

**LETTERS
ON
AMERICAN DEBTS**

THE HUMBLE PETITION *of the* REV. SYDNEY SMITH *to* THE HOUSE OF CONGRESS
at WASHINGTON

I petition your honourable House to institute some measures for the restoration of American credit, and for the repayment of debts incurred and repudiated by several of the States. Your petitioner lent to the State of Pennsylvania a sum of money, for the purpose of some public improvement. The amount, though small, is to him important, and is a saving from a life income, made with difficulty and privation. If their refusal to pay (from which a very large number of English families are suffering) had been the result of war, produced by the unjust aggression of powerful enemies; if it had arisen from civil discord; if it had proceeded from an improvident application of means in the first years of self-government; if it were the act of a poor State struggling against the barrenness of nature—every friend of America would have been contented to wait for better times; but the fraud is committed in the profound peace of Pennsylvania, by the richest State in the Union, after the wise investment of the borrowed money in roads and canals, of which the repudiators are every day reaping the advantage. It is an act of bad faith which (all its circumstances considered) has no parallel, and no excuse.

Nor is it only the loss of property which your Petitioner laments; he laments still more that immense power which the bad faith of America has given to aristocratical opinions, and to the enemies of free institutions, in the old world. It is vain any longer to appeal to history, and to point out the wrongs which the many have received from the few. The Americans, who boast to have improved the institutions of the old world, have at least equalled its crimes. A great nation, after trampling under foot all earthly tyranny, has been guilty of a fraud as enormous as ever disgraced the worst king of the most degraded nation of Europe.

It is most painful to your Petitioner to see that American citizens excite, wherever they may go, the recollection that they belong to a dishonest people, who pride themselves on having tricked and pillaged Europe; and this mark is fixed by their faithless legislators on some of the best and most honourable men in the world, whom every Englishman has been eager to see and proud to receive.

It is a subject of serious concern to your Petitioner that you are losing all that power which the friends of freedom rejoiced that you possessed, looking upon you as the ark of human happiness, and the most splendid picture of justice and of wisdom that the world had yet seen. Little did the friends of America expect it, and sad is the spectacle to see you rejected by every State in Europe, as a nation with whom no contract can be made, because none will be kept; unstable in the very foundations of social life, deficient in the elements of good faith, men who prefer any load of infamy however great, to any pressure of taxation however light.

Nor is it only this gigantic bankruptcy for so many degrees of longitude and latitude which your Petitioner deplores, but he is alarmed also by that total want of shame with which these things have been done; the callous immorality with which Europe has been plundered, that deadness of the moral sense which seems to preclude all return to honesty, to perpetuate this new infamy, and to threaten its extension over every State of the Union.

To any man of real philanthropy, who receives pleasure from the improvements of the world, the repudiation of the public debts of America, and the shameless manner in which it has been

talked of and done, is the 'most melancholy event which has happened during the existence of the present generation. Your Petitioner sincerely prays that the great and good men still existing among you may, by teaching to the United States the deep disgrace they have incurred in the whole world, restore them to moral health, to that high position they have lost, and which, for the happiness of mankind, it is so important they should ever maintain; for the United States are now working out the greatest of all political problems, and upon that confederacy the eyes of thinking men are intensely fixed, to see how far the mass of mankind can be trusted with the management of their own affairs, and the establishment of their own happiness.

May 18. 1843.

LETTER I.

To the Editor of the Morning Chronicle.

SIR,

You did me the favour, some time since, to insert in your valuable journal a petition of mine to the American Congress, for the repayment of a loan made by me, in common with many other unwise people, to the State of Pennsylvania. For that petition I have been abused in the grossest manner by many of the American papers. After some weeks' reflection, I see no reason to alter my opinions, or to retract my expressions. What I then said was not wild declamation, but measured truth. I repeat again, that no conduct was ever more profligate than that of the State of Pennsylvania. History cannot pattern it: and let no deluded being imagine that they will ever repay a single farthing—their people have tasted of the dangerous luxury of dishonesty, and they will never be brought back to the homely rule of right. The money transactions of the Americans are become a by-word among the nations of Europe. In every grammar-school of the old world *ad Græecas Calendas* is translated — the American dividends.

I am no enemy to America. I loved and admired honest America when she respected the laws of pounds, shillings, and pence; and I thought the United States the most magnificent picture of human happiness: I meddle now in these matters because I hate fraud — because I pity the misery it has occasioned — because I mourn over the hatred it has excited against free institutions.

