

SOUTHERN CITIZEN.

BY BENJAMIN SWAIN.

WHAT DO WE LIVE FOR, BUT TO IMPROVE OURSELVES AND BE USEFUL TO ONE ANOTHER?

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THE EDITOR.

CONGRESSIONAL.

DEBATE IN THE SENATE.

Friday, September 15, 1837.

The bill to postpone indefinitely the payment of the fourth instalment of the Deposit Bill, was read a third time; and the question being upon its passage—

Mr. PRESTON, of South Carolina, said he should not now undertake to make a formal opposition to this bill, as he understood its late to have been decided on the second reading, and it might be considered as having already passed. He thought, however, it ought to have met with more discussion than had taken place upon it, and he would therefore beg the indulgence of the Senate while he briefly expressed his opinion upon its merits.

The first inquiry he should make was, whether a case had been made out justifying the withholding of this instalment of the deposit with the States; and secondly, he would inquire if, supposing the case had arrived, this was the proper and most advisable course to be adopted to assist in replenishing the Treasury.

My opinion (said Mr. P.) decidedly is, that the *casus faderis* has not arrived for Congress to encroach upon the fund set aside for deposit with the States; and I further am of opinion that, even if it had now arrived, yet this is not the course by which we shall best consult the interests of the country, in attempting to bring relief to the Treasury.

Let us briefly consider the history of the deposit act. That act was passed contemporaneously with other acts of most prodigal expenditure. We had a surplus which we knew not how to dispose of. To expend—to get rid of our overflowing funds, was then the order of the day. We were in the full tide of an insidious prosperity, and the Departments were stimulated and goaded on to find out how much they could spend, while the majority in Congress seemed to be employed in finding out how much they could give. The Departments asked for twenty millions, and Congress, eager to get rid of the surplus, outstripped even their extravagant demands, and gave them thirty millions. Then it was, sir, that this deposit bill was originated. It went hand in hand with bills of the most extravagant and prodigal expenditure.

Now, sir, under these circumstances, when we give so prodigally to the Departments, at a time of high prices, it is well worth our while to inquire whether the time has not arrived to lop off and curtail our expenditure, rather than to withhold this instalment from the States. I am of opinion we might save the nine millions of this instalment by curtailing the extravagant expenditures

of the Departments, and so pay the instalment—not by distressing the States in withholding it, but by introducing a wholesome measure of retrenchment in the expenditure of Government.

This, sir, is the ground that I take; namely, that it would be far better to curtail our expenditure than to stop the payment of this instalment.

Again, I would ask, does the proposition embraced in this bill go to relieve in any manner the pressure upon the People? Not in the least, sir. Neither will the Government place itself in funds by the operation of this law. The banks have laid violent hands on the deposits; they will pay them no longer in the medium they were expected to pay them in. Of what use, then, will this bill be to Government? The money is locked up in the banks, and the wildest enthusiast in favor of this measure would not go so far as to say that the mere fiat of this body, a bill such as this, is going to fill the country with gold and silver. We have not got the magician's wand, by one touch of which we can make the gold come forth from its hiding places. We may call, indeed, by our enactments, the spirits from the vasty deep, but will they come when you do call them? Will money be obtained for the Government when you pass this bill? No, sir; we all know that this bill will bring no money into the Treasury.

It would be better, therefore, under such circumstances, to let the law go on, and let the States receive the whole of the deposit. The States, sir, are willing to take the instalment in the only medium in which the State institutions are able to pay it. They are not going, at this crisis, to clamor for a hard money currency. They will be satisfied with receiving the State currency, their own domestic currency. But the President says, "no;" and by passing this bill according to his recommendation, you will not let them receive a currency which they are willing to receive. The amount of the instalment now in the banks would be useful, in that currency, to them, for they would gladly receive it; but it will be of no use whatever to the Government, for the Government will not receive it. Then, sir, if I may use a homely similitude, by such an enactment as this, you act the part of the dog in the manger, you will not take the money of the States yourselves, and you will not let them have it, though they wish to receive it. Is this a noble or even a political proceeding? Is this your reforming the currency? Is this aiding and relieving the embarrassments of the People, to stamp a bad name upon their currency, to refuse to receive it yourselves, to pass laws fixing a stigma upon it, and then to forbid others to receive it?

Again, sir: there is another view which I think ought to be taken of this subject; and, had it received its due consideration, such a measure as this could surely never have been proposed. In fifteen days from now this instalment will be due to the States. They have already made their disposition of the money. It has been disposed of in various contracts, and been directed to various great and useful purposes; and now, suddenly, at this short notice, the expected sum, the sum which the law had pledged to them, is, by another law, to be withheld. But, by the terms of the deposit law, a specific time was fixed upon and according to the States, in which the States were to have notice of any demand to be made upon them, for the sum deposited. By the law, therefore, they are entitled to a notice before this fourth instalment can be withdrawn from them. For they have already expended it; and this bill to withhold it is equivalent in its action to taking back the money from them, without the notice which the law provided for.

