

ON BANKING.

For the Raleigh Register.

The following proposition and remarks illustrative of the true principles of Banking, are submitted for the consideration of those whom it may concern.

1. The aggregate amount of Bank credit which can be sustained in circulation, without depreciation, whether issued from one Bank or one thousand Banks, can never exceed the amount of the circulating medium which the laws of commerce assign to the country; or more than there would be in gold and silver, if there were no Banks; although that amount will be different at different times, since it must be regulated by the exigencies of the country, and the state of its exchange with other countries.

2. A Banker who employs capital will be enabled to lend more money than one who employs none; but not more credit; therefore, he derives no profit on his capital; for in this, as in all other concerns, the interest on the capital is to be charged in the profit and loss account; and, as the Banker can receive no greater interest when he loans it than he charges for its use, it is evident he must be a loser on that operation; as the expenses and losses attending the loan of capital must be deducted from the profits he makes on the use of his credit; and that credit he can circulate as extensively, if his capital is vested in stock, or bonds and mortgages, as he could do, if he employed his capital in the same manner as he does his credit; besides, if the capital is kept in a condition to be at all times available in the current business of the Banker, large portions of it must be occasionally unemployed, and of course unproductive, and when that is the case, he is tempted to lend it on doubtful security, rather than let it remain idle.

3. There need be no other funds employed in banking operations than those created by bank credit, the aggregate amount of which, as before stated, ought never to exceed the amount required for a circulating medium; and this supply should be steady and uniform; that is, always in proportion to the natural requirements of commerce; and that amount will be indicated by those immutable laws, which alike regulate both commerce and currency, and which so limit the quantity, independently of legislative injunctions, that Banks conducted on this principle can never force any considerable excess into circulation without producing a reaction which would soon exhaust their specie, and check their issues, before that excess could materially enhance the exchangeable value of commodities.

4. The legitimate business of Bankers, strictly speaking, is the employment of the funds produced by their credit in the discounting of notes and bills of exchange, which have been created in the course of business, and which have but a short time to run. It requires no capital to discount all paper of this description, as the payment of every note furnishes funds to discount others of equal amount.

5. The fluctuations in the price of commodities, when excessive, are generally owing, not to demand for consumption, but to the effect produced by one speculator bidding upon another, which creates an artificial price, and its deviation from that which is natural (depending on supply and demand for consumption,) is in proportion to the amount of capital which Banks can furnish for such objects; and when a reaction ensues, as it always does when loans are excessive, those who were bidding on each other, where the Banks are extending, are now compelled, by unbidding each other, to convert their commodities into money, at such reduced prices as to cause innumerable failures, which, if Banks were restricted to credit only, would seldom happen.

6. No loans of capital are so injurious in their consequences, as those temporary accommodation loans made by Banks: their first effect is, by creating a competition amongst buyers, to raise the exchangeable value of commodities too high for the foreign markets, and a consequent demand on the Bank is produced for specie to export in their place; their next is, such a retrenchment of loans, and reduction of prices, as will send commodities abroad, and bring back money, and those who supposed themselves enriched by the rise of property, now find that they are impoverished or ruined by its fall, and all the property obtained from individuals, on the private credit of those who fail, passes into the hands of their endorsers, to secure the Banks against any participation in the losses sustained by their debtors, and which loses their own operations have rendered inevitable.

7. The possession of capital and the necessity of employing it to make a dividend, sets all the Banks simultaneously striving to see who can lend the most money, and make the greatest dividends; until the drafts for coin for exportation creates an alarm; then the strife in curtailing becomes as great as it had been before in extending their loans; thus these fluctuations, though not so regular, become quite as certain as the rise and fall of the tides; and are obviously the effect of Banking capital, employed in loans of this pernicious character. The monied capital of the country would be better employed to aid production, than in creating artificial prices of the commodities produced. Loans of Bank capital are easily obtained where they are not wanted, but not so easily repaid when they are, as those who have ventured into deep speculation on advances so uncertain, both in their amount and duration, have too often experienced.

