

Report of the Commissioners appointed to represent the State in all general meetings of the Stockholders of the several Banks of North Carolina.

To the Honorable the General Assembly of North Carolina.

The undersigned, pursuant to an act of the General Assembly, directing them to open a communication with the President and Directors of the several Banks of this State, to ascertain whether they would contribute to the establishment of a new Bank by consolidation or otherwise, made the communications as directed, and the answers thereto have been made known to your honorable body, through the medium of a previous report, except so far as relates to the State Bank. A report has been received to-day, accompanied with a letter from William Polk, Chairman, informing the commissioners on the part of the State, that it has been adopted in a general meeting of the Stockholders, and is offered as an answer to their communication. The report and letter referred to are appended.

All which is respectfully submitted.

R. M. SAUNDERS,
By LOUIS D. WILSON,
I. WRIGHT,
LOUIS D. WILSON.

Raleigh, December 9th, 1829.

STATE BANK OF NORTH CAROLINA.
Raleigh, Dec. 9, 1829.

Gentlemen,
I have the honor to enclose to you a copy of the report made by a committee appointed at the general meeting of the Stockholders of the State Bank of North Carolina in June last, to whom the communication addressed by you, as Commissioners on the part of the State, to the Stockholders, was referred, and to inform you that the said report being adopted by the general meeting of the Stockholders now in session, is respectfully offered as their answer to the propositions contained in your communication.

With high respect, gentlemen, your obedient servant.

WILL. POLK, CHM.

Isaac Wright & Louis D. Wilson, Esqs.
Commissioners, &c.

The Committee, to whom was referred the communication made to the Stockholders on the 3rd day of June last by R. M. Saunders, I. Wright and Louis D. Wilson, Esquires, Commissioners on the part of the State, have, according to order, considered the same, and now beg leave to

REPORT.

That the commissioners propose to ascertain,
1. Whether the Stockholders in this Bank will "consolidate" their stock with that of the other Banks of this State, and thereof make a new Bank? If that be declined, then

2. Whether the Stockholders will "otherwise" co-operate with the General Assembly in establishing a new Bank?

It is to be observed, at the beginning, that the charters of the three Banks of this State have many provisions essentially different, and more or less advantageous and disadvantageous; and that the Commissioners do not intimate which of them is to be taken as the basis of the new charter. For instance, the Banks of Newbern and Cape Fear pay a certain annual tax, while the State Bank does not directly pay any. In the opinion of your Committee, the business of banking in North Carolina, will not now bear the smallest tax; and therefore, that provision would, at once, form an insuperable objection to consolidation, if it were otherwise desirable.

Besides the difficulty in framing an answer to the Commission, arising out of the vagueness of the proposition, your Committee believe that many of the Stockholders of this Bank are most seriously averse to carry on the business now become hazardous and unprofitable for a longer period than shall be necessary for gradually losing it, having regard to a reasonable indulgence to the debtors and the safety of the debts. And your Committee do not think, that even a majority of the stock hath a right to coerce the residue of the owners, against their will, into a new partnership, including an extended duration and additional partners. For these reasons, your Committee express the opinion, that the first proposition ought to be respectfully declined.

Your Committee is not aware how the Stockholders have it in their power to co-operate "otherwise" with the Legislature in the establishment of another Bank, but in two ways: The one is, to relinquish all claim upon the faith of the State, which is pledged in the eleventh section of the charter of this Bank, not to establish another Bank during the continuance of this: The other is, to curtail the business of this Bank, so as to leave room for the prosperous operation of that to be created.

Your Committee believe, that a very small portion of the Stockholders wish, and that none of them expect, a renewal of their charter. Consequently, that their interest is concerned less in the creation and dealings of a new Bank, than in winding up their own. Your Committee think it probable that another Bank will be chartered at no distant day. That circumstance will have important bearings on this institution—especially in two ways: It will facilitate the losing of its concerns, by opening accommodations for those at present indebted to this Bank, and thus enabling them to discharge those debts. And the addition to the banking capital of the State will make it absolutely necessary for our Stockholders to withdraw their portion of it as early as they can properly do it. There is certainly now an excess of capital invested. Your Committee speak from their experience, in saying, that the share of the real business paper, that is to say, bills of exchange and notes payable punctually and in a short time, which this Bank can obtain, will not at any one time, be more than six to eight hundred thousand dollars. The residue of their capital must then be idle, or invested in the hands of planters and others upon accommodation notes. These last create a permanent debt upon the community, which hath caused so much embarrassment to the Bank, and is now regarded as so dangerous to the public. It is plainly, therefore, the interest of the Stockholders to provide for settling their business by the expiration of their charter. And it seems to be of no less consequence to the community, also, that it should be done—but done so gradually as to produce a little private distress as possible.

