

REPORT

Of the President and Directors of the Literary Fund.

Presented to the Honorable the General Assembly of the State of N. Carolina.

The President and Directors of the Literary Fund, in obedience to the duty imposed upon them by law, respectfully submit the following report:

The receipts of this corporation for the year ending on the first of November last, have been, the amount transferred from the Agricultural Fund in February, 1827, in pursuance of an act passed in 1825, \$8,041 92 1/2

Table with 2 columns: Description of receipts and Amount. Includes items like 'Dividend on Newbern Bank Stock', 'Do. on Cape Fear Bank Stock', 'Do. from Cape Fear Navigation Company', 'Tavern Tax for 1827', 'Action Tax', 'Land Entries', 'Dividend on 5 Shares of State Bank Stock', 'Literary Fund in June, 1827'.

Adding to this the amount due the fund on the first day of November, 1826, as heretofore reported, 12,304 95 1/2

Making an aggregate of \$36,007 3 1/2 of this amount there have been expended and appropriated, for the purchase of a blank book to keep the accounts, 5 50

Leaving a balance belonging to the Literary Fund on the 1st Nov. 1827, of 28,201 82 1/2

At a meeting of the Board on the 11th of February, 1827, the Treasurer was directed to invest the amount then belonging to the fund in Stock of the different banks of this State, at certain rates designated by the Board.

By an act of the General Assembly passed in the year 1825, the President and Directors of the Literary Fund were authorized to raise by way of Lottery, the sum of fifty thousand dollars; one half of which was to constitute a part of the Literary Fund.

The Board having no further recommendations, and no other general views to present at this time to your honorable body, might here close their report. But they feel constrained, by a sense of duty to themselves, and of sincere respect for those, under whom they hold their appointments, to advert to the unfortunate misapprehension which prevails among some members of your honorable body, as to the manner in which the duty of this Board has been heretofore performed.

The Board believe, that a little reflection will convince every one, that none of these propositions are well founded. 1st. As to the loss of the fund set apart for common schools. Whether a loss has been sustained by any part of this fund or not, as it was mixed in the hands of the Public Treasurer with the general funds of the State, can only be determined by ascertaining when the defalcation in the Treasury occurred, and when the sums appropriated to the Literary Fund came into the possession of the Treasurer?

well founded. 1st. As to the loss of the fund set apart for common schools. Whether a loss has been sustained by any part of this fund or not, as it was mixed in the hands of the Public Treasurer with the general funds of the State, can only be determined by ascertaining when the defalcation in the Treasury occurred, and when the sums appropriated to the Literary Fund came into the possession of the Treasurer?

They confidently, however, judge the hope that this deficiency is merely temporary, and that the State will sustain no ultimate loss in any of its funds. Other views might be presented on this subject, which the Board, for the sake of brevity, forbear to urge; and they therefore proceed to remark upon the second proposition, that they ought to have taken bond from the person to whom they entrusted the monies appropriated to the Literary Fund.

For this purpose, and this alone, the Board believe they were constituted the special agents of the State. Would they not have been justly censurable, if, because the legal right to this fund was vested in them, for the sake of its more convenient management, they had withdrawn it from the hands of the person to whom was confided, by the choice of the immediate representatives of the people, the custody of the public money of the State, and had taken it into their own possession, or had given it in charge to one appointed by themselves and responsible only to them?

As to the 3rd proposition, even if it were true in principle, the Board cannot understand how it is to affect them. If the true construction of the act of 1825 be, as they have endeavored respectfully to show, that they had no authority to draw this fund from the Treasury, into which it most originally be paid; but for the purpose of vesting it in stock, it must necessarily remain in the hands of the Treasurer, as Public Treasurer, until such investment is made or directed by them.

If the Legislature, whose province it is, have failed to make it a condition of his bond, that he should account for this money, they, and not the Board, who had no authority to require any bond, are responsible. But as the Board believe the opinion here alluded to, to be erroneous, they briefly state that according to their views, the money appropriated to this corporation must be received into the Public Treasury, and there kept until this Board, in their discretion, shall direct its investment: that the duty of safely keeping this money is as strongly enjoined by law upon the Public Treasurer as that of keeping any other money of the State; that the condition of the bond of the Public Treasurer, as prescribed by the act of 1801, is, that he shall faithfully account for the public money and perform the several duties appertaining to his office as Public Treasurer; that the duty of keeping the Literary Fund was one imposed upon him in his official capacity as Public Treasurer; and that even if the bond of this officer had been given before such duty was assigned, yet it has been determined by the Supreme Court, that where a public officer gives bond for the faithful discharge of his duties, the condition embraces future duties, which may be superadded by the Legislature.

