

THE JOURNAL.

"ONE COUNTRY, ONE CONSTITUTION, ONE DESTINY."

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TERMS

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AGENTS.

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Interesting Correspondence.

HUNTINGDON, June 23, 1840.

James M. Bell, Esq.

The undersigned citizens of our borough, feeling anxious to render you their thanks for the able and independent course pursued by you in the Hall of the Senate in behalf of themselves, as well as the great body of your constituents; earnestly request the honor of your company at a dinner of the 4th of July.

In doing so, they seek not to offer you any of the falson adulation of partisans, but simply to show you their gratitude for your faithful and fearless course. He whose conscience tells him he has done his duty needs not the praise of party spirit. He who has shown himself the Representative of the whole People, and not of party, merits, and should receive the thanks of all.

We wish to meet you, thus publicly, that we may say in public, what we say in private, that your duty has been honestly and faithfully performed. You will except from us the consideration of our highest esteem.

J. G. Miles, Thos Fisher, John McCahan, Daniel Africa, Jacob Miller, G. Jackson and others.

HUNTINGDON, June 29th, 1840.

To Messrs. J. Geo. Miles, Thomas Fisher, John McCahan, Daniel Africa, Jacob Miller, George Jackson, and others.

GENTLEMEN:—

I have received your communication of the 23d instant, expressing your approbation of my Legislative course of conduct, and inviting me to attend a dinner in this place on the 4th of July next; for which favorable expression of your opinions and feelings, I return you my thanks.

In forming an opinion and coming to a conclusion in regard to the conduct of any particular member, or of the whole of the members as a body, it should always be borne in mind, that the sessions of our Legislature commencing in January last and ending during the present month, were held under circumstances, and a situation of things, positive and relative, the most difficult, the most perplexing, and the most momentous, as regards the interests and prosperity of our State, of any which were ever held in Pennsylvania, excepting only those held during the period of our revolution. That under such circumstances, any member, or members, or any other person, whatever his situation may be, should have come to an erroneous conclusion, and erred in judgment and in action, seems to me, from an enlightened and generous people, to call rather for charitable forbearance of condemnation, than general, indiscriminate and wholesale denunciation. For myself, I will not presume to say or think, that what I have done, the course I have pursued, and what I wished to have done, was the best that could have been done, or proposed under the existing state of things; but I can truly say, that notwithstanding whatever errors or failings, induced by the force of surrounding circumstances, or constitutional temperament, I may have committed or fallen into, that in what I have done, and desired to effect

in my legislative capacity, I have been influenced, governed and impelled by the wish, single and alone, of advancing the permanent and substantial interests of my native State, and of promoting the welfare and happiness of all the people within it, according to the best of my judgment and abilities, and to effect those desirable objects I have used and exerted all the mind, industry and powers which have fallen to my lot.

In the present position of affairs, it may not be deemed amiss, nor the time and occasion inappropriate, as I intend declining the honour of the dinner you propose, if I should, as briefly as I can and the nature of the subjects will admit of, state the views I hold, and the opinions I have been influenced by, in regard to some of the more prominent matters which the last Legislature were called on to consider, and required to decide.

Foremost among those, and indeed, that upon which all the others depended was the question of the currency. All agreed that our monetary affairs were in a most deplorable condition, and that something must be done to remedy them. All agreed that in order to apply a remedy properly and judiciously, it was necessary correctly to understand the cause or causes of their present situation. But on this subject, when they came to be assigned and expressed by different individuals, as well in and out of the Legislature, they were as different and numerous, all their various shades being considered, as there were individuals to express them. This is not at all surprising when it is considered, that it is a subject which is connected and intimately intermingled with, and influences every transaction in life, and that each person will view it through a medium differing from that of all others. It would be an impossible and useless task to attempt to enumerate those different opinions.

