

The Inflation of the War of 1812

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Neptune in a fire sign has historically brought inflation to the US. Saturn-Neptune aspects have traditionally ended such inflations.

The Panic of 1819 is a good case in point. Neptune in Sagittarius had created inflation due to the War of 1812. The war led to a price inflation that sent wholesale prices up 35% from 1811 to 1815. From 1811 to 1815, the number of banks rose from 117 to 212. With foreign trade cut off by the conflict, some important commodities rose by 70%. Banks tended to inflate the currency in the following way. They held legal money, specie (gold and silver), but they issued notes in excess of the amount of money that they had on deposit. As a result, bank notes tended to depreciate in proportion to their distance from the home office because transportation costs were high and communication was poor. Up sprang a generation of money brokers, who would buy up bank bills and travel to the bank to demand payment. During this time, there was a transiting t-square of Neptune opposite the Uranian planet Apollon*, both square Pluto. Pluto is the planet of government, and they played a big part in the inflationary boom. Here is how. During the panic of 1819, the states of Pennsylvania and Maryland enacted laws on February 15 that compelled banks to pay off their bills in specie, or lose their charters. Two days later, the states passed laws relieving the banks of such obligations to brokers, “the major force ensuring the people of this state from the evil arising from the demands made on the banks of this state for gold and silver by brokers.” The governments protected the banks by blocking those who sought legal money for their paper. The government (Pluto) aided in the fraud (Neptune).

*Apollon symbolizes peace, honor, fame, pursuit of glory. Note that a statue of the god Apollo depicts him as chasing the Sun. This planet brings a desire to pursue or to be on a quest. Apollon-Mercury would confer a desire to know. Whereas Jupiter represents size, Apollon represents many. Apollon brings multiplication or proliferation. A man with Mercury/Apollon= MC was a magazine distributor. Jupiter-Apollon represents money in circulation. This planet rules free trade, as we will see in the horoscope of President Andrew Jackson.

What happened to those who tried to extract their legal money from a bank? In 1808, a Boston man named Hireh Durkee demanded \$9000 in notes from the state-owned Vermont State Bank. He was met with an indictment, being called an “evil-disposed person” to “realize a filthy gain.” In Georgia, a businessman was told that he could have his \$30,000 back, if he accepted payment in pennies. Some depositors were charged outrageous fees. In Connecticut, Isaac Bronson sued NY banks, only to lose and then be called an agent of misery and ruin by the NY press. Government chose to protect those who benefited from the inflation. Professor Murray Rothbard called it “...one of the most flagrant violations of property rights in American history.” We should also note that there was widespread fraud, as symbolized by Neptune-Apollon, right out of the Uranian Book of [Rules for Planetary Pictures](#). From August of 1814 to February of 1817, banks were permitted to issue fiat money with no backing in gold.

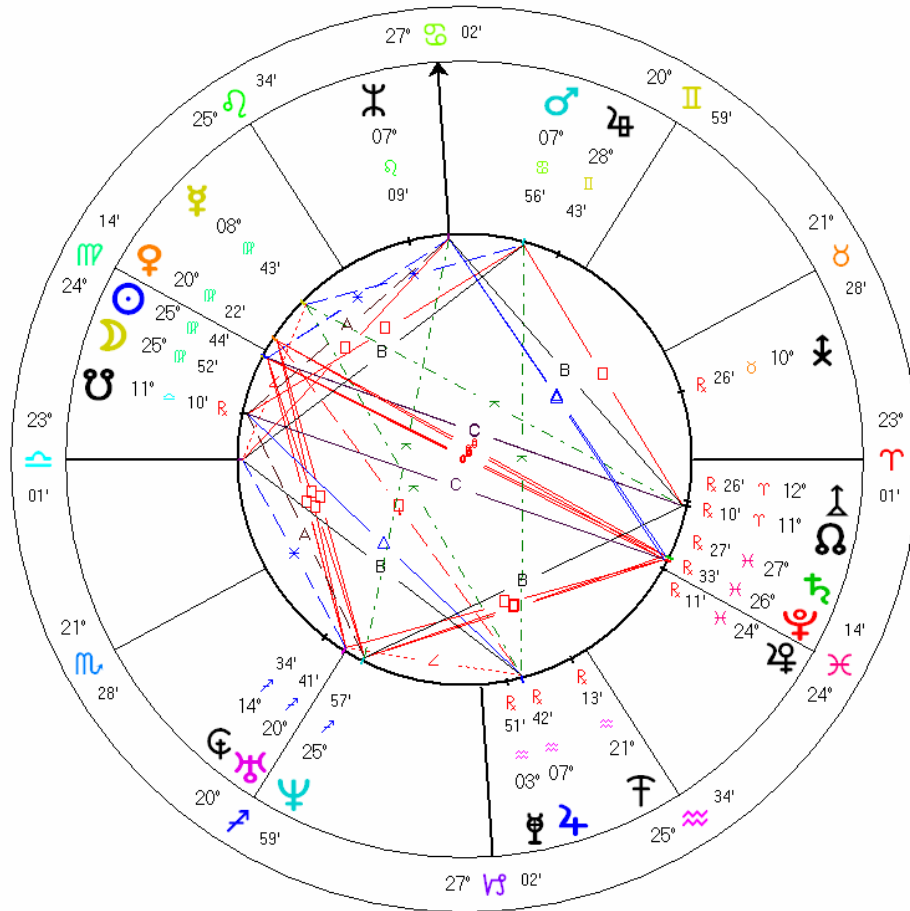
In [The Rationale of Central Banking](#), Vera Smith makes the point that this is not ‘free banking.’ In a free system, banks would be treated like any other business. That is, they would be required to meet contractual obligations like any other enterprise. In the USA at the time, banking was protected by the government.

