

## DEBATE ON THE BANK QUESTION,

Which took place in the House of Commons, from Dec. 29 to Jan. 6.  
(Continued.)

Mr. W. J. Alexander said, it was with some reluctance that he entered upon the discussion of a subject on which the talents of the House were much divided. It was however important, and he owed it to his constituents to investigate it. He did not intend to go into an investigation of the facts of the case. As these had been reported, after a full examination of evidence, by a numerous and respectable committee, he should consider them as established. And if this be the case, there can be no doubt that the State Bank, the Bank of Newbern and the Bank of Cape-Fear, have all violated their charters. In respect to the State Bank, especially, it seems to have violated its charter whenever it suited its convenience to do so.

It had been observed by the gentleman from Newbern, that as soon as the State Bank went into operation, it had a right, from its charter, to issue notes to the amount of \$4,800,000. Mr. A. did not think this position was correct. The charter of each Bank limits the amount of its issues; and says, that respect shall be had to the amount of its stock; and the State Bank charter forbids the removal of stock from one Branch to another. Suppose the whole stock of the Banks had been promptly subscribed for, and the two first payments made in gold and silver as prescribed,—but the deferred payments were yet to be made. The Bank could not then surely do the same extent of business as if the whole stock had been paid for.

The evidence given to the Committee, was necessarily mostly confined to the State Bank. What, Mr. A. asked, was the situation of that Bank in the years 1818 and 1819? The amount of specie in the vaults of that Bank in November 1818, it appears from the evidence, was \$99,975. The notes in circulation were \$1,183,667. In February 1819, the specie was less by about \$800, but the notes in circulation were increased \$100,000. In May 1819, the specie was reduced to \$76,114, and the notes were \$1,200,000. In November 1819, the specie was only \$44,056, and the notes \$897,225.

He enquired of the committee, whether it was not a correct construction of the charters of the Banks, to say that they are limited in their issues to three dollars in paper to one in specie? If this were so, he called on gentlemen to examine the above statement, and calculate what amount of interest these institutions have wrongfully made in the prosecution of their business.

Mr. A. referred to the evidence of Mr. Dewey, Cashier of the State Bank, where he says, that in the exhibit made by that Bank for May 1828, the specie on hand was stated to be \$214,000, though 140,000 of it consisted of stock of the United States Bank, which stock, he (Mr. A.) understood, was pledged for a debt to an equal amount.

But the gentleman from Newbern says, that the State is represented in the Directory of that Bank; yet if the officer whose duty it is to do so, does not make proper reports, is the Legislature precluded from examining into this matter? Can any one say that the sovereign will of North-Carolina is expressed in the government of the affairs of the State Bank, when it is seen that it violates its charter whenever it believes it to be its interest to do so? And what are we called upon to do? To call the officers of this institution to an account. They have violated their charter, and received more interest from the people than they ought to have done. Why, then, do gentlemen object to the calling of these Corporations to account? We are told it cannot be done, because if you go on with your quo warrants, the corporations will be dissolved, and if dissolved, the debts due to and from the institutions will be extinguished.

I deny this to be the law, said Mr. A. The law does not produce such a consequence; and if it did, it is competent for this Legislature to alter the law, notwithstanding what the gentleman from Newbern has said about *ex post facto* law.

Has the Legislature, asked Mr. A. never before acted upon this principle? In the year 1786, when the Legislature was composed of men as eminent for legal talents as at any period since—when it contained some of the able patriots who formed the Constitution—these men passed an act calling upon those who had been Commissioners for settling the claims of the officers and soldiers of the Continental line, in much stronger language than is used in the bill at present before the committee. These men had become corrupt, and it was necessary to call them to account. The act passed on this occasion, was entitled "An act to bring to condign punishment and to secure their estates so as to be answerable to the public, the persons therein described, accused of certain crimes and fraudulent practices," &c.

