

# THE TEMPER TANTRUM

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“If paper be used as the chief medium of circulation, and the power vested in the Government of issuing it at pleasure, ***PRICES ARE EXPOSED TO CONSTANT FLUCTUATIONS AND INDUSTRY TO SEVERE SUFFERING.*** The augmentation of the circulating medium, consisting almost exclusively of paper, produced a most fatal delusion.”---Inaugural address, President John Tyler, April 9, 1841

“The political party which should be so blind to the true interests of the country as to resort to such an expedient would inevitably meet with final overthrow in the fact that the moment the paper ceased to be convertible into specie it would become worthless, and would dishonor the Government, involve the people in ruin and such political party in hopeless disgrace. Such a view involves ***THE UTTER IMPOSSIBILITY OF FURNISHING ANY CURRENCY OTHER THAN THAT OF THE PRECIOUS METALS***; for if the Government itself cannot forgo the temptation of excessive paper issues what reliance can be placed in corporations upon whom the temptations of individual aggrandizement would most strongly operate? --- President John Tyler, 2<sup>nd</sup> Annual Message, December 6, 1842.

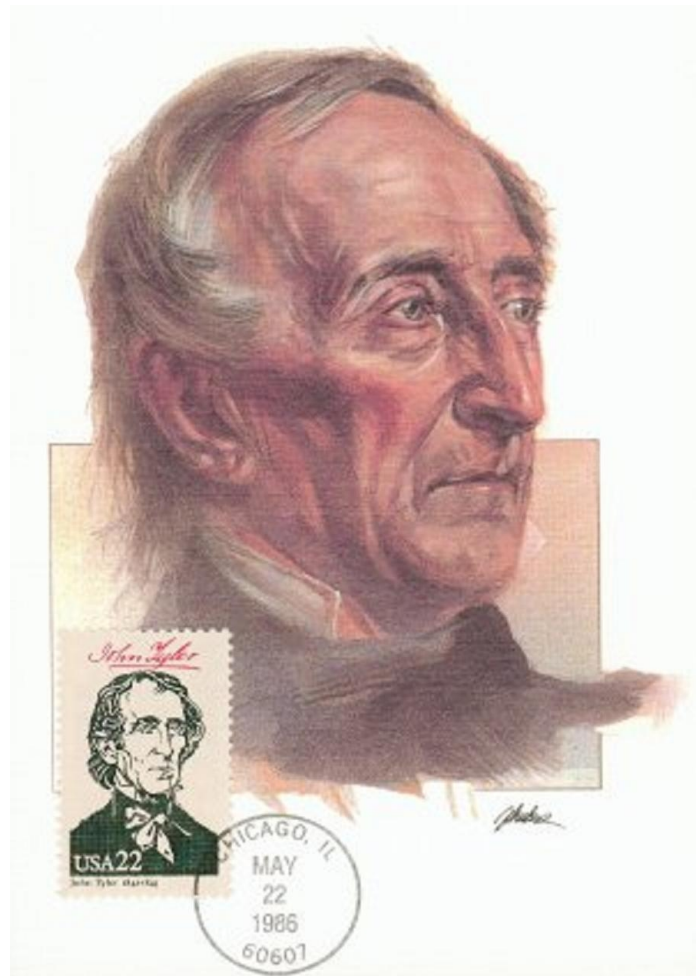
“***THE DELUSION INCIDENT TO AN ENORMOUSLY EXCESSIVE PAPER CIRCULATION***, which gave a fictitious value to everything and stimulated adventure and speculation to an extravagant extent, has been happily succeeded by the substitution of the precious metals and paper promptly redeemable in specie; and thus false values have disappeared and a sounder condition of things has been introduced. This transition, although intimately connected with the prosperity of the country, has nevertheless been attended with much embarrassment to the Government in its financial concerns.”---President John Tyler, 3<sup>rd</sup> Annual Message, December 6, 1843.

“It must also be a matter of unmingled gratification that under the existing financial system (resting upon the act of 1789 and the resolution of 1816) the currency of the country has attained a state of perfect soundness; and the rates of exchange between different parts of the Union, which in 1841 denoted by their enormous amount the great depreciation and, in fact, worthlessness of the currency in most of the States, are now reduced to little more than the mere expense of transporting specie from place to place and

the risk incident to the operation.”---President John Tyler, 4<sup>th</sup> Annual Message, December 3, 1844

***“A CURRENCY NEARLY UNIFORM IN ITS VALUE HAS TAKEN THE PLACE OF ONE DEPRECIATED AND ALMOST WORTHLESS.***

Commerce and manufactures, which had suffered in common with every other interest, have once more revived, and the whole country exhibits an aspect of prosperity and happiness. Trade and barter, no longer governed by a wild and speculative mania, rest upon a solid and substantial footing, and the rapid growth of our cities in every direction bespeaks most strongly the favorable circumstances by which we are surrounded.”---President John Tyler, 4<sup>th</sup> Annual Message, December 3, 1844---



This month I wish to present details concerning one of the Presidents who was actually good for the country, John Tyler (born at Greenway, Virginia on March 29, 1790 passed away at Richmond, Virginia on January 18,

1862). He was interred at Hollywood Cemetery in Richmond, probably an old corruption of "Holy Woods." He served from April 4, 1841 through March 4, 1845 as our tenth President. He was the third President after the great Andrew Jackson. William Henry Harrison preceded Tyler. Before Harrison was Martin Van Buren. Van Buren was Jackson's vice president and had the same gold and silver monetary convictions as Jackson. Not to stray away from the discussion of Tyler, but since he also was attacked by the press for halting the plans of the Money Power, we can consider that shortly before his first inauguration in March of 1829 Jackson's wife Rachel died of a stroke. Jackson blamed John Quincy Adams and Henry Clay for causing her death. He reasoned that they were responsible because of the intense, personal mud-slinging campaign the two sides fought. Adams and Clay contended that the Jacksons had lived in sin while awaiting Mrs. Jackson's divorce from her estranged husband, Lewis Robards Adams and Clay also brought accusations of Jackson's alleged corruption, having lavish expenditures and having committed "every crime, offense, and impropriety that man was ever known to be guilty." ("The Complete Memoirs of Andrew Jackson, Seventh President of the United States," published at Philadelphia in 1878 by Claxton, Remsen & Haffelfinger, page 340.)

Tyler was the first President to be born after the signing of our Declaration of Independence, and served in the defense of Richmond in the War of 1812 against the invading British. He graduated from the College of William and Mary in 1807 and served as its chancellor in 1825. He was elected to the U.S. House of Representatives and served 1817-1821. He moved up to the Senate in 1826 and according to [www.senate.gov](http://www.senate.gov) ---

"He actively opposed legislation designed to implement Henry Clay's "American System," linking a federally sponsored network of canals, railroads, and turnpikes with a strong central bank and protective tariffs in an alliance that seemed designed to unite the North and West at the South's expense."