8. It is the medium of trade, and not the capital necessary for carrying it on, which it is the proper function of Banks

to furnish. When the requisite amount of bank notes shall have been issued for such medium, the diminution or increase of discounts can have but little influence upon its quantity, except for short periods. If the discounts increase, there must be a corresponding increase of payments, and vice versa; and both may happen without having any sensible effect upon prices, or upon the amount of money in circulation. Yet such an effect on both may be produced to any desirable extent, by withholding loans and requiring payments, or by lending more and receiving less. When and to what extent the exercise of this power becomes necessary, every experienced Banker will know by attending to the state of the foreign exchanges and the operations of commerce; and the perfection of his skill consists in so conducting his business as never to have occasion to exercise the power to correct an evil of his own creating.

If the foregoing propositions are true, and it is believed they are, then it must be admitted that the employment of capital in Banking operations, adds nothing to the profit of the Banker, while it has such an influence in raising and depressing the value of commodities, so much above and below their natural or exchangeable value, (by which is meant that value which the relation between the supply and the demand for consumption always imparts) as to occasion most of the failures which occur amongst men in trade, and which would seldom happen if the Banking capital was safely and permanently vested in some productive funds, and the credit of Bankers only employed in advancing in anticipation, and receiving at maturity, the money for all good paper payable at short periods, which may be offered for discount. Hence, it follows, that perfect security may be provided against the failure of monied Corporations, without lessening their profits or their utility, by requiring their capital to be paid in full, and to be permanently loaned on mortgaged security or vested in stock, prohibiting, by proper penalties, the employment of any part of it in Banking operations, and limiting the issues of credit to the amount of capital; by which simple process, the object of all those complicated restrictions and penalties, now provided by law, will be fully attained; every thing else may be safely left to the discretion of the Directors: the condition of their being will necessarily prescribe the nature and limits of their operations, secure better dividends to the Stockholders, and perfect security to the public; while any operations, if attempted, incompatible with the interests of the Stockholders, or the public good, will be rendered powerless.

NECKER.

From the National Journal.

Among the reforms which have been, and are about to be introduced by the new Administration, that which relates to the revolutionary pensioners is likely to produce as much sensation throughout the country as any other. From the Hampshire Gazette, we extract the following clear explanation of the old and the new rules which have been adopted in reference to these pensions:—

In 1818 a law was passed, giving to all the soldiers of the revolution, who served nine months in the continental establishment, a pension, provided "they needed the assistance of government for their support." Under the liberal construction given in this proviso, a numerous class of meritorious men were admitted to the benefit of the act. In 1820, after their names had been thus inscribed on the pension roll, and all their concerns adjusted to a new and happier condition, nearly one half of them were stricken off, and none retained but those who were absolutely of the township; and among these were many who had the least claim upon the justice, or gratitude, or bounty of the government.

The late Secretary of War, General Porter, with juster views of the subject, established it as a rule, that an old soldier might be admitted to the benefit of the act, if the fair income of his property did not exceed, under the limitations he prescribed, the amount of the pension. Immediately thereupon, many of the old soldiers, whose names had been stricken from the list, and who felt the need of assistance, as they were bending under the increased infirmity of years, incurred, what they could ill afford, the expense and trouble and mortification of a renewed and formal expose of their affairs before a court of record, in order to a renewed application to the pension office. But before their communications have reached Washington, they are met with the following order from the new Secretary of War, under the sanction of the new President, reversing the decision of Secretary Porter, and again placing the whole subject upon the narrow and contracted basis on which it stood before, and which is neither just to the war-worn soldier nor honorable to the country:

War Department, Pension Office, March 27th, 1829.

The regulations of the 26th of December last, by order of the Secretary of War, with the approbation of the President of the United States, have been suspended. Persons therefore, who may hereafter make applications for pensions on account of Revolutionary Services under the several acts of Congress on the subject, will conform to the regulations which existed prior to the date above mentioned, and be subject to the same limitations and restrictions as existed previous to the adoption of the suspended regulations.

JAMES L. EDWARDS.

