



BLOOMSBURG

SATURDAY, NOVEMBER 23, 1839.

PRESIDENTIAL ELECTION—1840.

FOR PRESIDENT,

MARTIN VAN BUREN.

FOR VICE PRESIDENT,

RICHARD M. JOHNSON.

AND THE

CONSTITUTIONAL TREASURY.

THE BANKS.

What we predicted some months since, in relation to banks, has now, to a considerable extent, become a matter of history. A general suspension throughout Pennsylvania and several other States, has taken place. The frequency of bank suspensions is certainly frightful in interest to the people, as it should be admonitory to them, from those consequences which immediately hazard the stability of their business and their fortunes.

It must be admitted that Banking is a licence of such attenuated precision, when properly conducted, that but few comparatively, of the great mass of the people, can attain to any thing more than a very limited knowledge of its sinuosities, or the serpentine movements of Bank Directors, or their fiscal agents. Yet most of the people have sufficient knowledge to determine whether in the main, those institutions are conducted on principles salutary to the interests of community or not. To them, therefore, an appeal, under the present embarrassed and embarrassing circumstances of our country, may be proper.

The facility with which bank charters have heretofore been obtained, has increased the amount of nominal (for it cannot be real) banking capital to an amount almost equal to the value of the whole soil of the United States. And yet, real estate is not generally a basis of banking operations.—Gold and silver are the only legitimate foundations on which a bank should ever be permitted to stand. The known amount of those metals now in the United States, may be something like one hundred millions.—A sum insignificant indeed, compared with the amount of fictitious bank stock created by too thoughtless legislative enactments. This assumed, how easy for the honest yeomanry of the country to see that the interests of the people, and the interests of the banks are antipodal to each other, and that the times when the people are under the greatest embarrassments (the seasons of bank suspensions) is the time when bank interests are the most flourishing. No further evidence is required to establish this fact, than the enormously increased amount of Bank dividends during the late suspension. If there be, let the people become acquainted with the long suspension, if we remember right, of twenty-nine years of the Bank of England. When that suspension took place, the bank was admitted to be insolvent to an immense amount. But, unlike individual insolvents, she had managed to identify her interests with those of the government of Great Britain to such an extent, that if the Bank found a grave, the British government, as it then existed, was in danger too, of passing to the land of forgetfulness. During the long time that her suspension continued, she was able to reconstitute her capital through the monetary difficulties she had brought upon the people; and upon her resumption, hydra like, for the one head that had been lopped off, she appeared with ten, ready again to gull and gore poor John Bull, and all others who might chance to throw themselves within the sphere of her influence.

So too in our own country, every suspension but serves to strengthen the energies of the banks to prey more successfully upon the interest, the rights, and the liberties of the people. These energies they fail not to use with all their fearful efficiency. And should legislators still continue the mad policy of multiplying bank capital, at least without an entire reformation in the present banking system, the time cannot be far distant, when the *hic jacit* of our country's liberties may be written by the gilded point of some ambitious Cæsar's sword.

character. In the meantime we would request the reader's careful examination of the above.

When our Banks suspended, those who profess to be the knowing ones' in financial circles hereabouts, told us that the New York Banks would suspend as soon as the next steam packet sailed—then it was to be after the election. But both packets and elections have passed away, and still no suspension—no intention of suspending, as appears by the subjoined extract from the New York Gazette. How's this?—Does Gotham mean to persist in her contumacy and "conspiracy?"

Our Philadelphia friends have finally come to the conclusion that our Banks will not conclude to suspend specie payments. They are quite right. They are solemnly assured that they need not have the least misgivings about it. They may bet if they choose, though we do not advise that, for betting is a bad business, but we will just inform those who bet against suspension, that they are in no danger of losing—that is all. Isn't it about time, however, for our Philadelphia brethren of the press, for each and all of whom we entertain very kind feelings—to withdraw some of their hard sayings towards us poor Gothamites, who have done nothing in the world to offend them, but choosing to perform our promises to the public? Pray don't be angry with us, gentlemen, for asking the question, for nothing could be further from us than the wish to ask it offensively."

We are indebted to the Philadelphia Spirit of the Times for the following exhibit of the state of parties in the next Congress, and how the probable vote will stand for speaker.

	Dems.	Feds.	Contested.
Maine,	6	2	
New Hampshire,	5	0	
Vermont,	2	3	
Massachusetts,	2	10	
Connecticut,	0	6	
New York,	19	21	
New Jersey,	0	1	5
Pennsylvania,	17	10	1
Delaware,	1	0	
Virginia,	12	9	
North Carolina,	8	5	
South Carolina,	8	1	
Georgia,	0	9	
Louisiana,	0	3	
Tennessee,	6	7	
Ohio,	11	8	
Indiana,	5	2	
Illinois,	3*	0	
Michigan,	1	0	
Missouri,	2	0	
Arkansas,	1	0	
Alabama,	3	2	
Kentucky,	2	11	
Rhode Island,	0	2	
Maryland,	5	3	
Mississippi, (estimated)	2	0	
	121	114	

*There is a disputed seat in Illinois.—Mr. DOUGLASS (dem.) is unquestionably elected—but thro' the federal contrivance of the governor Mr. STEWART has the certificate.