He was an Episcopalian. The city of Tyler, Texas (85,000 population) was named for him; nearby Jacksonville, for Andrew Jackson. He had fifteen (15) children by two wives, his last child being born in the same year of his death. Lyon G. Tyler, born in August 1853, became president of the College of William and Mary. In February 1861, Tyler chaired a last-ditch conference in Washington, trying to prevent the Civil War. During his

Presidential administration, he warned Mexico against trying to retake Texas. Perhaps in some other fashion, that goal has now been achieved, thanks to the desire of our wealthy behind the scenes leaders of The Pilgrims Society and their dream that our standard of living be reduced to that of medieval serfdom.

At the close of his administration Tyler opted to not run for the Presidency. His intent was to deny Henry Clay the White House by not splitting the vote so as to favor Clay, and James K. Polk was elected. Polk was Speaker of the House, 1835-1839 and a key lieutenant of President Jackson in the so-called "Bank Wars." Polk was the last Jacksonian President, 1845-1849. Tyler did the nation another great service by stepping aside so as to insure that another worthwhile President would win office! It wasn't that Tyler was unpopular with the common man, but rather to not have to deal with accusations that he attained the Presidency unfairly in 1841, that Tyler stepped aside. Tyler was really a class act; but not quite equal to Jackson!

This essay is called The Temper Tantrum in reference to the veto Tyler used to squelch another attempt at creating a British controlled central bank. It was expected that he was going to sign the bill. When he did not, a violent protest took place outside the White House, staged by agents of the Money Power. They staged The Temper Tantrum. I have conducted a semi-thorough search of publications from that era, some available on the web, some only in old dusty bound volumes, and came up with zero as far as written accounts of that demonstration. The reason is probably, it was "blacked-out" as to national coverage. The same publications influenced by the former second Bank of the United States, were supporting a new central bank. They had no wish to publicize unruly conduct on the part of bank supporters!

John Tyler studied law with his father, also named John Tyler (1747-1813). The senior Tyler was Governor of Virginia, 1808-1811 after having served as a magistrate. The son got elected to the United States House of Representatives and the Senate, and frequently attended parties hosted by Dolly Madison. He subsequently became Governor of Virginia, 1825-1827. While Tyler was in the Senate he became displeased with the way Jackson handled the so-called South Carolina Nullification Issue. This concerned that state's passing of a statute legalizing its nullification of Federal laws it considered Unconstitutional. Tyler was a strong states rights Democrat, and gravitated towards the Whig party over the dispute with Jackson, who

supported the view that one state cannot neutralize Federal law. Tyler reluctantly supported Jackson's reelection in 1832 but became furious when Jackson threatened to use federal force against South Carolina when the state renounced federal tariffs. Twice he piercingly condemned the President on the Senate floor for what he considered the President's abuse of executive power. Disgusted with Jackson, Tyler teamed up with Henry Clay and Daniel Webster to form the new Whig Party. Tyler was vice presidential running mate to William Harrison during the 1840 campaign on the Whig Party ticket. Corrupted historical sources have represented that Martin Van Buren's administration caused the country fiscal distress, when in truth it was the united front of the banks, acting in collusion with British sources, who caused the disruption in spring 1837 by halting specie payments. These sources usually also claim that the slide into depression was started by Jackson's death blow to the central bank. They are loath to acknowledge that the Jackson administration closed with a surplus in federal coffers, and that his hard money policies were stabilizing the nation. Harrison was publicized as an unassuming frontiersman, a so-called "Log Cabin and Hard Cider" candidate. The fact was, Harrison was wealthy, highly educated, and from Virginia's old-line ruling class. On March 4, 1841, Harrison took the oath of office, and delivered a long inaugural address on that very cold and windy day. He became ill, gradually worsening into pneumonia and other complications, and passed away on April 4, 1841. Tyler then ascended to the Presidency, taking the oath of office on April 6, 1841, administered to him by Judge William Cranch of the U.S. Circuit Court for the District of Columbia---



Judge Cranch was the magistrate who presided over the jailing and trial of Richard Lawrence, the Englishman sent by the British to gun down Andrew Jackson over his opposition to rechartering the second Bank of the United States. Tyler's critics called him "the accidental President" and "Acting President;" "His Ascendancy" and "His Accidency," due both to Harrison's bad luck and the fact that Tyler turned on the Whig Party platform. The House and Senate both passed resolutions acknowledging that Tyler was President, not merely acting President. The 25<sup>th</sup> Amendment, clarifying that upon the passing or departure of a President, the vice president shall become President, was not ratified until 1967. Still, many refused to take Tyler seriously as President. Tyler twice vetoed Henry Clay's legislation for renewing a central bank (after Jackson broke the previous bank). Tyler used his veto power ten times in his term, and was overridden just once, concerning a military appropriation. So outraged were the Whig Party members at Tyler's actions that they expelled him from their party, though of course he remained President. The Whigs called for his impeachment, but all they could get was a censure resolution from one committee. Nearly all his cabinet members resigned in protest of his veto of Clay's bank bill, but that was only good riddance. They were the original cabinet members selected by Harrison. Tyler retained them in an attempt to not estrange those voters who regarded him as merely an interim or acting President. Tyler's final act as President in 1845 was the annexation of the Republic of Texas into the United States. After Tyler left the Presidency, he returned to his residence called "Walnut Grove" in Virginia near the James River. He then

renamed it “Sherwood Forest,” indicating how the Whig Party attempted to portray him as an outlaw---when all he did was to block their attempt at nationwide banditry!

A handwritten signature in cursive script that reads "John Tyler". The signature is written in dark ink on a plain white background.

On July 28, 1841, the Senate narrowly passed the so-called “Fiscal Bank Bill.” It’s instructive that terminology is so often used to deceive the public on financial matters. The bill would have created the “Fiscal Bank of the United States,” which was an absolute carbon copy clone of the second Bank of the United States, which as we have abundantly seen, was crushed into powerlessness by the bulldozer willpower of President Andrew Jackson. The Fiscal Bank of the United States was described as a “Federal financial institution” (yeah right) and it would have been based in Washington, D.C. (as the Federal Reserve is today, except that the Fed’s real offices are in New York and London). According to [www.kipnotes.com/John%20Tyler.htm](http://www.kipnotes.com/John%20Tyler.htm) ---

“August 16, 1841 --- Former Whig ally President John Tyler vetoed a bill that would have established the Second Bank of the United States; sparked a riot outside the White House, as incensed--and drunk--members of the Whig party bombarded the White House with stones, fired their guns in the air and burned Tyler in effigy - the most violent demonstration ever held outside the White House. In response the government formed the District of Columbia's police force.”

Other sources attribute the formation of the D.C. police force to other causes. Since this essay is not concerned with that organization, we will not attempt to resolve that question. It is possible that if the other sources are incorrect, it is an attempt to draw attention away from the fact of the attempt to fasten another British-modeled central bank on our country. When Tyler was 21, he became a member of the State of Virginia House of Delegates (their legislature), in 1811, serving five terms. Immediately he began to campaign against the Bank of the United States. According to his profile at the U.S. Senate website---

“He earned early acclaim through his work in persuading the house to pass a resolution censuring Virginia's two U.S. senators for their refusal to follow the legislature's "instructions" to vote against the recharter of the Bank of the United States.”