It appears that the veterans who, by the new rule adopted by General Porter, were to be included on the list of pensioners, have expended, out of their scanty means, about 10 or 12 dollars each, in procuring the evidence necessary to substantiate their claims, and forwarding their applications. As they are supposed to be about 2000 in number, here is a sum of about 20,000

dollars taken out of the pockets of this valuable class of citizens, for which they are now excluded from the receipt of any benefit whatsoever. One paper lying before us has this remark on the conduct of the administration, in reference to this matter:—

"They beggar the soldiers of the revolution, and call it glorious economy. I think some of the old soldiers begin to feel like the old Athol Officer, who says he declines to return his duty to the 'mother earth of his country.'"

And another journal noticing the new regulation in a tone of manly indignation, says:—

"Now, whoever owns a pig sty or other filthy property, which he can convert into money, must sell out 'Stock and Luke,' before he can be entitled to eight dollars per month. It is really enough to make any honest man blush to see what miserable shifts our rulers resort to, not only in respect to the worthy veterans now under notice, but in many less important cases."

We presume, since reform has touched this subject, that the rule of construction applied by Gen. Porter admitting other veterans that had been previously on the pension list, will be numbered among the abuses of the late administration. It is a glorious reform which throws a sudden and fatal blight upon the new hopes of these worthy veterans, and dashes the yet untried cup from their lips. Well might revolutionary veterans hurry to greet the new President, and conduct him to the Capitol.—Some of these very individuals, perhaps, who have returned home, will reflect on that hour with bitter regret, when they shall learn the true character of the sympathy affected by him whom they were so prompt to pay homage. If the exclamation of the immortal bard.

"How sharper than a serpent's tooth it is  
To have a thankless child,"

be accurate, the thankless, heartless conduct by which so many of our revolutionary heroes will in the last hours of life be precipitated weeping to their graves, must give a sting as poignant to their bosoms. We catch the words of the editor of the New-York Enquirer, and echo them back. "The work of reform goes bravely on."

Philadelphia, May 2.

Dr. Tobias Watkins, recently Fourth Auditor in the Treasury Department of the United States, was arrested in this city, late at night, on Thursday last, upon a warrant issued by the District Judge, wherein he is charged with sundry fraudulent practices in procuring money from the Treasury. An order for the removal of the prisoner to the place of trial was procured by the District Attorney, and yesterday, at noon, Dr. Watkins was taken to Washington, under an escort of the Marshal. Rumors upon this subject have been in circulation for some time back, which, as the law is taking its course, ought not to be repeated in a public journal, and we therefore refrain. The warrant had been out for some days, and we understand that measures to attain its object, either here, at Boston, or N. York, were in active progress.

Chron.

The National Journal makes the following observations in relation to this matter:

"As the charges against him (Dr. W.) are to be so speedily investigated before a more solemn tribunal than that of Amos Kendall, (the maker of the affidavit upon which he was arrested) any detailed commentary on them would now be premature. We cannot, however, refrain from remarking, that from the accounts which we have been enabled to obtain, they are all susceptible of explanations consistent with the hitherto unassailed and unsuspected honor of the accused; that our long established convictions of his integrity leave us no room to apprehend that they will now be impaired; that he has been subjected to an ex parte inquisition during his absence, and at the hands of his direct foes; and that his voluntary effort to meet his accusers, affords a presumption in his favor which it would require something more than such an affidavit to put down.—If any consideration can strengthen our belief in his innocence, it is the extreme folly in him which is implied in a contrary supposition; for the offences imputed to him are of a nature which would have made them constantly liable to detection under the last Administration; and he knew too well President Adams and his Cabinet, to hope for one moment's impunity to guilt. In the mind of that illustrious citizen, patriotism has ever been paramount to every other social consideration, and he would have enforced the law against the late Fourth Auditor, if obnoxious to it, with as little hesitation as on the unworthy person who has succeeded that officer, or on any other delinquent. And it may be added, that the late Secretary of the Navy would have been the last man in this nation to stay the hand of public justice."

From the Richmond Compiler.