In Pennsylvania, the death of Mr. FOTTER creates a vacancy. An election to supply it will be held on the 20th inst., and the democrat elected will be in his seat at the assembling of Congress.

THE "EMPIRE STATE."

Although the election in New York State has had a less fortunate result than many had perhaps anticipated, it nevertheless affords strong ground for hope, amounting almost to certainty, that the democracy will carry the state next year. Our progress in recovering the ascendancy in the popular branch of the legislature will be seen by the following statement of its complexion during the last three years, as determined by the fall elections.

At the election of 1837, the federalists carried 100 members of assembly, the democrats only 28!

In 1838 the federalists elected 82 members the democrats 46. Democratic gain of 18 members.

At the recent election the federalists have carried 68 members, the democrats 60—showing a gain of 31 members since "conservatism" first broke out.

The popular vote indicates in an equal degree the steady and unflinching progress of democracy. In 1837 the federal majority was not less than 17,000—in 1838 it was reduced to 10,000 and at the recent election it has dwindled down to less than three thousand!

If the election of members of congress had taken place this year, the delegation would have consisted of 24 democrats and 16 federalists, instead of 19 democrats and 21 federalists. In five congressional districts, where the federalists carried their candidates last year, the democrats are now in the ascendancy.

The New York Courier and Enquirer of Saturday says, "Since the suspension south of us, the Philadelphia Transportation Line has, on each and every day brought specie amounting on an average to at least 30,000 dollars." On Friday 60,000 dollars in specie arrived in that city by the same line, and the dealers in the article are said to deposit more than they sell. It appears from this that about a million of dollars in specie have been taken from Philadelphia to New York since the suspension.

clare dividends, and we presume, will be consistent in such a course while the suspension lasts. Those, who with the prohibitory injunctions of un repealed statutes staring them in the face, from motives of cupidity and the love of "filthy lucre," have yet ventured to disregard them, can scarcely expect the leniency of an Executive and Legislature, pledged to a faithful administration of the laws, and coming into office with an unflinching determination, that their dignity and power shall at all hazards be scrupulously maintained.

4. A step, equal in importance to any that has been suggested, would unquestionably be the appointment of BANK COMMISSIONERS, either three or five in number. These should be clothed with ample powers, to institute, at all times, a thorough re-search into the condition of all our banking institutions, with a view to ascertain their solvency or insolvency. Prudence will dictate that they should be men of enlarged views, great practical experience and undoubted integrity of character. The state of New York has long since appointed such a supervisory power and if the weathering of the storm by the banks there, while our own have necessarily yielded, proves any thing, the efficacy of such a power is abundantly tested. We have not at hand the law creating this board of commissioners in our sister state, to ascertain precisely the powers invested and duties imposed, but do not doubt that much salutary and essential information may be derived from it. There, however, the power of appointment is conferred by law upon the Governor, subject to the action of Senate, which we think would at this time in Pennsylvania constitute a safe depository. Petitions praying the Legislature for the creation by law such a board of commissioners, are extensively in circulation, and the prevailing sentiment clearly indicates, that the community looks to our lawgivers for the adoption of a measure so confessedly salutary.

We present these crude suggestions, not because they aspire to any novelty, but because we believe them to embody such reforms in our banking system, as the public exigency imperatively demands. There may be, and unquestionably are numerous other changes of an essential character, which the superior experience of the Legislature will perhaps devise and adopt. Time must develop these.—Ad interim, we may be permitted to express it as our firm conviction, that the action of the Democratic members, who compose the majority, will be of a character to promote the interests and integrity of the commonwealth and maintain the "Supremacy of the Laws.—Keystone.

To show the opinions held in other states in regard to currency, we publish the following from the "Charleston Mercury," one of the most talented papers in the Union. It will be seen that light is shining in all directions.

SPECIE AND PAPER.

There could not be a more fitting than the present to notice the following important distinction between two currencies.—If we had an entire specie circulation, the foreign balance against us in any one year would be settled out of that which constituted the whole circulated, and the pressure would be to the precise extent of the foreign demand and no more. The effect would be palpable and instantaneous, having its correction at hand in check of speculative business and the proportionate reduction of prices. With a paper currency, the foreign balance, on the contrary, is drawn, the basis of that circulation.

