

THE STAR

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FOR THE STAR.

BANK OF THE STATE.

The late message of the President of the United States, and whose opinions were so flatteringly introduced into the discussion of yesterday, (the second section to the contrary notwithstanding,) confirms the views of those who would confide a monied institution to officers appointed by and under the control of the representatives of the people.

General Jackson may certainly be classed with those friendly to the principle of a Bank, founded upon the resources, and operating for, and in behalf of the community. No danger, therefore, of a loss of ears need be apprehended by the friends of the measure, however it may be with its opponents.

The situation of North Carolina, in respect to her pecuniary interests, prospects and general improvement, are critical and lowering. Her orators and leading men, by the indulgence of a captious course, expose themselves to a just suspicion of insufficient motives; and the well-disposed, distrustful of a contest, where ingenuity and solemn oaths may pass current as good sense, are held in indolence. Sensible but proud men, are frequently paralyzed through the dread of woe, when uttered in a style of prophetic denunciation. But notwithstanding the influence of character and talents, the records of the two houses must perpetuate in what way the great interests of the State, are to be postponed, to the edification of the special pleader, and to what way without quibbling, a form to facilitate, is made to retard the business of the country.

Notwithstanding the prejudice and mysterious apprehension in which it is attempted to envelope the discussion, I shall yet attempt it, in support of a Bank of the State, firmly persuaded, that if it be practicable to improve the condition of things as growing out of the people's embarrassments, or as dependent on the amount of circulating medium, such improvement must be through the instrumentality of a Bank of the State. Before entering upon the subject, let us to avoid any mistake, feel the ground upon which we stand, and endeavour to comprehend the object and materials of the superstructure which is about to be raised.

The Legislature neither has the power, nor can they have, I am persuaded, the inclination, to interfere with or to impair in any way, the obligation of contract. The debts of solvent persons must be paid. Debts can only be paid with money, or that which truly represents it.

If money then be essential as auxiliary to the improvement of our prospects, and money is to be had of or through the State, it is clear the Treasury Department must be consulted.

If the Treasury is full, (as gratuitous distribution would mean neither more nor less than a scramble,) then it is only to be come at fairly by giving for its value.

If the State shall receive value, that is, good notes of solvent individuals, although it is true that the actual incumbrances are the same, yet a change of parties to the contract may afford extension of credit, and at all events, the community at large would be benefited; for the treasury funds being distributed on good security, the circulation to that amount would be increased. But if money is necessary—if, as the gentleman from Buncombe says, "il faut de l'argent," and the same is not as I understand the fact to be in the Treasury, how then? This would seem to present an insuperable difficulty, unless, indeed, money is the creature of governmental volition, of mere legislative enactment. Now, it must be obvious that the Legislature is incompetent to the supply of an agricultural production, of which the market is bare, as to the supply of money, real proper money, (not any of Mr. Swan's old Præc.) by virtue of mere legal provision; for the abundance or scarcity of that article is as little under the control of positive law, as the regulation of the seasons.

Not although the Legislature cannot,

by its mere fiat, create money, it is true; yet if money be necessary to the public good, indirectly through legislation, money may be had—that is, in the State, under the sanction of a law, may, if in good credit, as an individual, borrow. Admitted. But if the State borrows to lend to individuals, unless the community be benefited, the transaction will be partial—operating to the relief of a few at the expense of the many. The question then resolves itself into this simple proposition: will the borrowing of money at interest by the State, and the loaning of the same to individuals, afford to the people a pecuniary profit, or some other equivalent?

The affirmative is sustained in the bill from the Senate, by referring for results, to the operations of a Bank, by the contrivance of which profit will accrue from borrowing from A to lend to B, at the same rate of interest. Now, before we dive into such mysteries, and attempt to reconcile such apparent paradoxes, let us understand the situation of N. Carolina with regard to her circulating medium, and the involvements of her citizens. The complaint of the country is, a present, and an apprehended greater scarcity of the circulating medium, which affects the prices of property, and by its disheartening influence, arrests enterprise, and prevents improvement.

