from the bank to pay the cost of the wars in India and China; and the fact that, as the currency in India and China is silver, and, therefore, the payments had to be made in silver, and that as the currency of England was gold, and of France silver, the Bank of England paid a premium for silver, ($155,000,000 of which was sent to India,) and paid for it with gold, and that the exports of gold from the United States to England, within a short period preceding her exports of

silver, was upwards of $320,000,000, whilst the imports of gold into France, from 1st July, 1855, to 1st January, 1858, was $272,600,000, for which the Bank of France paid a premium of $2,800,000, shows that England obtained from us the gold with which she purchased the silver of France. And the further fact that the effect of the export of our gold produced the crisis of 1857, and caused ruinous depreciation of the value of our credit, and of our property, demonstrates that the present regulation of our commerce enables the Bank of England to *regulate* the value of our money, and of our property; and that the fluctuations in our currency, and in the value of our property, are not the result of our system of banking, nor of overtrading or speculation, but of the measures and policy of the Bank of England, intended to throw upon us, and upon the commerce of England, the onus of replenishing her vaults with the specie which the wants of that bank, originate as they may, coerce that bank to regain. As it is only through the vast accumulation of capital, the result of her intelligence, her industry, her manufactures, and her commerce, that the Bank of England is enabled to exert such control over the commerce and resources of this country, it is manifest that, to relieve ourselves from the calamitous influence heretofore exerted over our currency, we must create a capital and resources sufficient to protect our credit and our currency from the ruinous effect of the measures of that bank, however stringent they may be. As we have before said, to do this we must create a capital, which may be so invested, and of a character and quality so excellent, that it will be at all times convertible into specie, in any market, here or in Europe. With a sufficient amount of such capital, we can defy the power of the Bank of England. Of what does the resources of that bank consist? SEVENTY-TWO MILLION SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS, all of which is invested in securities, which, being so invested, will, if Mr. Chevalier's estimates be correct, in ten years, depreciate one half.

OF THE PRESENT POWER OF THE BANK OF ENGLAND.

Is this a power of sufficient strength to regulate our currency, our credit, and our wealth and resources against our will, if it were the interest or policy of that bank to exert it to our injury? It is not. But it is but justice to the bank, and to the people of England, and especially to the wise and able statesmen who now rule that great country, to say, that so far from wishing to injure us, they desire to aid, and will rejoice in the augmentation of our wealth, of our credit and prosperity; by increasing ours, they increase their own. We are, and it is to be hoped ever will be mutually dependent on each other; and the people of England are no less interested than we are in such a reform, as will enable the Bank of England to give them "*a money market undisturbed by continual fluctuations,*" which is indispensable to a "*general distribution of labor.*"

The undersigned during a late visit to London, had occasion to realize that, isolated from the rest, and standing among European nations as the chief representative of liberal principles and constitutional government, England looks with pride and hope to the United

States, relying with confidence, as well she may, upon the material aid which she will assuredly receive from us, should the progress of events require such aid to maintain those great principles of civil and religious liberty, which we and they have inherited from our common ancestors. The "London Times" estimates the amount of American securities held in England, to be at least four hundred millions of dollars. Too much of this, it is true, represents bad iron, but the owners of a large part will lend their influence and coöperation, giving strength to measures tending to enhance the value of their interest. England no longer wishes to maintain on our western border, a cordon of hostile Indians and Mexicans to arrest our progress towards the Pacific. She now sees that in case of an European war, we will become the carriers of her merchandise, and she, therefore, rejoices in our increasing prosperity, because her commercial interests will find protection in the strength which will maintain our rights as a neutral nation.

"LONDON TIMES" AND "CHRONICLE" ON SLAVERY IN THE UNITED STATES.

