

SILVER PRESIDENT II

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“Of my own duties under the existing laws, when the banks suspended specie payments, I could not doubt. ***DIRECTIONS WERE IMMEDIATELY GIVEN TO PREVENT THE RECEPTION INTO THE TREASURY OF ANYTHING BUT GOLD AND SILVER***, and every practicable arrangement was made to preserve the public faith by equivalent payments to the public creditors.”---President Martin Van Buren, Special Congressional session message, September 4, 1837



“There can be no doubt that those who framed and adopted the Constitution, having in immediate view the depreciated paper of the Confederacy—***OF WHICH \$500 IN PAPER WERE AT TIMES ONLY EQUAL TO \$1 IN COIN***—intended to prevent the recurrence of similar evils, so far at least as related to the transactions of the new Government. They gave to Congress express powers to coin money and to regulate the value thereof and of foreign coin; they refused to give it power to establish corporations—the agents then as now chiefly employed to create a paper currency; they

prohibited the States from making **ANYTHING BUT GOLD AND SILVER A LEGAL TENDER IN PAYMENT OF DEBTS**; and the First Congress directed by positive law that the **REVENUE SHOULD BE RECEIVED IN NOTHING BUT GOLD AND SILVER.**” ---President Martin Van Buren, Special Session message to Senate and House of Representatives, September 4, 1837

“IT IS OUR DUTY TO PROVIDE ALL THE REMEDIES AGAINST A DEPRECIATED PAPER CURRENCY WHICH THE CONSTITUTION ENABLES US TO AFFORD.”---President Van Buren, Special Session message, September 4, 1837

“NO MOTIVE OF CONVENIENCE TO THE CITIZEN REQUIRES THE RECEPTION OF BANK PAPER.”---Martin Van Buren, Special Session message to Congress, September 4, 1837

“BANKS WERE OFTEN FORMED FOR THE SOLE PURPOSE OF ISSUING THEIR PAPER.”---Charles J. Bullock, page 80, “Essays on the Monetary History of the United States” (Macmillan, New York, 1900)

“Americans are accustomed to the idea that the dollar---the world’s number 1 reserve currency---is good anywhere. It’s a point of principle that the U.S. never invalidates its notes.”---Wall Street Journal, November 2, 2006, page 1 (We did invalidate them in 1968 by terminating redemption of silver certificates; and by closing the gold window in 1971! We are on the thinnest of ice! China couldn’t come and buy Unocal! This madness will end, and precious metals be restored!)

“A provision of another Act **PROHIBITED THE OFFER OF ANY BANK NOTE NOT CONVERTIBLE ON THE SPOT INTO GOLD OR SILVER AT THE WILL OF THE HOLDER.**”---Martin Van Buren, Special Session message to Congress, September 4, 1837

“The same laws of trade which give to the banks in our principal cities power over the whole banking system of the United States subject the former, in their turn, **TO THE MONEY POWER IN GREAT BRITAIN.** It is not denied that the suspension of the New York banks in 1837, which was followed in quick succession throughout the Union, **WAS PRODUCED BY AN APPLICATION OF THAT POWER.**”---Van Buren’s third Annual Message, December 2, 1839

“OUR CURRENCY CAN NOT BE IMPROVED BY THE CREATION OF NEW BANKS OR MORE ISSUES FROM THOSE WHICH NOW EXIST.”---Third Annual Message, December 2, 1839

“Coming into office the declared enemy of both, I have earnestly endeavored to prevent a resort to either.”---Martin Van Buren, 4th Annual Message to Congress, December 5, 1840 (reference to a national debt and a national bank)

“A NATIONAL BANK WAS, AS IS UNDENIABLE, REPUDIATED BY THE FRAMERS OF THE CONSTITUTION AS INCOMPATIBLE WITH THE LIBERTIES OF THE PEOPLE.”---4th Annual Message, December 5, 1840



“The Penny Postman” was a column featured in the United States Magazine & Democratic Review. The column for November 1841 (page 451) said Van Buren fought ***“THE TYRANNY AND FRAUD OF OUR ABOMINABLE PAPER MONEY BANKING SYSTEM.”***

“We have heard it said of Mr. Van Buren with striking frequency and earnestness, among those friends who, from nearest and longest personal intercourse, know him best, that as a man and statesman, he is **“TOO GOOD AND PURE FOR THE TIMES.”** No President has ever filled that office more upright in integrity, more true in patriotism, more sincere in philanthropic sympathy with the rights and interests of the masses, more devoted in duty, comprehensively wise in judgment. **HE IS THE FURTHEST IN THE WORLD REMOVED FROM NEGATIVENESS OF CHARACTER.**”---United States Magazine & Democratic Review, New York, July 1844, page 4

Last April we had a look at the great Andrew Jackson, the “Silver President.” Let’s take a glance at Martin Van Buren, his successor in the White House, who had been Jackson’s Vice President. Van Buren was the first President born after the signing of the Declaration of Independence from England. I don’t mean to suggest that Jackson and Van Buren were the only two Presidents to have trusted in silver as money. Last month we saw President Tyler’s ferocious devotion to precious metallic money. Rather, it appears as if Jackson and Van Buren had the greatest public emphasis on the subject of any two presidents. This was probably due to their times being the era of the so-called “Bank Wars” and the fact that they would not tolerate theft by created currencies. Okay, Tyler was also part of those Bank Wars, and he was truly one of us! You were probably not aware that every time you hit “OK” on your computer, or said “OK” or “okay,” you are referring to Martin Van Buren! It was during his presidential campaign that the popular rallying cry of his supporters, “O.K.” (meaning acceptable or good) came into being. It was a reference to “Old Kinderhook,” Van Buren being from Kinderhook in Columbia County, New York, originally a Dutch settlement.

In fact, Dutch was Van Buren’s first language, also being a master of English. Perhaps when he wanted to cuss out another politician, he did so in Dutch! He also could have done so in Latin, being an extremely educated man! He was called “the red fox of Kinderhook,” a reference to his hair before it turned gray, and the fact that he was a clever politician. In his case, it was fortunate for his country that he was clever, versus conniving for his opponents in the paper money and central banking crowd. At the early age of 18, he was chosen to participate in a New York State nominating convention. Van Buren later became known as “the little magician,” a reference to his ability to get results in the face of strong opposition and his stature, seven inches shorter than the 6’ 1” Jackson.

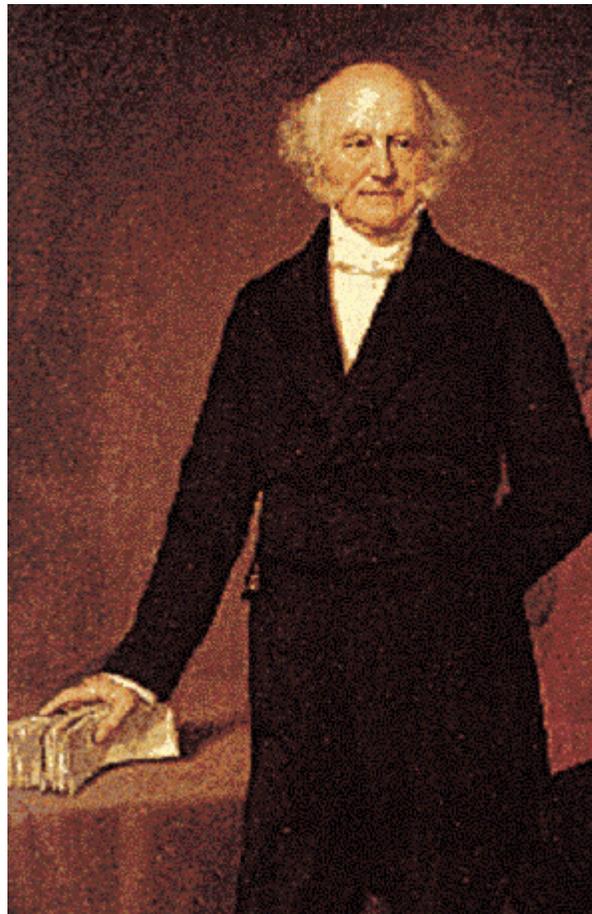


Van Buren was a supporter of Thomas Jefferson, whose statements favoring gold and silver over paper currency are well known. In 1803 Van Buren supported Morgan Lewis for Governor, Aaron Burr's opponent. Was Van Buren aware that Burr had secretly corresponded with Anthony Merry, British diplomatic official in Washington, D.C.? Most likely! Burr was tried for treason in 1807 in connection with a conspiracy to form a "new nation" in the Western territories of the United States, possibly contiguous with Mexico. In spite of the fact that Jefferson was convinced of Burr's treason and treachery, he was acquitted on a technicality

http://en.wikipedia.org/wiki/Aaron_Burr#Conspiracy_and_trial Burr served under well known traitor General Benedict Arnold beginning in 1775, and in 1782 Burr married Theodosia Prevost, widow of a British army officer.

Modern author, financial prostitute Gore Vidal's 1973 book "Burr," presented a fiction in which Van Buren was secretly Burr's bastard son--- just another example of paper money forces defaming a hard money supporter! It calls to mind the Chuck Norris film, "Hero And The Terror," in which the villain was Simon Moon, portrayed as a lunatic, whereas there was a real life Simon Moon who criticized psychiatry! Speaking of which, from their "clinical" perspective, Van Buren must have been "delusional" to trust gold and silver over paper! Vidal was a 1943 graduate of the Phillips Exeter Academy, a well-known paper money mob institution from which many CFR and Pilgrims members trace.

In 1799 Burr founded the Bank of Manhattan. Page 2451 of the 1935 Who's Who in the listing for Felix Warburg, Pilgrims Society member and kid brother of Pilgrims member Paul Warburg, Federal Reserve System founder, we see the Rothschild (Pilgrims Society) family influence in the Bank of Manhattan. In 1955 it merged with the Rockefeller (Pilgrims Society) controlled Chase National Bank, which became JPMorganChase, nightmare banking institution, in the year 2000. The characters in such banks would frown on such as Van Buren, as in his Special Session message at Congress on September 4, 1837, he called credit creation "***UNSUBSTANTIAL WEALTH***" and spoke of "***THE INCREASING INSECURITY OF BANK PAPER***" ---



Martin Van Buren (December 5, 1782 to July 24, 1862) was a key organizer of the Democratic Party, along with Andrew Jackson, and like Jackson, he was certifiably a tremendous national treasure as a President. These were the sort of men we look for on the horizon today, and seem to not find. These are the class of men who, if their supporters attempt to promote them,

will be viciously attacked by the press and media, as Jackson and Van Buren were. They have also been attacked by historians for having caused the Panic of 1837. That is a matter of outrageous hypocrisy on the part of prostitute historians, because Jackson and Van Buren were not at fault, not to any microscopic extent at all, for that Panic. It was entirely caused by banks for suspending specie payments (halting conversion of paper bank notes into gold and silver on demand). To blame Jackson and Van Buren for the Panic of 1837 and the depression that followed is nothing short of comparable to arsonists blaming the fire department for a lethal blaze! The Whig party, central bank backers, called him "Martin Van Ruin," again attempting to place blame on an innocent party for the depression that followed the suspension by the banks of specie payments in May 1837. Talk about wanting to slap some faces!

Although the popular vote in the election of 1840 was close, the forces of greed managed to sway enough Americans into falsely believing that the current administration was at fault. A Whig from Pennsylvania, Charles Ogle, delivered a filibuster on April 14-16, 1840, lambasting Van Buren for \$4,675 in improvements to the White House, and charged that Van Buren was eating with golden spoons, which Van Buren denied. That attack, called the "Golden Spoon Oration," built up the fact that Harrison was a war hero like Jackson http://en.wikipedia.org/wiki/Gold_Spoon_Oration considered one of the most aggressive verbal attacks in political history. However, Jackson opposed a central bank, while Harrison supported it! William Henry Harrison, the Whig candidate, won the White House, but died after just one month in office. Then John Tyler, the vice president, became president, and vetoed the Whig bill for a new central bank (as we saw described here last month). In Tyler becoming President, Jackson and Van Buren got sweet revenge on the Whigs, because Tyler promoted the same policies they did! Van Buren had the spirit of freedom in his blood--- his father, a tavern keeper and farmer, fought the invading British in the Revolutionary War. William Henry Harrison, Whig President who assumed office in 1841, would have signed the new central bank bill, except he became ill and died before it was ready---



At age 14, in 1797, Van Buren started studying law with Francis Sylvester and went to study law in New York City with William P. Van Ness in 1802 and was admitted to the bar association in 1803. In February 1807 he married Hannah Hoes, by whom he had four sons---



Just after their marriage, the Van Burens moved to Hudson, New York, and Martin began his meteoric rise to national political prominence, a process that was to take years of persistence. In 1807 he was admitted to practice before the New York State Supreme Court. In 1808 he became an official of Columbia County, New York, then a State Senator, then Attorney General of New York in 1815 and returned to the State Senate in 1816. It was in 1812 that he became a member of the New York State Senate, defeating Edward P. Livingston. The Livingstons became wealthy from extensive land grants during the British Colonial period and were well known Crown loyalists. In

Van Buren's Presidential papers are references to Edward Livingston's contacts with Charles Bankhead, Charge d' Affairs in North America for the Crown. Many Pilgrims Society members over the years since its founding in 1903 have been Livingston family offshoots! These offices Van Buren held up until 1820. He also organized the "Albany Regency," a political organization based in the New York state capitol. In 1816 Van Buren he became a regent of the University of New York. Just days before their 12th anniversary, Mrs. Van Buren passed away, leaving him a widower with four sons to raise; they were later informal advisors in his Administration. Van Buren left no one in the dark, including his enemies, as to his intentions at the start of his Administration. In his inaugural address on March 4, 1837,

Van Buren declared his intention to "tread in the footsteps of my illustrious predecessor.

Van Buren supported the unsuccessful Presidential campaign of William H. Crawford in 1824. In the United States Senate (1821-1828) Van Buren opposed the administration of President John Quincy Adams, and became Jackson's dependable ally. Van Buren was a member of the Senate committees on Finance and Judiciary and chaired the Judiciary committee.

Interestingly, Charles Francis Adams, a direct descendant of President Adams, turned up in the only known leaked list of The Pilgrims (New York), dated 1969. Adams chaired defense contractor Raytheon Company and was a director of First National Bank of Boston. The Pilgrims, as I have often stressed, are the Central Committee of the fiat paper currency forces.

You can start meeting them with a reading of "Meet The World Money Power" (Archives at Silver Investor). President Adams was a supporter of the second Bank of the United States (precursor to the Federal Reserve System) whose charter ran from 1816-1836 and was mercifully scrapped by Andrew Jackson, with Van Buren's enthusiastic support.

In fact, in 1811 Martin Van Buren was prominent at a political convention at Albany, New York, at the time when the proposed rechartering of the United States Bank was the leading controversy in national politics. Van Buren made known his hostility towards rechartering the British controlled banking colossus. On February 20, 1811, Vice President George Clinton cast his vote in the United States Senate against the bank bill. This caused the British to start the War of 1812, as they were hell bent on controlling us monetarily or militarily. In fact, a study of history since 1694, founding year of the Bank of England, shows that all nations without central banks were more at risk of invasion! Albert Gallatin, Secretary of the Treasury, recommended rechartering the bank and was instrumental in its second charter in 1816---



Not coincidentally this was the start of the British hostility towards silver as money at the close of the Napoleonic Wars, such hostility actually germinating in 1694 with the founding of the Bank of England. It was over a century earlier, in 1588, that England broke Spanish naval power and British hostility towards silver as money can even be traced to that date, since Spain imported vast amounts of silver from the New World. England would later manipulate silver on a vast scale in India and China and with their American partners of The Pilgrims Society such as Douglas Dillon, Treasury Secretary who took us off silver coins and his undersecretary, Robert Roosa, who helped the Silver Users Association to America's silver; William Simon, who helped break the Hunt silver play on the Commodity Exchange in January 1980; and Paul Volcker of the Federal Reserve, who coldly broke the Hunts out of 63 million physical silver ounces by 1986.

As in the case of John Quincy Adams, Gallatin had a descendant who turned up in The Pilgrims paper money mob, Albert Eugene Gallatin, great-great grandson of the Treasury secretary, 1801-1814. Page 832 of the 1929 Who's Who shows Gallatin was Secretary of the New York branch of The Pilgrims, and a supporter of Great Britain in World War I. By the way, for

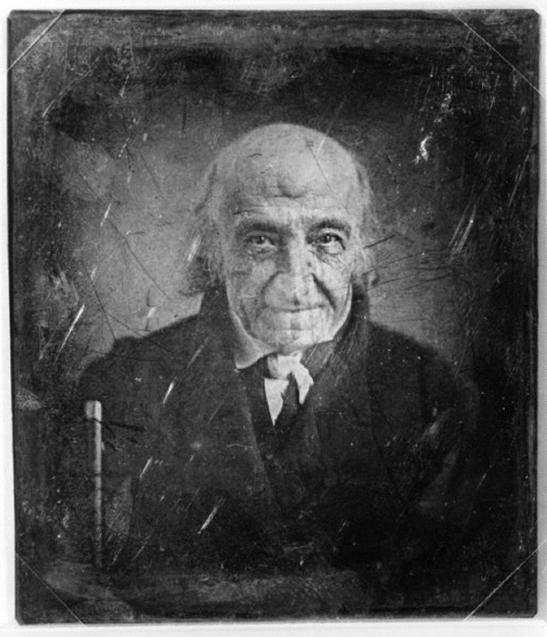
the record, that war was fought because the British took offense to Germany becoming a tough competitor in world markets with Great Britain, and as an excuse to offer the world the League of Nations, another Pilgrims creation, in its aftermath, while planning the second World War by way of the unrealistically punitive terms of the Treaty of Versailles. The original Gallatin was sent by President Adams as Minister to Great Britain in 1826-1827. Why Jefferson and Madison, both on record supporting gold and silver money in preference to paper, would have had a “paperite” like Gallatin as Treasury Secretary, is a matter for investigation.