Here, the Legislature passed an act to bring certain men to trial who had greatly abused the trust which had been reposed in them, and to prevent them from alienating their property—and these men were tried, convicted and punished. But, say gentlemen, if the Supreme Court of North-Carolina call upon these corporations to answer for their flagrant conduct, the consequences will be most appalling—the people will be freed from paying the debt of five millions of dollars, which they are supposed to owe to these banking institutions. This, said Mr. A. will not be the consequence. He relied on a passage in Kent's Commentaries, to shew that the State would succeed to all the personal estate of the corporations if they were dissolved.

According to the law of the land, when the corporation is dissolved, it is the death of the corporation. The debts may die so far that the corporation cannot collect them, but the debts are property, and as such are vested in the people. The corporate body is deprived of the means of suing for its debts. But cannot, Mr. A. asked, the Legislature say how the money and property shall be disposed of? Has this never been done? What took place, after the formation of our present Government with regard to the estates of foreigners, whose property was declared to be forfeited to the State. It was confiscated, and Commissioners were appointed to collect and dispose of this property.

Mr. A. thought the course pointed out by the gentleman from Granville was correct, so far as it provided that the Legislature should call on the Attorney-General to commence prosecutions against the officers of these corporations.

If any gentleman had doubts on the subject, he would refer them to a case in the 5th vol. of the Massachusetts reports.

Will the Legislature of North-Carolina permit these corporations to go on and collect their debts from the people, and distress them to any extent they please? He trusted not—they have violated their charters, and ought to be called to account.

Can there be any difficulty? It is said we have no right to pass an *ex post facto* law. There is no necessity for this. The common law has said, that when a corporation has violated its charter, it may be disfranchised. How? In the very mode that the gentleman from Granville has proposed. The people have a right to call upon these corporations through their courts, and then, after forfeiture in decreed, take the proper steps in respect to their property. We do not say their property shall be forfeited; but propose to try them according to law.

Mr. A. said he did not intend to say any thing on the project for establishing a new Bank of the State. That was a distinct question, & he was sorry that the two matters had been connected with each other. He believed there were many willing to prosecute the present Banks who are not prepared to vote for the new Bank proposed by the gentleman from Granville. He believed that Banks with small capitals were more serviceable to the public, and would be more correctly managed, than large establishments.

Mr. A. concluded his remarks, by observing, that the report made by a majority of the members of the Bank Committee was altogether apologetic. They acknowledge that the conduct of the Banks has been irregular, but that the managers of these institutions have been compelled to take the steps of which they are accused. The gentleman from Newbern, though he acknowledges the conduct of the Banks has been incorrect, is of opinion that they have not been guilty of usury. Mr. A. thought differently. If a man asks accommodation from the Banks, he is told he cannot get it, except he will exchange a certain amount of money of more value than his notes. He could see no difference between this practice, and that where a man refuses to lend his money, except the borrower will purchase a horse, or any other article, from him at an extravagant price—which our Courts have declared to be usury.

Mr. Spruill, (Chairman of the majority of the Bank Committee) said it was the object of the committee to state the facts of the case to the House, and leave the Legislature to take what course they might judge proper. It was not their intention to make any apology for the conduct of the Banks, but to give, not only the facts, but the reasons also, which had been offered in evidence, for the measures which had been adopted by these institutions. These facts and these reasons will go to the public, who will form their own opinion upon them.

Various propositions, said Mr. S. are now before the committee—not only the recommendations of the majority and minority of the Bank Committee, but also the resolutions of the gentleman from Newbern, and the resolutions and bill introduced this morning, by the gentleman from Granville, (Mr. Wyche). The important enquiry is, will the Legislature express any opinion, or take any steps on the subject? and if so, what shall be done? From the examination which had taken place before the committee, the conduct of the State Bank has been very improper, if not highly culpable. Much of the evil may have grown out of the organization of that Bank, which he regarded as fundamentally wrong. What is the organization of this Bank?

