



The Tarborough Press,

BY GEORGE HOWARD.

Is published weekly at Two Dollars and Fifty Cents per year, if paid in advance—or Three Dollars at the expiration of the subscription year. For any period less than a year, Twenty-five Cents per month. Subscribers are at liberty to discontinue at any time, on giving notice thereof and paying arrears—those residing at a distance, must invariably pay in advance, or give a responsible reference in this vicinity.

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POLITICAL.



THE PRESIDENCY.

The Indiana State Sentinel contains letters from Messrs. Calhoun, Johnson, Cass, Buchanan, and Van Buren, in reply to certain questions propounded to them by the Indiana Democratic Convention, touching the prominent political topics of the day, they are as follows.

REPLY OF MR. VAN BUREN.

Kinderhook, Feb. 15, 1843

GENTLEMEN: I have had the honor to receive your letter, written in behalf of the Indiana Democratic State convention, and asking my views and opinions in relation: 1st, to the chartering of a national bank, or any other national institution, by whatever name it may be called, authorized to issue bills of credit for banking purposes, or to regulate exchanges, and of the constitutionality and expediency of such an institution; 2d, to the distribution of the proceeds of the public lands among the several States of this Union; 3d, to a protective tariff; 4th, to an amendment of the constitution still further limiting the veto power; and inquiring, in conclusion, whether I will abide the decision of a national convention of the Democratic party, in the selection of a candidate for the Presidency, and whether I will give my support and influence to the election of the nominee of said convention, if not myself nominated by it.

It affords me much pleasure to comply with the request of the convention; and I have only to regret that the number and importance of the subjects embraced in their interrogatories, and the necessity of some explanations to do justice to the views I entertain in regard to them, will unavoidably extend my reply to a much greater length than I could have desired.

I am opposed to the establishment of a national bank in any form, or under any disguise, both on constitutional grounds and of expediency. The power to create such an institution has not been given to Congress by the Constitution, neither is it necessary to the exercise of any of the powers which are granted; and if exercised, would be, as it always has been, highly injurious to the public welfare. These opinions, alike adverse to the constitutionality and expediency of a national bank, have been frequently and extensively laid before the people, and sometimes on occasions of deep interest. They were expressed in my letter to the citizens assembled at Shoeco Springs, in North Carolina, when my name was before the public for the Vice Presidency; repeated in 1836, when standing in a similar relation to the office of President of the United States, in a letter to the Hon. Sherrod Williams, which was widely disseminated; and reiterated in my first message to Congress, at the extra session in 1837, when the attention of the whole country was again drawn to the subject by the failure of the deposit banks to fulfil their engagements with the Government. The opinions and principles avowed on these various occasions have undergone no other change than that of additional conviction of their truth, derived from events that have since occurred.

I might rest here, content with this explicit avowal, and proceed to reply to your other interrogatories, were it not that this appears to me a proper occasion to advert to the deplorable calamities inflicted on the people by the conduct and final catastrophe of the late bank, through the perversion of its means and the abuse of its power. It is true, that this institution is now no more. It has sunk under the weight of its own enormities, and has left nothing behind but the wrecks of its career. But the interests, pecuniary and political, the parents who first gave it birth, and the nurses by whom it was fostered; still survive, with the same means of pro-

ducing another offspring, and the same disposition to employ them, whenever a favorable opportunity presents itself. The question of a national bank is still before the people, and will continue to be, so long as avarice and ambition see in it the means of gratifying the love of money & the love of power. It is one of the great leading measures of a party which will never be extinct in this country. It is essential to the acquisition, as well as the preservation of its power; and will never be relinquished while there exists a hope of its attainment. The only security against its revival, is in the public opinion; and even that has more than once been found to be an insufficient barrier. For this reason, I conceive it proper that every occasion should be taken to recall to the public recollection, by way of a warning example, what otherwise it might be better for the honor of our country to bury in oblivion.

The mischiefs inflicted on individuals by the abuse of the powers of this potent institution, have been so general as to impress the public mind with a sufficiently clear perception of their magnitude; but the extent of its power can only be justly appreciated by those who administered the Government during the period of its hostility. The agency which the unparalleled abuse of this power, exclusively conferred for the public good, had in producing those embarrassments in the business concerns of the country, as well as the pecuniary affairs of the State and General Government, it is believed, is not so clearly and generally understood. But even if it were, it cannot be too often or too deeply impressed on the mind and memory of the people of the United States. The promptings of political ambition; the passion for money; the embittered feelings of party strife; the apprehension of disgrace; the fear of punishment; the artifices of long practised deception, and the strong bond of a community in frauds, have all exerted their influence in hiding from the public view the seductive practices of the bank. But the people will never rest satisfied, I trust, until they know what has become of the almost countless millions of which the States and individuals have been defrauded by a long-continued series of mismanagement and corruption. The truth will yet be known, and the purposes of justice at length accomplished.

