

SOUTHERN CITIZEN.

BY BENJAMIN SWAIN.

WHAT DO WE LIVE FOR, BUT TO IMPROVE OURSELVES AND BE USEFUL TO ONE ANOTHER?

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Legal Department

ISSUES OF THE LAW RESPECTING SO MAN.

ASHBOROUGH, N. C.

Saturday, July 22, 1837.

WIDOWS.

Question by a Subscriber.

[The following communication was received some months ago, but mislaid, and not recollected till now.]

QUESTION.

"If a widow dissents from her husband's last Will & Testament, 3 or 6 months after it has been proved, and letters testamentary have been granted, and she has received all the property bequeathed to her, and has lived on it, should she be allowed, on petition, a year's support from that time, or from the time the Will was proved? If from the time she enters her dissent, should she be held accountable for all the provisions she has consumed up to the time of allotting the year's maintenance? What latitude of meaning should, or may the commissioners to lay off a year's allowance to the widow and family, give to the word *family*?"

ANSWER.

1. As to the first and second branches of the foregoing inquiry. We think it proceeds from misconception of the law. The provision made for a year's allowance to the widows of husbands dying *testate*, is by act of 1823, the whole of which was repealed the following year, leaving the law as it stood before. And the same repealing act goes on to make sundry additions to the year's provision as it had previously stood. But we cannot find any act of Assembly, either before or since 1823, authorizing any widow, except the widow of an *intestate*, to petition for a year's allowance. It is unreasonable that the widow of a testator, who dealt liberally with her inheritance, should remain destitute of support, until she can take the necessary process for obtaining her distributive share; but it seems to us that such is the law. On this point however, we wish not to be too positive; our attention not having been called to it heretofore in practice.

2. As to the term *family*, we think embraces in the first place, all the persons that the husband left living permanently with the widow; and may be extended to such other persons as she may find necessary to bring to her aid in the management of her domestic concerns. In the practical application of the term, *family*, the commissioners are to exercise a sound discretion. If they abuse their power, either by too liberal a construction on the one hand, or by too much liberality on the other, the County Court will correct it, when properly shown, by setting aside their report, and appointing other commissioners.

EXEMPTION FROM POLL TAX.

(Question by a Subscriber.)

Mr. Editor:
I wish to know, whether a man, who, by misfortune, has been de-

prived of the use of any of his limbs, so that he is free from mastering,—whether such a one is bound to pay a Poll tax? And if not, how is he to proceed?"

ANSWER.

A man is not necessarily free from paying a Poll-tax, in consequence of being exempt from Military duty. He is liable until expressly exempted by the County Court.

The way to proceed, is to move the Court, at any time, either in person or by Counsel, to exempt the applicant from paying a Poll-tax. Affidavit must be made of the facts on which the motion is founded; which may be the affidavit of the applicant himself, or that of any other person or persons. The Court then, if they think the ground is sufficient, make an order to be entered of record, exempting him. And he can obtain a copy of said order from the Clerk at any time, when necessary for his defence.

In the present state of the country, when the minds of men are so generally turned to the subject of Banks and the principles of banking, we have thought a general account of the Banking Institutions of the different countries of Europe might not be uninteresting. The following is not new, being copied from an English publication made some twenty years ago, but, as far as it goes, is probably to be relied upon.—*National Intelligencer.*

RETROSPECTION OF THE PUBLIC BANKS OF EUROPE.

THE BANK OF VENICE

was the most ancient bank of Europe; we do not know, certainly, the date nor the motive of its establishment. History informs us that in 1171, the Republic, being hard pressed by war, levied a forced contribution on the richest of its citizens, giving them the engagement of a perpetual annuity of 4 per cent.—The leaders established a bureau or office for the receipt and reparation of this interest.

This chamber became the Bank of Venice; but at what period, or on what other basis, we are ignorant. In the defect of historic evidence, let us endeavor to state what may be reasonably conjectured of the matter.

As the interest of this loan was always paid punctually, every registered claim in the books of this office might be considered a productive capital; and these claims, or the right of receiving this annuity, was probably often transferred by demise or cession from one to another.

This practice would soon lead to other transfers and deposits, and as soon as this simple and facile method was experienced, and the advantages felt which commerce could derive from such a manner of account, the credit and circulation of banks were invented, and their uses discovered.

This office, in effect, became a deposit bank. In 1423, its revenues amounted to above 200,000*l.* chiefly received from the Government of the Republic.

Though this bank appears to have been established without a capital deposited, its shares and credit were so well supported that its bills had at all times an agio above the current money of the State.

The invasion of the French in 1797 was the term of its prosperity. The freedom of this city and the independence of the State being lost, its "guarantee," and, in consequence, the credit of this ancient bank, vanished like a dream.

THE BANK OF AMSTERDAM was founded in 1609, on strictly commercial principles and views, and not to afford any assistance, or to intermix with the finances of the State. Amsterdam was then an *entrepot*—a perpetual fair, where the products of the whole earth met and were exchanged.