In proof of this, the "London Times," in a leader on the slavery question in the United States, and the revulsion in favor of the southern States, caused by the vagaries of the abolitionists, says: "The union of the American people is not only one of importance to themselves, but to the world at large. It has been fully proved, not only on the American continent, but in our own colonies, that the enforced equality of the European and African tends not only to the elevation of the black but to the degradation of the white man. We cannot find any sympathy for those who would try in the United States the plan of a half-caste republic, and we trust that the federal government, and the right-thinking part of the community will protect the south from the repetition of such outrages as that at Harper's Ferry."

And the London "Morning Chronicle," in a late article on the political aspect of the country, says: "There may, indeed, be politicians in the United States reckless enough to look upon a dissolution of the Union with complacency; but the immense mass of the people, to whatever party they may belong, are determined to maintain the federal bond unimpaired. They know that the Union has been the means, under Providence, of preserving peace within their own borders; of enforcing the respect of other nations, and of facilitating that enormous commercial and industrial development which has made them, if not the foremost nation of the earth, at least equal to any, and rendered that preëminence merely a question of time. It is not to be supposed that a people, so profoundly convinced of this truth, will suffer the keystone of their greatness to be removed. In the preliminary flourishes of this great quadrennial contest, the vehement professional politician, who looks merely at temporary and personal success, takes, as a matter of course, the chief part. Men largely engaged in business, and averse to the turmoil of political strife, will leave the field to the noisy talkers, until the time draws close at hand for action; and then the wealth and intelligence of the United States will throw their weight into the scale, and crush any attempt to obtain a party victory at the

risk of putting an end to the national existence. If, indeed, the success of the Democratic party be as much a matter of certainty as is now represented, all fear, not of such an event as the dissolution of the Union, for that we regard as impossible, but of grave inconveniences, resulting from aggressive steps against slavery, is at an end. But, even if this estimate should prove incorrect, and the Republicans should carry their candidate, southern rights would be but little interfered with. Office brings with it responsibility; and, just as in this country, an opposition which has been roaring like any lion, coos most dove-like as soon as it crosses to the ministerial benches, so the most vehement anti-slavery champion the North might send to the White House would, upon his installment there, subside into impartiality or inoffensiveness."

We cannot legislate for the Bank of England; but, seeing how much our present system of commerce, as regulated by Congress, subjects our currency, our credit, and the value of our property, to the contingencies which may effect the measures or policy of the Bank of England, it is the duty of Congress to so regulate our commerce with England as to strengthen our credit, protect our currency, and give stability to the values of property.

THE BASIS OF CAPITAL IN ENGLAND AND THE UNITED STATES COMPARED.

The basis of British capital, and the source of her wealth and prosperity, is her manufactures. These do not rest, as some believe, on cheap labor, but upon cheap capital. With a population less than ours, she can produce more manufactures than all the rest of the world can, without *machinery*. It is her cheap machinery and her skill, and not her cheap labor, that enables England to command the markets of the world. Her strength, the source of her wealth and prosperity, is the abundance and cheapness of her machinery. Our strength, the source of our wealth and prosperity, is the abundance and cheapness of our lands; and our advantage consists in this: that, whilst the constant increase of the precious metals will tend to diminish the value of a large proportion of her accumulated capital, that increase will enable us to extend our system of railways, and augment our wealth and resources by increasing the quantity of lands brought into use and adding to their value.

To show that the organization of the Bank of England, and the manner in which that bank regulates the exchanges, is most unwise, the undersigned gives a table showing the rate of interest charged by the Bank of France for a period of more than fifty years. The rate charged—

From February 20, 1800, to November 13, 1806, was 6 per cent.
From November 14, 1806, to August 4, 1807, was 5 per cent.
From August 5, 1807, to February 28, 1814, was 4 per cent.
From March 1, 1804, to July 31, 1814, was 5 per cent.
From August 1, 1814, to August 31, 1814, was 4 per cent.
From September 1, 1814, to May 31, 1819, was 5 per cent.
From June 1, 1819, to January 31, 1820, was 4 and 5 per cent.