Martin Van Buren’s career in favor of honest gold and silver money, Constitutional money, and against **BASTARDIZED IRREDEEMABLE PAPER BANK NOTES**, traced to his early political career. He was not a convert to honest money---he was one of us from day one! As a New York State Senator he loudly denounced the charter of the Bank of America, which was at that time (1811-1812) seeking to take the place of the recently squashed United States Bank. In 1827 Van Buren was reelected to the United States Senate, but resigned to become Governor of New York in 1828---



More on Van Buren, but first a brief flash back. In 1824 Jackson received a plurality of both the popular and the electoral vote. No candidate having received a majority, the decision was thrown into the House of Representatives. Paper money supporter Henry Clay gave his vote to John

Quincy Adams, who then ascended to the Presidency. Jackson denounced it as a “corrupt bargain” since Adams immediately made Clay Secretary of State. Van Buren knew the entire cockroach-riddled cast of characters for what they were and he continued to support Jackson into the next campaign, which Jackson won in a landslide with his war hero and hard money advocate status. People could not be so easily deceived then! They knew that if they received payment in gold or silver, they had truly been paid; but that a miserable paper note, as advocated by such Money Power functionaries as shady looking conniver Albert Gallatin, was bogus compensation---



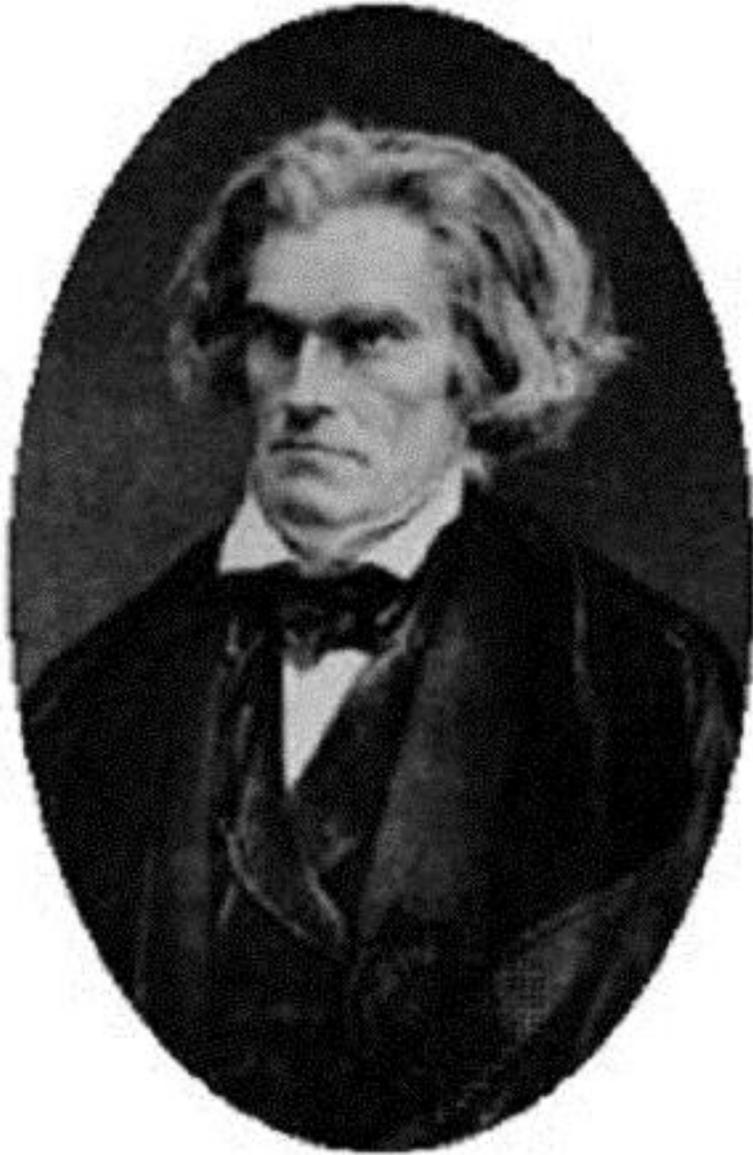
Van Buren led the Senate opposition to the Adams administration and played a major role in organizing the coalition that elected Jackson President in 1828. Jackson returned the favor and did a tit-for-tat to the Adams-Clay coalition by appointing Van Buren Secretary of State, whereupon Martin resigned his Governorship of New York State. The campaign of course, was very dirty as you would expect, with Jackson’s banker opponents branding him as a “jackass.” To their consternation, Jackson adopted the jackass as a symbol and today it’s the symbol for the Democratic Party. There is no need to notify me that Democrats have mutated far away from Jacksonian monetary policies; I am sadly aware of that problem. Van Buren’s beautiful daughter in law, Angelica Singleton Van Buren, official White House hostess in the last two years of his term---



John C. Calhoun was Jackson's first Vice President, and helped him build a coalition that defeated the reelection attempt of John Quincy Adams.

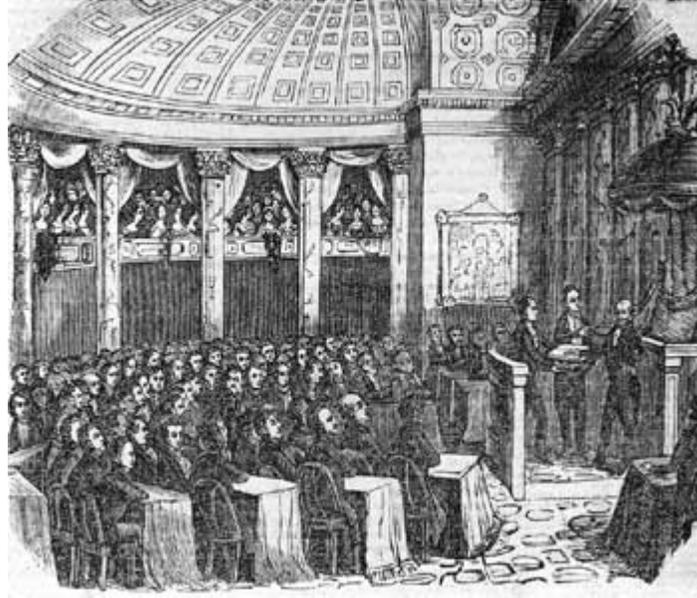
However, Jackson and Calhoun, once in the White House, split over the issue of Federal tariffs imposed on the States in their export-import dealings.

Jackson had Northern supporters who wanted the tariffs, and Southern supporters, like Calhoun from South Carolina, who did not. There were other monetary issues that united them. However, when Jackson attempted to appoint Martin Van Buren as Minister to Great Britain, John C. Calhoun, the Vice President, refused to cast the tie-breaking vote in the Senate so Van Buren could be sent across the Atlantic to his nominated post. This was Calhoun's retaliation against Jackson for his stance on the tariff issue---



This enraged Jackson, and he determined to make Van Buren the next Vice President, which in fact was accomplished as of 1832. It makes me wonder why Jackson did not call Calhoun out into a pistol duel, as Jackson was known to have been involved in at least eight such events. Jackson was wounded several times, as early as 1806, and it was said that he “rattled like a bag of marbles” http://en.wikipedia.org/wiki/Andrew_Jackson#_note-11 and with bullets near his heart and lodged in one lung, it is phenomenal that he lived into his 78th year! Maybe what they say about red haired people being aggressive is true! Having said that, I guess I better look out! In spite of Jackson’s fiery temper and unlimited supply of courage, he made, to my conclusions, the best President we ever had. He made a brilliant choice in Martin Van Buren for his second in command, and gave him his

wholehearted support in the election of 1836. To the continued dismay of the Money Power, Van Buren won decisively and assumed the office of the Presidency after Jackson's retirement. At the start of his Presidency, Van Buren managed a nation of 17,069,453 inhabitants. Inauguration sketch of Martin Van Buren---



Van Buren got his triumph over the Senate, since in 1833 he as Vice President started presiding over the body that a year earlier rejected him as a foreign minister! Later he added to that triumph by becoming President, assuming the mighty mantle of Andrew Jackson. Since there is no better way of evaluating a man's character than by his own words, let's examine some of the public statements of President Martin Van Buren. In a Special Session message to the Senate and House of Representatives, delivered on September 4, 1837, Van Buren commented (excerpts)---

“The act of the 23d of June, 1836, regulating the deposits of the public money and directing the employment of State, District, and Territorial banks for that purpose, made it the duty of the Secretary of the Treasury ***TO DISCONTINUE THE USE OF SUCH OF THEM AS SHOULD AT ANY TIME REFUSE TO REDEEM THEIR NOTES IN SPECIE***, and to substitute other banks, provided a sufficient number could be obtained to receive the public deposits upon the terms and conditions therein prescribed. The general and almost simultaneous suspension of specie payments by the banks in May last rendered the performance of this duty

imperative in respect to those which had been selected under the act, and made it at the same time impracticable to employ the requisite number of others upon the prescribed conditions. The specific regulations established by Congress for the deposit and safe-keeping of the public moneys having thus unexpectedly become inoperative, I felt it to be my duty to afford you an early opportunity for the exercise of your supervisory powers over the subject.”

“I was also led to apprehend that the suspension of specie payments, increasing the embarrassments before existing in the pecuniary affairs of the country, would so far diminish the public revenue that the accruing receipts into the Treasury would not, with the reserved five millions, be sufficient to defray the unavoidable expenses of the Government until the usual period for the meeting of Congress, whilst the authority to call upon the States for a portion of the sums deposited with them was too restricted to enable the Department to realize a sufficient amount from that source. These apprehensions have been justified by subsequent results, which render it certain that this deficiency will occur if additional means be not provided by Congress.”

“The difficulties experienced by the mercantile interest in meeting their engagements induced them to apply to me previously to the actual suspension of specie payments for indulgence upon their bonds for duties, and all the relief authorized by law was promptly and cheerfully granted. The dependence of the Treasury upon the avails of these bonds to enable it to make the deposits with the States required by law led me in the outset to limit this indulgence to the 1st of September, but it has since been extended to the 1st of October, that the matter might be submitted to your further direction. Questions were also expected to arise in the recess in respect to the October installment of those deposits requiring the interposition of Congress. A provision of another act, passed about the same time, and intended to secure a faithful compliance with the obligation of the United States to satisfy all demands upon them in specie or its equivalent,
***PROHIBITED THE OFFER OF ANY BANK NOTE NOT
CONVERTIBLE ON THE SPOT INTO GOLD OR SILVER AT THE
WILL OF THE HOLDER.***”

Wm. B. Burrows

“During the earlier stages of the revulsion through which we have just passed much acrimonious discussion arose and great diversity of opinion existed as to its real causes. This was not surprising. The operations of credit are so diversified and the influences which affect them so numerous, and often so subtle, that even impartial and well-informed persons are seldom found to agree in respect to them. To inherent difficulties were also added other tendencies which were by no means favorable to the discovery of truth. It was hardly to be expected that those who disapproved the policy of the Government in relation to the currency would, in the excited state of public feeling produced by the occasion, fail to attribute to that policy any extensive embarrassment in the monetary affairs of the country. The matter thus became connected with the passions and conflicts of party; opinions were more or less affected by political considerations, and differences were prolonged which might otherwise have been determined by an appeal to facts, by the exercise of reason, or by mutual concession. It is, however, a cheering reflection that circumstances of this nature can not prevent a community so intelligent as ours from ultimately arriving at correct conclusions. Encouraged by the firm belief of this truth, I proceed to state my views, so far as may be necessary to a clear understanding of the remedies I feel it my duty to propose and of the reasons by which I have been led to recommend them.”

“The history of trade in the United States for the last three or four years affords the most convincing evidence that our present condition is chiefly to be attributed to overaction in all the departments of business—an overaction deriving, perhaps, its first impulses from antecedent causes, but stimulated to its destructive consequences by excessive issues of bank paper and by other facilities for the acquisition and enlargement of credit. At the commencement of the year 1834 the banking capital of the United States, including that of the national bank, then existing, amounted to about \$200,000,000, the bank notes then in circulation to about ninety-five millions, and the loans and discounts of the banks to three hundred and twenty-four millions. Between that time and the 1st of January, 1836, being the latest period to which accurate accounts have been received, our banking capital was increased to more than two hundred and fifty-one millions, our paper circulation to more than one hundred and forty millions, and the loans and discounts to more than four hundred and fifty-seven millions. To this vast increase are to be added the many millions of credit acquired by means of foreign loans, contracted by the States and State institutions, and, above

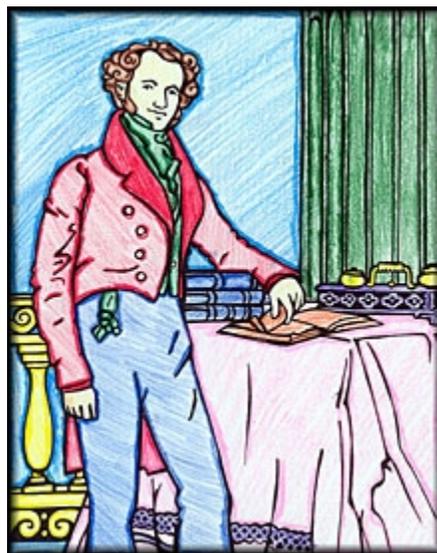
all, by the lavish accommodations extended by foreign dealers to our merchants.”

“The consequences of this redundancy of credit and of the spirit of reckless speculation engendered by it were a foreign debt contracted by our citizens estimated in March last at more than \$30,000,000; the extension to traders in the interior of our country of credits for supplies greatly beyond the wants of the people; the investment of \$39,500,000 in unproductive public lands in the years 1835 and 1836, whilst in the preceding year the sales amounted to only four and a half millions; the creation of debts, to an almost countless amount, for real estate in existing or anticipated cities and villages, equally unproductive, and at prices now seen to have been greatly disproportionate to their real value; the expenditure of immense sums in improvements which in many cases have been found to be ruinously improvident; the diversion to other pursuits of much of the labor that should have been applied to agriculture, thereby contributing to the expenditure of large sums in the importation of grain from Europe—an expenditure which, amounting in 1834 to about \$250,000, was in the first two quarters of the present year increased to more than \$2,000,000; and finally, without enumerating other injurious results, the rapid growth among all classes, and especially in our great commercial towns, of luxurious habits founded too often on merely fancied wealth, and detrimental alike to the industry, the resources, and the morals of our people.”

“It was so impossible that such a state of things could long continue that the prospect of revulsion was present to the minds of considerate men before it actually came. None, however, had correctly anticipated its severity. A concurrence of circumstances inadequate of themselves to produce such widespread and calamitous embarrassments tended so greatly to aggravate them that they can not be overlooked in considering their history. Among these may be mentioned, as most prominent, the great loss of capital sustained by our commercial emporium in the fire of December, 1835—a loss the effects of which were underrated at the time because postponed for a season by the great facilities of credit then existing; the disturbing effects in our commercial cities of the transfers of the public moneys required by the deposit law of June, 1836, and the measures adopted by the foreign creditors of our merchants to reduce their debts ***AND TO WITHDRAW FROM THE UNITED STATES A LARGE PORTION OF OUR SPECIE.***”

“However unwilling any of our citizens may heretofore have been to assign to these causes the chief instrumentality in producing the present state of

things, the developments subsequently made and the actual condition of other commercial countries must, as it seems to me, dispel all remaining doubts upon the subject. It has since appeared that evils similar to those suffered by ourselves have been experienced in Great Britain, on the Continent, and, indeed, throughout the commercial world, and that in other countries as well as in our own they have been uniformly preceded by an undue enlargement of the boundaries of trade, prompted, as with us, by unprecedented expansions of the systems of credit. A reference to the amount of banking capital and the issues of paper credits put in circulation in Great Britain, by banks and in other ways, during the years 1834, 1835, and 1836 will show an augmentation of the paper currency there as much disproportioned to the real wants of trade as in the United States. With this redundancy of the paper currency there arose in that country also a spirit of adventurous speculation embracing the whole range of human enterprise. Aid was profusely given to projected improvements; large investments were made in foreign stocks and loans; credits for goods were granted with unbounded liberality to merchants in foreign countries, and all the means of acquiring and employing credit were put in active operation and extended in their effects to every department of business and to every quarter of the globe. The reaction was proportioned in its violence to the extraordinary character of the events which preceded it. The commercial community of Great Britain were subjected to the greatest difficulties, and their debtors in this country were not only suddenly deprived of accustomed and expected credits, but called upon for payments which in the actual posture of things here could only be made through a general pressure and at the most ruinous sacrifices.”



