

DEBATE ON THE BANK QUESTION.

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

(Continued.)

(Mr. Guston's Speech concluded.)

But, Sir, said Mr. G. I do acquit the gentleman from Mecklenburg of ultimately intending plunder. His object is, by confiscation, to place the concerns of the Bank, against which his efforts are mainly directed, in the hands of the Legislature, trusting that they will dispose of them with proper regard to the principles of right, and hoping thereby to prevent the debtors from being pressed too eagerly for the payment of what they owe. Let me, however, conjure him to reflect, anxiously, again and again, upon every step in this tremendous experiment, before he ventures to execute it. The file affords no precedent. It has never been tried before. A failure may be after ruin. He must see that some of his notions were crude and erroneous, and he ought to distrust the correctness of others. Should the consequences be such as I predict, and such in the sincerity of my heart I believe they will be—the gentleman, to the last moment of his life, will rue the day in which he lent his agency to produce them.

Mr. G. said, that he had now done with the examination of the legal questions into which he had been drawn by the argument of the gentleman from Mecklenburg. He was thoroughly satisfied himself, and trusted that he had proved to the Committee, that a judicial sentence of forfeiture of charter must be followed by an extinguishment of all debts due to or from the Banks. There were some other topics connected with this subject, on which he would ask the further attention of the Committee. Something had been said of a practice which prevailed at some of the Offices of the State Bank of calculating interest for ninety-two days, on a note made payable eighty-eight days after the day of its discount, and this had been stigmatised as Usury. Is it possible that gentlemen should so misunderstand this usage, or be ignorant of the actual adjudication of our own Supreme Court upon this very objection? On every such note, three days of grace were allowed for payment, after the day of payment stipulated in the note. The note was therefore, in fact, payable at the end of ninety-one days after the day on which it was discounted. But the borrower had the use of the money on the day of its date—that is, for ninety-two days, and this being the term of forbearance, the Bank deducted the interest for that term. Whether this practice was usurious or not, was a question distinctly presented for adjudication in our Supreme Court, in the case of *State Bank v. Hunter*, reported in *1 B. & D. & Deax's Repts.* 99, and the practice was decided to be legal.

There had been no act or omission on the part of these Institutions, which he considered so reprehensible in its nature, or so mischievous in its consequences, as the want of punctuality in redeeming their issues. By suspending specie payments, the only effectual check upon redundant issues—the criterion by which to judge of the fair demands of business—and the standard by which to regulate collections—was lost. Punctuality in making payments ought to be the point of honour with Banks, as much as courage in a soldier, or chastity in a woman. Here was the only serious ground of complaint against these Institutions, and however the State and the community—public feeling and the impertunity of debtors—however truly they all come in of a full share of the blame, yet there was most serious cause of censure. But it was to be remarked, that in the proposed prosecution, a failure on the part of the Banks to pay their notes on demand, could not be assigned as a violation of charter, or a cause of forfeiture. It was indeed a violation of promise, and as such, subjected to be sued. The charters contained no provision whatever upon the subject. The Banks were under no further or other legal obligation to pay the demands upon them than that which the law imposed upon every individual of the community, and of course a breach of this obligation could expose them to no severer legal penalty than that which the law of the land inflicted on every unpunctual debtor. It may be more injurious to the credit of a Bank—it may more extensively injure the community, for a Banking Institution to evade or deny payment of its debts, than for an individual or any other body politic, but it is in all precisely the same breach of duty, and where the law has made no distinction, it must in all, be prevented or redressed, by precisely the same remedies.

The object of this proposed quo warranto or "other legal process," is not the redress of individual injury, nor the punishment of offending individuals. Is there a man in the community who has suffered wrong at the hands of any of these Institutions? The Courts of justice are open to hear his complaints, and our laws are strong enough to command for him complete relief. Let it not be objected that these may be poor men, for our benevolent code has provided, that in such case they may sue without cost. Have the officers committed any trespass against the public morality, or the public policy of the country? Let the offenders be brought forward to receive their merited punishment. But do not, in a paroxysm of passion, visit their sins upon the country—upon the public institutions—the innocent—the helpless—and the destitute. Dissolve the charters—and your State—your University—your Academies—your charitable institutions—the widow and the orphan—are stripped of their stock—while the supposed offenders, perhaps no longer stockholders, or owing debts far transcending the amount of their stock, are, by an extinguishment of these debts, rewarded for their very misdeeds.