Among the discussions to which the moral lubricities of this insolvent people have given birth, they have arrogated to themselves the right of sitting in judgment upon the property of their creditors — of deciding who among them is rich, and who poor, and who are proper objects of compassionate payment; but in the name of Mercury, the great god of thieves, did any man ever hear of debtors alleging the wealth of the lender as a reason for eluding the payment of the loan? Is the Stock Exchange a place for the tables of the money-lenders; or is it a school of moralists, who may amerce the rich, exalt the poor, and correct the inequalities of fortune. Is *Biddle* an instrument in the hand of Providence to exalt the humble, and send the rich empty away? Does American providence work with such instruments as *Biddle*?

But the only good part of this bad morality is not acted upon. The rich are robbed, but the poor are not paid: they growl against the dividends of Dives, and don't lick the sores of Lazarus. They seize with loud acclamations, on the money bags of Jones Loyd, Rothschild, and Baring, but they do not give back the pittance of the widow, and the bread of the child. Those knaves of the setting sun may call me rich, for I have a twentieth part of the income of the Archbishop of Canterbury, but the curate of the next parish is a wretched

soul bruised by adversity; and the three hundred pounds for his children, which it has taken his life to save, is eaten and drunken by the mean men of Pennsylvania — by men who are always talking of the virtue and honour of the United States — by men who soar above others in what they say, and sink below all nations in what they do—who, after floating on the heaven of declamation, fall down to feed on the offal and garbage of the earth.

Persons who are not in the secret are inclined to consider the abominable conduct of the repudiating States to proceed from exhaustion — " They don't pay because they cannot pay; whereas, from estimates which have just now reached this country, this is the picture of the finances of the insolvent states. Their debts may be about 200 millions of dollars; at an interest of 6 per cent., this makes an annual charge of 12 millions of dollars which is little more than 1 per cent. of their income in 1840, and may be presumed to be less than 1 per cent of their present income; but if they were all to provide funds for the punctual payment of interest, the debt could readily be converted into a 4 or 5 per cent. stock, and the excess, converted into a sinking fund, would discharge the debt in less than thirty years. The debt of Pennsylvania, estimated at 40 millions of dollars, bears, at 5 per cent., an annual interest of 2 millions. The income of this State was, in 1840, 131 millions of dollars, and is probably at this time not less than 150 millions: a net revenue of only 1 per cent. would produce the two millions required. So that the price of national character in Pennsylvania is 1 per cent. on the net income; and if this market price of morals were established here, a gentleman of a thousand a year would deliberately and publicly submit to infamy for 15*l.* per annum; and a poor man, who by laborious industry had saved one hundred a year, would incur general disgrace and opprobrium for thirty shillings by the year. There really should be lunatic asylums for nations as well as for individuals.

But they begin to feel all this: their tone is changed; they talk with bated breath and whispering apology, and allay with some cold drops of modesty their skipping spirit. They strutted into this miserable history, and begin to think of sneaking out.

And then the subdulous press of America contends that the English under similar circumstances would act with their own debt in the same manner; but there are many English constituencies where are thousands not worth a shilling, and no such idea has been broached among them, nor has any petition to such effect been presented to the legislature. But what if they did act in such a manner, would it be a conduct less wicked than that of the Americans? Is there not one immutable law of justice — is it not written in the book? Does it not beat in the heart? — are the great guide-marks of life to be concealed by such nonsense as this? I deny the fact on which the reasoning is founded; and if the fact were true, the reasoning would be false.

I never meet a Pennsylvanian at a London dinner without feeling a disposition to seize and divide him; to allot his beaver to one sufferer and his coat to another—to appropriate his pocket-handkerchief to the orphan, and to comfort the widow with his silver watch, Broadway rings, and the London Guide, which he always carries in his pockets. How such a man can set himself down at an English table without feeling that he owes two or three pounds to every man in company I am at a loss to conceive: he has no more right to eat with honest men than a leper has to eat with clean men. If he has a particle of honour in his composition he should shut himself up, and say, "I cannot mingle with you, I belong to a degraded people—I must hide myself—I am a plunderer from Pennsylvania."

