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Finances of the Confederate States.

Gov. Bonner of South Carolina, has published the following letter from the new Secretary of the Treasury, in reply to a congratulatory letter from himself:—

Treasury Department, C. S. A.,
Richmond, August 5, 1864.

To His Excellency Gov. Bonham—DEAR SIR:—Your very kind and encouraging letter of 30th ult. was received yesterday. If it shall prove to be my happy fortune, through the Divine blessing, to contribute in any degree to the welfare of my country, I shall be more than compensated for all the labors and anxieties to which I have been appointed. Expressions of confidence and good will on the part of my fellow-citizens, such as you have been good enough to convey to me, are most grateful and encouraging. I regard the Treasury of the Confederate States as most peculiarly the treasury of the people, and there is nothing in the power of man that would so soon restore it to a condition of ease and prosperity as the universal and generous support of our people. There is nothing in its present circumstances to inspire alarm, but, on the contrary, every motive for confidence. An all pervading cause of embarrassment and distress has been the character of our legislation. However patriotically intended, it is not to be denied that the measures adopted by Congress for the reform of the currency had the unhappy effect of inspiring the public mind with feelings of fear and distrust as to the course that would ultimately be pursued in relation to that part of the public debt that is represented by the Treasury notes. Apprehensions of ultimate repudiation crept like an all-pervading poison into the minds of the people, and greatly circumscribed and diminished the purchasing power of the notes.

There were many distinguished and patriotic men in Congress, who earnestly believed that the great, if not the sole, evil of the currency, was to be found in its redundancy alone. And reasoning from this premise, they inferred that a corresponding reduction of this large volume of the purchasing medium, would produce an immediate reduction in the price of all saleable commodities. Others entertained a different opinion, and believing that the purchasing power and value of these notes had a critical and sensitive dependence upon the confidence and good will of those who were called upon to exchange their substance for them, insisted that a reduction of the quantity, by any measure that disturbed the confidence of the people in the good faith of the Government, would lead to universal distrust and still greater depreciation.

The majority was unhappily found to be of the first opinion; and it must now universally be admitted, I think, that the policy that prevailed was erroneous, and the consequences precisely such as had been predicted by those who opposed it. The immense reduction effected by the tax of 33 per cent. levied upon the currency, and by the process of compulsory funding, produced very little effect upon the prices of commodities. Everybody regarded with distrust a new issue of notes of the same character as the last, and resting for their support as a circulating medium upon the same pledges, which had ended in disappointment before.

That this is the true difficulty we have to encounter. I think every candid person must now allow, and I cannot refrain from indulging the hope that a new and sounder policy will govern our future legislation. The patriotism of Congress is not to be called in question, nor are we at liberty to doubt their willingness to renounce any policy that may be proven, by experience, to be erroneous and mischievous. Our people at the same time, should not be silent, and in this respect the patriotic citizens of the great and suffering Commonwealth of Virginia have set a noble example.

On my arrival in Richmond, I found that the commissioners of prices had fixed the schedule rates for wheat and corn at \$30

and \$24 per bushel, respectively, for the months of August and September. The feeling of disappointment and alarm, with which I was inspired by this circumstance, you can easily imagine. This painful feeling was, however, soon changed for one of renewed confidence and hope, by the farmers of Virginia. Public meetings were held in the agricultural counties, and resolutions adopted, boldly avowing the impossibility of maintaining the public faith, if the Government were forced by the people to pay such prices for supplies, and patriotically insisting upon a reduction of the standard rates, and their establishment upon a basis sufficiently low to inspire confidence in the currency. The result was, that the commissioners re-assembled and reduced the schedule prices to \$7½ for wheat for the month of August, and \$5 for September. A wiser and more patriotic course was never pursued by any people, and I would respectfully appeal to you, as Chief Magistrate of our gallant and patriotic State, to suggest and encourage similar meetings and resolutions, on the part of our own people. I have an abiding confidence that a general and well established belief in the intention of Congress, under no circumstances of temptation or trial, to shrink from the observance of the most rigid good faith in the money dealings of the Government, will enable us to overcome all our financial difficulties. That such is their real intention, I cannot doubt; but this determination should be encouraged and supported by the public declarations of our people, expressive of their own resolute will to foster the credit of the Government by the establishment of low prices, and by the patriotic support of its Treasury. Whatever differences of opinion may have existed in the past, or whatever errors may be supposed to have been committed, may now be buried in a common grave. We are making a new start in our finances, and under circumstances by no means unfavorable or discouraging.

