

The Lincoln Republican.

"The tendency of Democracy is toward the elevation of the industrious classes, the increase of their comfort, the assertion of their dignity, the establishment of their power."

BY ROBERT WILLIAMSON, JR.

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NEW TERMS

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TO CORRESPONDENTS.

To insure prompt attention to letters addressed to the Editor, the postage should in all cases be paid.

CORRESPONDENCE.

Between **LOUIS D. HENRY, Esq.**, of the **Democratic State Convention**, assembled at Raleigh, and the **Committee** appointed to inform him of his nomination.

Raleigh, January 11th, 1842.

LOUIS D. HENRY, Esq.

DEAR SIR: We have been appointed a Committee, by the Democratic Convention now sitting in this place, to enclose to you a copy of its proceedings, and to ask your particular attention to the resolution nominating you as the Democratic candidate for the office of Governor of North Carolina, at the ensuing election. It affords us sincere pleasure to be the organ through whom this communication is made, and to accompany it with the assurance, that the nomination was unanimous and enthusiastic, and we hope it will suit your convenience, at an early day to make known to us, your acceptance of a trust, which the Democrats of North Carolina have committed to you, with perfect confidence in your eminent abilities to discharge it.

With great respect, we are your fellow citizens,

HENRY FITTS, sen.,
J. ALLISON,
W. C. JONES,
E. McCALLUM,
THOS. J. HICKS,
J. O. WATSON,
THOS. W. GRAVES,
GIDEON GLENN,
WYATT MOYE.

FAYETTEVILLE, January 21st, 1842.

GENTLEMEN: Your communication announcing to me, on behalf of the Convention assembled in the city of Raleigh on the 10th inst., that I had been unanimously nominated by that Convention, as the Candidate of the Democratic party, "for the office of Governor of the State of North Carolina," has been received, and I regret that a temporary indisposition has prevented me from giving it an earlier reply. So strong a manifestation of the confidence of my fellow citizens, from every part of the State, fills my bosom with the deepest emotions of gratitude, and places me under obligations to them, which I fear, I never shall be able to repay.

The exalted motives of patriotism, that called together at this ineluctable season of the year, at so great a distance from their homes, such a large Convention of *Planters, Farmers, and Mechanics*—truly representing the great industrial and agricultural classes of our population, sent forth by the spontaneous movements of the people in their primary meetings, prompted by the distress and embarrassment brought upon the country by the misrule of the whig party—that Convention too, in its action, influenced by *no leaders, or aspiring politicians*, but proceeding under the dictates of their own judgment, and zealously resolved upon the good of their suffering country—all these considerations, united with my ardent devotion to the cause of Democracy, and admiration of its principles, and the deep impression that our common country is bleeding under wounds inflicted by infatuated party leaders, have determined me to accept the honored banner of my party, and to bear it with my best ability, incompatible as I know it is, with my feeble health, and the retired habits of my life, *trusting under Providence*, to the justice of our cause, and to the zealous co-operation of every Democrat, who loves his principles for the sake of his country.

What I have to say to you, gentlemen, and through you to my fellow-citizens, shall be said *freely and boldly*, but with perfect respect for other men's opinions, knowing that there are honorable men in both parties. My position dictates it—the cause of truth and fair dealing demand that no concealment should be practised upon the people. It was by a contrary course that the whig leaders got into power; had

their hand been openly shown to the people, it would have excluded them from the public confidence.

"Change! change!! change!!! Things can't be worse," was the cry of Mr. Webster and the Whig leaders, in the year 1840. By charges the most unscrupulous, against Mr. Van Buren's administration—by untimely appeals to the passions of the people, and by deceitful promises of reform, the Government of the country was changed, and that party put into power. How that change has resulted, might have been foreseen from the *wicked means* contrived to effect it. What it is, the wrongs and distresses of the country every where make manifest. Things have grown worse *beyond all comparison!* The disasters and ruin of centuries, by the baneful influence of this ruling power, have been compressed into the fatal—the ever memorable year—the Whig year, 1841! when the whig leaders, infatuated with power—faithless to their solemn pledges and promises, proposed no good, but contrived every mischievous measure that could aggravate the sufferings, and mock the calamities of a people they had *most cruelly deceived*.

