

[Continued from first page]

It does not always follow that banks are unsound and unable to pay all demands against them, because they do not pay specie for their notes; yet unless explained to have been caused by some other means than the unsoundness of the institutions, it must operate much to the prejudice of their credit and standing.

In Pennsylvania there are fifty-two banks, with an aggregate capital of something more than sixty millions of dollars; but such has been the disregard of law by some of them, that they have not made any return; and the returns made by several of them are so very imperfect, that it is impossible to arrive at any thing like accuracy as to the amount of their circulation, specie, or debts due to them. But from the best data within my reach, the amount of their notes in circulation may be computed at not less than thirty-three millions of dollars, and the amount due and owing to them, principally by corporations and citizens of this commonwealth, is perhaps about seventy millions of dollars. This amount is due to these banks from individuals residing in all sections of the state, and engaged in all kinds of business. Stocks in our railroads, canals, turnpikes, etc., are held by some of these banks, and in the shape of subscriptions, bonuses, or dividends, they contribute largely to the general fund in the state treasury, and to the support of the common school system. Their charters expire at various periods between the present time and 1870, and the stock in them is owned by a great number of persons of all ages, classes, conditions, and pecuniary means. The capitalists of the country as well as those of moderate means, widows, orphans, and guardians, all own stock in our several banking institutions. From this cursory glance at the subject, it is evident that the business, interests, and banking institutions of the country are intimately connected together, and mutually exert a powerful influence on each other.

A more general and comprehensive view of this subject will show, that the banking system has been greatly extended throughout the whole union within the last twenty years, certainly to a greater degree, than the vastly increased business of all kinds would have seemed to warrant. The following tabular statement of the number of banks in the United States, with their capitals, loans, discounts, circulation and specie at three different periods, will illustrate, with great force, the progress of the system. It is manifest that the number of banks, with a corresponding increase of capital and circulation, has been fearfully augmented within a few years. Pennsylvania has contributed her full share, since 1835, to this increase.

Table with 4 columns: Yrs. No., Capital, Loans & Discounts, Specie. Rows for 1820, 1830, 1837 and 1820, 1830, 1837.

It is sometimes said that the whole banking system is but "an experiment," and that as such, it has failed to answer the expectations of its projectors; that it is time it was totally abrogated, and that Pennsylvania ought to take the lead in this great work of reform. It is certainly true, that the banking system of the United States is so far a mere experiment, as to be found in a state of constant change and fluctuation. No great elementary principles have yet been struck out by experience, to form a sound and stable basis to uphold and control it. Like the banking systems of all other parts of the world, imperfection characterizes nearly all its details, and abuses of the most flagrant sort have been coeval with its first establishment.

In legislating on this subject, however, we cannot close our eyes to the peculiar condition of the country. We must take things as we find them. We are not considering what would be the proper course if we were now about to introduce for the first time, a system of banking in Pennsylvania. That question was settled long ago, and by a constant and rapid progression, it has been entwining itself with every interest, and every measure of policy in this commonwealth. It has, for good or for evil, stamped its influence on every commercial, manufacturing, and agricultural interest among our citizens. Under the operation of this system, and on the faith of its continuance in some form, all our business has been undertaken our contracts between individuals entered into, and their debts contracted, our internal improvements commenced, and our vast state debt fastened on the people. Abrogate the entire system, and we know not into what condition it will plunge us. Real estate, and all commodities of commerce, agriculture, and manufactures, now bearing the highest paper price, must fall greatly in value, and by that fall in price, thousands of the enterprising and industrious of our fellow citizens will be irretrievably ruined. The ten years immediately following the last war with Great Britain, furnish us some instructive lessons on this subject, though very inadequate to portray the consequences that would follow the same causes in our present situation. And what heightens the evils anticipated, is the reflection, that the poor, and those in moderate circumstances, would be obliged to endure the blun of the hardships. The rich, being the creditors, have little to fear from such change in our system of currency; it is the debtor part of the community on whom the chief burden is cast. In adopting co-

ercive measures against the banks, it should not be forgotten, that the penal consequences do not fall on them alone. The vast number of individuals, from whom so many millions are due to these institutions, would feel most oppressively the blow. Nor would it be right or just to cast the great mass of innocent stockholders beyond the pale of legislative protection. The officers and directors, who are, in fact, chargeable with most, if not the entire blame, would readily screen themselves from it, elude the laws, take care of themselves, profit by the sufferings and losses of the innocent, and leave those to perish who had little, if any, active agency in producing the present state of things. This is a matter worthy of your most serious and deliberate consideration.