The expenditures of the Government are of two classes; those incurred abroad, and those incurred at home. In respect of the first, there has hitherto been little embarrassment, nor is there any reason to expect greater difficulty in the future. Our foreign supplies will probably be procured without making any addition to the public debt. The malice of our foes having raised the price of cotton to 30d. per pound in European markets, while the depreciation of our currency enables us at the same time to buy at home at less actually than 4d., it is plainly seen that it can be no difficult task to draw from our enemies, and from the complacent spectators of this atrocious war, the means of supplying all our foreign wants. This would leave us, then, only our domestic debt to deal with, and when it is considered that all that is asked of our people, and all that the Government is called upon to pay for, is simply their surplus productions, and their services in transportation and mechanical and other labors, who can doubt the ability of the people to bear this burthen? If they gave all that is asked, without compensation, they would give at best no more than their surplus, and would be no poorer for the gift. How, then, can their condition be made worse by receiving the money and the bonds of the Government, in place of receiving nothing?

I hope, my dear sir, that you may agree with me in the opinions and sentiments I have expressed, and may join with me in the effort to give a new and generous impulse to the public sentiment upon this great topic of our national affairs.

I do not think that planters and farmers should alone be called upon to declare in favor of lower prices; manufacturers, railroad companies, and every great interest of the country, should contribute to this reform. Let us content ourselves with more moderate prices and keep down the public debt; and not by extorting the highest prices, swell the public burthen and disturb our confidence in the virtue and the resources of the Government. I remain, dear sir, yours, with great respect,

G. A. TRENHOLM.

Another Letter from Secretary Trenholm.

The Augusta *Constitutionalist* publishes the following letter from the new Secretary of the Treasury:

Treasury Department, C. S. A.,
Richmond, Aug. 15th, 1864.

Campbell Wallace, Esq., President, Augusta, Ga.:

SIR:—I am greatly obliged by your letter of the 8th inst., which is conceived in the true spirit of a patriot. If the people stand by the Government and encourage Congress to do their duty manfully, there is not the slightest danger about the public debt. Our people are committing an act of great folly to be buying property of all kinds at ten times what it will bring when the war is over, while foreigners are buying their 6, 7 and 8 per cent. bonds and carrying them abroad. These bonds will bring more in specie when peace comes than they are bringing now in currency, and we will have to pay these strangers in full whether we wish or not; whereas, if we kept the bonds at home, we would get back all the taxes collected to pay the interest. I am trying to pay for all the foreign supplies out of the profits on cotton, and we have nothing to buy with bonds and Treasury Notes but flour, corn, meat and manufactured goods, and to pay transportation to railroads. If we break down under such circumstances, it will be our own fault, and we will deserve nobody's compassion or sympathy.

Yours, respectfully,

G. A. TRENHOLM,
Secretary of Treasury.

From the Augusta Chronicle and Sentinel.

Peace—Settlement of the Question—The Future.

Some months since we stated that a decisive victory of one of the contending parties over the other, in the great struggle that now shakes this continent, was not to be looked for. We did not suppose that the North could conquer the South. The South did not propose to conquer the North. A great battle in Europe sometimes settles the fate of a dynasty. The territory of an empire has been won or lost upon a single field.