It is under 96 or 98 Directors, distributed among a principal Bank and six Branches, with considerable, and in many respects, co-ordinate powers. These Branches are scattered over the whole State. Nothing good could be expected from a system so loose and so extended. If we get clear of this institution, he hoped we should take more care in future in forming any establishment of the kind.

Mr. S. did not care how soon the State Bank wound up its concerns, provided that in doing so, it did not distress its debtors.—In his opinion it had done but little good. It had afforded to the people an opportunity of embarrassing themselves with debt, which they might find some difficulty in paying. But he did not consider the present period distressing beyond any other, as had been represented. Our crops are unusually good through the State.—The prices are fair—and the amount of exports of every description, will not be short of seven or eight millions of dollars. The single article of cotton will amount to three millions of dollars—and the whole of our other exports will produce four or five millions more. With such resources, the people will be able to pay their debts. He believed they are now more disposed to do so than heretofore. Their habits have become more economical—they are less disposed to buy, and more disposed to pay. He trusted therefore, that there would be less difficulty experienced among the people generally than had been apprehended.

If the State Bank shall proceed to close its business—and do not insist on too large instalments from its debtors, it will be a blessing to the Country. After their affairs are wound up, there will be left sufficient ability in the Newbern & Cape Fear Banks to accommodate the community with a sufficiency of circulating medium. And if not, it will be time enough for the Legislature of 1835, when the charters of these Banks expire, to make provision in this respect.

It is said, that the people of this State owe five millions of dollars to the Banks. Of this sum a very large amount, Mr. S. had no doubt, was due from the Directors and Stockholders. For these he felt but little sympathy. They had enjoyed the large profits of the Institutions, and they might now bear a share of the difficulties, attendant on the winding up of their concerns.—But so far as individuals are concerned, he hoped they would be indulged as much as the nature of the case will allow.

It has been said, that if the State Bank withdraws its notes from circulation, there will not be sufficient currency left to answer the purposes of the community. He was of a different opinion. We have heretofore had too many Bank notes afloat, which had caused them to depreciate in value. It would be of advantage to the public that a part of them should be withdrawn—and the sooner it is done the better. It is not supposed that either the Newbern or Cape Fear Banks intend to close their business. The Cape Fear Bank has become a specie paying Bank—and the Newbern Bank is using every means to become so. These two Banks, with the Fayetteville Branch of the United States Bank, and such notes as come in from the adjoining States of Virginia and South-Carolina, would be sufficient for all our purposes.

One of the objects of the Bill now before the Committee, is to establish a new Bank of the State;—on principles, in his opinion, more objectionable than those of the present State Bank. The stock of this new Bank is to be owned entirely by the State—to be under the direction of officers, with salaries—and irresponsible, except so far as they may be restrained by a sense of good faith and honor. We have found it impracticable to keep the present State Bank within the bounds prescribed for it;—and he should be very unwilling to see the State embark in any such scheme as that proposed by the gentleman from Granville. If we establish any other Bank, let it be placed on a solid foundation—under the management of responsible individuals—with a moderate capital, just sufficient to answer the purposes of the community—and its business done on short loans, so as always to keep its issues within its control. He believed it will be necessary to have Banks on these principles to prevent the United States' Bank having the entire control of the circulating medium of the State. Such a state of things he thought much to be deprecated. The influence which the United States Bank must acquire over the moaned concerns of the State, if left without a rival in a local Institution, would be dangerous to liberty.

There is a feature in the Bill, proposed by the gentleman from Granville, to which, Mr. S. said, he strongly objected. The Directors of the proposed new Bank are to have power to borrow money to any amount on the faith of the State. He was unwilling to pledge the faith of the State for any such purpose. This new Bank, however, is not to go into operation until the contemplated suit in Equity against the Banks is determined. And when will that be? Not in our time. For if the suit goes on, the testimony of five hundred persons, living in different parts of the State, must be taken. So that if such a Bank is to be established, it will be for our children—and not for us.