On reference to the history of all commercial nations, it will be found that every considerable fluctuation in the currency operates directly, and with greatest severity, on the laboring part of the community. While currency is in a state of transition from a dearer to a cheaper medium, the prices of wages are first affected, with an immediate corresponding change in the price of the necessities of life. Those who carry on extensive business operations of all kinds, are soon compelled to curtail or stop, and numerous industrious operatives are thrown out of employment, or compelled to resort to other occupations that they do not understand, for the means of supporting their families. Besides, though Pennsylvania might abrogate her banking system altogether, yet we have no assurance that other States would follow her example. It would be difficult, if not impossible, to prohibit their bank notes from circulation among us, and we should thus suffer the worst evils of the banking system, without its benefits; for the banks of other states would be situated beyond the reach of our legislation and control. I know of no other mode of securing uniform and contemporaneous action, on this important subject, among all the States of the Union, except through the agency of the general government; which, if not already possessed of the power necessary for that purpose, should be clothed with it by an amendment of the constitution.

There is an essential difference between the position of the citizens of our commonwealth, in a pecuniary point of view now, and that which characterized it in the years 1816, 1817, 1818, &c. It is true, that then, as now, the country was flooded with foreign goods, which low duties, and credit upon those duties, enabled foreigners to introduce, and thus create a large debt abroad. It is also true that then, as now, the banking capital, banking facilities, and banking issues, were increased beyond what the necessities of the country for the healthful transaction of its business required. But then the spirit of speculation had affected the agricultural, as well as other portions of the community. Now, however, our farmers are generally out of debt, and in flourishing circumstances; and it is the mercantile and manufacturing classes that have been principally suffering by the undue expansion of the credit system. But there is now an evil existing, of which we then knew nothing, and which does more than counterbalance the partial exemption from suffering of our agricultural interest. The contraction of enormous foreign debts by the States, for the purpose of internal improvements, and for the establishment of banks, &c., is of comparatively recent origin. This system of pledging the property and industry of posterity, for the payment of money obtained by the present generation, in each State, has chiefly grown up since the year 1820, and as the following statement, which I believe to be essentially correct, will show, has been surprisingly on the advance during the last four or five years. The amount of stock authorized to be created by eighteen States in each period of five years, from 1820 to 1838, was as follows, viz:

Table with 2 columns: Period (From 1820 to 1825, etc.), Amount (\$12,790,728 00, etc.).

This statement embraces all the stocks authorized to be issued up to, and including all but the last session of each State legislature. A correct statement of the stocks authorized to be issued, by all the states except our own, at the last session of their late legislature, I have been unable to procure. Of the foregoing stocks, it appears from the best inquiry I can make, that the following amounts have been obtained for the several objects stated, viz:—

Table with 2 columns: Object (For banking, For canals, etc.), Amount (\$52,640,000 00, etc.).

If we add to the above enormous amount of state stocks, owned almost entirely abroad, the post notes and bonds issued by banks, cities, railroad, canal and trust companies, and other corporations, to holders residing in Europe, we shall probably have a grand total of at least two hundred and twenty millions of dollars, bearing an annual interest of about 12,000,000 dollars. This latter sum must be paid to the European holders in specie or its equivalent, and may be justly regarded as one of the principal causes of our present monetary derangements. Little immediate relief can be expected from our exports. During the last few years they have been found totally inadequate to co-

ver the heavy importations into this country.

From 1820 to 1830, the imports into the United States exceeded the exports therefrom annually about the average sum of three and a half millions of dollars. Since the year 1830, our imports, including gold and silver coin, have exceeded our exports about twenty-four millions of dollars per year. It is perfectly clear that this system of operations must speedily end in the effectual prostration of our credit, business and resources. No nation, whatever may be its industry, vigor, and natural advantages, can maintain its prosperity and independence against such oppressive drawbacks as this is. It is true, the public debt of Great Britain is a manifold greater one than this, comparing the population and resources of the two nations; but the debt of Great Britain is chiefly due to its own subjects; the interest paid is retained at home, and continues to form a part of the capital of the country. The interest we pay, on the contrary, is paid to foreigners. It is withdrawn from among us, never to return unless in the shape of new loans to augment the drains on our capital.