“In view of these facts it would seem impossible for sincere inquirers after truth to resist the conviction that the causes of the revulsion in both countries have been substantially the same. Two nations, the most commercial in the world, enjoying but recently the highest degree of apparent prosperity and maintaining with each other the closest relations, are suddenly, in a time of profound peace and without any great national disaster, arrested in their career and plunged into a state of embarrassment and distress. In both countries we have witnessed ***THE SAME REDUNDANCY OF PAPER MONEY AND OTHER FACILITIES OF CREDIT***; the same spirit of speculation; the same partial successes; the same difficulties and reverses, and at length nearly the same overwhelming catastrophe. The most material difference between the results in the two countries has only been that with us there has also occurred an extensive derangement in the fiscal affairs of the Federal and State Governments, occasioned by the suspension of specie payments by the banks. The history of these causes and effects in Great Britain and the United States is substantially the history of the revulsion in all other commercial countries.”

“For the deposit, transfer, and disbursement of the revenue national and State banks have always, with temporary and limited exceptions, been heretofore employed; but although advocates of each system are still to be found, it is apparent that the events of the last few months have greatly augmented the desire, long existing among the people of the United States, to separate the fiscal operations of the Government from those of individuals or corporations. Again to create a national bank as a fiscal agent would be to disregard the popular will, twice solemnly and unequivocally expressed. On no question of domestic policy is there stronger evidence that the sentiments of a large majority are deliberately fixed, and I can not concur with those who think they see in recent events a proof that these sentiments are, or a reason that they should be, changed.”

“Events similar in their origin and character have heretofore frequently occurred without producing any such change, and the lessons of experience must be forgotten if we suppose that the present overthrow of credit would have been prevented by the existence of a national bank. ***PRONENESS TO EXCESSIVE ISSUES HAS EVER BEEN THE VICE OF THE BANKING SYSTEM***—a vice as prominent in national as in State institutions. This propensity is as subservient to the advancement of private interests in the one as in the other, and those who direct them both, being principally guided by the same views and influenced by the same motives, will be equally ready to stimulate extravagance of enterprise by

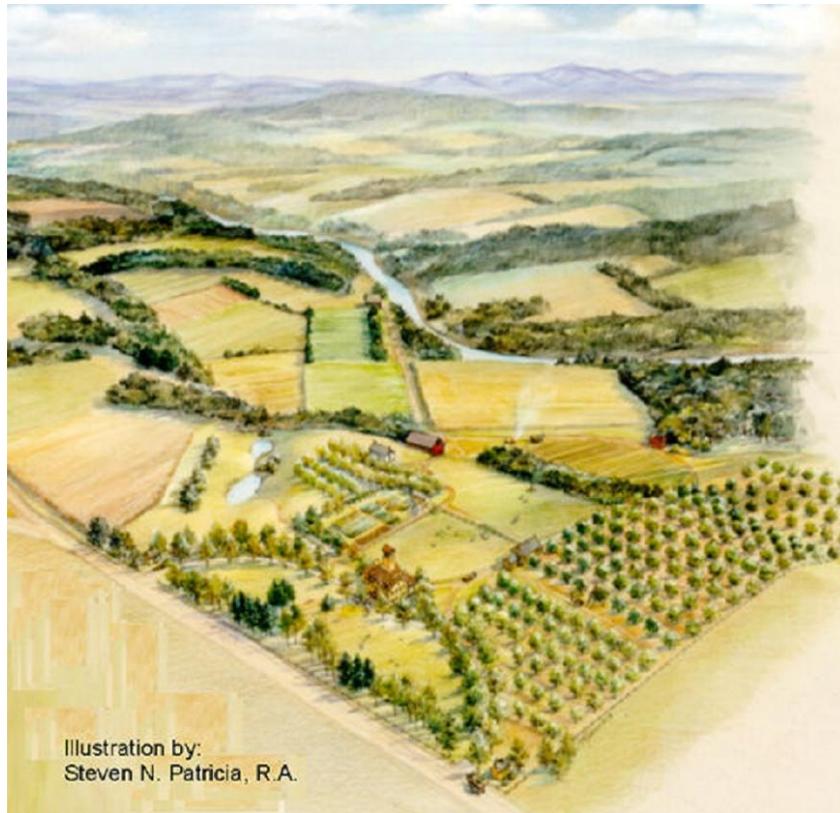
improvidence of credit. How strikingly is this conclusion sustained by experience! The Bank of the United States, with the vast powers conferred on it by Congress, did not or could not prevent former and similar embarrassments, nor has the still greater strength it has been said to possess under its present charter enabled it in the existing emergency to check other institutions or even to save itself. In Great Britain, where it has been seen the same causes have been attended with the same effects, a national bank possessing powers far greater than are asked for by the warmest advocates of such an institution here has also proved unable to prevent an undue expansion of credit and the evils that flow from it.”

“Nor can I find any tenable ground for the reestablishment of a national bank in the derangement alleged at present to exist in the domestic exchanges of the country or in the facilities it may be capable of affording them. Although advantages of this sort were anticipated when the first Bank of the United States was created, they were regarded as an incidental accommodation, not one which the Federal Government was bound or could be called upon to furnish. This accommodation is now, indeed, after the lapse of not many years, demanded from it as among its first duties, and an omission to aid and regulate commercial exchange is treated as a ground of loud and serious complaint. Such results only serve to exemplify the constant desire among some of our citizens to enlarge the powers of the Government and extend its control to subjects with which it should not interfere. They can never justify the creation of an institution to promote such objects. On the contrary, they justly excite among the community a more diligent inquiry into the character of those operations of trade toward which it is desired to extend such peculiar favors.”

“Another class is made up of bills of exchange not drawn to transfer actual capital nor on the credit of property transmitted, but to create fictitious capital, partaking at once of the character of notes discounted in bank and of bank notes in circulation, and ***SWELLING THE MASS OF PAPER CREDITS TO A VAST EXTENT IN THE MOST OBJECTIONABLE MANNER.*** These bills have formed for the last few years a large proportion of what are termed the domestic exchanges of the country, ***SERVING AS THE MEANS OF USURIOUS PROFIT AND CONSTITUTING THE MOST UNSAFE AND PRECARIOUS PAPER IN CIRCULATION.*** This species of traffic, instead of being upheld, ought to be discountenanced by the Government and the people.”

“But it was not designed by the Constitution that the Government should assume the management of domestic or foreign exchange. It is indeed authorized to regulate by law the commerce between the States and to provide a general standard of value or medium of exchange in gold and silver, but it is not its province to aid individuals in the transfer of their funds otherwise than through the facilities afforded by the Post-Office Department. As justly might it be called on to provide for the transportation of their merchandise. These are operations of trade. They ought to be conducted by those who are interested in them in the same manner that the incidental difficulties of other pursuits are encountered by other classes of citizens. Such aid has not been deemed necessary in other countries. Throughout Europe the domestic as well as the foreign exchanges are carried on by private houses, often, if not generally, without the assistance of banks; yet they extend throughout distinct sovereignties, and far exceed in amount the real exchanges of the United States. There is no reason why our own may not be conducted in the same manner with equal cheapness and safety. Certainly this might be accomplished if it were favored by those most deeply interested; and few can doubt that their own interest, as well as the general welfare of the country, would be promoted by leaving such a subject in the hands of those to whom it properly belongs. A system founded on private interest, enterprise, and competition, without the aid of legislative grants or regulations by law, would rapidly prosper; it would be free from the influence of political agitation and extend the same exemption to trade itself, and it would put an end to those complaints of neglect, partiality, injustice, and oppression which are the unavoidable results of interference by the Government in the proper concerns of individuals. All former attempts on the part of the Government to carry its legislation in this respect further than was designed by the Constitution have in the end proved injurious, and have served only to convince the great body of the people more and more of the certain dangers of blending private interests with the operations of public business; and there is no reason to suppose that a repetition of them now would be more successful.”

Van Buren’s magnificent estate and farm, “Lindenwald” in 1850---



“It can not be concealed that there exists in our community opinions and feelings on this subject in direct opposition to each other. A large portion of them, combining great intelligence, activity, and influence, are no doubt sincere in their belief that the operations of trade ought to be assisted by such a connection; they regard a national bank as necessary for this purpose, and they are disinclined to every measure that does not tend sooner or later to the establishment of such an institution. On the other hand, a majority of the people are believed to be irreconcilably opposed to that measure; ***THEY CONSIDER SUCH A CONCENTRATION OF POWER DANGEROUS TO THEIR LIBERTIES***, and many of them regard it as a violation of the Constitution. This collision of opinion has doubtless caused much of the embarrassment to which the commercial transactions of the country have lately been exposed. Banking has become a political topic of the highest interest, and trade has suffered in the conflict of parties. A speedy termination of this state of things, however desirable, is scarcely to be expected. We have seen for nearly half a century that those who advocate a national bank, by whatever motive they may be influenced, constitute a portion of our community too numerous to allow us to hope for an early abandonment of their favorite plan. On the other hand, they must indeed form an erroneous estimate of the intelligence and temper of the American

people who suppose that they have continued on slight or insufficient grounds their persevering opposition to such an institution, or that they can be induced by pecuniary pressure or by any other combination of circumstances to surrender principles they have so long and so inflexibly maintained.”

“My own views of the subject are unchanged. They have been repeatedly and unreservedly announced to my fellow-citizens, who with full knowledge of them conferred upon me the two highest offices of the Government. On the last of these occasions I felt it due to the people to apprise them distinctly that in the event of my election I would not be able to cooperate in the reestablishment of a national bank. To these sentiments I have now only to add the expression of an increased conviction that the reestablishment of such a bank in any form, whilst it would not accomplish the beneficial purpose promised by its advocates, ***WOULD IMPAIR THE RIGHTFUL SUPREMACY OF THE POPULAR WILL, INJURE THE CHARACTER OF OUR POLITICAL SYSTEM, AND BRING ONCE MORE INTO EXISTENCE A CONCENTRATED MONEYED POWER***, hostile to the spirit and threatening the permanency of our republican institutions.”

(Yes we do have a concentrated Money Power, and it is not by chance that its key officials are always members of certain organizations.)

“Local banks have been employed for the deposit and distribution of the revenue at all times partially and on three different occasions exclusively: First, anterior to the establishment of the first Bank of the United States; secondly, in the interval between the termination of that institution and the charter of its successor; and thirdly, during the limited period which has now so abruptly closed. The connection thus repeatedly attempted proved unsatisfactory on each successive occasion, notwithstanding the various measures which were adopted to facilitate or insure its success. On the last occasion, in the year 1833, the employment of the State banks was guarded especially, in every way which experience and caution could suggest. Personal security was required for the safe-keeping and prompt payment of the moneys to be received, and full returns of their condition were from time to time to be made by the depositories. In the first stages the measure was eminently successful, notwithstanding the violent opposition of the Bank of the United States and the unceasing efforts made to overthrow it. The selected banks performed with fidelity and without any embarrassment to themselves or to the community their engagements to the Government, and the system promised to be permanently useful; but when it became

necessary, under the act of June, 1836, to withdraw from them the public money for the purpose of placing it in additional institutions or of transferring it to the States, they found it in many cases inconvenient to comply with the demands of the Treasury, and numerous and pressing applications were made for indulgence or relief. As the installments under the deposit law became payable their own embarrassments and the necessity under which they lay of curtailing their discounts and calling in their debts increased the general distress and contributed, with other causes, to hasten the revulsion in which at length they, in common with the other banks, were fatally involved. Under these circumstances it becomes our solemn duty to inquire whether there are not in any connection between the Government and banks of issue evils of great magnitude, inherent in its very nature and against which no precautions can effectually guard.”

“We have no emergencies that make banks necessary to aid the wants of the Treasury; we have no load of national debt to provide for, and we have on actual deposit a large surplus. No public interest, therefore, now requires the renewal of a connection that circumstances have dissolved. A sudden act of the banks entrusted with the funds of the people deprives the Treasury, without fault or agency of the Government, of the ability to pay its creditors in the currency they have by law a right to demand. This circumstance no fluctuation of commerce could have produced if the public revenue had been collected in the legal currency and kept in that form by the officers of the Treasury. The citizen whose money was in the bank receives it back since the suspension at a sacrifice in its amount, ***WHILST HE WHO KEPT IT IN THE LEGAL CURRENCY OF THE COUNTRY AND IN HIS OWN POSSESSION PURSUES WITHOUT LOSS THE CURRENT OF HIS BUSINESS.***”

This advocacy of safe, sound, bankruptcy and inflation proof real money--- gold and silver---to which President Van Buren Referred---money that cannot default---should be a lesson to everyone interested in preserving savings and purchasing power of their earnings. I hope to offer an essay directed towards pension fund managers called “Snap Out Of It,” there is a bull market in precious metals, so why are they invested in under performing sectors elsewhere? It is not their duty to look for other Enrons to invest in.

They should be piling into physical gold and silver like there’s no tomorrow---because asinine legal tender laws cannot make paper money sound and strong.

“The use by the banks, for their own benefit, of the money deposited with them has received the sanction of the Government from the commencement of this connection. The money received from the people, instead of being kept till it is needed for their use, is, in consequence of this authority, a fund on which discounts are made for the profit of those who happen to be owners of stock in the banks selected as depositories. The supposed and often exaggerated advantages of such a boon will always cause it to be sought for with avidity. I will not stop to consider on whom the patronage incident to it is to be conferred. Whether the selection and control be trusted to Congress or to the Executive, either will be subjected to appeals made in every form which the sagacity of interest can suggest. The banks under such a system are stimulated to make the most of their fortunate acquisition; the deposits are treated as an increase of capital; loans and circulation are rashly augmented, and when the public exigencies require a return it is attended with embarrassments not provided for nor foreseen. Thus banks that thought themselves most fortunate when the public funds were received find themselves most embarrassed when the season of payment suddenly arrives.”

“Unfortunately, too, the evils of the system are not limited to the banks. It stimulates a general rashness of enterprise and aggravates the fluctuations of commerce and the currency. This result was strikingly exhibited during the operations of the late deposit system, and especially in the purchases of public lands. The order which ultimately directed the payment of gold and silver in such purchases greatly checked, but could not altogether prevent, the evil. Specie was indeed more difficult to be procured than the notes which the banks could themselves create at pleasure; but still, being obtained from them as a loan and returned as a deposit, which they were again at liberty to use, it only passed round the circle with diminished speed. This operation could not have been performed had the funds of the Government gone into the Treasury to be regularly disbursed, and not into banks to be loaned out for their own profit while they were permitted to substitute for it a credit in account.”

“The difficulties heretofore existing are, moreover, daily lessened by an increase in the cheapness and facility of communication, and it may be asserted with confidence that the necessary transfers, as well as the safe-keeping and disbursements of the public moneys, can be with safety and convenience accomplished through the agencies of Treasury officers. This opinion has been in some degree confirmed by actual experience since the discontinuance of the banks as fiscal agents in May last—a period which

from the embarrassments in commercial intercourse presented obstacles as great as any that may be hereafter apprehended.”

“It will be seen by the report of the Postmaster-General herewith communicated that the fiscal affairs of that Department have been successfully conducted since May last upon the principle of **DEALING ONLY IN THE LEGAL CURRENCY OF THE UNITED STATES**, and that it needs no legislation to maintain its credit and facilitate the management of its concerns, the existing laws being, in the opinion of that officer, ample for those objects.”



“Public exigency at the outset of the Government, without direct legislative authority, led to the use of banks as fiscal aids to the Treasury. In admitted deviation from the law, at the same period and under the same exigency, the Secretary of the Treasury received their notes in payment of duties. The sole ground on which the practice thus commenced was then or has since been justified is the certain, immediate, and convenient exchange of such notes for specie. The Government did, indeed, receive the inconvertible notes of State banks during the difficulties of war, and the community submitted without a murmur to the unequal taxation and multiplied evils of which such a course was productive. With the war this indulgence ceased, and the banks were obliged again to redeem their notes in gold and silver. The Treasury, in accordance with previous practice, continued to dispense with the currency required by the act of 1789, and took the notes of banks in full confidence of their being paid in specie on demand; and Congress, to guard against the slightest violation of this principle, have declared by law that if notes are paid in the transactions of the Government **IT MUST BE UNDER SUCH CIRCUMSTANCES AS TO ENABLE THE HOLDER TO CONVERT THEM INTO SPECIE WITHOUT DEPRECIATION OR DELAY.**”

(What would your local university economics professors say to that? Would they say that Van Buren's speeches and writings should be destroyed in the interest of the allegedly sound economics they advocate?)

“THE RECEIPT INTO THE TREASURY OF BANK NOTES NOT REDEEMED IN SPECIE ON DEMAND WILL NOT, I PRESUME, BE SANCTIONED. It would destroy without the excuse of war or public distress that equality of imposts and identity of commercial regulation which lie at the foundation of our Confederacy, and would offer to each State a direct temptation to increase its foreign trade by depreciating the currency received for duties in its ports. Such a proceeding would also in a great degree frustrate the policy so highly cherished of infusing into our circulation a larger proportion of the precious metals—a policy the wisdom of which none can doubt, though there may be different opinions as to the extent to which it should be carried. Its results have been already too auspicious and its success is too closely interwoven with the future prosperity of the country to permit us for a moment to contemplate its abandonment. We have seen under its influence our specie augmented beyond eighty millions, our coinage increased so as to make that of gold amount, between August, 1834, and December, 1836, to \$10,000,000, exceeding the whole coinage at the Mint during the thirty-one previous years.”

(From this last statement we easily infer that silver was the backbone of the currency system of the United States!)