Waterloo was the spot where the throne of Napoleon was crushed, never again to be raised up in his day. When the Emperor saw in the gleam of the setting sun the Old Guard recoil, he drove his golden spurs into the flanks of the good horse that bore him, and would have plunged into the broken columns that had never failed him before, to rally them for one more desperate charge. A faithful officer caught the reins, and prevailed on him to quit the field. All was lost. The eye that saw the sun of Austerlitz rise upon the field where two Emperors faced Napoleon in battle, had seen the last beams of the day-god gild the helmets of Wellington's Guards as they came sweeping over the flying columns of the best troops of France. The reign of Napoleon had closed. For him there was the rock and the vulture. For France there was a restored Bourbon and peace. The war raging between the rent States so recently united under one government, can have no such termination. The armies of the North beaten and destroyed, rise again and renew the conflict. The South is struggling for existence and will not yield. Two great people, spread over the continent of North America, speaking the same language, with the same religion, laws, and traditions; are not separated by any great stream like the Danube, or the Rhine; nor by a mountain range like the Alps or the Pyrenees. The contest might be interminable if left to the arbitrament of the ordinary laws of war. The populous North with all Europe to recruit from, might renew the struggle after the loss of every campaign. The heroic South, planting itself in the moral Thermopylae where it lifts its banners to-day, asserting its right to govern itself, and staking everything upon the issue; resolved to achieve its independence, or to perish, is absolutely unconquerable.

How then shall this gigantic war, which has now raged for more than three years,

be brought to a close? We asserted long ago that this was to be accomplished by a political revolution at the North. By the overthrow of the Black Republican administration. By the triumph of the conservative men of that section. By bringing into power that party which for so many years maintained an unequal struggle against overwhelming numbers for the supremacy of the constitution. This idea so earnestly pressed by us upon the country, last winter, is now receiving the assent of a large part of the Southern people. The importance of the great struggle between parties in the United States begins to be appreciated. It is high time. Fortunately a periodical revolution is provided for. Every four years the dynasty may be changed. The actual policy of the government may be modified—reversed. Every one connected with the Executive Department may be dismissed from power. Some one will, within the present month, be brought forward as a candidate for that high place which Mr. Lincoln has degraded; some one pledged to a new policy; some one committed to a settlement of the great quarrel between the North and the South. Everything is hopeful. The failure of Grant's campaign has spread dismay throughout the ranks of the Administration party. Sherman is in a critical situation. Defeated, driven out of Georgia, this would seal the fate of that odious power in the United States upon the ruins of the republic. The great political triumph in November would begin to throw its inspiring light over the dark waters of strife. If armies still kept the field they would rest on their arms. They would await the issue. They would hush the thunders of artillery, and the rattle of musketry, to witness the result of that civic triumph which the friends of constitutional liberty were about to achieve over the man who had borne the very impersonation of faction to the bad eminence from which he has for four years directed all the energies of the government to the overthrow of right, of law, and of freedom. There would be a cessation of hostilities. The defeated columns of the Black Republican Administration would scatter. The incoming party would at once begin to mature their plan of pacification.

This is the great question that rises before us in all its vast proportions. How shall peace be brought about? What shall be the terms of settlement? No question affecting the rights of mankind of greater magnitude than this has ever been discussed. Of course a settlement with the present administration of the United States Government, is out of the question. The ground assumed by Mr. Lincoln in his last extraordinary proclamation "to whom it may concern," is intended to shut the door upon any settlement. It amounts to nothing more than a demand for an unconditional surrender on our part, and an abandonment of our slave property. Such a plan will never be considered. It is not intended that it should be.

The position assumed by the President of the Confederate States on the other hand, is one of simple independence. It demands a recognition of our Government, absolutely and unconditionally, without terms of any sort. Of course that is the object of the struggle. The United States Government must disband its armies, and renounce the right to coerce any State. That monstrous pretension must be abandoned. But suppose our independence conceded; our Government recognized. There are other questions to be settled. What are to be our boundaries? The North might consent to recognize our independence and settle upon the basis of *uti possidetis*. This of course is inadmissible. Other questions of equal moment are to be considered and disposed of. The relations of the two people to each other—commercial arrangements—the freedom of certain streams. And very many matters of the largest interest. How shall these be disposed of? Can diplomacy grasp them? Are they susceptible of settlement by the Confederate Government, representing the States? We propose to give our views of this subject in some future articles. We