



THE WESTERN CAROLINIAN

SALISBURY

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The Junior Editor of this paper will be absent from the State for several months after this week.

The Pennsylvania Legislature, and the Banks. We observe, by our late accounts, the existence of a considerable excitement in Pennsylvania against the Banks. The circumstances which gave rise to it are these. In January last, the Legislature of that State passed an act authorizing a loan of \$1,000,000, for the prosecution of works of Internal Improvement in the State. Notice was accordingly given by the Secretary of State, in pursuance of the act, that proposals for the loan would be received until a certain day; but contrary to all calculation not a single bid was offered. Hence, before all loans proposed by the State have been promptly and eagerly taken up by the capitalists and banks of Philadelphia, such being the fact, it is the more extraordinary that in the present instance not a dollar was offered; it is so strange that we are led to inquire what cause could have produced it. Why, it seems that this state of things has been "brought about by a combination of the larger institutions with the United States Bank at their head;" and the object of the combination is to force the Legislature into certain measures, and produce a political effect in the State. The whole matter, we are not surprised to see, has been the occasion of no little excitement at Harrisburg, and, in fact, throughout the State. The Governor has sent to the Legislature a very spirited message on the subject, in which he says that the State owns stock in these banks to the amount of \$2,108,700, and yet cannot obtain one dollar to meet its emergencies. The fact is, every honest citizen of the country, whose mind is not warped by party prejudice, must feel indignant at the conduct of the United States Bank in its insolent assumptions. It cannot be denied that for many years, for several years past, has pursued a course of unlawful, and dangerous interference as regards the trade, currency and politics of the country, which ought to open the eyes of all candid men, and turn them against it, and all such mammoth institutions, which, from their very nature, and immense power of corruption, always maintain a struggle with; if they do not prevail over, and control the civil government.

The following is an extract from the Message of Governor Porter to the Pennsylvania Legislature: How long the representatives of a free people will submit to a state of things, manifestly brought about by a combination among the institutions of their own country, it is for the Legislature to determine; but there is certainly a manifest impropriety in permitting the unemployed resources of the Commonwealth to be used to her own injury. She owns of the capital stock of the Bank of Pennsylvania 3,750 shares, \$400, amounting at their par value to \$1,500,000. 5,233 shares in the Philadelphia Bank, at \$100, 523,300. 1,708 shares in the Farmers' and Mechanics' Bank, at \$50, 85,400. Amounting in the whole to \$2,108,700, and which are believed to be worth a considerable advance.

This administration has been but little over a month in power, and has been obliged to ask loans to pay of engagements which it had no hand in contracting, and find itself embarrassed in its outlet for want of means to meet the engagements of the Commonwealth. So far as it has the ability, its exertions will continue to be steadily directed to discharge the public liabilities, and maintain unscathed the public faith. If, in its efforts so to do, difficulties are interposed by attempts at combination among moneyed men and moneyed institutions, they most assuredly will discover that, so long as the Executive power remains in the hands in which it is now placed, they shall never control either its political or fiscal operations; but that this great Commonwealth must and will rise superior to all such attempts.

All experience goes to show that the evils anticipated by many of the best and most sagacious statesmen from the grants of corporate powers to moneyed institutions, have been more than realized, and should be avoided as to be cautious in continuing to make and unrestricted grants.

With no desire to create distrust or alarm, I cannot but feel that it is the misuse and abuse of the powers thus committed to such institutions that have more than once led to the embarrassments in the monetary concerns of the country. I cannot close this communication without appealing to this Legislature, and calling upon them by every principle of patriotism to take such action in this matter as will enable the State to stabilize her character and credit, and to take immediate measures for separating the State from all connection with a set of institutions that have so repeatedly disappointed the just expectations of the public, and of which no reliance can be placed when the exigencies of the State may require a call upon them.

DAVID R. PORTER, Executive Chamber, March 7, 1889.