This great commerce brought at that time to this city the coins of all Europe, but often worn and defaced, reducing

their average value 9 per cent. below that of their original stamp and issue.—The new coins no sooner appeared than they were melted or exported. The merchants could never find enough of them to pay their acceptances and engagements, and the rate or value of bills became variable to a great degree of fluctuation, in spite of all the regulations made to prevent it.

This was the condition and inconvenience of coined metallic payments two centuries ago, in the emporium, *entrepot*, and free mart of the commerce of the globe. It was solely to remedy this vexation and impediment, and to fix the value or par of the current money of the country, that the merchants of Amsterdam established a "bank" on the model of that of Venice.

Its first capital was formed of Spanish ducats, or ducatoons, a silver coin which Spain had struck in the war with Holland, to support it, and which the tide of commerce had caused to overflow in the very country which it was formed to overthrow!

The bank soon accepted the coin of all countries, worn or fresh, at their intrinsic value, and made its own bank money payable in good coin of the country, of full weight, taking a "brassage" for this exchange, and giving a credit on its books called "bank money."

This bank professed not to lend out any part of the specie deposited with it, but to keep in its coffers all that was inscribed on its books. In 1762, when Louis XIV. penetrated to Utrecht, almost all who had accounts demanded their deposits at once, and they were delivered to them so readily that no suspicion could be left of the fidelity of the administration of this bank. Much of the coins then brought forth showed the marks of the conflagration which happened soon after the establishment of the bank, at the Hotel de Ville.

This good faith was maintained till about the middle of the last century, when the municipal managers secretly lent their bullion to the East India Company and to the Government, and were for a long time unsuspected. The usual "oaths of office" were taken by a religious magistracy, or, rather, by the magistracy of a religious people; that all was safe. The event proved that oaths will not confine gold and silver always to their cells.

The good people of Holland believed, as an article of their creed, that every florin which circulated as bank money had its metallic constituent in the treasury of the bank, sealed up and secured by oaths, honesty, and policy.

This blind confidence was dissipated in December, 1790, by a declaration that the bank would retain 10*l.* per cent. of all deposits, and would return none of a less amount than 2,500 florins.

Even this was submitted to and forgiven. Four years afterwards, on the invasion of the French, this bank was obliged to declare that it had advanced to the States and the East India Company more than 10,500,000 florins which sum they were deficient to their depositors; to whom, however, they could assign these claims, to be liquidated at some future time.

This was a metallic bankruptcy.—Bank money, which bore an agio of 5 per cent. fell to 16 per cent. below current money.

This epoch marked the decay of this institution, which had so long enjoyed an unlimited credit, and had rendered the greatest services to the country.—The amount of the treasure of this bank, in 1755, has been estimated as high as 33,000,000 florins; but vulgar opinion had carried this estimate much higher.

THE BANK OF HAMBURG

was established in 1619, on the model of that of Amsterdam; its funds were formed of German crowns, called specie dollars. From 1750 to 1760 this bank suffered much from the base money with which Germany was inundated after the seven years' war, and was reduced to shut up. In 1770 it was arranged that this bank should receive bullion as well as coin; and it soon ceased altogether to keep an account in coin. This bank now receives specie in ingots or foreign coins as bullion only, which renders the money or paper of this bank the least variable standard of any in Europe. Its standard is 47 of pure metal, and 1 of alloy. Those who deposit pay less than one-half per cent. for the security, and one to one and a

half per cent. for refining; when they re-demand their deposits in the proper standard, which few do, but for a profit on the metal beyond this charge, preferring at all other times the bank money.

This bank also lends its money on the deposit of Spanish dollars, by giving its receipts payable to bearer; the charge for this accommodation is only 3*s.* 4*d.* per month, or 2 per cent. per annum. The loans are limited to three months, when the deposit is retired or the loan renewed.

This practice seems to deserve imitation here. The want of such an accommodation with us precipitates the exportation of bullion, or forces it into the hands of our bank, and tends to make this the worst market of the world for the precious metals.

The Bank of Hamburg is the best administered of any in Europe; its business and accounts are the most open and best known to the Public. Its governors are responsible and frequently renewed.

In the night of the 4th November, 1812, Marshall Davoust seized on all the treasures he found when he re-took this city; he found there 7,500,000 Mares Banca. The restitution of this seizure has been claimed of France.

THE BANK OF GENOA.

the most ancient now existing, was founded on shares deposited, and was independent of the Government; but soon, to secure its privileges, all its funds were placed on the security of the revenues of the State; by this means its credit was sapped and shaken, till a fatal blow was given to it by the invasion of the Austrians in 1746; from this it was again raised up, but recovered very slowly.

This invention of the Genese found imitators throughout all Italy. All had their banks of circulation, that is, a paper money. Naples had seven banks.

THE BANK OF VIENNA

was founded by Maria Theresa, in the seven years' war. The Empress issued simple "bills of credit," for 12,000,000 florins, ordering a proportion of the taxes to be receivable in this paper only; this regulation gave them a value higher than the metallic currency. The provincial treasuries found this paper very convenient, as it avoided perpetual transport of specie to and from the capital. But these operations were repeated too often, and carried so far, that all metallic money disappeared, and was exported or hidden.

