

Department of State

Newbern Sentinel.

BY JOHN A. BACKHOUSE.

LIBERTY...THE CONSTITUTION...UNION.

At \$3 Per Annum, in advance.

NEWBERN, N. C.—VOL. XXI—NO. 24.

WEEKLY

WEDNESDAY, JUNE 14, 1837.

TERMS
 The Sentinel is published weekly at \$3 per annum payable in advance.
 Advertisements, by the year, \$15.00 for two squares or less; and five dollars for each additional square. By the number, 75 cts. for the first insertion, 37 1/2 cts. for each continuation.
 No subscription received for less than six months, and no paper discontinued until all arrearages are paid, except at the discretion of the Editor.
 On all letters addressed to the Editor, the postage must be paid.

THE MILLIONAIRES.
 This is the new name given to merchants who deal in millions, instead of hundreds and thousands. We glanced yesterday at the mischiefs which their immense credits and monopoly of business had brought on the Government and the community, by the suspension of specie payments. We will now take a glimpse of the consequences produced among their own class by the vast undertakings of these gigantic traders.

The New Orleans prints, of both sides in politics, have, from the commencement of the present difficulties, continually complained of the favoritism of the banks. It is stated that they have made immense loans to great houses, which not only bought up the cotton in the market, but purchased crops, the seed of which had not yet been planted. The same sort of bank engrossment has existed, in a greater or smaller degree, throughout the continent, and it is this which created our American paper millionaires. The Josephs, for instance, extended their credits through the banks in all directions. We have understood that even some of the little banks of this District did not escape their attention. They, and other mammoth men in New York, offered a higher per cent, to the banks in different quarters of the Union, than they could make on sums lent out in dribbles to the small customers in their neighborhoods; and the result was, that the banking capital, far and near, was posted off to New York, to make profit at the rates of two or three per cent, a month, according to the usury that reigned in Wall street. This made the city of New York become the theatre of the most extravagant speculation ever known in our country; and hence it is that the merchants and money dealers in that great mart, have made the banks every where subject to the consequences of their mismanagement or misfortune.

But the effect of this monopoly of credit by a few, on the mercantile class generally, is a point to be considered. Every body must see that while it starves the means, it overshadows the growth of all engaged in business on actual capital, and in the regular mode. The millionaires, by absolutely engrossing all credit, make every other man a straggler. They are mere saplings, overshadowed by an enormous tree, which, when it becomes too top-heavy for its feeble hold of earth, crushes them beneath its falling weight. The Josephs, who failed for six or seven millions—the Hermans—the Briggs—the Yeats—the Hills—and hundred others, all going down with their millions, and have sunk beneath them, multitudes of strong, substantial men, whose means they appropriated for a time to prop their unwieldy tottering edifices. The banks, have been compelled, as we have seen, to follow the course to which the fate of those hitherto taking the lead of the mercantile world has given direction.

This millionaire system, let it be remembered, had its origin with Mr. Biddle and the Bank of the United States. He first led the way, in this country, to this conversion of banks into appendages to individual stock jobbing and trading establishments. The report of Congress showing the appropriation of the capital of the Bank of the United States to the amount of a million at a time, and for periods exceeding a year, by the broker establishment of Mr. Thomas Biddle, at 4 1/2 and 5 per cent; when the hard-pressed and soundest merchants of Philadelphia could not borrow a thousand dollars at 6 per cent affords a fine sample of the transactions out of which the present disasters have grown.

Is it well for the mercantile class, as a body, that such a state of traffic should continue in this country? Is it well that these enormous houses should, by holding out inducements and finding favor with banks, be empowered to grasp and control the whole commerce of a nation? Is it well that the moderate capitalist, hitherto safely and industriously, and usefully, to himself and others, employed in carrying on the sale and transfer of commodities, should be superseded by the mammoth merchant, and be converted into a sort of factor and dependant on another by whose overgrasping attempts he is liable, without fault on his own part, to be ruined?

The Indian tradition of the extinct mammoth is, that the enormous race destroyed every thing in its way, crushed the trees, devoured the animals, and left man, himself no safe habitation but a cave. The Almighty, according to Indian story, having resolved that the smaller and feebler races should thrive and multiply upon the continent, and that its plants and trees should fructify and adorn it, hurled his thunderbolts among the mammoths, and destroyed the whole race except the great bull, who shook the lightning from his horns, and leaped from the summit of the Alleghany beyond the great lake, leaving all this fine region to the dominion of men. The civilized race of the present, it seems, are not so fortunate as their barbarous predecessors; they have a new sort of mammoth grown up among them, not less voracious than the old race, and headed by an old bull who is not likely to take the great leap of his prototype. If well rid of him, it is probable the people might contrive to manage the rest.