Hon. Eli Moore of N. Y.—A short time previous to the delivery of Mr. Clay's speech in the Senate, on abolition, which has been so highly lauded, and generally approved, Mr. Eli Moore, on the occasion of presenting a memorial from citizens of the District, remonstrating against any interference with their institutions, was proceeding to declare his views on the subject, but was prevented from doing so, by the interference of Mr. Thompson of South Carolina, who contended that any expressions of the kind would be an infringement of the resolutions introduced by Mr. Atherton and passed, forbidding the agitation of the subject; this was, as we know, right enough; and under the circumstances Mr. Moore did not deliver his speech, but gave notice that he should publish it as intended to be delivered. This he accordingly did. We have received a copy of these remarks, and find in them a clear and triumphant vindication of our Southern rights; the argument is ingenious, and strong, and the condemnation of abolition fanaticism bold and rebuking. "Honor to whom honor is due." If Mr. Clay deserves the praises which have been bestowed in no sparing measure, for his course on abolition, assuredly Mr. Moore, a Northern man, and as such at least equally entitled to our thanks, ought to receive a proportionate meed of applause; for, as much too, as his was the prize expression.

All the information of any importance which we have from the North-Western border, is comprised in the extracts given this week. It will be seen from these that the belligerent parties remain pretty much in a state of equilibrium, without any very dangerous prospect of collision. It is most probable that they would

extinguished. The charter of the United States Bank had still half its term to run, and the use of banks and bank notes in the fiscal transactions of Government had taken too strong a hold to be superseded at once. In the meantime, the agitation caused by the gigantic conflict between France and England reached our distant and peaceful shores, and the Administration was almost exclusively occupied in efforts to prevent aggressions on our rights, and preserve our neutrality. To effect that, every expedient was attempted; negotiation, embargo, non-importation, and non-intercourse, but in vain. War followed, and with it, all hopes of carrying out the reform contemplated by Jefferson when he came into power failed.

When peace arrived, the country was deeply in debt. Capital and industry had taken new directions in consequence of the long interruption of our foreign commerce, and the public attention was completely diverted from the questions which had brought into conflict the two great political schools, and which had so long divided the country.

The season had now arrived when the seed which had been so skilfully sowed by Hamilton, as has been stated, began to germinate, and soon shot forth with the most vigorous growth. Duties came to be imposed without regard to revenue, and money appropriated without reference to the granted powers. Tariff followed tariff in rapid succession, carrying in their train a profusion of expenditures on harbors, roads, canals, pensions, and a host of others, comprehending objects of almost every description. In such rapid succession did the protective duties follow, that in 1828—in the short space of twelve years after the termination of the late war, they reached the enormous amount of nearly one-half of the aggregate value of the entire imports, after deducting the re-shipments. Beyond this point the system never advanced, and fortunately for the country it did not. Had it continued its progress a few years longer, the enormous patronage which it placed at the disposal of the Chief Magistrate would have terminated our form of Government by enabling him to nominate his successor, or by plunging the country into a revolution, to be followed by disunion or despotism, as was foretold would be the consequence in the report to the Legislature of Virginia, so often referred to, if the system it reprobated were carried out in practice. But, happily, with the tariff of 1828, the re-action commenced, and has been ever since progressing. How, or by whom it was commenced, and has been urged forward to the present point, this is not the proper occasion to state. All I propose now is to trace its progress, and mark the point at which it has arrived.

The first step of this retrograde movement was the overthrow of the administration of the younger Adams. It came into power on the extreme principles and doctrines of the Federal national school, and on them he placed the hope of maintaining his elevation. For the truth of this assertion, I appeal to his inaugural address, and his messages to the two Houses at the openings of the annual sessions; and to expel his administration from power was, of course, a preliminary and indispensable step towards the restoration of the principles and doctrines of the opposite school; and fortunately this was effected by a decided majority at the expiration of his first term.

The next step was the final discharge of the funded debt; and for this important step, at so early a period, the country is indebted principally to a friend, now unfortunately no more—the amiable, talented, and patriotic Lowndes—the author of that simple, but effective measure, the sinking fund act, passed shortly after the termination of the late war.

But the most formidable of all the obstacles—the source of the vast and corrupting surplus, with its host of extravagant and unconditional expenditures, the protective tariff, still remained in full force, and obstructed any further progress in the re-action that had commenced. By what decided and bold measures it was overcome is well known to all, and need not be told on this occasion. It is sufficient to say, that after a long and desperate struggle, the controversy terminated in the compromise act, which abandoned the protective principle, and has, I trust, closed forever, what has proved in this Government a most prolific source of power, patronage, and corruption.