The two great measures by which the late Bank of the United States operated most fatally upon the prosperity and happiness of the people, were, first, a wanton contraction of its loans; and, next, a sudden and reckless expansion; both having the same object in view—namely, that of wresting a charter from a reluctant people. It cannot be forgotten that President Jackson, in the exercise of a power delegated by the Constitution, refused his assent to a bill renewing the charter of the Bank of the United States, and returned it to Congress, where it failed of the constitutional majority. For this he was assailed with every species of denunciation by the adherents of the bank, while triumphantly sustained by the people, who re-elected him by a great majority. That the bank refused to submit to this decisive expression of the public will, indicates the consciousness of extraordinary power, and a determination to exert it to the utmost. Accordingly it renewed the contest, on the recurrence of the first preliminary step taken by President Jackson for carrying into effect the decision so solemnly ratified by the people. This was the removal of the public money from the custody of an institution in which, if it had been suffered to remain, it is now morally certain the Government would have shared the fate of the destitute, widows and orphans, who are now lamenting their confidence, in poverty and distress.

The bank determined to coerce the Government into an abandonment of this necessary measure of precaution, by a sudden curtailment of discounts, which would be severely felt, and the odium of which it employed all its arts and influence to throw upon General Jackson. In the short space of fourteen months, it withdrew from the exigencies of trade eighteen millions of dollars; and this contraction was followed by that of the State banks, either from necessity, or a common sympathy (on the part of some, at least) in a common cause. The result of this combined action was a rapid decrease of accommodation to the trade and business of the country, amounting to at least sixty millions of dollars.

It must be obvious that the sudden abstraction of such an enormous sum from the general fund of business, would be severely felt by those who traded in whole or in part on borrowed capital, and, through them, in a less degree, by other classes of the community. These partial inconveniences were magnified into universal distress and wide-spread ruin, by newspapers and public speakers, either under the direct influence of the bank by the strong bond of dependence, or who were united with that institution in a system of action calculated to subvert the purposes

of both parties. Speeches in Congress presenting aggravated pictures of public distress, inflammatory proceedings of public meetings, memorials, relief committees, and an infinite variety of other appliances, which a great moneyed institution, gifted with ample means of corruption, and unscrupulous in employing them, could command, were brought into requisition, in order to create a panic among the people, and overawe the inflexible and just man who then administered the Government.

These measures of the bank proved, however, unavailing in shaking the firmness of General Jackson, or in deceiving the people, whose own experience taught them that, though there might be some partial inconvenience, and some reduction of prices, there was nothing like general public distress. Years of successful industry and well-regulated enterprise had laid the solid basis of a prosperity not to be shaken by the abstraction of a portion of that capital, of which very few had shared the benefits. They saw, too, the motives for all these exaggerated pictures of public suffering, these inflammatory appeals to the most sordid passions; they knew there was a deep-laid, widely extended plan of deception, and became indignant at the attempt to cheat them into the abandonment of their principles, by an appeal to those interests, which they felt had not been seriously affected, or, if so, not by the measures of the Government, but of the bank alone.

The bank, perceiving that an appeal to the apprehensions and sufferings of the people had failed in producing that revolution in public opinion so confidently anticipated, changed its course to a direction precisely opposite, and, unhappily, far more extensive and fatal in its consequences. It resorted to expansion instead of contraction; and notwithstanding the necessity of preparation to wind up its affairs, which had been made a pretext for sudden curtailment, still existed, and had become every day more pressing, it suddenly opened the flood gates of accommodation, with a view of corrupting those whom it could not coerce or deceive. In the course of eight months, it extended its loans to the amount of *nineteen and a half millions of dollars*; and the State banks, as they had followed its lead in contraction, now followed it in expanding.

