THE CAROLINA PATRIOT.

"LET ALL THE ENDS WE AIM AT, BE OUR KING'S, OUR COUNTRY'S, AND TRUTH'S."—*Shakspeare.*

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EDITOR AND PROPRIETOR.

TERMS.

The Carolina Patriot is published weekly on a large Extra Imperial sheet at TWO DOLLARS AND FIFTY CENTS—payable within three months from the receipt of the first number, or Three Dollars if not paid within the year. Persons wishing the paper, for six months only, can have it at $1 50, payable in advance.

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MESSAGE,

To the Honorable
The General Assembly of N. Carolina—

GENTLEMEN: In entering upon the discharge of the public duties enjoined by the Constitution, we should not be unmindful of our abundant cause of gratitude to the Author of all good for the many blessings bountifully lavished upon our common country. Though the products of agriculture may not have reached their usual abundance, enough has been realized to meet the wants of our people, and industry though all its other avenues has been richly rewarded.

The laws have been administered without complaint, our rights natural, civil and political, have been justly regarded, and we have been blessed with all those moral and physical enjoyments, which constitute the sum of human happiness; encouraged by these considerations, then, let us proceed on the path of our duties, determined to deserve a continuance of His favor and protection who rule the destinies of Nations.

In laying before you the condition of the State, with such suggestions of improvement as appear to me worthy of legislation, I am consoled for the knowledge of my own firmness, by the recollection that you come from every section of our State—and mingled with its various interests—acquainted with its wants, and capabilities, and are as well disposed as qualified to remedy promptly any omission on my part.—The novelty and the imposing magnitude of recent events, will afford you matter for much and serious consideration during the present session. The deranged circulating medium of trade, the crumpled situation of our monetary institutions, and the new scheme for the establishment of Sub-Treasuries by the General Government, all demand your anxious reflection; for they are intimately associated with the interest of our constituents. During a period of profound peace, and in the midst of unexampled prosperity and happiness, the country has been precipitated from her high enjoyments, and plunged (with no natural causes to explain it) into the abyss of wide spread misery and ruin. Although the recuperative energies of a new and rich country, and of a singularly enterprising people, have not permitted us to be permanently depressed, yet the lessons of past experience should not be lost upon us. We should investigate and understand the causes of these calamities, that we may apply the proper remedies to prevent their recurrence. We must not continue to float upon a sea of uncertain experiments; we must settle upon some practical system of policy, something defined and well understood, else public apprehension is kept alive, business is retarded, and enterprize destroyed. Bear with me, then, whilst, with becoming deference, I crave your to investigate a subject which my sense of duty will not permit me to pass by.

The seeds of these disasters, I believe were sown in 1816. Measures were then adopted, from what motive it is not necessary to enquire, which have greatly contributed to the misfortunes of 1835-'36. The distresses of 1816 were remarkably similar to those of more recent occurrence, except that they were more extensive and severe. We had just emerged from a harrassing and expensive war, which had greatly increased the public debt, had exhausted the resources of the country, and inflicted on her citizens extensive pecuniary injury. The Banks had suspended specie payments, the currency and exchanges were utterly deranged, confidence was destroyed and credit paralized. Under such circumstances, (and such scarcely differ from the position of the country, Congress decided on taxing the people to discharge the public debt of two wars. For this purpose the tariff of duties of 1816 was adopted, and was gradually increased up to 1824, when the bill so properly denominated "the bill of abominations" was passed, establishing a yet higher rate of duties, and prospectively increasing it. In many instances the tax was so high as absolutely to prohibit the importation of articles of prime necessity. The war led to the erection of our domestic manufactories in the north which were subsequently fostered and increased under the auspices of the tariff, and thither we were driven to purchase at high prices those articles which an exorbitant tariff had expelled from our commerce. Other commodities which our manufactories were unable to supply we continued to import, because of their necessity, but burdened with a tax, which never, I believe, before in the annals of legislation, was exacted from a free people. Take for instance, the tax of nearly two cts. on iron, 3 to 4 cents on sugar, per lb., 20 to 38 cents per bushel on salt, 10 cents per gallon on molasses, and on all other articles of prime necessity from 30 to 250 per cent. which certainly would never have been submitted to but for the plausible appeal to the patriotism of the people to pay the public debt.

