

THE WALLACE TESTIMONIAL.

Manquet to the Hon. William A. Wallace, Chairman of the Democratic State Committee—His Address on the Occasion of Speeches and Letters from Other Distinguished Gentlemen.

As soon as it was definitely ascertained that Pennsylvania had been redeemed from Radical rule, (says the Philadelphia Age of the 28th ult.) several hundred leading Democrats of Philadelphia came together, and it was unanimously agreed that much of the credit of the victory was due to the energy and ability of the Hon. Wm. A. Wallace, Chairman of the State Central Committee, and that a complimentary dinner should be tendered to that gentleman, as a mark of appreciation for his valuable services. For the purpose of carrying out this intention, a committee was appointed, and the following correspondence took place:

PHILADELPHIA, Nov. 11, 1867. DEAR SIR: We have been instructed by a number of the Democratic citizens of the City of Philadelphia to communicate their desire to give you a public dinner in token of their high appreciation of your services as Chairman of the Democratic State Central Committee of Pennsylvania in the management of the late political campaign, and in the belief that to your energy and untiring zeal in the organization of our Democratic forces in an small degree, may be attributed the signal triumph which that party achieved over the corrupt Radical forces which have so long oppressed and degraded the Keystone State. This victory may be regarded as the cause and precursor of the subsequent triumph of the Democracy in New York, New Jersey and other States, and by these the same is made bright with hope for the Union, the Constitution and the laws.

Wm. A. Wallace, Esq., Chairman, &c. To the Hon. Wm. A. Wallace, Esq., Chairman, &c. We are those who govern us in Congress pursuing such a course in controlling the financial affairs of the Republic? Have they lessened our expenses to the figures commensurate with a just and prudent administration of the government? In our business matters, when we find embarrassment resulting from debt, and we wish to place our affairs upon a firm footing, we look to the cause that produced the debt, and endeavor there to apply the remedy. If we find that it has been caused by extravagance, we endeavor to stop it, and thus relieve ourselves. Extravagance of all kinds entered into and makes part of our enormous debt, and we are aware of the fact that much of the extravagance still exists. Why not use the necessary remedy, and end it? While it may be conceded that much of the machinery called into being by the war cannot be conducted as cheaply now as in 1869, and that a part thereof cannot be dispensed with, still it is clear that much of it can be cleared away; that two-thirds of the army officials can and should be dismissed, and that at least one-half of our enormous expenditure can be saved to the people.

Instead of reducing our expenses, Congress increases them; instead of practicing economy, reckless expenditure of the public money is the rule. When, by mishap, the honest business man is plunged into debt, he promptly goes to work to increase his resources. If he be a merchant, he gives unremitting attention to the collection and securing of his outstanding debts, to the profitable sale of his stock, to the careful husbanding of every dollar of his assets. If he is a farmer, he gives his farm the closest care, the soil is strengthened, the fences repaired, and every acre is made to yield its largest crop. If he is a mechanic, "early morn and dewy eve" find him earnest and active at the bench, the loom, or the anvil, and thrift and frugality mark every step he takes. Their reason teaches them that in this way alone can they hope to be relieved from the incubus of debt, and they bend every energy to its accomplishment.

It is this the conduct of sensible and practicable men in their own affairs which should they not require the same line of action in the affairs of a government in which they have so deep a stake? When we employ an agent, we measure his conduct of our business by our judgment as to our personal interests; and, as Congress is our agent, we should hold it to the pursuit of a course that our judgment of our own affairs would approve. Are they laboring to increase our resources and develop the property of the people; and thus to restore our credit and pay our debts? Let us examine their conduct. Under the direction of intelligent beings, labor and production are the true sources of national wealth. Fetter labor and embarrass production, and to the extent you do so you retard progress and injure the whole mass of the people. It has been well said by a recent writer that "the union of capital and labor will be most effectual when each is sure of its just reward. If the rights of man as a holder of property are sacred and his rights as laborer equally so, the greatest reward will be produced, and if otherwise, the creation of wealth or even unless they are sure of their reward." Apply these truths to the actual condition of ten of the fairest provinces of the Republic. There, the laws enacted by Congress restrained the progress of development. Over that entire region there exists uncertainty in tenure of estate,

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for moral position, are found both in nations and in men, and if the same reasons that govern us in our intercourse with each other and prompt us to individual effort should control us in administering our governmental affairs we have a rule by which we may measure our conduct thereof, and a light by which we may search for the true path to national greatness and prosperity. An enormous debt encumbers the nation, grinding taxation oppresses the people and prostrates every business interest. Our credit is below par, and our paper is selling in the markets of the world at less than three-fourths of its nominal value.

