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prudent basis, as they may judge best; to attempt and accomplish many things which active minds prompt to, which are essential to happiness; possibly to the greatest usefulness. It is a right which they have earned by their probity, by their good conduct, by their diligence in business, and which is conceded to them by the respect and good esteem in which they are held. Their good name is as much capital as their money; in acquiring the last honestly, they have acquired the first, and with the same pains. They are, therefore, as fairly entitled to trade upon one, as upon the other.

How the no credit system affects the same cases.

It is a libel on good character; it is a libel on society; it is a quenching of the spirit of noble and generous confidence; it is cramping the expansive powers of sound and noble morality; it prevents the accomplishment of great good; it checks activity and limits useful enterprise; it curtails individual and public wealth; and in a thousand ways robs society of benefits and advantages it would otherwise realize.

How the credit system affects a poor young man of promising abilities, who has lost his health that he cannot work, and wants to get a liberal education.

His friends take him by the hand, and help him with the understanding, if he should be able, that he should remunerate them. The young man gets his education by this assistance, enters his profession, is successful, and returns to his benefactor to redeem his pledge. Possibly they may be in circumstances not to want it, or so gratified with the good they have done, as to say "No you are welcome," and offer to cancel the obligation. Still, he may insist upon re-payment. Who will deny that is a great blessing to all the parties, and to society?

But suppose the young man dies in the course of his education, or is unsuccessful, his benefactors always had this contingency in prospect, can generally afford the loss, and there is no complaint. Who is injured?

How the no credit system affects the same case.

The unfortunate young man is cut off from all prospect in life, left to want, perhaps to beggary, and his friends are not less hearted and selfish; kindness and morality are so much the less; and it is possible, that society is deprived of one of its brightest ornaments, of a more useful public character, and the country of one of its most illustrious men.

How the credit system affects the honest and strong, though poor man, who goes with no estate but his axe and rifle on his shoulder into the western wilderness.

It is possible that even his rifle and axe were furnished by a kind neighbor, who said, "pay for it if you prosper; if not, you are welcome." In the first place, on the basis of the credit system, he may avail himself of the privileges of a squatter if he chooses. That is credit, and his creditor is the Government of his country. He has no money, but he has a strong arm and a sound and courageous heart. The trees fall before him; a "log cabin" is soon erected; he gets food by his rifle. Our pioneer of the wilderness, having cleared away his patch—made "an opening," as they say in the West—and built his cabin, takes down his rifle, makes his way through the forest to the nearest of one of the older settlers, who had begun in like manner, but has now large openings, a barn filled with grain, cattle, pigs, poultry, &c. He negotiates with his neighbor, who perhaps he had never seen before, for seed, pigs, fowls, a cow, perhaps a yoke of oxen—all on credit—for still he has no money. The look and bearing of the man are sufficient recommendation, the bargain is closed, with no other security than the common, generous faith of the West, "Pay when you can." Not even a scrap of paper is demanded. The obligation is written on the heart, the best of all securities in such a case. "God bless you neighbor," says the generous creditor, who knows how to sympathize with such a case, "let us see you when you can;" and they part. Our pioneer takes care to assert the pre-emption right of a squatter, has booked to him at the Government land office as much land as the terms of sale will allow, or as he may want. He works away upon credit, pays for his seed and first supply of stock, meets his engagements at the land office, after two, three, or four years, is well off, though still in debt, still living and prospering on credit. He revisits his native place, marries the daughter of the kind neighbor who gave him the axe and rifle, who welcomes his return with all the generous feelings of a benefactor.

We may have supposed our pioneers to have squatted on the prairies of the West, and by adapting the scene to the circumstances, the result would be the same. In the succession of events, this man, long before he dies, is first a justice of the peace over a surrounding population, whose history corresponds with his own; next, perhaps, a member of Congress; and finally, it may be, is Governor of a new Western State.—He has risen from nothing to wealth, to consequence in society, to dignity, to happiness; all on the basis of the credit system.

This brief story is not fiction but fact. It is a true copy of the history of our "Great West;" it is exactly in accordance with the whole history of our country. Nearly all our best citizens and greatest men began life with nothing—started on credit. Credit has been the spring of our enterprise, the cause of our prosperity, the cause of our greatness.

How the credit system affect those who are already established in business, and are worthy of credit.