They may be exemplified by each person reflecting and clearly fixing in his own mind what his own opinion is, (a thing by the bye, which not one third of those who talk most on this subject, and complain loudest ever have done, or ever will do,) and then take it for granted that every other person in the known world, in a greater or less degree, differs from him. My opinion on this subject is, that the person who attributes our present situation in reference to money matters to any one cause alone, is in error.—That the present result is produced by a combination of causes, many of them very different in their character, but all tending to the same point. In the first place, and one among the principle causes of our present situation is this;—we are literally and emphatically a go-ahead people, possessing, and constitutionally imbued with more enterprise and energy of character, than any other nation on the globe. This national characteristic has its advantages and uses, and very great and beneficial they are, especially in a new country like ours, the resources and capabilities of which are as yet, but partially developed. But it has its corresponding disadvantage—that of causing us occasionally to overstep the bounds of prudence in business matters, of which money is the principal ingredient. While this energy of character induces us to grapple with, and enables us to overcome difficulties, which those possessing less of this quality would utterly shrink from, it at the same time renders us heedless of those causes and their consequences, which do not attract our attention, and cause us to feel their pressure onerously at their commencement, and which alone become of vital importance, and arrive at such a point as imperiously calls our attention to them, by reason of their progressive accumulation during a series of years. Looking back, this point seems to be arrived at by us at once, at least, in about every twenty years. For the last five or six years, or more, we have bought more than we sold, we have bought much more than we paid for. This can only be remedied by our buying for a number of years, less than we sell. For the last three or four years especially, during which there has been a pressure in the money market of Europe, more particularly of England, the merchants and manufacturers of that country being pressed to large orders, not content with filling the large orders of our merchants, have sent in to us very large amounts of goods to sell on their own account at auction; and our citizens led away by the inducement and temptation of getting them, on time, for less than they were customarily sold at, have incautiously and without reflecting on the consequences, purchased, when they did not need them. I know it is the fashion, the custom with many to blame all this on the banks. But in my opinion this is doing injustice to the banks, and is not in accordance with the truth. For I believe the banks are as much if not more influenced by the opinions and actions of the people surrounding them, I have no immediate and direct interest in them, as the people are by the banks.

No doubt the banks, or rather the persons conducting them have their share of blame and imprudence to answer for, as well as the residue of the people. But the truth is, in my judgment, our present difficulties, to a great extent, have their origin in that go-ahead principle to which I have alluded, which seems to be so deeply engrafted in our natures. And the fashionable clamour which charges all the evils with which we are beset on the banks alone, has its origin in another principle inherent in our nature, that is; that when the evil day comes upon us, we are disposed to blame every other person and thing, rather than admit that we ought to take any share of the blame to ourselves. If what I have last stated be not correct, how comes it, that we often see the inhabitants of a section of country, distant from any bank, applying for, and anxiously endeavoring to obtain a bank for themselves? Surely no person will pretend that any existing bank would urge or induce people so situated, to establish a new bank, and thereby restrict or prevent the circulation of its own paper in that section. Another of the causes which have tended in some degree to produce the present state of things, is, that within about three years there has been, beyond the ordinary amount of such casualties, destroyed by fire in our principal sea port towns property to at least the value of from thirty to fifty millions of dollars. So great a destruction of property in so short a time could not take place, without eventually producing some perceptibly unfavorable effect. Another is, that for the last two years previous to 1839, the principal article of export from Pennsylvania to foreign countries, grain, failed, and instead of exporting we had to import it. And another among the many combined causes producing the present state of things, which is the last I shall now mention, though I do not according to my judgment, by any means, consider it among the least, has been the action of the General Government of late years, and its interference with and in regard to, the currency of the country, ostensibly avowing its object to be, the bettering of that currency. I do not say this in the way of, or with the view to controversy; nor by way of taunt; but from the most solemn and deliberate conviction, after the fullest reflection, of its truth. Nor do I say this with the view of raising or discussing the question, whether the late and present Executive of the General Government have in their course of action, or rather courses of action, which have been at different times respectively pursued by them been induced thereto by any objects of a sinister character, or were other than those they have ostensibly avowed. But it seems to me that the results and consequences justify this conclusion. And when it is considered that it is admitted by all, at least by all who have any correct understanding of the subject, that the currency, especially in such a nation as ours, composed of different governments, to a great extent independent of each other, is of all others the most intricate, delicate and difficult to arrange and properly regulate.—That it is generally conceded that it is doubtful whether a man of the most capacious and powerful mind, although his attention be exclusively devoted to the subject, can fully and correctly understand it, in all its bearings, and foresee, and provide against, the, to him, unforeseen contingencies, which may influence it.—That it is not pretended that either the late or present Executive of the General Government, in the course of their busy lives in other pursuits, ever turned their attention to it, any considerable extent. Can it be supposed, is it likely, that they or either of them while pressed at all times with the cares of State, could mark out a new course on this perplexing question, radically change the existing state of things, and that too with but little, if any, preliminary preparation, even though actuated by the purest and best intentions, without in all probability rendering whatever there was of evil, worse, and that which might possibly be complicated and confused, still worse confounded? So acting, under such circumstances, if they did not, it would be the merest accident, and almost a miracle.