The Board will prolong their report no further than to express their deep regret that this exposition of their views should have been rendered necessary, and to offer as an apology for the late period at which this communication is made, the long vacancy that existed in the Treasury Department, and the pressing duties which have devolved on the present incumbent since his appointment to that office.

They have the honor to be, With the highest consideration, Your obedient servant, JA. IREDELL, President of the Literary Fund.

Raleigh, 5th Jan. 1828. A brief view of what the condition of the Treasury of this State will probably be on the 1st July, 1828, and the 1st Nov. 1828.

Table with 2 columns: Description of Treasury items and Amount. Includes 'Deposites in bank, Dec. 1827', 'In the Bank of Newbern', 'In the State Bank', 'In the Bank of Cape Fear', 'In Bank Notes', 'In Treasury Notes fit for circulation', 'Bank Dividends receivable Dec. 1827', 'In the State Bank', 'In the Newbern Bank', 'In the Cape Fear Bank', 'In St. Bank (Literary Fund)', 'Dividend on part of this Stock of June, 1827', 'The Dividends on Stock of June, is estimated to be about the same as of Dec. 1827', 'Supposed receipts for vacant lands, 1828', 'Supposed do. Cherokee Lands', 'Two Dividends of Cape-Fear Nav. Co.', 'Receipts up to 1st July, 1828', 'General Statement of the Treasury as to probable receipts and Expenditures up to the 1st July, 1828', 'General Receipts'.

Probable Disbursements to 1st July, 1828.

Table with 2 columns: Item and Amount. Includes '1. Legislature', '2. Executive Department', '3. State do.', '4. Treasury do.', '5. Comptroller's do.', '6. Adjutant General', '7. Public Printer', '8. Judiciary', '9. Bal. Buncombe Turn. Co.', '10. Div. on deferred St. Bank Stock', '11. Prisons', '12. Geological Survey', '13. Supposed appropriation to be made for the sale and finishing the survey of Cherokee Lands', '14. Other contingent expenses to July, 1828'.

Deduct for cash paid for disbursements since 1st Nov. 1827, to 1st January, 1828, including salaries to the Judiciary for the last fall and all arrearages, 8,000 00

Deduct other appropriations this season. 1. Extra printing supposed to be \$250, 2. Other charges, 500, 3. Cape Fear appropriation, 6,230

Supposed to be in the Treasury, 1st July, 1828, 55,111 83

To be applied to the use of Internal Improvements of the Literary Fund. Balance supposed to be in the Treasury, 1st July, 1828, 55,111 83

Probable receipts after 1st July & before 1st Nov. 1828. 1. From Sheriffs for taxes, \$67,000, 2. Auctioneers tax, 450, 3. Tax on Newbern Bank, 6,537, 4. Do. on Cape Fear, do. 5,938

Deduct from this amount the half year's expense for Civil List from July to Nov. 1828, 24,537

Balance in the Treasury, 1st Nov. 1828, 110,299 83

Of this amount there is appropriated for Literary fund, 38,245 50

Of this amount appropriated for Internal Improvement, 40,451 00

In both funds on 1st Nov. 1828, 78,696 50

From this sum deduct for salary paid Engineer in Dec. 1827, 1,175, Deduct for expenses till Nov. 500, Deduct half year's salary, 1,600

Balance in the Treasury 1st Nov. 1828, 85,928 83

The amount of the Literary Fund stated above is composed of the following items heretofore appropriated: 1. Amount now on hand, 28,184, 2. Receipts for vacant lands in 1828, 4,000, 3. Dividends on Nav. Co. Stock, two dividends, 840, 4. Dividends on Newbern Bank Stock, at Dec. 1827, 1,077, 5. Do do do of June, 1828, 1,077, 6. Do on Cape Fear do of Dec. 1827, 1,408, 7. Do do do of June, 1828, 1,408, 8. Do on 78 shares of St. Bank Stock, 3 per ct. 234, 9. Do on Bank Stock in June, 1827, 17 50