Sir, said Mr. G. I can see nothing gratifying in any result of this proposed prosecution. Defeat will be disgrace: Victory will be ruin. The difficulties attending the prosecution are infinitely greater than is anticipated by the rash and inconsiderate vengeance of those who urge on this measure. The mode of proceeding is unknown in our usages. A quo warranto to vacate a charter, or a scire facias to repeal it, has never been brought in N. Carolina. It is doubted, & justly doubted, whether an Information in nature of a quo warranto will lie in this State, for our Constitution requires that all criminal proceedings shall commence by Presentment or Indictment of a Grand jury. Every step that may be taken in this pathless wild, will present to the Counsel for the State unexpected obstacles and unforeseen difficulties. When facts are to be established in a Court of Justice, the bold conjectures here indulged, and the loose evidence here received, will not avail one whit to prove them; and when specific causes of forfeiture are to be juridically made out, empty declamation, bitter invective, rhetorical flourish and offensive innuendo, however weighty here, will pass by unheeded as the idle wind. Those who are entrusted with the management of these institutions, and with the mighty interests at stake in them, assuredly will neglect no legal means of averting the threatened mischief. The public sentiment, too, when the public shall see the consequences of a conviction, will inevitably take side with the accused—and in all probability, although the Legislature shall have prejudged the cause—have proclaimed the guilt of the accused—ordered the prosecution—and prescribed the sentence—yet, after vast expense, great delay, and infinite public confusion, the boasted impeachment will terminate in a miserable failure.

Disgraceful as would be such a result, yet success is far more to be deprecated. Yes, Sir, victory will be ruin. Let a forfeiture of charters be judicially established—the corporations dissolved, and the debts both to and from the Banks extinguished, and who can imagine the wide-spread misery which would ensue? The wealth of these institutions consists essentially of the debts due them. These destroyed, the stock becomes worthless—Not only individual persons, some of them widows and orphans, whose sole property may be their stock, are stripped of the means of sub-

sistence—but your literary fund for the education of the poor—your fund for internal improvements—the great mass of your productive revenue, the \$700,000 of stock which you hold in these Banks, is at once annihilated. Should you attempt to supply the place of this source of revenue by taxation, the taxes will be paid you in the notes of these defunct corporations, which you are bound by your pledged faith when you chartered the Banks, to receive in payment of all public dues. What will these notes be worth? Not only not redeemable in specie—but binding no body for the payment—and representing no funds whatever; they will literally be worth to you nothing. But a most notable expedient is suggested, to impart value to them; and that is, by the Governor's issuing a proclamation pledging the faith of the State for their payment. The value of a promise to pay when the promiser may please—and not till then—and where no interest accrues from delay of performance—has never yet been precisely ascertained. The nearest approach to it was made by our act of 1783, entitled "An act for establishing a scale of depreciation;" in which it was among other things enacted, that one Spanish milled dollar shall be of the value of eight shillings specie, and eight hundred dollars of the paper currency of this State shall be valued at one Spanish milled dollar. Possibly your Governor's proclamation, promising a redemption at some undefined time, may raise these notes to an equality in value with this ancient paper currency—More can not rationally be expected from its efficacy. And is this million and a half of bank notes, thus rendered worthless, really to be paid by the State? If the Governor, by our authority, issues such a proclamation, it must be paid, or North-Carolina becomes a by-word and reproach among her sister States. And whence shall we get the means—where are our funds? In this career of victory, not only will you triumph over impoverished citizens, ruined institutions, and a beggared country, but you will trample under foot all the venerable principles and usages of civil liberty. By the bill before you, the Commissioners for executing your plan of confiscation are clothed with powers unheard of in a country claiming to be free. Travelling through the State, or fixing their high Court of Commission where they please, these itinerant or stationary inquisitors, call before them whom they will—administer whatever oaths they choose—seize whatever property they may demand—imprison whomever they deem contumacious—and to effect these purposes, are to have at their command the civil and military power of the State! And all this is—for what? To shew your courage!—To shew what you dare do! If this be courage, it is the courage of the maddened animal, which closing its eyes and bending down its head, rushes furiously upon certain destruction. If this be courage, what is frantic passion, what is insanity? It cannot be that such projects shall ever receive the sanction of the Legislature of North-Carolina—But if they should—there is a redeeming spirit in the People, which will be manifested from one end of the State to the other, and call us back, before it is too late, to undo the mischievous work which we shall have performed.

Mr. Potter said, it was a little remarkable that though the gentleman from Newbern admitted the State Bank, at least, had acted improperly, yet he was unwilling to take any step for calling her to account. The language of one of the gentleman's Resolutions in relation to the Banks, states, that, "from an issue of paper beyond their ability promptly and regularly to redeem, the consequence has been a depreciation in the currency of the State, injurious to the interests of its citizens and the character of its public institutions, and leading to evasions and expedients in the managers of these institutions, always disreputable, sometimes at variance with their charters, and often oppressive to their customers."

Mr. P. did not know how the acts of the Banks could be at variance with their charter, without being violations of it.

