

December 18.

[Mr. Hill's Speech concluded.]

I learn, Sir, from a report made to the Legislature of South-Carolina, by a committee appointed to investigate the affairs of the Bank of that State, that even in the City of Charleston, with all the aids and facilities afforded to banking operations by extensive commercial and mercantile transactions, that bank has been unable to confine itself to the discount of business paper, but has been compelled to make extensive loans on accommodation. From a report drawn by the late President of the State Bank of North-Carolina, and submitted on the 7th of December last, to the Stockholders of that institution, it appears that the whole amount of business which that bank, with the aid of all its branches can do, in bills of exchange and notes, payable punctually, and in a short time, is estimated at from six to eight hundred thousand dollars. Are not these facts conclusive, as to the question of profit? Sir, your hopes are as empty as the dreams of the Alchemist. Is the bill looked to as a measure of relief? Permit me to say, that there is no man who would more sincerely rejoice than I should at the opening of any prospect of relief to the people—who would more cheerfully assist in providing any just and constitutional means of freeing them from the embarrassments of their situation. But this is no remedy for the distresses of the people; it will not diminish, by one cent, the burthen of their debt. Sir, that is a very equivocal remedy, which proposes to extricate the people from their pecuniary difficulties, by enabling them to run in debt to the amount of a million more than they now owe. But, say gentlemen, you enable the citizen to substitute for creditors, compelled by circumstances to be rigorous in their exactions, an institution which proffers its aid upon such liberal terms. Sir, do gentlemen really believe that this bank will be able to afford to its customers a more extended credit, or greater accommodation, than are granted by the present banks to their debtors? Or that any bank can do business profitably, or even do business at all, which has loaned its money, to be paid by small instalments, and at distant intervals, and which consequently, cannot meet the exigencies of its situation by compelling payments from its own debtors?

It is further urged by gentlemen, who seem to feel more than they think, on this subject, that by means of the additional facilities for borrowing money which will be afforded by the establishment of a new bank, the present debtor will be enabled to disenthrall himself by an advantageous sale of his property. What, Sir, do you gain by this operation? By thus transferring the burthen from the shoulders of one man to the back of another? Is the new debtor less a citizen of the State, and less entitled to your consideration than the old? Is the value of the property enhanced by the transfer? Do you increase the value of its annual product, out of which, after all, the debt is to be paid? No, Sir—for the price of that product is regulated not by the amount of your bank issues, but by the demand for it in the market. By flooding the country with paper money, by producing an excess in the circulating medium, and thereby giving to property a fictitious and artificial value, we may indeed free from embarrassment those of our citizens who are now in debt; but in doing so, we expose the State to immense and inevitable loss—we incur obligations which can be discharged only by a sale of the public property, in which every citizen has an interest, or by the imposition of taxes, to be paid indiscriminately by the people. Sir, would this be just towards those, by far the largest class of our citizens, who are not indebted to the banks? Would it not, in effect, be compelling them to bear a part of that burthen of debt which ought to be sustained exclusively by those by whom it was voluntarily assumed? Mr. Speaker, we cannot by any legislative enactment, enable people to pay their debts.—That, Sir, is to be accomplished by time, by industry, by economy. But it is in our power to afford a partial relief to the distresses of the people; we can at least provide a cheaper, a safer and a better remedy than the one proposed. Let us, Sir, extend the charters of the present banks, so that they may have time to wind up their affairs gradually, and be enabled to collect their debts as leniently, and in a way as little oppressive to the people as possible. This is all that we can do, it is all that we ought to do. I am told, Sir, that there are some gentlemen who, though they neither approve the principle nor the details of this bill, are yet disposed to support it, to supply an apprehended deficiency in our circulating medium; an evil, which it is said, is already felt, and will increase as the banks retire their notes from circulation. This apprehension of a scarcity of the circulating medium, appears to me entirely chimerical. Sir, we are not dependent on banks for a circulating medium. The circulating medium of a country is regulated by, and should be proportioned to, the value of its surplus produce. So long as we raise more than we consume, and while there is demand for our surplus products, we shall be able to command money. So long as our turpentine, lumber flour, tobacco, cotton, rice, &c. are required for foreign consumption, and while those who need these articles have the means of paying for them, we shall be able to raise money by their sale. The article will be sent in pursuit of the money, or the money will come in quest of the article. It is true, that banks, whose notes constitute the circulating medium of a State, may, by suddenly withdrawing their notes from circulation, produce a temporary deficiency, and thereby injuriously affect the interest of the citizen. But, Sir, we have no reason to apprehend that the notes now in circulation will, indeed we know that they cannot, be suddenly withdrawn. Their retirement will be gradual, and we shall be gradually acquiring a new currency. This will be effected so insensibly that no shock or derangement will be suffered by the substitution of one currency for another. It will be remembered that the State of Virginia lately prohibited the circulation in that State of bank notes under the denomination of five dollars—the consequence has been, that specie has taken the place of the exiled notes. In this way will foreign notes and specie come in to supply any deficiency in our circulating medium.