The amount of the Internal Improvement Fund is composed of the following receipts: 1. Amount now on hand, 22,195, 2. Receivable for Cherokee lands, 5,000, 3. Newbern Bank Stock dividends, Dec. 1827, 3,912, 4. Same " " " " June, 1828, 3,912, 5. Bank of Cape Fear dividends, Dec. 1827, 2,716, 6. Same Bank, " " " " June, 1828, 2,716

Statement of the different periods at which the money constituting the Literary fund was received into the Treasury. 1826 Oct. 31 Dividend on 16 shares of Newbern Bank Stock, declared January, 1826, 662, " Dividend on 205 shares Newbern Bank Stock, declared July, 1826, 820, " Dividend on 235 shares of Cape Fear Bank Stock, declared January, 1826, 705, " Dividend on 417 shares Cape Fear Bank Stock, declared July, 1826, 1,255, " Tavern and Retailers' tax received this day, 4,109 84, " Auction tax received this day, 741 04, " Land entries for the year ending this day, 4,614 07 1827 Feb'y 5 Agricultural fund transferred this day, 8,041 92 1/2 Oct. 31 Dividend on 359 shares of Newbern Bank Stock, declared in January, 1827, 1,436, " Dividend on 359 shares Newbern Bank Stock, declared in July, 1827, 1,256 50, " Dividend on 699 shares of Cape-Fear Bank Stock, declared in January, 1827, 2,079, " Dividend on 704 shares of Cape Fear Bank Stock, declared in July, 1827, 2,112 Oct. 31 Dividends on 150 shares of Stock in the Cape Fear Navigation Company, 420, " Tavern tax received this day, 3,467 44, " Auction tax received this day, 553 65, " Land entries for the year ending this day, 4,300 33 1828 The sum of \$17 50, the amount of a Dividend declared in June, 1827, on five shares of State Bank Stock, belonging to the Literary Fund, were never paid into the Treasury, but remain in deposit in that Bank to the credit of the President and Directors.

REPORT RELATIVE TO THE WOOLLENS BILL. The joint select committee, to whom was referred the following resolution, to wit: "Resolved, That so much of the Governor's Message as relates to the alteration of the Tariff, contemplated by the "Woollens Bill," be referred to a joint select committee."

admit, not as much as the importance of the matter would seem to demand. The committee, in examining the subject referred to them, were not disposed to enter into any verbal speculations in political economy; for they are sensible that the object of the resolution submitted to the consideration of the Legislature, and referred to them, may very easily be obtained by a brief examination of the subject, addressed to the reason of the country, and the sound understanding of that body under whose authority they act.

The committee are aware that there is no portion of the American people more attached to the Union, and more deeply sensible of the great benefits which might be expected to flow from it, conducted upon the principles upon which it was first formed, than the people of N. Carolina; they have never at any period of our history, even under the strongest political excitement, endeavored to embarrass the government or the administration of those to whom it was entrusted, otherwise than by the right of suffrage. They have seldom expressed a legislative opinion upon the measures of the General Government, being at all times willing to give a full and fair opportunity to those charged with the management of public affairs of being "judged by their measures." But a crisis has arisen in the political affairs of our country which demands a prompt and decisive expression of public opinion. Under such circumstances, silence would be in justice to ourselves, and a want of candor to the other States of the Union.

The committee are of opinion, that it is either pecuniary or political, is the great point of union, from the smallest association up to the confederacy of these United States, and that whenever a system of policy is pursued by the Gen'l Government, which strikes at the very foundation of the Union, it is the right of every member of the confederacy to call their attention to the fundamental principles upon which the government was formed, and if they persist in measures ruinous to themselves, the question may fairly be discussed, whether the checks and balances of the government have not been overthrown; whether they have been instrumental in producing so onerous an effect, and whether the benefits of the Union are not more than counterbalanced by the evils.

The committee will not assert, that Congress have no power under the constitution to lay duties on imports, which are intended to operate as a protection to manufactures; they maintain, however, that the exercise of such a power, as contemplated by the Woollens Bill, is a direct violation of the spirit of that instrument, and repugnant to the objects for which it was formed.

The constitution gives to Congress the power to lay and collect taxes, duties, imposts and excises; to pay the debts and provide for the common defence and general welfare of the United States; and provides that all duties, imposts and excises shall be uniform throughout the United States. The clear object of "laying impost," therefore, was like laying taxes and other duties, to pay the debts and provide for the common defence & general