It is in the power of the Stockholders to provide for themselves, by making an assignment to Trustees. And since, by the Charter, the Branch Banks with their full capitals must be kept up, as long as the Bank is continued in operation, it may be necessary to resort to that measure, unless that necessity be dispensed with by other means of the Legislature. The object is, gradually, and with as little measure upon the debtors, and expense to the Bank as possible, to curtail and close the business. An assignment would save many expenses, and thus promote the interest of the Stockholders. Nevertheless, in the opinion of your Committee, it is to be avoided, unless the refusal of other relief, it should be forced on the Stockholders. The objections to it are, that it stops the whole business suddenly and excludes the Bank from the advantageous discounts of bills of exchange and business notes: That it would arrest the circulation of our notes: That it would produce alarm in the country, and materially affect the value of property, and drive many men, in their endeavor to save their property, to covin and fraud: And finally, that faithful Trustees, competent to so heavy an undertaking, cannot easily be found.

It appears to your Committee, that a much better mode of closing our business is, by stopping one part of it at a time. That produces

no shock, either upon the Bank or the community. The whole institution is then charged with taking up the notes of the suspended Branch. The expense is lessened by discharging a portion of the officers and a sale of the banking houses. The debtors will have an opportunity of transferring their accounts to other Banks, or other parties of this Bank, or to pay them by instalments to an Agent of this Bank. Such is the condition of some of the Branch Banks, that it is absolutely necessary to close their portion of the business without much delay. That at Fayetteville, for instance, with a capital of \$168,000, has yielded a profit for the last half year, of \$325 14! This result is of course injurious to the Stockholders and the State, upon every principle of prudence and of sound political economy.

Your Committee would, therefore, strongly recommend to the meeting, to make an unequivocal declaration, that it is not their intention now, or at any other time, to ask or receive a renewal of their charter. And further, to endeavor to obtain from the General Assembly modifications of their charter, so as, 1st. To diminish the number of Directors of the Principal Bank to ten, and of the Branch Banks to not less than five, nor more than seven; 2dly. To discontinue the Branch Banks in the discretion of the Directors of the Principal Bank, so that not more than one of them should be discontinued in any one period of nine months; and 3dly. To continue the existence of the Corporation for a limited term, for the purposes of suing and being sued for debts existing at the expiration of the charter.

It is proper here to remark, that if the Legislature should authorize the closing of the Branches, some provision ought to be made for the employment of the capital of those Branches. If there be not, that capital must remain idle, or be loaned out at some other point of the institution—neither of which, can it be supposed, is desired by the General Assembly. The first, besides the loss to the owners of the stock, would be injurious to the whole community, in rendering so large an amount of capital unproductive. The second would only change the place at which the debt shall be owing; and would, in fact, leave as much debt to be liquidated at the expiration of the charter, as if things should remain in their present posture.

It has occurred to your Committee, that the capital might be disposed of in one, or all of three ways:

The first is, to divide those portions of the capital amongst the Stockholders, as they shall accumulate.

The second is, to authorize the Directors to extinguish parts of the stock by purchase, at a reasonable rate.

The third is, to invest the accumulated capital in stocks of the General Government, or of the Bank of the United States.

Neither of these methods is now legitimate, nor ought to be adopted without the leave of the Legislature. By the charter, dividends can be made of the profits only, and not the capital; nor can the stock of this Bank be purchased, except such portions of it as may have been pledged for debt, and be unredeemed; and the other stocks mentioned, are not among the articles enumerated in the charter in which the Bank is allowed to deal.