There is another aspect in which this measure ought to be considered. The funds which the wisdom of our predecessors provided for the improvement of the State, and for the education of the poor, are to be swept into the coffers of this bank. Yes, Sir, the fund for Internal Improvement & the Literary Fund are to form a part of its Capital; for the words 'not otherwise appropriated,' mean nothing, if you previously intend that the bank shall have a capital. If, however, by the 2d section of the bill, you intend nothing more than an empty parade of words; if you design to mislead the public; to keep the word of promise to the ear, but break it to the hope—to procure a false credit for the bills you propose to issue, by leading the public to suppose that the bank has a real capital, then indeed these valuable funds may be spared for a while—they may escape until they are seized upon to pay some of the debts of the bank.

Yes, Mr. Speaker, the hope we have cherished of elevating the character of our State—of developing her resources—of opening to her citizens new fields for enterprise, and new paths to wealth, by a judicious system of Internal Improvement, we must resign, or at least, postpone to an indefinite period, its accomplishment. We must forego too, the still dearer hope, of exploring the rich mine of our intellectual treasures, by an extended system of public instruction. I cannot, Sir, without pain, contemplate a diversion of the Literary Fund from its legitimate object. If suffered to accumulate, the fruit of knowledge may be placed within the reach of every child in the State, and an avenue be opened, by which the meritorious son of the poorest and humblest citizen may attain to the highest offices and most exalted stations. Sir, many an anxious parent has looked to this fund, as affording for his children the promise of a happier destiny than his own—many a poor man, as he has watched the mind of his child putting forth the buds of promise, has exulted in the hope that through this provision for the poor, he might escape the blight of poverty, that in due season the bud would open into flower, and the flower be succeeded by fruit. Sir, shall we hazard these cherished hopes upon the result of an experiment, which is almost certain to miscarry, and which, if it succeeds, will only transfer a few dollars from the pockets of the people to the public chest?

If, Mr. Speaker, I am mistaken in the views and opinions I have had the honor to submit, and Sir, I have expressed no views which I do not believe to be correct, and advanced no opinions which I do not sincerely entertain—if my anticipations of mis-

chief and loss are rejected, as the fears of a weak mind, and if all the advantages predicted by its friends would be certain to follow from the passage of this bill, yet, Sir, we ought not to pass it, we have no right to enact such a law; it is forbidden by the Constitution, it is a palpable violation of one of the plainest prohibitions of our Federal Compact. The tenth section of the first article of the Constitution, provides the following restrictions upon the power of the States:—"No State shall enter into any treaty, alliance, or confederation; grant letters of marque or reprisal; coin money; emit bills of credit; make any thing but gold or silver coin a tender in payment of debts; pass any bill of attainder, &c."

The bill authorizes the emission of notes, to circulate as money, notes to be issued upon the funds and faith of the State, and for the benefit of the State—in other words, it contemplates an emission by the State of North-Carolina of bills of credit—for, Sir, if bills issued by the agents of the State, under her authority, and for her benefit, be not bills, issued by the State; and if the bills so emitted be not bills of credit, within the meaning of the Constitution, I profess myself utterly at a loss to comprehend the true character of the notes, or to give a sensible interpretation to the Constitution. The powers enumerated in the 10th section, and which the individual States are forbidden to exercise, seem to have been considered as the proper attributes of the supreme power of the Nation, or as necessarily incident to powers expressly granted to the Federal Government. Among the powers taken from the States, is that to regulate the currency. This is evident from the three prohibitions to coin money, emit bills of credit, and to make any thing but gold and silver a tender. The entire monetary system of the country was intended to be placed beyond the reach of State Legislation; and if this object of the Constitution has, in some instances, been defeated, it has only been by evading or disregarding its prohibitions.