In such a condition of his affairs, what would be the conduct of an honorable and prudent business man. Recognizing his obligation to pay his debts, however he might mourn the disaster that entailed them upon him, he would take immediate steps to curtail his expenses, to increase his resources, and to improve his credit. He would put forth all his energy in the development of his property; he would do so far as possible, relieve his laborers from taxation and encourage their industry, and he would exercise thrift and frugality in every department of his household and business, and thus, as rapidly as possible, acquire the means to restore his shattered credit and disencumber his estates.

In placing his business matters upon such a basis, he at once strengthens his credit, and if he asks his creditors for more time to pay, they promptly accede. His promises to pay, pass current at a less rate of depreciation, and he can contract loans more cheaply than before.

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It is true here, however, as it is of the individual, that those who are reared in profuseness will never voluntarily practice economy, and those who have conducted the government in the midst of lavish expenditure cannot, if they would, practice frugality. Indeed it has passed into an axiom that those who created such expenses in governmental affairs, can never reduce them to their standard of economy.

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uncertainty of the right of the laborer to reap where he has sowed, a government of arbitrary power and not of law, officers vested with the right to interfere between capital and labor, and between the laborer and his employer, and from these causes the vital spirit of industry is paralyzed. The great mind of Webster never produced a more important thought than his declaration that "it is change and not prostration of change that unnerves every working man's arm in this section of country. Changes felt and changes feared are the bane of industry and enterprise."

The immediate influence of instability and uncertainty in the action of the controlling power, is to prevent men from engaging in any new undertaking, to crush out their self-reliance, and to cause them to become restless, improvident and poor. The nation needs in the South an intelligent, self-reliant and industrious people, boldly striking for their personal interests. We can have it if we will, but when the government forbids men to calculate on the results of their enterprise, when its action is unstable and uncertain, it is utterly futile to expect them to be possessed of the moral energies requisite to ensure success in life. It is not so important what the action is, as that it should be clearly defined and permanent in its nature. Our people rapidly adapt themselves to the circumstances that surround them, and when they have permanent security against arbitrary interference with their business pursuits, they will adopt the means to triumph over every obstacle. Our institutions, administered as they should be, are calculated to foster self-reliance, and to develop industry and intelligence; but they must be so administered that "change and apprehension of change" shall not forever exist, and the minds of the men of our own race shall be possessed of an abiding sense of security, in person, in estate and in property. When we have provided these, man's own interest will be safely trusted to bring forth the largest return possible for the investment, and thus to add to the wealth of the producer and the country, but his cupiditate alone must be trusted; every attempt at the regulation of such subjects by law, serves but to mar the work of the individual. His personal interests is the best lever to use in the improvement of the material condition of man.

In the South there is no appeal to the personal cupiditate of the farmer or the planter. They see in every act of those who govern a deliberate effort to elevate the negro at their expense; insecure in their property and dubious of their personal safety, every incentive to progress in material wealth is taken from them. They plant and cultivate enough to sustain life, and will seek no more. Nowhere on the globe is there such a seed for the production of great quantities of staple commodities, calculated to increase national wealth, as is found in the South, and if they were totally unoppressed, save by the great laws of civilized human society, and the principles that flow from mutual intercourse, and the desire for gain, their productions would double in two years and quadruple in five. The debt can only be paid out of the surplus earnings of the prosperous; if all are prosperous, its payment is assured and the burden becomes trifling. Under the present policy, we of the North not only pay our own share of all public expenditures, interest and debt, but also pay the just share of the South, and we begin to feel the strain upon our resources. A household of thirty millions encumbered by twenty millions without the pressure of the war largely depends upon the re-establishment of Southern industry upon a basis just South of that class, and the reopening of that great market for our manufactures and surplus crops. Our personal interests and the just demands of our creditors require that every acre of our great farm be made to yield its largest crop, that all the industrial pursuits of the people be fostered and encouraged, that the peaceful arts, commerce, manufactures, agriculture and mining, be nourished and invigorated; that every man in every section of the Republic be relieved from arbitrary rule and permitted to use his uncontrolled energies, in adding to his own wealth, for, in so doing, he adds to his ability to pay taxes, and his production is a part of the national wealth and assists in maintaining the government and in paying the interest on the debt.