THEOLOGICAL DISCUSSION.

The debate between Messrs. Campbell and Owen has terminated, after an animated contest of EIGHT days. It seems to have excited great interest in those parts, and to have drawn great crowds. The proceedings are said to be taken in short hand, and are promised to the public. No sketch has yet reached us of the points that were discussed, or of the votes, if any were taken—though we suppose no formal question was proposed to the multitude of spectators. The closing scene, however, contains an indirect appeal to the opinions of the assembly on the results of the argument—and is calculated to give us a favorable impression of Mr. Campbell's powers. There is no little ingenuity displayed in the manner of his address, and in this side-wind way of getting at the opinion of the hearers.—If his address throughout be in harmony with the last scene, he must have been no inconsiderable adversary to cope with—

and the impressions he made upon the citizens of Cincinnati, must have been pretty deep and favorable.—The following description is extracted from the Cincinnati Crisis of the 23d ult.—

"The Debate or Disputation between Messrs. Owen and Campbell, was concluded Tuesday evening, at half past six o'clock. At the commencement we flattered ourselves with being able to lay before our readers, the principal points on which the gentlemen rested the strength of their arguments. But as the debate took a different course to what we expected, we soon found that would be impossible. We merely state that the whole of the debate will be published as early as possible, so that not only the inhabitants of Cincinnati, but all the civilized world will have an opportunity of reading it at their leisure. We think that the able manner in which Mr. Campbell supported and defended the cause of Christianity, reflects great credit on him both as a Christian and a man of learning.—We agree with Mr. C. in stating that the respectful and attentive manner in which the hearers conducted themselves throughout the whole of the debate (eight days) is deserving of the highest praise, as we may safely say, that it never has been surpassed, if equalled, by any assembly in Europe; and when Mr. C. proved, as he did, most satisfactorily, that the whole of the good order, and friendly feelings that had been evinced by the audience, was entirely to be attributed to the influence that Christianity had acquired over their minds—(as it thereby positively confuted the assertion of Mr. Owen, viz. That Christianity was the sole cause or origin of all the disorders of Christian confusion in Christendom,) we felt a degree of pleasure and pride, as citizens of this place, that it is impossible for us to describe. At the close of the debate, Mr. C. stated, that whereas there had been, during the discussion, such insulting and indignant reflections cast upon the Christian Religion; and those who are public teachers of it—without exciting any expressions of disapprobation from the audience, that he felt anxious, as the report of this meeting would be spread, probably over all the civilized part of the Globe—that it should be stated, from what motives those feelings were suppressed; whether it was from the doctrine and forbearance, which the Christian doctrine inculcates to mankind; or whether the audience entirely consisted of infidels or persons opposed to the dissemination of Christianity.—To prove this, he desired that all who had been actuated in their conduct by the former of those causes, would signify it by standing up; when almost the whole audience, consisting of probably 2,000 persons arose. He then requested them to be seated, and that all those who had been influenced by the other reason, would stand up, when we could not count more than four.

The meeting then, after passing a vote of thanks to the gentlemen who had so kindly, and assiduously acted as moderators broke up in perfect good order—as it had done every day of the debate.

From the Nashville Banner.

The National Gazette gives several columns of matter translated from a history of Louisiana by Barbe Marbois. The extracts relate to the cession of that country to the United States, by the French government. Marbois was the French negotiator in the treaty of cession, and there seems no doubt but his statements may be relied upon. The most material fact he communicates is, that France ceded Louisiana because she was conscious of her inability to defend it against Great Britain. Buonaparte who was kept constantly apprised of the progress of the negotiation, declared himself fully conscious of the almost inestimable value of the vast region he was about to cede.—He was also influenced by the consideration that this "cession would strengthen, forever the power of the United States, and be the means of raising up a maritime rival to England, which sooner or later would humble her pride." The curious fact is stated, that the price set upon Louisiana by Buonaparte, was fifty million francs, and that Marbois, the negotiator, ventured to demand eighty million,—which demand was acceded to by the American ministers. Buonaparte was particularly desirous that the Louisianians should know that he parted from them in friendship. He accordingly had entered upon the journal of the convention the following declaration.