"COMBINATIONS."

Which is worst: "a combination" of men to increase the price of their labour or "a combination" of men not to pay their debts? A few months ago some of the workmen of New York combined together for the purpose of increasing the price of their labor; and, if we recollect aright, were prosecuted and punished for it. The Trades Unions are now in some papers a standing theme of denunciation.

The bankers of New York combined together for the purpose of sustaining each other in setting the laws at defiance, and refusing to pay their debts, and the mayor of the city called out the military to protect them!

The common people are punished for combining to get more wages, although nobody is obliged to employ them; but our paper money barons are protected by military force in refusing to pay those very people, their hard earnings!

The time was in England when a lord could kill a common man if he was prepared to pay his price, while the common man was hanged for shooting a rabbit on the lord's lands. Are we not practising upon the same principle in the exemptions and privileges extended to our lords, the bankers?—*Ev. Post.*

The Specie Circular.

This is one of the great Whig hobbies, for explaining the present distresses of the country, but who can believe, that a measure which has increased the amount of specie only a little more than 2 millions, should have had the wonderful effect of convulsing a great Republic whose exports are near 130 millions? As a Correspondent observes, John Jacob Astor, a single merchant in New York, might stand such a shock.

We do not understand the turns and doublings of the N. Intelligence on this subject. On Thursday last, it utters an angry philippic against Gen. Jackson and Mr. Van Buren, &c., &c., and declares, among other things, that "no one can deny or doubt, that if the Specie Circular had not been issued, specie would still hold its proper place as a part of the circulating medium. Finally, none but he who will not see can doubt, however he may be disposed to deny it, that, if Gen. Jackson, had not pocketed the bill which lately passed Congress, instead of returning it, we should still be a happy and prosperous people."

But what says this same consistent politician, only 30 days before—viz; on the 24th April?—"The Treasury Circular has doubtless had the effect to precipitate the present crisis, which, had the will of Congress been allowed its constitutional influence, might have been procrastinated. But at some time or other, the earth must come to a head; and we are by no means sure that the abrogation now of circular would have any material influence to alleviate it. The remedy, we apprehend, is not to be found in any panacea. But time and nature, in vigorous constitutions, often work wonders in disorders which medicine cannot reach."

Here is consistency with a vengeance!
Rich. Engr.

MAXIMS FOR FARMERS.

1. The farmer ought to rise early, to see that others do so, and that both his example is followed and his orders obeyed.
2. The whole farm should be regularly inspected, and not only every field examined, but every beast seen at least once a day.
3. In a considerable farm, it is of the utmost consequence to have hands especially appropriated for each of the most important departments of labor, for there is often a great loss of time where persons are frequently changing their employment, and the work is not executed so well.
4. Every means should be thought of to diminish labor, or to increase its powers; for instance, by proper arrangement, five hands may do as much labor as six persons, according to the usual mode of employing them.
5. A farmer ought not to engage in a work whether of ordinary practice or internal improvement, except after the most careful inquiries; but when begun, he ought to proceed in it with much attention and perseverance, until he has given it a fair trial.
6. It is a main object in management, not to attempt too much, and never to begin a work without a probability of being able to finish it in due season.
7. Every farmer should have a book for inserting all those useful hints which are so frequently occurring in conversation, in books, and gathered in the course of his reading, or in a practical management of his farm.

How there came to be any Mosquitos at Oahu, is satisfactorily explained in the following narrative:

Mosquitos were introduced at Oahu by a gentleman from New England, who being much attached to his native country and its peculiarities, could not sleep without the "bizz, bizz, wizz, wizz, ne-e-e-e" of that delightful little detestable. So to regain the lost charms of home, the gentleman imported a pair of genuine mosquitos from "Yankee-chusetts," and we have them now in abundant perfection.

Literary Curiosity.—The following is a copy of an excuse recently handed to a schoolmaster for the non-attendance of one of his scholars:

"cepatomogontaurin."
 If our reader can make out to solve the above without having it labelled, we give up at once. But as there may be some who would not understand it without an explanation, we subjoin the following:—"Kept at home to go a tauring."

MINORITY REPORT.