issue of paper money would be to render dearer every thing upon which life is sustained. The salaries of the employees of the government would be correspondingly increased, and the nation would enter upon a career of speculation far exceeding anything we have ever seen. The standard of value would be as shifting as the winds, and would rise an fall as suddenly. No man could manage his property securely. No merchant could depend upon any sure profits. The farmer could not calculate upon a fixed price for prices of commodities would fluctuate and change as with the tide. Every business interest would be unsettled. The speculator would thrive and the laboring man suffer, for wages move upward more slowly than anything else. As gold and staple articles become enhanced, the tendency to fix two prices upon the article to be sold increases, and eventually results in establishing a specie and paper price. When this point is reached, utter depreciation of the paper money rapidly follows, and practical repudiation ensues. We have had enough of uncertain trade, of unsettled values, of profusion, of lavish expenditure of the people's money, of speculation, of vice and corruption in high places. In the production of all these, a redundant currency has been a potent agent. The approach to specie payments, and a just standard of values, seems hard enough now; how much more difficult will it be when this enormous inflation shall have occurred.

But, it is said, pay the debt in legal tenders as it matures, and thus avoid the vast volume of currency consequent upon payment of the whole. These are redeemable now and in 1868, at the option of the Treasury, over a thousand millions of 5-20s and 7-10 notes. Will we lift the whole? If not, how much? If two hundred millions are to be paid in legal tenders, who shall be required to give up his bond and take the notes, and who permitted to retain the bonds? As rapidly as we have the means realized from our assets, it is proper to exercise our option and pay the first who comes, according to the spirit of his contract. But let us avoid further inflation, and a system of financing that is at least open to the suspicion of being founded in bad morals.

The bonds deposited by the national banks occupy a different position from any others. These banks are the creatures of Congress. They accepted their charters and deposited the bonds under an express agreement that Congress might alter, amend, or repeal the law creating them. These securities are already in the custody of the Treasury; the government is in effect bound to redeem the notes they secure; they are redeemable in legal tenders, and the holder cannot demand gold; in taking them he assents to this contract. The banks cannot complain; individuals are injured, and the people save twenty millions annually by substituting legal tenders for the national bank notes. The volume of currency is not increased, and the public faith is not broken. The national banks promise to pay in government promises; the holder accepts that agreement. Congress interposes in pursuance of the express contract with the banks, and substitutes that for which we are ultimately bound. There is no wrong in this, but there is a great public benefit.

No holder of national securities can object to the receipt of legal tenders for his bond, unless it specially provides for other funds for payment. The "greenbacks" now in existence were a part of the finance system when he made his contract; and he gave his money recognizing his liability to accept them in payment; but it was not a part of his contract that he should, in effect, be made irredemable and specie payments made impossible for them, by the issue of a vast addition to those already out. The act of 17th July, 1863, authorized the issue of twenty year bonds, legal tender notes and 7-10 notes. Fifty millions of bonds payable in 1881, and fifty millions of legal tenders, were issued under this law. The act of 25th February, 1862, authorized the 5-20 bonds, and directed the issue of one hundred and fifty millions of "greenbacks."

The acts of 11th July, 1862, 17th January, 1863, and 3rd March, 1863, gave farther authority to issue legal tenders, and under them more than four hundred millions were issued. These laws are all prior in date to the acts authorizing war loans in the form of bonds, except those already referred to. The true solution of the much discussed financial problem, "How shall the debt be paid?" does not lie in an enormous inflation of the currency or in any other of the patent measures, in which so many are now in vogue, but in to be found in the practical recognition and patient application of the course originally pronounced upon it: "In the sweat of thy face shall thou eat bread."

The common sense principles, the old fashioned doctrines that are in daily use in the business life of a practical, honest, and earnest man of the world, who seeks to obtain wealth, are those that are best fitted for our present condition. Labor and production, industry and frugality are the only sure paths to competence for the individual, and through these, and the development of man himself, we will find the firmest basis for the national credit, a safe road to national wealth, and the certain payment of the national debt. Reduce the expenses of the government, put an end to extravagance of all kind therein, economize its means, tax the government loan as you tax other government,

replace the national with legal tenders, remove the curse of negroism, uncertainty and instability that now oppress the South; let white brain and black muscle acting for their individual gain, give us back our great Southern staples, develop all of our immense resources, and cause the hum of industry to pervade the land, and thus re-establish the credit of the Republic. With your affairs placed upon such a basis, your legal tenders will rapidly approach par, and then it does not matter whether you pay your bonds in gold or paper, and thus the problem, now so difficult, you have solved. Our bonds and notes, upon which we now pay from five to seven and three-tenths per cent. interest, are redeemable, except about one-tenth of the whole, during the next seven years. When our credit is thus re-established, it will be an easy task to place new loans at lower rates of interest, at short dates, with which we may exercise our option, and get rid of all interest over four per cent. As we grow wealthier the amount of interest becomes less onerous, taxation decreases and within this generation the burden of the debt will be unfeeling. Enlightened men enter into governments in order that they may, as a mass, enjoy those rights and privileges to which each feels he, as a member of society, is entitled. They create written constitutions to define and limit the powers of the government, their creature. They do not form them to render man unhappy and oppress him, but to "so faithfully" that man unmolested may perform his duty to his fellow man, and that they, in mutual intercourse, may find their common gain.