To regulate and improve the currency and exchanges, and to furnish a safe depository for the Public Treasure thus rapidly accruing, the Bank of the United States was chartered. After struggling with the untoward circumstances which gave it being, it succeeded at length in realizing the objects of its creation—afforded a currency and rate of exchange equal if not superior to any ever enjoyed by this or any other country, and performed its functions as fiscal agent of the General Government to the entire satisfaction of every predecessor of President Jackson.

But the operations of this oppressive and unnecessary tariff continued to draw money from the many to the few, and for purposes other than the current expenses of the government, until 1836.—The credit of the country was stretched to its utmost extension and every means resorted to for relief. The distresses of 1819,-'20 and '26 gave fearful warning of the coming danger, and but for the wise forbearance of the U. S. Bank, the crisis would have been much more calamitous. The relief afforded by the Bank, however, was but temporary and fallacious. The cause of ruin was too deeply laid, and the drain continued to do its work silently, insidiously, but surely. The merchants were stimulated to increase their importations, speculation was fostered, and credit extended, with the delusive hope of removing embarrasments, originating in a trade burdened and overtaxed. The Banks lent themselves to the madness of the hour, their circulation was enlarged, their ability to sustain themselves diminished, and the destruction of the Bank of the United States completed the work of ruin. But not only was the period for imposing the Tariff most inopportune, but the judgment for satisfying (the payment of the public debt) most unsatisfactory and unwise. We are called upon by no principle of justice, of wisdom or of patriotism to discharge that debt at that moment. It was a debt created by our two wars, and under peculiar circumstances. We entered the money market as a borrower—young and with impaired credit. Our institutions is new and untried, and their stability often questioned. Capitalists availed themselves of all these disadvantages, and imposed upon us the highest premium for the use of their funds. It was a mere money arrangement, necessity on the one hand, and profit on the other, involving no one principle of patriotism or liberality.

The Reports of the Secretary of the Treasury show that the Government was often most usuriously dealt by. We were then under no obligation to the public creditor to anticipate his demands, and it surely was neither wise, patriotic nor just for any object short of absolute necessity, thus to oppress an already exhausted and prostrate country.

Considered in a financial point of view, we are still more at a loss to understand the unnecessary haste of the Government in paying the public debt. A large portion of it bore an interest of 3, 4, 4 1-2 and 5 per cents, and money, at the time it was discharged, was worth the full legal interest of the country, from 6 to 8 per cent. Drawing money from the People under such circumstances to pay to capitalists—many of them foreigners—was a financial operation, the wisdom of which may well be questioned. The Tax, thus imposed, and thus collected and disbursed, from the many to the few, soon again sought investments in stocks—in Factories, in Bonds of Merchants and speculators, at an interest of from 6 to 8 per cent. A very small portion, however, found its way to the South. The high rate of interest in New York, and her great natural and fictitious advantages for trade and commerce, presented attractions which we of this section could not boast, and most of the investments concentrated at that point.

It may not be unprofitable, and it is certainly interesting to examine for a moment the enormous amount collected from the people in twenty (20) years by the demands of the Federal Government: Say

Public Debt in 1816	$120,000,000
Interest on half as reduced to 5 per cent	60,000,000
Surplus,	41,000,000
20 years support of Government at 15 millions per year	300,000,000

Showing the extraordinary sum of $521,000,000 subtracted from the earnings of industry in 20 years to pay the Public Debt and interest: support the general government and create a surplus. I have dealt in round numbers without regard to fractions. It is sufficiently accurate for my purpose, which is merely to exhibit the astounding amount of Taxes which is levied on the consumers of foreign merchandize, besides the extra amount paid on goods expelled from our market by the Tariff, which we had to obtain from manufactories of this country.