Suppose that our circulation consisted of \$120,000,000 of specie, and that from excessive importation or debt there were a balance of ten millions in cash to be paid abroad; it would abstract one twelfth of the circulation and naturally diminish prices 8 1-3 per cent., equal to a fall of about one cent a pound in cotton at its common price. On the other hand let the circulation consist of \$120,000,000 of paper, resting on the "safe proportion" of 1-3, or 1-4, 1-5 of that amount of specie; abstract from this basis ten millions and you take away from the foundation from thirty, forty, or fifty millions of paper, according to the degree of the expansion. One of the two effects must follow; either that the circulation should be circulated to that ruinous extent, or that the banks overwhelmed with distrust and assailed by panic, should suspend specie payments. Within two years, we have now seen two suspensions of specie payments, produced by a foreign demand not probably exceeding the sum supposed above.

Now we take the other side of the picture. Suppose the balance in our favor and specie to flow in from abroad. With a metallic currency, the circulation would be increased only to the precise amount imported, and of course prices would rise and speculation be promoted only to that extent. With a paper currency, the addition of ten millions in our stock of specie, is giving a basis to the issue of 3, 4, or 5 times that amount of paper. The fluctuations, therefore, of a paper circulation are from three to five times as great as of a specie circulation, unless we admit as an established part of the system, that banks may suspend whenever the balance of trade is against us.

We shall consider in another article whether such suspension has not a still more ruinous effect upon prices, upon industry, and upon national and individual credit and

estimate of it, than first impression only supply.

It may be proper for me to add, that I feel extremely unwilling to incur the public expense, and to put the members of the legislature to the personal inconvenience of attending an extra-session, unless such measures be demanded by the most imperious requisitions of official duty. For the reason above stated I do not conceive it to be an occasion calling on me to adopt this course, and I must therefore, with the utmost respect for my fellow citizens of York who composed this meeting, decline to acquiesce in its well-meant suggestions.

I am with great respect,
Your humble servant,
DAVID R. PORTER

From the Keystone.
BANK REFORM.

Whatever diversity of opinion may pervade the community as to the immediate causes which have led to a second suspension of specie payments by the banks, there cannot in our opinion exist any difference of sentiment as to the imperative necessity of engrafting new, salutary and essential reforms upon the system of banking in this State. Experience and time, those unerring arbiters of all human arrangements, have conclusively demonstrated its radical imperfection, and admonish us most loudly to apply such remedies as the necessity of the case demands. So long as the system shall remain in statu quo, so long as new safeguards are not thrown around the interests and well-being of the community, and so long as additional and important restrictions are not imposed upon banks and bankers, the spirit of cupidity and the "ruling passion" of speculation will inevitably lay waste our fairest prospects, and we will strive in vain to extricate ourselves from the difficulties in which we are floundering. To rest upon our oars now, at a crisis such as this, without effecting or attempting, or ever proposing a change for the better, would be to "sin against light" and approximate to criminal indifference. Among the reforms most loudly called for by the public interests, we will specify a few, perhaps the most important.

1. The passage of such laws as will increase the liabilities of stockholders and effectually secure the interest of the note-holders.—It would be superfluous to adduce reasons in support of a reform so confessedly salutary and wise, so loudly called for by every expression of the public sentiment, THE SECURITY OF THE BILL-HOLDER, we take it, should be the leading and paramount feature in the organization of a banking institution, and, without such assurance engrafted in emphatic terms upon its charter, the community is right in characterizing the issue of paper "promises to pay" as a vile and insufferable FRAUD upon them. As the legislature have it in their power to remodel, alter and amend all bank charters within the limits of the state, it is to be hoped, that they will introduce a clause engrafting this salutary consumation into each and all of them.

2. The restriction of bank issues to a specific limit not exceeding double or treble the amount of capital paid in. It cannot be controverted, that the great and fundamental error in the management of our banking institutions, is their almost unlimited over-issue, transcending the boundaries of care and prudence, and often exceeding the amount of specie in their vaults as fifteen to one. To the wildness and excess of all our banking institutions in this particular may be traced many, of not all, the alarming evils that have been inflicted upon the community. An over-issue of paper money, such as we have periodically experienced, of necessity produces a redundancy of currency, besides begetting in the public mind an inflated sense of prosperity which the "sober second thought" invariably dispels. The result uniformly has been, and always will be, a speedy fall from their alms of visionary prosperity, into all the coldness of sober reality. The transition invariably leaves public affairs in the lamentable condition we now find them.—The certain and unavoidable effect of these enormous issues of bank paper is to banish all specie from circulation, and render paper, instead of the precious metals, the circulating medium of the country. One of the first steps of the Legislature, should therefore be, the PREVENTION OF OVER ISSUES, whereby much of the fluctuation and "state of glorious uncertainty" we now experience will cease, and the public be protected against the worst of evils, a depreciated and in many instances wholly worthless paper currency.