When the whole people feel instinctively that something is wrong in the operations of such a government, each one should investigate the cause; discover the evil and apply the remedy. Do we not all feel that something is wrong in administering our affairs? Business depression, commercial failures, and "hard times," demonstrate to us that our material interests are suffering, and our monetary matters on the verge of a crisis. Taxation presses severely upon the people, and as now arranged, by far the larger portion of it fall upon those who are poor, whilst the rich are exempt. Participation in the benefits of government carries with it the corresponding duty of adding to its support. To pay our taxes is a plain duty; to pay only our share of taxes, and to know how and when we pay them, are equally plain and corresponding rights. Fundamental principles upon the subject of taxation are, that each should pay according to his ability; that the tax be certain and arbitrary; that the time and manner of payment, and the quantity to be paid, should be clear and plain to him who pays, and all others. In the violation of these principles we may find the secret of much of our present difficulty.

three at the rate of twenty per cent and upwards, all free of tax. Is it not apparent that there is a wrong in this system? These are some of the results of violating the rule that every one should pay taxes according to his ability. Let us see if all pay taxes according to their ability. Congress, in 1868, taxed the people through customs and internal revenue about five hundred millions of dollars. At least four hundred millions of these are paid by the consumers of the country in the prices at which they buy the articles they consume. Property is the only just basis for taxation; this enormous tax is not fastened upon property, but is assessed and collected from the people, by imposing it upon the articles they must have to support life—so that the laboring man, with a family of six, must pay as much of it as the man worth hundreds of thousands, who has a family of the same size.

The tax paid "this way" is not a certain tax, nor do we know the time and manner of its payment, nor how much we pay, for the system is so arranged that we pay it without realizing the fact. When we go to the store to buy a pound of rice, or sugar, or coffee, or tea, we suppose that the money we pay is the value of the article bought, but in reality, more than one-half we thus pay in tax and profit upon tax. Duty on the commodity paid in gold, to which premium is to be added, licenses, stamps, tax on sales, tax on transportation, profit and interest to importer, jobber and retailer, are all charged to the articles and paid by those who buy them. All that we eat, drink and wear are subject to the same system of taxation, and this mode of collection; and by it Congress compels the people to pay in one year for their necessities, mainly, four hundred millions of dollars more than the cost of production. A moderate amount of taxation can more easily be paid in this way than in any other, but this is excessive and unjustly distributed. It sweeps away from the people all of their surplus earnings, and necessarily impoverishes and hardens them. High prices for the articles consumed by the laborer, taxes and no customers for the manufacturers and producers, and untaxed bonds and large dividends for the wealthy few, are some of the salient features of the present financial system.

The question of our material prosperity is closely connected with the subject of the future of the black man. Man, himself, is the central figure around which all the efforts of government should move. In his improvement, in his intellectual and material advancement is found one of the great avenues to national wealth, for that intelligence and those means will be devoted to aims and purposes, primary for himself, but ultimately for the general good. In making the individual member of the State intelligent, industrious, and provident, we find a sure road to national greatness, for it is the man who makes the government, and not the government the man. The condition of a society, composed of men fixed and determined the character of their institutions. To remedy the evils that oppress a people and to improve their material condition, we should appeal to man himself, operate through his passions and prejudices; bring to bear his mental characteristics and habits of thought, and seek to awaken a sense of individual responsibility, and to impose the duty of individual action. Two races of men inhabit the South; their mental development, their leading characteristics are as unlike as are the colors of their skins. They came into existence with distinguishing features impressed upon their physical natures, and the same laws that thus marked them physically, have impressed upon the minds of each equally distinct moral faculties. These traits of character are indelibly stamped upon their souls, and mark the people in their social lives and establish and determine their future destiny. One race possesses all of our own characteristics; it springs from the same origin, was cast in the same mould, and largely aided in shaping our institutions; the other is recognized as our inferior—its mental force, intellectual development and material condition vastly behind our own. Under the directing hand of an overruling Providence, the influence of race, of mental tendency and of power of will, shape and control the destinies of nations. Shall we not appeal to that race which is fashioned in the semblance of our selves to aid us in the upward struggle? From which of these races are we more likely to receive valuable assistance? One needs a fostering nurture and instruction; the other needs but an open path and an appeal to its own interests. What is our clear duty to aid in the elevation of humanity and to assist both races in their material progress, it is neither God's law nor man's wisdom to compel him who is elevated to remain stationary, while he who is below it raised to the higher standard; but rather is it our task to continue to elevate ourselves, and with Christian charity aid those below us to climb the ascending grade. It is not our duty to halt midway to enable the African to reach us. As practical men acting through existing facts we should aid each in moving upward from the stand-point he believes occupied, so that he who was before civilized may now become enlightened, while he who before was barbarous may now become civilized. If, in the development of man himself, he be found a broad path to the fountain of national prosperity; and if our own race is more advanced in position, more gifted in intellect, and already possessed of our own national