That part of his history was certainly known to the Whig Party. However, they interpreted that his dispute with Jackson over the South Carolina controversy as meaning that he had come over to all their agenda. It may have confused the Whigs that although Tyler supported Jackson's first successful Presidential campaign, Tyler did not support Jackson's removal of government funds from the second Bank of the United States. In fact, Tyler voted for censuring Jackson over that action. Well, was Tyler on our side, or not? Maybe he was confused, or maybe he thought there was a better way. Maybe Tyler thought the Bank's business needed to be wound down gradually, rather than abruptly. In this case, I am certain that Jackson made all the right moves. In any case, Tyler was never expected to become President---that Harrison would have signed the new Trojan Horse bank bill was about 100% certain.

Since frequently vice presidents go on to become President, Tyler was a ticking time bomb for the Whigs, who blundered badly trusting Tyler. The time bomb exploded when Harrison was taken out of office by Act of God. The Whig Party existed from 1833 to around 1860. It was formed mainly to oppose Andrew Jackson's policies. The Whigs were named after the Whig Party in England. Ironically, although many American Whig members served America in the War of 1812, their support for a British inspired national bank was either treachery, or a misguided conclusion. More likely, it was just greed---they were being cut in on the action as a reward for pushing the bill through. Rather than run for re-election, Tyler withdrew from the campaign in a gamble to help James K. Polk defeat Henry Clay, a Whig leader from Kentucky and strong supporter of a national bank. The gamble paid off and Polk was elected. The only other Whig President to be elected was Zachary Taylor, who also died in office in 1850.

President Tyler sent the following veto message (excerpts) to the Senate on August 16, 1841---

“The bill entitled, “An act to incorporate the subscribers to the Fiscal Bank of the United States,” which originated in the Senate, has been considered by me with a sincere desire to conform in my action in regard to it to that of the two Houses of Congress. By the Constitution it is made my duty to either



approve the bill by signing it or to return it with my objections to the House in which it originated. I cannot conscientiously give it my approval, and I proceed to discharge the duty required of me by the Constitution---to give my reasons for disapproving.”

“The power of Congress to create a national bank to operate over the Union has been a question of dispute from the origin of the Government. Men most justly and deservedly esteemed for their high intellectual endowments, their virtue, and their patriotism have in regard to it entertained different and conflicting opinions; Congresses have differed; the approval of one President has been followed by the disapproval of another; the people at different times have acquiesced in decisions both for and against. The country has been and still is deeply agitated by this unsettled question. It will suffice for me to say that my own opinion has been uniformly proclaimed to be against the exercise of any such power by this Government.”

“On all suitable occasions during a period of twenty five years the opinion thus entertained has been unreservedly expressed. I declared it in the legislature of my native State; in the House of Representatives of the United States it has been openly vindicated by me; in the Senate Chamber, in the presence and hearing of many who are at this time members of that body, it has been affirmed and reaffirmed in speeches and reports there made and by votes there recorded; in popular assemblies I have unhesitatingly announced it, and the last public declaration which I made---and that but a short time before the late Presidential election---I referred to my previously expressed opinions as being those then entertained by me. With a full knowledge of the opinions thus entertained and never concealed, I was elected by the people Vice-President of the United States.”

“By the occurrence of a contingency provided for in the Constitution and arising under an impressive dispensation of Providence I succeeded to the Presidential office. Before entering upon the duties of that office I took an oath that I would “preserve, protect, and defend the Constitution of the United States.” Entertaining the opinions alluded to and having taken this oath, the Senate and the country will see that ***I COULD NOT GIVE MY SANCTION TO A MEASURE OF THE CHARACTER DESCRIBED WITHOUT SURRENDERING ALL CLAIM TO THE RESPECT OF HONORABLE MEN, ALL CONFIDENCE ON THE PART OF THE PEOPLE, ALL SELF RESPECT, ALL REGARD FOR MORAL AND RELIGIOUS OBLIGATIONS***, without an observance of which no

government can be prosperous and no people can be happy. It would be to commit a crime which I would not willfully commit to gain any earthly reward, and which would justly subject me to the ridicule and scorn of all virtuous men.”

“In looking to the powers of this Government to collect, safely keep, and disburse the public revenue, and to regulate commerce and exchanges, I have not been able to satisfy myself that the establishment by this Government of a bank of discount in the ordinary acceptation of that term was a necessary means or one demanded by propriety to execute those powers. What can the local discounts of the bank have to do with the collecting, safe keeping, and disbursing of the revenue? So far as the mere discounting of paper is concerned, it is quite immaterial to this question whether the discount is obtained at a State bank or a United States bank. Let the history of the late United States Bank aid us in answering this inquiry.”

“For several years after the establishment of that institution it dealt almost exclusively in local discounts, and during that period the country was for the most part disappointed in the consequences anticipated from its incorporation. A uniform currency was not provided, and in 1820 its embarrassments had become great. It had up to that period dealt to but a very small extent in exchanges, either foreign or domestic. A very rapid augmentation soon after occurred, and in 1833 its dealings in exchanges amounted to upward of \$100,000,000, including the sales of its own drafts. The circulation was increased to more than \$22,000,000 **AND THE NOTES OF THE BANK WERE REGARDED AS EQUAL TO SPECIE.**

Notwithstanding the immense transactions of the bank in the purchase of exchange, the losses sustained were merely nominal, while in the line of discounts the suspended debt was enormous and proved **MOST DISASTROUS TO THE COUNTRY. ITS POWER OF DISCOUNT HAS IN FACT PROVED TO BE A FRUITFUL SOURCE OF FAVORITISM AND CORRUPTION**, alike destructive to public morals and to the general wealth.”

“The capital invested in banks of discount in the United States, created by the States, at this time exceeds \$350,000,000, and if the discounting of local paper could have produced any beneficial effects the United States ought to possess the soundest currency in the world; but the reverse is lamentably the fact.”

“I regard the bill as asserting for Congress the right to incorporate a United States bank with power to establish offices of discount and deposit in the several States of this Union with or without their consent---a principle to which I have always heretofore been opposed and which can never obtain my sanction; and waiving all other considerations growing out of its other provisions, I return it to the House in which it originated with these objections to its approval.”

Tyler vetoed the bank bill, giving his objections to it based upon proposed violations of states rights. When he mentioned, “waiving all other considerations growing out of its other provisions.” He was declaring that the fact of violating states rights was enough reason for his veto. It doesn’t necessarily mean he approved of the other provisions. In view of his statements concerning precious metals as currency, combined with the paper-hanging activities of the second Bank of the United States (abolished in 1836), rest assured that President Tyler had additional objections to the proposed Fiscal Bank. Here are excerpts from Tyler’s veto message on this bill, sent to the House of Representatives, dated September 9, 1841---

“It is with extreme regret that I feel myself constrained by the duty faithfully to execute the office of President of the United States and to the best of my ability to “preserve, protect, and defend the Constitution of the United States” to return to the House in which it originated the bill “to provide for the better collection, safe-keeping, and disbursement of the public revenue by means of a corporation to be styled the Fiscal Corporation of the United States,” with my written objections.”