Mr. INGERSOLL, of the county, from the minority of the same committee, made the following report, which he read from clerk's table.

The minority of the special committee, to whom was referred the kindred subjects of currency and corporations, respectively report:

That each of these subjects deserves a full and distinct exposition. But the information of this convention, and the special warning of this deplorably instructive crisis, render much argument unnecessary. They submit amendments to the constitution on each of these subjects, with the following explanations.

First, of the currency:—When the present Constitution of the Commonwealth was adopted, the currency of all these confederate states had already been confided to the General Government, which is empowered by the Federal Constitution to regulate commerce, as well foreign as among the several states; to coin money, regulate the value thereof, and punish counterfeiting. By that Constitution, likewise, the states surrendered all power to coin money, emit bills of credit, or make any thing but gold and silver a payment of debts.

Sore from the evils of paper money which the exigencies of the revolution extorted, the funding of whose greatly depreciated obligations was one of the first causes of discontent and division between the speculating and substantial classes of the new American nation, any other standard of value than the precious metals, was earnestly deprecated at the outset of American Government, by all the prudent, the patriotic, and the industrious; and was supposed to be guarded against by adequate provisions. For there is no other standard. There can be none. Every attempted substitute is delusive, if not fraudulent a snare by which industry, morality, private property and public prosperity, all suffer like. The effort to coin money out of paper, is as absurd as alchemy. Nothing can make a promise on paper to pay a dollar equal to the actual payment of a dollar; and whenever the promise is by law made equal to the fact, the promiser, thus privileged, unjustly gains at the expense of all others not so privileged. Great commercial operations are doubtless accommodated by the use of paper, as the substitute for coin, and the credit system, as it is called, has its commercial conveniences. But all paper not immediately convertible into coin, is of no value, and its credit is merely fictitious. The use of it is like substituting ardent spirits for solid food as the sustenance of life; it intoxicates, and ruins.

The reason now much urged against hard money, since paper has been striving to supplant it, is the very reason for its being the exclusive standard. Its scarcity that renders gold and silver the only true money. Iron is more valuable for the useful arts than either of them, but because it is too plentiful, therefore it is not a standard;—and so whenever money is so plentiful as to depreciate, it becomes an evil. If a pair of shoes cost a hundred dollars of continental money, it is more inconvenient to the seller and buyer than if they cost one dollar in silver; and if that dollar is reduced to gold, it is still greater accommodation. Gold is better than silver; silver than copper, and copper than paper, because of this relative scarcity; so that no scarcity of gold and silver affords any reason for superseding them by a paper circulation. The shocking vicissitudes of an inconvertible paper medium are but too familiar to all experience.—They have cost this country more than all its wars. They were the greatest difficulties of the Revolution, and they are at this moment the most oppressive, by far, of all the public burthens. They have caused a calamitous convulsion. Accordingly the constitution of this state, that of all the other states, and of the union of the whole, are all predicated of a metallic currency; and all the fundamental acts of Congress concerning the impost and the mint; in short, the whole groundwork of the federal government, is entirely laid on that foundation; and the paper superstructure since raised, whether by the several states or the United States, is an unforeseen usurpation. When the first Secretary of the Treasury, after a struggle still severer than that which introduced the stocks of the funding system, superadded the fiscal convenience of a national bank, he did not design or expect a paper currency to take the place of gold and silver. On the contrary the public records, the laws, treasury reports, and other state papers, of that period, attest that gold and silver, and really convertible paper, were the only acknowledged circulation.

The bank of North America, re-established by a law of Pennsylvania, before the present constitution, after its charter had been annulled by laws both of the United States and this state, was the only American bank at that time, unless there was one other in New England, of which your committee are not precisely informed; there were, in effect, no other banks. But soon after the establishment of a bank of the United States, a new and unapprehended experiment was made by the incorporation of state banks, which have since continually increased in numbers and issues, till their paper has become nine-tenths of the circulating medium, and at last expelled gold and silver from circulation. The prevailing opinion has been, that their notes, when not made legal tender, are legal currency, and the supreme court of the United States having lately so determined, we must deal with them as such.

