

DEBATE ON THE BANK BILL.

Continued.

MR. STANLEY'S SPEECH CONCLUDED.

The bill proposes to create a bank on the funds and faith of the State—it enacts that "all the property belonging to the State, of every description whatsoever, lands, stock in banks, bonds, notes and the proceeds of vacant lands, shall be vested in the President and Directors of this Bank—as a part of its capital. And the faith of the State is pledged for the support of said Bank. The bill also provides that three hundred thousand dollars shall be borrowed on the credit of the State by the officers of the bank to form also a part of the capital.

Mr. S. said he was disposed to test the Bank fairly, and would therefore suppose that this money was borrowed—and he checked the belief that the State could obtain on loan that sum or any larger sum she desired, without sending from the State to procure it. He believed also it could be had at six per cent interest. The State of Virginia had lately borrowed of one of her Banks \$200,000 at five per cent interest, and the United States had obtained loans at four and a half per cent. He would however presume, as the advocate for the bill seemed to prefer, that the money was borrowed from the North—there he would leave it without the expense of bringing it here, as he should show that if brought here, it would soon be a wing and return.

Having also procured his officers and elegant bank notes, the bank commences its operation, by issuing its notes, not to the amount of three millions of capital, as gentlemen in their visions calculate to do, but to twice the amount of the money borrowed—only that is six hundred thousand dollars. These notes are issued according to the provisions of the bill upon bonds, of which one tenth only is to be payable every six months. For whatever purpose borrowed, the notes get into circulation, the current carries them as it does other notes into the Bank of the United States, into the other Banks and into the hands of the Brokers & Corporations have no souls, a learned law writer has gravely told us, nor have they any feelings but for their own interests. Individuals have nearly the same preference of their own interest above that of other individuals, or even of the State. The people of the State being, on the whole, largely in debt in their intercourse with the northern States, funds payable in the north or specie, are always sought for with avidity for remittances. With these six hundred thousand dollars of your new Bank notes in their hands, with the knowledge that you have northern funds & specie, they will not merely run, they will rush upon your Bank for payment: their haste will be increased by the knowledge that you have only three hundred thousand dollars of funds, and have twice that sum to discharge—and that the first to apply, will probably fare best. So the therefore of the notes must go unpaid, unless by a miracle three can pay six. You can derive no help from your debtors, to whom you loaned these notes, because their debt is not payable but in tenths at every six months, and should every debtor be punctual at the end of twelve months, you will have collected only two tenths, or one hundred and twenty thousand dollars. If any one doubts this result, I beg him to look to the state of things existing in regard to the present Banks. They endure all the runs I have mentioned as likely to visit the new Bank: they pay some specie—they procure funds at the north at a considerable expense—and they pay interest on their debt when they are punctual in discharge. They are harassed with suits often, and sometimes with suits. Yet sir, these Banks have millions due them: of which, much daily becomes payable. They have seventeen offices distributed through the State, and under the direction of a great portion of its intelligent capitalists. If with these means, the existing Banks are unable to pay punctually, what can you hope from your new Bank, occupying only a corner of this building, with but a share of the business of this city and with its seven "talismen" directors to supply its funds and sustain its credit, do you suppose the present Banks have the means to pay punctually? that the difficulties represented as attending them are not real? Let it not be believed, sir, a man in sound health would as soon submit to be bled and blistered, as either of your banks would submit to be dunned and sued, if they could avoid it.

Sir, said Mr. S. this picture is not too highly colored. North-Carolina is unfortunately so circumstanced that with but little benefit of foreign commerce, she is a debtor State, and such she must remain until some revolution in nature shall remove difficulties, or some great agricultural change, supply the means to overcome them. Upon the articles imported into this State from the West-Indies, a duty is annually paid by the citizens of the State of about two hundred thousand dollars—and of the price of the merchandise imported by our merchants at the north, exceeding a million of dollars a year, not less than two hundred thousand dollars, is the duty paid to the United States—these items make four hundred thousand dollars—which the consumers here pay to government, and for which we have no return. The means to pay these sums are drawn from the banks: and small as they are in the accounts of the government, they are a heavy draught on the chests of the banks.