Much has been said and written on the subject of our "credit system" within a few years past. It is one of unequalled eulogy by some, and of unequalled condemnation by others. By many, the banks have been regarded as the author of that system, and of course of all its mischiefs; and by others, as of course, the authors of all good. It is somewhat astonishing that this novel system of constructing canals and railroads, and of building towns and cities, and establishing banks by the instrumentality of state credit, as if done by magic, has not been accredited as one of the most potent agents in producing many of the recent phases and phenomena of the credit system. Had it not been for the support of credit, afforded to our bank speculators and merchants, by the sale of state stocks abroad, feeble and vain would have been the efforts of the banks to have created and sustained such an extent of paper circulation as we now find in the country—equally feeble and vain would have been the efforts of speculators to have procured such heavy amounts of foreign capital, to employ for purposes of wild speculation, and of our merchants to procure such unprecedented credits as have filled every store house in this country with goods and wares not paid for, while lying upon interest unsold. Did the amount to be loaned to our banks by foreign capitalists and to be trusted to our merchants by foreign manufacturers, depend on the mere credit of the banks, or the merchants themselves, it could rarely exceed one year's excess of importation or about twenty millions of dollars. But when the sovereign states volunteer as endorsers for the banks and corporations, and in effect draw their bills of exchange, by furnishing certificates of loans in favor of the merchants, this credit system becomes immeasurably extended, until it has at length reached to the astounding sum of more than two hundred millions of dollars.

The Bank have acted as the brokers, on a large scale, though whose agency the state loans have been negotiated with foreign capacities. But let the legislatures of the several states creating loans take to themselves the honor and responsibility of furnishing the chief element to sustain our cumbrous credit system. It is no doubt true, that the inordinate increase of banks of late years, has been partly produced by the immense accumulation of state credits, and has, in some degree, stimulated the action of the legislatures of the several states in authorizing the same by affording agents to negotiate and consummate to consume the avails of the stocks when negotiated.

Until within the last year, we have been able, not only to borrow money, without difficulty, on state stock in Europe, but to pay the interest arising on former loans, by new ones. We felt little of the inconveniences of this bloated system of credits, and seldom reflected that a day of reckoning would come, when we could thus pay our debts no longer. States, banks, corporations and individuals, all moved forward in harmonious union, borrowing all they could, and where ever they could, without reference to their future ability and means of payment. The delusion is at last over. State stocks are now an unsalable drug in foreign markets and we are called upon for the interest on our permanent loans, and having no means of paying it, unless we expect specie, rely on the remote avails of our agricultural productions, or dispose of more state stock at a ruinous sacrifice, if indeed we can dispose of it at all.

The time for sober reflection has arrived, and the different states must now determine whether they will, or not, persist in a course of policy which has thus far been productive of such serious evils. Shall the states of this Union plunge deeper into debt and embarrassments; or shall they make economy and prudence their motto resolve to extricate themselves as soon as possible, and be free? This is the question, and I trust Pennsylvania is ready to take her stand with those who follow the dictates of prudence and economy. A system of credit, acted on with caution, and sound judgment, is not only wise and judicious, but indispensable to an enlightened business community. The honesty, industry, and capacity of a poor man is his only capital, and unless it gives him credit where he is known, there is little practical difference between the condition of the honest and dishonest, the capable and the ignorant man. The sta-

tion of men in society, on the opposite principle, would be fixed by their birth, and merit would be regarded as a bootless qualification. This is not the doctrine of nature, or of our Declaration of Independence, and American system of government.

The credit system will be seldom abused in the case of individuals, but not so in that of corporations and governments. When men judge in their individual relations, they weigh things well, when as members of corporations and governments, their caution corresponds with their share of the responsibility. Our present condition illustrates the truth of this position, and calls aloud on the representatives of the people to pause and reflect. Let no more state debts, not indispensably necessary to preserve the faith and honor of the states, be contracted; let no certificates of loans be issued, and no commercial commodities be imported for a few years. We will thus overcome our present difficulties, and re-establish our credit at home and abroad. This is the only course directed by prudence and honesty.

I have thus at some length, brought to your view several considerations, essential to a just and full knowledge of the important subject of our finances. I have shown, I trust, that the leading causes of our present derangements, lie at the very foundation of our system of legislation for the last twenty years. The original defects and infirmities of our banking system, have been aggravated by our system of public credits, and must continue to be so, as long as the same course is pursued. It must be evident from what has been already said, that our banking system, however objectionable in its origin, is now fastened upon us, and continued with all our business operations, so that it would be productive of more mischief to cut it up by the roots, than to let it stand reformed and regulated in such manner as our experience and wisdom may enable you to devise.