From February 1, 1820, to January 13, 1847, was 4 per cent.
From January 14, 1847, to December 26, 1847, was 5 per cent.
From December 27, 1847, to March 2, 1852, was 4 per cent.
From March 3, 1852, to October 6, 1853, was 3 per cent.
From October 7, 1853, to January 19, 1854, was 4 per cent.
From January 20, 1854, to May 11, 1854, was 5 per cent.
From May 12, 1854, to October 4, 1855, it was 4 per cent.
From September 21, 1855, to October 17, 1855, it was 5 per cent.
From October 18, 1855, to March 30, 1856, it was 6 per cent.
From March 11, 1856, to September 24, 1856, it was 5 per cent.
From September 20, 1856, to June 24, 1857, it was 6 per cent.

This table shows conclusively that a contraction of the currency and an increased rate of interest are not, necessarily, parts of a system of exchanges, and that it is possible to relieve our currency from the fluctuations caused by the Bank of England. When that bank wants specie it curtails discounts and puts up the rate of interest; and thus transfers to the commerce of England the *onus* of replenishing her coffers. When the Bank of France wants bullion she pays a premium for it, and by maintaining her line of discounts, prevents a monetary crisis and gives constant employment to labor.

RELIEF TO RAILROAD COMPANIES.

At present the weakest and most exposed part of our finances is our railroads. To capitalize the payments for railroad mail service will not only strengthen that interest so as to rescue it from the grasp of the *first* mortgage bondholders, but to place its control in the hands of our own people, and render it one of the main pillars of our credit, wealth, and prosperity. The elder Peel wrote a pamphlet to prove that the national debt of England is a national blessing His argument was that as the debt was held by the people of England, and there was the same sum to the *credit* as the *debit*, and the debt was an investment, at all times available as capital, so far from being a burden was a source of prosperity, inasmuch as it was a means of giving employment to labor. If such is the effect of the British debt, which represents money expended in wars, what will be the value of an investment in our railways which will increase the value of the property connected with them at least five times the sum of their cost, if the shares representing such investment are at all times convertible into money, or can be used in the ordinary transactions of business at a certain and increasing value? To show that the value of the shares of well-located railways, made with a due regard to economy, will increase in the same ratio as the value of fixed incomes will depreciate is one purpose of this memorial, as it is likewise to remind your honorable body that inasmuch as the Constitution devolves upon you the power to regulate the value of money, and also to regulate our "commerce with foreign nations," it is your duty to take into consideration the effect which the control over our currency, now exerted by the Bank of England, has upon the value of our money, and upon the value of our property, and to show that so many of our railroad com-

panies have issued first mortgage bonds, which are held chiefly abroad, and which although they constitute a small part of the cost, or of the real value of railroads pledged for the payment are soon to become due, and, unless some such relief as herein indicated is given, will soon pass into the hands of the foreign bondholders and their associates in the United States.

THE PURPOSE OF THE FEDERAL CONSTITUTION

Was to create a government, which being charged with the regulation of the value of money, and of our commerce with foreign nations, would have the power to protect the value of our property and promote the common interests and welfare of the people of the United States, as far as a proper exercise of these granted powers can be made available. There are more than one thousand millions of dollars invested in railroads in the United States, and a reference to the map of the United States and of Mexico (and the latter should be included in the system of American railways, although it is hoped she will ever be an independent republic) will show that great as this sum is the territory east of the Mississippi, in which the greater part of that sum has been expended, is so small compared with the Great West, that the mind is lost in the attempt to complete the sums which will be required for the completion of the system. Therefore, as this expenditure has now become indispensable as a part of our system of progress, and is the best possible investment of capital and labor, and the value of the capital thus invested is liable to a most ruinous depreciation, unless it be sustained by a wise exercise of the powers vested in Congress; and it is the imperative duty of Congress to adopt such measures as will protect the value of this class of investments it is proper to consider what those measures should be.