At last, in 1797, (a curious coincidence,) the bank could pay its notes no longer, and was freed from the obligation to discharge them in metallic money, and all were obliged by law to receive them as current money; they now ceased to be a paper or bank bills of credit, and became a forced State paper money.

Its depreciation soon followed, but was accelerated and exaggerated by the expedient of creating a copper coinage, of little value: 100 pounds of copper were coined into 2,400 pieces, and stamped as of the value of 600 florins.

In 1810, a florin of silver exchanged for 12 or 13 florins in paper. The emission of this paper was carried beyond 1,000,000,000 florins, till, in February, 1811, the Austrian Government declared it would issue no more; and ordered it to be liquidated at 1-5th part of its nominal value, in a new paper money, called "bills of redemption," a sort of sinking fund, to be discharged by the sale of ecclesiastical property!

Though this paper was little better than the former, the reduction of quantity alone served to assist its currency and support its value; and in May, 1812, 100 florins silver would exchange for only 18*s.* of this paper, while the former had fallen below 12 to 1.

THE BANK OF BERLIN.

founded in 1765, issued notes of 4 to 1,000 livres. The bank livre is an ideal money, worth at par 15-16th of the crown of currency. This paper has always been liquidated most exactly; but all the wisdom and good faith of the Prussian Government could not protect it from the risks attendant on all institutions of this order. The capture of Berlin by the French, in 1806, suspended its payments, which have, however, been since entirely discharged and re-established.

THE BANK OF STOCKHOLM.

one of the most ancient, dates from 1657, and was established by the Gov-

ernment. Its capital was 300,000 specie crowns. It issued notes bearing interest and payable to bearer. It borrowed at 4 per cent, & lent at 6. It was so well administered, that at the death of Charles XII, its capital had augmented to 5,000,000.

Another bank was established, and soon united to the first. They now made advances to the Government and to the nobility; increased their paper to 600,000,000 crowns of copper, or about 8,000,000*l.* of our sterling. The debts of the State swelled; luxury and expense increased; even copper disappeared in bars, as in coin; and the bank paper could not be liquidated; even in this coarse metal; it fell to the 90th part of that for which it was issued. The Government at last owed to this bank more than 80,000,000 silver crowns, or more than 60,000,000*l.* sterling.

Gustavus III., for a time, by strong and wise measures, remedied much of this disorder, but destroyed at last his own labors by making war on Russia; from this time the country was overwhelmed by the incumbrance of a paper money without value, and was so completely stripped of metallic currency as to use notes of the low value of sixpence!

THE BANK OF COPENHAGEN

was founded, by Royal authority, in 1730, with a capital of 500,000 crowns. In 1745, in the 10th year of its establishment, it applied to the Government to be relieved of the obligation of discharging its notes in coin; it continued still to issue its paper, and to make advances to the State, and to individuals. The Public suffered; but the proprietors gained; their dividend was so large that the shares of the bank sold for three times their original deposit.

The bank had issued 11,000,000 paper crowns, when the King returned their deposits to the shareholders, and became himself sole proprietor. The paper issued was twenty times the amount of their capital, which had been increased to 600,000 crowns. The King carried this issue to 16,000,000, specie disappeared, and they were reduced to paper notes of a single crown.

The evil was at its acme, when some remedy was attempted. In 1791, all further emission was forbidden, and a progressive liquidation ordered. A new bank, called the "Species Bank," was created by a capital, in shares, of 2,400,000 specie crowns. This bank to be independent of the Government, and the directors, sworn to be faithful, were, at the same time, in all that related to the bank, relieved formally from their oath to the sovereign. Its issue of paper was limited to one and nine-tenths (less than double) of the specie in its coffers. The former bank was to retire annually 750,000 of its paper crowns.

By all these means it was hoped to relieve Denmark in less than 15 years, from its oppressive load of paper money; but the event did not justify this expectation. When once the gangrene of a forced State paper money has seized on a country, the Government and individuals struggle in vain to extirpate the "cries" of the politic economy, by the regimen of alterations, mild and slow in their operation. Only a decided and prompt, though painful excision could relieve and save Denmark, sunk under an increasing depreciation. In 1804, the new notes lost 25 per cent. in exchange with the currency in which they were payable; the notes of the old bank were at a discount of 45. In October, 1813, the depreciation was such, that 1,800 crowns in paper were offered for one crown of silver!

THE BANK OF RUSSIA.

Russia, too, it is well known, has her paper money. On the 29th of December, the great Empress Catharine, in the commencement of the war against the Turks, established the Bank of Assignats, designed to issue notes or bills payable to bearer. In the manifesto, these notes were declared in general terms, and very indistinctly, to be payable in "current money."

This doubt, however, was soon dispelled. In the first month of their issue it was ascertained that they would be discharged in copper only, in imitation of the Bank of Stockholm.

But this was impossible as it was improper. The value of copper was too small and too variable, and its transport impracticable, for this purpose. Only silver could be this basis.