Is this complaint well founded? It is hoped the gentleman from Wilmington will take no offence at this query, or, under the sanction of Parliamentary usage, move its indefinite postponement.

It is evident there is as much of paper convertible into, or fairly representing specie, as can now circulate. To increase the amount would be at the hazard of depreciation. The conclusion then is, that, however scarce the Bank circulation may be, in reference to the former value of commodities, it is not more so than is a necessary consequence of sound circulation, viz. paper truly representing the value it purports.

To proceed. Does a greater scarcity impend? To answer this, requires some insight into the condition and operations of the existing banking companies, whose paper forms the greater amount of our circulation. Now the simple fact that a Bank is winding up its affairs, and, from the limitation of its charter, is calling in its debts, is sufficient to satisfy every reflecting man, that a diminished circulation must ensue, accompanied by probable sacrifices of property. But the winding up of the North Carolina Banks, means (unless some plan is devised to meet the exigency) something more than the mere retirement from the circulation of their issues.

The exhibit of the State Bank establishes the fact, that there must be an accession to the circulation; and of course from abroad, to the amount of their capital, viz. to the amount of \$1,600,000, before a settlement with the stockholders can be made, provided stock is not received for debts, and no expedient of returning to the community the progressively retiring circulation can be adopted—a state of things, to which no intelligent and patriotic statesman can be indifferent.

I need not bring into the account, the operations of our other banks. It is perfectly clear that a calamitous scarcity of circulation, does impend. The inquiry now is, can there be a remedy found; and the answer devolves on our representatives, the responsibility of whose situation, whilst it must fill them with anxiety, should prompt them to the diligent exercise of their faculties. But if the Banks of North Carolina were not compelled to wind up; yet, if it is their interest to close an unprofitable concern, it will be done, and rightly done; for it is not reasonable to suppose, or just to expect, that a portion of our people against whom a sentence of popular outlawry has gone forth *voce populi, voce dei*, will, with christian forbearance, sacrifice their interests, as a peace offering, to the inveteracy of their pursuers.

If, however, in such a predicament, the Legislature can interpose, and by a wholesome policy meet the crisis, the medical maxim, *morbo venienti occurre*, certainly applies, and there is no time to lose. It is folly to be crying after spilt milk. How existing evils might have been averted, is not the question; but how are they now to be counteracted or palliated, I shall not attempt to prove how, and why, to the stockholder, the business is unprofitable. It is plain to the discernment of half an eye. But although the stockholder

would be glad to withdraw his money, he can be, I should presume, no way anxious to keep it idle, to bury his talent in a napkin. The difficulty then in respect to our Banks is this: To adjust the claims of the stockholders, the debts due to them must be called in, and the circulation thus absorbed, is to be hoarded. This causes, and entails upon us an awful geometrical progressive depression of prices. That such depression is deplorable, every body acknowledges; and now that our circulation is not depreciated, by the foreign standard, (I use the term foreign, in the same sense with my distinguished friend from Wilmington,) the further retirement of such circulation is a wanton infliction of injury to the State; for the circulation thus withdrawn, is kept up by Bank Notes, and coin from abroad, and which, procured at an expense to us, yields no return, and is only advantageous to foreigners.

Now such a state of things is without motive or profit to any one, and will be the necessary result of letting things run on in the channel they are in. If the Legislature can remove this embarrassment, with benefit to the community, or can even palliate the evil, will they not act? And how can they think of an adjournment before a plan is matured?

If the Legislature does rise before something efficient is accomplished, the great talents of the house, in opposition, to the contrary notwithstanding, the unparalleled spectacle is presented, of a government compelling a collection of debt, against the interest of the creditor, and to the ruin of the debtor—a government, by a total disregard of the true principles of political economy, promoting an artificial scarcity of money, and showing itself reckless of the havoc of a wide extended bankruptcy.