It enables them to enlarge their plans on a

How the no credit system would affect the same case.

Clearly this noble-hearted man would never have gone West, for he had not the means to get there and cut down the trees. Nor could the government have allowed him to squat, on the no credit system. Neither could he have obtained his pre-emption right. Not one of the results of this interesting narrative—which would apply equally well to a thousand, to ten thousand cases of fact, to the whole history of our western world—would have transpired without the credit system. Without this, the Western States would have remained a wilderness to this day. The prosperity and greatness of that teeming, active, go-ahead portion of the American Union, are founded on the creative, prolific principle of credit. The prosperity and greatness of our whole country, of this Republic, are founded upon it. In describing a few of these cases, we write the history of this nation, so far as respects the causes of our unprecedented growth and importance.

How the credit system affected the early history of the North American Colonies.

Our ancestors came here poor, just as our pioneer of the West, above described, went into the wilderness. It is true they had some patronage from government, and from other quarters, but patronage is one of the forms of credit, in the same manner as our pioneer had the patronage of the good old man, who afterwards became his father-in-law. Our ancestors had almost nothing to begin with.—The whole enterprise of settling this western world was a credit enterprise, not only in respect to the hopes entertained, but also in respect to the foundation on which it was based. The discovery of America was effected on the credit system. Was not Columbus a beggar for credit at the Court of Europe, through the whole history of his great, sublime and glorious undertakings? Are not the whole of his achievements to be ascribed to the effectiveness of that principle? Undeniably. The grandest conceptions of man that are executed, are ordinarily done on the basis of credit. This we shall find to be true in every department of history, whether we refer to those who have acted only on the

credit system, or those who have acted on the basis of credit. Credit is the basis of all our achievements, and next, because they who are already possessed of wealth and independence have no motive, are too sluggish to entertain great enterprises.

It was the poverty of our ancestors, and other social inconveniences, which drove them to this new world. Some of them may have had a little wealth. But what was it all compared with the greatness of the undertaking? It was credit on which they started, in hope of future income; it was credit on which they worked and traded, fought and died, the inheritance of which they bequeathed to their children; it was credit on which they achieved all that gives their honor in our esteem, respect among mankind, renown in history. Our ancestors were always in debt to the mother country as individuals, and as Colonies. One of the chief causes of the war of the Revolution, were the difficulties raised in the management of these accounts.

How the no credit system would have affected the early history of this country.

In the first place, America could not have been discovered. But passing that, these United States would never have had an existence, because the Colonies would not have been planted, or if planted, could not have been reared without credit. Both private and public credit was used on a large scale, during the whole of our colonial history. The Colonies were begun, carried forward, and raised to all their importance, such as it was, by that means.

How the credit system affected the attainment of our Independence.

The quarrel of the Revolution was in effect, and in substance a quarrel about credit, commercial credit, and the claims of royal prerogative. The right of absolute sovereignty was asserted as a credit account.—This right, as to the manner in which it operated, was denied and resisted. Hence the war, and hence the result. The latter we regard as a blessing, and owe it to this quarrel about credit.

But how could we have maintained that struggle, or gone a single step in it, without a national credit? A few feeble settlements, having always been in a state of dependence, without money and greatly in debt, without arms, and without troops, without ships of war, with no government even, except a hasty provisional one set up for the exigency; such a people pitted in conflict of arms against one of the oldest, best provided, and most powerful empires in the world! But credit, that spring of enterprise in peace, that soul and sinew of war, came to our aid.—Funds, ships, armies, flew to our relief. We issued bills of credit of our own; and a national paper currency for our domestic uses, which answered all the purpose at the time, though it proved to be good for nothing afterwards. Perhaps it would be true to say, that we owe our independence to the credit of that baseless Continental paper. What could we have done without it, at such an hour?

It is true, it was never redeemed, but the people were redeemed, and bore with patience this tax to their country's deliverance. They who paid a hundred dollars for a breakfast, poor as they were, could point to a nation's independence purchased by the sacrifice. In the enjoyment of the blessings of freedom, they soon forget their losses. Credit was the charm, the potent agency that carried

them through. What could have been done without it? Dismay would have covered every countenance in the outset, and the world would have pronounced our fathers madmen. But it was the generous faith of mankind, credit, that saved us.

How the credit system enabled us to carry on the last war with Great Britain.