To ascertain the true meaning of the term bill of credit, we have only to recur to the early history of our country, and to enquire what was the mischief intended to be remedied by this prohibitory clause of the Constitution. Gentlemen are aware, Sir, for the fact is connected with a portion of our history too interesting not to be familiar to every member of this House, that anterior to the War of the Revolution, under the charter and proprietary governments, and that subsequently during the progress of that War, the States were in the habit of emitting paper money whenever the expenditures they were called upon to make, exceeded their ordinary revenue and resources. In the depreciation of this paper-money, and the consequent loss to individuals, and prostration of public credit, consisted the mischief against which it was the purpose of the wise men who framed our Federal Compact to guard. But as the phrase bill of credit, is here employed in a sense different from that in which it is ordinarily used, and in order that no room may be left for scepticism itself to doubt, I trust I shall be indulged while I recur to certain records to show that the term bill of credit, in the sense in which I suppose it to be employed in the Constitution, was a phrase familiar to our early Legislators. Our State, Sir, both as a dependency of the British Crown, and afterwards as a member of the American Confederacy, she united with the other Colonies in the assertion of her independence, frequently to meet the exigencies of her situation, had recourse to this expedient of emitting paper-money. I propose, Sir, to read the several acts on this subject, enacted at different times, from 1748 to 1784. [Mr. Hill here read from Swan & Mosely's Collection, and from Iredell's Revision of the Laws, several Acts of Assembly authorising the emission of bills of credit, 'eo nomine'] It thus appears, that the term bill of credit, was used to designate the character of the notes authorised to be issued; the term occurs in those very acts of legislation out of which grows the particular mischief intended to be remedied, and thus has fixed the true signification of the phrase.

It is contended, however, that the bills intended to be prohibited, were such only as were made a tender in the payment of debts—that the two clauses—'emit bills of credit,' 'make any thing a tender,' &c. constitute but one subject of prohibition, were intended to restrain or qualify each other, and should be taken together. This interpretation of the Constitution is entirely arbitrary, and violates every rule of composition and every law of sound construction.

If the words 'make any thing a tender,' &c. were intended only to restrain, limit or qualify the preceding member of the sentence, the composition of the entire sentence would have been different. The two clauses would not have stood out as distinct and independent members of the sentence; some conjunctive or expletive at least would have been introduced to show their intended connexion. The pointing would have been different. The clauses are separated by a semicolon after the word credit, and this punctuation occurs not only in the copy of the Constitution which I have before me, but in every other which I have examined.

I take it, Sir, to be an admitted rule of construction, that every distinct and substantive member of a sentence is entitled to receive a distinct and separate interpretation, provided it be susceptible of a sensible meaning; and this is particularly true in construing instruments so solemn and important as the one we are considering. But, Sir, that is certainly a novel rule of construction, which reduces to utter insignificance an independent member of a sentence, which rejects it as surplusage, although it be capable of a significant meaning and an independent agency. If the mischief intended to be remedied, was simply to prevent any thing but gold and silver being made a legal tender, the prohibition to emit bills of credit is unnecessarily introduced; because the object is abundantly provided for in the clause which follows. And, Sir, if the prohibition to make any thing but gold and silver a tender in the payment of debts, has reference only to bills of credit, that clause is unnecessary; because by the preceding member of the sentence, the States are forbidden to issue such bills, and that could not be made a tender which could not legally exist. If gentlemen will recur again to the History of our Country, they will discover that the clause prohibiting the States to make any thing a tender but gold and silver coin, has a distinct agency, has its own separate functions to perform. It was intended to correct another vice of colonial legislation. Paper-money was not the only thing which by the acts of our Colonial Assemblies was made a tender in the payment of debts. In Virginia, and in our own State, the article of tobacco, at a fixed price per pound, was made a tender, and in South-Carolina, if I am not incorrectly informed, even her sterile pine land, was at an ascertained value, a tender in the payment of debts.