I conclude, then, Sir, said Mr. S. that in less than five months your new Bank will have parted with all its borrowed Capital, and that a large amount of its notes will remain unpaid for want of money to pay them. Under such circumstances, the notes of any Bank would depreciate, but the depreciation on these notes would be greater than on any other, because the holders can have no redress by suit—the State cannot be sued; the payment of the notes would, as we say, be indefinitely postponed, and for that reason could only pass at a great depreciation—in a short time it would take one hundred dollars of this money to purchase a horse, that sixty dollars of other money would buy—this loss in value would fall upon the whole community, and no individual could avoid bearing a share of it. If you doubt the probability of such a consequence from this project, cast your eyes as directed by the gentleman from Buncombe, which the gentleman (Mr. Swaine) honors by representing, to Kentucky, Tennessee and Alabama, where such an experiment has been made, and has had such a result as I have described. But, Sir, these brokers of modern times are not easily diverted from their pursuit—they have the "board" and "shovel" like, they insist on the "pound of flesh." Your Cashier has no money—the offers them payment in the shares of the Stock of the other Banks now owned

by the State—these will not answer a broker's purposes, whose shaving operations in a northern city, require cash—the stock must therefore be sold. The money to be raised being for brokers on the U. S. Bank, Capitalists who have an interest in the existing Banks, will either not bid, since the money to be paid is to go to injure the Banks—or they will purchase at reduced prices. So that the operations of this mighty project will in a few months be brought to this result. The State will owe on bonds, three hundred thousand dollars; its Bank Stock will have gone into Market and have been sold below par; the revenue derived from the Banks to the amount of sixty thousand dollars will have been cut off; taxes will be required to supply its place in the public chest; your schemes of improvement will have been abandoned, because the means of carrying them on have been swallowed in the mighty bank; and you will have in exchange for all you have parted with a bundle of notes of persons scattered in every corner of the State, to be hunted out by Sheriffs, and perhaps to be discharged as insolvents.

These results are inevitable—nothing but the possession of the "Philosopher's Stone" which can turn any thing into gold, "make your paper equal to money, or save the Institution from bankruptcy.

Mr. S. said he intended not to go into an examination of the details of the bill, but would expose to the notice of those who had not examined it, some of its principle features.—It provides in the 14th section that loans shall be made on real security, in the following manner. The borrower shall obtain from an agent of the Bank, in every County, a certificate of the value of his land; with this certificate and his title deeds, he is to come to Raleigh, where his titles are to be examined by the directors, who, if satisfied with their appearance, (for they cannot possibly tell by looking at deeds whether the land is clear of elder titles, or whether it is free from judgments or mortgages,) they are to lend him one third of its value, taking a deed of trust to the County Agent, and if the debtor does not punctually pay his bond, his credit is declared forfeited, the agent shall immediately sell the land to pay the debt to the Bank, taking care not to bid more than the one-third of its value for which it is mortgaged to the Bank. Here, Sir, is the beautiful relief this Bank calls upon you to come from all the corners of the State to receive!

Without any indulgence for a day's delay: inexorable as fate, neither the destruction of crops by storm, the loss of property by fire, nor disease, nor death can stay the sale—without any suit, and without any equity of redemption, your land must be sold for one third of its value! The section presents a perfect trap for the unwary.—Was ever hope so mocked—was distress ever abused!

The 16th section of the bill declares that this mortgage shall be delivered to the county agent, and shall be considered as recorded from the date thereof, and shall have priority, &c. Our existing laws require that all mortgages and deeds of trust shall be registered within six months—a valuable provision to prevent fraud from secret and concealed conveyances. But this bill does not require that the deed to the Bank shall be recorded at any time: it enacts that in the case of the agent "it shall be considered as recorded." Was a scheme so perfectly calculated to invite and conceal a fraud, ever before so cunningly devised!

Having shown the little good and great mischief which this Bank project would produce to the State and to her citizens, I shall consume but a few minutes more in examining the foundation of the opinion, that this Bank is in any way necessary.

