

ON BANKING.—CONCLUDED.

This leads us to the question of what are the legitimate operations of banking? We answer, the discounting of promissory notes or acceptances at short periods, received by the holders, for property sold and transferred. If none others were discounted, the expansion of the paper system would always be in proportion to the expansion of business. When this was extended, so as to call for more currency, more currency would be created; and when this was limited, so as to require less currency, the excess would be absorbed by the payments made back to the banks. In these operations, the level of the currency would not be disturbed, so as to produce a depreciation; for although there would at times be a greater quantity of bank notes in existence than at other times, yet this quantity would be in exact proportion to the increased demand, arising from an increase of transactions. Thus would the elasticity of the banking principle accommodate itself to the state of commercial wants. Money would always be procurable, when it was really wanted, and it would never be so plenty as to depreciate the currency and invite to over-trading. The holders of real paper could always get it discounted, and even those whose sales of merchandise to the country, should not put them in possession of notes or acceptances, could also, without any violation of the legitimate principles of banking, get accommodations in anticipation of their capital for the same short periods, by borrowed notes payable at maturity without renewal.

From this view of the subject, it may easily be seen, that all the benefit, which the public derives from banks of circulation, arise from their elasticity. So soon, therefore, as they exchange their promissory notes, payable on demand in gold and silver, not for the promissory notes of individuals payable at short periods, but for government stocks, mortgages, foreign bills of exchange intended to accumulate, and promissory notes understood expressly or impliedly, to be renewable in whole or in part for an indefinite term—they annihilate their elastic powers, and place themselves at the mercy of the public.—They are liable to be called upon, for the payment of their notes faster than their debtors are bound to pay them, and instead of fulfilling their engagements, promptly and in good faith, they are obliged to resort to expedients, to deter the holders of their notes from demanding payment. It is true, that those who hold mortgages could dispute of them. It is also true, that those who hold bills of exchange and government stocks could sell them in the market, and by that means absorb the redundancy of notes, the return of which for payment renders necessary the contraction. But sales of bills and stocks to a great extent, might occasion a fall in their market price, and thus exhibit a loss on the books of the bank, arising from this species of speculation. It is probably owing to this fear that stocks are sold with such reluctance. Although it is by the purchase of stocks mainly, that those excessive issues are created, which depreciate the currency, and render subsequent contraction necessary, yet we seldom see this latter operation performed by drawing in the excess, into the same avenue at which it was let out. The merchants are made the victims of a partial system, and those for whose benefit banks were originally established, are obliged to submit to all the evils of a contraction, consequent upon an expansion, which they had no agency in producing.—This is a true picture of affairs such as they have been more than once presented to us in the United States, and as long as banks are allowed to inundate the country with their paper bearing no interest, in exchange for the paper of the government bearing interest, so long shall we be liable to periodical convulsions, in credit and property.

In offering these remarks, we do not mean to say, that our banks, such as they exist, ought not to lend their capitals except in the way we have pointed out as the only legitimate one. We know full well, that the whole commerce of the United States, internal and external, does not require half the banking capital which is now in operation. They are therefore of necessity compelled to loan a great part of their funds upon permanent securities, of which nature we consider to be renewable accommodation paper. But as far as they do this, they act as loan offices, and not as banks, and their agency in the matter renders no services to the community, which the individual proprietors of the bank capitals would not equally render by loaning the same to the same public or private borrowers. If banks did not exist, the money which now forms their capitals would be capitals in the hand of individuals, and quite as accessible to borrowers as it is now. There would, however, be this difference.—Loans could be obtained for long periods at once, and the borrowers would not be called upon for payment before the termination of their enterprises, as they now are.

But many people think, that in addition to the loans which individuals could make, banks have the power to create capital.—Let us examine this opinion, which has at least some appearance of truth. What is capital? The capital of a community is that aggregate mass of things possessing exchangeable value, which are destined to supply the necessities, the comforts, and the luxuries of the people, or are intended to be employed in the production of other things with such ultimate view. Hence, lands, houses, provisions, clothing, merchandise, raw materials, ships, utensils, machinery, and other such articles, including gold and silver, are capital. If the farmer wishes to extend his labors, the capital he needs, is land, cattle, stock, implements, seed, food, and fuel. If a merchant desires to enlarge his operations,

he requires buildings, machinery, raw materials, & subsistence for his workmen. If a merchant proposes to extend his commerce, he wants ships, cargoes, gold and silver, and provisions for his crews. The money which is wanted by each of these operators, to deal with as well as to pay the wages of those whom he employs, is only the instrument by which he and his laborers are enabled to procure some of the articles above enumerated, so that it is manifest that the power of any given population to set additional industry into activity is limited by the amount of its capital, as above described. Now it is very evident, that the mere emission of bank notes adds nothing to the mass of capital, previously existing, it creates neither lands, houses, ships, machinery, raw materials, nor fuel. How, then, do the issues of banks over and above their capitals, operate upon the community, and produce that appearance of increasing wealth in places where they have been established?