“The prospect of further improvement continued without abatement until the moment of the suspension of specie payments. This policy has now, indeed, been suddenly checked, but is still far from being overthrown. Amidst all conflicting theories, one position is undeniable—the precious metals will invariably disappear when there ceases to be a necessity for their use as a circulating medium. It was in strict accordance with this truth that whilst in the month of May last they were everywhere seen and were current for all ordinary purposes they disappeared from circulation the moment the payment of specie was refused by the banks and the community tacitly agreed to dispense with its employment. ***THEIR PLACE WAS SUPPLIED BY A CURRENCY EXCLUSIVELY OF PAPER, AND IN MANY CASES OF THE WORST DESCRIPTION. ALREADY ARE THE BANK NOTES NOW IN CIRCULATION GREATLY DEPRECIATED,*** and they fluctuate in value between one place and another, thus diminishing and making uncertain the worth of property and the price of labor, and failing to

subserve, except at a heavy loss, the purposes of business. With each succeeding day the metallic currency decreases; by some it is hoarded in the natural fear that once parted with it can not be replaced, while by others it is diverted from its more legitimate uses for the sake of gain. Should Congress sanction this condition of things by making **IRREDEEMABLE PAPER MONEY** receivable in payment of public dues, a temporary check to a wise and salutary policy will in all probability be converted into its absolute destruction.”

(The reader who is new to this subject matter is directed to “Paper Notes Cannot Depreciate” and “The Paper Hangers” here in the Archives section.)

“It is true that bank notes actually convertible into specie may be received in payment of the revenue without being liable to all these objections, and that such a course may to some extent promote individual convenience—an object always to be considered where it does not conflict with the principles of our Government or the general welfare of the country. If such notes only were received, and always under circumstances allowing their early presentation for payment, and if at short and fixed periods they were converted into specie to be kept by the officers of the Treasury, some of the most serious obstacles to their reception would perhaps be removed. To retain the notes in the Treasury would be to renew under another form the loans of public money to the banks, and the evils consequent thereon.”

“It is, however, a mistaken impression that any large amount of specie is required for public payments. Of the seventy or eighty millions now estimated to be in the country, ten millions would be abundantly sufficient for that purpose provided an accumulation of a large amount of revenue beyond the necessary wants of the Government be hereafter prevented. If to these considerations be added the facilities which will arise from enabling the Treasury to satisfy the public creditors by its drafts or notes receivable in payment of the public dues, it may be safely assumed that **NO MOTIVE OF CONVENIENCE TO THE CITIZEN REQUIRES THE RECEPTION OF BANK PAPER.**”

“To say that the refusal of paper money by the Government introduces an unjust discrimination between the currency received by it and that used by

individuals in their ordinary affairs is, in my judgment, to view it in a very erroneous light. The Constitution prohibits the States from making anything but gold and silver a tender in the payment of debts, ***AND THUS SECURES TO EVERY CITIZEN A RIGHT TO DEMAND PAYMENT IN THE LEGAL CURRENCY.*** To provide by law that the Government will only receive its dues in gold and silver is not to confer on it any peculiar privilege, but merely to place it on an equality with the citizen by reserving to it a right secured to him by the Constitution. It is doubtless for this reason that the principle has been sanctioned by successive laws from the time of the first Congress under the Constitution down to the last. Such precedents never objected to and proceeding from such sources, afford a decisive answer to the imputation of inequality or injustice.”

(Many of you noticed a story several weeks ago in which an official of the U.S. Mint called Liberty Dollars “fake money.” It is truly wretched how deceived Americans have become as to how paper money was originally legitimate only so long as it could be converted on demand into the precious metallic currency it was supposed to represent, and how the bankers have divorced paper money from actual money. The Mint is now underway on a series of \$1 denomination Presidential coins---not made of precious metal. Jackson, Van Buren and Tyler deserve better than the Mint’s devices.)

“But in fact the measure is one of restriction, not of favor. To forbid the public agent to receive in payment any other than a certain kind of money is to refuse him a discretion possessed by every citizen. It may be left to those who have the management of their own transactions to make their own terms, but no such discretion should be given to him who acts merely as an agent of the people—who is to collect what the law requires and to pay the appropriations it makes. When bank notes are redeemed on demand, there is then no discrimination in reality, for the individual who receives them may at his option substitute the specie for them; he takes them from convenience or choice. When they are not so redeemed, it will scarcely be contended that their receipt and payment by a public officer should be permitted, though none deny that right to an individual; if it were, the effect would be most injurious to the public, since their officer could make none of those arrangements to meet or guard against the depreciation which an individual is at liberty to do. Nor can inconvenience to the community be alleged as an objection to such a regulation. Its object and motive are their convenience and welfare.”

“If at a moment of simultaneous and unexpected suspension by the banks it adds something to the many embarrassments of that proceeding, yet these are far overbalanced by its direct tendency to produce a wider circulation of gold and silver, to increase the safety of bank paper, to improve the general currency, and thus to prevent altogether such occurrences and the other and far greater evils that attend them. It may indeed be questioned whether it is not for the interest of the banks themselves that the Government should not receive their paper. They would be conducted with more caution and on sounder principles. ***BY USING SPECIE ONLY IN ITS TRANSACTIONS THE GOVERNMENT WOULD CREATE A DEMAND FOR IT***, which would to a great extent prevent its exportation, and by keeping it in circulation maintain a broader and safer basis for the paper currency. That the banks would thus be rendered more sound and the community more safe can not admit of a doubt.”

(The Mexican silver money movement, lead by businessman Hugo Salinas Price, can be certain that Martin Van Buren’s blessing is upon them!)

“The foregoing views, it seems to me, do but fairly carry out the provisions of the Federal Constitution in relation to the currency, as far as relates to the public revenue. At the time that instrument was framed there were but three or four banks in the United States, and had the extension of the banking system and the evils growing out of it been foreseen they would probably have been specially guarded against. The same policy which led to the prohibition of bills of credit by the States would doubtless in that event have also interdicted their issue as a currency in any other form. The Constitution, however, contains no such prohibition; and since the States have exercised for nearly half a century the power to regulate the business of banking, it is not to be expected that it will be abandoned. The whole matter is now under discussion before the proper tribunal—the people of the States. Never before has the public mind been so thoroughly awakened to a proper sense of its importance; never has the subject in all its bearings been submitted to so searching an inquiry. It would be distrusting the intelligence and virtue of the people to doubt the speedy and efficient adoption of such measures of reform as the public good demands. All that can rightfully be done by the Federal Government to promote the accomplishment of that important object will without doubt be performed.”

“In the meantime ***IT IS OUR DUTY TO PROVIDE ALL THE REMEDIES AGAINST A DEPRECIATED PAPER CURRENCY***

WHICH THE CONSTITUTION ENABLES US TO AFFORD. The Treasury Department on several former occasions has suggested the propriety and importance of a uniform law concerning bankruptcies of corporations and other bankers. Through the instrumentality of such a law a salutary check may doubtless be imposed on the issues of paper money and an effectual remedy given to the citizen in a way at once equal in all parts of the Union and fully authorized by the Constitution. To burden the country with increased taxation when there is in fact a large surplus revenue would be unjust and unwise; to raise moneys by loans under such circumstances, and thus to commence a new national debt, would scarcely be sanctioned by the American people.”

“All communities are apt to look to government for too much. Even in our own country, where its powers and duties are so strictly limited, we are prone to do so, especially at periods of sudden embarrassment and distress. But this ought not to be. The framers of our excellent Constitution and the people who approved it with calm and sagacious deliberation acted at the time on a sounder principle. They wisely judged that the less government interferes with private pursuits the better for the general prosperity. It is not its legitimate object to make men rich or to repair by direct grants of money or legislation in favor of particular pursuits losses not incurred in the public service. This would be substantially to use the property of some for the benefit of others. The suspension of specie payments at such a time and under such circumstances as we have lately witnessed could not be other than a temporary measure, and we can scarcely err in believing that the period must soon arrive when all that are solvent will redeem their issues in gold and silver.”

(The American Bankers Association might laugh at that, but when the irredeemable system fails, we who have saved in precious metals hold the trump cards!)

From Van Buren’s first Annual Message, delivered on December 5, 1837, we read---

“The report of the Secretary of the Treasury will afford you a more minute exposition of all matters connected with the administration of the finances during the current year—a period which for the amount of public moneys disbursed and deposited with the States, as well as the financial difficulties encountered and overcome, has few parallels in our history.”

“I am more than ever convinced of the dangers to which the free and unbiased exercise of political opinion—the only sure foundation and safeguard of republican government—would be exposed by any further increase of the already overgrown influence of corporate authorities.”

(“Overgrown influence of corporate authorities” sounds like our present publicly visible tumor organization run by higher personalities from behind the scenes, the Council on Foreign Relations. With some 4,200 members, the leading banks and financial houses are represented, as well as industrials who have exported jobs. These people are afraid of any voice urging return to gold and silver. If the facts were known, many of them have already bought gold and silver.)

“It was my hope that nothing would occur to make necessary on this occasion any allusion to the late national bank. There are circumstances, however, connected with the present state of its affairs that bear so directly on the character of the Government and the welfare of the citizen that I should not feel myself excused in neglecting to notice them. The charter which terminated its banking privileges on the 4th of March, 1836, continued its corporate power two years more for the sole purpose of closing its affairs, with authority “to use the corporate name, style, and capacity for the purpose of suits for a final settlement and liquidation of the affairs and acts of the corporation, and for the sale and disposition of their estate—real, personal, and mixed—but for no other purpose or in any other manner whatsoever.” Just before the banking privileges ceased, its effects were transferred by the bank to a new State institution, then recently incorporated, in trust, for the discharge of its debts and the settlement of its affairs. With this trustee, by authority of Congress, an adjustment was subsequently made of the large interest which the Government had in the stock of the institution. The manner in which a trust unexpectedly created upon the act granting the charter, and involving such great public interests, has been executed would under any circumstances be a fit subject of inquiry; but much more does it deserve your attention when it embraces the redemption of obligations to which the authority and credit of the United States have given value. The two years allowed are now nearly at an end. It is well understood that ***THE TRUSTEE HAS NOT REDEEMED AND CANCELED THE OUTSTANDING NOTES OF THE BANK, BUT HAS REISSUED AND IS ACTUALLY REISSUING***, since the 3d of March, 1836, the notes which have been received by it to a vast amount. According to its own official statement, so late as the 1st of October last, nineteen months after the banking privileges given by the charter had expired, it had

under its control uncanceled notes of the late Bank of the United States to the amount of \$27,561,866, of which \$6,175,861 were in actual circulation, \$1,468,627 at State bank agencies, and \$3,002,390 in transit, thus showing that upward of ten millions and a half of the notes of the old bank were then still kept outstanding.”

(After Jackson busted the United States Bank, it retreated into Pennsylvania where it persuaded the state legislature to give it a state charter, and it went merrily about its banking affairs on a much smaller scale, foisting inconvertible paper notes on anyone stupid enough to accept them.)

“The impropriety of this procedure is obvious, it being the duty of the trustee to cancel and not to put forth the notes of an institution whose concerns it had undertaken to wind up. If the trustee has a right to reissue these notes now, I can see no reason why it may not continue to do so after the expiration of the two years. As no one could have anticipated a course so extraordinary, the prohibitory clause of the charter above quoted was not accompanied by any penalty or other special provision for enforcing it, nor have we any general law for the prevention of similar acts in future.”

(No one could have anticipated what happened? History shows the paper money mob never quits. We need to learn the lesson from them of never quitting.)

“But it is not in this view of the subject alone that your interposition is required. The United States in settling with the trustee for their stock have withdrawn their funds from their former direct liability to the creditors of the old bank, yet notes of the institution continue to be sent forth in its name, and apparently upon the authority of the United States. The transactions connected with the employment of the bills of the old bank are of vast extent, and should they result unfortunately the interests of individuals may be deeply compromised. Without undertaking to decide how far or in what form, if any, the trustee could be made liable for notes which contain no obligation on its part, or the old bank for such as are put in circulation after the expiration of its charter and without its authority, or the Government for indemnity in case of loss, the question still presses itself upon your consideration whether it is consistent with duty and good faith on the part of the Government to witness this proceeding without a single effort to arrest it.”

(Today the banking forces have long since fully penetrated all Federal offices necessary for their protection and aggrandizement, such as the

Securities Exchange Commission, who in all probability not only knows the silver problem under the NYMEX umbrella, but also approves of the naked shorting! A huge impropriety in the silver pits is no reason for the SEC to question NYMEX from going public!)

Van Buren's second Annual Message, delivered on December 3, 1838, contained this wisdom (excerpts)---

“When we call to mind the recent and extreme embarrassments produced by excessive issues of bank paper, aggravated by the unforeseen withdrawal of much foreign capital and the inevitable derangement arising from the distribution of the surplus revenue among the States as required by Congress, and consider the heavy expenses incurred by the removal of Indian tribes, by the military operations in Florida, and on account of the unusually large appropriations made at the last two annual sessions of Congress for other objects, we have striking evidence in the present efficient state of our finances of the abundant resources of the country to fulfill all its obligations. Nor is it less gratifying to find that the general business of the community, deeply affected as it has been, is reviving with additional vigor, chastened by the lessons of the past and animated by the hopes of the future. By the curtailment of paper issues, by curbing the sanguine and adventurous spirit of speculation, and by the honorable application of all available means to the fulfillment of obligations, confidence has been restored both at home and abroad, and ease and facility secured to all the operations of trade.”

“The agency of the Government in producing these results has been as efficient as its powers and means permitted. By withholding from the States the deposit of the fourth installment, and leaving several millions at long credits with the banks, principally in one section of the country, and more immediately beneficial to it, and at the same time aiding the banks and commercial communities in other sections by postponing the payment of bonds for duties to the amount of between four and five millions of dollars; by an issue of Treasury notes as a means to enable the Government to meet the consequences of their indulgences, but affording at the same time facilities for remittance and exchange; and ***BY STEADILY DECLINING TO EMPLOY AS GENERAL DEPOSITORIES OF THE PUBLIC REVENUES, OR RECEIVE THE NOTES OF, ALL BANKS WHICH REFUSE TO REDEEM THEM WITH SPECIE***—by these measures, aided by the favorable action of some of the banks and by the support and cooperation of a large portion of the community, we have witnessed an early resumption of specie payments in our great commercial capital, promptly

followed in almost every part of the United States. This result has been alike salutary to the true interests of agriculture, commerce, and manufactures; to public morals, respect for the laws, and that confidence between man and man which is so essential in all our social relations.”

(It might be a fascinating venture if some major and mid-tier gold and silver mining concerns would form a bank based on mined money, which is the only de facto money man can produce. Such an institution would attract millions of accounts and make the megabanks wheeze!)

“The contrast between the suspension of 1814 and that of 1837 is most striking. The short duration of the latter, the prompt restoration of business, the evident benefits resulting from an adherence by the Government to the constitutional standard of value instead of sanctioning the suspension by the receipt of irredeemable paper, and the advantages derived from the large amount of specie introduced into the country previous to 1837 afford a valuable illustration of the true policy of the Government in such a crisis. Nor can the comparison fail to remove the impression that a national bank is necessary in such emergencies. Not only were specie payments resumed without its aid, but exchanges have also been more rapidly restored than when it existed, thereby showing that private capital, enterprise, and prudence are fully adequate to these ends. On all these points experience seems to have confirmed the views heretofore submitted to Congress. We have been saved the mortification of seeing the distresses of the community for the third time seized on to fasten upon the country so dangerous an institution, and we may also hope that the business of individuals will hereafter be relieved from the injurious effects of a continued agitation of that disturbing subject. The limited influence of a national bank in averting derangement in the exchanges of the country or in compelling the resumption of specie payments is now not less apparent than ***ITS TENDENCY TO INCREASE INORDINATE SPECULATION BY SUDDEN EXPANSIONS AND CONTRACTIONS; ITS DISPOSITION TO CREATE PANIC AND EMBARRASSMENT FOR THE PROMOTION OF ITS OWN DESIGNS; ITS INTERFERENCE WITH POLITICS, AND ITS FAR GREATER POWER FOR EVIL THAN FOR GOOD***, either in regard to the local institutions or the operations of Government itself.”

(The Federal Reserve System was supposed to prevent “boom and bust” economics; instead, it has served as the most effective device for fostering such whipsaw tactics!)

“What was in these respects but apprehension or opinion when a national bank was first established now stands confirmed by humiliating experience. The scenes through which we have passed conclusively prove how little our commerce, agriculture, manufactures, or finances require such an institution, and what dangers are attendant on its power—a power, I trust, never to be conferred by the American people upon their Government, and still less upon individuals not responsible to them for its unavoidable abuses.”

(It would be just over half a century after Van Buren’s passing that we once again witnessed the creation of a national bank. The paper money mob is as relentless as ocean tides.)



“It seems proper, at all events, that by an early enactment similar to that of other countries the application of public money by an officer of Government to private uses should be made a felony and visited with severe and ignominious punishment. This is already in effect the law in respect to the Mint, and has been productive of the most salutary results.”

(Our Mint officials, sold out to Federal Reserve Notes, should have to eat print outs of Van Buren’s addresses, then resign!)

“The connection which formerly existed between the Government and banks was in reality injurious to both, as well as to the general interests of the community at large. It aggravated the disasters of trade and the derangements of commercial intercourse, and administered new excitements and additional means to wild and reckless speculations, the disappointment of which threw the country into convulsions of panic, and all but produced violence and bloodshed. The imprudent expansion of bank credits, which was the natural result of the command of the revenues of the State, furnished the resources for unbounded license in every species of adventure, seduced industry from its regular and salutary occupations by the hope of abundance without labor, and deranged the social state by tempting all trades and professions into the vortex of speculation on remote contingencies.”