From what has been said then of the operations of Banks winding up, the diminution of the circulation, the threatened ruin to those involved in debt, and the injury to the good people of the State in general, the reader is the better prepared for judging of the relief to the citizen, and gain to the treasury, as promised to be accomplished through the machinery of a Bank of the State. Let us examine then in what way a Bank of the State, as proposed in the Bill which has passed the Senate, with a capital to be borrowed out of the State, and draining us to the amount of its annually accruing interest, can supply the circulation, and afford relief and profit, keeping in view the effects upon circulation growing out of the operations of the existing Banks.

The present Banks probably owe \$600,000 to the United States Bank, all which is to be collected from the people, as soon as possible, and when so collected is for exportation.

The circulation can be increased by the emission of its notes—such emissions flow from loans to individuals—loans to individuals may be beneficial or not, according to the uses to which they are put, or the particular circumstances which induced them. Bank notes are promises, to be redeemed in specie at the Bank. The amount of specie then in a Bank must correspond to its emissions, and the amount of specie which a Bank must have in its vaults, to guarantee its credit, must depend upon the direction which its issues take, and the purposes to which they are applied.

The circulation of a country is not limited to the mere amount of its coin, or Bank notes. It is made up of negotiable paper, &c. and which among a trading people, in good credit, is the most considerable item. Common notes of individuals supply the circulation or medium for the more considerable mercantile transactions; and what is commonly called money, only fills the petty, retail traffic and operations of life. But if a want of punctuality destroys individual credit, then the demand for money or a circulation representing money increases; and if the demand for money is for purposes out of the country by reason of too high prices at home for its staples, induced by redundant circulation, or by reason of bad crops, or great political agitations, then the circulation which represents money or specie gives way, or decreases by conversion into coin, for exportation. So then with us, at this time, if the new Bank were to emit its bills, it matters not to whom paid out, there needs no ghost to tell us the direction they would take by reason of the great demand for money and money alone; required for instants to meet the calls of the existing corporations, as heretofore explained; and producing, so far as a new Bank is concerned, all the ill effects of unfavorable foreign exchange. The issue of a new Bank would probably immediately return upon it, and therefore, the specie in its vaults must be equal, or nearly equal to its emissions, having so little chance of circulation. Now, the contrivance by which a Bank could afford to borrow money at interest, and bear it out at the same rate to a profit, rests (as the gentleman from Wilmington very correctly observed) upon its

loans greatly exceeding the specie so borrowed and retained as a basis in its vaults; and if the explanations and statements, as given, are correct, the bill as sent to the Senate, (with great deference to the praise worthy efforts of the gentleman from Rockingham,) is thought to be impracticable. No doubt the issues of the new Bank to the extent of its specie capital, would relieve the press upon the circulation; but such capital would be too limited to afford any effectual benefit, and as the expenses of such an institution could not be graduated to its limited usefulness, it is not thought it would be advisable to constitute a Bank of the State upon such a foundation. Besides, the period is too protracted for commencing its operations. But the writer is of opinion, from what he has heard, that a Bank of the State can be constituted, & which, without borrowing specie from abroad, will advance the interest of the State, financial and political, and relieve the Banks, the currency, and the people.

The United States Bank has probably received its death blow, and the occasion should be seized at once to engrave the profits from circulation for the people of the state.

As the State and Newbern Banks decline the sale of their interests, the arrangement can only be made with the Bank of Cape Fear. That corporation has expressed to the Legislature a willingness to dispose of her funds upon fair terms. The State is already interested in the Bank of Cape Fear to a greater amount than the fourth of her capital, in the State and Newbern Banks to the amount, say of \$500,000.

These institutions express, and must feel an anxiety to wind up with as little delay and expense as possible. It is the policy of the State in regard to them to make it their interest to be indulgent to their debtors. Their charters should, therefore, be extended upon fair and liberal terms. The State should close with the Bank of Cape Fear, in the way as contemplated by Mr. Fisher's Bank Bill of the last session; and to facilitate the winding up of the State and Newbern Banks, the Bank of the State should be authorised to receive from them to the value of the stock which the State owns in them, by payments in good notes, renewable at the offices at Wilmington, Fayetteville and Raleigh. In this way the State will be possessed of and have the control of her interest in these institutions.