The disposition of this money in seeking the new investments to which I have alluded, added to a large line of discounts by the various Banks, urged and stimulated to improvident expansions, gave a *show* of business, and prosperity, unparalleled in our country. But it was hollow and fallacious. The people had been drained, weakened and impoverished by taxation, and they were unable to withstand the reaction which awaited them.

President Jackson made a systematic attack upon the credit system. He declared that "all who trade on borrowed capital ought to break;" he attacked and put down the United States Bank; and cast distrust and odium upon the issue of all banks, by his circular requiring the payment for land in specie. This gave warning to merchants, bankers, and capitalists, who, with the instinct of self-preservation, trimmed their sails to the coming storm, husbanded their resources, called in their means, and reaction and ruin commenced.

The public treasure had been deposited with a few local banks, and, with the hope of healing the wounds which he had inflicted upon the commerce and credit of the country, the President determined on the Pet Bank system. This he proclaimed should answer all the purposes of the Bank of the United States, unattended with its evils and dangers.—While the deposites continued to accumulate, these promises seemed in the way of fulfilment, and the President congratulated the public on his success; yet the reaction went on; a word had been given to public confidence which the healing power of the President could not reach; pressure was pressed into market, and the prey declined; stocks went down, property changed hands at reduced prices; the banks curtailed, and in turn were pressed for the payment of their debts; the deposites were withdrawn, a further curtailment was necessary; no hope of relief remained; confidence was destroyed, business paralized, and the suspension followed, with all its train of bankruptcy and ruin. The local Banks, in the return, were discredited and denounced as unworthy the confidence of the government or the people.

They have terminated a series of ill-digested and pernicious experiments—a vacillating policy of wretched expedients; trying to pay off the public debt and to protect home manufactures; establishing a Bank of the United States at one moment, and putting it down as unconstitutional at the next; creating a high protective tariff to-day and destroying it to-morrow; collecting a surplus revenue from the wants of the people; patronizing, caressing and stimulating into madness and folly the Banks of the States, and then denouncing them for failing to accomplish what no rational being could have expected from them. They could not regulate the exchanges, and it was equally folly to expect that they could withstand the shock, which a flood of circumstances beyond their control drove upon them. They were compelled to suspend payments, until time placed another crop in market to remit the balances of European creditors, and to repair losses at home.

My confidence in our local Banks is not impaired. They have suffered with the country generally, been unfortunate, perhaps imprudent; but they are the sinews of our credit system, and with the improvements and lessons which experience has suggested, they are essential to us, and ought to be sustained. The Books of this State, from a comparative examination of their condition with the institutions of the other States, stood at the period of the suspension in a very favorable position; and I was impressed with the opinion that they, if any, could have sustained their payments throughout the pressure. But their able managers, who know their situation best, believed otherwise, and they followed the general example. They have again, with laudable alacrity, followed in the resumption, and now meet their payments in specie.

Soon after the suspension of the Banks, the Legislatures of several States were convened to arrest, if possible, the downward course of things, and to afford such relief as circumstances might demand. Under such respectable examples, and at the suggestion of many respectable citizens, I deemed it due to the people to summon the Council of State to advise with me as to the course which it would be best to pursue. After weighing the situation of the Banks and the wants of the community, a convention of the General Assembly was not deemed necessary. It was believed that no assistance could be afforded these institutions consistent with the rights of the people, and the ample protection was afforded the community, by the penal clause of the charters, exacting 12 per cent. interest on refusing to redeem their notes.

The sympathy of our citizens with the sufferers of the times, even to the banks, is strong evidence of their liberality, forbearance and right-mindedness. Demands were seldom made, and of very inconsiderable amounts. Few were found Shylock like, to require the pound of flesh for the position of the banks was looked upon as a calamity rather than a crime.