intention, how subdivided is the pelt of that which binds them hand and foot, and places them under the control of those so vastly their inferiors? Nature teaches us how mistaken is such a policy. Our very instincts revolt at the recognition of their superiority; they are the inferior—the superior; and our personal and pecuniary interests can best be advanced by practical application of the fact, forever was there a jar or discord between genuine sentiment and sound policy. Never, no never, did nature say one thing and wisdom say another.

Whatever may have been the opinions of many of the people, as to the manner of freeing slaves, there can be no doubt that vast majority of them rejoice that the nation is free from the reproach of slavery, and look forward to a bright future for the South, in the interest, and under the control of our own race. If when the rebellion was overthrown, the penalties thereof had promptly fallen, and the shattered social organization of the South been permitted to adjust itself upon the principles consistent with its own preservation and the protection of the laws, liberty, property, and education, their labor system would have been by this time established, prosperity would have reappeared, and both races have been fulfilling their mission, infinitely more happy and contented than now.

Then, there existed mutual sympathy, regard and comprehension; now, there exist two separate castes; daily becoming more and more identified as separate races, with separate interests, ideas, and organization. Mutual ignorance and alienation between the two classes grow up, and all of the personal ties and fraternal relations that existed after freedom, between slave and master are being severed. This is a reproach to us as a people; it is a threatening danger to our institutions, and is prejudicial in its influence upon the moral and physical well-being of both races.

The danger is a present one; it confronts us now. The natural results of the action of Congress is already demonstrated, and one race is ready to spring at the throats of the other. The question is not one for ourselves. Are we ready to place in the hands of the black race the balance of power? Shall we cause the white brain and muscles to be controlled by negro ignorance and insolence? Are we ready to abandon our share in that great heritage the South? With our people there can be no middle class; the pride of the race results absorption. Either the white man or the African must rule; or they must wield the political power. Wherever they have been strongest, their jealousy has accomplished the destruction of the whites, and where they are weakest, they recognize their position as our inferiors. Give them the ruling power, and colored jealousy and white pride will produce never-ending conflicts, and entail the permanent maintenance of military rule, with all of its dangerous results. A result can never be to ourselves. Such a result can never be; it is not the destiny of this people to yield to any other race the mastery of its fairest possessions, or the exclusion of themselves. As in childhood, man reverts to the habits, prejudices, and passions that rule his life, so the nation, in its early years, reverts to its habits, prejudices and passions. A spirit of outrage and a devotion to their personal interest have always marked our people, and these have borne the fruit of intellectual and material progress.

The story of our nation is a romance of progress; the history of the Republic, the history of man's elevation. Our belief in our own destiny, and our energy in removing every obstacle in the path to individual and national prosperity, are not more clearly marked than are our prejudices and instincts in favor of our own race. The Indian was brushed aside because he stood in the way of our march of improvement, and the Mexican and the Spaniard in Texas and California have given way before the forward movement of the American. Slavery was in the road, and rightfully or wrongfully it has been removed; and now the negro bars the way, and neither rickety constitutions nor unfriendly laws, anarchy or armies, will prevent the inevitable event that awaits him—a subordinate place, and the recognition of the fact that our race is superior, his inferior. As it now is he is an impediment to our material advancement, and sooner or later he must yield place to the stronger intellect, the more determined will of the white man. That this may come peacefully, and in the almost imperceptible march of events, should be the effort of the statesman, and the prayer of every friend of humanity.