Whether the policy of Banks in the abstract be good or bad, cannot now justly enter into the views of the statesman. No *cordón sanitaire* can protect us from the contagion of our neighbors. We might as well say we are against the small pox—a more prudent course will be to submit to vaccination.

January 3, 1830. (To be continued.)

CAPTIONS OF THE LAWS. Enacted by the General Assembly of North Carolina, at its session in 1829-30.

- 1. An act fixing the true construction of the terms liquidated accounts, contained in the act of 1820, extending the jurisdiction of justices of the peace. [Provides that the words liquidated accounts, used in said act, shall be so construed as to comprehend only such accounts and balances of accounts settled as are stated in writing, and signed by the party from whom the same shall be owing.]
2. Amending the act of 1827, prescribing upon what evidence the Public Treasurer shall receive the purchase money for vacant and unappropriated lands. [Provides that the Secretary of State shall issue grants for vacant lands upon a certificate taken from the copy of entry books returned to his office, in the same manner as he now does from warrants and surveys.]
3. Amending the 10th section of the act of 1819, prescribing the mode of surveying and selling the lands acquired by treaty from the Cherokee Indians. [Provides that the certificate of the Public Treasurer, stating that full payment has been made for said lands, shall be taken by the Secretary of State as evidence of payment.]
4. Authorizing the Board of Internal Improvement to contract for the re-opening and improving Currituck Inlet. [Directs that an examination shall be made by the Board of Internal Improvement to ascertain the practicability of re-opening said Inlet, and if so, the sum of 2,000 dollars is appropriated for that purpose.]
5. Amendatory of the law respecting the crime of Bigamy. [Provides that persons convicted of Bigamy shall be entitled to the benefit of clergy for the first offence, and that the court may sentence the offender to be fined and imprisoned, to receive one or more public whippings, and to be branded on the left cheek with the letter B. If the offender be a female, it shall be discretionary with the court to inflict all or any of the foregoing punishments, branding excepted.]
6. Vesting the right of electing Sheriffs in the several counties within the State in the free white men thereof. [Provides that the Sheriffs shall be elected by the free white men who are entitled to vote for members of the House of Commons, every second year, at the same times and places that members of the General Assembly are elected, and an equal number receive the greatest, and an equal number the next, or the person elected fail to enter into bond, the county court shall choose the Sheriff, who shall be eligible to the office of Sheriff, who has not attained the age of 21 years, residing in his county one year immediately preceding the election, and be possessed of a freehold of 100 acres of land. Sheriffs now in office to continue therein until the qualification of those elected under this act.]
7. Directing the removal of certain pa-