The Bank of the United States having been put down by one President, and pronounced unconstitutional by the present incumbent; the local banks having been denounced and discharged, no alternative, unfortunately, is left the President but to devise some new system as the fiscal agent of the Government. This has been announced to the public under the imposing title of the "Independent Treasury," and has been twice recommended to Congress and as often rejected by that body, though composed of a majority of his partizans. They had the best sources of information and ample opportunities to investigate the subject fully. It has certainly been very elaborately discussed at two sessions, and rejected under circumstances which would seem to demand acquiescence of every republican, who holds the doctrine that a majority ought to rule. But it is not submitted to; every exertion has been made, and is still making by the immense influence of Executive patronage, to reverse this twice decided question. An appeal has been made to the people, the subject has been carried into our State elections, and the public mind vexed with it, from the elections of our constables to that of the executive. It has been made the test of democracy itself. Grave Senators and honorable Representatives have taken the stump at elections, at barbecues and dinner tables in defence of it. The expiring coffer dishes has been appealed to in support of it. They have been invited by the Secretary of the Treasury to protest his own drafts on the Banks when specie was refused, in order to make them equivalent to specie and available in the market at a high premium, to pay custom house duties. This is no fiction, it is a fact; and the government has been abused by her own officers to a pretty reward of profit on the bonds they are receiving from her bounty. The honorable members of Congress were pacified by a circular of the Secretary with the payment of their compensation. With such inducements, incentives and appeals, we would not be astonished to see this new device become the law of the land against the wishes of the people.

I understand "the Independent Treasury" to mean, reduced to its naked proportions, the appointment of new Agents by the Government, whose duty it will be to receive the public dollars from the *people in gold and silver* only, keep it in safes and vaults and pay it out to the salaried officers and others in coin only rejecting the use of banks and paper notes and their notes as a medium of payment whether convertible into specie or not.

This measure I consider wrong in principle. No state government would be sustained excluding from the people coin only in the payment of taxes, land sales and entries, nor could individuals be tolerated in a course so odious and oppressive.

The employment of gold and silver only, in all transactions between the government and people, if practicable at all, would be inconvenient and expensive. But the impracticability of conducting the business of the country with a specie currency only, is not denied. We must then necessarily have a mixed currency of specie and bank notes—the one, according to the Independent Treasury doctrine, for the Government and the other for the people: and they must come in conflict. The refusal of the Government to receive the people's currency must depreciate or produce a constant drain upon the Banks which must destroy their usefulness.

On the score of safety, the Independent Treasury is to me particularly objectionable. Few of us are ignorant that the officers of the U. States are appointed more frequently from political considerations, than from intrinsic merit, and too frequently from noisy demagogues, who are always the most forward and pertinacious applicants for office. The deposites in the local Banks must, from their nature, be more secure than with such officers. They are guaranteed by the capital of the bank, and the watchful eye of selfishness is perpetually upon them. I speak chiefly in reference to the officers and the management of the Banks of this State; and from personal knowledge, I am very certain that no Sub-Treasury can be organized with which I would so confidently intrust my personal funds as with our Banks.

But this Sub-Treasury scheme must increase the number of officers, and the patronage of the General Government, already swollen beyond all proper limits. I have an insuperable objection to seeing the agents of the Government spread over the States, with the control of money or power of any kind, to operate on our habits, opinions and feelings, or to influence our elective franchise. We have already a Mint without coin, an Arsenal without need, Collectors and hosts of Custom house officers, at all our ports of entry, and Post Masters, like the locusts of Egypt. They form a phalanx, which no patriot can contemplate without just apprehension, or think of increasing without dismay.

Some advocate the scheme, because in its operation, it will be hostile to the local Banks: and that, in their natures, they are antagonistical, and cannot exist together. Are we prepared for the destruction of our Banks, and, with them, of our trade and enterprize? Are we willing to witness a reduction in the value of our property of one half or more! Destroy our banks, and we will witness this, or the humiliating alternative of being sustained by foreign capital.