Thus, since that constitution was adopted, which adopted, this convention is to revise—a power unprovided for by it, and no part of its frame of government—a power which controls value and regulates price, unforeseen by either federal or state constitutions, become one of our most important institutions,

and demands the serious consideration of a body convoked to reorganize a government to be submitted to the people for their approbation. This power is not only a direct emanation of the sovereignty, but that portion of it which government hitherto has seldom, if ever, parted with. It is one of its highest if not inalienable attributes. The value of all property depends upon this power. The wages of industry are fixed by it; agriculture, commerce and manufactures, all the useful arts, the comforts of life and the common welfare, the public loans, debts, and credit, are under its control. The condition of the currency regulates the condition of every thing else. The currency is the life's blood of the body politic, which cannot be healthy but when that is sound and must be disordered whenever that is diseased.

Fortunately for the regulation of the currency, the simple truth is practically familiar to every child, that bank notes, when not forthwith convertible into gold and silver, are good for nothing. Your Committee feel painfully relieved from the necessity of repeating this reality, by the prevailing recollection, that these periodical convulsions which have grown in frequency and intensity, with the spread of the paper system. If public sentiment should advance as rapidly for a short time to come, as it has for a short time past, toward a correct understanding of this subject, the evil, though deeply rooted, will be at least much alleviated, if not altogether removed. At this moment, the farmers, mechanics and others who rely on industry and prosperity, without dealing in false credit and trusting to paper facilities, are free from trouble, with plenty of hard money. The rate of interest is moderate among them, and they scarcely feel the storm raging in the provinces of speculation, while there is intense distress wherever banks, stocks, credit and speculation predominate. Panic and politics exaggerate the suffering; but there is no doubt much of it; many deserving a better fortune, are involved in the ruin of those, who without either property or industry, gambled on borrowed credit, and are now the most clamorous, as they are the least deserving, to be relieved. Instead of imputing their difficulties to false credit, they charge them to government, whose only misconduct has been, that both the states and the United States did not sooner interfere, and more strenuously urge the restoration of the metallic currency.

For the calamities and the complaints of 1819 were just like the present; and those of 1825 much the same; and so they will continue while ever the sovereignty is shared with a few interested individuals, whether sole or incorporated, enjoying the power of substituting paper for coin, and making any thing plenty or scarce, as such individuals choose. This is the cause, the great and only original, and the pervading cause of all the trouble. There may be aggravations of it. Your committee are not disposed to deny, that the peculiar fiscal condition and the corresponding acts of the federal government, may not have increased the suffering. But those acts are as indispensable as medical treatment to violent distempers; the real cause of complaint is, that such interference was put off so long; nothing but government's rescinding the sovereign power of regulating currency, which has been usurped from it, can ever permanently cure the disorders the country suffers, in which resumption the states are called upon to perform a most important part, since it is now settled that state bank notes are lawful money.

The intimate commercial relations between the United States and Great Britain, which by the immense cotton trade and other connexions, render that country and this almost one commercial nation, have aggravated the present convulsion by the involvement of the English banking and commercial interests with ours. The Bank of England, with government sanction, disclosed forty years ago the perilous secret, that banks may dispense with hard money, and substitute a paper credit, which, for a time, will seem to be prosperity; the prolific source of ultimate debt, confusion and distress. Possessed of that secret, our banks have followed their example in pushing the paper system to a despotic supremacy, till like all despotisms, we see it at this crisis, fallen to pieces by its own overaction. The banks of England and this country united last year in stimulating overtrading, the inevitable result of over-issues, till our importations of their merchandise exceed, by sixty millions or more, our means to pay for them; while scarcely less than this sum of debt, was advertised by bank borrowers in speculations at home, from Omsconsin to New Orleans, in every thing real and personal that could be brought and monopolized.

No law can create capital at a stroke, which is the slow growing offspring of industry and liberty alone. But discount banks counterfeited capital; the stimulant of morbid and mischievous speculation, more intoxicating than all the intemperance to which men are addicted, and more disastrous than all the vice and immorality that are chargeable to intemperance. Preposterous luxury, insolvency, and crime are the certain followers of the bank mania—a system of stupendous gambling usurped and derides regular occupation. Plethora brings on want, unnatural plenty, unnatural scarcity, prices so high that the working classes were pinched for food, then all at once so low that nothing but a bad currency, speculation and monopoly can account for such sudden vicissitudes; the most devouring usury, controversy and litigation; panic, clamor, convulsion, and at last the unlawful refusal of the banks, in a time of profound peace, to redeem their notes in good money—these have been the rapid events of the last few months; with eighty millions of gold and silver, and abundance of every thing needful for prosperity and content, large portions of our people are in a revolutionary state of disquiet

and excitement, are reduced to want and made dened with disappointed hope.