Mr. P. then proceeded to show that there were other and better methods of raising money for the Treasury, without resorting to this expedient, which, while it would be onerous and oppressive to the States, would be, at the same time, virtually useless and unproductive to the Government. One mode which he should point out was that of an issue of certificates of deposit, which would immediately provide available funds for the Government, without this measure of withholding an expected and promised instalment. Mr. P. remarked that such a provision had been originally inserted in the deposit bill, but he greatly regretted that, in order to overcome the

prejudices of an illustrious person, and to make the bill acceptable to him, (the late President of the United States,) that provision had been stricken out of the bill, in order to secure its passage and save it from his veto. Mr. P. remarked that he should not permit himself now to dwell upon that painful recollection, but should content himself with merely expressing his deep regret that so wise and salutary a provision had been stricken out of the bill from considerations so individual—personal and little.

If (continued Mr. P.) that wise and salutary measure had been carried out in the original deposit bill, we should not now be fatigued with its present labors, and all the troubles we are now undergoing would have been avoided. The Treasurer would then have only had to throw the certificates into the market to raise what sum he required for the use of the Government. Such a course, sir, (observed Mr. P.) would have been enough and ample to pry up the Government out of the slough of despond in which now it is sunk. Not only would it have given funds to the Government, but also it would have given relief to the People. It would have thrown money into circulation, it would have benefited all parties. It would have been twice blessed, giving double relief both to the States who gave the certificates, and to the General Government, which received them.

By this proposition to suspend or postpone the payment of the instalment, Mr. P. said, no one will be benefited. He would venture to suggest how both parties might be benefited, and the issue of Treasury notes might be avoided. Let the clause excluded from the original deposit bill be re-enacted; let the States issue their certificates, which will be as good as specie to the Government. Let the States receive this instalment, and let the Treasury receive the certificates, and sell them. In this manner, instead of adding to the general distress of the times, both parties would be eminently benefited. Surely (said Mr. P.) those gentlemen who hold our destinies in their hands, who carry all the measures they please to imagine, good or bad—and he (Mr. P.) was sorry to say he could not look back and call all their measures good, nor could he look at this measure and deem it either wise, or good, or politic—surely, he would repeat, those gentlemen ought to be willing to adopt such measures as would be the least distressing, the least painful, onerous, and disturbing, at a time of general distress, such as the present, when we are called together to relieve, not to aggravate, to benefit, and not to injure, to heal, and not to take vengeance.

I entreat those gentlemen, therefore, said Mr. P., to take these things into consideration: I entreat them to give more time to the States, not to stop the payment of this instalment; I entreat them to let the money go where it might almost be considered a vested right it should go. Mr. P. concluded by saying he was sorry to have detained the Senate at this stage of the bill; he had not expected that he could have weight enough to change the course of the gentleman of the majority, or to prevent the passage of this disastrous bill. All he had desired was, to give brief expression to his views of it. He had now done so, and in doing so he felt that he had done his duty.

Mr. CALHOUN said he thought it would be better for his colleague (Mr. Preston) to make a motion at once for the repeal of unexpended appropriations to the amount of nine millions of dollars, the amount of the instalment.—There would then be a surplus to that extent, which might go for the payment of the fourth instalment. If Mr. P. felt unwilling at this stage of the bill to make such a motion, he (Mr. C.) would agree to the laying of the bill on the table in order to give time. He confessed that the idea had occurred to him which his colleague had just stated; but he did not see any probability of such a proposition being attended with success. He had done his utmost to stop the extravagant course pursued at former sessions in granting the appropriations. His efforts had been unsuccessful, and now he thought there was still less chance of getting back that which it had not been possible to prevent from being legislated away. He agreed with Mr. P. that it was entirely useless to lock up this money. It would do no good to the Gov-

ernment; when, if let go, it would do good to the States.

Mr. CRITTENDEN, of Kentucky, said he fully concurred in the views just expressed by the gentleman from South Carolina, (Mr. Preston.) In the State which he came from, he said, the general opinion was that retrenchment was wanting, and ought to be exercised in the several Departments of the Government. The profusion to which they were becoming habituated, it was time should be checked, and he (Mr. C.) agreed with the honorable Senator from South Carolina, (Mr. Preston,) that now was the time, if ever, to put in force such a necessary retrenchment. He (Mr. C.) could not well understand the reason why any other course should be resorted to; for it clearly appeared to him, that, by proper retrenchment in the expenditures of Government, enough, and more than enough, might be curtailed from its superfluous disbursements to make up the amount which the payment of this instalment would require.