The next step in the progress, was the overthrow of the Bank of the United States—the centre and soul of the paper system—a step that may justly be regarded as not inferior to any other in the whole series. That was followed by the deposit act of '36, which transferred to the treasuries of the States the vast surplus, which continued to flow in upon us, notwithstanding the great reduction under the compromise act. This decisive measure disburthened our overburdened Treasury, and has forced on this Government the necessity of retrenchment and economy, and thereby has greatly strengthened and accelerated the re-action. So necessary is the reduction of the income to reform, that I am disposed to regard it, as a political maxim in free States, that an impoverished Treasury, once in a generation, at least, is almost indispensable to the preservation of their institutions and liberty.

The next stage in the progress, was the suspension of the connexion between the Government and the banks, in consequence of the suspension of specie payments. This occasion afforded an opportunity to strike the first blow against that illegitimate and unholy alliance. It was given decidedly, boldly, and vigorously, but still with only partial success. The interest in favor of maintaining the connexion was too powerful to be overcome at once; but though not broken, the tie is greatly weakened, and nothing now is wanting to sever forever this fatal knot, but to follow up what has already been done by persevering and energetic blows.

This is the point to which the reaction has already reached; and the question now to be considered is, to what point ought it to be urged, and what are the intermediate obstacles to be overcome? I am for myself prepared to answer, I have no concealment. My aim is fixed. It is no less than to turn back the Government to where it commenced its operation in 1789; to obliterate all the intermediate measures originating in the peculiar principles and policy of the school to which I am opposed, and which experience has proved so dangerous and uncongenial to our system; to take a fresh start a new departure, on the State Rights republican track, as was intended by the framers of the Constitution. That is the point at which I have aimed for more than twelve years, and towards which I have persisted, during the whole period, to urge my way, in defiance of opposing difficulties, dangers, and discouragements, and from which nothing shall drive (while in public life) till the object at which I aim is accomplished. By far the most formidable difficulties are already surmounted. Those that remain are comparatively insignificant.

Among these, the most important and difficult, by far, is, to separate the Government from the banks, but which, after the blows the connexion has received, will require not much more than un-

bliss intended to prevent. Either of these modes of operation was on too small a scale for him.—Like all great and comprehensive minds, he acted on masses, without much regard to individuals.—He meant, by corruption, something far more powerful and comprehensive; that policy, which systematically favored the great and powerful classes of society, with the view of binding them, through their interest, to the support of the Government. This was the single object of his policy, and to which he strictly and resolutely adhered, throughout his career, but which, whether suited or not to the British system of Government, is, as time has shown, unwholesome and dangerous to ours.

After the Constitution was adopted, he was placed at the head of the Treasury Department, a position which gave full scope to his abilities, and placed ample means at his disposal to rear up the system he meditated. Well and skilfully did he use them. His first measure was the adoption of the funding system, on the British model; and on this the two schools, which have ever since, under one form or another, divided the country, and ever will divide it, so long as the Government endures, came into conflict. They were both in favor of keeping the public faith, but differed as to the mode of assuming the public debt, and the amount that ought to be assumed. The policy of Hamilton prevailed. The amount assumed was about \$80,000,000, a vast sum for a country so impoverished, and with a population so inconsiderable, as we then had.—The creation of the system, and the assumption of so large a debt, gave a decided and powerful impulse to the Government, in the direction in which it has since continued to move, almost constantly.

This was followed by a measure adopted on his own responsibility, and in the face of the law, but which, though at the time it attracted little attention or opposition, has proved the most powerful of all the means employed in rearing up and maintaining his favorite system. I refer to the Treasury order directing the receipt of bank notes in the dues of the Government, and which was the first link of that unconstitutional and unholy alliance between this Government and the banks, that has been followed by such disastrous consequences.—I have, Mr. President, been accused of extravagance in asserting that this unholy connexion with the paper system, was the great and primary cause of almost every departure from the principles of the Constitution, and of the dangers to which the Government has been exposed. I am happy to have it in my power to show, that I do not stand alone in this opinion. Our attention has lately been attracted by one of the journals of this city, to a pamphlet containing the same sentiment, published as far back as 1794; the author of which was one of the profoundest and purest statesmen to whom our country has ever given birth, but who has not been distinguished in proportion to his eminent talent and ardent patriotism. In confirmation of what I assert, I will thank the Senator from North Carolina, Mr. STRANGE, to read a paragraph taken from the pamphlet, which contains expressions as strong as any I have ever used in reference to the point in question.

