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been Bank in fact. Against these original charters, little can be said. They were private Corporations, intended to subserve the purposes of commerce, and they issued money handsomely engraved, upon gold and silver, which formed an admirable substitute for the ragged proclamation money. Their paper obtained immediate currency, until having supplied their vaults with the necessary amount of proclamation money, in the language of the minority, "they thrust this ragged paper at applicants for gold and silver." The immediate result was, that both the bank notes and the paper currency depreciated; the former, because they were redeemed by the latter, and the currency because it was not redeemed at all. In the mean time, however, the Legislature, anxious to exempt their constituents from direct taxation, without due regard to the ultimate consequences, having ascertained that these Institutions were making large dividends, determined to share the spoil. And for the first time since the foundation of the Government, in the year 1787, the State of North-Carolina became an individual proprietor in a monied institution, by subscribing \$25,000 to the capital stock of each Bank.

What was the object to be effected by this sudden and unprecedented interference with the circulating medium? The preamble to the charter of the State Bank informs us that the corporation was established "to redeem the paper currency then in circulation." How far this has been effected, I will presently take the trouble to enquire. The end proposed, was a most desirable one; it gave popularity to the project and insured the success of the application for the charter; but the means by which it was to be accomplished, were idle and visionary in the extreme. It required but a single year to prove them so, for in 1811, the Legislature in the amended charter, admit the disappointment of their hopes; and do they then retrace their steps? No, sir, the favourite project is persevered in, the existence of the charter is lengthened fifteen years, the powers and privileges of the corporation increased, and the faith of the State is expressly pledged "that no other Bank shall be established by any future law of this State during the term of this extension." Well might an express pledge be required at the hands of the Legislature by the stockholders in this corporation, when by its very creation an implied pledge, given to her partners in trade, the Banks of Newbern and Cape Fear, equally binding in reason and in conscience, had been violated; not only without necessity, but against policy. But the State Bank was not only to "redeem the paper currency," it was to entomb within its vaults the Banks of Newbern and Cape Fear, and rise a mammoth from the ruins. It was a favorite project, at that day, as it is at this, to have but one Bank, and the only difference between them is, that "The State Bank," was to swallow up the paper money and the Banks of Newbern and Cape Fear, and "The Bank of the State," is to swallow up the State Bank in addition to the Banks of Newbern and Cape Fear. But the Banks of Newbern and Cape Fear did not choose to accept the invitation to subscribe their capitals on the books of the State Bank, and we have no assurance that a similar invitation on behalf of the Bank of the State would meet with any better success now. The project failed then, and it may fail again.

The next thing to which I will call the attention of the Committee, is the history of these Corporations, in that the Banks of Newbern and Cape Fear, not having subscribed their capital in the books of the State Bank, apply to the Legislature, in 1814, for an extension of their charters and an increase of capital. It was alleged in their behalf, that although Banks were in themselves exceedingly useful to all communities, and indispensable to the welfare and character of North-Carolina, yet that competition and rivalry in this, as in every thing else, was necessary; that a single Bank would be pernicious to commerce, and dangerous to the liberties of the people. Controlling the whole monied capital of the country, it would wield an immense political influence, and generate that most odious of all aristocracies, "an aristocracy of money." The argument prevailed—the favorite project of but one State Bank, was in the short space of four years, abandoned and forgotten; and the faith of the State, twice pledged by solemn legislative acts, was held in open contempt to the "increase of the capital of a Bank already in existence, but to the establishment of a new one. Be it so; to the State Bank the effect was one and the

same; for, as I shall hereafter show, in proportion as Banking capital was increased, Banking profits were diminished. In the brief period of four years, the Banking capital was increased in the ratio of eight to one—from 450,000 to 3,500,000 dollars. And although it has been shown, in 1800, 500,000 dollars constituted the entire circulating medium of the State, we find in the year 1814, three monied institutions in existence, with a legal capacity to issue 12,500,000 dollars, more than twenty-one times the amount in circulation at that day, and more than twelve times the amount estimated to be in existence four years before.

Mr. Chairman, at this stage of the argument, before we adopt the language of the Resolution on the table, not that it is suggested, but that it appears that the State Bank, the Bank of Newbern and Bank of Cape Fear have violated their charters, and committed great frauds upon the people of North-Carolina, and before we determine, in the language of the gentleman from Granville, (Mr. Potter,) to bring the Directors of these Institutions to the bar to "hear their doom," permit me, for mercy's sake, to enquire whether there is nothing can be urged in their behalf. Sir, it is the privilege of the vilest felon who expiates his crimes upon the public gallows, at the awful moment when his condemnation is about to be recorded, to have a patient hearing, if he can say any thing why sentence of death shall not be pronounced against him. And are these "Bank felons" without the pale of the Constitution? Is their no redeeming trait in their characters? No single act of their lives, which, if it does not extenuate their guilt, entitles them to our compassion? I stand not here as their advocate, but I will not, to criminate them, become the apologist of unwise legislation. I believe that neither of these Institutions have answered the expectations of their founders, that all have been mismanaged, that the State Bank particularly, has pursued a course of business oppressive and ruinous to the community. I admit, without hesitation, that the whole system of exchange—the purchase of cotton—of United States Stock—of their own notes—is not only wrong, but indefensible. But wrong as these practices are in principle, it is not from them that the injuries which the community sustains have proceeded; and these vices may be corrected without resorting to the tremendous engine of oppression which the bill proposes to introduce. No, Sir, the evils which have come upon the country, have not been produced by usury, by exchange, by the purchase of cotton, or of U. S. Bank Stock, but by an inordinate anxiety on the part of the Bank to make larger dividends, and an insatiable desire on the part of the community to borrow money. These were the capital evils from which the comparatively little irregularities followed naturally, not inevitably. The community was anxious to borrow money, the Banks to lend—the country was deluged with paper—property rose in value—money depreciated in proportion—a revolution was inevitable—pay-day came, alike to the Banks and the people, and found both alike unprepared to meet it. In this state of things, I wish the facts would warrant me in saying that the Banks and their debtors were, alike honest in the worst of times.