This is an important question, and if closely examined, will be found to lead to an answer, calculated to dispel much of the delusion under which the public labors, as to a supposed magic power of production conferred upon a number of individuals, by an act of incorporation. It is this. These issues facilitate the transfer of the existing capital, of things possessing exchangeable value, by putting the borrower in possession of the credit of the bank, which he is induced to pay for at a stipulated premium per annum, on account of the advantages which he supposes he will enjoy, in dealing with that credit instead of his own. Divested of all mystery and superfluous language, this is the naked character of such transactions. But it may be asked, does not the increased rapidity of the circulation of property and commodities occasioned by this facility, tend to the promotion of public prosperity, and to the production of additional property and commodities, faster than would otherwise take place? We reply, that past experience and reason both proclaim, that the very reverse is the fact. By the operation of such bank issues, the credit of the bank is placed at the disposal of all who borrow from them.—Consequently, the inexperienced, the unskillful, the incautious, are placed upon a level in their purchases, with the experienced, the skilful, and the cautious. The result of this equality is, that some men are able to buy, who before were not able, owing to a deficiency of credit. More competitors are brought into market, and prices rise from the spirit of speculation, which never fails to be engendered by the facility of procuring the means to speculate with. In addition to this rise which takes place from the competition of new dealers, another one takes place, owing to the abundance of the paper which has been thrown amongst the community by the original borrowers. This rise goes on with every new emission of the banks, and appearing to the public (which is not acquainted with the internal arrangements of banks, and even these being ignorant of the operation of each other) like an increase in value, spirit of speculation is excited amongst all classes of the community, and purchases made for no other reason, than that the buyers suppose they can sell the next day at a profit. Industrious persons abandon productive employments to pursue speculation. Extravagance and luxury are increased in proportion to the increasing abundance of money, because as prices rise, all who have property or commodities on hand, think they are getting richer every day. Merchants embark in more extensive enterprises. Manufacturers extend their establishments. Farmers build houses and ornament their farms. All these operations give additional employment to the laboring classes, and for a time exhibit the semblance of accumulating wealth. Every new sale of commodities and property on credit creates new promissory notes, and these create a new demand for discounts.

But there must finally be a limit to this delusion. The depreciation has become so great, that coin may be profitably exported. The banks are called upon to pay their notes, and they in turn call upon their debtors, who are by this means first awakened from their dreams—money becomes scarce; and the operation which the banks require is merely that those with whom they exchanged notes upon such unequal terms, shall exchange back again. But with this demand the merchant cannot comply, because he has long since parted with his bank notes, and has in their place a store full of goods, which he has been induced to purchase on account of the high prices created by the issues of the banks, but which he cannot now sell without a loss that will render him bankrupt. The manufacturer pleads the same inability, because the same high prices induced him to erect buildings and machinery; which he cannot now dispose of at any price, while the farmer confesses, that the rise in the price of land, which he thought was a rise in value, induced him to invest in unproductive improvements, the notes which he had received from the banks. At this winding up of the catastrophe, it will be seen, that during the whole of this operation, consumption had been increasing, whilst production was diminishing—that the community was poorer in the end, than when it began—and that the whole of the appearance of prosperity which was exhibited, while the currency was gradually increasing in quantity, was like that appearance of wealth and affluence which the splendid thrift exhibits, whilst running through his estate.

We have now one more popular error to combat, and then we shall bring the subject to a close. If banks do not create absolute capital, it may be said that they at least make a plenty of what is called money. That they make it plenty with those who first get their paper, is undoubtedly true, but as soon as time has been afforded for that rise in the price of commodities and property, which is inseparable from increased issues of paper, to take place, the

plenty disappears. It requires at the new prices, the whole existing quantity of currency to circulate the commodities which at the old prices were circulated by the original quantity, and a scarcity of money is just as likely to be felt under a depreciated currency, as under a sound one, as soon as the expansion has ceased by the banks refusing to extend their discounts any further.