pers from the office of the Treasurer to that of the Secretary of State. [Provides for the removal of the papers relative to the incoming lands.]
8. Authorizing the Governor to grant certain lands to the Baptist Congregation at Franklin, in Mason county. [Grants 4 acres of land, on which their meeting house has been erected, to include the grave yard.]
9. Concerning the commissioners of public works. [Provides that all public agents, superintendents and commissioners entrusted with the direction of public works, and the several navigation, canal and turnpike companies, in which the State is interested, shall report annually to the Board of Internal Improvement. Those failing to comply with said regulation, to incur a penalty of 500 dollars.]
10. Providing for a division of negroes and other chattel property held in common. [Provides that when two or more persons shall be entitled as tenants in common to negroes or other chattel property, and any one or all shall desire a division of the same, such person or persons may file a petition in the county or superior court for that purpose; and when the court may deem it necessary, it may order a sale of such property, in such a manner as to secure to each tenant in common his or her equitable share, but if such sale shall not be deemed necessary, the court may appoint three freeholders to divide the property.]
11. To amend and improve the Hickory Nut Gap road. [Appropriates 1200 dollars for the purpose.]
12. Vesting in the superior and county courts jurisdiction of applications for the legitimation of bastard children.
13. Concerning the places where company musters shall be held. [Provides that a majority of the company shall select the place where the musters shall be held.]
14. Amendatory of the laws now in force for the suppression of counterfeiting. [Provides that if any person, for the purpose of gain, shall pass or attempt to pass, or shall receive with intent to pass, any counterfeit bill, note, order, check or draft on the United States Bank or any of its branches, he shall be subject to be whipped, stand in the pillory, to be fined not exceeding 1,000 dollars, and to be imprisoned not exceeding three years—any one or all of these punishments to be inflicted, at the discretion of the court.]
15. For the relief of certain purchasers of Cherokee lands. [Provides that where satisfactory proof is produced to the Public Treasurer and Attorney General that any of the Cherokee lands, for the purchase of which bonds were given, were materially interfered with by finding reservations, the Treasurer shall remit all the interest which may have accrued on such bonds from their date to the 1st of December, 1829, or so much thereof as may be commensurate with the injury sustained.]
16. Concerning the cross canal leading from the Great Dismal Swamp Canal, near the head of the woods in Camden county, to the White Oak Spring Marsh in Gates county. [Allows a further time of seven years to complete said canal, authorizes the company to erect locks and collect tolls, and provides that the charter of the company shall remain in force for 33 years from Jan. 1, 1830.]
17. To prevent fraud in deeds of trust and mortgages. [Provides that no deed of trust or mortgage for real or personal estate, executed after the 4th July next, shall be valid, unless registered in the county where the property is situated. Clerks of the county courts to have authority to take the probate or acknowledgment of such instruments at any time in as full a manner as their respective courts may do or may do. The registers to endorse the date of registration on them, and enter them in the order they are presented.]
18. Exempting the members of fire companies from performing military duty.
19. Concerning the Buncombe Turnpike Company. [Provides for the appointment of officers, &c.]
20. Amending the act of 1828, entitled an act to amend the law regulating the inspection of flour in Fayetteville. [Provides for the appointment of an additional inspector.]
21. Amending the militia laws of the State so far as respects the uniform companies of light infantry, rifle men, grenadiers and artillery. [Authorizes the formation of a regiment of uniform volunteers in each brigade of militia, provided such regiment consists of six companies.]
22. To prevent disfiguring the walls of the State House. [Prescribes a penalty of five dollars for writing or scribbling on said walls, or marking them with pictures.]
23. Granting to feme covert the right to sue and be sued in certain cases. [Provides that the judge, when he makes a decree to secure property afterwards acquired to a feme covert, may make a decree extending to her the provisions of this act.]
24. Amending the charter of the Catawba Navigation Company. [Authorizes the president and directors to call upon the stockholders for such portion of their stock as may be necessary for carrying on the works of the company; and if they fail to pay such portion, the stock of such delinquents to be sold at auction. Extends the charter five years from the 1st January, 1836.]
25. Concerning the bonds in the office of the Public Treasurer for the payment of the Cherokee and Tuscarora lands. [Provides that the Public Treasurer shall prepare a full statement of said bonds, and deliver it to the Comptroller, to be by him filed in his office, who shall raise an account against the Treasurer for the same.]
26. Ceding to the United States jurisdiction over certain lands in sites for light houses. [Provides that the United States shall have jurisdiction over lands at Pamlico Point and Cape Hatteras, for the said purpose.]
27. Regulating the entries of lands in certain cases. [Provides that on lands now entered, and the entries of which will expire on the 15th December, 1831, shall be re-entered within twelve months after that date by the persons in whose names said entries are now made.]
28. For the relief of sheriffs in certain cases. [Provides that original warrants on writs of judgment shall be issued from the county courts by causing their deans to be entered on the justice.]
29. Concerning the collection of fines and amercements from sheriffs. [Requires the sheriffs to furnish bills for such fines and amercements.]
30. Extending the time for registering prob-