That the South would retrograde under their dominion, scarce need proof; their own had and history, Hayti and Jamaica, are ample proofs; that it is a part of our national character to allow immense resources under our control to lie undeveloped, is equally clear, and that the surplus population of the North, a part of which is now hewing its broad path to the Pacific, will hasten upon that vast field for skilled labor, for industrial enterprise, for mining and manufacturing, now lying dormant; occupy, possess and enjoy it, side by side with our own race, now there seems to my mind too clear for argument. The events of the present hour demonstrate the truth of this position, for, from every county in our own Commonwealth, we have already migrated South in search of new homes, and many more are preparing for the same movement. The insatiable greed for wealth that possesses our people, and their indomitable energy in its pursuit will not be hindered by the black man, nor by laws framed to elevate him at the expense of the white.

Having freed the slave and given to him the protection of the law for his life, liberty and property, enabled him to educate himself and his children, to securely enjoy the fruits of his (Concluded on fourth page.)

replace the national with legal tenders, remove the curse of negroism, uncertainty and instability that now oppress the South; let white brain and black muscle acting for their individual gain, give us back our great Southern staples, develop all of our immense resources, and cause the hum of industry to pervade the land, and thus re-establish the credit of the Republic. With your affairs placed upon such a basis, your legal tenders will rapidly approach par, and then it does not matter whether you pay your bonds in gold or paper, and thus the problem, now so difficult, you have solved. Our bonds and notes, upon which we now pay from five to seven and three-tenths per cent. interest, are redeemable, except about one-tenth of the whole, during the next seven years. When our credit is thus re-established, it will be an easy task to place new loans at lower rates of interest, at short dates, with which we may exercise our option, and get rid of all interest over four per cent. As we grow wealthier the amount of interest becomes less onerous, taxation decreases and within this generation the burden of the debt will be unfeeling. Enlightened men enter into governments in order that they may, as a mass, enjoy those rights and privileges to which each feels he, as a member of society, is entitled. They create written constitutions to define and limit the powers of the government, their creature. They do not form them to render man unhappy and oppress him, but to "so faithfully" that man unmolested may perform his duty to his fellow man, and that they, in mutual intercourse, may find their common gain.

When the whole people feel instinctively that something is wrong in the operations of such a government, each one should investigate the cause; discover the evil and apply the remedy. Do we not all feel that something is wrong in administering our affairs? Business depression, commercial failures, and "hard times," demonstrate to us that our material interests are suffering, and our monetary matters on the verge of a crisis. Taxation presses severely upon the people, and as now arranged, by far the larger portion of it fall upon those who are poor, whilst the rich are exempt. Participation in the benefits of government carries with it the corresponding duty of adding to its support. To pay our taxes is a plain duty; to pay only our share of taxes, and to know how and when we pay them, are equally plain and corresponding rights. Fundamental principles upon the subject of taxation are, that each should pay according to his ability; that the tax be certain and arbitrary; that the time and manner of payment, and the quantity to be paid, should be clear and plain to him who pays, and all others. In the violation of these principles we may find the secret of much of our present difficulty.

It is a sound rule that every one should pay taxes according to his ability, but it is violated in practice to the extent of one-fifth of the property of the country. The untaxed government bonds constitute about that proportion of the whole, and other interests bear its just share of taxation. It does not aid in paying bounty, in providing courts and juries, in sustaining common schools, in paving and lighting streets, in making roads, nor in the protection of the lives and property of the people. Such a system is grossly unjust, but if we regard it in its economic bearings alone, we find it to be injurious in its effects. Investment in these bonds and in the stocks of national banks secured thereby, absorbs the capital necessary for the prosperous growth of the material interests of the country. Before this class of securities existed, the wealthy sought employment for their capital in partnerships, in productive enterprises, in mortgages upon real estate about to be improved, and in loans to energetic and industrious business men, and thus lent a helping hand to the material interests of the people. Taxation could be imposed on all these, and capital bore its share thereof. Now, the business man must compete with the government, as well in its rate of interest, as in exemption from taxation, for in borrowing money to conduct his business he pays the highest rate of interest given by the Treasury, and pays the taxes on the money so borrowed. It is not strange that legitimate business interests languish, for all who can do so, hasten to close up their operations and invest their surplus funds in these favored securities, and thus the working capital of the country becomes scarce and dear. The manufacturer, who by industry and economy had arisen from poverty, and amassed enough to build his factory and start his machinery, is not prospering. His goods are unsold, his operatives discharged, and his buildings untenanted. Taxes upon his property, taxes upon his sales, taxes upon the raw material, and taxes upon the manufactured article, scarcely of customers, low prices, and the payment of more than his share of the public burden, weigh him down. He cannot afford to borrow money, for it is better to be idle than to be busy at a loss, and his net profits will not justify the payment of the interest demanded. His workmen suffer, their wages are reduced, or they are discharged, and their families deprived of their usual comforts, whilst these men, employer and employed, struggle on in hope of brighter days, the capitalists pocket enormous dividends, and daily grow richer. Of fifteen national banks declaring dividends on the first of November, five have paid at the rate of ten per cent. per annum; seven at the rate of twelve per cent. and upwards, and