With respect to the proposition for a *quo warrants* enquiry, into the conduct of the Banks, he could see no good growing out of it. He believed the Banks had all been culpable—but no benefit would accrue to the State from such an enquiry.

The proceeding by *quo warrants*—and the effect of a judgment on such writ—were little understood in this State. Whether the State succeeded or failed in the prosecution, the result might be ruinous to the best interests of the people.

Debate to be continued.

## CONGRESS.

### SENATE.

Tuesday, February 10.

Mr. Smith, of S. C. presented the protest of the Legislature of S. C. against the present laws imposing duties on imports for the purpose

of protecting domestic manufactures. The object and character of the Protest was explained by Messrs. Smith and Hayne. Mr. Hayne presented the Resolutions of the Legislature of Indiana declaring the right of that State to the unappropriated lands within its limits.

Wednesday, February 11.

Mr. Chambers, from the select Committee, to which was referred the memorials of sundry citizens praying indemnification for appropriations of their property by the French, prior to the year 1800, reported a bill for the relief of those citizens. At 12 o'clock the Senate, presided by the Vice-President and their Secretary, proceeded to the House of Representatives for the purpose of examining and counting the votes for President and Vice President of the United States, after their return. Mr. Tazewell was appointed a Committee on part of the Senate to notify Andrew Jackson of his election as President of the United States.

Thursday, February 12.

A bill was reported from the Committee on Military Affairs for a gradual increase of the Corps of Engineers. Two hours were spent in the consideration of Executive business.

Friday, February 13.

The Senate was occupied the whole day, on the bill for the relief of Thomas L. Winthrop and others, directors of an association called "New-England Mississippi Land Company," which bill was advocated by Mr. Berrien, and opposed by Mr. Kane, and ordered to a third reading by a vote of 21 to 19.

The Senate adjourned to Monday.

## HOUSE OF REPRESENTATIVES.

Tuesday Feb. 10.

The discussion on the resolutions offered by Mr. A. Smyth was resumed.—Mr. Sergeant concluded the observations he had commenced, and Mr. Smyth commenced some remarks in reply; but had not proceeded far before the discussion was arrested by the termination of the hour. The House then proceeded in obedience to the resolution offered on Saturday, to ballot for a Printer for the next Congress, when on opening the ballots, there were found to be 208 members present, 105 being necessary to a choice. Of the whole number, De Green had 107, Gales & Seaton 95, and 6 votes were scattering on a blank.—The bill relative to Captain Bissell's case was then again postponed till Thursday, on motion of Mr. Mercer; and the House resolved itself into Committee of the whole on the bill for the preservation and repair of the Cumberland Road. Mr. Bell having a right to the floor, spoke during the residue of the day, in opposition to the power of the Government to construct Roads and Canals, and also in opposition to the policy. He was in favor of the amendment of Mr. Buchanan.—When he had closed his observations, on motion of Mr. J. S. Barbour, the Committee rose, and the House adjourned.

Wednesday, Feb. 11.

The amendment to the Constitution by Mr. A. Smyth was again taken up.—Mr. Smyth having been interrupted in his observations on Tuesday, rose, and stating it to be his desire to have the question taken without further debate, waived his right to make any further remarks in reply, and called for the previous question, but the call was not seconded, there being on a division—ayes 60, noes 90.—A motion was then made to postpone the consideration of the resolution—when Mr. J. C. Wright spoke against postponement until his observations were interrupted by the expiration of the hour. A message was then sent to the Senate, informing that body that the House was ready to proceed to the counting of the votes for President and Vice President, and inviting the attendance of that body. In a few moments the Senate, headed by the Vice President of the United States, entered the Hall, and the Vice President took his seat on the right of the Speaker, while the members occupied the chairs placed in front of the Clerk's table. The tellers, Messrs. Tazewell, Van Rensselaer, and P. P. Barbour, then proceeded to read the certificates of the electors, and at the close the Vice President announced that Andrew Jackson, of Tennessee, was elected President of the United States for four years, and that John C. Calhoun, of South-Carolina, was elected Vice President, for the same term, from the 4th of March next. The Senate then retired, and the House adjourned.