Of the foregoing methods, the first is least acceptable to your Committee, because the capital would then be returned to the owners in very small portions, and the credit of the Bank and its strength might be materially impaired by such divisions being made while banking operations are continued. If it should be adopted, the dividend ought not to be declared by the Directors, but only by the Stockholders; because, if made in this last manner, the State, who is the largest Stockholder, would then have her full weight in deciding the question, and the public, as well as the Stockholders, would be better satisfied of the propriety of declaring the dividend. Your Committee prefer either of the other methods, or, rather, both of them combined. By purchasing portions of the stock of this Bank, its extinction is gradual, and the community would not much feel the pressure of the operation, because the purchases would mostly, if not entirely, be made by taking the stock in payment of existing debts. By investing the surplus of capital (not capable of employment in discounts of business paper) it shall be received from the old debts) in stocks of the United States, or the Bank of the United States, the evil of keeping dead capital is avoided. At the same time, since those stocks can always be sold for cash, the whole amount will be ready for distribution at the expiration of the charter; and in the mean while, it would furnish the means to the Bank of raising money upon all emergencies. Your Committee would suppose such an investment particularly desirable to the State, as thereby her dividend of the stock of this Bank would be in a fund the most favorable to her, for use or sale.

Your committee have thus enumerated the methods in which it has appeared to them the Stockholders of this Bank can "co-operate" with the Legislature in their views for the establishment of a new Bank, and the reasons upon which these methods are founded. It should please the General Assembly to concur in the opinions here expressed, and modify the charter of this Bank accordingly, so as to allow it to prosecute safely a share of its business to the close of its charter, until which event, this Bank will be gradually winding up, and thus give scope for the dealings of the new Bank: Your Committee would unhesitatingly recommend to the general meeting, to relinquish the exclusive right of banking, guaranteed upon the faith of the State in the charter, and expressly consent to the chartering a new Bank, at any future time, or even now, if the Legislature shall, in its wisdom, think it possible, that another capital will now be subscribed, or that the new Bank can obtain any valuable business, or sustain its credit for any length of time, in the present state of the banking institutions of this State.

Points upon which your Committee do not presume to express an opinion.

All which is respectfully submitted,

(Signed) THOMAS RUFFIN, Chairman.

Dec. 7, 1829.

A true copy.

Jo. GILES, Sec'y. to the Gen'l. Meeting of Stockholders.

Legislature of North Carolina.

SENATE.

Wednesday, December 9.—Bedford Brown, in consequence of his election as a Senator of the United States, resigned his appointment as Speaker of the Senate, made his acknowledgments to the House, and retired from the Chair.

The Senate then proceeded to the election of Speaker; when the names of Charles L. Hinton, of Wake, David F. Caldwell, of Rowan, and Stephen Miller, of Duplin, were put in nomination for the appointment. On examining the ballots, it was found that a majority was in favor of David F. Caldwell, who was declared duly elected Speaker. Mr. Caldwell being conducted to the Chair, made his acknowledgments to the Senate in an appropriate address.

On motion of Mr. Martin, it was ordered that a writ issue, directing an election to be held in Caswell county on the 18th instant, for the choice of a person to fill the vacancy created by Mr. Brown's resignation.

Messrs. Williams of Franklin and Davenport were appointed the committee on the part of the Senate to conduct the balloting for Governor.

Mr. Love presented the petition of Joseph Chambers and others, of Haywood county, praying an alteration in the act of 1827, entitled an act to amend an act passed in the year 1824, entitled an act giving the assent of North Carolina to certain acts of the General Assembly of Tennessee relative to the Smoky Mountain turnpike road, accompanied by a bill to carry into effect the prayer of the petitioners. The bill was read the first time, and, with the petition, referred to the committee of Internal Improvement.

The resolution from the other House, proposing that the Legislature adjourn on the 26th instant, was read and laid on the table.

On motion of Mr. Dickinson, the vote taken yesterday on the third reading of the bill relative to working mines and nets in Great Contentment creek, was reconsidered, and the said bill laid on the table.

The proposition of the other House, to appoint a joint select committee, consisting of the members from Lincoln, Burke and Buncombe, to inquire into the expediency of turning up parts of the road leading from Lincoln to Asheville, via Morganton, as cannot be kept up by the public, was agreed to.

Mr. Williams of Martin, from the committee of Propositions and Grievances, reported a bill to secure to Martha W. Patrick, of Guilford, such property as she may hereafter acquire; which was read the first time and laid on the table.