“In my message sent to the Senate on the 16<sup>th</sup> day of August last, returning the bill “to incorporate the subscribers to the Fiscal Bank of the United States,” I distinctly declared that my own opinion had been uniformly proclaimed to be against the exercise “of the power of Congress to create a national bank to operate per se over the Union,” and entertaining that opinion, ***MY MAIN OBJECTION TO THAT BILL WAS BASED UPON THE HIGHEST MORAL AND RELIGIOUS OBLIGATIONS OF CONSCIENCE AND THE CONSTITUTION.*** I readily admit that whilst the qualified veto with which the Chief Magistrate is invested should be regarded and was intended by the wise men who made it a part of the Constitution as a great conservative principle of our system, without the exercise of which on important occasions a mere representative majority might urge the Government in its legislation beyond the limits fixed by its framers or might exert its just powers too hastily or oppressively, yet it is a

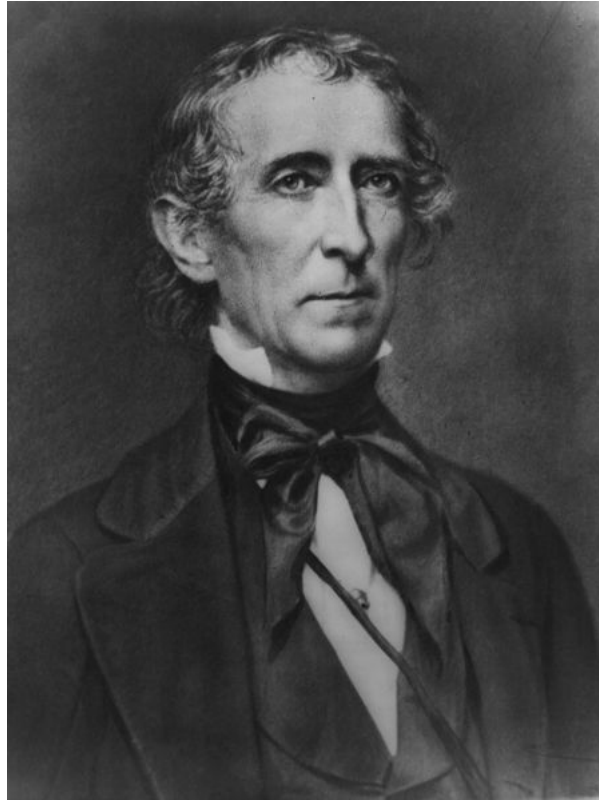
power which ought to be most cautiously exerted, and perhaps never in a case eminently involving the public interest or one in which the oath of the President, acting under his convictions, both mental and moral, imperiously requires its exercise.”

Tyler knew that a central bank was unconstitutional. He also had to have known from his attorney training and early legislative experience, that the designers of the Constitution knew exactly what the old Bank of England, founded in 1694, was all about. “The Bank hath benefit of interest on all monies which it creates out of nothing,” was the old phrase descriptive of the B of E! And wow, Johnny! That was a fine example of a run-on sentence you provided for English teachers, all 122 words of it, with which you finished the above paragraph! Still, it was decent of Tyler to comment that he was not a President who exercised veto power frivolously.

“In such a case he has no alternative. He must either exert the negative power entrusted to him by the Constitution chiefly for its own preservation, protection, and defense, ***OR COMMIT AN ACT OF GROSS MORAL TURPITUDE.***”

Turpitude, one of our lesser-used words, means “corrupt, depraved or degenerate.” President Tyler was stating for the historical record that to launch another central bank (national bank) would be “corrupt, depraved and degenerate,” adjectives that apply well to the Federal Ripoff System.

President John Tyler, central banking opponent---



“Mere regard to the will of a majority must not in a constitutional republic like ours control this sacred and solemn duty of a sworn officer. The Constitution itself I regard and cherish as the embodied and written will of the whole people of the United States. It is their fixed and fundamental law, which they unanimously prescribe to the public functionaries, their mere trustees and servants. This their will and the law which they have given us as the rule of our action have no guard, no guaranty of preservation, protection and defense, but the oaths which the people shall shield it by their own sovereign will, which has made the Constitution supreme. It must be exerted against the will of a mere representative majority or not at all. It is alone in pursuance of that will that any measure can reach the President, and to say that because a majority in Congress have passed a bill he should therefore sanction it is to abrogate the power altogether and to render its insertion in the Constitution a work of absolute supererogation.”

That last word means “an effort above and beyond the call of duty.” Luckily for America, Tyler was not shy about giving offense, because he knew his veto would loose the enraged hornets.

“The duty is to guard the fundamental will of the people themselves from change or infraction by a majority in Congress; and in that light alone do I

regard the constitutional duty which I now discharge. Is this bill now presented for my approval or disapproval such a bill as I have already declared could not receive my sanction? Is it such a bill as calls for the exercise of the negative power under the Constitution? **DOES IT VIOLATE THE CONSTITUTION BY CREATING A NATIONAL BANK TO OPERATE OVER THE UNION?** Its title describes its general character. It is “an act to provide for the better collection, safe-keeping, and disbursement of the public revenue by means of a corporation to be styled the Fiscal Corporation of the United States. It is plainly national in its character.”

The United States already had a Treasury Department to perform such functions. The British were determined to fasten another central bank on their “rebel colonies.”

“Its powers, functions, and duties are those which pertain to the collecting, keeping, and disbursing the public revenue. The means by which these are to be exerted is a corporation to be styled the Fiscal Corporation of the United States. It is a corporation created by the Congress of the United States, to perform the fiscal purposes, meet the fiscal wants and exigencies, supply the fiscal uses, and exert the fiscal agencies of the Treasury of the United States. Such is its own description of itself. Do its provisions contradict its title? They do not. It is true that by its first section it provides that it shall be established in the District of Columbia; but the amount of its capital, the manner in which its stock is to be subscribed for and held, the persons and bodies, corporate and political, by whom its stock may be held, the appointment of its directors and their powers and duties, its fundamental articles, especially that to establish agencies in any part of the Union, the corporate powers and business of such agencies, the prohibition of Congress to establish any other corporation with similar powers for twenty years, with express reservation in the same clause to modify or create any bank for the District of Columbia, so that the aggregate capital shall not exceed five millions, without enumerating other features which are equally distinctive and characteristic, clearly show that **IT CAN NOT BE REGARDED AS OTHER THAN A BANK OF THE UNITED STATES**, with powers seemingly more limited than have heretofore been granted to such an institution.”