3. We cordially concur in the deprecations already so extensively manifested by our contemporaries, of the lawless course pursued by the banks in declaring and dividing dividends, during the period when they refuse the redemption of their paper promises. At such a juncture "NO DIVIDENDS" should be written in starting capitals above the tables of the money changers. This is a doctrine so entirely based on the immutable principles of JUSTICE, and a contrary course would be so diametrically opposed to every consideration of right, that the rigid enforcement of the law against all who violate its wholesome and salutary provisions cannot be too earnestly pressed. A number of our banking institutions, acting upon these considerations, we have been pleased to observe, have declined, at their recent meeting to de-

whence his knowledge came holds, peace and maintains the deception.

It may be said, that it is no consequence whence education comes, provided it comes at all. That may be very true; but it is a reason why we should spend money a good time in not being educated, nor is every one inclined to exert himself in solitude to this end; still less, to commence the acquisition, of what he is sensible he ought to have acquired in youth late in life, when he is generally called on to act, and has no longer time to learn. If, as all are agreed we must apply ourselves in youth to acquire knowledge, because it is difficult to form the necessary habits afterwards, it is essential that the knowledge to be gained should be useful knowledge. It is said that the practice of laboring at Greek and Latin, produces its effect in giving the general habit of industry in learning, and in cultivating the attention, the memory, the taste, and what not. That is, as if the man who is to live by rope dancing were to labor for the instruction at the anvil. The same labor in modern languages will confer the knowledge and the habit both; the memory the attention, and the taste, may be cultivated by useful, as well as useless knowledge and thus two objects are attained by one effort. He who means to raise cabbages does not plant pine-apples.

POLITICAL.

Below we give the dignified and excellent reply of Governor Porter to a call made upon him by a meeting held in York, without distinction of party, for an earlier meeting of the Legislature than the time fixed by law, accompanied by the suggestion that he recommend the Legislature to authorize the the issuing of certificates of loan of one, two and three dollars.

HUNTINGTON, Oct. 31st, 1839—
To Messrs. Jacob Spangler, Jacob B. Wentz and Israel Gartner.
Gentlemen.

I have been honored with the receipt of your letter of the 21st inst. enclosing the the resolutions adopted at a public meeting held by the citizens of the Borough of York, on the 16th of October. The two principal resolutions are 1st, that the Governor be respectfully requested to convene the Legislature at an early day, and 2d, that this meeting respectfully suggest to his excellency the propriety of recommending to the legislature the creation of a state debt of two millions of dollars, bearing an interest of two per cent., per anm; and that the banks of the commonwealth be permitted to issue notes of the denomination one, two and three dollars, to the amount of said loan taken by them.

The high respect I entertain for the gentlemen composing this meeting, some of whom have been long known and honored with places of trust and confidence by their fellow citizens, has induced me to give to their recommendations and suggestions the most careful and deliberate consideration.

I am deeply impressed with the difficulties in all our financial operations produced by the sudden and unexpected suspension of specie payments by the banks. It cannot be doubted or denied, that the act on the part of these institutions, connected with the recent occurrences of a similar kind has not only disturbed and deranged our momentary condition, but has shaken in no slight degree, the confidence of the people in the banking system itself, or at least, in the manner in which its operations have been conducted. Unhappily the weight of immediate embarrassment has mainly fallen on the poor and the industrious—the individuals least able to bear it while those persons possessed either of credit or of money, have been subject to little real inconvenience. In this state of things, I feel as anxious as any citizen can feel, to extend all the aid in my power to those who endure the hardships of our present situation. I cannot however bring my mind to the conclusion, that this object would be promoted by convening the legislature earlier than the period fixed by the constitution. On a subject so vitally important to the people as that of the currency, crude and hasty legislation, should be sedulously avoided. Experience alone is a safe guide. It would be almost impossible to find an instance in the history of governments, where sound and salutary laws have had their origin in panics and agitations. When legislators take counsel from excitement or apprehension, reason and experience are seldom consulted. Temporary expedients are resorted to, which are as likely in the ultimate tendency to increase the evil complained, as to correct it,—and in the end, the same work remains to be done, that might have been accomplished upon due reflection at the beginning. These principles are so plain and obvious, that perhaps no person can be found in the community to controvert them—and they have been and will continue to be, the principles by which my course is regulated.

Without entering into the details of the mode pointed out in your resolutions or if any other mode suggested to supply the existing deficiency of small change, it will be enough to remark that the suspension of specie payments is so recent—the inconvenience we suffer so little understood, and so dependent on fluctuating circumstances as to render it extremely difficult if not altogether impracticable, to form any other