"May the Louisianians know that we separate ourselves from them with regret, and that we stipulate in their favour all they can desire, and may they recollect that they have been Frenchmen, and that France in giving them up, has secured for them advantages which they never would have obtained under the government, however kind, of an European mother country. May they cherish for us then sentiments of affection, and may a common origin, parentage, language, as well as common customs, perpetuate our friendship."

University of North Carolina.

THE Public Anniversary Examination of the Students of the University of North Carolina will be held at Chapel-Hill, on Monday, the 15th day of June next, and continue from day to day until Thursday, the 25th, which last mentioned day is appointed for the Annual Commencement of the College.

The following Trustees constitute the Committee of Visitation for the year 1829: His Excellency JOHN OWEN, Pres. ex officio. Rev. Dr. JOSEPH CALDWELL, Dr. JOHN B. BAKER, THO. D. BENNETT, Esq. Genl. WILLIAM A. BLOUNT, Hon. JOHN BRANCH, THOMAS BURGESS, Esq. Genl. CALVIN JONES, Rev. Dr. WILLIAM McPHEETERS, Col. WILLIAM ROBERTS, THOMAS RUFFIN, Esq. EMANUEL SHOBER, Esq. Dr. JAMES S. SMITH, RICHARD D. SFAIGHT, Esq. Rev. JOHN WITHERSPOON.

By order of His Excellency Governor Owen, a special meeting of the Board of Trustees will be held at the University, during the ensuing Examination, when business of vital importance to the future prospects of the Institution will be considered and discussed.

The Secretary has accordingly been instructed to invite most earnestly to this meeting, the whole body of the Trustees of our University; and to say in this Notice, that it is confidently hoped and expected that no individual member of the Board, whether he be of the above designated Committee or not, who can with any degree of convenience give his personal attendance, will on this occasion fail to do so.

By order, CHARLES MANLY, Secretary Board of Trustees. Raleigh, 10th May, 1829. 71-253

MANAGER'S OFFICE.

GRAND AND SPLENDID SCHEME.

NEW-YORK CONSOLIDATED—Number 5.

To be drawn 13th May.

Table with 2 columns: Prize amount and quantity. 1 Prize of \$20,000 is \$20,000. 1 10,000 10,000. 1 5,000 5,000. 1 1,500 1,500. 1 1,110 1,110. 1 1,000 5,000. 1 600 3,000. 1 400 2,000.

\* \$1,500 of the \$5,000 payable in Land.

Besides many of \$100, 80, 60, 50, 40, &c. &c.

Whole Tickets \$10; Halves \$5; Qrs. \$2 50; Eighths \$1 25.

A Package of 15 Whole Tickets, which is compelled to draw \$60 may be had for 150.

CONNECTICUT STATE LOTTERY, No. 3.

To be drawn 15th May.

Table with 2 columns: Prize amount and quantity. 2 Prizes of \$10,000 is \$20,000. 2 6,000 12,000. 2 5,930 11,860. 30 1,000 30,000. 48 500 24,000.

Besides many of \$100, 80, 70, 60, &c. &c.

Whole Tickets \$10, Halves \$5, Quarters \$2 50, Eighths \$1 25.

A package of 20 Whole Tickets, which is compelled to draw \$90, can be had for \$200.

Persons desirous of obtaining chances in the above splendid schemes, will please send their orders to Yates & McIntire, Richmond, Va. or Charleston, S. C. The Cash paid the moment prizes are drawn, on the usual terms.

YATES & MCINTIRE, Managers, Richmond, Va.

DISSOLUTION.

THE Partnership heretofore existing between the Subscribers, under the firm of Rogers and Rigbee, is this day dissolved by mutual consent. All persons indebted to the concern are requested to make immediate payment to Allen Rogers, and those having demands will please present them for settlement.

ALLEN ROGERS, EDW. RIGSBEE, Wake County, May 7th, 1829. 71

In the Court of Chancery

Of the State of Delaware, in Kent County.