RAILWAYS THE BEST INVESTMENT OF CAPITAL.

We have said that the construction of proper lines of railway is the best possible investment of capital. It is admitted that, although the dividends may not be more than a fair rate of interest upon the capital so invested, the effect of well-located railroads is to add, at least, five times their proper cost to the value of other property; and it is in this view that the question is presented to your honorable body. You are authorized to establish post offices and post roads, and to authorize contracts for railroad mail service. You have authorized such contracts for four years, payments to be made quarterly. You can, if you will, authorize contracts to be made, payments to be in bonds, payable at the pleasure of the government, chargeable upon the revenues of the department, bearing such rate of interest as you deem expedient. All that is asked is a change in the mode of payment. We ask no more; we are willing to receive less than the payments under the present system. You now pay for railroad mail service $3,243,974 per annum. This is the interest at five per cent. on $64,879,480. Many railroad companies are now compelled to pay at the rate of ten per cent. per annum on the sum received upon their first mortgage bonds; they could

realize par on the five per cent. bonds of the government. If the government, instead of paying, as now, $3,243,974 per annum for railroad mail service, were to issue and deliver to the railroad companies bonds, bearing an interest of five per cent., for an amount the interest upon which at that rate will be equal to the payments now made, the saving to these companies will be five per cent. per annum, and this sum compounded at ten per cent., the rate of interest which they are now compelled to pay, will, in less than twelve years, be a saving of a sum equal to the entire sum so advanced; and in twenty-one years the saving will be more than three times that sum. This proposition to capitalize the payments for railroad mail service will cost the government no more than is now paid, and will in twenty-one years add the sum of $208,328,010 to the value of those railroads now employed by the government in carrying the mail.

PROPOSITION AND ITS EFFECT RESTATED.

That this proposition may be well understood, we restate it. The government now pays for railroad mail service $3,243,974, which is the interest, at the rate of five per cent., of $64,879,480. If that sum in bonds delivered to the railroad companies, in payment of the mail service, it will require no more to pay the interest on the bonds than the government now pays. The government will, therefore, lose nothing by delivering these bonds, if the service contracted for be performed. Can the government make the payment in this form? Until the crisis produced by the transfer of the specie of this country to England, in 1820, to enable the Bank of England to resume specie payments, all the departments of the government, and especially the Post Office Department, were accustomed to make advances to contractors. It was not until that crisis, caused by the process which transferred our gold and silver to the Bank of England, forbade honest men, of good credit, to compete with capital in the public employment, that the system of advances of money was forbidden by law. The consequence has been to place the government under tribute to capital, and to increase the public expenditure. But this will not be an advance of money. The government are as much bound now to pay the sum proposed as they will be if they issue their bonds. The department must carry the mails and must pay for the railroad mail service. By reference to the report of the Postmaster General, it will be seen that the cost of transporting

the mails on railroads is	$11\frac{9}{10}$	per mile.
on steamboats	$25\frac{1}{3}$	"
on coach	$13\frac{3}{10}$	"
inferior modes	$7\frac{15}{100}$	"

The railroad mail service is cheaper than the steamboat or the coach per mile; and when the quantity of mail matter is compared with that carried in coaches and the inferior modes, the relative cost will be much greater. It is apparent, therefore, that it is the interest of the government to aid, by all legitimate means, the construction of new roads as well as the bettering of the condition of those already in operation. We have seen that the government may make an advance of the bonds

on contracts, and that the mail service will cost no more than under the present system. It remains to be seen

HOW IT WILL BENEFIT THE RAILROAD COMPANIES.