We are told that the Independent Treasury will relieve the South from the shackles of Northern trade—enable her to establish a direct intercourse with foreign countries—build up her markets, and unite the whole South in trade, interest and feeling. Nothing surely was ever more fallacious.—Did its *northern projectors* originate it with this view, or do they now sustain it upon such motives? Hardly, gentlemen.

These shackles of Northern trade, of which we have lately heard so much, proceed from causes not so easily overcome. The North is much indebted to her natural advantages, but she owes more to the liberal employment of the credit system. This enabled her, at an early period, to commence a generous rivalry with European commerce and manufactures. This furnished her the means of ship building—called her manufactories into being, improved her navigation, and constructed her roads and canals. These improvements soon reacted upon industry, gave facilities to the farmer, encouragement to the mechanic, and employment to labor of every description. These objects (except commerce) were greatly fostered by the war, subsequently by the tariff, and afterwards by the money thrown into circulation, by the payment of the public debt.

Our course was vastly different, our energies were directed to the quiet pursuits of agricultural life. Always fearful of overbanking, we employed the credit system for no valuable improvement; our trade was originally mostly with Europe; there we shipped our products, and received in return, manufactured goods to supply all our wants. Gradually, however, our trade began to be transferred to the North. We began to find that there we could meet with goods imported in northern vessels and by northern capital, which added to their own manufactures, of greater extent and variety, and actually cheaper in price, than we had been importing directly; because they better understood the wants of our trade, had spare capital, and could adapt a small assortment to our convenience. Hence the transfer: but the North also consumes largely of our raw material, which renders the trade reciprocally beneficial to us.

Our merchants are a calculating and painstaking class; depend on it, they have made their calculations in *figures*, and find their profit in a northern over a direct European trade, or the present state of things had never existed. The City of New York possesses natural advantages so greatly superior to any other port in the United States, that she has not only the trade of the South, but of nearly all the Northern and Eastern States in a greater or less degree.

To build up home markets is certainly desirable, and of primary importance: but it cannot be effected by *Conventions*. Their collected wisdom may devise the means, but they must be such means as have before produced the same results—such as have enabled the North to compete with Europe. We must extend the credit system—afford the means to erect manufactories, to build ships, to improve our navigation, to open canals and construct turnpikes and railways, to improve and use our water power, and to work the mines of ores and minerals with which our State so richly abounds. And we must do what is of paramount importance, erect Seminaries of Education, to qualify our children the better to improve our natural advantages, to keep the children of the wealthy at home, and avoid the extravagant expense and the uncongenial habits which they acquire abroad. We must encourage our own mechanics, and import nothing that we can make at home; and finally, we must do as our brethren of the North do, stay at home ourselves; except when profit or business takes us abroad and cease to spend our time and substance in idleness and extravagance.

We should forbear to cultivate sectional and geographical feelings. There is danger in it. It is enough to keep the line of rights and attachments between the State and General Governments separate and distinct. The object of our compact was trade, friendly intercourse, and strength of numbers; and I should learn with regret the incipiency of any measure that would tend to plant a bitter rivalry or angry alienation between the north and south. We have but one peculiar Southern interest to guard and that is sufficient to bind us together with chains of adamant. We look with confidence to the Constitution for protection there: and when that fails, the South—as one man—will know how to protect herself.

A circulating medium of uniform value & in sufficient amount, is the great desideratum of our extensive and enterprizing confederacy. It is the life-blood of the various branches of our spreading industry—of our agriculture, commerce, trade, manufactures and internal improvements of every description: and is rendered more essential to our welfare, by the extent of our Union, the variety of out soil and climate, and of our people, differing almost as much in wants, habits and manners. This all important circulation, I apprehend, cannot be supplied without the credit and protection of the federal Government, exerted, either directly, in the establishment of a National Bank; or, indirectly, under proper regulations in favor of the Banks of the State.