We may, perhaps, say in gross, that that war cost the nation \$200,000,000, if we include all sacrifices, public and private, and left us involved to the amount of some \$120,000,000, more or less. We had nothing but debt to begin with; we sustained the burden; acquitted ourselves with honour, and in about twenty years after the peace, cancelled the debt; all on the basis of credit. Without this, we could have done nothing; without this, a nation might now insult us with impunity.

How the credit system still affects the government of the United States.

It can obtain money whenever it wants, and to any amount. How the no credit system would affect the government of the United States. It could not have issued its \$5,000,000 of Treasury notes, in the spring of this year, (1840) nor its \$10,000,000 of 1839. The wheels of government would have been stopped. There would have been a revolution succeeded by anarchy, or some new state of things we know not what. A government without credit, is no government at all. It is dissolved in the event. The event itself is the instrument of its dissolution, and no other could be formed, except on the basis of credit.

Can it indeed, be true, that a government seeking to abolish the credit system, is itself at the same time asking and realizing all its advantages, by the issue of its own paper, without a dollar of specie to base it upon? That it is issuing this paper by millions, one year after another? We know it is good, but we ask for consistency, for the proofs of sincerity. Or is this government prepared to say to the people, "you shall not have credit, but we will?" Will they say it is good for public, national purposes, but bad for private use? But the government is compelled to use credit—here! And may it not

How the credit system affects the British Empire.

For a quarter of a century, that Government was able, by the mere force of her credit, to stand against the most powerful combination for the destruction of her manufactures, her trade, and the throne itself, which was ever formed against any nation, and was victor in the end. Still she holds on her way, dotting the face of the globe with her colonies, absorbing old empires, and erecting new ones, covering all seas with her navy and her commerce, creating new worlds in this little world of ours; all on the basis of her credit. The sun never sets upon her dominions, and her morning drum keeps pace with each of the twenty-four hours.

How the no credit system would affect the British Empire.

It could not exist a day, but would fall to dissolution in ten thousand fragments, presenting a scene of social devastation, such as the world never saw.

How the attempt to introduce the new credit system has forced the government to resort to credit.

Nothing but bad government can keep the American people down. If they are not up soon after the revulsion of over-action, it is only because the government will not let them get up; if they are not going ahead, it is only because the government has knocked them on the head. The no credit system will not only destroy a government, but it will destroy a people. Carried out, it is the dissolution of society. This is its true definition, as well as its effect. An attempt to introduce it, therefore, from the highest department of society, from the government, is just knocking the people on the head. They can't stand it. It is governing too much. It is destroying faith, morality; the bond of the social state.

Just let the people know that this is what the government are about, and that is enough. They feel the blow, and reel under it. The body politic shakes, trembles, and quivers through all its parts, to its extremities. Men are frightened; confidence takes flight; rumor with her thousand tongues stalks abroad; and society presents a scene of confusion, with disaster following quick upon the heel of disaster.

When a government, instead of endeavoring to repair and re-invigorate a shaken credit, strikes another and more tremendous blow, by telling the people, "since you will abuse credit, you shall have it," it is like a bolt from heaven that shivers the oak. It is punishing the whole nation for the sins of a few. It is like the quack, who, lighting upon a community visited by an epidemic disease, not only kills the sick by his want of skill, but forces down the throat of every well man, woman and child, a drug which kills them all, under pretence that it is to save them from the contagion.

No wonder such a mode of treatment reacts upon the government, and they find themselves in a few short months, fallen from a surplus to a deficient and rapidly falling revenue. No wonder they are compelled to resort to credit to save themselves, as they have destroyed credit in the ranks of the people by the threat of doing it.

How the State debts are affected by this alarm occasioned by the action of the government.

Take for example the debt of the State of Pennsylvania, which is \$30,000,000. Be-

fore the shock occasioned by the government attempt to abolish credit was felt, the bonds of the Commonwealth of Pennsylvania were worth, in the market of the world, \$113 on every \$100. The last sales were \$75 on the par value of \$100, since which there has been no demand. Suppose, however, that the bonds of Pennsylvania are now [June 1, 1840,] worth \$75 on \$100. They cannot be worth more than this. It will follow, that the entire depreciation from 113 per cent, to 75 per cent, on a debt of \$30,000,000, is \$13,680,000! Is not this a truly amazing effect? Is it not a mortifying position to a sovereign Commonwealth, to be obliged to observe such a falling off in her own fair fame?