One assertion very commonly made, and promulgated with an untiring zeal and industry worthy of a better cause, by the particular favorites and especial friends of the present and late administrations of the General Government, I feel compelled here to notice;—that is, "That the reason the people cannot get specie, is, that the banks have it all or nearly all hoarded up, in their vaults, and under their own control, and are unwilling to give it out to the people of the country." This, so far from being the truth, is directly the reverse of it. And that this assertion instead of being true, is directly contrary to the truth, can be readily perceived by any one who will take the trouble to reflect on the subject.

We can and do derive whatever specie there may be in the country at any time, from two sources alone: 1st, What is coined at the several mints in the nation; and 2nd, What is imported from foreign countries. No one I presume will pretend that the General Government, which alone has control of what is coined at the mints, being as much opposed to banks as it is pretended they are, take the specie as soon as soon as it is coined at the mints, and place it in the banks,—in what those especial friends are pleased to call "chartered monopolies destitute of a soul," to keep it from the people. That is not to be presumed, and is not pretended. The General Government then has the complete and sole control, direction and disbursement of all the specie coined at the mints. It is paid out to members of Congress, officers of Government, and it is fair to presume, some of it to those especial friends, for their disinterested clamour against the banks, in payment of their claims, while other less faithful, and therefore less favored creditors are put off with, and are fain to get and be content with "the filthy rags." This specie thus obtained by those persons is sold by them to the brokers at a premium of 5.8 or 10 per cent., or whatever the premium at the time may be, who again sell it, to merchants to ship off to Europe or China for the payment of goods; or to pay for duties on imports, for public lands, or postages. So well is this known, and so perfectly understood, that there have been Signs in Washington city stating, "The highest price will be given here, to members of Congress and officers of Government for what gold they may receive." And a similar notice was given, as an advertisement, in the official paper in that city for a short time. It is perfectly obvious that the banks never will procure the specie of the country, by purchasing it at a premium, because it is directly against their interest to do so, unless where they are compelled to procure it, to pay out again in discharge of liabilities they are forced to pay. And it is likewise obvious that no man will pay a debt due by him to a bank, at least not one of any considerable amount, in specie, especially when he can sell that specie to a broker at a premium and get the notes of the bank, or those of others, which will answer his purpose equally as well in payment of his debt to the bank. Again, of late years the General Government has required the payment of all duties on imports, all purchases of public lands, and all or nearly all postages to be paid in specie, or the notes of specie paying banks. The payment of all which, it will readily be perceived, will require and absorb a very large proportion of our specie, whether imported into or coined in the country. All this large amount of the specie in the country is thus again placed under the control and direction of the General Government.

On the other hand it is manifest, that the Banks never can, and never will, hoard up specie for the mere sake of hoarding it up, because it is directly contrary to their interests to do so; and I can hardly think that even those especial and pretended disinterested friends of the General Government, to whom I have alluded, will pretend that those institutions—"soulless monsters," as they are pleased to call them, though they be, would do that which was against their own interests. It never can be, and never is, the interest of any Bank to keep—to hoard up more specie in its vaults than will be sufficient to meet the current demands for specie of the country in which it is located. Whatever amount any Bank has beyond this, is a dead loss to it;—no interest accrues on, and no benefit is derived from it. And it therefore follows as a natural consequence that no Bank ever will close its vaults and refuse its specie to the people of the country, in which it is located, except to prevent the exportation of that specie to foreign countries. What would be our situation if a large proportion of our specie which furnishes the basis of our circulation were withdrawn from the country altogether? All can see and understand it.