The bill commences with the declaration, that "it is expedient and beneficial both to the State and to the citizens thereof, to establish a Bank to be owned exclusively by the State." From the examination he had been able to give the subject, Mr. S. said he was convinced the operation of the plan proposed would not be beneficial, but on the contrary, in a high degree disastrous to the State, and ruinous to her citizens, and consequently it cannot be expedient to adopt it. In considering the subject, it may be profitable, & hence it is advisable, to take a view of the present state of the funds of the State, upon which this bill is intended to operate.

The State now owns five thousand five hundred shares of the Stock of the State Bank, and of the Banks of Newbern and Cape Fear, now worth half a million of dollars, and yielding to the State, in dividends and tax, nearly sixty thousand dollars per year—a sum exceeding the product of all the direct taxes of the State, which sum is paid by the officers of the Bank, without the charge of one cent for collection. The Banks from which this revenue is derived are managed under the inspection of the officers and Legislature of the State, by Directors chosen by the State and by individuals, who own nearly seven-eighths of the whole Capital—affording the best security for faithful management that can be devised—that instinct by which men pursue their own interest, and which has given birth to the maxim, that those agents most faithful, whose duty is their interest. That the Banks have been faithfully and ably managed, is not directly questioned, but to remove doubt on this head, Mr. S. said it was only necessary to examine their present condition, as shown by the report of the Treasurer on our tables. In the midst of the convulsions and revolutions, which, for several years have visited with distress and ruin, the commercial world of Europe and America, and which to the present day continue to shipwreck the largest fortunes, and blast the fairest hopes, our Banks have stood firm.—Such is the confidence of the best informed in their stability, that when every other species of property has declined in price, their stocks remain at par: their notes are received abroad, at the small discount of three to four per cent, and their dividends have generally kept at eight per cent.

The State Bank owes to the holders of its notes, and to deposits, one million nine hundred and eighty thousand dollars, (\$1,980,000). To meet which, she has funds in bonds of individuals, in specie and other property, to the amount of three millions six hundred and eighty thousand dollars, (\$3,680,000) leaving a net balance above her debts, of one million seven hundred thousand dollars, (\$1,700,000.) The Bank of Newbern, with half the Capital of the State Bank, owes nine hundred and forty-eight thousand dollars—(\$948,000), and has funds to the amount of one million eight hundred and twenty thousand dollars, (\$1,820,000,) leaving a balance above her debts of eight hundred and seventy thousand dollars, (\$870,000.) The Bank of Cape Fear, with the same capital as the Bank of Newbern, owes eight hundred and eighty thousand dollars, (\$880,000,) and has funds to

the amount of one million seven hundred and forty-six thousand dollars, (\$1,746,000,) leaving a balance above her debts of eight hundred and sixty-five thousand dollars—(\$865,000.) These exhibits show that the Banks have a surplus of means, above their debts, of three millions four hundred thousand dollars, (\$3,400,000.) The ability of their debtors to pay, depending in part on the vicissitudes of commerce, some portion of their debts may be lost; but the whole of this surplus must be lost, before one dollar of the debt they owe, can be lost for want of funds to pay it. While this exhibit is fully satisfactory to those who have an interest in the stability of the Banks, the alarm is sounded that the debts due the Banks will be collected in specie, and the debtors be ruined. Mr. S. said he had already examined the ground of this alarm—he trusted he had shown that bank notes would pay bank debts, but as to those who would not be prepared to pay at the expiration of the charters, ten years hence, he feared there were some who would not be prepared to pay, if the day of payment were postponed to the day of judgment. From this view of the standing of the Banks as to their creditors and Stockholders, Mr. S. begged the House to turn their attention to the operations of the Banks in regard to the interests of the State. At the incorporation of the Banks, the State had a very small amount of funds of any sort, and owed a debt of three hundred thousand dollars to the holders of her paper money. Since that period your taxes have been moderate, but little more than have supported the government, and been wasted in ill-conducted attempts at Internal Improvement. Yet by the sole operation of the Banks, their contributions in bonus, in tax and in dividends, the whole paper money debt has been discharged, and the State owns more than half a million of dollars in stock, bringing in a net annual revenue of near six hundred thousand dollars. Sir, said, Mr. S. before we give our aid to overturn that which is at present so stable—before we undertake to change the direction of the stream that now flows so smoothly and prosperously, let us with caution examine the inducements held forth to tempt us to the experiment, and the probable consequences to follow the passage of the bill before us.

