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~~Waltham~~

Plan for reducing the circulating medium (180)

The profusion of circulating medium which raised the prices of every thing to several times their ordinary and standard value in this state of things, and heavy debts were contracted; and the sudden withdrawal of too great a proportion of that medium, & reduction of prices far below that standard, constitute the disorder under which we are now laboring, and which must end in a general depression of property if some remedy is not applied. That remedy is a gradual reduction of the medium to its standard level, that is to say, to the level which a metallic medium will always find for itself, so as to be in equilibrium with that of the nations with which we have commerce.

To effect this

Let the whole of the present paper medium be suspended in its circulation after a certain and not distant day.

Ascertain by proper enquiry the greatest sum of it which has at any one time been in actual circulation.

Take a certain term of years for its gradual reduction.

5. years. then let the solvent banks issue $\frac{5}{10}$ of that sum

to be attested by a public officer, as a security that the paper is issued, and to be given out in exchange,

and the surplus in discount.

Let $\frac{1}{5}$ of these notes bear on their face that the bank will pay

with specie at the end of 1. year, another $\frac{1}{5}$ at the end of 2.

a third $\frac{1}{5}$ at the end of 3. years, and so of the 4th and 5th are

sure to be brought in at their respective periods of redemption.

Make it a high offence to receive or pass within this state a note of

there is little doubt that our banks will agree readily to this operation.

if they refuse, declare their charters forfeited by their former irregularities and give summary process against them for the suspended notes.

The bank of the US will probably concur also. if not, then
and join in the states in respectful, but firm applications ^{to Congress}
to concur in compelling a tribunal, (a ^{special} convention e.g.) for
settling amicably the question of their right to institute a bank,
and that the states to do the same.

Some laws to regulate the executions, and their discharge at five
percent, and the states to be accommodated to these measures.
In the state and national governments the power of
instituting any paper bank. for without this interdiction, we
shall have the same ebbs and flows of medium, and the same re-
volutions of property to go thro' every 20. or 30. years.

In this way, the value of property, keeping pace nearly with the sum of circula-
ting medium, will descend gradually to its proper level, at the rate of about $\frac{1}{5}$
every year; the sacrifices of what shall be sold for payment of the first instal-
ments of debts will be moderate, and time will be given for economy & industry
to be made in aid of those subsequent. certainly no nation ever before at an

and jugglings of private individuals to regulate, according
to the quantum of circulating medium for the nation, to inflate,
and then to buy up that property,
first withdrawn the floating medium which might en-
in purchase, yet this is what has been done, & will be done,
directing hand of the legislature. The evil has been produced
of this ruinous machinery of banks, and justice, wis-
dom that they should interpose and arrest it before the schemes
of population desolate the country. it is believed that Hays
boarding their money to commence these scenes on the sepa-
ration of the legislature; and we know that lands have been already
sold under the hammer for less than a year's rent.