This, we think, is a true description of the banking system, and it is not to be wondered at, that some of the politicians of England, where it has been presented in its worst deformity, should begin to entertain doubts whether the evils attendant upon it do not far outweigh all the benefits which the community derives from its existence. For our own parts, we have long been of that opinion, judging from the manner in which it has been administered in the United States within the last fifteen years. If must not be supposed that we have depicted in the foregoing account, said as it is, all the consequences of a depreciated currency. We have said nothing relative to its direct influence in reducing the value of all fixed incomes, whether they be derived from government stocks, ground rents, loans, or mortgages, salaries or annuities, by reducing the value of the money in which they are paid. We have said nothing respecting the power possessed by the banks of altering, at their pleasure, the money value of all the property in the country, real as well as personal, and of shaking to their centre the very foundations of society. This last is a political point which we are not prepared to discuss, but we cannot leave the subject without proposing one solemn question to the nation. Would the people of this country deliberately consent to place in the hands of a corporation, or of any hundred corporations, the power to alter at their pleasure the standards of weights and measures, and to say, that a pound, a gallon, or a foot, should be one thing to-day, and another thing to-morrow? And yet by conferring upon banks the power to expand and contract the currency, at their free will and pleasure, the power is virtually given to them to alter the standard of value.

POLITICAL.

We noticed, in our last, the fact of the recall of the Commission of the Consul at Martinique, after being issued to JOHN JACKSON, Esq. by the President of the U. States, and of Mr. JACKSON's having made a publication on the subject addressed, in terms of more than usual energy, to the President, his namesake. We promised to recur to the subject, to place before our readers a distinct view of the circumstances of this case, as narrated in the published Letter. In the following compilation we redeem that promise.

On the 30th of July Mr. JACKSON received his commission. On the same evening, the appointment was announced in the evening paper of this city, and on the following morning it was published, by authority, in the National Intelligencer, and the same morning in the National Journal. [At this time, and some days before and after the Secretary of State was out of town.] Mr. J. states that one of those who compose what is called the "Central Committee," on hearing of this appointment, remarked that "the President must and should recall the commission, or that he would desert him and his cause." Not believing that the President would suffer such interference with his high official duty, Mr. J. was not a little surprized at receiving, "in less than four hours after he had understood these threats to have been made," the following Letter:

DEPARTMENT OF STATE, Washington, 21st July, 1829.

JOHN JACKSON, Esq. Sir: I am directed by the President to request you to return the commission, appointing you Consul of the United States at Martinique, which I had the honor of enclosing you a few days ago, to this office: the order for making it out being discovered now to have been founded upon misapprehension, as to the person intended to be appointed.

DANIEL BRENT, Chief Clerk.

This Letter, Mr. J. says, was the result of information carried to the President, by some person or persons in this city who belong to the "Central Committee," to which he alludes.

In reply to this allegation of misapprehension as the person intended to be appointed, Mr. JACKSON says—

"My testimonials were before you, and had been before you for three months; so also was my letter to the Secretary of State, in which I say: 'Although it (i. e. the Consulate at Martinique) is not a post either of political trust or influence, (but created for commercial purposes) or a salary office, or one that can be desirable to any one but a merchant, who can combine with it mercantile pursuits, (as the returns in your Department from the late Consul, who resigned it, will show); yet I deem it due to candor and fair dealing to state, for the information of the President, that in the late Presidential canvass I advocated the re-election of Mr. Adams.' One of your friends who signed my testimonials stated, distinctly, the same fact. And I feel myself warranted in saying, that my qualifications and political course were canvassed before you ordered a commission to be made out for me. When I called on Mr. Van Buren (after his return to the city) and handed him the commission, I remarked to him, that it would be gratifying to know the cause of so unprecedented a procedure. He replied, that the appointment had been made previous to his leaving the city, and the recall of the commission previous to his return since which the President had been sick, and that he had not seen him; that he could not give me the reasons—whether from not knowing them, or want of disposition, I do not know. Not a word, Sir, about 'misapprehension of the person intended to be appointed.' Am I not, then, justified in saying that when 'misapprehension' is assigned as an excuse for recalling the commission, it is not the real reason?"