This sudden influx of paper money produced its inevitable consequences. There was no employment for it in the ordinary channels of business, not in the usual prudent, restrained sphere of well-directed enterprise. It accordingly expanded itself into every species of extravagance, every variety of visionary and desperate undertaking, and every scheme which men without property, but who could borrow at will, could devise for wasting money in the shortest possible time, in the most unprofitable manner. New banks sprung from the bowels of the old, and the same real or imaginary capital transmigrated from one corporate body to another, until in less than two years, bank capital increased from about two hundred to two hundred and fifty millions, their circulation from ninety-five to one hundred and forty millions, and their loans and discounts from three hundred and twenty-four to four hundred and fifty-seven millions. To this, if we add the vast amount of credit acquired abroad by foreign loans, and by lavish accommodations of foreign dealers to our merchants, we may form an estimate of the extent to which this unparalleled expansion of credit and currency was carried, and the deplorable consequences which would necessarily follow its sudden downfall, which no legislation, no public prosperity, nothing but miracles, could prevent.

The final results of this extraordinary delusion, which may be distinctly traced to the operations of the Bank of the United States, and its successor in Pennsylvania, are known to all. There is not a citizen of the United States, be he rich, or be he poor, who has not felt the blight of this all pervading influence, in some way or other, in his habits, his morals, or his property. In the brief period of three years, it beggared hundreds of thousands of citizens, impoverished States, well-nigh bankrupted the General Government, inflicted deep, if not indelible stains, not only on our national character, but on our Republican institutions, and rendered all the blessings of unexampled abundance incapable of administering either to private happiness or public prosperity. In short, it has become one of those wide-spread, universal calamities, which have been hitherto only looked for in the direct dispensation of Providence.

The greater portion, if not the entire mass, of evil resulting from the sudden contraction and subsequent expansion of currency and credit, is distinctly chargeable to the desperate and unscrupulous efforts of the Bank of the United States to wrest a renewal of its charter from the people—first, by inflicting upon them pecuniary distress; and, next, the still greater evils of redundant means, which could not

be beneficially employed. Had it proceeded to wind up its affairs, with that steady purpose, united with that salutary delay, (of which the history of the first bank furnished an instructive example,) its final extinction would have led to no greater distress, or inconvenience, than accompanied and followed the dissolution of that body. But its managers, before and behind the curtain, chose to act otherwise. They combined political and pecuniary elements together; they kept the whole country in a state of feverish agitation, which has not yet subsided; they administered additional fuel to the fire of party contention; deranged the entire system of trade and commerce; corrupted political partisans by loans and donations, for services which they did not dare to specify; defrauded widows and orphans, and stockholders, foreign as well as domestic; bankrupted individuals; destroyed the credit of the States; and, after a series of injuries, under which the whole Union is still smarting, finally sank beneath the weight of their own transgressions, leaving a blot on the history of the country which can never be wiped away.

Though all but omnipotent for evil, it sufficiently demonstrated that it wanted either the will or the power to do good. It neither regulated the currency, by restraining the issues of the State banks, nor the exchanges, by accommodating them to the course of trade. On the contrary, in the various stages of its progress and decline, it set the example of unbounded expansion; it set the example in suspension of specie payments; and, to the last moment of its existence, was the great enemy of, and obstacle to, resumption. The only mode by which it ever sought to regulate exchange, so far as my information extends, was by an arbitrary rule of the bank, instead of leaving it to the natural law of trade, which is the best of all regulators, because it regulates itself. Such is the case at this moment. There is no United States Bank in existence, and no legislation on the subject; yet the rates of exchange between the different portions of the United States, being thus left entirely to the operation of natural & inevitable causes, are now far more uniform and equitable than they were during any period in which the bank exercised its boasted power of regulation. Whatever diversity exists, beyond the mere cost and risk of transporting specie, arises from a difference in the currency, and cannot, therefore, be justly ascribed to the want of a regulator of exchange.

My views on the subject of exchanges, and of the propriety, necessity, or expediency of any interference of Government in their regulation, were communicated to Congress in 1837. To repeat them here, would lengthen this communication, from which a desire to answer your questions fully, frankly, and explicitly, will, I fear, be extended to the verge of tediousness. I must, therefore, respectfully refer you to that document. You will there see a clear, broad distinction between that species of exchanges aptly denominated "kiting," (which was little better than an instrument of fraud,) and bills drawn for the transfer of actual funds from one place to another. I endeavored also to satisfy Congress of what is now so apparent—that the exchanges would here, as they do in other countries, regulate themselves, if Congress would but leave them as they are left elsewhere—to the management of private enterprise. It is doubtless within your recollection, what a tempest of denunciation I received from those who thought proper to overlook those considerations. The opinions then advanced would, it is quite certain, be received with more favor now; and I have only to add, that they have undergone no other change than that of additional conviction arising from additional experience of their truth.