The present payment for railroad mail service is $3,243,974, at $11\frac{9}{10}$ cents per mile on 26,010 miles of railroad. In 1850 it was nine cents per mile on 5,497 miles of railroad, so that the rate of disbursement has increased more than five hundred per cent. in ten years; the rate per cent. will not increase at the same ratio, but that the increase will be very great no one can doubt. As this service is performed at less rate than by any other mode of conveyance, it is the interest of the government and the duty of Congress to favor this. There is another aspect of this proposition which deserves consideration. The department may, in the contracts, obtain greater control over the times and modes of transportation than under the present system, for now combinations may be formed to extort terms onerous to the service, which may be regulated by contracts of capitalization.

As many of the railroad companies, and especially those in the South and West, pay ten per cent. per annum for funds, the effect of advancing them bonds bearing but five per cent. interest, will be to save to them one half the sum which they would otherwise pay as interest. Thus, if the department delivers to the New Orleans, Opelousas, and Great Western Railroad Company bonds for $6,000, bearing an interest of five per cent., which that company can sell for $6,000 for money at par, then that company will pay but $300 per annum for $6,000, for which they are now compelled to pay $600, and a premium of twenty per cent. besides; that is, they sell their eight per cent. bonds at eighty, which is ten per cent. interest, and twenty per cent. premium; the saving to that company, then, will be five per cent. per annum in interest, and twenty per cent in discount. As the capitalization of the railroad mail pay is to be at the rate of five per cent., and the rate of interest which the railroad companies pay is ten per cent., then there will a saving to the railroad mail service of five per cent. on the whole sum capitalized; that is, the *saving* to the railroad companies will be equal to the whole sum now paid to them; for as they now pay ten per cent., and would then pay but five, the saving on the present railroad mail service would be $3,243,974; and as this will be compounded as an annuity, the undersigned refers your honorable body to Bartlett's annuity tables for the resulting benefits. You will find there that an annuity of $5 at five per cent. interest will amount in sixteen years to $107 89, and in thirty years to $332 19. If such is the value of an annuity of $5, what will be the value of an annuity of $3,243,974?—an annuity to be increased by the progress of the system at the rate at least of one hundred and fifty per cent. in the next ten years, that of the last ten being five hundred. The undersigned will not venture to give the estimate of the benefits to accrue to the railroad companies by estimating the interest at ten per cent., (which rate is less than the benefit to many companies,) because he will not startle the members of your honorable body by the exhibit which that estimate will give.

THE PURPOSE OF THE UNDERSIGNED HAS BEEN TO SHOW:

1. That as the Constitution gives to Congress power to establish post offices and post roads, Congress has power to pay for carrying the mail on railroads by an advance of bonds as proposed.

2. That the cost of transportation by this method of payment will be no more than is now paid under the present mode, and yet the effect will be to increase the compensation to many companies at least one hundred per cent.

3. That the first mortgage bonds, in many cases, represent but a small part of the cost of many railroads, and are held chiefly abroad.

4. That although the effect of the increase of the precious metals will be to reduce the value of these bonds in ten years, say one half, and increase the value of the shares in the same ratio, many of these bonds will soon become due, and unless provision be made for the payment, the holders will sell the railroads under foreclosure.

5. That the effect of this will be, not only to overwhelm many of our people in bankruptcy by the depreciation in the value of railroad shares, but, by that depreciation, to arrest the progress of the construction of railways.

6. That the depreciation of railway shares will have a most injurious effect on the value of all other property; and, if measures be not taken to aid in maintaining their value, will produce a monetary crisis, more disastrous, if possible, than any which has preceded it.

7. That the capitalization of railroad mail pay is a legitimate means of sustaining the railroad interest; that it will cost the department no more than is now paid, and will, in effect, double the compensation, and by giving to the railroad companies bonds, which can be converted into money, at par, upon which they are to pay but five per cent., such companies, with the funds thus obtained, may pay off the first mortgage bonds, and convert their other incumbrances into shares, and thus prevent that ruinous depreciation of the value of the shares of most, or all other railway companies which must take place, if the railroads for which provision cannot be otherwise made, be sold under foreclosure.