Bravo, President Tyler! You really proved you truly were an attorney with that last run-on sentence, all 169 words of it; an increase of about 38.5% over the previous example! But this is not a proper forum to nit-pick over

usage of the English language. Notice he concluded that the powers to be granted to the proposed Fiscal Bank or Fiscal Corporation of the United States were “seemingly more limited” than that of its infamous predecessor, the notorious second Bank of the United States. Behind that word “seemingly” were the scoundrels back of the legislation hiding. The language of the bill was such that it seemed less powerful than the bank that Andrew Jackson left in ruins. The financiers are never short on trickery! By the way, in researching for this essay, I discovered that Andrew Jackson was a party to no less than eight (8) duels. If a bullet whizzing towards him would not make him back down, why would he fear any lousy paper spewing bank?

“It operates per se over the Union by virtue of the unaided and, in my view, assumed authority of Congress as a national legislature, as distinguishable from a bank created by Congress for the District of Columbia as the local legislature of the District. Every United States Bank heretofore created has had power to deal in bills of exchange as well as local discounts. Both were trading privileges conferred, and both were exercised by virtue of the aforesaid power of Congress over the whole Union. The question of power remains unchanged without reference to the extent of privilege granted. If this proposed corporation is to be regarded as a local bank of the District of Columbia, invested by Congress with general powers to operate over the Union, it is obnoxious to still stronger objections. It assumes that Congress may invest a local institution with general or national powers.”

“With the same propriety that it may do this in regard to a bank of the District of Columbia it may as to a State bank. Yet who can indulge the idea that this Government can rightfully, by making a State bank its fiscal agent, invest it with ***THE ABSOLUTE AND UNQUALIFIED POWERS CONFERRED BY THIS BILL?*** When I look at the details of the bill, they do not recommend it strongly to my adoption. A brief notice of some of its provisions will suffice. First---it may justify substantially a system of discounts of the most objectionable character. It is to deal in bills of exchange drawn in one State and payable in another without any restraint. The bill of exchange may have an unlimited time to run, and its renewability is nowhere guarded against. ***IT MAY, IN FACT, ASSUME THE MOST OBJECTIONABLE FORM OF ACCOMODATION PAPER. IT IS NOT REQUIRED TO REST ON ANY ACTUAL, REAL, OR SUBSTANTIAL EXCHANGE BASIS.***”

According to President John Tyler, the most objectionable form of paper money, or bills of exchange, is that which we are all too unpleasantly acquainted with---fiat currency or synthetic money. The “actual, real or substantial exchange basis” to which he referred, is precious metal, or specie (coined gold and silver money).

“A drawer in one place becomes the acceptor in another, and so in turn the acceptor may become the drawer upon a mutual understanding. It may at the same time indulge in mere local discounts under the name of bills of exchange. A bill drawn at Philadelphia on Camden, New Jersey, at New York on a border town in New Jersey, at Cincinnati on Newport, in Kentucky, not to multiply other examples, might, for anything in this bill to restrain it, become a mere matter of local accommodation. Cities thus relatively situated would possess advantages over cities otherwise situated of so decided a character as most justly to excite dissatisfaction.”

“Second---there is no limit prescribed to the premium in the purchase of bills of exchange, thereby correcting none of the evils under which the community now labors and operating most injuriously upon the agricultural States, in which the irregularities of rates of exchange are most severely felt.

Nor are these the only consequences. ***A RESUMPTION OF SPECIE PAYMENTS BY THE BANKS OF THOSE STATES WOULD BE LIABLE TO INDEFINITE POSTPONEMENT***; for as the operation of the agencies of the interior would chiefly consist in selling bills of exchange, and the purchases could only be made in specie or the notes of banks paying specie, the State banks would either have to continue with their doors closed ***OR EXIST AT THE MERCY OF THIS NATIONAL MONOPOLY OF BROKERAGE***. Nor can it be passed over without remark that whilst the District of Columbia is made the seat of the principal bank, its citizens are excluded from all participation in any benefit it might afford by a positive prohibition on the bank from all discounting within the District.”

There was nothing about the proposed Fiscal Bank of the United States that would have the slightest tendency to strengthen the use of Constitutional money---precious metals, and John Tyler recognized that hopeless problem.

“These are some of the objections which prominently exist against the details of the bill. Others might be urged of much force, but it would be unprofitable to dwell upon them. Suffice it to add that this charter is designed to continue for twenty years without a competitor; that the defects to which I have alluded, being founded on the fundamental law of the