All these things being considered, no disinterested, intelligent and candid man, wishing to ascertain the truth, can doubt, but that the General Government and its different officers have the possession, the control, and the direction of much the larger portion of the specie of the country; and that if the common people of the country do not get a proper proportion of this specie, that the General Government and its officers are principally, if not alone to blame. The General Government and its officers ought not to, (though no doubt they will), complain at being so blamed, when the promises of that General Government and its officers, while "the currency was being bettered," are recollected,—that specie—the "yellow boys" should shortly ascend our streams, and descend upon the yeomanry of the country in golden showers. The truth is the more intelligent of those especial friends of the General Government when they

make the assertion to which I have alluded, perfectly well understand that it is only one of the many "humbugs," "gull-traps," and "gilded hooks" which are to be used to catch the Gudgeons.

But whether I am correct in supposing what I have stated to be among the prominent causes producing the present state of things, I will turn to what was admitted to be our situation at the meeting of the Legislature in January last, and was done, and proposed to be done in that Legislature. Our Banks had suspended specie payments in the previous October. It was admitted that the people of the U. States were indebted to Europe, principally to England somewhere from 60 to 100 millions of dollars, independent of the debts due by the States, the interest on nearly all of which had to be paid in Europe;—being an amount of foreign indebtedness, (without including the principal of the debts due by the States), about equal to the whole estimated amount of specie in the United States. The people and institutions of Pennsylvania owed their full proportion of this foreign debt. It had been contracted in the manner I have stated. The goods for which it had been created had been sold by our citizens to the citizens of the South, the South West and the West, who, their monetary affairs being in a still worse and more embarrassed condition than ours were, and those goods remained unpaid for, could not pay for them at the present, nor for some time to come, but who it was expected and hoped, if a reasonable time was allowed, would be enabled to pay at least a considerable portion of their indebtedness in produce, which would be equally as valuable and available as specie for the payment of our foreign debt. The people of Pennsylvania, it was admitted on all hands were abundantly able to pay all the debts due by them, if they could but get but a portion, a moiety of the debts due to them by others.

In this state of things what would have been the result and consequences of compelling an immediate resumption of specie payments by the Banks? The result is obvious. Every dollar of specie in our Banks would have been immediately drawn out of them by the British and other European agents resident in New York, Boston, and the other commercial cities of the North and East, and forthwith shipped to Europe in payment of this foreign debt, which they to a great extent had created, as I have before stated, by forcing in upon us their goods, and inducing our citizens to purchase them by the temptation of offering them, on time, at a less price than usual. This having been done, our Banks would have been compelled to call upon our citizens for what was due from them, which would have compelled the payment of all, or nearly all, the specie among our citizens in the country, into our Banks,—to be again swept out of them by a similar process into this vortex of foreign debt. The consequences of which will be but too well understood by every reflecting mind, and need not be described at length. For whose benefit, I again ask, would all this, producing one general scene of wide spread ruin and distress among our citizens, have been? Not certainly for the citizens of our own State. Not even for the citizens of our sister States. But for the benefit of those British and other foreign merchants and manufacturers who had created this indebtedness, to a very great extent by forcing their goods in upon us, as I have previously stated, thereby in effect creating our citizens, their factors to sell those goods to the people of the South, the South West & West, and then calling upon us for the payment in specie, before it could be obtained, or its equivalent value in produce, from those to whom they were sold. If the Legislature had compelled during last winter, the immediate resumption of specie payments by our Banks, I firmly believe, that not one dollar of the specie in them would have been gotten and retained by the people of Pennsylvania, and not only that, but what little specie there was among the people of the country would have been eventually drained from them, except, perhaps, here and there a single dollar, solitary and alone, mourning the departure of its likenesses.