Figure to yourself a Pennsylvanian receiving foreigners in his own country, walking over the public works with them, and showing them Larcenous Lake, Swindling Swamp, Crafty Canal, and Rogues' Railway, and other dishonest works. "This swamp we gained (says the patriotic borrower) by the repudiated loan of 1828. Our canal robbery was in 1830; we pocketed your good people's money for the railroad only last year." All this may seem very smart to the Americans; but if I had the misfortune to be born among such a people, the land of my fathers should not retain me a single moment after the act of repudiation. I would

appeal from my fathers to my forefathers. I would fly to Newgate for greater purity of thought, and seek in the prisons of England for better rules of life.

This new and vain people can never forgive us for having preceded them 300 years in civilisation. They are prepared to enter into the most bloody wars in England, not on account of Oregon, or boundaries, or right of search, but because our clothes and carriages are better made, and because Bond Street beats Broadway. Wise Webster does all he can to convince the people that these are not lawful causes of war; but wars, and long wars, they will one day or another produce; and this, perhaps, is the only advantage of repudiation. The Americans cannot gratify their avarice and ambition at once; they cannot cheat and conquer at the same time. The warlike power of every country depends on their Three per Cents. If Caesar were to reappear upon earth, Wettenhall's List would be more important than his Commentaries; Rothschild would open and shut the Temple of Janus; Thomas Baring, or Bates, would probably command the Tenth Legion, and the soldiers would march to battle with loud cries of Scrip and Omnium reduced, Consols, and Caesar! Now, the Americans have cut themselves off from all resources of credit. Having been as dishonest as they can be, they are prevented from being as foolish as they wish to be. In the whole habitable globe they cannot borrow a guinea, and they cannot draw the sword because they have not money to buy it.

If I were an American of any of the honest States, I would never rest till I had compelled Pennsylvania to be as honest as myself. The bad faith of that State brings disgrace on all; just as common snakes are killed because vipers are dangerous. I have a general feeling, that by that breed of men I have been robbed and ruined, and I shudder and keep aloof. The pecuniary credit of every State is affected by Pennsylvania. Ohio pays; but with such a bold bankruptcy before their eyes how long will Ohio pay? The truth is, that the eyes of all capitalists are averted from the United States. The finest commercial understandings will have nothing to do with them. Men rigidly just, who penetrate boldly into the dealings of nations, and work with vigour and virtue for honourable wealth—great and high-minded merchants—will loathe, and are now loathing, the name of America: it is becoming, since its fall, the common-sewer of Europe, and the native home of the needy villain.

And now, drab-coloured men of Pennsylvania, there is yet a moment left: the eyes of all Europe are anchored upon you—

" Surrexit mundus justis furiis :"

start up from that trance of dishonesty into which you are plunged; don't think of the flesh which walls about your life, but of that sin which has hurled you from the heaven of character, which hangs over you like a devouring pestilence, and makes good men sad, and ruffians dance and sing. It is not for Gin Sling and Sherry Cobbler alone that man is to live, but for those great principles against which no argument can be listened to — principles which give to every power a double power above their functions and their offices, which are the books, the arts, the academies that teach, lift up, and nourish the world—principles (I am quite serious in what I say) above cash, superior to cotton, higher than currency—principles, without which it is better to die than to live, which every servant of God, over every sea and in all lands, should cherish—*usque ad abdita spiramenta animae.*

Yours, &c.

SYDNEY SMITH.

November 3. 1843.

Letter II

To the Editor of the Morning Chronicle

SIR,

HAVING been unwell for some days past, I have had no opportunity of paying my respects to General Duff Green, who (whatever be his other merits), has certainly shown himself a Washington in defence of his country. The General demands, with a beautiful simplicity, "*Whence this morbid hatred of America?*" But this question, all-affecting as it is, is stolen from Pilpay's fables: — "A fox," says Pilpay, "caught by the leg in a trap near the farm-yard, uttered the most piercing cries of distress: forthwith all the birds of the yard gathered round him, and seemed to delight in his misfortune; hens chuckled, geese hissed, ducks quacked, and chanticleer with shrill cockadoodles rent the air. 'Whence,' said the fox limping forward with infinite gravity, 'whence this morbid hatred of the fox? What have I done? Whom have I injured? I am overwhelmed with astonishment at these symptoms of aversion.' 'Oh, you old villain,' the poultry exclaimed, where are our ducklings? Where are our goslings? Did not I see you running away yesterday with my mother in your mouth? Did you not eat up all my relations last week? You ought to die the worst of deaths—to be pecked into a thousand pieces.'" Now hence, General Green, comes the morbid hatred of America, as you term it — because her conduct has been predatory—because she has ruined so many helpless children, so many miserable women, so many aged men — because she has disturbed the order of the world, and rifled those sacred treasures which human virtue had hoarded for human misery. Why is such hatred morbid? Why, is it not just inevitable, innate? Why, is it not disgraceful to want it? Why is it not honourable to feel it?