It is contended further, however, Sir, by those who seek to evade this plain provision of the compact, that the bills intended to be prohibited, are such only as are issued upon the faith and credit of the State, and for the redemption of which no specific fund is provided. That a State may emit bills upon a specific fund provided and set apart for that purpose, and that the superaddition of a pledge of the faith of the State for the redemption of the notes so issued, is nothing more than a provision made for the further security of the holder, and does not change the character of the bills. Sir, are we to be deluded by such flimsy sophistry as this? When you issue bills upon the faith and credit of the State, do you not, in effect, issue them upon the funds of the State? Do you not pledge the property of the State for their redemption? Is the character of the transaction altered by simply setting apart a portion of your means? Yes, say gentlemen, you have nothing to do but to specify in your act of Assembly the particular fund; to enumerate the particular articles of the public property upon which the notes are issued, and which you design to employ as the means of redeeming them, and you put a new face upon the business, and render that constitutional, which, under a different form, is forbidden. Admirable logic! Do not gentlemen perceive, that if this distinction, unsupported as it is by the slightest shade of differ-

ence, be correct, it is completely in the power of the States to evade the prohibition of the Constitution, and utterly defeat its intended operation. All that is required to be done, is to set apart a few thousand dollars, call this appropriation a specific fund, give it the high sounding name of Bank capital, and there is nothing to restrain you from issuing as many millions as you please.

It is said again, that in chartering banking companies, we have repeatedly exercised this power, and that our acts of legislation on this subject have never been impugned as unconstitutional. Sir, in the incorporation of individuals for banking purposes, the power in question is not involved. What is the subject of the prohibition in the Constitution? The emitting bills of credit by a State—not by individuals. There is no constitutional restraint upon the right of the citizen to emit such bills. A Company is an association of individuals to exercise certain rights in carrying on a particular trade, or in the prosecution of a particular business. The act incorporating the company, enables it to exercise a right previously residing in its members, with privileges and immunities which they did not before possess. But may a State, as a coparticipant, as a stockholder in a private company, do that which, as a sovereign she is forbidden to do? Unquestionably not. Nor does a State, by taking stock in a banking company, necessarily violate the constitutional prohibition to emit bills of credit. A State, I apprehend, Sir, may, with a view to a profitable or convenient investment of her funds, purchase shares in the stock of a company created by herself. When a State becomes a partner in a trading company, she loses, so far as her interest in the company is concerned, her political character; she does not clothe the company with any of her sovereign attributes; she does not impart to her copartners her privileges; she sinks to their level—the sovereign is merged in the corporation. But, Mr. Speaker, in determining the constitutionality of any act of legislation, we should look to the motive and the object of such act. If a State, with a view to evade the constitution, incorporates a banking company; becomes the owner of its stock, assumes its direction; issuing bills, &c. she is guilty of a palpable violation of the constitution; she does indirectly and evasively, that which she is forbidden to do. I am aware, Sir, that in submitting my views, I have taken up much of the time of the House, and I cannot take my seat without expressing my thanks for the patience and attention with which I have been heard.

(Debate to be continued.)

CELEBRATION OF THE BIRTH-DAY OF JEFFERSON.

Tuesday the 13th instant, being the anniversary of the birth-day of THOMAS JEFFERSON, was celebrated at Washington by a public dinner, at which there were present about one hundred and fifty gentlemen.—The President of the United States, the Vice President, the Heads of the different Departments of the Government, a great number of the members of both Houses of Congress, including the Speaker of the House of Representatives, together with most of the distinguished officers of the Army and Navy, were of the number.

The following set toasts were drank:

1. Thomas Jefferson: We celebrate the anniversary of his birth, not in the spirit of idolatry, but from regard and reverence for his political principles.
 2. The Declaration of Independence: An enduring monument of that devotion to liberty, and abhorrence of tyranny, which stamp the character, and mark the whole course of the life of its author.
 3. Thomas Jefferson: Author of the Declaration of American Independence; of the Statute of Virginia, establishing religious freedom, and Father of the University of Virginia. [Memorandum of Mr. Jefferson, found in a drawer containing his will.]
 4. The Kentucky Resolutions of '98: drawn by the same hand which drew the Declaration of Independence; a practical illustration of Jeffersonian republican principles, and a correct definition of the relative powers of the State and Federal Governments.
 5. The Virginia resolutions, and Madison's report of the year '98.—Text books in the Jeffersonian school: when they cease to be read and admired, the days of Liberty will be numbered.
 6. Louisiana: The memory of him who acquired it, first honored by anniversary commemoration under the presidency of him who defended it.
 7. Peace, commerce, and honest friendship with all nations; entangling alliances with none. [Jefferson's Inaugural Address.]
 8. The support of the State Governments in all their rights, as the most competent administrations for our domestic concerns. [The Same.]
 9. The preservation of the General Government in its whole constitutional vigor, as the sheet anchor of our peace at home and safety abroad. [The Same.]
 10. "A jealous care of the right of election by the people; a mild and safe corrective of those abuses which are lopped by the sword of revolution in countries where peaceable remedies are unprovided." [The Same.]
 11. "Economy in the public expense, that labor may be lightly burdened." [The Same.]
 12. "A wise and frugal Government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned; this is the sum of good government." [The Same.]
 13. Republicans of the Jeffersonian faith wherever found.—In the North, South, East, or West—all brethren of the same principle; unity of action in the great cause of good government their paramount obligation of duty and interest.
 14. The surviving associates and coadjutors of Jefferson in the civil revolution and political reformation of 1800.
 15. The basis of the Union; equality of rights and duties—of benefits and burthens.
 16. The bane of the Union: oppression of minorities; unequal taxation, unequal distribution of public benefits.
 17. Liberty of the Tongue, liberty of the Press, liberty of the Conscience, liberty of the hand—the last not least.
 18. Virginia, the mother of the Gracchi; may her sons, not less patriotic than the Roman brothers, be more successful in resisting the encroachments of power.
 19. Freedom of Industry: As sacred as the freedom of speech, or of the press—no wise government will restrain it.
 20. The States: Their harmony an overruling consideration in the minds of all patriotic statesmen.
 21. The States: Jefferson gave up the embargo, in 1808, to restore their harmony: can nothing be given up by the professors of his principles for the same object in 1830.
 22. The memory of Washington: The Father of his Country, and first in her affections—not less the friend of free government, because the abuses of his name would have made him an enemy.
 23. Taxes as many as are necessary, and no more, as long as necessary, and no longer.
 24. The Daughter and descendants of Thomas Jefferson: Their happiness and prosperity is dear to the American people.
- Mr. Benton, being called on by the President of the day for a toast, rose and gave. The political and personal friend of Jefferson, styled by Jefferson himself *ultrius Romanorum*, the man who stood near half a century in the first rank of the wise and good, who retired voluntarily from the American Senate in the full possession of his faculties, after forty years of patriot service in the public councils; whose friendship is a privilege and an honor, and who has been the friend of me and mine through four generations in a straight line.—Nathaniel Macon, of North-Carolina.
- Mr. Potter, of North-Carolina, who represents the spot where the grandfather of Col. Benton lived and died, (and the trees which were planted by his hand now ornament the village of Oxford, where he now resides,) rose and said, Mr. President: The name of Nathaniel Macon has been mentioned. I have the honor to number Mr. Macon among my constituents, and springing from the same soil which gave him birth, coming from the same district which first gave him to the service of his country, and still claims him as a citizen, you may be well assured that every feeling of my heart is in unison with the sentiment which has just been so kindly uttered. Sir, this sentiment, grateful as it would have been to North-Carolina from any quarter, is particularly so from a native son, whose laurels he contemplates with pride, though they have been gathered in a distant land—to the man who is the subject of it, to that honest man, and I use the phrase, Sir, no less from regard to the taste of it, than the truth of it—to that honest man, now living in the shades of retirement, it will be gratifying to know, that here, on this night, where the first patriots of the age have assembled to honor the memory of the man whom he loved, by whom he was beloved, and with whom he co-operated, in the most trying crisis of our Government, to assert and sustain the principles which we now reaffirm; he has been remembered; he has been mentioned with respect, and with kindness.—Sir, he was one of those, who with the late James Turner, of North-Carolina, so most favorably known to many of you, while yet in the green days of that boyhood, marched with their muskets to the fields of the revolution, to establish with their blood those principles which they afterwards came forward to regenerate in the great civil revolution, headed by Jefferson. But to you, Mr. President, who have long been the personal friend and political coadjutor of Mr. Macon, and to the company here assembled, to all of whom he must be known, and most of whom, like yourself, have been his personal friends and political associates, to you, and to them, it is altogether unnecessary to present a sketch of his life, or a picture of his character. Permit me, however, as his representative, his humble representative, at this board, a character which it is my pride to wear elsewhere, to offer you, in his behalf and my own, a sentiment in which I am sure he will most heartily concur, when enveloped in the storms and strifes of party, it was one of the most fervent and patriotic aspirations of the heart of Jefferson, to be able to say, "we are all Federalists, we are all Republicans." I now present to you and to this country, the same sentiment, though with a different version. It is this—Our country may the time soon come, when the moral and political designation shall require no reference to the points of the compass; when we may say with truth, Sir, we are all Northerners, we are all Southerners, we are all but parts of one stupendous whole.