Mr. Davidson presented a bill to amend the 2d section of the act of 1828, relative to the passage of fish up the Pata and Yachin rivers, which passed its first reading.

Mr. Williams of Franklin, from the committee appointed to conduct the balloting for Governor, reported that John Owen is duly elected. Concluded.

Mr. McFarland presented the petition of James Seawell, of Fayetteville, praying that a certain sum of money, paid by him into the Treasury as security of Dillon Jordan, an auctioneer, be refunded to him. Referred.

On motion of Mr. Meares, the Judiciary committee were instructed to inquire into the expediency of amending the act of 1828, Chapter 34, entitled an act, in addition to the acts respecting divorce and alimony.

Mr. Meares presented the petition of the field officers of the first regiment of Stokes, praying authority to change their muster ground, accompanied by a bill to carry into effect the prayer of the petitioners; which bill passed its first reading.

Mr. Williams of Martin, from the committee of Propositions and Grievances, reported a resolution in favor of Presley C. Person, sheriff of Franklin, which passed its first reading.

The engrossed bill to prevent fraud in deeds of trust and mortgages, was read the first time and referred.

Messrs. Davidson and Mosely were appointed the committee on the part of the Senate, to wait on the Governor and ascertain at what time it will be convenient for him to attend and take the oaths of office.

Thursday, December 10.

Benjamin Saunders, the Senator from the county of Hyde, appeared, qualified and took his seat.

Mr. Meares, from the Judiciary committee, reported a bill authorizing the Supreme Court to be held in the several places therein directed, with an amendment; when it was committed to a committee of the whole House, and made the order of the day for Tuesday next.

Mr. Meares, from the same committee, made a report, recommending the rejection of the bill making provision in certain cases for the widows of investates. The said bill was then read the second time, and, together with the report, laid on the table.

Mr. Meares, from the same committee, who were instructed to inquire into the expediency of amending the law relative to deeds in trust and mortgages, and of modifying the punishment for the crime of bigamy, reported that, as bills relative to those subjects had been introduced into the other House, it was unnecessary for the committee to act in the matter. The report was concurred in, and the committee discharged from the further consideration of the above named subjects.

Mr. Hinton of Wake presented a resolution in favour of Ezekiel Ellis, assistant doorkeeper of the Senate; which passed its first reading.

Mr. Love presented the petition of Andrew Welch and William Thomas, of Macon, praying for authority to erect gates, accompanied by a bill to carry into effect the prayer of the petitioners. The bill was read the first time, and, with the petition, referred to the committee of Propositions and Grievances.

Mr. Wilson presented the petition of Isabella Station, of Edgecomb, praying to be released from the payment of a fine imposed by the superior court of that county upon her deceased husband. Referred.

Mr. Mitchell presented a bill to regulate the entries of lands in certain cases; Mr. Allen, a bill for the relief of James D. Justice, of Buncombe; and Mr. Dick, a bill to authorize the clerk and master in equity to take dispositions; which bills passed their first reading, and the last named was referred.

Mr. Wilson presented the Report of the commissioners appointed to represent the State in all general meetings of the stockholders of the several Banks in this State; which was read, and sent to the other House, with a proposition that it be referred to the joint select committee on the Banks and circulating medium, and that it be printed.

At 12 o'clock, the Senate repaired to the Hall of the House of Commons, where, in the presence of the members of both Houses, the oaths of office were administered by Charles L. Hinton, Esq., a justice of the peace for Wake county, to John Owen, Esq. Governor elect. After which, the Senate returned to their Chamber and resumed business.

Mr. Dick, from the select committee to whom was referred the bill to vest the right of electing Sheriffs in the free white men of the State, reported the same with sundry amendments, which were agreed to. The bill was further amended, read the second time and passed—yeas 32, nays 26.

Friday, Dec. 11.

The following engrossed bills and resolutions passed their first reading: The bill to authorize the Board of Internal Improvement to contract for the opening and improving Currituck Inlet; the bill to provide for the division of negroes and other chattel property held in common; and the resolution in favour of Stephen Pearson, of Wake.

The engrossed bill to amend the act of 1827, prescribing upon what evidence the Public Treasurer shall receive the purchase money for vacant and unappropriated lands, passed its three several readings and was ordered to be enrolled.

