

his effects into specie so rapidly as to meet any possible demands from the bills. Any system which does not absolutely require this much, and any practice of the banks which puts it beyond their power to perform this much, is deemed to be wholly wrong and unsafe. There should be no contingency where this rule should be relaxed. As much is implied in the duties of the bank to the public, and as much is demanded by the safety of the public. A suspension of specie payments by the banks is either a violent implication upon the system, or upon its management.

The multiplicity of banks in the State is an evil, and a spirit of rivalry among banks is promotive of evil. The legitimate purpose of banking is to facilitate the business of the community. Banks should be located with strict reference to actual business wants. Where such wants are fully met by one bank, another should not be created. Experience has shown that competition between small banks leads to the encouragement of a class of paper not contemplated by the laws.

It is not understood that the temporary inability of our banks to make specie payments results from any want of ultimate ability to discharge all their liabilities. Nor is there just apprehension of their soundness and the security of the public as connected with them. On the contrary, they have maintained their credit with commendable promptitude during the prevalence of severest revulsion.

Your judgment is invited to the consideration of the question, whether any measures are necessary to prevent a recurrence of bank suspensions, and to provide against the effects upon the country consequent thereon.

Whatever checks or restraints you may think proper to throw around the system to protect the community against injurious influences from that quarter for the future, if it be true that, to a great extent, the present prostrate condition of the business of the country and the apparent scarcity of money is attributable to extravagance of investment and individual extravagance—investment which has made no adequate return, and extravagance beyond the income—then it is obvious that the remedy the case admits of and requires for permanent relief, is retrenchment and economy of investment and economy of expenditure in all departments, public and private, individual and personal; an economy which shall criticize the fitness of the smallest item of outlay, and force within the narrowest limits both public and private disbursements. Embarrassment has not come because the sources of wealth are not abundant, both in the bounties of nature and the creative art of our people, but simply because we have not accumulated by frugality.

It is not too much to add, that the economy of living, a real virtue, is too little understood and practiced by all classes among us; and that we are not, in our habits and tastes, sufficiently American, but in these defer to foreign customs, and unwisely and unpatriotically prefer the imported fabric and production to those of American skill and labor.

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A statement of the condition of the several banks in New Hampshire, as they existed on the first Monday of January, A. D. 1858, made in conformity to an act of the legislature of said State of New Hampshire, passed June seven, A. D. 1857.