Mr. S. said he would next enquire whether there was a necessity for another Bank? In his opinion there was not. The existing Banks have in circulation above three millions of dollars in notes, besides checks on deposits which daily pass as money, and an immense amount of notes of Banks of other States and of the Bank of the U. States. There seemed to be a sufficient circulating medium to answer the purposes of trade, since cash was readily obtained for all produce brought to market at prices as high as the demand would justify, and in the operations of business it should be remembered, ten dollars passing from hand to hand would in a few hours pay one hundred. To ascertain when there was as much paper about as trade required, it was the best rule to judge by its return upon the Banks. When too large a quantity was issued, it must depreciate or return, and we have the best evidence that the notes of our Banks are daily returned upon them for payment—to meet these demands, Specie and Bills on the North are procured at considerable expense. Spanish milled dollars, though still answering the purposes of money are sought for as an article of merchandise—they are shipped to India and bring more profitable returns in tea and other articles of that country than any other shipment—and even now command in the northern Cities, a premium of 1 1/2 per cent. above the best paper of the United States. The fleet of this demand for specie, with the natural return of notes from excess of issues and the hostility of the Bank of the United States in gathering their notes and demanding payment, shew that there are if not more, at least as many notes in circulation as are necessary, and that all the efforts of the Banks are barely sufficient to keep up with the runs upon them.—Shewing this, is proving that there is no necessity for another Bank.—Another Bank, no better than those existing, would but yield more lumber to the capacity of Brokers and hostile Banks, and by enlarging the quantity of notes in circulation, would in the same proportion reduce the business and profits of the existing Banks.—The State has no interest to gratify in producing these effects. But sir, if it is desired that the State should encroach her interest in Bank Stock, she has only to continue the course already adopted for some years past: let her bank dividends and tax be annually increased in Bank Stock, thus compounding her profits, and if she cannot acquire in this way as much as she is able to pay for, she can at the expiration of the present charters, grant new ones, reserving as much more as the statesmen of that day may think proper.

Mr. S. said he was fully aware of what the gentleman from Rockingham, (Mr. Martin,) would say of the existence of a bank owned by the State of South-Carolina—of which the one under discussion was a humble copy. That there was such a Bank he admitted, but as to its situation, of the peril in which it stood, of its arts to keep up a lingering existence by large issues of small notes, he would place what the gentleman from Buncombe told us he knew in opposition to what the gentleman from Rockingham should tell us he had heard respecting it. But, sir, said Mr. S. if the State of S. Carolina, with a large and wealthy seaport city, and commercial advantage, greatly surpassing ours, can support such a Bank, does it follow North-Carolina can also support one? As well tell me to disregard climate & soil, to discard cotton and corn, and plant sugar cane and coffee on my farm, because the cultivation is profitable in Louisiana.

I have before said, said Mr. S. that Banks are safest in the hands of those who have an interest in their management—let me refer on this point to the decision of others, wiser I must not say, but certainly more versed in matters of this sort than ourselves. The Bank of England, which from its extensive business and controlling influence might be called the Bank of Europe, is owned by individuals. The United States in establishing the first and second Banks of the Union, reserved to themselves a small portion only of the stock of the present Bank, only about one-seventh part, the residue being held by individuals. Such has been the course pursued, he believed by every State that had Banks, except S. Carolina already mentioned, and Kentucky, and Tennessee, and the information we have of these last, that their notes have depreciated fifty per cent, should teach us to shun their example, if we desire to avoid bankruptcy.

The gentleman from Rockingham, in recommending this project, has said it was the best guarded institution in the world! Mr. S. said he had sought in vain for the evidence of its security. Seven directors are to be appointed by the General Assembly. As the

existing Banks employ nearly or quite all the persons qualified at this place for directors of a Bank, he had called these new Bank gentlemen "talismen directors," bystanders. Who they are to be is beyond my powers to divine, but whoever they may be, of the seven four are declared to be a quorum for business, of these four three are a majority, so that all the property of the State is by the bill placed at the disposal of three men. But they may be sued, says the bill—and if, as the bill proposes, all the vacant lands in the State is vested in them, and if, being so vested, it should be liable to judgments against them, we shall see the Marshal of the U. States, whose lands reach from the ocean to the mountains, covering the whole with a Federal Court execution, and our vacant lands, even the "State of Buncombe," so called, may be exposed to public auction: I confess, said Mr. S. this is ludicrous enough, but it is also melancholy enough.