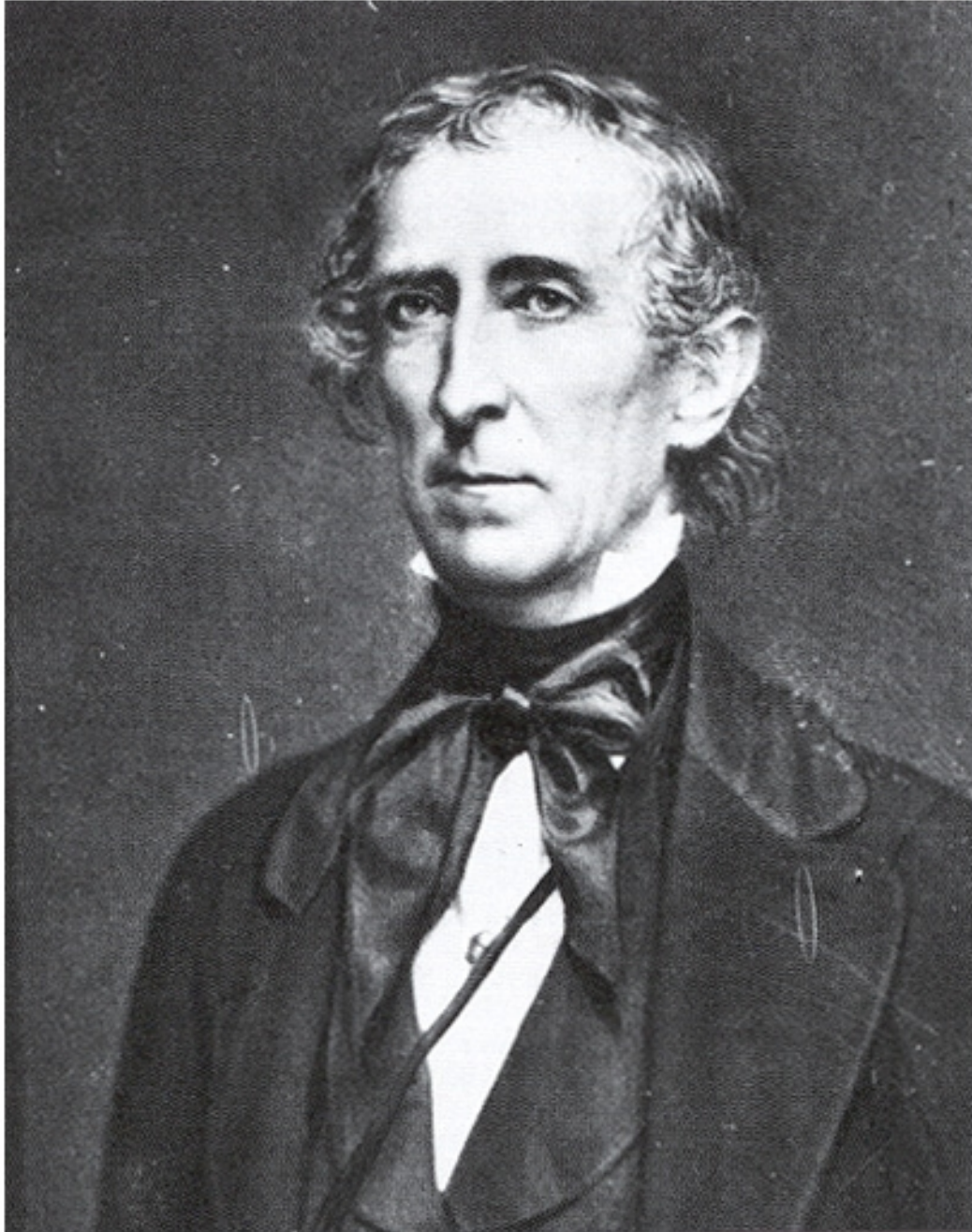


corporation, are irrevocable, and that if the objections be well founded ***IT WOULD BE OVERHAZARDOUS TO PASS THE BILL INTO A LAW.***”

Several generations after John Tyler blocked continued attempts at a central bank, we very miserably did see an “overhazardous” bank bill passed into law in 1913 (with various bills leading in that direction in the intervening years). Tyler concluded his veto message against the Fiscal Bank of the United States with these words---

“I will take this occasion to declare that the conclusions to which I have brought myself are those of a settled conviction, founded, in my opinion, on a just view of the Constitution; that in arriving at it I have been actuated by no other motive or desire than to uphold the institutions of the country as they have come down to us from the hands of our godlike ancestors, and that I shall esteem my efforts to sustain them, ***EVEN THOUGH I PERISH, MORE HONORABLE THAN TO WIN THE APPLAUSE OF MEN BY A SACRIFICE OF MY DUTY AND MY CONSCIENCE.***”

Now there was a man of honor---President John Tyler! Not quite equal in guts and glory to the storied Andrew Jackson, nor casting so huge a shadow upon the pages of history as Old Hickory, yet performing a truly vital service to his country by blocking yet another attempt at central banking greed---



At [www.johntyler.org/](http://www.johntyler.org/) we find---

“In the fiscal corporation bill an attempt was made to hoodwink the president and the public by a pretence of forbidding discounts and loans and limiting the operations of the fiscal agency exclusively to exchanges. While

this project was maturing, the Whig newspapers fulminated with threats against the president in case he should persist in his course; ***PRIVATE LETTERS WARNED HIM OF PLOTS TO ASSASSINATE HIM***, and Henry Clay in the Senate referred to his resignation in 1836, and asked why, if constitutional scruples again hindered him from obeying the will of the people, did he not now resign his lofty position and leave it for those who could be more compliant? To this it was aptly replied by Mr. Rives that "the president was an independent branch of the government as well as congress, and was not called upon to resign because he differed in opinion with them."

The Money Power has resorted to assassination occasionally to have its way, and to retaliate against those who dealt it major setbacks. In view of the attempt on Andrew Jackson's life in January 1835, it should come as no surprise that conspiracies existed to evaluate the means by which John Tyler could have been liquidated. Tyler resigned from the Senate on February 29, 1836 (leap year) specifically because he was opposed to Jackson telling new States to the west of Missouri that slavery couldn't be practiced there, and Tyler saw it as meddling with States rights. However, Tyler's own home district supported just about all of Jackson's views. So, since Tyler felt he couldn't properly represent his constituents, he vacated his Senate seat! If only some of our legislators today would have such a conscience!

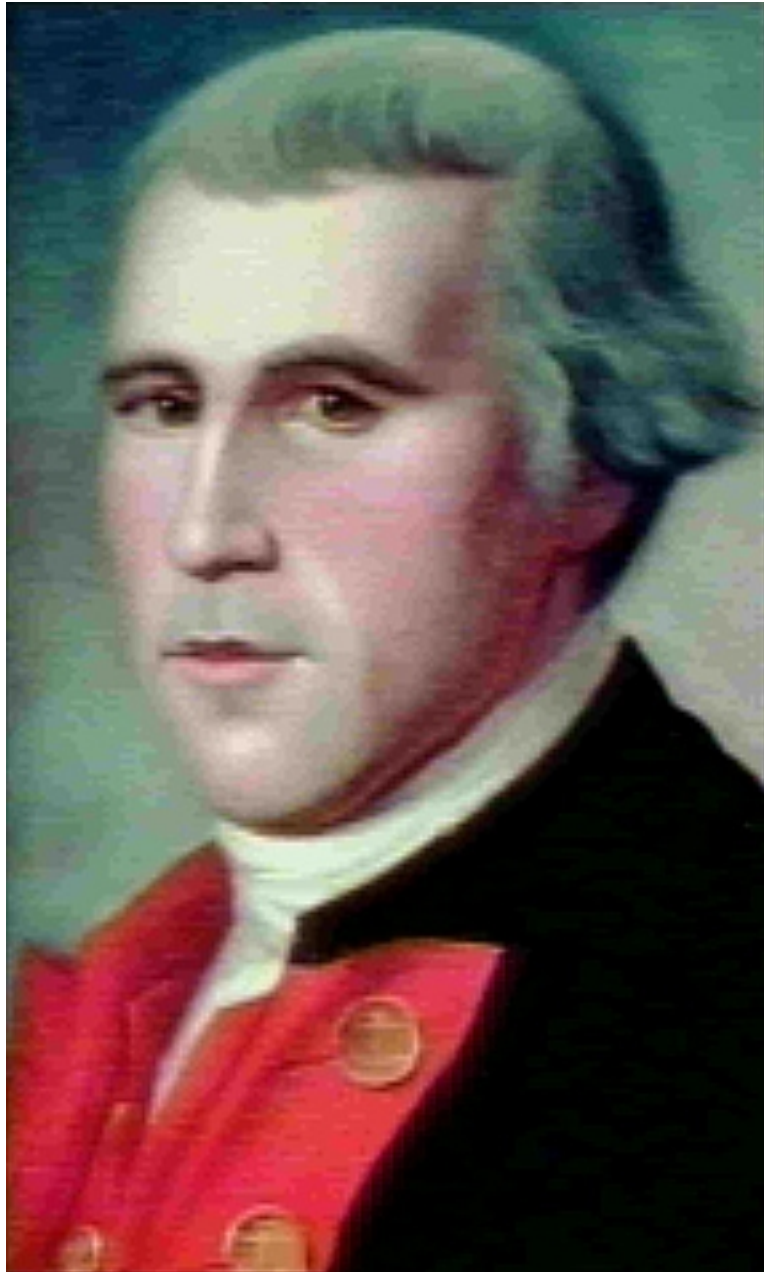
According to [www.senate.gov](http://www.senate.gov) ---

"He expected, however, that the "peculiar institution" would eventually die out and, on various occasions over the years, he advocated ending both the importation of slaves and their sale in the District of Columbia."