He adverted to the manner in which the committee, who have had the subject under consideration was appointed. When first chosen, there was a majority of the body in favor of proceeding against the Banks; the next day additional members were added to the committee. The gentleman from Newbern was named on it, but he declined serving. He would enquire what had now become of the gentleman's scruples? He now takes an active part on the subject, seemingly forgetful of the delicate situation in which he stands. If the resolution under consideration be adopted, says that gentleman, the result will be ruinous to the parties or disgraceful to the State. For if the charges made by the committee prove untrue, or if true, be insufficient in law to warrant a dissolution of the charters of the Banks, the State will be disgraced for having thrown the circulation of the country into confusion, when there was not sufficient ground to sustain the charges brought against the Banks.

When he called upon the gentleman from Newbern the other day, for an explanation on a certain point, he said he would give it at a proper time. But he had not yet done so.

Mr. P. here enlarged on the distresses experienced by the people from the oppressions of the Banks, which he said could be properly appreciated only by those who were eye-witnesses of them.

We have, said he, seen the Banks carrying on a system of Brokerage, and varying, at pleasure, the standard value of the currency of the country, as they determined, from time to time, the amount of money which should be put into, or drawn from circulation. And one of these institutions is now making preparations to extinguish its currency altogether; and thus, by withdrawing one-half of the money in circulation, will be the means of increasing the difficulty of paying, and, in effect, double the amount of the debt to be paid.

Mr. P. did not think it necessary to go into an explanation of the law on this subject, though he had a case at hand (the one which had been cited by the gentleman from Newbern) which would clearly shew that the State Bank had been guilty of Usury.

We look up to these Bank-men, said Mr. P. because they are supposed to have plenty of money, at a distance, with a kind of veneration; for if it were not from fear, or some other feeling, we should at once put them down.

And shall we go back to the people, and tell them that we ought to have had justice done to them for the abuses which the Banks had heaped upon them, but that we could not succeed, though, if they will send us another year, we shall probably be able to effect our object?

The gentleman from Newbern, and the members connected with him will laugh in their sleeve at such a course. They will say to their Bank friends, you may go on as you please; it is true, you have set all law at defiance; but you may continue your course, and whenever a prosecution shall be proposed, we have nothing to do but raise a few legal difficulties to prevent any proceedings against you.

If, said Mr. P. the present wretched condition of the people be not sufficient to induce you to enforce the law against these institutions, nothing that I can say will have any effect. The question is merely one of courage. Have you the spirit to put the law in force against the Banks, or will you submit to their dictation? Had the gentleman from Newbern happened to take the other side of the question, Mr. P. believed there would have been scarcely a dissenting voice to the course now proposed. He was of opinion with the gentleman from Mecklenburg, that it is in the power of the Legislature to provide by law, that in case of a dissolution of the charter of the Bank, the decree of forfeiture shall not work an extinguishment of the debts due to or from the corporation; and we should thus be relieved from the evils predicted by the gentleman from Newbern.

It had fallen to his lot, Mr. P. said, to visit distant parts of the Globe. He had been in a Country which consisted of wild, extensive forests, inhabited by thousands of wild animals, which

without some art being used for the purpose, could not be tamed or approached by any human being. But though wild and fierce, when you first approach them, 2 or 3000 being got together, may be driven to and fro, until at length they can be penned and slaughtered without difficulty.

And formerly, said he, we were a bold, high-spirited, independent people; but by the sly, insidious means used by Bank Managers, we have been nearly brought into the same situation with the above described wild animals, and are ready for destruction.

Mr. P. said he should take his seat, in the hope that some gentleman friendly to the course proposed, would give an explanation of the law as connected with this question.

Mr. Alexander rose, and observed that he did not mean, at present, to enter into the subject before the committee generally. He held in his hand a modification of the resolution and bill offered by the gentleman from Granville, which he offered as substitutes for those at present before the committee.

Mr. A. said, he had no doubt that the facts reported against the Banks of Newbern and Cape Fear, would sustain the charge of a violation of their charters; but every one could see that they had been much less flagrant in their conduct than the State Bank. He wished therefore, to confine the proposed proceedings to the State Bank alone.

Mr. A. said, he hoped to have another opportunity of replying to the arguments of the gentleman from Newbern.

[The Resolution and Bill offered by Mr. A. were confined to the State Bank, and, it is believed, were precisely the same that Mr. Potter afterwards introduced, as a substitute for his Resolution & Bill, on its second reading, and on which the final question was taken.]

(Debate to be continued.)

Inaugural Address

DELIVERED BY

GENERAL ANDREW JACKSON,

On being sworn into office, as President of the United States, on the 4th of March, 1829.

FELLOW-CITIZENS: About to undertake the arduous duties that I have been appointed to perform, by the choice of a free people I avail myself of this customary and solemn occasion, to express the gratitude which their confidence inspires, and to acknowledge the accountability which my situation enjoins. While the magnitude of their interests convinces me that no thanks can be adequate to the honor they have conferred, it admonishes me that the best return I can make, is the zealous dedication of my humble abilities to their service and their good.