They have brought the affairs of the country to a dangerous crisis—too serious for them now to dare to deride the public suffering by midnight debaucheries and drunken processions; when, the people must take the affairs of the country into their own hands, by dismissing from their service, these unprofitable servants, who have practised extravagance where they promised economy—imposed taxes and a public debt, where they promised relief—promised toleration for opinion's sake, where they promised toleration—promised a paper-making, corrupting U. S. Bank, when they promised a sound currency—have produced hard times and low prices, when they promised good times and high prices—in fine, who having quarrelled and separated into two parties, from an avowed distrust of each other's honesty and sincerity (shamelessly bruited to the world) have sunk the *credit of the Government in the dust*. The Secretary of the Treasury announces to Congress the astounding fact, that the Treasury is bankrupt, and that he cannot borrow money upon the faith of the Federal Government—the country has lost all confidence in the honesty and ability of these men to conduct its affairs! Who ever beheld such a state of things before? The Federal Government, and the States overwhelmed with a debt of between two and three hundred millions; in a time of peace their credit dishonored, and not able to borrow a dollar to meet the pressing exigencies of the country. How appalling would be the crisis were the country suddenly plunged into a war with England! when the alternatives would seem to be, to starve under the heavy hand of taxation, to die by the sword, or yield up ignominiously the liberties of the country.

To trace these effects to their true causes, has now become a duty which must not be pretermitted.

CAUSES.

The primary and remote causes, I believe, will be found in the vicious action of the Banking system—the secondary and more immediate cause, in the corrupt confederacy between the great leaders of the Whig party and the United States Bank, with the affiliated local Banks, to effect a recharter of the former, and to *tear down the Administrations of General Jackson and Martin Van Buren*.

I avow myself opposed to a latitudinous construction of the Federal Constitution. I think the Federal Government ought never to assume a doubtful power; and where a power may be wanted, to rely upon the people to give it, after the manner provided in the Constitution itself. Herein consisted the fatal error of the Federal party, which having failed in the Convention of 1789, to model the Government to suit its own notions, sought by the subtleties of construction to derive powers to it, which the people had not granted. Thus, instead of strengthening the administration of the Government, by attaching to it the confidence of the people, it weakened it by exciting their distrust and opposition. Through this dangerous breach have entered the greatest ills that ever afflicted this country, and whose bitter fruits we are now tasting. The riper experience, reflection, and closer observation of my manhood, under the numerous lights, sifting discussion, and practical tests, afforded by the age, have brought my mind to these conclusions—nor can I doubt, that should the principles of liberty which sustain this GLORIOUS UNION ever be dangerously assailed, their refuge will be found within the ramparts of the States, where their altar fires are ever kept burning in the hearts of the people, by the love for them, which is inspired, by the daily and familiar discharge, of the duties of self-government.

UNITED STATES BANK.

The great and good men who framed the Federal Constitution, had been taught by sad experience, the evils of a paper currency. Its course for nearly a century before, both in Europe and America, had

been attended with the same disasters to trade and industry.

Instructed by the will of a people whose wisdom and virtue had been purified by the fires of the Revolution, they obtained in the Federal Constitution that *coin, hard money*, should be the federal currency, and *only standard of value*. The experience of all men, in all ages, and the regulations of Providence in the affairs of men, have given us no other stable measure of value, by which balances can be settled between nations, States and communities, and confidence given to trade, without which, it will languish, or periodically break forth into ruinous expansions and contractions.

That execrable paper-making machine, the United States Bank, was the primal sin against the Constitution, and like the sin of Cain, the Bank, has sunk under the doom of perpetual infamy, as the scourge and perplexity of nations.

The history of this Institution will be useful at this time, as shewing that such an institution, or any like Government Bank, can never furnish a uniform currency of permanent value, nor regulate the exchanges; and that it can always wield a power dangerous to the freedom and to the morals of the country, and that the Government can be administered without it.

The late Bank of the United States went into operation in the year 1817, and in 18 months afterwards, July 1818, it was on the eve of bankruptcy, with but a few thousand dollars on hand, and many millions of notes in circulation. So disgusting, fraudulent, and ruinous had been its management, within that short period, that a resolution was introduced into Congress to repeal the charter, in 1819, which was supported by General Harrison. These facts may be seen at length in the proceedings of Congress, in 1819 and 1820, and in the report of its President, Mr. Cheves, in 1822-'23. During that 18 months it had made large loans in Europe, which ultimately raised the price of exchange against this country. Instead of checking gradually, by a prudent course of discounts, the tendency of the local Banks to excessive issues, of paper money, like a *bold leader*, it headed the phalanx of State Banks, and plunged the country into every excess of debt, speculation, extravagance and luxury. The natural consequence followed, and in the spring of 1819, the bubble burst in the South; all the banks suspended payment, and the people woke up as from a dream, and beheld all around their distress and ruin. Property sunk 50 per cent. or more, in value, and in the cities of New York, Philadelphia and Baltimore, it was estimated that 50 thousand laboring men and women were wandering about the streets in search of food and work. The notes of our North Carolina Banks were quoted in Baltimore at a discount of 25 per cent., and the exchanges between the United States and Europe were ruinously high.