“The same wide-spreading influence impeded also the resources of the Government, curtailed its useful operations, embarrassed the fulfillment of its obligations, and seriously interfered with the execution of the laws. Large appropriations and oppressive taxes are the natural consequences of such a connection, since they increase the profits of those who are allowed to use the public funds, and make it their interest that money should be accumulated and expenditures multiplied. It is thus that *A CONCENTRATED MONEY POWER IS TEMPTED TO BECOME AN ACTIVE AGENT IN POLITICAL AFFAIRS*; and all past experience has shown on which side that influence will be arrayed. We deceive ourselves if we suppose that it will ever be found asserting and supporting the rights of the community at large in opposition to the claims of the few.”

“In a government whose distinguishing characteristic should be a diffusion and equalization of its benefits and burdens the advantage of individuals will be augmented at the expense of the community at large. Nor is it the nature of combinations for the acquisition of legislative influence to confine their interference to the single object for which they were originally formed. The temptation to extend it to other matters is, on the contrary, not unfrequently too strong to be resisted. The rightful influence in the direction of public affairs of the mass of the people is therefore in no slight danger of being sensibly and injuriously affected by giving to a comparatively small but very efficient class a direct and exclusive personal interest in so important a portion of the legislation of Congress as that which relates to the custody of the public moneys. If laws acting upon private interests can not always be avoided, they should be confined within the narrowest limits, and left

wherever possible to the legislatures of the States. When not thus restricted they lead to combinations of powerful associations, foster an influence necessarily selfish, and turn the fair course of legislation to sinister ends rather than to objects that advance public liberty and promote the general good. The whole subject now rests with you, and I can not but express a hope that some definite measure will be adopted at the present session.”

“It is no more than just to the banks to say that in the late emergency most of them firmly resisted the strongest temptations to extend their paper issues when apparently sustained in a suspension of specie payments by public opinion, even though in some cases invited by legislative enactments. To this honorable course, aided by the resistance of the General Government, acting in obedience to the Constitution and laws of the United States, to the introduction of an irredeemable paper medium, may be attributed in a great degree the speedy restoration of our currency to a sound state and the business of the country to its wonted prosperity.”

(Jackson, Van Buren and Tyler all worked mightily to restore gold and silver as the national currency. Such a contrast to one such as Lyndon Johnson, under whose administration the final attacks against silver money were launched!)

“I would again call to your notice the subjects connected with and essential to the military defenses of the country which were submitted to you at the last session, but which were not acted upon, as is supposed, for want of time. The most important of them is the organization of the militia on the maritime and inland frontiers. This measure is deemed important, as it is believed that it will furnish an effective volunteer force in aid of the Regular Army, and may form the basis of a general system of organization for the entire militia of the United States. The erection of a national foundry and gunpowder manufactory, and one for making small arms, the latter to be situated at some point west of the Allegany Mountains, all appear to be of sufficient importance to be again urged upon your attention.”

(Van Buren was an all around President, he was concerned about gold and silver money, but never failed to overlook other concerns.)

Van Buren’s third Annual Message, delivered to Congress on December 2, 1839, contained these remarks---

“THE CREATION IN TIME OF PEACE OF A DEBT LIKELY TO BECOME PERMANENT IS AN EVIL FOR WHICH THERE IS NO EQUIVALENT. The rapidity with which many of the States are apparently approaching to this condition admonishes us of our own duties in a manner too impressive to be disregarded. One, not the least important, is to keep the Federal Government always in a condition to discharge with ease and vigor its highest functions should their exercise be required by any sudden conjuncture of public affairs—a condition to which we are always exposed and which may occur when it is least expected. To this end it is indispensable that its finances should be untrammelled and its resources as far as practicable unencumbered. No circumstance could present greater obstacles to the accomplishment of these vitally important objects than the creation of an onerous national debt. By the provisions of the Constitution it is only in consequence of appropriations made by law that money can be drawn from the Treasury.”

(Common thieves, arrested and sent to prison, do wrong on a microscopic scale compared to our politicians who continue to use deficit financing! You could not find enough decency in 1,000 of them to match Van Buren.)

“I have heretofore assigned to Congress my reasons for believing that the establishment of an independent National Treasury, as contemplated by the Constitution, is necessary to the safe action of the Federal Government. The suspension of specie payments in 1837 by the banks having the custody of the public money showed in so alarming a degree our dependence on those institutions for the performance of duties required by law that I then recommended the entire dissolution of that connection.”

“Seldom is any bank, under the existing system and practice, able to meet on demand all its liabilities for deposits and notes in circulation. It maintains specie payments and transacts a profitable business only by the confidence of the public in its solvency, and whenever this is destroyed the demands of its depositors and note holders, pressed more rapidly than it can make collections from its debtors, force it to stop payment. This loss of confidence, with its consequences, occurred in 1837, and afforded the apology of the banks for their suspension. The public then acquiesced in the validity of the excuse, and while the State legislatures did not exact from them their forfeited charters, Congress, in accordance with the recommendation of the Executive, allowed them time to pay over the public money they held, although compelled to issue Treasury notes to supply the deficiency thus created.”

“It now appears that there are other motives than a want of public confidence under which the banks seek to justify themselves in a refusal to meet their obligations. Scarcely were the country and Government relieved in a degree from the difficulties occasioned by the general suspension of 1837 when a partial one, occurring within thirty months of the former, produced new and serious embarrassments, though it had no palliation in such circumstances as were alleged in justification of that which had previously taken place. There was nothing in the condition of the country to endanger a well-managed banking institution; commerce was deranged by no foreign war; every branch of manufacturing industry was crowned with rich rewards, and the more than usual abundance of our harvests, after supplying our domestic wants, had left our granaries and storehouses filled with a surplus for exportation. **IT IS IN THE MIDST OF THIS THAT AN IRREDEEMABLE AND DEPRECIATED PAPER CURRENCY IS ENTAILED UPON THE PEOPLE BY A LARGE PORTION OF THE BANKS.** They are not driven to it by the exhibition of a loss of public confidence or of a sudden pressure from their depositors or note holders, but they excuse themselves by alleging that the current of business and exchange with foreign countries, which draws the precious metals from their vaults, would require in order to meet it a larger curtailment of their loans to a comparatively small portion of the community than it will be convenient for them to bear or perhaps safe for the banks to exact. The plea has ceased to be one of necessity. Convenience and policy are now deemed sufficient to warrant these institutions in disregarding their solemn obligations. Such conduct is not merely an injury to individual creditors, but it is a wrong to the whole community, from whose liberality they hold most valuable privileges, whose rights they violate, whose business they derange, and the value of whose property they render unstable and insecure. It must be evident that this new ground for bank suspensions, in reference to which their action is not only disconnected with, but wholly independent of, that of the public, **GIVES A CHARACTER TO THEIR SUSPENSIONS MORE ALARMING THAN ANY WHICH THEY EXHIBITED BEFORE**, and greatly increases the impropriety of relying on the banks in the transactions of the Government.”

“New dangers to the banks are also daily disclosed from the extension of that system of extravagant credit of which they are the pillars. Formerly our foreign commerce was principally founded on an exchange of commodities, including the precious metals, and leaving in its transactions but little foreign debt. Such is not now the case. Aided by the facilities afforded by

the banks, mere credit has become too commonly the basis of trade. Many of the banks themselves, not content with largely stimulating this system among others, have usurped the business, while they impair the stability of the mercantile community; they have become borrowers instead of lenders; they establish their agencies abroad; they deal largely in stocks and merchandise; they encourage the issue of State securities until the foreign market is glutted with them; and, unsatisfied with the legitimate use of their own capital and the exercise of their lawful privileges, they raise by large loans additional means for every variety of speculation. The disasters attendant on this deviation from the former course of business in this country are now shared alike by banks and individuals to an extent of which there is perhaps no previous example in the annals of our country.”

“So long as a willingness of the foreign lender and a sufficient export of our productions to meet any necessary partial payments leave the flow of credit undisturbed all appears to be prosperous, but as soon as it is checked by any hesitation abroad or by an inability to make payment there in our productions the evils of the system are disclosed. The paper currency, which might serve for domestic purposes, is useless to pay the debt due in Europe.

Gold and silver are therefore drawn in exchange for their notes from the banks. To keep up their supply of coin these institutions are obliged to call upon their own debtors, who pay them principally in their own notes, which are as unavailable to them as they are to the merchants to meet the foreign demand. The calls of the banks, therefore, in such emergencies of necessity exceed that demand, and produce a corresponding curtailment of their accommodations and of the currency at the very moment when the state of trade renders it most inconvenient to be borne. The intensity of this pressure on the community is in proportion to the previous liberality of credit and consequent expansion of the currency. ***FORCED SALES OF PROPERTY ARE MADE AT THE TIME WHEN THE MEANS OF PURCHASING ARE MOST REDUCED, AND THE WORST CALAMITIES TO INDIVIDUALS ARE ONLY AT LAST ARRESTED BY AN OPEN VIOLATION OF THEIR OBLIGATIONS BY THE BANKS—A REFUSAL TO PAY SPECIE FOR THEIR NOTES AND AN IMPOSITION UPON THE COMMUNITY OF A FLUCTUATING AND DEPRECIATED CURRENCY.***”

“These consequences are inherent in the present system. They are not influenced by the banks being large or small, created by National or State Governments. They are the results of the irresistible laws of trade or credit. In the recent events, which have so strikingly illustrated the certain effects of

these laws, we have seen the bank of the largest capital in the Union, established under a national charter, and lately strengthened, as we were authoritatively informed, by exchanging that for a State charter with new and unusual privileges—in a condition, too, as it was said, of entire soundness and great prosperity—not merely unable to resist these effects, but the first to yield to them.”

“Nor is it to be overlooked that there exists a chain of necessary dependence among these institutions which obliges them to a great extent to follow the course of others, notwithstanding its injustice to their own immediate creditors or injury to the particular community in which they are placed. This dependence of a bank, which is in proportion to the extent of its debts for circulation and deposits, is not merely on others in its own vicinity, but on all those which connect it with the center of trade. Distant banks may fail without seriously affecting those in our principal commercial cities, but the failure of the latter is felt at the extremities of the Union. ***THE SUSPENSION AT NEW YORK IN 1837 WAS EVERYWHERE, WITH VERY FEW EXCEPTIONS, FOLLOWED AS SOON AS IT WAS KNOWN.*** That recently at Philadelphia immediately affected the banks of the South and West in a similar manner. This dependence of our whole banking system on the institutions in a few large cities is not found in the laws of their organization, but in those of trade and exchange. The banks at that center, to which currency flows and where it is required in payments for merchandise, hold the power of controlling those in regions whence it comes, while the latter possess no means of restraining them; so that the value of individual property and the prosperity of trade through the whole interior of the country are made to depend on the good or bad management of the banking institutions in the great seats of trade on the seaboard.”

“But this chain of dependence does not stop here. It does not terminate at Philadelphia or New York. It reaches across the ocean and ends in London, the center of the credit system. The same laws of trade which give to the banks in our principal cities power over the whole banking system of the United States ***SUBJECT THE FORMER, IN THEIR TURN, TO THE MONEY POWER IN GREAT BRITAIN. IT IS NOT DENIED THAT THE SUSPENSION OF THE NEW YORK BANKS IN 1837, WHICH WAS FOLLOWED IN QUICK SUCCESSION THROUGHOUT THE UNION, WAS PRODUCED BY AN APPLICATION OF THAT POWER,*** and it is now alleged, in extenuation of the present condition of so large a portion of our banks, that their embarrassments have arisen from the same cause.”

(Such an event was of necessity, planned and organized in advance!)

“From this influence they can not now entirely escape, for it has its origin in the credit currencies of the two countries; it is strengthened by the current of trade and exchange which centers in London, and is rendered almost irresistible by the large debts contracted there by our merchants, our banks, and our States. It is thus that an introduction of a new bank into the most distant of our villages places the business of that village within the influence of the money power in England; it is thus that every new debt which we contract in that country seriously affects our own currency and extends over the pursuits of our citizens its powerful influence. We can not escape from this by making new banks, great or small, State or national. The same chains which bind those now existing to the center of this system of paper credit must equally fetter every similar institution we create. It is only by the extent to which this system has been pushed of late that we have been made fully aware of ***ITS IRRESISTIBLE TENDENCY TO SUBJECT OUR OWN BANKS AND CURRENCY TO A VAST CONTROLLING POWER IN A FOREIGN LAND***, and it adds a new argument to those which illustrate their precarious situation. Endangered in the first place by their own mismanagement and again by the conduct of every institution which connects them with the center of trade in our own country, they are yet subjected beyond all this to the effect of whatever measures policy, necessity, or caprice may induce those who control the credits of England to resort to. I mean not to comment upon these measures, present or past, and much less to discourage the prosecution of fair commercial dealing between the two countries, based on reciprocal benefits; but it having now been made manifest that the power of inflicting these and similar injuries is by the resistless law of a credit currency and credit trade equally capable of extending their consequences through all the ramifications of our banking system, and by that means indirectly obtaining, particularly when our banks are used as depositories of the public moneys, a dangerous political influence in the United States, I have deemed it my duty to bring the subject to your notice and ask for it your serious consideration.”

(A vast controlling power in a foreign land? Just how much influence does the Bank of England have with the Federal Reserve? Enough, since it gave birth to it, with their American partners representing dynastic banking families.)

“It is made the interest of banking institutions and their stockholders throughout the Union to use their exertions for the increase of taxation and

the accumulation of a surplus revenue, and while an excuse is afforded the means are furnished for those excessive issues which lead to extravagant trading and speculation and are the forerunners of a vast debt abroad and a suspension of the banks at home.”

(Bankers want us deeply in debt, and to be taxed for it!)

“I am aware that the danger of inconvenience to the public and unreasonable pressure upon sound banks have been urged as objections to requiring the payment of the revenue in gold and silver. These objections have been greatly exaggerated. From the best estimates we may safely fix the amount of specie in the country at \$85,000,000, and the portion of that which would be employed at any one time in the receipts and disbursements of the Government, even if the proposed change were made at once, would not, it is now, after fuller investigation, believed exceed four or five millions. If the change were gradual, several years would elapse before that sum would be required, with annual opportunities in the meantime to alter the law should experience prove it to be oppressive or inconvenient. The portions of the community on whose business the change would immediately operate are comparatively small, nor is it believed that its effect would be in the least unjust or injurious to them.”

“In the payment of duties, which constitute by far the greater portion of the revenue, a very large proportion is derived from foreign commission houses and agents of foreign manufacturers, who sell the goods consigned to them generally at auction, and after paying the duties out of the avails remit the rest abroad in specie or its equivalent. That the amount of duties should in such cases be also retained in specie can hardly be made a matter of complaint. Our own importing merchants, by whom the residue of the duties is paid, are not only peculiarly interested in maintaining a sound currency, which the measure in question will especially promote, but are from the nature of their dealings best able to know when specie will be needed and to procure it with the least difficulty or sacrifice.”

“It is, moreover, a principle than which none is better settled by experience that ***THE SUPPLY OF THE PRECIOUS METALS WILL ALWAYS BE FOUND ADEQUATE TO THE USES FOR WHICH THEY ARE REQUIRED. THEY ABOUND IN COUNTRIES WHERE NO OTHER CURRENCY IS ALLOWED.*** In our own States, where small notes are excluded, gold and silver supply their place. When driven to their hiding places by bank suspensions, a little firmness in the community soon restores

them in a sufficient quantity for ordinary purposes. Postage and other public dues have been collected in coin without serious inconvenience even in States where a depreciated paper currency has existed for years, and this, with the aid of Treasury notes for a part of the time, was done without interruption during the suspension of 1837. At the present moment the receipts and disbursements of the Government are made in legal currency in the largest portion of the Union. No one suggests a departure from this rule, and if it can now be successfully carried out it will be surely attended with even less difficulty when bank notes are again redeemed in specie.”

(It is said that silver cannot be used as currency again because there is not enough available for industry and monetary uses combined. However, with sufficient revaluation of its purchasing power, vast quantities of low grade and polymetallic ore can be exploited. Much more silver is available from oceanic sources, a topic for which I am accumulating information.)

“Indeed, I can not think that a serious objection would anywhere be raised to the receipt and payment of gold and silver in all public transactions were it not from an apprehension that a surplus in the Treasury might withdraw a large portion of it from circulation and lock it up unprofitably in the public vaults. It would not, in my opinion, be difficult to prevent such an inconvenience from occurring; but the authentic statements which I have already submitted to you in regard to the actual amount in the public Treasury at any one time during the period embraced in them and the little probability of a different state of the Treasury for at least some years to come seem to render it unnecessary to dwell upon it. Congress, moreover, as I have before observed, will in every year have an opportunity to guard against it should the occurrence of any circumstances lead us to apprehend injury from this source. Viewing the subject in all its aspects, I can not believe that any period will be more auspicious than the present for the adoption of all measures necessary to maintain the sanctity of our own engagements and to aid in securing to the community that abundant supply of the precious metals which adds so much to their prosperity and gives such increased stability to all their dealings.”