The gentleman from Rockingham tells us, mankind can be made to believe any thing, and for this he gave the authority of Mr. Sheridan. (Mr. Martin explained.—He did not attribute that sentiment to Mr. Sheridan, but that he had said those who overlook the fatigue of thinking for themselves are few.) Then said Mr. S. the first sentiment belongs to the gentleman himself: the credulity of man is indeed great: since the practice upon it by the wag who collected a crowded theatre in London upon his promise to go into a bottle, he had heard of no bolder attempt to practice upon its credulity, than the attempt of the gentleman to persuade us to trust all our funds, property and faith, to his management, or to the management of those appointed under his bill. Yet sir, there is a facility in deceiving ourselves, as well as deluding others, and the gentleman has actually brought himself to believe his plan is just, wise and necessary. I wish the full and calm discussion of the subject on this occasion, would convince the gentleman of his error; but, sir, I fear the gentleman will not retract—for, like the amiable county schoolmaster, described in a favorite poem, "E'en though vanquish'd, he can argue still!"

Upon the whole, sir, the scheme appears to me to be visionary in the extreme, and fraught with danger to the best interests of the State. I hope it will be permitted to sleep at least one year longer on your table. In the mean time the gentleman can continue to make it the theme of his public addresses to his constituents—and again be flattered with the echo of their admiration and applause. But I would ask pardon for advising him not to rely too much on the decision of "those who seldom think for themselves"—the multitude, though like Sampson, strong, like him, are often blind." (Debate to be continued.)

General Assembly.

HOUSE OF COMMONS.

Thursday, Dec. 22.

Mr. W. W. Jones presented a bill to make an appropriation for clearing out the flats below Wilmington.

Mr. Wilson, a bill for the better regulation of the County Courts of Wilkes.

Mr. Iredell, a bill to incorporate Eastern Lodge in Pasquotank county. James A. Means was declared duly elected Colonel of Cavalry of the 11th Brigade.

Mr. Scott from the Judiciary committee, reported a bill directing the manner in which the costs of suits decided in the Supreme Courts shall hereafter be collected and paid over. [Provides that Sheriffs in all executions from the Supreme Court shall pay into the office of the Superior Court from whence an appeal was taken, the costs due in said Court.]

Mr. Swain from the select committee on the subject, reported a bill to erect part of the counties of Buncombe and Burke into a separate and distinct county. This bill was read the first time and indefinitely postponed on motion of Mr. Drake.

Mr. Spruill from the select committee on the subject, reported that it is inexpedient to establish a Penitentiary at this time.

Mr. Swain presented the petition of John Mac Rae of Fayetteville, stating he is about to publish a Map of the State and asking for a loan of 3,000 dollars to enable him to effect the work. Referred to a select committee.

Unfavorable reports were made on the petition of William Hooker and others, and the memorial of the officers of the Sunday School Union of Orange, and a favorable report on the petition of William L. Hill of Onslow; the two first concurred in and the last rejected.

Friday, Dec. 23.

Mr. Holland presented a bill to amend the 9th section of an act passed in 1777, directing the method of electing Members of Assembly. [Proposes that the polls may be opened at 10 o'clock in the morning instead of the hour now specified.]

Mr. Iredell from the joint committee of Finance, who were instructed to burn the defaced Notes in the Treasury, reported that they had examined and caused to be burnt in their presence, \$13,984 35 in worn out bills of that description.

Mr. Gordon presented a bill which was read three times, to amend an act passed in 1814, for the better regulation of the town of Wikesboro'. Mr. Donoho from the committee on Internal Improvement, to whom a resolution of the House on the subject was referred, reported a bill directing the Board of Internal Improvement to make contracts with such persons as may hereafter undertake any of the public improvements in this state and to take bond and security for the performance of the same.