I proceed to make such suggestions and recommendations on the subject, as appear to me to promise the most salutary influence and restrictions.—Presuming at the same time, that I do not flatter myself that the adoption of my recommendations would render the system perfect, or give universal satisfaction on this subject, upon which there are so many adverse opinions. It will be borne in mind I trust, that it is no difficult task to sit down in the closet and construct theories on the subject, beautiful and plausible in the abstract, without a full and comprehensive knowledge of their practicable operation; or to cavil at whatever is suggested, and to condemn what it is neither understood or disapproved. This is a feat that the weakest can, and the malicious will, perform. I have too much confidence in the present legislature, to suppose that their assaults will shake the independence or warp the judgment of its members. I regard such attempts as unworthy to be heeded, come they from what soever quarter they may. Freedom of opinion belongs to all, and I concede it to others with the same readiness that I claim it for myself. I only ask in this matter a just measure of credit, for the anxious and careful consideration I have bestowed upon it, with an eye single to arrive at the result best calculated to advance the public good.

The first object to be gained, by any recommendation I may make, or by any measures you may adopt, no doubt, is to secure an early resumption of specie payments by the banks, and to guard against a like suspension in future. This desirable end must be attained, on a judicious consideration of the subject, with due regard to its practicability, as well as to the wrongs and inconveniences the people endure.

As I have already stated, the N. York Banks continue to pay specie, as well as the Banks of several other states; indeed some Banks that had suspended have recently resumed. I believe the condition of most of our own Banks is as sound in reality as those of other states. They have as much specie in their vaults, as good debtors, and I know not why they should be less able and willing to meet demands upon them in coin. It is alleged that the notes issued by the authority of law, in some of the states, of a less denomination than \$5, have supplied the Banks with a substitute for specie, and that this has enabled them to hold out against suspension. Perhaps this opinion is to some extent well founded, and it is certainly countenanced by the fact, noticed by all who are conversant with the matter, that although the Banks of Pennsylvania have suspended specie payments since the 10th day of October last, yet we now find in actual circulation among our citizens, more specie than in those states where small notes are allowed to be issued, and their Banks continue to pay specie for their notes. This is a most conclusive proof of the utility of our own law prohibiting the issue and circulation of notes of a less denomination than \$5. Its tendency has been, as I believe, to place in the vaults of the Banks, and in the hands of private citizens of Pennsylvania, a greater amount of gold and silver coin than in any other State in the Union. I do not think it would be expedient to repeal that law, on the contrary I think provisions should be made to render its enforcement more effectual, and by which we should drive back, whence they came, the small notes of the neighboring States. They are debasing our circulation—they usurp the place of our specie—and they transfer to the issuers of them, large profits arising from their circulation in despite of our law. If we force them back upon those who put them forth, either Banks or other corporations, which are solvent, we shall get, or we

(Continued on second page)

Administrator's Notice.

ALL persons interested in the Estate of Jacob Miller, late of West township, Huntingdon county, deceased, are requested to present their claims to the undersigned, who is duly authorized to administer; and all persons indebted are requested to make immediate payment.

Said deceased has a brother, Samuel Miller, supposed to reside in Union Co., and a sister, now married, residing, it is believed, in Philadelphia, who are interested in said deceased's Estate, and this is to notify them, that the accounts must be settled before the coming spring. JACOB BRUBAKER, Admr's. West township, Huntingdon county, Dec. 4, 1839.

JUNIATA BRIDGE NOTICE.

The stock holders in the Juniata Bridge Company, are notified that the annual election will be held at the house of Christian Counts, in the borough of Huntingdon on Tuesday the 11th day of January next for the purpose of electing

1 President, 6 Managers and Treasurer and Secretary, to conduct the affairs of the said Company for the ensuing year. I. DORLAND, Secy. Huntingdon, Dec. 25, 1839.

ESTATE OF

Joel Pennock.

The Subscriber, appointed by the court of Common Pleas of Chester county, Trustee, in the place of Jesse Pusey, and others assignees of Joel Pennock, under a deed of voluntary assignment for the benefit of creditors, hereby gives notice, that the books of the said Joel Pennock, are in the hands of

Mr. John Taylor [At Chester Furnace.]

Who is authorized to make settlement and receive the balances which may be found to be due to the said estate. All persons therefore who have unsettled accounts with said estate, are requested to call immediately on Mr. Taylor, that they may be settled. P. FRAZER SMITH, Dec. 26, 1839.—71.

Wanted.

A good study, and industrious boy, to come well recommended, to learn the Gunsmith business; one that understood a little about the Blacksmith business would be preferred. None but a good study and well recommended boy need apply. THOMAS DUGLAS, AP Connelstown Nov. 27, 1839.

Notice.

I hereby give to those stockholders of the "Holidaysburg and Bedford Turnpike-road Company," who have up to the present time neglected to comply with the requisitions of the board, for the payment of instalments heretofore ordered; that the said instalments to fifteen dollars per share, shall be paid on or before the 15th of November, to J. W. Duncan, Bedford; or to Robert McNamara, or Alexander Knox jr. Newry. In failure whereof, suits are to be brought against all such delinquents. By order of the board J. W. DUNCAN, Secy. Oct 30, 1839.