8. That, as by the increased quantity of the precious metals, the value of *fixed* incomes are *diminished*, the value of railway shares will be increased in a like ratio, and that, therefore, the holders of first mortgage bonds will combine, to force a sale of the mortgaged railroad under foreclosure, and that, although the effect of the increased quantity will be to diminish the value of money, the effect of the combinations of capital will be to render it more difficult to obtain; and therefore there is no national ground to hope that funds to prevent the sale of many of the railroads can be obtained in any otherwise than in the manner proposed.

9. That, inasmuch as the constitution gives to Congress the power to coin money, and regulate its value, and fix a standard of weights and measures, it is the duty of Congress to aid, as far as the proper exercise of these granted powers will aid, to give a fixed and certain value of money, and, foreseeing, as every intelligent member of your honorable body must, that without the aid, which you can, in the

manner proposed, safely and properly give, the depreciation of the value of our railway shares, must cause a ruinous depreciation of the value of all other property, it is, therefore, the duty of Congress to give the aid proposed.

But the undersigned has another and a special purpose. He has endeavored to place before your honorable body facts and suggestions connected with the sectional agitation which, at this time occupies so much of the public mind, hoping thereby to demonstrate—

1. That the institution of African slavery as it exists in the South was not the result of accident, but was intended by a wise Providence to be an important element in the social organization of this great country, tending to elevate the character, social, moral, and religious of the master and the slave; and that instead of being a source of discord between the North and the South, it is, and will be, advantageous to both; and that so far as it relates to the condition of the laboring poor, the condition of the southern slave is much better than that of the poor of England and Wales, where the compensation of labor is so much below the means of subsistence, that one-tenth of the whole population are paupers, and the poor rates are more than ten per cent. of the entire rental of England and Wales.

2. That the *tariff* is a question rather of cheap *money* than of cheap *labor*, and that as the South produces a much larger proportion of those commodities which enter into our foreign commerce, a much larger proportion of the products of their industry, passes to the foreign consumer; and therefore the South is more interested than the North, in such a regulation of commerce as will give stability to the value of money.

3. That New Orleans being the market at which there must, of necessity, concentrate a much greater proportion of those commodities which enter into our foreign commerce, and the control of our foreign exchanges is indispensable, to the proper regulation of the value of our currency, it is the duty of Congress, to aid, by all legitimate means in giving strength to New Orleans as a commercial depot.

4. That the fact that such is the demand for money in the South that the New Orleans, Opelousas, and Great Western Railroad Company are compelled to give ten per cent. for money, and allow twenty per cent. discount on their eight per cent. bonds, to enable that company to extend their railroad into Texas, should coerce Congress to authorize payment to be made to that company for mail service in the manner proposed, because with such a contract their road can be built without issuing first mortgage bonds.

5. As the Sabine and Rio Grande railroad will be an extension of the New Orleans and Opelousas railroad into Texas, and the purpose is to extend that road to Mazatlan in Mexico, and through Austin, and San Antonio, to the Southern Pacific railroad, which will be extended to Guaymas and San Francisco; there are other facts peculiar to the Southern Pacific, and the Sabine, and Rio Grande railroads, which recommend them to the consideration of Congress.

FIRST, IN REFERENCE TO THE SABINE AND RIO GRANDE RAILROAD.

It will be the main stem connecting the Pacific, at Mazatlan, and the interior of Mexico, with St. Louis and that part of the United States which lies east of Mississippi, also, with New Orleans; for this road being made to Mazatlan, the road from St. Louis through Little Rock and Fulton, in Arkansas, will be extended to Austin, and thus, the whole travel to Mexico from all parts of the United States east of the Mississippi, will pass over the Sabine and Rio Grande, which can be so constructed, that the time between New Orleans and Mazatlan will be less than forty-eight hours, which will command and concentrate upon New Orleans not only the bullion trade of Mexico, but that of California, Australia, and South America, as well as a very large part of the valuable trade of Asia, which will then prefer this route to all others.