Thursday, February 12.

A committee of two members was appointed to join with the committee of one member of the Senate, to wait on General Jackson and Mr. CALHOUN, and inform them of their election as President and Vice-President. Several bills were reported—and, among them, a bill for the relief of James Monroe, from the select committee to which had been referred the memorial from Albemarle county on that subject. Mr. Lawrence offered a resolution to discharge the committee of the whole on the state of the Union from the further consideration of the bill for the preservation and repair of the Cumberland road; and the consideration being demanded, the question—"Will the House consider the resolution?"—was taken by ayes and noes, and determined in the affirmative by a vote of 101 to 72. Before any decision was made by the House concerning the resolution, the hour had expired, and the discussion was arrested. The House then went into Committee of the whole on the state of the Union, and resumed the consideration of the bill for the preservation and repair of the Cumberland road. Mr. J. S. Barbour, Mr. Storrs, Mr. P. P. Barbour, Mr. Buchanan, and Mr. Kremer, then severally addressed the committee. The vote was then taken on the amendment moved by Mr. Vance, relative to the re-payment of the money advanced from the two per cent. fund, which was negatived.—The question was then taken on the amendment of Mr. Buchanan, to cede the road to the States, and decided in the negative—Ayes 66, noes 76. Mr. Gorham then moved to amend the bill, by striking out the original bill, after the enacting words, and substituting a bill simply appropriating 100,000 dollars for the repair of the road, to be expended under the direction of the President of the United States.—A motion made by Mr. Ramsay to amend the bill, so as to increase the rate of tolls, was then negatived; and the committee rose and reported the bill to the House. Mr. Buchanan then renewed his amendment, and Mr. Ramsay renewed his proposition to amend; and the House then adjourned.

Friday, February 13.

After various bills had been reported from the different committees, the House took up the resolution of Mr. A. Smyth, amendatory of the Constitution, when Mr. J. C. Wright offered an amendment to the amendment of Mr. Condict. Mr. Stanberry then moved to lay the resolution and amendments on the table; and on this motion, on the call of Mr. Wright, the ayes and noes were ordered.—The question was then taken and decided in the negative, ayes 82, noes 89. Mr. Wright then resumed the floor, and made some remarks illustrative of his motive and design in offering the amendment; but before he had proceeded far, the hour having expired, the discussion was suspended. The House then resolved itself into committee of the whole several times, and acted on about a dozen private bills, nearly all of which were ordered to be engrossed and read a third time.

PHOCA.—On the 1st inst. a Seal was killed, by Mr. T. A. Houston, in Sapelo river, about 3 miles from Sutherland's Bluff, in McIntosh county. From the nose to the end of the hinder fins, it measured 7 feet 4 1-2 inches, and across the breast 20 inches. The blubber on the sides was fully two inches thick. This is the first animal of the kind that has, so far as our knowledge goes, been killed in Georgia. Indeed, the belief has hitherto prevailed that the Seal never visited our coast; though one or two incidents, which happened after the September storm of 1804, impressed us with an opposite opinion. A number of negroes, belonging to the late Captain James Pelot, whilst going in a boat, from his residence, to labor on an islet, were terrified by an animal breaking water near them, and presenting a head resembling human. With the utmost trepidation, they pulled back and reported they had seen Satan, nor could reason or entreaty, for some days, induce them to go to the islet. A short time afterwards, a gentleman, in the same neighborhood, whilst fishing for sheep head, was most terribly alarmed by the appearance of a similar animal.—Though in the second stage of consumption, he ran over a marsh half a mile wide, to the residence of the late Colonel Jesse Harrison, and it was some minutes before he recovered the use of his tongue. He de-