JUNIATA

IRON WORKS,

Located on the Pennsylvania Canal, near Alexandria, Huntingdon county Pa. These works are now in active operation, manufacturing every variety of malleable Iron such as

Boiler Sheet, Flue and Tank Iron. BAR IRON OF ALL SIZES Round And Square.

All made out of the best Juniata Blooms and at the most favorable rates of the market.

The following are the sizes of the bar Iron, viz: 4 inches, 5 3/4—3—2 1/2—2—2, 1 1/2—1 1/4 and scollop; Horse shoes Bars, and carriage Tire, and all sizes of Round Bars.

CAR AXLES

Manufactured from the Bar—Warranted. All orders from a distance punctually attended to.

Samuel Hatfield, Alexandria, Huntingdon Co. Pa. Dec. 26, 1839.—1 y.

Last Notice.

ALL persons who know themselves indebted to the estate of Peter Swoope, deceased, are requested to call and discharge their accounts, as the accounts will be left in the hands of proper officers for collection, if not settled before the 1st day of February next, without respect to persons. JNO. SWOOPE, PETER SWOOPE, Wm SWOOPE, } Exrs. Huntingdon, Dec. 26, 1839.

Notice.

ALL persons indebted to John Savage will please immediately settle their accounts with the subscriber. And those having claims properly authenticated against him will present them for settlement to me at Mary Ann Forge, Troug Creek Huntingdon Co. A. B. CREWIT, Agent for John Savage. 17-N. B. Bar Iron for sale at Mary Ann Forge, Troug Creek, Oct 1839.

ADMINISTRATOR'S NOTICE

ALL persons indebted to the Estate of Anthony Beaver, deceased, late of Hopewell tp Huntingdon county are requested to make immediate payment, and those having claims against said Estate are requested to present them properly authenticated for payment to the undersigned.

ANTHONY BEAVER jr. } Admr JOHN BEAVER, Hopewell tp. Dec. 4, 1839.

CARRIAGE FOR SALE.



The undersigned offers at private sale, a new and elegant pleasure carriage (city built). Any person desirous of purchasing, can learn the terms, and see the carriage, by applying to DAVID SNARE, Hunt. Jan. 1, 1840.

STORAGE, FORWARDING, AND Commission Business.

THE undersigned having erected a new and extensive warehouse, on the Public basin at Petersburg, are prepared to receive all kinds of grain or merchandise; and upon the opening of the navigation, will have a convenient wharf erected.

The following will be their rates of Storage.

Table with 2 columns: Item (Merchandise per 2000 lbs, etc.), Rate (75, 5, etc.).

WHARFAGE.

Table with 2 columns: Item (Blooms per ton, etc.), Rate (25, 37 1/2, etc.).

All charges to be paid before the removal of the goods. All persons entrusting their business into their hands, may feel confident that it shall be attended to with care and punctuality; and any goods directed to their care, shall be forwarded as per order Steevens & Morrison, Petersburg, Hunt. Co. Pa. Jan. 1, 1840. Sm

Bargains for Cash

On and after the first day of January the Subscriber will sell at cost his stock of

MERCHANDISE.

CONSISTING OF Hardware, Queensware, Dry Goods and Groceries

at his stand in Petersburg, where the public are invited to call and examine for themselves.

Wm. Walker. N. B. Persons having accounts with the Subscriber will please call and settle them on or before the 20th of March next. W. W. Dec. 26th 1839.—3t

HOLLIDAYSBURG AND BEDFORD TURNPIKE.

NOTICE is hereby given to the Stockholders of the Holidaysburg and Bedford Turnpike Company, that a fourth instalment of fifteen dollars per share (making the entire balance of the stock remaining to be called for) shall be paid on or before the 9th day of January next, to J. W. Duncan, Bedford; or Robert McNamara, or Alexander Knox, Newry. The board of Managers have also made it the duty of the President or Secretary, to bring suits in the name of the Company against all delinquents who shall have failed to comply with this and other like requisitions heretofore made. By order of the Board, J. W. DUNCAN, Secretary. Dec. 11, 1839.

NOTICE TO COLLECTORS

IN all payments hereafter made by the Collectors of county tax TEN PER CENT will be required in SILVER. This rule has been adopted through absolute necessity and will be dispensed with only in cases where a compliance with it would be of serious inconvenience to the tax-payer or collector. DAVID BLAIR, Treasurer's office Huntingdon, Dec. 11, 1839.