In 1816, the Democrats established the second bank of the US, a privately-owned corporation in which the government owned a small part of the shares. Hard money advocates insisted that this bank honor its obligations to pay in specie. This was agreed, but the requirements were relaxed and the banks went on with their unsound practices. Widespread fraud (Neptune-Apollon) abounded, especially at the Philadelphia and Baltimore branches.

[The Panic of 1819](#)

The inflation ended in 1819 with Neptune in late Sagittarius as Saturn moved up to square it. The solar eclipse on September 19, 1819 opposed Saturn and Pluto and squares Neptune and Uranus, thus serving as a trigger for the deflationary aspects that had formed in the sky. *Also note that this was only one of six eclipses that occurred in 1819, adding to the tendency for this year to be a turning point.* Note that the series began in the Aries-Libra axis and ended in the money signs of Taurus-Scorpio.

P-9/19/1819
Natal Chart (7)
 Sep 19 1819 NS
 1:03:27 pm GMT +0:00
 NEW YORK, CITY
 40°N42'51" 074°W23'
*Geocentric
 Tropical
 Koch
 True Node*



Taurus-Scorpio

The Taurus-Scorpio axis is frequently energized at financial turning points. In 1638 with Pluto in Taurus and Jupiter was in Scorpio, the English King Charles I needed money shortly before the outbreak of civil war. In those days, there were no banks of deposit, so merchants placed their gold in the royal mint. Charles confiscated the bullion, calling it a loan. He did return it, but the episode shook the confidence of the merchants who began to deposit their loot with private goldsmiths. They, in turn, issued paper receipts. In the 1660s, the smiths succumbed to the temptation to issue more receipts than they had gold (inflation). In 1740, the Massachusetts Land Bank issued notes and lent them out backed by real estate. This first venture in private banking occurred when Pluto was in Scorpio and Jupiter was in Taurus. The Panic of 1837 was accompanied by eclipses in Taurus and Scorpio.

The Aftermath

In the spring of 1818, the bank realized its precarious position and began to contract the money supply, cutting it in half over the course of the next year. This led to a mass of defaults, bankruptcies, and falling land prices.

The entire episode can be summed up by an exchange between the English economist David Ricardo and America's first economist, Condy Raguét. The latter wrote to Ricardo in 1821:

“You state in your letter that you find it difficult to comprehend, why persons who had the right to demand coin from the banks in payment of their notes, so long forebore to exercise it. This no doubt appears paradoxical to one who resides in a country where an act of parliament was necessary to protect a bank, but the difficulty is easily solved. The whole of our population are either stockholders of banks or in debt to them. It is not the interest of the first to press the banks and the rest afraid. This is the whole secret. An independent man, who was neither a stockholder nor debtor, who would have ventured to compel the banks to do justice, would have been persecuted as an enemy of society.”

The preceding quote is reflective of the fire-sign mentality. As happens in inflationary economies, a segment of the population learns how to benefit from the economic climate, so a pro-inflation lobby forms. This has occurred in many South American economies in recent times.

Similarity to 1980

Neptune was in Sagittarius in the 1970s. The great commodity inflation ended when Saturn squared Neptune in March of 1980. On the day of the square, the Hunt Brothers attempted corner on the silver market collapsed, and so did the great inflation.