MR. STRANGE read as follows:

"Funding and banking systems are indissolubly connected with every commercial and political question, by an interest generally at enmity with the common good. In the great cases of peace and war, of fleets and armies, and of taxation and navigation, their errors will forever resound throughout the continent.—Whence the undue bias of public officers is bounded by known salaries, and persons not freeholders are hardly, if at all, distinguishable from the national interest. One observation is adduced in proof of this doctrine. Paper fraud knowing the restiveness of liberty when oppressed, is under an impulse to strengthen itself by alliances with legislative corruption, with a military force, and with similar foreign systems. War with Britain can be turned by it to great account. In case of victory, a military apparatus, united to it by large armaments, and an aversion to being disbanded, will be on hand. In case of defeat, paper will constitute an engine of Government analogous to the English system. Can republicanism safely trust a legislative paper joint with the management of such a war? If it does, no prophetic spirit is necessary to foretell that paper will be heaped upon liberty, from the same design with which mountains were heaped upon the giants by the dissolute juno of Olympus."

The next movement he made was the boldest of the whole series. The union of the Government with the paper system was not yet complete. A central action was wanting, in order to give to it unity of action, and a full development of its power and influence. This he sought in a national bank, with a capital of \$10,000,000, to be composed principally of the stock held by the public creditors; thus binding more strongly to the Government that already powerful class, by giving them, through its agency, increased profit and a decided control over the currency, exchanges, and the business transactions of the country. On the question of chartering the bank, the great battle was fought between the two schools. The contest was long and obstinate, but victory ultimately declared in favor of the National Federal school.

The leader of that school was not content with these great achievements. His bold and ardent mind was not of a temper to stop short of the end at which he aimed. His next movement was to seize on the money power, and be put forth able reports, in which he asserted the broad principle, that Congress was under no other constitutional restriction in the use of the public money, but the general welfare, and that it might be appropriated to any purpose whatever, believed to be calculated to promote the general interest, and as freely to the objects not enumerated, as those that were specified in the Constitution. To this he added another, and perhaps more dangerous assumption of power; that the taxing power, which was granted expressly to raise revenues, might be used as a protective power for the encouragement of manufactures, or any other branch of industry which Congress might choose to foster; and thus it was, in fact, converted from a revenue to a penal power, through which the entire capital and industry of the Union might be controlled. Congress was not prepared at that early stage to follow so bold a lead, but the seed was sown by a skilful hand, to sprout when the proper season arrived.

When he retired from office, no controlling mind was left to perfect the system which he had commenced with such consummate skill and success; and shortly after, under the administration of the elder Adams, the alien and sedition acts, and the quasi war with France, as it was called, followed the violent and precipitate measures of less sagacious and powerful minds, and which in their reaction expelled their authors from power, and raised Jefferson to the Presidency.

He came to as a reformer; but, with the most ardent desire and the highest capacity to effect a reformation, he could do little to change the direction which his rival had impressed at the outset on the political machine. Economy, indeed, was in-

system somewhat more at large in reference to it. If it is desirable to reduce the patronage of the Government, (and I hold it to be abundantly so,) we must strike at the source—the rent, and not the branches. It is the only way that will not in the end prove fallacious. The main sources of patronage may be found in the powers, the revenues, and the expenditures of the Government; and the first and necessary step towards its reduction, is to restrict the powers of this Government within the rigid limits prescribed by the Constitution. Every extension of its powers beyond, would bring within its control subjects never intended to be placed there, followed by increased patronage, and augmented expenditure and revenue.

We must in the next place take care, not to call the acknowledged powers of the Government into action beyond the limits which the reformer interest may render necessary, nor to pervert into means of doing what it was never intended by the Constitution we should have the right to do. Of all the sources of power and influence, prevention of the powers of the Government has proved, in practice, the most fruitful and dangerous, of which our political history furnishes many examples, especially in reference to the money power, as will appear in the course of my remarks.