As the instrument of the Federal Constitution, it will devolve on me, for a stated period, to execute the laws of the United States; to superintend their foreign and their confederate relations; to manage their revenue; to command their forces; and, by communications to the Legislature, to watch over and promote their interests generally. And the principles of action by which I shall endeavor to accomplish this circle of duties, it is now proper for me briefly to explain.

In administering the laws of Congress, I shall keep steadily in view the limitations as well as the extent of the executive power, trusting thereby to discharge the functions of my office, without transcending its authority. With foreign nations it will be my study to preserve peace, and to cultivate friendship, on fair and honorable terms; and in the adjustment of any differences that may exist or arise, to exhibit the forbearance becoming a powerful nation, rather than the sensibility belonging to a gallant people.

In such measures as I may be called on to pursue in regard to the rights of the separate States, I hope to be animated by a proper respect for those sovereign members of our Union; taking care not to confound the powers they have reserved to themselves, with those they have granted to the confederacy.

The management of the public revenue—that searching operation in all governments—is among the most delicate and important trusts in ours; and it will, of course, demand no inconsiderable share of my official solicitude. Under every aspect in which it can be considered, it would appear that advantage must result from the observance of a strict and faithful economy. This I shall aim at the more anxiously, both because it will facilitate the extinguishment of the national debt, the unnecessary duration of which is incompatible with real independence—and because it will counteract that tendency to public and private profligacy, which a profuse expenditure of money by the Government, is but too apt to engender. Powerful auxiliaries to the attainment of this desirable end, are to be found in the regulations provided by the wisdom of Congress, for the specific appropriation of public money, and the prompt accountability of public officers.

With regard to a proper selection of the subjects of impost, with a view to revenue, it would seem to me that the spirit of equity, caution and compromise, in which the Constitution was formed, requires that the great interests of agriculture, commerce, and manufactures, should be equally favored; and that, perhaps, the only exception to this rule, should consist in the peculiar encouragement of any products of either of them, that may be found essential to our national independence.

Internal Improvement, and the diffusion of knowledge, so far as they can be promoted by the constitutional acts of the Federal Government, are of high importance.

Considering standing armies as dangerous to free governments, in time of peace, I shall not seek to enlarge our present establishment, nor disregard that salutary lesson of political experience which teaches that the military should be held subordinate to the civil power. The gradual increase of our navy, whose flag has displayed, in distant climes, our skill in navigation, and our fame in arms; the preservation of our forts, arsenals, and dockyards; and the introduction of progressive improvements in the discipline and science of both branches of our military service, are so plainly prescribed by prudence, that I should be excused for omitting their mention, sooner than for enlarging on their importance. But the bulwark of our defence is the national militia, which, in the present state of our intelligence and population, must render us invincible. As long as our government is administered for the good of the people, & is regulated by their will; as long as it secures to us the rights of person and of property, liberty of conscience, and of the press, it will be worth defending; and so long as it is worth defending, a patriotic militia will cover it with an impenetrable *arx*. Partial injuries and occasional mortifications we may be subjected to, but a million of armed freemen possessed of the means of war, can never be conquered by a foreign foe. To any just system, therefore, calculated to strengthen this natural safeguard of the country, I shall cheerfully lend all the aid in my power.

It will be my sincere and constant desire, to observe towards the Indian tribes within our limits, a just and liberal policy; and to give that humane and considerate attention to their rights and their wants, which are consistent with the habits of our government, and the feelings of our people.

The recent demonstration of public sentiment inscribed, on the list of executive duties, in characters too legible to be overlooked, the task of reforms; which will require, particularly, the correction of those abuses that have brought the patronage of the Federal Government into conflict with the freedom of elections, and the counteraction of those causes which have disturbed the rightful course of appointment, and have placed, or continued power in, unfaithful or incompetent hands.

In the performance of a task thus generally delineated, I shall endeavor to select men whose diligence and talents will ensure, in their respective stations, able and faithful co-operation—depending, for the advancement of the public service, more on the integrity and zeal of the public officers than on their numbers.

A diffidence, perhaps too just, in my own qualifications, will teach me to look with reverence to the examples of public virtue left by my illustrious predecessors, and with veneration to the lights that flow from the mind that founded, and the mind that reformed our system. The same diffidence induces me to hope for instruction and aid from the co-ordinate branches of the government, and for the indulgence and support of my fellow citizens generally. And I am reliance on the goodness of that Power whose providence mercifully protected our national infancy, and has since upheld our liberties in various vicissitudes, encourages me to offer up my ardent applications that he will continue to make our beloved country the object of his divine care and gracious benediction.