Is there a connection between the type money we use, and slavery? Indeed there is! Synthetic fiat paper notes, and their cyberspace counterparts, render those who function with them, slaves to those who create them. Therefore, we must return to gold and silver money. Jefferson, Madison, Jackson, Van Buren, Tyler and others totally comprehended the words of John Witherspoon (1723-1794), Presbyterian minister who signed the Declaration of Independence and was mentor to President Madison---

***"THE MEASURE CARRIES ABSURDITY IN ITS VERY FACE. WHY WILL YOU MAKE A LAW TO OBLIGE MEN TO TAKE MONEY WHEN IT IS OFFERED THEM? ARE THERE ANY WHO REFUSE IT WHEN IT IS GOOD? IF IT IS NECESSARY TO FORCE THEM, DOES NOT THIS DEMONSTRATE THAT IT IS NOT GOOD?"***

Head of the infamous second Bank of the United States was Nicholas Biddle, who supported Henry Clay's legislation (vetoed by Tyler) to create a National Fiscal Bank. Stephen Girard was the main domestic power in the first Bank of the United States and was a director of the second Bank of the United States. Crown sympathizer Nicholas Biddle became a trustee of Girard College in Philadelphia---



Let's consider some other statements made by President Tyler, from his first annual message to Congress, delivered on December 7, 1841---

“At your late session I invited your attention to the condition of the currency and exchanges and urged the necessity of adopting such measures as were consistent with the constitutional competency of the Government in order to correct the unsoundness of the one and, as far as practicable, the inequalities of the other. No country can be in the full measure of its prosperity without the presence of a medium of exchange approximating uniformity of value.

What is necessary as between the different nations of the earth is also important as between the inhabitants of different parts of the same country. With the first the precious metals constitute the chief medium of circulation, and such also would be the case as to the last ***BUT FOR INVENTIONS COMPARATIVELY MODERN, WHICH HAVE FURNISHED IN PLACE OF GOLD AND SILVER A PAPER CIRCULATION.*** The speculative philosopher might find inducements to prosecute the inquiry, but his researches could only lead him to conclude that ***THE PAPER SYSTEM HAD PROBABLY BETTER NEVER HAVE BEEN INTRODUCED AND THAT SOCIETY MIGHT HAVE BEEN MUCH HAPPIER WITHOUT IT.*** The practical statesman has a very different task to perform. He has to look at things as they are, to take them as he finds them, to supply deficiencies and to prune excesses as far as in him lies. ***THE TASK OF FURNISHING A CORRECTIVE FOR DERANGEMENTS OF THE PAPER MEDIUM WITH US IS ALMOST INEXPRESSABLY GREAT.***”

Tyler was really on the same page with those of us today in the honest money movement. He saw the picture no differently than Jackson, Madison, Jefferson, Van Buren and other honest leaders of his day. He did differ somewhat in approach to the situation than Jackson, and in that case, I have to say, Jackson was more in the right. Specifically, although Tyler supported Jackson’s refusal to recharter the second Bank of the United States, he was opposed to Jackson’s removing government deposits from the bank before its charter expired. Perhaps he felt the transition would be too abrupt. At any rate, Jackson did not wait for the bank’s charter to expire--- he pulled its teeth early on. More from Tyler---

“The power exerted by the States to charter banking corporations, having been carried to a great excess, has filled the country with, in most of the States, ***AN IRREDEEMABLE PAPER MEDIUM,*** is an evil which in some way or other requires a corrective. The rates at which bills of exchange are negotiated between different parts of the country furnish an index of the value of the local substitute for gold and silver, ***WHICH IS IN MANY PARTS SO FAR DEPRECIATED AS NOT TO BE RECEIVED EXCEPT***

***AT A LARGE DISCOUNT IN PAYMENT OF DEBTS OR IN THE PURCHASE OF PRODUCE.”***

That’s always the story of unbacked paper currency---those who receive it are cheated, and the further downstream it flows, the more the purchasing power erodes.

“It could earnestly be desired that every bank not possessing the means of resumption should follow the example of the late United States Bank of Pennsylvania and go into liquidation rather than by refusing to do so to continue embarrassments in the way of solvent institutions, thereby augmenting the difficulties incident to the present condition of things.”

After Andrew Jackson crushed the second Bank of the U.S., its organizers moved to influence the legislature in Pennsylvania for a charter to operate as a state bank. It brought with it its paper notes withdrawn from circulation when its powers were vastly greater as a central bank. Jackson commented it had no right to continue issuing those notes. Finally, as the Van Buren administration held fast to the gold and silver money principles of the Jackson administration, the bank failed. People who could receive real money had no taste for paper!

“Whether this Government, with due regard to the rights of the States, has any power ***TO CONSTRAIN THE BANKS EITHER TO RESUME SPECIE PAYMENTS OR TO FORCE THEM INTO LIQUIDATION***, is an inquiry which will not fail to claim your consideration. In view of the great advantages which are allowed the incorporators, not among the least of which is the authority contained in most of their charters ***TO MAKE LOANS TO THREE TIMES THE AMOUNT OF THEIR CAPITAL***, thereby often deriving three times as much interest on the same amount of money as any individual is permitted by law to receive, no sufficient apology can be urged for a long continued suspension of specie payments. Such suspension is productive of the greatest detriment to the public by expelling from circulation the precious metals and seriously hazarding the success of any effort that this Government can make to increase commercial facilities and to advance the public interests.”

Imagine a President and Congress telling JPMorganChase to make its deposits available in gold and silver or to liquidate!

“In the absence of any controlling power over this subject, which, by forcing a general resumption of specie payments, would at once have the effect of

restoring a sound medium of exchange and would leave to the country but little to desire, what measure of relief falling within the limits of our constitutional competency does it become this Government to adopt? It was my painful duty at your last session, under the weight of most solemn obligations, to differ with Congress on the measures which it proposed for my approval, and which it doubtless regarded as corrective of existing evils. Subsequent reflection and events since occurring have only served to confirm me in the opinions then entertained and frankly expressed. I must be permitted to add that no scheme of governmental policy unaided by individual exertions can be available for ameliorating the present condition of things. Commercial modes of exchange and a good currency are but the necessary means of commerce, not the direct productive sources of wealth. Wealth can only be accumulated by the earnings of industry and the savings of frugality, and nothing can be more ill judged than to look to facilities in borrowing or to a redundant circulation for the power of discharging pecuniary obligations. For myself, I disclaim all desire to have any control over the public moneys other than what is indispensably necessary to execute the laws which you may pass.”