three at the rate of twenty per cent and upwards, all free of tax. Is it not apparent that there is a wrong in this system? These are some of the results of violating the rule that every one should pay taxes according to his ability. Let us see if all pay taxes according to their ability. Congress, in 1868, taxed the people through customs and internal revenue about five hundred millions of dollars. At least four hundred millions of these are paid by the consumers of the country in the prices at which they buy the articles they consume. Property is the only just basis for taxation; this enormous tax is not fastened upon property, but is assessed and collected from the people, by imposing it upon the articles they must have to support life—so that the laboring man, with a family of six, must pay as much of it as the man worth hundreds of thousands, who has a family of the same size.

The tax paid "this way" is not a certain tax, nor do we know the time and manner of its payment, nor how much we pay, for the system is so arranged that we pay it without realizing the fact. When we go to the store to buy a pound of rice, or sugar, or coffee, or tea, we suppose that the money we pay is the value of the article bought, but in reality, more than one-half we thus pay in tax and profit upon tax. Duty on the commodity paid in gold, to which premium is to be added, licenses, stamps, tax on sales, tax on transportation, profit and interest to importer, jobber and retailer, are all charged to the articles and paid by those who buy them. All that we eat, drink and wear are subject to the same system of taxation, and this mode of collection; and by it Congress compels the people to pay in one year for their necessities, mainly, four hundred millions of dollars more than the cost of production. A moderate amount of taxation can more easily be paid in this way than in any other, but this is excessive and unjustly distributed. It sweeps away from the people all of their surplus earnings, and necessarily impoverishes and hardens them. High prices for the articles consumed by the laborer, taxes and no customers for the manufacturers and producers, and untaxed bonds and large dividends for the wealthy few, are some of the salient features of the present financial system.

The question of our material prosperity is closely connected with the subject of the future of the black man. Man, himself, is the central figure around which all the efforts of government should move. In his improvement, in his intellectual and material advancement is found one of the great avenues to national wealth, for that intelligence and those means will be devoted to aims and purposes, primary for himself, but ultimately for the general good. In making the individual member of the State intelligent, industrious, and provident, we find a sure road to national greatness, for it is the man who makes the government, and not the government the man. The condition of a society, composed of men fixed and determined the character of their institutions. To remedy the evils that oppress a people and to improve their material condition, we should appeal to man himself, operate through his passions and prejudices; bring to bear his mental characteristics and habits of thought, and seek to awaken a sense of individual responsibility, and to impose the duty of individual action. Two races of men inhabit the South; their mental development, their leading characteristics are as unlike as are the colors of their skins. They came into existence with distinguishing features impressed upon their physical natures, and the same laws that thus marked them physically, have impressed upon the minds of each equally distinct moral faculties. These traits of character are indelibly stamped upon their souls, and mark the people in their social lives and establish and determine their future destiny. One race possesses all of our own characteristics; it springs from the same origin, was cast in the same mould, and largely aided in shaping our institutions; the other is recognized as our inferior—its mental force, intellectual development and material condition vastly behind our own. Under the directing hand of an overruling Providence, the influence of race, of mental tendency and of power of will, shape and control the destinies of nations. Shall we not appeal to that race which is fashioned in the semblance of our selves to aid us in the upward struggle? From which of these races are we more likely to receive valuable assistance? One needs a fostering nurture and instruction; the other needs but an open path and an appeal to its own interests. What is our clear duty to aid in the elevation of humanity and to assist both races in their material progress, it is neither God's law nor man's wisdom to compel him who is elevated to remain stationary, while he who is below it raised to the higher standard; but rather is it our task to continue to elevate ourselves, and with Christian charity aid those below us to climb the ascending grade. It is not our duty to halt midway to enable the African to reach us. As practical men acting through existing facts we should aid each in moving upward from the stand-point he believes occupied, so that he who was before civilized may now become enlightened, while he who before was barbarous may now become civilized. If, in the development of man himself, he be found a broad path to the fountain of national prosperity; and if our own race is more advanced in position, more gifted in intellect, and already possessed of our own national

intention, how subdivided is the pelt of that which binds them hand and foot, and places them under the control of those so vastly their inferiors? Nature teaches us how mistaken is such a policy. Our very instincts revolt at the recognition of their superiority; they are the inferior—the superior; and our personal and pecuniary interests can best be advanced by practical application of the fact, forever was there a jar or discord between genuine sentiment and sound policy. Never, no never, did nature say one thing and wisdom say another.