“In a country so commercial as ours banks in some form will probably always exist, but this serves only to render it the more incumbent on us, notwithstanding the discouragements of the past, to strive in our respective stations to mitigate the evils they produce; to take from them as rapidly as the obligations of public faith and a careful consideration of the immediate interests of the community will permit the unjust character of monopolies; to

check, so far as may be practicable, by prudent legislation those temptations of interest and those opportunities for their dangerous indulgence which beset them on every side, and to confine them strictly to the performance of their paramount duty—that of aiding the operations of commerce rather than consulting their own exclusive advantage. These and other salutary reforms may, it is believed, be accomplished without the violation of any of the great principles of the social compact, the observance of which is indispensable to its existence, or interfering in any way with the useful and profitable employment of real capital.”

“Institutions so framed have existed and still exist elsewhere, giving to commercial intercourse all necessary facilities without inflating or depreciating the currency or stimulating speculation. Thus accomplishing their legitimate ends, they have gained the surest guaranty for their protection and encouragement in the good will of the community. Among a people so just as ours the same results could not fail to attend a similar course. The direct supervision of the banks belongs, from the nature of our Government, to the States who authorize them. It is to their legislatures that the people must mainly look for action on that subject. But as the conduct of the Federal Government in the management of its revenue has also a powerful, though less immediate, influence upon them, it becomes our duty to see that a proper direction is given to it. While the keeping of the public revenue in a separate and independent treasury **AND OF COLLECTING IT IN GOLD AND SILVER** will have a salutary influence on the system of paper credit with which all banks are connected, and thus aid those that are sound and well managed, it will at the same time sensibly check such as are otherwise by at once withholding the means of extravagance afforded by the public funds and restraining them from excessive issues of notes which they would be constantly called upon to redeem.”

(Morons at the IRS would be stunned to realize that taxes were ever collected in anything other than purely paper instruments.)

“I am aware it has been urged that this control may be best attained and exerted by means of a national bank. The constitutional objections which I am well known to entertain would prevent me in any event from proposing or assenting to that remedy; but in addition to this, I can not after past experience bring myself to think that it can any longer be extensively regarded as effective for such a purpose. The history of the late national bank, through all its mutations, shows that it was not so. On the contrary, it may, after a careful consideration of the subject, be, I think, safely stated that

AT EVERY PERIOD OF BANKING EXCESS IT TOOK THE LEAD---
that in 1817 and 1818, in 1823, in 1831, and in 1834 its vast expansions,
followed by distressing contractions, led to those of the State institutions.
IT SWELLED AND MADDENED THE TIDES OF THE BANKING
SYSTEM, but seldom allayed or safely directed them. At a few periods only
was a salutary control exercised, but an eager desire, on the contrary,
exhibited for profit in the first place; and if afterwards its measures were
severe toward other institutions, it was because its own safety compelled it
to adopt them. It did not differ from them in principle or in form; its
measures emanated from the same spirit of gain; it felt the same temptation
to overissues; it suffered from and was totally unable to avert those
inevitable laws of trade by which it was itself affected equally with them;
and at least on one occasion, at an early day, it was saved only by
extraordinary exertions from the same fate that attended the weakest
institution it professed to supervise.”

(Every time a central bank has been promoted to Americans as necessary for
stable economic basis, the exact contrary has resulted. Things did not go
otherwise than planned---we have been consistently told lies!)

“In 1837 it failed equally with others in redeeming its notes (though the
two years allowed by its charter for that purpose had not expired), a large
amount of which remains to the present time outstanding. It is true that,
having so vast a capital and strengthened by the use of all the revenues of the
Government, it possessed more power; but while it was itself by that
circumstance freed from the control which all banks require, its paramount
object and inducement were left the same—to make the most for its
stockholders, not to regulate the currency of the country. Nor has it, as far
as we are advised, been found to be greatly otherwise elsewhere. The
national character given to the Bank of England has not prevented excessive
fluctuations in their currency, and it proved unable to keep off a suspension
of specie payments, which lasted for nearly a quarter of a century. And why
should we expect it to be otherwise? A national institution, though deriving
its charter from a different source than the State banks, is yet constituted
upon the same principles, is conducted by men equally exposed to
temptation, and is liable to the same disasters, with the additional
disadvantage that its magnitude occasions an extent of confusion and
distress which the mismanagement of smaller institutions could not
produce.”

“It can scarcely be doubted that the recent suspension of the United States Bank of Pennsylvania, of which the effects are felt not in that State alone, but over half the Union, had its origin in a course of business commenced while it was a national institution, and there is no good reason for supposing that the same consequences would not have followed had it still derived its powers from the General Government. It is in vain, when the influences and impulses are the same, to look for a difference in conduct or results. By such creations we do, therefore, but increase the mass of paper credit and paper currency, without checking their attendant evils and fluctuations. The extent of power and the efficiency of organization which we give, so far from being beneficial, are in practice positively injurious. They strengthen the chain of dependence throughout the Union, subject all parts more certainly to common disaster, and bind every bank more effectually in the first instance to those of our commercial cities, and in the end to a foreign power. In a word, I can not but believe that, with the full understanding of the operations of our banking system which experience has produced, public sentiment is not less opposed to the creation of a national bank for purposes connected with currency and commerce than for those connected with the fiscal operations of the Government.”

“Yet the commerce and currency of the country are suffering evils from the operations of the State banks which can not and ought not to be overlooked. By their means ***WE HAVE BEEN FLOODED WITH A DEPRECIATED PAPER***, which it was evidently the design of the framers of the Constitution to prevent when they required Congress to “coin money and regulate the value of foreign coins,” and when they forbade the States “to coin money, emit bills of credit, make anything but gold and silver a tender in payment of debts,” or “pass any law impairing the obligation of contracts.” If they did not guard more explicitly against the present state of things, it was because they could not have anticipated that the few banks then existing were to swell to an extent which would expel to so great a degree the gold and silver for which they had provided from the channels of circulation, and fill them with a currency that defeats the objects they had in view.”

Henry Clay, main political power behind agitation for a central bank---



“They (the States) have seen that the Constitution, though theoretically adhered to, is subverted in practice; that ***WHILE ON THE STATUTE BOOKS THERE IS NO LEGAL TENDER BUT GOLD AND SILVER***, no law impairing the obligations of contracts, ***YET THAT IN POINT OF FACT THE PRIVILEGES CONFERRED ON BANKING CORPORATIONS HAVE MADE THEIR NOTES THE CURRENCY OF THE COUNTRY***; that the obligations imposed by these notes are violated under the impulses of interest or convenience, and that the number and power of the persons connected with these corporations or placed under their influence give them ***A FEARFUL WEIGHT WHEN THEIR INTEREST IS IN OPPOSITION TO THE SPIRIT OF THE CONSTITUTION*** and

laws. To the people it is immaterial whether these results are produced by open violations of the latter or by the workings of a system of which the result is the same. An inflexible execution even of the existing statutes of most of the States would redress many evils now endured, would effectually show the banks the dangers of mismanagement which impunity encourages them to repeat, and would teach all corporations the useful lesson that they are the subjects of the law and the servants of the people. What is still wanting to effect these objects must be sought in additional legislation, or, if that be inadequate, in such further constitutional grants or restrictions as may bring us back into the path from which we have so widely wandered.”

(Voices of rationality must be heard today telling the nation---“Hey! Banks don’t produce money---miners do!”)

“Our people will not long be insensible to the extent of the burdens entailed upon them by the false system that has been operating on their sanguine, energetic, and industrious character, nor to the means necessary to extricate themselves from these embarrassments. The weight which presses upon a large portion of the people and the States is an enormous debt, foreign and domestic. The foreign debt of our States, corporations, and men of business can scarcely be less than \$200,000,000, requiring more than \$10,000,000 a year to pay the interest. This sum has to be paid out of the exports of the country, and must of necessity cut off imports to that extent or plunge the country more deeply in debt from year to year. It is easy to see that the increase of this foreign debt must augment the annual demand on the exports to pay the interest, and to the same extent diminish the imports, and in proportion to the enlargement of the foreign debt and the consequent increase of interest must be the decrease of the import trade. In lieu of the comforts which it now brings us we might have our gigantic banking institutions and splendid, but in many instances profitless, railroads and canals absorbing to a great extent in interest upon the capital borrowed to construct them the surplus fruits of national industry for years to come, and securing to posterity no adequate return for the comforts which the labors of their hands might otherwise have secured. It is not by the increase of this debt that relief is to be sought, but in its diminution. If we would escape embarrassment, public and private, we must cease to run in debt except for objects of necessity or such as will yield a certain return.”

(Van Buren would surely have considered our modern members of Congress to be shameful criminals for continually raising the debt ceiling, rather than doing what’s necessary to expunge the debt.) Kentuckian, hard money

advocate Richard Mentor Johnson, who fought the British in Canada in 1813 and became a United States Senator, was Van Buren's vice president---



“Let it be indelibly engraved on our minds that relief is not to be found in expedients. Indebtedness can not be lessened by borrowing more money or by changing the form of the debt. The balance of trade is not to be turned in our favor by creating new demands upon us abroad. ***OUR CURRENCY CAN NOT BE IMPROVED BY THE CREATION OF NEW BANKS OR MORE ISSUES FROM THOSE WHICH NOW EXIST.*** Although these devices sometimes appear to give temporary relief, they almost invariably aggravate the evil in the end. It is only by retrenchment and reform—by curtailing public and private expenditures, by paying our debts, and by reforming our banking system—that we are to expect effectual relief, security for the future, and an enduring prosperity. In shaping the institutions and policy of the General Government so as to promote as far as

it can with its limited powers these important ends, you may rely on my most cordial cooperation.”

(Van Buren would be distraught were he with us today to see the spectacle, not only of excessive paper issues from the Federal Reserve, but additionally of derivatives from the financial community!)

“It is their result, if not their object, ***TO GAIN FOR THE FEW AN ASCENDANCY OVER THE MANY BY SECURING TO THEM A MONOPOLY OF THE CURRENCY***, the medium through which most of the wants of mankind are supplied; to produce throughout society a chain of dependence which leads all classes to look to privileged associations for the means of speculation and extravagance.”

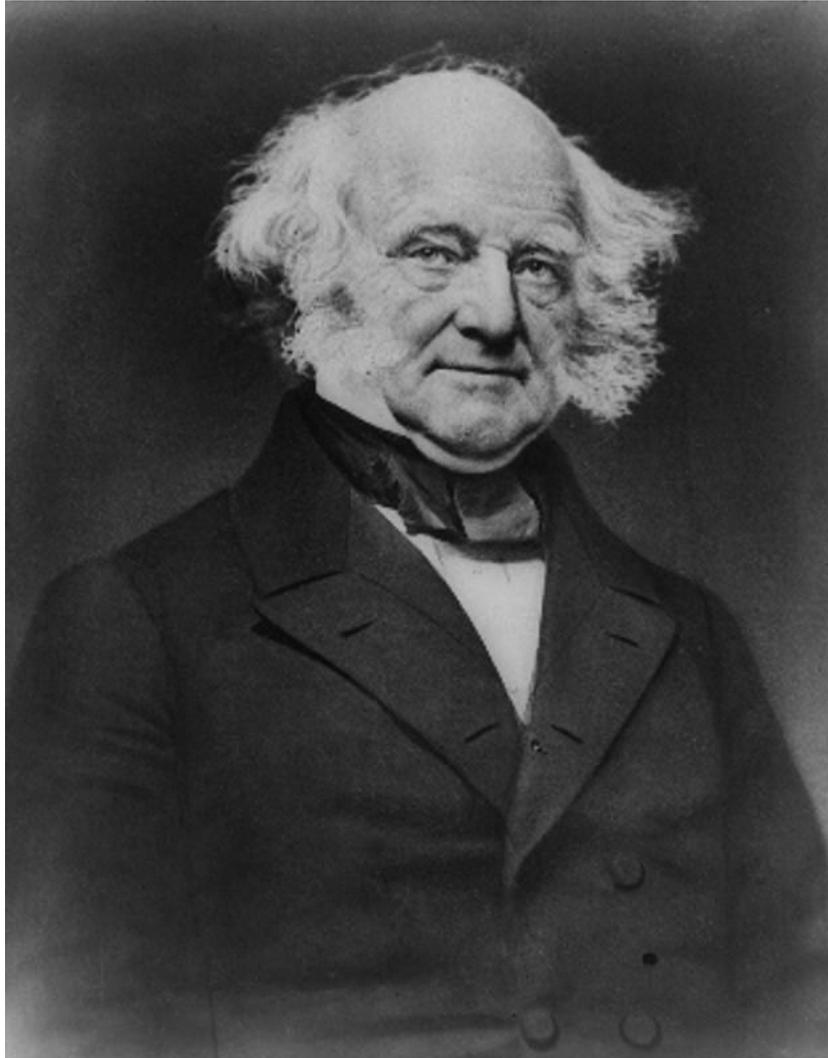
(There is a chain of dependence in society---a structured grouping of organizations in America, of elitists arranged as a wickedly planned pattern of “rings within rings,” with the visible outer ring of elitists known as the Council on Foreign Relations, extending to somewhat more elite, and other parallel and lesser, quasi-mass membership organizations, coordinated from the top down, behind a dense wall of near total silence, by the British-American Pilgrims Society---the fiat money creators, whose ancestors were thwarted by such as Jackson, Van Buren and Tyler.)

The following is from a February 4, 1840 letter from Van Buren to the House of Representatives---

“It is not believed that any law which can now be passed upon the subject can affect the revenue favorably for several months to come, and could not, therefore, be safely regarded as a substitute for the early provision of certain and adequate means to enable the Treasury to guard the public credit and meet promptly and faithfully any deficiencies that may occur in the revenue, from whatever cause they may arise.”

“The reasons in favor of the propriety of adopting at an early period proper measures for that purpose were explained by the Secretary of the Treasury in his annual report and recommended to your attention by myself. The experience of the last two months, and especially the recent decisions of the courts, with the continued suspension of specie payments by the banks over large sections of the United States, operating unfavorably upon the revenue, have greatly strengthened the views then taken of the subject.”

Let's raise a rousing cheer for Martin Van Buren, who radiated integrity like the sun's rays and fought like a lion for real money---



Excerpts from Van Buren's 4th Annual Message to Congress, dated December 5, 1840---

“It affords me, however, great pleasure to be able to say that from the commencement of this period to the present day every demand upon the Government, at home or abroad, has been promptly met. This has been done not only without creating a permanent debt or a resort to additional taxation in any form, but in the midst of a steadily progressive reduction of existing burdens upon the people, leaving still a considerable balance of available funds which will remain in the Treasury at the end of the year.”

(Jackson's administration, of which Van Buren was number two executive, left a large surplus for the government, in spite of the lies of bought off sources who warned that scrapping the central bank would bring ruin. Van Buren continued the same hard money policies and did good for his countrymen. The fact that this was accomplished puts the lie to any voice today who says the same is impossible in our times.) Levi Woodbury, Governor of New Hampshire, 1823-1824, and U.S. Treasury Secretary, 1837-1841, fully supported Jackson and Van Buren's gold and silver monetary policies and was a total antithesis to Henry Paulson---



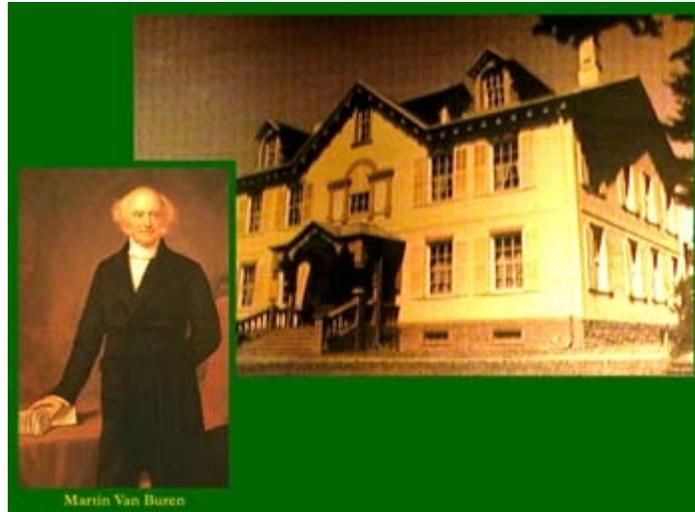
“There can surely now be no difference of opinion in regard to the incalculable evils that would have arisen if the Government at that critical moment had suffered itself to be deterred from upholding the only true

standard of value, either by the pressure of adverse circumstances or the violence of unmerited denunciation. The manner in which the people sustained the performance of this duty was highly honorable to their fortitude and patriotism. It can not fail to stimulate their agents to adhere under all circumstances to the line of duty and to satisfy them of the safety with which a course really right and demanded by a financial crisis may in a community like ours be pursued, however apparently severe its immediate operation.”

“The policy of the Federal Government in extinguishing as rapidly as possible the national debt, and subsequently in resisting every temptation to create a new one, deserves to be regarded in the same favorable light. Among the many objections to a national debt, the certain tendency of public securities to concentrate ultimately in the coffers of foreign stockholders is one which is every day gathering strength. Already have the resources of many of the States and the future industry of their citizens been indefinitely mortgaged to the subjects of European Governments to the amount of twelve millions annually to pay the constantly accruing interest on borrowed money—a sum exceeding half the ordinary revenues of the whole United States. The pretext which this relation affords to foreigners to scrutinize the management of our domestic affairs, if not actually to intermeddle with them, presents a subject for earnest attention, not to say of serious alarm.”