A CHANGE of policy takes place in the management of the Bank, from this time, to the time General Jackson is about to be made our President. *Mark it well as you go along!* Orders issued from Philadelphia to all the southern Branches, not to issue their notes when exchange was against them, and to replenish their vaults by draughts of specie from the State Banks, which was shipped to the North; thus depriving the South of its own notes, which had been promised as a currency, crippling our own Banks, and raising the exchanges against the citizens of the State, when they could least bear it. This pressure of the United States Bank upon our local Banks, continued for nearly 10 years, until, finally, in the years 1827-'28 and '29, every Bank in the State was broken down. Had the U. S. Bank furnished the currency and exchange it promised when chartered, our sufferings would have been greatly alleviated, on the contrary, however, it deprived us of the best we had, and refused to furnish a substitute. Twelve years of its charter had now rolled out, and the paper exchanges during all that time, between North Carolina and the North, averaged 5 a 6 per cent; this as a tax upon the consumer, amounted in that period to many millions. The years 1827-'28 and '29, spread a deep gloom over the State. The Banks ruined—their notes discredited out of the State—exchanges, scarcely to be had, and when so, very high—prices of produce and labor thrust down—property could only be sold at the greatest sacrifice, and instances were known, of cotton being purchased in Fayetteville, at 6 cents a pound, shipped to Europe for a market, and there sold at a loss to the owner.

ANOTHER CHANGE takes place.—General Jackson was made President in 1829; the charter of the Bank was to expire in a few years, unless Congress should renew it. The President felt it to be his solemn duty, in his first Message, to call the attention of Congress to the past course of this Bank, preparatory to its application for a renewal of its charter. This, Nicholas Biddle viewed as great presumption, that a republican President should dare to question, in the course of his *stern duty*, the immaculate purity and wisdom of the Bank. The Bank, had now become rich

with the specie spoils derived from the State Banks; it had grown strong by a long course of severe contraction, and resolved, in the insolence of its power, to *crash the President*. Its policy was to make favor with the people; accordingly it commenced a course of rapid expansion of its notes and discounts—made loans to the amount of nearly \$2,000,000 in a short period, to members of Congress—bought up Editors and Presses, to advocate its recharter—got the people every where in debt to it, and by issuing largely its branch checks at the South, reduced the price of exchange.—Thus, as if by magic, sprung up suddenly, a state of brilliant prosperity! But all was false and hollow! The people were steeped in debt to the Bank, and the country in debt to Europe, as will appear by the great excess of imports over exports, in the years 1831 and '32. It was during this state of deceitful prosperity, whilst all appeared favorable, that the Bank pressed upon Congress its suit for a recharter.—Congress granted it; for too many of its members were accommodated by the Bank with immense loans; but General Jackson was the man of the people—he was true to their interest—he vetoed the bill, and in the fall of that year was triumphantly re-elected by the People.

ANOTHER CHANGE TAKES PLACE: The Bank having failed to accomplish its purpose by golden favors, now resolved to effect it by operating through the *fears and distresses of the People*. It therefore, in the years 1833 and '34, commenced a sudden and violent contraction of its issues and loans—spreading desolation and ruin with a bold hand, every where—the country trembled under the shock of an earthquake—Congress was in session—the wailings of the people arose upon the air, like the cries of the innocents under the persecution of Herod—the Bank orators in Congress set up the panic cry, and the whig newspapers re-echoed it, that *General Jackson must be crucified, and the Bank rechartered!* This was the memorable panic session 1833 and '34.

Congress adjourned in the summer of 1834, without rechartering the Bank. Its *golden showers and panic distresses* had failed of their effect, and the Bank *desperately crippled with debt*, in fact re-ordered bankruptcy in its own wicked policy, fell back upon the Legislature of Pennsylvania for a charter, for the purpose of keeping its capital together, and preparing for another onset. The charter was procured by sheer bribery, practised upon a sufficient number of the members of the Senate to turn a majority in its favor.