Whatever may have been the opinions of many of the people, as to the manner of freeing slaves, there can be no doubt that vast majority of them rejoice that the nation is free from the reproach of slavery, and look forward to a bright future for the South, in the interest, and under the control of our own race. If when the rebellion was overthrown, the penalties thereof had promptly fallen, and the shattered social organization of the South been permitted to adjust itself upon the principles consistent with its own preservation and the protection of the laws, liberty, property, and education, their labor system would have been by this time established, prosperity would have reappeared, and both races have been fulfilling their mission, infinitely more happy and contented than now.

Then, there existed mutual sympathy, regard and comprehension; now, there exist two separate castes; daily becoming more and more identified as separate races, with separate interests, ideas, and organization. Mutual ignorance and alienation between the two classes grow up, and all of the personal ties and fraternal relations that existed after freedom, between slave and master are being severed. This is a reproach to us as a people; it is a threatening danger to our institutions, and is prejudicial in its influence upon the moral and physical well-being of both races.

The danger is a present one; it confronts us now. The natural results of the action of Congress is already demonstrated, and one race is ready to spring at the throats of the other. The question is not one for ourselves. Are we ready to place in the hands of the black race the balance of power? Shall we cause the white brain and muscles to be controlled by negro ignorance and insolence? Are we ready to abandon our share in that great heritage the South? With our people there can be no middle class; the pride of the race results absorption. Either the white man or the African must rule; or they must wield the political power. Wherever they have been strongest, their jealousy has accomplished the destruction of the whites, and where they are weakest, they recognize their position as our inferiors. Give them the ruling power, and colored jealousy and white pride will produce never-ending conflicts, and entail the permanent maintenance of military rule, with all of its dangerous results. A result can never be to ourselves. Such a result can never be; it is not the destiny of this people to yield to any other race the mastery of its fairest possessions, or the exclusion of themselves. As in childhood, man reverts to the habits, prejudices, and passions that rule his life, so the nation, in its early years, reverts to its habits, prejudices and passions. A spirit of outrage and a devotion to their personal interest have always marked our people, and these have borne the fruit of intellectual and material progress.

The story of our nation is a romance of progress; the history of the Republic, the history of man's elevation. Our belief in our own destiny, and our energy in removing every obstacle in the path to individual and national prosperity, are not more clearly marked than are our prejudices and instincts in favor of our own race. The Indian was brushed aside because he stood in the way of our march of improvement, and the Mexican and the Spaniard in Texas and California have given way before the forward movement of the American. Slavery was in the road, and rightfully or wrongfully it has been removed; and now the negro bars the way, and neither rickety constitutions nor unfriendly laws, anarchy or armies, will prevent the inevitable event that awaits him—a subordinate place, and the recognition of the fact that our race is superior, his inferior. As it now is he is an impediment to our material advancement, and sooner or later he must yield place to the stronger intellect, the more determined will of the white man. That this may come peacefully, and in the almost imperceptible march of events, should be the effort of the statesman, and the prayer of every friend of humanity.

That the South would retrograde under their dominion, scarce need proof; their own had and history, Hayti and Jamaica, are ample proofs; that it is a part of our national character to allow immense resources under our control to lie undeveloped, is equally clear, and that the surplus population of the North, a part of which is now hewing its broad path to the Pacific, will hasten upon that vast field for skilled labor, for industrial enterprise, for mining and manufacturing, now lying dormant; occupy, possess and enjoy it, side by side with our own race, now there seems to my mind too clear for argument. The events of the present hour demonstrate the truth of this position, for, from every county in our own Commonwealth, we have already migrated South in search of new homes, and many more are preparing for the same movement. The insatiable greed for wealth that possesses our people, and their indomitable energy in its pursuit will not be hindered by the black man, nor by laws framed to elevate him at the expense of the white.

Having freed the slave and given to him the protection of the law for his life, liberty and property, enabled him to educate himself and his children, to securely enjoy the fruits of his (Concluded on fourth page.)</