The commercial classes, those indulged favorites of the American Government, for whom navies, foreign wars, and large expenditures have been cheerfully maintained by the agricultural and mechanical classes; and the manufacturing class, whose encouragement has been so costly, have all a perfect right to protection; as it is for the common welfare that every class should be rendered prosperous. But no class has a right to supremacy; much less has any individual or a few, the least right to privileges at the expense of all the rest of the community. Banks, with all their privileged connexions and dependants, ought to be placed on a foot with the industrious, producing and unprivileged, who ask for nothing but liberty, equality, and a government of just law, as the elements of a common prosperity. Vicious speculation should be restrained by vigorous and independent legislation. Whereas, unhappily and dishonorably, it is legislation that authorizes speculation and gambling to supplant the precious metals by paper, and has inflicted that degradation by which the country is now suffering the disasters of a currency not much better than that of the Revolution, against which the early institutions so sedulously guarded. Rooted institutions so sedulously our habits and business, it is perhaps impossible to remove them altogether; and we must be content with mere meliorations of a bad system. But it can be safely affirmed that there is not, never was, and cannot be any such bank without public mischief. The banking system began with the bank of Venice as a bank of deposit but not of discount or loan, and stood profitably on that foundation for six hundred years. So was the bank of Amsterdam, for a century and a half, a safe and profitable bank of deposit, merely; and so is the bank of Hamburg. The original and right office of a bank is to keep money, not to lend it; still less to lend mere credit by promissory notes, instead of money, not belonging to the bank.

The principal gains of all discount banks proceed from doing what courts of justice punish as a fraud, viz: using trust funds. The discovery of this fraud ruined the bank Holland. The bank of England was established as a temporary relief to government, and though allowed to discount, can hardly be considered a discount bank, inasmuch as most of its profits are derived from other means, and much of the discount loans of England are left to other bankers. The bank of Scotland has flourished for one hundred and forty years on the charter of, first, the responsibility of every stockholder for all the liabilities of the bank; not merely personal responsibility, but also process of attachment; secondly, interest paid on deposits; thirdly, allowing deposits to be overdrawn on payment of interest; and fourthly, giving credits on cash accounts. On such a character, the bank of Scotland has maintained its credit unimpaired, upon the more responsible prudent, and therefore safer basis, while that of England, chartered about the same time, and banking with all the advantages of the government deposits, without individual responsibility, has been often in jeopardy, seldom, if ever, able to pay all debts, for a long time under the total eclipse or suspension of coin payments, until it has become so questionable an institution for public good, that by its last renewal, the capital was reduced, the period of recharter was reduced, and the bank accepted it on the condition of being obliged to surrender it on short notice. American banks, unfortunately taking the bank of England for their model, have pushed the discount scheme in its most vicious principle, to ruinous excess, until the banking mystery is explored, and the bubble has burst so often, that every body now knows, and almost every one feels, the bank notes are never payable, but merely promissory; that banks are always insolvent, and their directions, the mere holders by sufferance of a precarious permission to mimic the sovereignty of state, by a mockery which emergencies never fail to put an end to, but which always explode with commotion panic and great inconvenience.

The whole theory and practice of American banks are false and pernicious. Their first act being to lend trust money, left with them to keep; their next misconduct is to issue mere promissory notes, instead of gold and silver money, which notes do not represent such money. Then they make loans of fictitious credit by secret and arbitrary discounts, increased or decreased with no regard to public good. The holders of their unpayable notes calling on them for money, the banks oblige their debtors to pay what they have borrowed; thus without any system, at one time gorging the community with false plenty, at another straitening it with supposed want of food (as six months ago there was actually no want of food, though prices indicated dearth, and at present when in the midst of plenty of money there is none), distressing all with either too much or too little of the means of livelihood. Again bank loans such as they are, are not made to those who want, to the industrious mechanical classes, but to the speculating and extravagant; often by bank directors to themselves, with which to grid the needy, by usurious lending again, or to other unworthy favorites. The laborious and frugal are rarely assisted, but those who are stimulated to live beyond their income and pursue a course of folly, luxury and insolvency. Nine-tenths of them become insolvent, for there is not one prize to a thousand blanks in the bank lottery, and by their assignments almost always secure the bank, leaving other creditors, friends, and even their own families, to destitution and ruin. It is mainly through bank influence that courts of justice have been brought to sanction those unjust preferences, which have now become part of the established law, although condemned by a whole class of our people as dishonest. Banking and other corporations have the best means to fortify themselves with the first