After restricting the powers of the Government within proper limits, the next important step would be to bring down the income and expenditures to the smallest practicable amount. It is a primary maxim, under our system, to collect no more money than is necessary to the economical and constitutional wants of the Government. We have, in fact, no right to collect a cent more. Nothing could more powerfully corrupt public and private morals, or to increase the patronage of the Government, than an excessive or surplus revenue, as recent and sad experience has abundantly proved. Nor is it less important to restrict the expenditures within the income. It is, in fact, indispensable to a restricted revenue, as the increase of the former must, in the end, lead to an increase of the latter. Nor must an exact administration, and a rigid accountability, in every department of the Government, be neglected. It is among the most efficient means of keeping down patronage and corruption, as well as the revenue and expenditures, just as the opposite is among the most prolific source of both.

It is thus, and thus only, that we can reduce effectually the patronage of the Government, to the least amount consistent with the discharge of the few, but important duties, with which it is charged, and render it, what the Constitution intended it should be, a cheap and simple Government, instituted by the States, for their mutual security, and more perfect protection of their liberty and tranquillity. It is the way pointed out by Jefferson and his associates of the Virginia school, which has ever been distinguished for its jealous opposition to patronage, as the base of our political system, as is so powerfully illustrated in the immortal documents so frequently referred to in this discussion—the report to the Virginia Legislature, on the alien and sedition law, in the year '99.

But there is, and ever has been, from the first, another and opposing school, that regarded patronage with a very different eye, not as a base but as an essential ingredient, without which the Government would be impracticable; and whose leading policy it is, to assist in its favor, the more powerful classes of society, through their interest, as indispensable to its support. If we cannot take lessons from this school, on the question of reduction of patronage, we may, at least, learn, what is of vast importance to be known, how and by what means this school has reared up a system, which has added so vastly to the power and patronage of the Government, beyond what was contemplated by its framers, as to stam in its wisest and best friends for its fate. With the view of furnishing this information, so minutely connected with the object of these remarks, I propose to give a very brief and rapid narrative of the rise and progress of that system.

At the head of this school stands the name of Hamilton, than which there is no more distinguished in our political history. He is the perfect type and impersonation of the National or Federal school, (I use party names with reluctance, and only for the sake of brevity,) as Jefferson is of the State Rights Republican school. They were both men of eminent talent, ardent patriots, great boldness, and comprehensive and systematic understanding. They were both men who fixed on a single object far ahead, and covered all their power towards its accomplishment. The difference between them is, that Jefferson had more genius, Hamilton more abilities; the former leaned more to the side of liberty, and his great rival more to that of power. They both have impressed themselves deeply on the movements of the Government, but, as yet, Hamilton far more so than Jefferson, though the impression of the latter is destined in the end, as I trust, to prove the more durable of the two.

It has been the good fortune of the school of which Mr. Jefferson is the head, to embody their principles and doctrines in written documents, (the report referred to, and the Virginia and Kentucky resolutions,) which are the acknowledged creed of the party, and may, at all times, be referred to, in order to ascertain what they are in fact. The opposite school has left no such written and acknowledged creed, but the declaration and acts of its great leader leave little doubt as to either its principles or doctrines. In tracing them, a narrative of his life and acts need not be given. It will suffice to say, that he entered early in life into the army of the revolution, and became a member of the military faculty of Washington, whose confidence he gained and retained to the last. He next appeared in the convention which framed the Constitution, where, with his usual boldness, he advocated a President and Senate for life, and the appointment, by this Government, of the Governors of the States, with a veto on State laws. These bold measures failing, he retired from the Convention, it is said, in disgust; but afterwards, on more mature reflection, became the zealous and able advocate of the adoption of the Constitution. He saw, as he thought, in a scheme of Government, which conferred the unlimited power of taxing and declaring war, the almost unbounded source of power, in revenue and able hands; hence his declaration, that though the Government was weak in its organization, it would, when put in action, find the means of supporting itself; a profound reflection, proving that he clearly saw how to make it, in practice, what his movements in the convention had failed to accomplish in its organization. Nor has he left it in doubt, as to what were the means on which he relied to effect his object. We all recollect the famous declaration of the elder Adams, that the "British Constitution," restored to its original principles, and freed from corruption, was the wisest and best ever formed by man; and Hamilton's reply, that the British Constitution, freed from corruption, would be impracticable, but, with its corruption, was the best that ever existed. To realize what