Hate America! ! ! I have loved and honoured America all my life; and in the Edinburgh Review, and at all opportunities which my trumpety sphere of action has afforded, I have never ceased to praise and defend the United States; and to every American to whom I have had the good fortune to be introduced, I have proffered all the hospitality in my power. But I cannot shut my eyes to enormous dishonesty; nor, remembering their former state, can I restrain myself from calling on them (though I copy Satan) to spring up from the gulf of infamy in which they are rolling, —

"Awake, arise, or be for ever fallen."

I am astonished that the honest States of America do not draw a *cordon sanitaire* round their unpaying brethren—that the truly mercantile New Yorkers, and the thoroughly honest people of Massachusetts, do not in their European visits wear an uniform with "S. S., or Solvent States," worked in gold letters upon the coat, and receipts in full of all demands tamboured on their waistcoats, and "our own property" figured on their pantaloons.

But the General seems shocked that I should say the Americans cannot go to war without money: but what do I mean by war? Not irruptions into Canada —not the embodying of militia in Oregon; but a long, tedious, maritime war of four or five years' duration. Is any man so foolish as to suppose that Rothschild has nothing to do with such wars as these? and that a bankrupt State, without the power of borrowing a shilling in the world, may not be crippled in such a contest? We all know that the Americans can fight. Nobody doubts their courage. I see now in my mind's eye a whole army on the plains of Pennsylvania in battle array, immense corps of insolvent light infantry, regiments of heavy horse debtors, battalions of repudiators, brigades of bankrupts, with *Vivre sans payer, ou mourir*, on their banners, and *aere alieno* on their trumpets: all these desperate debtors would fight to the death for their country, and probably drive into the sea their invading creditors. Of their courage, I repeat again, I have no

doubt. I wish I had the same confidence in their wisdom. But I believe they will become intoxicated by the flattery of unprincipled orators; and, instead of entering with us into a noble competition in making calico (the great object for which the Anglo-Saxon race appears to have been created), they will waste their happiness and their money (if they can get any) in years of silly, bloody, foolish, and accursed war, to prove to the world that Perkins is a real fine gentleman, and that the carronades of the Washington steamer will carry further than those of the Britisher Victoria,, or the Robert Peel vessel of war.

I am accused of applying the epithet repudiation to States which have not repudiated. Perhaps so; but then these latter States have not paid. But what is the difference between a man who says, "I don't owe you any thing, and will not pay you," and another who says, "I do owe you a sum," and who, having admitted the debt, never pays it? There seems in the first to be some slight colour of right; but the second is broad, blazing, refulgent, meridian fraud.

It may be very true that rich and educated men in Pennsylvania wish to pay the debt, and that the real objectors are the Dutch and German agriculturists, who cannot be made to understand the effect of character upon clover. All this may be very true, but it is a domestic quarrel. Their churchwardens of reputation must make a private rate of infamy for themselves—we have nothing to do with this rate. The real quarrel is the Unpaid World *versus* the State of Pennsylvania.

And now, dear Jonathan, let me beg of you to follow the advice of a real friend, who will say to you what Wat Tyler had not the virtue to say, and what all speakers in the eleven recent Pennsylvanian elections have cautiously abstained from saying,—"Make a great effort; book up at once, and pay." You have no conception of the obloquy and contempt to which you are exposing yourselves all over Europe. Bull is naturally disposed to love you, but he loves nobody who does not pay him. His imaginary paradise is some planet of punctual payment, where ready money prevails, and where debt and discount are unknown. As for me, as soon as I hear that the last farthing is paid to the last creditor, I will appear on my knees at the bar of the Pennsylvanian Senate in the plumeopicean robe of American controversy. Each Conscript Jonathan shall trickle over me a few drops of tar, and help to decorate me with those penal plumes in which the vanquished reasoner of the transatlantic world does homage to the physical superiority of his opponents. And now, having eased my soul of its indignation, and sold my stock at 40 per cent. discount, I sulkily retire from the subject, with a fixed intention of lending no more money to free and enlightened republics, but of employing my money henceforth in buying up Abyssinian bonds, and purchasing into the Turkish Fours, or the Tunis Three-and-a-half per Cent. funds.

SYDNEY SMITH.

November 22. 1843.