That last sentence is in sharp contrast to our present Mister Bush! Moving to some of Tyler’s remarks in his second annual message to Congress, delivered on December 6, 1842---

“Between the years 1833 and 1838 additions were made to bank capital and bank issues, in the form of notes designed for circulation, to an extent enormously great. The question seemed to be not how the best currency could be provided, ***BUT IN WHAT MANNER THE GREATEST AMOUNT OF BANK PAPER COULD BE PUT INTO CIRCULATION. THUS A VAST AMOUNT OF WHAT WAS CALLED MONEY---***since for the time being it answered the purposes of money---was thrown upon the country, an overissue which was attended, as a necessary consequence, by an extravagant increase of the prices of all articles of property, the spread of a speculative mania all over the country, and has finally ended in a general indebtedness on the part of States and individuals, the prostration of public and private credit, a depreciation in the market value of real and personal estate, ***AND HAS LEFT LARGE DISTRICTS OF THE COUNTRY ALMOST ENTIRELY WITHOUT ANY CIRCULATING MEDIUM.***”

If you are new to this subject matter and wish additional information, I refer you to “Paper Notes Cannot Depreciate” and other such essays here in the Archives.

“In the solemn conviction of these truths and with an ardent desire to meet the pressing necessities of the country, I felt it to be my duty to cause to be submitted to you at the commencement of last session the plan of an exchequer, the whole power and duty of maintaining which in purity and vigor was to be exercised by the representatives of the people and the States, and therefore virtually by the people themselves. It was proposed to place it under the control and direction of a Treasury board to consist of three commissioners, whose duty it should be to see that the law of its creation was faithfully executed and that the great end of supplying a paper medium of exchange ***AT ALL TIMES CONVERTIBLE INTO GOLD AND SILVER SHOULD BE ATTAINED.***”

It seems to me that the only possible excuse for paper money at all is that upon reaching the threshold of certain quantity of precious metal money, its physical weight becomes difficult to manage. If we are to have any kind of paper money whatsoever, it should be accompanied by guarantee of lifelong imprisonment meted out to any government official or banker defaulting on convertibility into specie!

“There can be but three kinds of public currency---first, gold and silver; second, the paper of State institutions; or third, a representative of the precious metals provided by the General Government or under its authority. The subtreasury system rejected the last in any form, and as it was believed that no reliance could be placed on the issues of local institutions for the purposes of general circulation it necessarily and unavoidably adopted specie as the exclusive currency for its own use; and this must ever be the case unless one of the other kinds be used. The choice in the present state of public sentiment lies between an exclusive specie currency on the one hand and Government issues of some kind on the other.”

Tyler might have been careful to state that the faction representing public sentiment on behalf of “Government issues” (paper currency) was made up mainly by bankers and those under their influence---newspaper and magazine operators.

From Tyler’s 3<sup>rd</sup> annual message to Congress, delivered on December 5, 1843, we find---

“It was proposed to establish at various points depositories of gold and silver to be held in trust for the redemption of such notes, so as to insure their convertibility into specie. The same reasons which would forbid Congress from parting with the power over the coinage would seem to operate with



nearly equal force in regard to any substitution for the precious metals in the form of a circulating medium. Paper when substituted for specie constitutes a standard of value by which the operations of society are regulated, and whatsoever causes its depreciation affects society to an extent nearly, if not quite, equal to the adulteration of the coin. Nor can I withhold the remark that its advantages contrasted with a bank of the United States, apart from the fact that a bank was esteemed as obnoxious to the public sentiment as well on the score of expediency as of constitutionality, appeared to me to be striking and obvious.”

Tyler’s fourth annual message to Congress, delivered on December 3, 1844, contained these remarks---

“We have continued cause for expressing our gratitude to the Supreme Ruler of the Universe for the benefits and blessings which our country, under His kind providence, has enjoyed during the past year. Notwithstanding the exciting scenes through which we have passed, nothing has occurred to disturb the general peace or to derange the harmony of our political system. The great moral spectacle has been exhibited of a nation approximating in number to 20,000,000 people having performed the high and important function of electing their Chief Magistrate for the term of four years without the commission of any acts of violence or the manifestation of a spirit of insubordination to the laws. The world has witnessed its rapid growth in wealth and population, and under the guide and direction of a superintending Providence the developments of the past may be regarded but as the shadowing forth of the mighty future. In the bright prospects of that future we shall find, as patriots and philanthropists, the highest inducements to cultivate and cherish a love of union and to frown down every measure or effort which may be made to alienate the States or the people of the States in sentiment and feeling from each other.”

“A rigid and close adherence to the terms of our political compact and, above all, a sacred observance of the guaranties of the Constitution will preserve union on a foundation which can not be shaken, while personal liberty is placed beyond hazard or jeopardy. The guaranty of religious freedom, of the freedom of the press, of the liberty of speech, **OF THE TRIAL BY JURY, OF THE HABEAS CORPUS**, and of the domestic institutions of each of the States, leaving the private citizen in the full exercise of the high and ennobling attributes of his nature and to each State the privilege (which can only be judiciously exerted by itself) of consulting the means best calculated to advance its own happiness--these are the great

and important guaranties of the Constitution which the lovers of liberty must cherish and the advocates of union must ever cultivate. Preserving these and avoiding all interpolations by forced construction under the guise of an imagined expediency upon the Constitution, the influence of our political system is destined to be as actively and as beneficially felt on the distant shores of the Pacific as it is now on those of the Atlantic Ocean. Our prayers should evermore be offered up to the Father of the Universe for His wisdom to direct us in the path of our duty so as to enable us to consummate these high purposes.”

Habeas Corpus and jury trial are under attack in the Mister Bush administration, in the name of national security and the “war on terror.”

“The dangers to be guarded against are greatly augmented by too large a surplus of revenue. When that surplus greatly exceeds in amount what shall be required by a wise and prudent forecast to meet unforeseen contingencies, the Legislature itself may come to be seized with a disposition to indulge in extravagant appropriations to objects many of which may, and most probably would, be found to conflict with the Constitution. A fancied expediency is elevated above constitutional authority, and a reckless and wasteful extravagance but too certainly follows.”

“The important power of taxation, which when exercised in its most restricted form is a burden on labor and production, is resorted to under various pretexts for purposes having no affinity to the motives which dictated its grant, and the extravagance of Government stimulates individual extravagance until the spirit of a wild and ill-regulated speculation involves one and all in its unfortunate results. In view of such fatal consequences, it may be laid down as an axiom rounded in moral and political truth that no greater taxes should be imposed than are necessary for an economical administration of the Government, and that whatever exists beyond should be reduced or modified.”

Taxation, spending, debt, and unsound fiat paper currency are at record levels and increasing in a transcendent manner, pushing us to the verge of some fantastic cataclysm which will send tens of millions of people into the grim depths of despair. It appears as if the American Republic will have to crumble into shattered ruins before we can return to such sound principles as recommended by President John Tyler. So to borrow the words of another writer on gold and silver, Don Stott, “Protect Yourself!”