These circumstances are connected together by some observations to elucidate them, and commented upon in a strain of indignant severity natural enough for a deeply injured and insulted man, but

which we forbear to copy, because not necessary to enable our readers to understand the gist of Mr. J's statement, which, as far as it is not denied, establishes these facts;—that knowing him to have the most respectable recommendations as to character and qualifications, the PRESIDENT of the United States directed a commission to be made out for JOHN JACKSON, Esq. as Consul at Martinique (and a better appointment to that station could not well have been made); that, after the commission was made out and publicly notified, the President was waited upon by certain persons, who represented that Mr. JACKSON had been a more efficient and active friend of the late Administration than they thought ought to be appointed to office; and that, immediately after this interview, the commission granted after deliberation, and officially announced to the public, was withdrawn by the direction of the President, and his solemn act revoked, at the suggestion of persons who could have no possible right to interfere in the matter, unless recognized by the Executive as his proper Councilors of Appointment.

Rumors of the exercise of such influence over the Executive mind and authority have heretofore been prevalent, but this is the first approach that we have seen to the proof of the fact.—Nat. Intel.

LUSUS NATURE.

The annexed scientific description of the remarkable twins in Boston, mentioned in our last, is from the pen of Doctor WARREN, one of the most celebrated Surgeons and Anatomists in the Union. The letter is addressed to one of the Boston Editors:

DEAR SIR—In compliance with your request, as well as in obedience to what I consider to be professional duty, I undertake to give some account of the Siamese Boys, and particularly of the medium, by which they are united together.

The boys are supposed to be about 18 years old. They are of moderate stature, though tall as boys of that age in this country. They have the Chinese complexion and physiognomy. The forehead is more elevated and less broad than that of the Chinese, owing to malformation.—They much resemble each other; yet not so much but that upon a little observation, various points of dissimilarity may be noticed.

The substance by which they are connected is a mass two inches long at its upper edge, and about five at the lower.—Its breadth from above downwards may be four inches; and its thickness in a horizontal direction two inches. Of course it is not a rounded cord, but thicker in the perpendicular, than in the horizontal direction. At its lower edge is perceived a single umbilical cord to nourish both children in the fetal state. Placing my hand on this substance, which I will denominate the cord, I was surprized to find it extremely hard. On further examination this hardness was found to exist at the upper part of the cord only; and to be prolonged in the breast of each boy. Tracing it upwards, I found it to be constituted by a promulgation of the ensiform cartilage of the sternum, or extremity of the breast bone. The breadth of this cartilage is an inch and a half; its thickness may be about the eighth of an inch. The cartilages proceeding from each sternum meet an angle, and then seem to be connected by a ligament, so as to form a joint. This joint has a motion upwards and downwards, and also a lateral motion; the latter operating in such way, that when the boys turn in either direction the edges of the cartilage are found to open and shut. (The lower face of this cartilage is concave; and under it is felt a rounded cord, which may be the remains of the umbilical cord. Besides this there is nothing remarkable felt in the connecting substance. I could distinguish no pulsating vessel.

The whole of this cord is covered by the skin. It is remarkably strong, and has no great sensibility; for they allow themselves to be pulled by a rope fastened to it, without exhibiting uneasiness. On ship board, one of them sometimes climbed on the captain of the vessel, the other following as well as he could without complaining.

When I first visited the boys, I expected to see them pull this cord in different directions, as their attention was attracted by different objects. I soon perceived that this did not happen. The slightest impulse of one to move in any direction is immediately followed by the other; so that they would appear to be influenced by the same wish. This harmony in their movements is not the result of volition, excited at the same moment. It is a habit formed by necessity. At an early period of life it is probable they sometimes differed. At present this is so rarely the case, that the gentlemen who brought them, have noticed only a single instance. Having been accustomed to the cold bath, one of them wished it when the weather was cool, to which the other objected. They were soon reconciled by the commander of the ship. They never hold a consultation as to their movements. In truth I have never seen them speak to each other, although they converse constantly with a Siamese lad, who is their companion. They always face in one direction, standing nearly side by side; and are not able without inconvenience, to face in the opposite directions, so that one is always at the right, the other at the left. Although not placed exactly in a parallel line, they are able to run and leap with surprising activity. On some occasions, a gentleman in sport pursued them round the ship, when they came suddenly to the hatchway, which had been inadvertently left open. The least check would have thrown them down the hatchway, and probably killed one or both; but they leapt over it without difficulty.

They are cheerful, appear to be intelligent; attending to whatever is presented to them, and readily acknowledging any

crility. As a proof of their intelligence, it is stated that in a few days, they learned to play at draughts well enough to become antagonists of those who had long been versed in the game.