The people very wisely gave to Congress the power to coin money, regulate the value thereof, and of foreign coin, and to fix the standard of weights and measures."—But it would not be more unreasonable to restrict the country to the identical weights and measures furnished by the government than to limit it to the coin thus regulated, for the receipts and disbursements of the general government. If it was right to do so, the government should feel itself bound to furnish sufficient supplies both for its own and the people's uses.

The leading design of these grants to Congress, was to render what was before irregular, uncertain and deranged—certain, defined and uniform; otherwise there could be no precision, no uniformity, and but little justice in the collection of taxes and duties in the various sections of the Union. But the grant "to regulate commerce with foreign powers, *with the States* and Indian tribes," indicates very strongly the intention of the framers of the constitution upon this subject, and their sense of the necessity and propriety of regulating the currency, be it what it may.

A National Bank being considered unconstitutional by the present Chief Magistrate, cannot, of course, be established during his term of office, unless a constitutional majority can be obtained to control the veto power, of which I confess I entertain no hope. The necessities of the country have twice called such an institution into being; and under the auspices of our most enlightened and patriotic Statesmen, it fully realized the expectations of its friends and supplied the wants of the country. Still, it has been made the stalking horse of the demagogue, and made to bear upon all our elections, from the elevated Chief Magistrate down to the humble constable; and yet, so impressed was the country with its utility and necessity, that, despite of the popularity of the late President, who was opposed to it, it was re-chartered by Congress by decided majorities, and fell a victim to the veto power. The constitutionality of its establishment seems to be a question never to be settled: and if the scenes of its re-charter are always to be acted over and the public mind excited and disturbed by the misrepresentations and agitations of corrupt partizans, it may well be questioned whether the advantages of such an institution, highly as I value it, are not countervailed by the improper use to which its enemies basely prostitute it.—Under such circumstances, with no national currency and our exchanges deranged, with no hope to of action by the General Government, it becomes our duty to search out a substitute for the National Bank.

My preferences are with the Banks of the States: and I ask your attention to, and your candid consideration of, my reasons. Their permanency is an important recommendation. The first chartered banks in the country are yet in existence and in good credit, and no one within my knowledge, of respectable standing, has ever been refused a recharter when applied for. National politics have never entered into their management; and their contractions and expansions can never affect the business of the country like a National Bank of large capital, ramifying into many States.

A considerable reformation, alteration and improvement would be necessary, however, in order to make the local Banks meet my views. They are at present too numerous; their capitals generally too small; and the variety of their notes so great that it is almost impossible to fix upon the memory the character of the signatures and vignetts, so as to avoid the danger of forgeries. Some of their locations are inconvenient as depositories; it will inevitably lead to rivalry and dissatisfaction, jealousies, and more than all, to a depreciation of the issues of the rejected Banks.

I propose, then, that our State lead the way in the reform of our Banking system, and respectfully recommend the chartering of a Bank with a capital of ten millions of dollars allowing the existing Banks to subscribe all their Capital Stock into it: the remaining stock to be taken by individuals; into the details of which it is not now necessary to enter.

The State to transfer all its stock and funds to the Bank, and to offer its services to the Federal Government as a depository of its funds; the safety and forthcoming of which in the kind of money deposited, to be guaranteed by the State in such a manner as shall be satisfactory to the General Government, and in the event of the Bank being unable to meet the payment of the deposites of the General Government, the State to issue stock for the amount in favor of the Government, bearing 5 per cent. interest until the Bank is able to resume payment. For these services rendered the General Government—the notes issued by the Bank to be received in payment of all its dues, and on a further condition that the other States prepare their Banks in like manner, and for like purposes, namely, That each State and Territory shall designate by law one Bank, and more if its trade and necessities require it, of capitals not exceeding ten, nor less than two millions

[*Continued on 4th page.*]