A system of well-located railroads will tend to arrest the civil wars which have so long paralyzed the industry and commerce of Mexico, and by giving profitable employment to her people, create an interchange of the products of labor, promoting peace and good feeling with us as well as among themselves.

By removing all cause for disturbance, it will give peace to the frontier, and save to the government of the United States a large sum now disbursed for its protection.

AS TO THE SOUTHERN PACIFIC RAILROAD.

Its construction will not only furnish the most direct route to Guyamas and the southern part of New Mexico and Arizona, for a large part of the population east of the Mississippi, but it too will form a main stem upon which the roads from St. Louis to New Orleans will concentrate, and passing near the line of Mexico, and between Mexico and the Indians, who have been accustomed to make war upon Mexico, will enable the government to transport our troops and munition of war at so much less cost, and with so much greater celerity, that the saving in the pay of troops and other army expenditures alone will go far towards paying the interest on the sum required to insure the construction of this road, without reference to a proper compensation for mail service. Congress, in the large expenditures heretofore made for carrying the mails to California, admits that having colonized California, Oregon, and Washington, we are bound to protect our people, exposed as they are to the contingencies which lie in the future, and it is in reference to the defense of New Orleans and the Pacific States and the maintenance of friendly relations with Mexico, that the Southern Pacific railroad and the Sabine and Rio Grande are of importance second to none other in the Union. But it is urged that the Southern Pacific is a *southern* route, and by some, it is said that the advocates of a *northern* route will prefer defeating any measure which may insure the construction of a southern road, because they wish to strengthen and perpetuate the issue between free labor and slave labor, as a controlling element of party politics, and rely upon the increased free soil vote which the next census will give

them to secure for them such a preponderance in both houses of Congress, as to enable them to obtain such grants in aid of the northern road, as will secure its early completion, and confirm their sectional control of the government, by increasing their strength and adding to the bitterness of the sectional conflict. The undersigned is no alarmist; he yields to none in his earnest desire to preserve and perpetuate their union; he has an abiding confidence in the special Providence which has heretofore guarded and protected our interests; but he is admonished that to maintain our liberties, we must be ever vigilent, and he grieves to be compelled to say that the continued warfare on the rights and interests of the South, has created so strong a sentiment of distrust and resentment in that section, that it is the duty of Congress deliberately to consider the tendency toward dissolving the Union, which such a measure would have, for an idea may become a controlling fact.

The undersigned, therefore, leaving the Southern Pacific Railroad Company to act for themselves, proposes for the New Orleans, Opelousas, and Great Western Railroad Company, and the Sabine and Rio Grande Railroad Company, that within three years they will have completed a continuous line of railroad from New Orleans to the city of Austin, and that within two years thereafter, they will have completed a railway from Austin or San Antonio to the line of the Southern Pacific railroad, and that the Sabine and Rio Grande Railroad Company will within six years have completed their railroad to the Pacific ocean, the government advancing them, after the first two hundred miles of road shall have been completed, as compensation for carrying the mails on that part of their road which shall be in Louisiana and Texas, bonds, as proposed, at the rate of ten thousand dollars per mile, and upon the condition that at any time within thirty years, redeliver the bonds and cancel the contract, and that within one year from the date of their contract, they will carry a daily mail in coaches from Austin, in Texas, by way of El Paso, including the letter mail and government dispatches, for the sum of one hundred thousand dollars per month to be paid quarterly, the coaches to be superseded by railway as the railroads are completed; and in that case, five per cent. bonds at the rate of ten thousand dollars per mile, to be given to the New Orleans, Opelousas, and Great Western, and to the Sabine and Rio Grande Railroad Companies, for carrying the mail on so much of their lines as may be in Louisiana and Texas, and a corresponding deduction to be made from the payment for the service in coaches.

All of which is respectfully submitted.

DUFF GREEN.