How the Independent Treasury is a Government Bank, and how a Government Bank differs from a National Bank.

The Independent Treasury is a bank of deposit for the revenue of the country—that is certain. No one will deny this. It is called a place of deposit, the change of which does not alter the thing. The only question is, whether it is a bank in the proper sense of the term. What, then, is a bank? Is the privilege and office of discount essential to a bank? No one will pretend it is.—What, then, remains as essential to the proper character of such an institution? Simply and manifestly, the two faculties of deposit and issue, both of which belong to the Independent Treasury, and are essential elements of the bill of organization. The Treasurer of the United States is empowered by this bill to issue drafts on the several branches or places of deposit, at his discretion, without any restrictions as to amount or form. Here, then, is a bank—a bank of deposit, and a bank of issue—all that is essential to a bank. Moreover, these drafts will be an actual currency, so long as they are out; a currency that will be preferred to all others, and pass at a premium.

It remains to observe how this Independent Treasury is a Government Bank in distinction from a National Bank. It is under the control of a directorship responsible to the legislative branch of the government; whereas, in the case of the Independent Treasury, it is to be under the sovereign control and directorship of the President of the

United States, and the three several powers of President, sole Director and Cashier of the institution, all which he can use at pleasure by proxy, or otherwise! Is not this a Government Bank with a witness?

How the Constitutional prerogative of the respective States to control their own monetary capital may be, and is likely to be, usurped by this Government Bank.

It is true, that the right of the States to charter banks, if they choose so to do, will remain. But of what use is the right, so long as this Government Bank has control over the specie of the country, and is able to draw all great monetary transactions within the circle of its influence? Whenever this institution shall choose to exert its powers, in these particulars, to the full extent of its possible sway, the constitutional control of the States over their own monetary capital will exist only in name. All that power will be wrested from their hands. We need not say that the sovereignty of a State will not be worth a penny, when this vital element of her political existence is taken away. What is a political body without the control of a monetary capital? A mere cypher.

How the operation of this government bank will work a revolution in a ruinous depreciation of the prices of property and labour.

It is an uncontroverted maxim, that the prices of property and labor are graduated by the amount of the circulating medium. It is also obvious that the scheme of the Independent Treasury is to reduce and confine the currency of the country to hard money; and this is likely to be the effect of its full operation. "Study," says Mr. Benton, of the United States Senate, "the financial history of Holland, France, Cuba. Follow their example, imitate them." This is known to be the doctrine of our National Administration.

The average prices of labor in some few hard money countries are as follows:—In France, 5 shillings and 8 pence sterling per week. Hours of labor 12 in the day, or 72 for the week. In Switzerland, 4 shillings and 6 pence per week. Time of work 82 hours. In Austria, 4 shillings per week. Hours 76. In Tyrol, 3 shillings and 9 pence per week. Hours 68. In Saxony, 3 shillings and 6 pence per week. Hours 72. In Boon, on the Rhine, 2 shillings and 6 pence per week. Hours 84. In Egypt, 3 to 3 1/2 pence per day. The average price for the above named European countries, is 3 shillings and 11 pence and 3 farthings per week; and the average number of hours 79. This average price of labor per week, amounts to about 97 cents of our currency.

In England, the prices of labor per week, range from 15 shillings sterling, (\$3 03), to 30 shillings, (or \$7 26 cents.) Average \$5 43 cents. In the United States, the prices of labor have heretofore ranged from \$3 to \$6 per week. Average, \$4 50 cents. This comparison will show the difference between the prices of labor in hard money countries and mixed currency countries.—Great Britain and the United States are known to have been the most prosperous countries in the world. The cause is to be found in the high prices of property and labor. It may be laid down as a maxim of universal truth, that the highest state of prosperity in any country, is that condition of things which maintains as a permanency the highest prices of property and labor: more especially of labor; and that the state most remote from prosperity, is that which reduces the prices of property and labor to the lowest point. In all the world, and in all ages, this will be found true, other things being equal. The lowest prices of property and labor will be found under absolute and despotic governments, and in a state of barbarism, where also will be found the greatest poverty and most misery.

It is not sufficient to say, that the depression of these nominal prices does not depress prosperity, when other things are equal, because other things are never equal, as we shall see in what follows.