ANOTHER CHANGE TAKES PLACE: The Bank, with enlarged powers under its new charter, having since the summer of 1833 contracted immense debts in Europe, to repair its losses, now plays the part of a desperate gambler. It got up a spirit of wild speculation in the public lands—in the cotton, beef and flour markets—stimulated the States and corporations to visionary schemes of internal improvement, by granting them facilities in obtaining money thus getting the States and corporations in debt, for the purpose of *procuring their bonds*. It entered largely as a speculator in the cotton and stock markets. With the State Bonds public stocks and cotton, it kept up its credit, and obtained new loans in Europe, to aid which, it established the Jambon Agency in England, under the *insolent pretence* of procuring American interests and credit. It issued, fraudulently, the defiant notes of its original charter, called resurrection notes—the State Banks discontinued upon these as upon specie, thus piling paper upon paper—speculation raged like the wild fires of the prairie, and men lost their senses in the *day dreams of getting rich by millions*.

As a natural consequence of making money too plenty, the imports swelled to an unprecedented amount, shewing our increasing indebtedness to Europe. The bubble of paper credit again burst in the spring of 1837. The U. S. Bank was the first to suspend, and the State Banks followed in its example. Failures took place in one week to the amount of 20 millions—lova went the price of lands, labor and produce, and it went the price of exchange. The Banks held at this time, about 30 millions of the public money, which they refused to pay—thereby embarrassing the Federal Treasury and humbled the Government at their feet. The President in this dreadful emergency, called Congress together in September, 1837, and recommended the Sub-Treasury, or a separation of the affairs of Bank and State. This measure failed, however, because Bank influence had disaffected a few unsound members of the Democratic party, who formed a separate party under the name of *Conservatives*.

Congress passed a law, however, granting several years indulgence to the Banks and merchants, and under Mr. Woodbury's skilful management of the Treasury, some of the local Banks soon resumed payment, but the U. S. Bank, which was the last to resume, put off resumption until August, 1838. Resumption created a temporary revival of business, and a false hope of better times—but it was now too late to

wield this rotten mass of overgrown credit. The people were all in debt,—the merchants in debt hundreds of millions to Europe for the excessive importations of former years—the Banks, Internal Improvement corporations, and the States, were indebted two hundred millions more. In October 1839, the U. S. Bank led off with another suspension,—all the State Banks, followed, and in a few short months, *this mass of superincumbent debt, fell with a mighty crash upon the people, under the weight of which they have been groaning, and will continue to groan for years to come.*—The wrong leaders of 1837, raised a false clamor against Mr. Van Buren's administration, as the cause of this ruin—made lavish promises of reform—maddened the public mind by angry appeals to the passions and imagination of the people, and by means most foul, expelled the Democrats from power in 1840.

But the sure blow of avenging Justice was at hand! The ever memorable year 1841, soon arrived! Scarcely had the party grasped the cup of intoxicating power, when it was dashed from their lips. Their Bank failed—their President died—their measures of the extra session, for the first time brought forth, rent them in twain—the President's house was surrounded by a mob—the Cabinet dissolved under the avowed plea, that there was not honesty and good faith enough in the Government to conduct its affairs—and the year closed, by the disclosures of the *conscience-stricken Gileworth!!* Surely! surely!! this was none other, than the hand of Providence!!

A Bank of the United States, renders the paper money system, a dangerous engine to the liberties of the country. With its large capital, it can always make the local Banks subservient to it, because it can cripple or crush them at its pleasure. As a great leader or head, it can organize the Banks into a regular army, garrisoned every where through the United States, and ready to act as *one body*, whenever there is a necessity; combining with these all that numerous class of men in our Towns and Cities, who depend upon the Banks for their business and daily bread. This vast money power drilled and disciplined for years, conducting its plans in secret conclaves—making money plenty or scarce—prices high or low—the value of all property uncertain—united with a large political party—the whole stimulated and defended by a well paid corps of Editors and Orators, *must be attended with danger, and must fill with apprehension, the heart of the patriot*. It will be recollected that the Whigs have generally had the direction of the Banks, during the whole period of our monetary embarrassments—that they have used and abused them to suit their party purposes—that the U. S. Bank was used as the especial engine of that party to influence the elections, the press and legislative bodies—that Mr. Clay and Mr. Webster and the leading Whig orators and presses throughout the country, have for the last ten years, been recommending, encouraging and defending this Bank, and above all stimulating its ruthless attacks upon the Democratic administrations of General Jackson and Martin Van Buren, because of their opposition to its recharter. It will also be recollected, that the course of the Whig party during those administrations, was opposition to every measure, right or wrong. *Condemning every thing and proposing nothing.*—Instead of employing their talents like patriots; to aid the Government, in promoting the welfare of the people, they concentrated all their energies, in the most powerful efforts to clog the wheels of Government, and embarrass the affairs of the Nation.—Thus hoping by *confusion and distraction*, to triumph as a party, by laying the Government palsied and disgraced at their feet. *On this Whig party, through its leaders, and the Banking System then, must rest the responsibility of the distresses and embarrassment that have fallen upon the Federal Government, the States, and the People.*