(Keep in mind that while Vanderbilt blamed the London financial establishment for the Panic of 1837, here he spoke of Europeans holding American debt. There was no contradiction; it was, and is, all tied together by intermarriage and cross-holdings.)

Van Buren’s home in Kinderhook, New York---



“He has been an unprofitable observer of events who needs at this day to be admonished of the difficulties which a government habitually dependent on loans to sustain its ordinary expenditures has to encounter in resisting the influences constantly exerted in favor of additional loans; by capitalists, who enrich themselves by government securities for amounts much exceeding the money they actually advance—a prolific source of individual aggrandizement in all borrowing countries; by stockholders, who seek their gains in the rise and fall of public stocks; and by the selfish importunities of applicants for appropriations for works avowedly for the accommodation of the public, but the real objects of which are too frequently the advancement of private interests. The known necessity which so many of the States will be under to impose taxes for the payment of the interest on their debts furnishes an additional and very cogent reason why the Federal Government should refrain from creating a national debt, by which the people would be exposed to double taxation for a similar object.”

(A national debt is something Van Buren never approved of and always worked against. He would marvel in disbelief at how Americans are propagandized into accepting this as normal---like the economist who said “a national debt isn’t a burden because we owe it to ourselves.” No, the debt is owed to ***SPIDERS TROLLING ATOP THE WEB OF THE BANKING ESTABLISHMENT!***)

“The new system established by Congress for the safe-keeping of the public money, prescribing the kind of currency to be received for the public revenue and providing additional guards and securities against losses, has now been several months in operation. Although it might be premature upon an experience of such limited duration to form a definite opinion in

regard to the extent of its influences in correcting many evils under which the Federal Government and the country have hitherto suffered, especially those that have grown out of banking expansions, a depreciated currency, and official defalcations, yet it is but right to say that nothing has occurred in the practical operation of the system to weaken in the slightest degree, but much to strengthen, the confident anticipations of its friends.”

Image of Van Buren long before he ascended to the Presidency---



“IF A NATIONAL BANK WAS, AS IS UNDENIABLE, REPUDIATED BY THE FRAMERS OF THE CONSTITUTION AS INCOMPATIBLE WITH THE RIGHTS OF THE STATES AND THE LIBERTIES OF THE PEOPLE; if from the beginning it has been regarded by large portions of our citizens as coming in direct collision with that great and vital amendment of the Constitution which declares that all powers not conferred by that instrument on the General Government are reserved to the States and to the people; if it has been viewed by them as the first great step in the march of latitudinous construction, which unchecked would render that sacred instrument of as little value as an unwritten constitution, dependent, as it would alone be, for its meaning on the interested interpretation of a dominant party, and affording no security to the rights of the minority—if such is undeniably the case, what rational grounds could have been

conceived for anticipating aught but determined opposition to such an institution at the present day.”

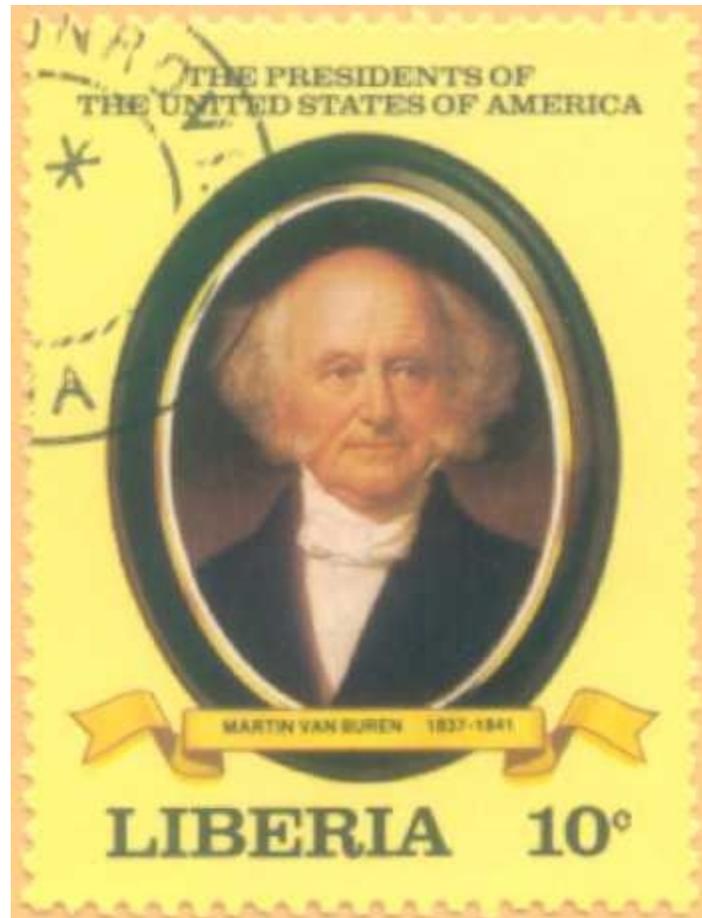


“Could a different result have been expected when the consequences which have flowed from its creation, and particularly from its struggles to perpetuate its existence, had confirmed in so striking a manner the apprehensions of its earliest opponents; when it had been so clearly demonstrated that a concentrated money power, wielding so vast a capital and combining such incalculable means of influence, may in those peculiar conjunctures to which this Government is unavoidably exposed prove an overmatch for the political power of the people themselves; when the true character of its capacity to regulate according to its will and its interests and the interests of its favorites the value and production of the labor and property of every man in this extended country had been so fully and fearfully developed; when it was notorious that all classes of this great community had, by means of the power and influence it thus possesses, been infected to madness with a spirit of heedless speculation; when it had been seen that, secure in the support of the combination of influences by which it was surrounded, ***IT COULD VIOLATE ITS CHARTER AND SET THE LAWS AT DEFIANCE WITH IMPUNITY***; and when, too, it had become most apparent that to believe that such an accumulation of powers can ever be granted without the certainty of being abused was to indulge in a fatal delusion?”

“To avoid the necessity of a permanent debt and its inevitable consequences I have advocated and endeavored to carry into effect the policy of confining the appropriations for the public service to such objects only as are clearly within the constitutional authority of the Federal Government; of excluding from its expenses those improvident and unauthorized grants of public money for works of internal improvement which were so wisely arrested by the constitutional interposition of my predecessor, and which, if they had not been so checked, would long before this time have involved the finances of the General Government in embarrassments far greater than those which are now experienced by any of the States; of limiting all our expenditures to that simple, unostentatious, and economical administration of public affairs which is alone consistent with the character of our institutions; of collecting annually from the customs, and the sales of public lands a revenue fully adequate to defray all the expenses thus incurred; ***BUT UNDER NO PRETENSE WHATSOEVER TO IMPOSE TAXES UPON THE PEOPLE TO A GREATER AMOUNT THAN WAS ACTUALLY NECESSARY TO THE PUBLIC SERVICE CONDUCTED UPON THE PRINCIPLES I HAVE STATED.***”

(Van Buren believed that taxation beyond the reasonable limits of averting anarchy and providing for national defense was theft!)

The great Martin Van Buren, celebrated in faraway countries---



“In lieu of a national bank or a dependence upon banks of any description for the management of our fiscal affairs, I recommended the adoption of the system which is now in successful operation. That system affords every requisite facility for the transaction of the pecuniary concerns of the Government; will, it is confidently anticipated, produce in other respects many of the benefits which have been from time to time expected from the creation of a national bank, but which have never been realized; avoid the manifold evils inseparable from such an institution; diminish to a greater extent than could be accomplished by any other measure of reform the patronage of the Federal Government—a wise policy in all governments, but more especially so in one like ours, which works well only in proportion as it is made to rely for its support upon the unbiased and unadulterated opinions of its constituents; do away forever all dependence on corporate bodies either in the raising, collecting, safekeeping, or disbursing the public revenues, and place the Government equally above the temptation of fostering *A DANGEROUS AND UNCONSTITUTIONAL INSTITUTION AT HOME OR THE NECESSITY OF ADAPTING ITS POLICY TO THE VIEWS AND INTERESTS OF A STILL MORE FORMIDABLE*

MONEY POWER ABROAD. It is by adopting and carrying out these principles under circumstances the most arduous and discouraging that the attempt has been made, thus far successfully, to demonstrate to the people of the United States that a national bank at all times, and a national debt except it be incurred at a period when the honor and safety of the nation demand the temporary sacrifice of a policy which should only be abandoned in such exigencies, are not merely unnecessary, but in direct and deadly hostility to the principles of their Government and to their own permanent welfare.”

(Below, Whig party cartoon trashing Van Buren with caustic acid because he opposed their central banking schemes)---



The rejected Minister,
We never can make him President,
without first making him Vice president.

Lithograph from 1832, published by H. Antice, New York, in the New-York Historical

“The first, and assuredly not the least, important step toward relieving the country from the condition into which it had been plunged by excesses in trade, banking, and credits of all kinds was to place the business transactions of the Government itself on a solid basis, giving and receiving in all cases value for value, and neither countenancing nor encouraging in others that delusive system of credits from which it has been found so difficult to escape, and which has left nothing behind it but the wrecks that mark its fatal career.”

(So-called money, created through bookkeeping entries, or by slapping ink onto paper, is great wickedness. It never helps society, as the product of mining does when we avail ourselves of it.)

“That the financial affairs of the Government are now and have been during the whole period of these wide-spreading difficulties conducted with a strict and invariable regard to this great fundamental principle, and that by the assumption and maintenance of the stand thus taken on the very threshold of the approaching crisis more than by any other cause or causes whatever the community at large has been shielded from ***THE INCALCULABLE EVILS OF A GENERAL AND INDEFINITE SUSPENSION OF SPECIE PAYMENTS***, and a consequent annihilation for the whole period it might have lasted of a just and invariable standard of value, will, it is believed, at this period scarcely be questioned.”

(According to Martin Van Buren, for bank notes to not be convertible into precious metals, either on the part of issuing banks, or on the part of a national central bank, is an evil which cannot be quantified! So we say to the major gold and silver mining company managements and boards---since the most important use for your product is as money, please so state at your websites and in your annual reports, and subordinate messages concerning jewelry and industrial applications, to that overriding declaration! The mining company leaders should all attend a briefing by Hugo Salinas-Price on how to proceed.)

“A steady adherence on the part of the Government to the policy which has produced such salutary results, aided by judicious State legislation and, what is not less important, by the industry, enterprise, perseverance, and economy of the American people, can not fail to raise the whole country at an early period to a state of solid and enduring prosperity, ***NOT SUBJECT TO BE AGAIN OVERTHROWN BY THE SUSPENSION OF BANKS OR THE EXPLOSION OF A BLOATED CREDIT SYSTEM.***” Van Buren’s estate as of today---



We had a truly great man of decency for President in Martin Van Buren. Comparing today's Democratic and Republican front-runners contending for the next Presidency to him is rather like comparing septic tank effluent to the honeysuckle's nectar. The Money Power is fixated on preventing Americans from ever again having a Constitutional money man as President.

The April-May 1840 edition of United States Magazine & Democratic Review (New York), in an article titled, "Mr. Van Buren's Title To Re-Election" had the following to say (excerpts)---

"The great event of President Jackson's administration was the contest with the Bank of the United States, and its destruction as a Federal institution.

The great event of Mr. Van Buren's administration, by which it will hereafter be known and designated, is the Divorce of Bank and State, in the fiscal affairs of the Federal Government, and the return, after half a century of deviation, to the original design of the Constitution." (Page 285)

"On the tenth of May (1837) the great financial earthquake of the Suspension, breaking out at its commercial metropolis, rolled rapidly over the entire Union, in every direction, to the farthest extent of its limits. The whole banking system of the country strewed the ground with its ruins. All the great interests of production and commerce, of which the currency of a country is the life blood, and of which the banks were the accustomed channels and vehicles of circulation, lay likewise **STUNNED AND**

PARALYZED BY THE SHOCK. From every quarter a universal cry of agony arose from the land; though half drown by the shrieks of execration, from the myriad presses and orators of Whigism, against the Government at whose door was laid the responsibility of the whole---mingled only with their shouts of exulting triumph, at this consummation of the financial policy of the Democratic party, and at the prospect of its now inevitable and irrecoverable overthrow.” (Page 290)

(Neither Jackson nor Van Buren nor any of their Treasury Secretaries issued any directive whatsoever to the banks, including to the Bank of the U.S., to suspend convertibility of their notes in gold and silver (specie). However, the Whig party and the banking elements, and their captive press, twisted the entire miserable episode to read as if the suspension were the fault of the Federal government, of which Jackson and later Van Buren, were the highest office holders. It's no different in essence than, run the physical silver supply down to zero by dumping, leasing, and short selling, then blame the crisis on those who prudently held their savings and investments in silver. The media is strongly in the business of transferring blame from the guilty blue-blood faction, onto the innocent! John Forsyth, Jackson and Van Buren's Secretary of State (1834-1841) former Governor of Georgia (1827-1829)---



“The catastrophe was so appalling---so overwhelming; it fell so heavily upon all interests and all parties; ***THE EXPLOSION OF THE SWOLLEN CREDIT BUBBLE*** bore so ruinously upon so large a number of influential individuals among those who had heretofore been most active in the support of the Administration; and when superficially regarded, did appear to refer itself so plausibly to the influence of some of the financial measures of the preceding Administration, of which Van Buren had inherited the responsibilities---that it can be no matter of surprise that through all the summer of that celebrated year (1837) the Democratic party, as a body, was in a complete state of disorganization and confusion. A feeling of discouragement and despair seemed to chill and unnerve many of the truest and the stoutest; while it was evident that large masses, perplexed amid contending doubts and alarms, were wavering in honest uncertainty, on the point of a decisive abandonment of a Government which appeared properly chargeable with the responsibility of having led the country thus deeply into miry entanglements.”

(The Whig propaganda machine was at full throttle spreading misinformation against Van Buren, and succeeded in deceiving enough

voters so that Harrison could squeak past him in the popular vote. However, did Van Buren actually lose the popular vote? He got, so records show, 47% of it, but according to the “Encyclopedia Americana” online at <http://ap.grolier.com/article?assetid=0400180-00> “***THE ELECTION OF 1840 IS NOTEWORTHY AS THE FIRST PRESIDENTIAL CONTEST IN WHICH FRAUDULENT VOTING WAS PRACTICED ON A LARGE SCALE.***”)

“Through all this tempest, Mr. Van Buren remained calmly at his post at the helm of state, unterrified and unseduced, self-possessed, resolute, and unwavering, equally in his convictions of the rightfulness of the principles with which he stood identified by the pledges of his entire political life, and in his determination to carry them firmly out, with a wise and prudent courage, to all their legitimate consequences; and whether the present issue be for good or for evil, to trust fearlessly, in the first resort, to the sober second thought of the people and, in the last, to posterity for final justice. We may venture to say that throughout all this period he surpassed the expectations of his most intimate friends, who had never before seen him similarly tried and tested---as he disappointed the confident (end page 290) prophecies of his enemies.”

“He had been amply known before for an able man, for a wise man (in General Jackson’s frequent phrase in relation to him), for an honest, firm, and far-sighted man, as well as for a man of consistent democratic convictions and conduct---but he had not before been known for a great man. ***BEFORE THE SUSPENSION, IT IS WELL KNOWN THAT A VERY POWERFUL PRESSURE HAD SET IN UPON HIM IMMEDIATELY ON HIS ACCESSION TO THE PRESIDENCY, TO FORCE FROM HIM AN ABANDONMENT OF THE CURRENCY POLICY OF THE PRECEEDING ADMINISTRATION, BY A REPEAL OF THE SPECIE CIRCULAR, AND BY THE CALL OF AN EXTRAORDINARY SESSION OF CONGRESS FOR RELIEF TO THE DISTENDED CREDIT SYSTEM---BOTH WHICH DEMANDS HAD BEEN RESISTED AS RESOLUTELY AS THEY WERE CLAMOROUSLY URGED.***”

(A “very powerful pressure” was brought to bear on Van Buren just as he became President! This pressure was trying to strong-arm him into giving the Money Power what it wanted---unbacked currency issuance, a central bank, and the trashing of Constitutional money! Van Buren, another man of honor, refused to give in! He was resolute, in spite of the fact that an

assassination attempt was made on Jackson barely two years earlier for defying the Money Power, based in London!)

“And after it (M.V.B. becoming President), the pressure from every quarter to compel him to shape the course of his Administration in a direction favorable to the cause of the banks, and to the renewal of the public confidence which they had forfeited by abusing, was of course multiplied in proportion with the political necessity which those who urged it conceived to be now imperatively incumbent on him.”