William Newton Park was elected Colonel of Cavalry of the 11th Brigade. The bill prescribing the duty of the Attorney General was read the second time and amended by repealing the parts of acts under which the Solicitor General is appointed, so as to appoint two Solicitors for the third and fourth circuits, and the bill as amended passed its third reading.

Mr. Martin presented a resolution directing the Board of Internal Improvement to solicit the President and Directors of the Roanoke Navigation Company to accept of the appropriation made by the Legislature in 1823, for the purpose of locking into the River at Weldon. Mr. Iredell moved for the indefinite postponement of the resolution which was carried. Yeas 83, Nays 32.

Saturday, Dec. 24.

Mr. Lassiter presented a bill to regulate the patrol of Lenoir county.

Mr. Picket from the select committee reported a bill authorizing a loan to J. M. C. Rae to aid him in the publication of a Map of this State.

Mr. Wilson, a bill to amend the first section of an act passed in 1820, concerning the marriage of infant females.

Mr. Whitehurst, a bill to repeal part of an act passed in 1818, authorizing the County Courts of Craven and Cumberland to appoint special Justices &c.

Mr. Drake, a bill to provide for the payment of Jurors in Nash county.

Mr. N. Jones, to establish a Poor House in Granville County.

Mr. Drake, to incorporate Morning Star Lodge, in the town of Nashville.

Mr. McCauley, a bill to appoint Commissioners for the village of Chapel Hill.

Mr. M'Millan a bill concerning the County Courts of Bladen.

Mr. Spruill, a bill to alter the times of holding the Superior Courts of Halifax and Northampton.

Mr. Adams, a bill to incorporate Fellowship Lodge No. 84, in Johnston county.

Mr. Ellison, a bill to appoint Commissioners for the town of Bath, in Beaufort, &c.—which bills were read the first time.

SENATE.

Thursday, Dec. 22.

Mr. Jones of Rowan presented a bill for the better protection of Public Bridges owned by individuals or corporations and prescribing the punishment for burning the same.

Mr. Vanhook, a bill to alter the time of holding the County Courts of Person.

Mr. Fornyduval, a bill limiting the time within which prosecutions for certain offences shall be commenced.

Mr. Harrell, a bill to repeal in part, several acts of Assembly respecting the sales of land under execution.

Mr. Sneed, a bill for the relief of the Trustees of the Williamsborough Academy.

Mr. Pickett, from the Judiciary Committee, reported a bill to provide for the security of persons purchasing slaves, sold by virtue of executions issued by Justices of the Peace—which bills were read the first time.

The bill to authorize the building of a Toll Bridge over the river Cape Fear and to incorporate a company for that purpose, and the bill authorizing the Trustees of the Salisbury Academy to raise by way of lottery \$10,000 were ordered, to be enrolled. They are therefore laws.

Mr. Hill of Franklin from the committee on Education, reported a bill to create a fund for the establishment of Common Schools and for the support thereof—which was read the first time and ordered to be printed.

Friday, Dec. 23.

Mr. Forney from the committee on Internal Improvements to whom was referred the petition of sundry inhabitants of Hyde and Washington, reported a bill to repeal the several acts of Assembly passed in 1815, 1818, 1822 and 1823 incorporating a company to make a Turnpike Road from Pungo River in Hyde to the town of Plymouth in Washington county, which was read the first time and passed.

Mr. Pickett presented a bill to extend the provisions of an act passed in 1822, granting further time to perfect titles to lands—which was read the first time and passed.

The engrossed bill to repeal the 10th section of an act passed in 1806, directing the manner in which the clerks of the Superior Courts shall be appointed &c. was read the second time and indefinitely postponed on motion of Mr. Speight of Greene, Yeas 31 Nays 19.

Saturday, Dec. 24.

The following bills, were presented:—

By Mr. Gilchrist, a bill to annex part of the lower regiment to the upper regiment in Robeson county.

By Mr. Baker, a bill to alter the times of holding two of the County Courts of Brunswick.

By Mr. Baughn, a bill to repeal an act passed in 1823 for the more convenient administration of Justice in the County Courts of Rockingham.