This history of the U. S. Bank establishes the propositions I set out to prove: 1st, That it never did furnish a uniform currency of fixed value. 2d, That it never did regulate the exchanges; on the contrary that it deranged both, during the twenty years of its charter, save about the years 1830, '31 and '32, when it was disposing favors to purchase a recharter. The country then, had just come out of a ten years siege of Bank contraction, and like thirsty ground, absorbed freely the first showers of rain;—true however to the instincts of the paper system, the Bank showered too copiously, and finally drowned the crop of apparent prosperity which had sprung up under its influence.—3d, That the Federal Treasury may be managed without a Bank, as was proved during the administration of Mr. Van Buren, when the Secretary of the Treasury, Mr. Woodbury, conducted its affairs skilfully, through a period of the greatest embarrassment, at a time the Banks had suspended, and were with-holding about 30 millions of the Government money.—4th, That such a Bank is a dangerous engine of political power.

The first and greatest error was in departing from the standard of a *sound metallic currency*. The people, by the Federal Constitution; entrusted that to Congress—but Congress in an evil hour gave all power to the Bank. The Constitution said it should be gold and silver—the Bank said it should be paper. The Federal Government may coin money—but the Banks drive it out of the country by issuing their paper, and when it is gone, the paper is worthless.

Ours is a *hard money* Government, so said Mr. Jefferson, so said the venerable 1787, Mason, and so said the great Federal Whig oracle, Mr. Webster, in his speeches in Congress in the year 1816. I here quote from them:

No Nation had a better currency than the United States. There was no nation which had guarded its currency with more care; for the framers of the Constitution, and those who had enacted the early statutes on the subject were hard money men.—They had felt and duly appreciated the evils of a paper medium; they therefore sedulously guarded the currency of the United States from debasement. The legal currency of the United States was gold and silver coin; this was a subject in regard to which Congress had run into no folly.

Gold and silver currency was the law of the land at home, and the law of the world abroad; there could, in the present condition of the world, be no other currency.

Again, speaking of the character of the paper currency, he says:

Of all the contrivances for cheating the laboring classes of mankind, none is so effectual as that which deludes them with paper money. It is the most perfect expedient ever invented for fertilizing the rich man's fields by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation, these bear lightly on the happiness of the community, compared with fraudulent currencies, and the robberies committed by depreciated paper. Our own history has recorded, for our instruction, enough, and more than enough, of the demoralizing tendency, the injustice and intolerable oppression on the virtuous and well disposed, of a degraded paper currency, authorized by law, or in any way countenanced by Government.

No language of mine could give force or impression to this vivid picture of the evils of a paper system. In candor, I admit, that all parties have at times been in error on this subject. But the Whig leaders have adhered to the system in spite of experience, against the lights of the age, and adopted it, to rule the country. The system must be reformed. Its frequent and violent fluctuations, are not only ruinous to all regular industry and enterprise, to the trade and business of the country—but it engenders pride, luxury, extravagance, frauds and villainies of the worst kind. It threatens in fine, to undermine the social fabric of private morals and of public virtue.

The Banks must be made to redeem their notes,—because the law and public faith demand it, because it will reduce the collection of their debts. This argument is both false and insulting to a free People. It is false, because, the Banks are always the first to take the alarm, to begin the pressure,—and they keep it up any how, and at a time when the people can least bear it. It is insulting, because it is a threat of the creature to the creator, of the servant to his master.—Again, why should a majority of the people, and the whole business of the country, be taxed and suspended because a minority may be indebted to the Banks? It is an argument, that will justify the Banks, in forming a confederacy, of perpetual suspension. A familiar example will show the people, how they are taxed by a depreciated paper currency:

BANK TAX AND TARIFF TAX.	
On 1 yard of cloth which cost in England,	\$2 00
Estimated charges of shipment to New York, freight, insurance, exchange, 10 per cent.	20
Duty at 20 per cent.,	44
Importer's and Jobber's profit's say 25 per cent.,	65
Discount on North Carolina money, 5 per cent.	16 1-2
North Carolina Merchant's profit say 25 per cent.	3 46 1-2
Cost to Farmer	86 1-2
	94 33