Mr. Williams of Martin, from the committee of Propositions and Grievances, reported a resolution releasing Isaiah Rogers, sheriff of Person county, from the penalty of \$400 dollars for failing to settle his last annual account; which passed its first reading.

Mr. Meares, from the Judiciary committee, to whom were referred the resolutions instructing them to inquire into the expediency of distributing additional copies of the acts of Assembly, of consolidating and amending the road laws; and of amending the law so as to enable creditors to collect their debts out of the property of intestate persons where no administration has been granted, made reports recommending the rejection of the said resolutions; which reports were concurred in, with the exception of that which relates to the resolution relative to the distribution of the acts of Assembly, which was laid on the table.

Mr. Meares also reported the engrossed bill to prevent fraud in deeds of trust and mortgages, without amendment, and concurred in its passage; which report was concurred in.

The bill to erect out of a part of the counties of Burke and Buncombe a new county, was amended on motion of Mr. Allen, read the second time and passed.

Mr. Miller, from the joint select committee, to whom was referred an answer to the Governor's message as relates to the purchase of slaves by the State for purposes of internal improvement, made a report requesting to be discharged from the further consideration of the subject. Concurred in.

On motion of Mr. McFarland, a message was sent to the other House, proposing to ballot on Tuesday next for a brigadier general of the 4th brigade; and stating that the name of Henry W. Ayer is in nomination for the appointment.

Mr. Ramsey presented a bill to repeal part of the act of last session, compelling the clerks of the county and superior courts and register of Chatham county to keep their offices at Pittsborough; which passed its first reading.

On motion of Mr. Spaight, a message was sent to the House of Commons, proposing to ballot on Tuesday next for a brigadier general of the 13th brigade, and stating that the name of Nathan B. Whitfield is in nomination for the appointment.

The Senate resolved itself into a committee of the whole House, Mr. Sneed in the Chair, on the bill to establish a Bank on behalf of, and for the benefit of the State; and, after some time spent therein, the committee rose, reported progress, and obtained leave to sit again.

Saturday, Dec. 12.

Mr. Pool presented a bill to authorize the forming a fire engine company at Elizabeth City; which passed its first reading.

Mr. McEntire presented the petition of sundry citizens of Rutherford, praying for an alteration in the manner of holding the county courts of that county. Referred.

The proposition of the other House, that Tuesday evening next be set apart for the recommendation of justices of the peace and field officers, was agreed to.

On motion of Mr. Hoke, the committee of Finance were instructed to inquire into the expediency of imposing a tax on gold mines, or the proceeds thereof, for the purposes of revenue.

On motion of Mr. Hinton of Wake, a message was sent to the other House, proposing to ballot on Monday next for Counsellors of State.

Mr. Meares, from the Judiciary committee, who were instructed to inquire into the expediency of passing a law to authorize three justices of the peace to try free negroes and mulattoes, reported that such a law would be unconstitutional, and asked to be discharged from the further consideration of the subject. Concurred in.

Mr. Sumners presented a bill to authorize Henry S. Spencer, sheriff of Hyde, to collect arrearages of taxes; and Mr. Miller, a bill to increase the tax on gates authorised to be erected across public roads; which passed their first reading, and the former was referred to the committee of Propositions and Grievances.

The proposition of the other House, that the report of the Adjutant General be printed, was agreed to; and the proposition of that House, that the petitions relative to the fisheries on Salmon creek be referred to a joint select committee, was also agreed to, and Messrs. Askew, Montgomery of Hertford, Williams of Martin, Walton and Dickinson were appointed the said committee on the part of the Senate.

On motion of Mr. Montgomery of Hertford, the committee of Internal Improvement were instructed to inquire into the expediency of making an appropriation for the construction of a road from Ashe court house to the Bank of Plaster of Paris in Virginia.

The House of Commons having receded from their amendment to the engrossed bill to provide for the payment of jurors in the counties of Rowan and Wake, the said bill was ordered to be enrolled.

Mr. Mathews presented a bill to extend the time for registering grants and conveyances, powers of attorney, bills of sale, and deeds of gift; and Mr. Bell, a bill to repeal a part of the 2d section of the act of 1806, to revise the militia laws.