The tremendous power of a bank for evil, when impelled by avarice and ambition, self-preservation or vengeance, has been seen. It is a maxim in every government constituted on free principles, to withhold all power from rulers which is not indispensable to the preservation and defence of the rights of persons and property. And this maxim is founded on the experience of mankind, which has taught them, by a long series of suffering, that not only is power much more liable to abuse than to beneficial exercise, but that with the purest intentions it can do far less good, than it can perpetrate mischief when perverted to evil. The people of the United States have repudiated despotic or discretionary power in all their political institutions, because of its propensity to abuse. Yet they have been, and (mark my words) will be again and again, called upon to create a despotic irresponsible moneyed power stronger than their Government, because it is expected to do what that Government cannot of itself perform. I hope and trust that such appeals will never again be successful, and that the good people of the United States will always bear in mind that an institution which can do what its advocates affirm this can, must, if subservient to the Government, give it a vast

accession of power dangerous to the rights of the States, and which, if from any cause it should become hostile, can either subject that Government to its will, or, like the defunct institution of which I have spoken, involve the country in confusion and difficulty, its Government in perpetual struggles, and its people in an interminable series of panic and dismay. Nothing but an ever watchful vigilance on the part of the people will prevent a recurrence of these evils. The enemy is not dead, nor doth he sleep. The schism in the ranks of the opponents of the democracy turns almost exclusively on the question of a national bank, and the complete triumph of Federalism will be the precursor of such an institution.

In expressing my opposition to all the schemes which have been submitted to Congress, at its last session, for managing the fiscal concerns of the country—involving, as they all do, a union of bank and state—I do but speak the sentiments of a vast majority of my fellow citizens, as evinced in the votes of their representatives, and in the almost universal condemnation they have apparently received at the hands of the people themselves.

The manufacture of paper-money has been attempted in every form; it has been tried by individuals, been transferred to corporations by Congress, engaged in by the States themselves, and has signally failed in all. It has, in general, proved not the handmaid of honest industry and well-regulated enterprise, but the pampered menial of speculation, idleness, and fraud. It has corrupted men of the highest standing; almost destroyed the confidence of mankind in each other; and darkened our criminal calendar with names that might otherwise have conferred honor and benefit on the country. There is strong ground for believing that such a system must have some innate incurable defect, of which no legislation can divest it, and against which no human wisdom can guard, or human integrity sustain itself.

The history of the past, however, leaves little room for doubt that paper-money in some form will, notwithstanding, continue to constitute part of the circulating medium of the country. But my most sincere and ardent wish is, that its issue by the Federal Government may, in all future time, be prevented. The lights of experience have in vain been diffused, the lessons of repeated and wide spread ruin have been unavailing, if there be any who yet can bring themselves to believe that the Government of the United States, which possesses nothing but what it receives from the people, can bestow on them any thing other than what it has thus received. If it contracts loans, the people must pay them; and if it issues paper-money, it must be redeemed by the people. How, then, can relief to the people be derived from incurring obligations which they themselves must redeem?

But, in addition to this deception—I might almost say fraud—on the people, there is a decisive objection to the issue of paper currency by Government, upon whatever principle it may be founded. The experience of all nations, where this expedient has been adopted, demonstrates that this is a prerogative which will always be abused. It gives almost unlimited facilities for raising money, and has every where led to extravagant expenditures, public debt, and heavy burdens, always increasing and never diminished. Where extravagant appropriations can be met by a mere vote of Congress, and without an immediate resort to the pockets of the people, there will be found no sufficient check to boundless prodigality, except when the Government finally loses its credit by pushing it to excess. It is then that it reacts upon the people; for, this great resource being exhausted, the whole superstructure of credit falls on their hands, and they must bear it as best they can.

The history of the old continental money, issued under exigencies that could alone justify such a measure, is one case in point; the present condition of many of the States is another; and both together furnish ample illustration. In addition to this facility in supplying immediate demands, paper money, being the cheapest of all manufactures, can be made at will, and may be increased to any extent that human credulity will tolerate. Hence the right of Government to coin money out of silver and gold, is the only prerogative referring to that subject which can be safely exercised; because these metals cannot be increased or diminished, like paper issues, by a mere act of legislation.

(to be continued.)

Superstition.—The *Milbon Chronicle* tells of a "man" in those capes who in his anxiety for rain, recently killed a black snake and hung it upon a tree, declaring at the same time that it would bring showers from above. It happened, says the *Chronicle*, that it *did* rain in the course of the day—and the consequence is, that all the lawyers in Philadelphia cannot convince him that the snake did not make it rain!