But he (Mr. C.) was at a loss to understand what object the Government could have in view by the measure here proposed. Such was its tenacity for a metallic currency, so great was its abhorrence of any other medium, that it refused to take, or acknowledge as available funds, the money of the country and of the People. It could, therefore, get no available funds by this bill. The banks could not pay its demands now in gold or silver, nor were they likely to be able to do so for some time to come. Why, then, did the Government seek by this bill to deprive the States of funds which were available to them, but which were altogether unavailable to the Government? He could not comprehend the reasons and motives of such a measure. If this bill would benefit the Government by making the sum it withholds from the States available to the General Government, there might be, indeed, some reason in it. But why, he asked, take from the States that which would benefit them, in order to hand it over to the General Government, to whom it will confessedly be of no benefit whatever? The State of Kentucky, and other States also, had made provisions for the expenditure of this money; had already applied it to various great and useful objects, relying on the solemn faith of a law of Congress, passed after the fullest deliberation by that body. On such a law, not deeming that it would be lightly broken or rescinded upon the first pretext, Kentucky had built her expectation of this money, and had acted upon that expectation, and had disposed of it by anticipation. Therefore, not only on the ground that this money would not be available to the General Government was this bill objectionable, but also on the ground that its present withdrawal from the States would be highly injurious and inconvenient to them. On this ground the bill in his view was eminently objectionable.

Was the faith pledged by an act of Congress to be so lightly broken? Was an expectation, based upon such ground, to be with such indifference and facility disappointed? Was it worth no effort—no exertion—no trouble, to keep a promise! to stand by a law? to fulfil an engagement? The States were invited to accept this deposit; it was no boon of their soliciting; and now, after it has been offered—after it has been promised—after it has been accepted—after it has been spent; after numberless schemes and plans for its employment, all beneficial to the States, have been devised and settled, and are waiting the payment of this fourth instalment for their completion is it now the time to recede from our engagement? Is it now the time to break a promise? Is it now the time to violate a pledge, and say that you have not got the money? Might it not be replied, you have got the money, but you will not let the States have it! Such, in fact, would be the effect of the passage of this bill! Yes, sir, the money is there; the money is in the banks; the States are willing to receive it; but Congress interposes, and, by this bill, says "no; you shall not receive it."

We are told by the supporters and advocates of this bill that it must be passed, because it would be highly impolitic to borrow money in order to deposit it with the States. This, sir, is not the correct view of the case: this is not a fair statement of the question: this, sir, is not the question at all. The question is this: The States have been led to ex-

pect this fund, on the faith of a law: they have made improvements, entered into contracts, incurred expenses on the expectation of receiving this money, pledged to them by the law; and now, sir, the question is, "is there no right on the part of the States, is there no obligation on the part of the General Government to fulfil the law?" Shall the law be set aside on the mere plea of inconvenience? That, sir, is the question, the great question! Whether a solemn law shall be fulfilled—whether a pledge shall be redeemed—whether a promise shall be performed—whether there exists any obligation to fulfil promises given, and not to disappoint expectations gratuitously raised? Shall we be told, sir, that there exists no such obligation? It is, in my view, the highest obligation which attaches to any Government. Now, in answer to this, we are met by the plea of convenience. We are told it would be very inconvenient to fulfil this contract with the States; that money will have to be borrowed for the purpose; and, therefore, since it would not be quite convenient to fulfil the obligation, the obligation ought to be broken, and the faith of the law violated!

But there is also another plea for this measure. I understand gentlemen to say that there is not money enough in the Treasury to pay this fourth instalment. But, sir, laying aside the question how far such an argument ought to prevail to induce the violation of a solemn engagement, let us ask, as to the fact, whether there are, indeed, no funds for the purpose of meeting this engagement? On looking over the report of the Secretary of the Treasury, (said Mr. C.) I only find a probability spoken of. He says, there may probably be a deficit, and not that there is. The argument therefore is devoid of its main strength, and that is, of the absolute fact necessary to sustain it. But, sir, if there are no funds adapted to the wants of the General Government, there are funds which the States would willingly receive.—They have confidence in the banks; they would receive their paper. They are not engaged in warfare against them; they do not wish to destroy them, and to destroy the credit of the Country and of the People; while, on the other hand, there are no funds for the use of the General Government, only because it will not recognise our money, our funds, our credit, and will only receive gold and silver; it is not willing to go hand in hand with the People in aiding and assisting to support and sustain that credit which is the life and soul of the business, trade, and commerce of the Nation.

Again, sir, let me expose another monstrous idea which seems to possess the gentlemen who have brought forward and those who advocate this bill; an erroneous idea, indeed, of which it were well that they were dispossessed; and it is this, sir: they seem to imagine that this money belongs to the Government. Not so, sir, (said Mr. C.) far from it: it belongs to the States—it belongs to the People, from whom the Government has gathered and collected it; but which gathering and collecting did not make it its own. Therefore, sir, in addition to the many strong reasons why this money should not be withheld from us, the reason above all is, that it is our own money.

The President of the United States in his Message had read a lecture on economy to Congress, and to the People of this country, and had told them that the distress and exigency of the times which have brought us here are to be attributed to the extravagance of the People. Now, sir, it is very strange that it never occurred to the President that economy was of all things that in which the Government itself was most deficient; that economy was especially needed to be put in practice by it; that the tide of prodigality and high expenditure of millions upon millions, in which it had of late years indulged, it was now high time should be stopped. Strange, sir, is it, that the President, before he made this charge upon the People, did not look to the crying necessity for reform and economy in the Government itself.

In a time of distress like this, when the Government gives to the People such lessons of economy, what conduct do we behold in the Government? Any approach, sir, to economy? No, sir,