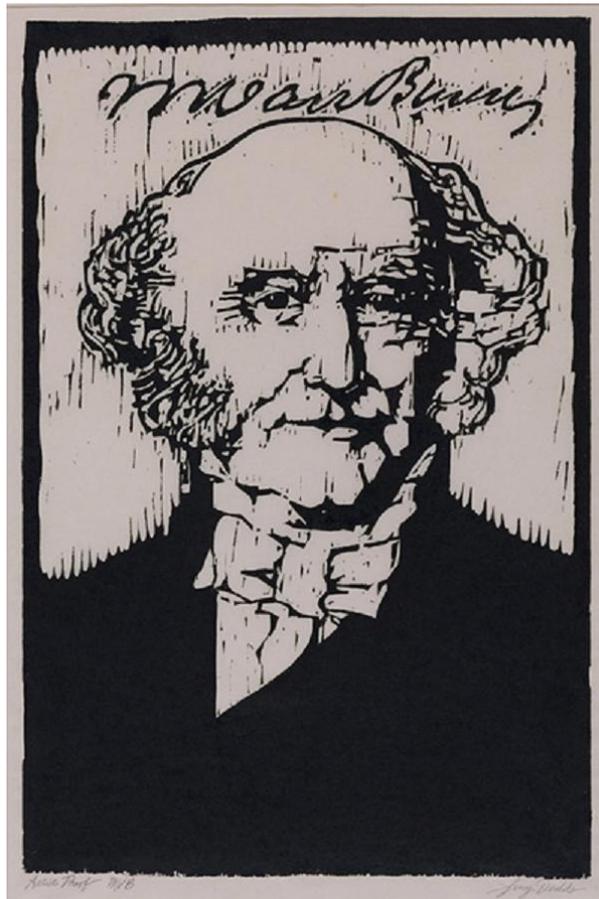
(We can only imagine how wickedly the hobgoblins of taunting, the demons of defamation, and the trolls of threats, came relentlessly at Van Buren, from all sides, on a daily basis, throughout his entire term, never ceasing to give him any possible trauma, hoping he would renounce his principles as a means of having them leave him alone---but he would not disavow his ethics!)

“Looking upon it by the light of just principles of political economy and democratic truth, he surveyed the whole course of the stormy financial history of the country through the period that had led to this general catastrophe; and through the rapid succession and confusion of the events he read aright the essential law of their movement. The decisive reasons, political and economic, against a National Bank, had been long deeply interwoven into his mind. He had witnessed, and had well understood, the expansion of the currency which followed the long and convulsive struggle for a recharter between that institution and the Federal Government---the direct and leading agency which the United States Bank had in causing that movement, by the rapid extension of its own loans to the amount of twenty millions within a few months, although it had before, during the suspense of the contest, ***MADE THE APPROACHING TERMINATION OF ITS CHARTER THE PRETEXT FOR A CURTAILMENT OF UNEXAMPLED SEVERITY AND PRESSURE---THE GREAT CONSEQUENT INFLATION OF NOMINAL PRICES***---the rapid and enormous rise and (end page 291) growth of speculation, in its most morbid character and most fatal excess---the convulsive derangement of the whole system.”

(Give the fiat money manufacturers just what they want or else they will play dirty!)

“The creation of State stocks, for the purpose of borrowing hundreds of millions from Europe to be repaid by poor posterity, loans paid in reality

only in the fabrics of foreign industry to the detriment of our own, **AND NOMINALLY AT HOME ONLY BY AN EXPANSION OF THE DOMESTIC MANUFACTURE OF PAPER MONEY**---the check upon this tremendous overaction of pseudo-credit applied by the Specie Circular, for the protection of the national domain from the process of evaporation which it was so rapidly undergoing, under this state of things in which the acre of public land was the only commodity exempt, by the necessary operation of law, from the universal hollow inflation of nominal price---the inevitable result of all this in an active foreign commercial debt of about sixty millions, independently of State and stock **INDEBTEDNESS TO AN AMOUNT WHOSE MAGNITUDE COULD ONLY BE DIMLY CONJECTURED**---the rise of foreign exchange, even in spite of the outward stream of public stocks, which had so long artificially and unnaturally kept it down to a delusive appearance of equilibrium and safety---the necessary consequent drain of specie from the banks, followed, inevitably, **BY THE BURSTING OF THE WHOLE BUBBLE OF THIS INSANE "CREDIT SYSTEM,"** in the universal suspension or bankruptcy of the banks."



“This was the general outline of the events---these the leading points of the history of the whole great national movement, the necessary result and catastrophe which Mr. Van Buren witnessed in every direction around him, in the ruins that strewed the land, and the agonized clamors for relief that rose from its whole extent. All this, we repeat, he saw with unclouded eye---though of course not without the emotions which it could not but awaken in the breast of every lover of his country, however clearly the whole might be ascribable to those very causes, against the action of which the general scope of the policy of the Administration had been directed, and of which the agents and supporters were now the most frantic and furious in their opposition to that Administration. He saw that the whole had its primary origin ***IN THE RADICAL VICIOUSNESS OF THAT FATAL PAPER MONEY BANKING SYSTEM WHICH HAS GROWN UP, LIKE A UPAS TREE, TO POISON THE ATMOSPHERE OF THE LAND WHICH IT OVERSHADOWS***; and as a secondary cause, that the disease had derived a frightful stimulus (end page 292) and aggravation, in many of its worst characteristics, from the ill-omened union between it and the Federal Government---both of these views being but confirmations, ***BY TERRIBLE EVIDENCE OF EXPERIENCE ON A GRAND SCALE OF EVIL***, of opinions on the subject long and profoundly entertained by him.”

(Upas trees are native to Southeast Asia and produce a poison that damages the heart; Upas is the word on the island of Java meaning poison. “Fatal paper money banking system”---try quoting that item at any JPMorganChase branch!)

“The course of duty dictated to a President of the United States by these convictions, if it was a plain one, was also an arduous and dangerous one. ***THE VERY MAGNITUDE OF THE GREAT NATIONAL EVIL, THE MORE LOUDLY IT DEMANDED REFORM, THE MORE FEARFULLY DID IT PROVE THE FORMIDABLE CHARACTER OF THE VAST INTEREST WHICH HELD THE WHOLE COMMUNITY IN THE THRALL OF THAT SUBTLE NETWORK OF FETTERS WHICH ITS ACTION SPREAD OVER THE ENTIRE SURFACE OF THE BODY POLITIC. TOUCH NOT THE WOUNDED HYDRA.*** It is a great mistake to suppose that this was the moment of weakness to the banks---of shorn locks and withered strength---that having them “on the hip,” it was now easy to hold them there. Far, indeed, from it. Never, probably, in their palmist hour, had the power of that tremendous engine of social and political power, the banking system, seemed more formidable

than now in the hour of its prostration in the disgrace of universal bankruptcy.”

“Instead of its being a moment of weakness, when the approach of the hand of reform might be more safely hazarded than at another, precisely the reverse was the case. For it was precisely the moment in which the cry could be raised with the greatest effect by the banks, **THAT THE COMMON SAFETY OF ALL WAS IDENTIFIED WITH THEIR CAUSE**, and that all should unite to sustain, to indulge, to relieve, to encourage them, by demonstrations of confidence---a confidence increased in exactly inverse ratio to the evidence afforded by themselves of their title to it. There was no slight degree of popular plausibility at that time in the appeal urged in their behalf, that whatever course might hereafter be pursued by the Democratic party, for their reform and for the protection of the fiscal interests of the government, now at least was not the hour to press it---that all should unite to carry the distressed ship of the public credit safely through the immediate severity of the tempest---and that it would be time enough to agitate these questions when the haven should be reached, of a resumption of specie payments by the banks, an object to be attained only by an implicit obedience to the terms and methods dictated by themselves.”

(Is JPMorganChase or Goldman Sachs “too big to fail?” Should taxpayers have to bail them out in spite of their bizarre financial adventures into swaps and derivatives? Those banks in the early 1840’s had no intention to resume specie payments, although maybe a few of them made token gestures, just until attention could be distracted elsewhere.)

“In appreciating the difficulties of Mr. Van Buren’s position at the period we are referring to, a general dissolution of his own party, with the abandonment of his Administration by a very great proportion of all the old influential leaders among (end page 293) its supporters, **IF HE SHOULD DARE TO ASSUME ANY ATTITUDE ANTAGONISTICAL TO THE POWER OF THE BANKS, AND TO INFATUATION IN FAVOR OF THE PAPER MONEY CREDIT SYSTEM**. The only existing party on which he could rely for support in such a position, consisted of a small section of the Democratic party in the city of New York, which had assumed a distinct organization **ON THE GROUND OF HOSTILITY TO THE MONOPOLY OF THE BANKING SYSTEM, AND THE FRAUDULENT FALLACY OF PAPER MONEY.**”

(This magazine was identified with the Democratic Party long before the Civil War, but where are any Democrat politicians today denouncing the artificial currency we use under duress of the legal tender laws?)

“The principles of sincere reformers were those always cherished by Mr. Van Buren, and to which he had never been unfaithful, throughout the whole course of his political life. The power of truth depends neither on numbers nor on parties, but on its own divine vital energy; and in a deep and thorough agitation of a sound principle is to be found as mighty an engine of influence upon the minds of men, in the hands of a single votary of its truth, as though urged by the acclamations of millions.”

“Such was the state of the times, and such Mr. Van Buren’s position in them, when he resolved upon his famous Message of the Extra Session, in which he was seen, to the astonishment of the vast majority of the people, **TO FLING AT THE BANKS A DARING DEFIANCE; AND TO TAKE THE HIGH GROUND, FOR THE GOVERNMENT, OF A TOTAL DISCONNEXION FROM THE BANKING SYSTEM IN ANY AND EVERY SHAPE---FOR THE CURRENCY, THAT OF THE REPUDIATION OF THE USE OF PAPER MONEY FOR ALL THE ORDINARY TRANSACTIONS OF LIFE, AND THE RETURN TO THE ONLY SOLID AND SAFE CURRENCY CONTEMPLATED BY THE FRAMERS OF THE CONSTITUTION---**and for the existing national distress, arising out of the unavoidable collapse of the expanded credit system, that the relief clamored for was equally beyond the power and the rightful action of the Federal Government (farther than by a liberal present indulgence to its debtors among the banks and merchants); and that it was only to be obtained through the gradual agency of the great laws of nature and of trade, by patient endurance of this necessary expiation of past folly and excess---**ALL TEMPORARY PALLIATIVES, FOUNDED ON THE APPLICATION OF MORE BANKING AND MORE PAPER MONEY,** being only calculated to (end page 294) prolong, and eventually greatly to aggravate, the agony of the present crisis of national disease and derangement.”

(Yes! Throwing more printing press money at monetary ills has never improved conditions.)

“The fury of the political storm that ensued will long be remembered. The cause of the Administration seemed for a while irrecoverably prostrate, and Mr. Van Buren’s prospects of being sustained, utterly desperate. State after

State abandoned him, and by such heavy reversed majorities as appeared to indicate a great popular tide of revolution which it would seem idle to attempt to stem. The party which had elected him broke up with a great convulsion. A large segment passed over openly into the ranks of the opposition---where they soon illustrated strikingly that old adage that “one renegade is worse than ten Turks.” A still larger segment, differing from the latter class only in degree, by retaining a loose and weak adhesion, at the same time that they strenuously opposed the cardinal principles on which by his message he had staked his political existence, were productive of far greater injury and embarrassment in the struggle that ensued, by distracting the unity, and paralyzing the energy, of those by whom the struggle was in reality undertaken with an enthusiasm and courage worthy of the cause which called them forth. Everywhere opposition was triumphant. Mr. Van Buren was already stamped as a doomed and ruined man---an opinion which was at that time to be heard not infrequently uttered even by persons who wished him well; and who believed that the future would eventually render a tardy justice to him and to his principles, though at the hands of the present generation he must be their martyr.”

(The United States Magazine and Democratic Review was among the few media not bought off by the paper money creators. Its publisher and editor recognized that most newspapers were in the Whig camp, and gave Van Buren a tar and feather job, based on falsehoods, in their editions.)

“But the Message very rapidly began to work. It addressed itself directly to the heart, and did not fail to find a prompt and congenial response. Far and near it went forth through the land, like the sound of the trumpet note of rally on the plain of battle to a disorganized host. It was immediately recognized as the spell-word that had been wanting to be the signal of order and spontaneous rearrangement throughout the chaos of conflicting ideas into which the Democratic party had been thrown by the shock of the recent convulsion. Our reorganization began immediately on the basis of the doctrines of that noble document, and proceeded with great rapidity and energy; **AND IF EVER THIS IS TRUE OF A SINGLE MAN, IN RELATION TO A MASS OF MILLIONS, MR. VAN BUREN WAS, IN HIS INDIVIDUAL PERSON, MOST EMPHATICALLY THE NUCLEUS OF THIS PROCESS**---the point of departure, of impulsive stimulus and central support, to this great national movement of opinion. Had he proved false or incapable it could not at that time have taken place. It affords a striking instance of the necessity of a leader in all such crises of human affairs, and of the mighty influence for good which it may become the high

and happy lot of an individual to exert upon the destiny of a (end page 295) nation, when the exact conjunction takes place of the Hour and the Man.”

(It was no mistake that Jackson chose the singularly rare Van Buren as his successor, which was in keeping with Martin’s own desire to take the nation’s helm, in order to stifle the money changers for at least four more years, and to continue the campaign for monetary reform.)

“The subsequent progress of the movement we shall not here retrace in detail. The depth and extent to which it was seen to proceed within the short period of two years were amply attested within the past year, by the general triumph of the Democratic cause in the elections throughout almost the whole extent of the Union. The present House of Representatives has been elected to pass the Independent Treasury Bill, and will soon discharge that high duty. The first great step towards the reform of the currency---than which the warmest democratic philanthropy can propose to itself no worthier object of effort---***IN DETACHING THE INFLUENCE OF THE FEDERAL GOVERNMENT FROM THE SUPPORT OF OUR WRETCHED PAPER MONEY SYSTEM, IS NOW SECURED. THE UNHOLY ALLIANCE BETWEEN THEM, BY WHICH THROUGH THE PAST HALF CENTURY, THE BENEFITS OF THE CONSTITUTION HAVE BEEN MORE THAN HALF NEUTRALIZED, CAN NEVER BE REUNITED.*** The influence of this reform upon the currency of the country will impress itself with an effect as potent as salutary. ***WE NOW AT LAST ARE ABOUT TO RETURN TO THE STARTING POINT OF THE CONSTITUTION, WHEN IN AN EVIL HOUR HAMILTON’S BOLD AND POWERFUL HAND SEIZED THE HELM OF STATE, AND WITH RADICAL, AND MOST FATAL, ERROR OF THEORY---GAVE IT THAT FALSE DIRECTION WHICH IT HAS TAKEN FIFTY YEARS OF EVIL AND STRUGGLE TO CORRECT.***”

(The independent Treasury system launched by Van Buren added to the successes of the two term Jackson era, and added to the rage of the bankers.)

“In the line of our Presidents, Mr. Van Buren is fortunate indeed, that it has fallen to his lot to be the immediate author of this great reform, of which it is not easy to exaggerate the ultimate beneficial effects upon the working of our system of government. This constitutes his present title to reelection, which it has most assuredly secured to him by a massive majority. As ***IT WILL HEREAFTER CONSTITUTE A TITLE, WHICH NONE WILL***

***BE FOUND TO DISPUTE, TO A GLORIOUS HISTORICAL
DISTINCTION.*** This is the main root of that sober, rational thinking
popularity, and not the less enthusiastic that it is calm and deep---which he
has extorted from reluctant prejudice, in many quarters of the Union. ***HIS
HIGH DARING, WHICH WAS BY MANY DEEMED DESPERATION,
HAS PROVED THE PROFOUNDEST WISDOM.*** Fearless in the cause of
truth, by the might of truth he has conquered. Throwing himself with a
noble confidence upon the people, by the people has he been nobly
sustained, and the posterity to which, as quoted in the commencement of this
Article, he appealed in the time of perilous crisis, has come earlier than he or
any one could have ventured to hope. The lesson is an invaluable one for
our public men. So may it be always.”

If we the precious metals advocates ever designate a gallery of “patron
saints,” President Martin Van Buren would shine bright like Sirius in the
deep night sky---



“The godliest mortal you ever will know, is the one with the dream of El Dorado!”---Theme lyrics from “El Dorado,” (1967, John Wayne, in which he as Cole Thornton was hired to protect a silver mine, and the best Western of all time!) El Dorado was the mythical city of gold and silver sought by Spanish Conquistadors centuries past.

Martin Van Buren, the Red Fox of Kinderhook!
Knowing that real money can't be printed!
He knew paper money is the work of a crook!
So what? If paper notes are colorfully tinted?
Constitutional money can only be minted!

President Van Buren, the “little magician!”
Waging war on worthless paper bank notes!
Use gold and silver alone was his proposition!
The paper money mob, a bunch of Judas goats!
Van Buren had them by their throats!

Serving under Old Hickory, the war hero,
Both fighting bankers perverted schemes,
Van Buren knew paper money falls to zero!
Gold and silver money alone is what gleams!
Considering paper money, the honest man screams!

Following Andy into the highest office in the land,
Central banking forces ready to twist the blade,
Martin Van Buren boldly took full command,
He knew gold & silver was the best basis of trade,
And stood against the bankers thieving crusade!

Blamed for the banks halting conversion,
Of their notes into hard metal that’s real,
Van Buren confronted the banker’s perversion!
He knew all they wanted to do was steal!
He faced them down---they started to squeal!

Long since departed into a Heavenly forever,
In the precious metals firmament---a shining star!
Have we ever had a better President? Never!
Ink on paper as money? Totally bizarre!
Is Van Buren holding onto a silver bar?

Van Buren retired to 220 acres of prime farm land near Kinderhook, lavishing money on extensive renovations to the brick manor house he called Lindenwald. It was transformed into a Venetian villa of 36 rooms with a library wing, a four story Italianate tower, and 51 French wallpaper panels flanking the downstairs entry. Outside were ornamental gardens and sparkling fish ponds.