The connexion between these boys might present an opportunity for some interesting observations in regard to physiology and pathology. There is, no doubt, a network of blood vessels and some minute nerves passing from one to the other. How far these parts are capable of transmitting the action of medicines and diseases, and especially of what particular medicines and diseases, are points well worthy of investigation. Capt. Coffin informed me they had never taken medicine since they had been under his care. Once they were ill from eating too heartily, but were relieved by the efforts of nature. He thinks that any indisposition of one extends to the other, that they are inclined to sleep at the same time; eat about the same quantity and perform other acts with great similarity. Both he and Mr. Hunter, the gentleman who united with him in bringing them here, are of opinion that touching one of them when they are asleep, awakens both.

The pulsations of the heart are exactly alike in both boys. I counted seventy three pulsations in a minute while they were sitting; counting first in one boy then in the other. I then placed my fingers on an arm of each boy, and found the pulsations take place exactly together. One of them stooping suddenly to look at my watch, his pulse became much quicker than that of the other; but after he had returned to his posture, in about a quarter of a minute, his pulse was precisely that of the other boy. This happened repeatedly. Their respirations are, of consequence, exactly simultaneous.

This harmony of actions in primary functions shows a reciprocal influence, which may lead to curious observations and important deductions. Whether it will be in my power to obtain any further information in regard to them is uncertain. If not, some one else can better accomplish the task.

Let me add that there is nothing unpleasant in the aspect of these boys. On the contrary, they must be viewed as presenting one of the most interesting objects of natural history, which have ever been known to scientific men.

You are at liberty to employ the above statement in such way as you think likely to be useful.

I have the honor to be yours, &c.
JOHN C. WARREN,
Wm. STURGIS, Esq.

State of North-Carolina. Wake County.

Court of Pleas and Quarter Sessions, August Session, 1829.

The Post Master General, Daniel Peck, Original Attach. Levied in the hands of Wyatt Harrison & Mark Cooke, & they sum'd as Garnish's.

IN this case, it appearing to the Court, that the defendant, Daniel Peck hath removed himself beyond the limits of this State, or so conceals himself that the ordinary process of law cannot be served on him: It is therefore ordered by the Court, that publication be made in the Raleigh Register, for six weeks, that unless Defendant comes forward on or before the next County Court of Pleas and Quarter Sessions, to be held for the county of Wake at the Court House in Raleigh on the 3d Monday of November next, then and there to reply and plead to issue, the property levied on will be condemned subject to plaintiff's recovery.

By order of the Court, B. S. KING, C. C.

State of North-Carolina. Bertie County.

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

Elijah Rayner, Adm'r &c. of Blount B. Ruffin, Original attachment returned "John Ruffin garnished."

IT appearing to the satisfaction of the Court that the defendant Blount B. Ruffin resides out of the limits of this State: It is therefore ordered that publication be made in the Raleigh Register for three months that unless the said Blount B. Ruffin make his personal appearance at our next Court of Pleas and Quarter Sessions at our Court House in Windsor, on the second Monday of November next, and replevy, final judgment will be taken against him.

By order of Court, E. A. RHODES, Clk.

NOTICE.

ON the 22d day of September next, will be Sold to the highest bidder, at the late Dwelling House of John Davis, dec. several valuable Negro Slaves, all the stock of Horses, Cattle, Hogs and Sheep, Corn, Fodder, Oats, Household and Kitchen Furniture, Plantation Tools of every description, Waggons & Gear, Blacksmiths Tools, and other articles too tedious to mention. A credit of six months will be given; Bond and undoubted security required.

The Sale will continue from day to day until all are sold.

JOHN LIGON, Adm'r. Wake county, 18th August, 1829. 100 Sw

Further Notice.

THE Subscriber having qualified at August Court 1829, as Administrator of the Estate of the late John Davis, requests all persons indebted to make immediate payment, and those having claims against the Estate to bring them forward authenticated as the law directs, of this notice will be plead in bar of their recovery.

JOHN LIGON, Adm'r. Wake county, 18th Aug. 1829. 100 Sw

NOTICE.

WAS taken up and committed to the Jail of this county, on the 2d of March last, a negro man supposed to be a Slave, who calls himself SAMUEL WILKINS, and says that he was bound an apprentice to Wm. Mosely, of Norfolk, Va. and that he ran away from the said Mosely before his term of apprenticeship had expired. The said negro has been in this county 5 or 6 years, and has passed during that time as a free man; he is about 24 years of age, 5 feet, 6 or 5 inches high, and coal black. The owner of said negro is requested to come forward, prove property and pay charges, or he will be dealt with as the law directs.

JAMES PALMER, Jailor. Windsor, Bertie county, June 9. 92-50

Price adv. \$7.