Let us, then, proceed to consider how the operation of this Government Bank scheme will affect the property and labor of the country. The amount of a sound mixed currency of a country is at least three dollars to one of a hard money currency. This is the smallest difference, which we are entitled to assume as giving the greatest advantage to our opponents. By this rule the following calculations are made for the purposes of illustration, the principle of which may be accommodated to any supposable or actual state of things. It will be seen that the standard we assume is perfectly immaterial to the argument. In the assumption of any other, to suit parties or persons, the grand result would be the same for all our purposes.

Consequently, by the principle laid down which will not be controverted, viz: that the amount of currency graduates the prices of property and labor, it will follow, that the introduction and full operation of the government bank system will reduce the prices of property and labor at least two-thirds. How much the reduction will exceed this fraction may be guessed at by a review of the comparative prices of labor in different countries, given above.

Let us, then, estimate the amazing change. The working man who, under the old system, received his dollar, a day for wages, would find them reduced to 33 cents under the new. The dollar and a half per day of the journeyman carpenter, mason, tailor, jeweller, cabinetmaker, printer, bookbinder, and of numerous other trades which it would fill a page to mention, would be reduced to fifty cents. The sixpence of the milkman who makes his daily round through the streets of our cities, would be reduced to two-pence. In the same proportion would the market people suffer who supply the tables of our towns and cities from the surrounding country. Beef, instead of nine cents a pound, would be three; potatoes would fall from 30 to 10 cents a bushel; corn from twenty-five to twenty cents; wheat and flour in the same proportion; and so of all kinds of meats, all kinds of broad stuffs, and all kinds of vegetables. The saddler's \$18 would dwindle

under the new, would buy up only \$100, or \$50 instead of \$150, or \$25 instead of \$75. The farm worth \$1500 under the old, would be worth only \$500 under the new. In the same manner still in the same proportion will every species of property be depressed; lands, farms, houses and tenements, city and country estates, horses, cattle, sheep, wool, the products of the soil and of labor, labor itself, service of every description, and in every capacity of commodity, in town and country; every thing, indeed, except the salary of the President of the United States and those of the officers and agents of Government, amounting perhaps to fifteen thousand; all of which would be raised in value in proportion to the increased value of money, be it more or less. They say two-thirds. Of course, the President's salary would be worth \$75,000, and those of other officers and agents of the government in proportion to their nominal amount.

But debtors, who probably constituted nine-tenths of the population, would be the greatest sufferers of all, inasmuch as they would not only equally suffer in the depression of their property, if they have any, but in the same proportion for all that they owe. In many cases a debtor who was actually richer under the old system, may be reduced to nothing by the substitution of the new. Nay, he will be as much worse than nothing, as his debts exceed one-third of his property. For example:—if a man's property was worth \$60,000 and his debts were \$30,000, he will be \$10,000 worse than nothing by the change. A farmer possessed of an estate worth \$1,500, and being in debt \$750, would find himself \$250 worse than nothing by the change. A farmer who could pay a debt of \$300 with three hundred bushels of wheat under the old system, must part with 900 bushels to pay it under the new, besides sacrificing two-thirds of the former value of his farm; if he is obliged or wishes to sell it. In the same twofold proportion would all debtors, having property, suffer by the change.

It has been said by high authority—with how much truth we know not—that the aggregate of private debts in every commercial country like ours, is ordinarily equal to all the property of that country; in which case as will be seen, such a revolution as will necessarily be brought about by reducing the circulating medium of this country to a hard money level, would increase this indebtedness of individuals to three times the value of all the property to be found in the whole country.

Taking the assessment list of the State of New York as a standard of the valuation of its property—which, as it is well known in all such cases, is much below the true value—and adding to that her public works and other species of property not taxed, all of which must suffer alike in the general wreck of this revolution—and it would probably be a moderate estimate to rate her losses in passing from the old to the hard money system, on the principle established, at \$500,000,000. For our present purpose it may be sufficiently accurate to assume that all our States and Territories would suffer in the same proportion to New York, as is the proportion of their respective representations in the House of Representatives in Congress—which would show an aggregate loss to the whole United States of \$2,500,000,000!

Besides all this, by withdrawing the circulating medium, we withdraw two-thirds of the active capital of the country, or which is the same thing, two-thirds of the means of