Standford Jester, Stephen Jester, Charles Jester & Ann Jester & John Smith, Jos. Emerson, Isaac Jester, Isabel Jester, Ellen Jester, Sarah Jester and Leah Jester, minors under the age of 21 years, by the said Charles Jester, their next friend,

vs. Justice Lowrey, Hetty Cannon, Jas. Farsett, Elizabeth Farsett, John Farsett, Wm. Lowrey & Elizabeth his wife, & Jacob Farsett & Martha Luff John Luff, John Farsett, William Farsett, DeWit Clinton Farsett, & Mary Farsett.

1829, February 11.—It is ordered by the Chancellor, that Elizabeth Farsett and John Farsett, two of the above Defendants, appear in this cause on Monday the 27th day of July next.

A true Copy from the Record, J. L. HARPER, Regr. C. C. Dover, Del. 18th Feb. 1829. 50-3m

State of North-Carolina,

Wake County.

Court of Pleas and Quarter Sessions, February Term, 1829.

Delia Haywood, Ex'r. } Original attachment, vs. } filed on Negroes. William Nichols. }

IN this case it having been made to appear to the Court that the Defendant has removed himself beyond the limits of this State, or conceals himself that the ordinary process of law cannot be served on him. It is therefore ordered by the Court, that advertisement be made for six weeks in the Raleigh Register, for the Defendant to come forward on or before the next Term of this Court, to be held at the Court-House in Raleigh, on the 3rd Monday of May next; then and there to replevy and plead issue, otherwise, judgment will be made final, and the property levied on be condemned subject to Plaintiff's recovery.

Teste. B. S. KING, C. C.

SIR ARCHIE

Will Stand the ensuing season at my Stable, in Northampton county, N. Carolina, about 3 miles from the Court-house, 6 miles from the town of Halifax and 21 from Belfield, Va. He will cover mares at \$75 the season, payable on the first of January next, with one dollar to the groom in all cases. Such of Sir Archie's friends as live at a distance will send their notes with the mares, payable on the first of January.—Also, the feeding of the mares to be paid for when taken away. The season commenced on the 1st of August next. Extensive fields of small grain and clover are sowed for the benefit of mares that may be left with the horse, with the addition of grain feeding at 2s per day. Separate enclosures are provided for mares with coats. No pains will be spared in taking the best possible care of mares, &c. that may be left, but no responsibility for escapes or accidents. Sir Archie's blood, great size, performance on the turf, and celebrity as a foal getter, are sufficient recommendations. JOHN D. AMIS, March 4. 58 eob

State of North-Carolina,

Wayne County.

Superior Court of Law—Spring Term 1829. Jesse Barden vs. Ann Maria Barden. Petition for Divorce.

IN this case a subpoena and alias having been issued, and the Sheriff of Wayne county making return thereon that the defendant was not to be found, proclamation was duly made at the Court-house door aforesaid by the Sheriff of the county, requiring the said Ann Maria Barden to appear and answer as she was required to do in said subpoena; and she failing to appear, it was ordered by the Court that publication for three months be made in the Raleigh Star, and the Raleigh Register, giving notice to the said defendant, that unless she appear at the said Superior Court of Law to be held for the county of Wayne, at the Court-house in Waynesborough the first Monday after the fourth Monday of September next, and then and there to answer to demur to said petition, judgment will be taken pro confesso and heard ex parte.

N. WASHINGTON, Clerk. Price adv. \$5 25.

Fish Traps in Neuse River.

THE attention of owners of Traps is called to the Acts of Assembly of this State, passed in 1819, page 70. Unless the obstructions in the river are removed instantly, suits will be instituted against every person who fails to comply with the provisions of the law.

N. B. No compromise after suit is brought. April 1, 1829.

Notice is hereby given,

WHAT the next annual Convention of the Protestant Episcopal Church, in the State of North-Carolina, will be held at Salisbury, Saturday the 23d of May, 1829.

EDWARD L. WINSLOW, Secy. April 23, 1829. 67 3.