While on the other hand by pursuing a contrary course, and giving to our Banks a reasonable time to prepare for resumption, there was reasonable ground to hope and believe, that our institutions and citizens warned and awakened by the desperation of their present situation, would be rendered more prudent and economical, for a time at least, and during this period would be enabled by means of produce and the collection of debts due to them from others, to pay off a considerable portion of their foreign indebtedness, and arrange to avoid a demand in specie for the residue, or the greater part of it; thereby saving and keeping within our own borders and limits, in our own Banks and among the people of the country, at least a considerable portion of what specie we now have, subject to our own control, and for our own use.

What was done by the Legislature on this subject is already known to you. That resolutions were introduced into the Senate by myself, which became a law, providing that the Banks should resume specie payments on the 15th. of January next;—that if any Bank within the Commonwealth after that date should refuse to pay any of its liabilities in gold or silver, on proof being made of the fact before any President Judge at the expiration of ten days from the period of refusal, and the money being then unpaid, the charter of such Bank should be absolutely forfeited on this proof being filed, (which the Judge is forthwith required to do), among the records of the county of which he is a Judge; and that the fals swearing by any officer of a Bank in relation to any of the statements required to be made by law of the situation of the Bank, should be punished as perjury, by confinement in the Penitentiary, not less than one, nor more than six years.

It will readily be conceived that no one person would be successful in getting enacted into laws, all the propositions which he believed would be beneficial for the regulation of our Banks and currency. Such was the case, as regards myself. While acting as one of the committee of conference on the Bill previously before the Senate for the regulating of the Banks, I had drawn up a Bill, which, in addition to the foregoing provisions, provided:

1st. That from and after the 15th of January next each Bank within the Commonwealth should take and receive, at par, in payment of any debt or debts due and owing to it, the notes of all the other chartered and specie-paying Banks of the Commonwealth.

2nd. Prohibiting the several Banks of the Commonwealth under the penalty of the forfeiture of their several charters, to be declared forfeited as above named, from issuing after the passage of the act, any note or notes in the form or similitude of Bank notes, or otherwise, payable at a future day, usually denominated Post notes.

3d. That the making of any loan by any Bank in the Commonwealth on the security, direct or collateral, of any stock or stocks whatever, or engagements or obligations in the nature of stocks, should be a forfeiture of its charter, to be declared forfeited as before mentioned.

4th. Prohibiting the Banks of the Commonwealth from making directly or indirectly any loan to, or for the use of any person ostensibly engaged in the business of a note or money Broker.

5th. Prohibiting the Banks of the Commonwealth from purchasing and holding any Bank or other stock, except the stock or loans of this Commonwealth, or of the United States, under the penalty of forfeiting a sum equal to the amount thereof.

6th. Prohibiting the Banks from loaning to or for the use of their directors beyond a certain proportionate amount, in the aggregate, of their several capital stocks actually paid in, graduated from not exceeding twenty-five per cent of the capital stock, when not exceeding \$300,000, to not exceeding two and a half per cent of the capital stock when it exceeded \$2,500,000, and requiring the aggregate amount loaned to directors to be stated in the quarterly statements made by each Bank.

And 7th. Provisions to prevent fraudulent or improper conduct or operations by the officers of the Banks, and to prevent the evasion of the foregoing provisions, of such a character as would have rendered it utterly impracticable that such things could take place, without immediate exposure. Together with other provisions of a minor character. To procure the adoption of these provisions by the Committee of Conference, in addition to the resolutions alluded to, I exerted myself to the utmost extent. And I do firmly and truly believe that they would have been adopted, and would now be the law of the land, if it had not been for a power and influence from beyond the limits of this State, which was brought to bear on the Committee of Conference, and Legislature, some time after the Committee of Conference was appointed. I do not say this unadvisedly, but from facts and circumstances within my own knowledge. Aided by this influence, that portion of the Legislature, which in my opinion went for ultra—destructive measures, were enabled to prevent the adoption of those provisions, unless the period for resumption was fixed in the middle of the fall business, (during the spring and fall business seasons being the worst, an most injurious to the community of all possible periods to fix for the time of resumption,) and just before the fall elections to answer the purposes and advance the interests of a particular political party, and without additional provisions were added, which according to my judgment, went to destroy the objects they professed to regulate, and others which were clearly unconstitutional. I for my part, having never had any immediate interest, direct or indirect, in any Bank, laying