and money certificates, powers of attorney, bills of sale and deeds of gift. [Extends the time for registering said instruments for the term of two years.]
31. To enable the State Bank to wind up gradually, and to fix a uniform rate of collection. [Grants a restricted extension of the charter until Jan. 1, 1833; and provides that after that date, the bank shall make no new loans, or discount any bills, except in payment of some previously existing debts, or on the receipt of bills of exchange, or bills obligatory on the proper authorities of such a nature as to secure payment of what it may owe; and shall, after Dec. 31, 1832, issue no bill except the denomination of 25. Provides further that the bank shall not collect more than one-twentieth part of the debt now existing, every ninety days, except in cases where a special agreement exists to pay by larger instalments. Stock may be received in payment of debts, and divided of the capital may be declared after January 1, 1833. Reduces the number of directors of the principal bank to ten, and of the branches to not more than seven, or less than five. Provides for the discontinuance of the branches not used for at least nine months. After the 1st September next, not to issue, except on business current. Allows the bank until the 1st of July to discharge its liabilities, which shall accept this restricted extension of the charter.]
32. To enable the Banks of Newbern and Cape Fear to wind up gradually, and to fix a uniform rate of collection. [The provisions of this act shall correspond with those of the foregoing.]
33. Fixing the fees of the Clerks of the County and Superior Courts, and Sheriffs fees.
34. Concerning the State road to Marion county. [Plants the said road under the jurisdiction of the county court of Meigs.]
35. To amend an act, passed at the last Session, entitled an act to amend the law with respect to the collection of debts from the estates of deceased persons and the law in relation to levying of executions issued by Justices of the Peace. [Provides that when a surety shall discharge in whole or part, the debt of his principal, the claim of such surety against the executor of his principal shall have the same priority against the assets as belonged to the demand of the creditor.]
36. To provide for the Repair of the State House and Arsenal. [Appropriates 1000 dollars for this purpose.]

PRIVATE ACTS.

- 1. Amending the act of 1812, directing the time and manner that overseers of roads shall be appointed in Richmond county.
2. Legitimizing Alexander Cheshire, of Edenton.
3. Repealing the act of 1805, chapter 36 amending the act for the better regulation of the town of Morganton.
4. Designating the place where the first regiment of Davidson shall hereafter muster.
5. Authorising the county court of Camden to appoint a committee of finance.
6. Altering the names of Ezekiel H. Wall and Elizabeth A. Wall, of Columbus.
7. Making compensation to the jurors of Brunswick county.
8. Relative to the Wadeborough Academy.
9. Repealing so much of the act of 1827, to keep open the Tuckasee and Tennessee rivers and tributary streams, in Haywood county, as relates to the Catawba creek, now in Mason county.
10. Repealing the act of 1828, appointing commissioners on a part of the road leading from Morganton to Averetts turnpike road in Burke county.
11. Repealing so much of the act of 1810 as prevents any person from working seines and nets in Tar river above the mouth of Fishing creek.
12. Concerning the patrole of Richmond county.
13. For the better regulation of the town of Smithville.
14. Appointing a committee of finance for Sampson county.
15. Appointing trustees for Union Academy in Duplin county.
16. Compelling the clerk of the county court of Gates to keep the whole of the records, books, papers, &c. belonging to his office, in the office at the court house.
17. Allowing compensation to jurors in Burke county.
18. Amending the act of 1824, establishing and regulating a turnpike road in the counties of Rutherford and Buncombe.
19. To revive the act of 1823, authorizing the committee of finance of Iredell county to settle with the commissioners of Statesville.
20. To revive and continue in force the act of 1827, authorizing Thomas Brown, of Haywood (now Macon) county, to erect two gates on a public road.
21. Authorizing Matthew S. Hughes, of Surry, to erect a dam across Fisher's river.
22. Authorizing the clerk of the county court of Jones to make entries of lands, when directed by the court, when there is no legal entry taken in said county.
23. Concerning the compensation made to clerks and sheriffs, so far as regards Chatham county.
24. More effectually to prevent obstructions to the passage of fish on Rocky river joining Anson county from the mouth to the Catawba river.
25. Authorizing James McKee, Sheriff of Haywood, to collect certain taxes.
26. For the better regulation of the county of Beaufort.
27. Incorporating the Vance Carolina Library Society of Asheville.
28. Amending the act of 1824, for the better regulation of the town of Greensborough.
29. Amending the act to alter the time and place of holding the elections in Greene county.
30. Concerning the sheriffs of the counties of Johnston, Wayne, and Greene, Jones, Craven and Beaufort.
31. Amending the act of 1824, for