

DEBATE ON THE
BILL FOR ESTABLISHING A BANK OF THE STATE.

HOUSE OF COMMONS.

December 24.
Mr. Swain's Speech Continued.

It will be found, by turning to Martin's History of North-Carolina (an extract from which Mr. Swain here read) that the first emission of bills of credit, by the Legislature of this State, was in 1713. The amount issued, was small, and the Legislature no doubt expected & intended to redeem them in a very short time. We all know with how much reluctance Legislative bodies, resort to the imposition of taxes. Succeeding Legislatures, instead of providing for the redemption of the public debt, thus created, by an increase of taxes, were rather disposed to diminish the taxes by increasing the debt. The result was, that from the year 1748 to 1785, both inclusive, making a period of forty one years, the amount of bills of credit, emitted upon the faith of the State was \$29,133,350 or seventy two millions, eight hundred and thirty three thousand three hundred and seventy five dollars (\$29,333,375). It is painful to reflect upon the consequences which followed.

The bills depreciated to such an extent, that at one period, eight hundred dollars, was equivalent in value to a single dollar, and no portion of them was ever redeemed at a higher rate than two and a half for two. None of us, I trust, are disposed to witness similar violations of the public faith. A part of this debt remains unpaid to the present day. The old proc. is indeed withdrawn from circulation, but treasury notes have been substituted in its stead. The effect has been to change the securities not to liquidate the claim.

Aside from the embarrassment of our fiscal operations for half a century, it should be recollected, that we sold the State of Tennessee, to effect a partial redemption of this paper currency. The system was commenced in 1713 by the emission of \$50,000—the bill proposes to renew it in 1829, by issuing a million. Ordinary prudence requires that we should look well to the consequences. Should it produce similar results, something more may be necessary to meet them, than the provision of \$300,000 of borrowed money.

May I now be permitted to enquire of the venerable gentleman from Wilkes (Mr. Stokes) whether, with these facts before them, the framers of the Constitution, had not ample reason, to prohibit the States from any interference with the currency of the country. I beg leave furthermore to commend to his particular attention, the opinions of Mr. Madison, one of the most distinguished members of the Convention that framed the Constitution, as to the meaning of the particular sentence in question, (Mr. Swain here read from the 44th No. of the Federalist the following extract :

"The right of coining money, which is here taken from the States, was left in their hands by the confederation, as a concurrent right with that of Congress, under an exception in favor of the exclusive right of Congress to regulate the alloy and value. In this instance, also, the new provision is an improvement on the old. Whilst the alloy and value depended on the general authority, a right of coinage in the particular States could have no other effect than to multiply expensive mints, and diversify the forms and weights of the circulating pieces. The latter inconveinency defeats one purpose for which the power was originally submitted to the federal head: and as far as the former might prevent an inconvenient remittance of gold and silver to the central mint for recoinage, the end can be as well attained by local mints established under the general authority.

The extension of the prohibition to bills of credit, must give pleasure to every citizen, in proportion to his love of justice, and his knowledge of the true springs of public prosperity. The loss which America has sustained since the peace, from the pestilent effects of paper money on the necessary confidence between man and man; on the necessary confidence in the public councils; on the industry and morals of the people, and on the character of republican government, constitutes an enormous debt against the States, chargeable with this unwise measure, which must long remain unsatisfied; or rather an accumulation of guilt, which can be expiated no otherwise than by a voluntary sacrifice on the altar of justice, of the power which has been the instrument of it. In addition to these persuasive considerations, it may be observed, that the same reasons which show the necessity of denying to the States the power of regulating coin, prove, with equal force, that they ought not to be at liberty to substitute a paper medium, in the place of coin. Had every State a right to regulate the value of its coin, there might be as many different currencies as States; and thus, the intercourse among them would be impeded; retrospective alterations in its value might be made, and thus the citizens of other States be injured, and animosities be kindled among the States themselves. The subjects of foreign powers might suffer from the same cause, and hence the union be discredited and embroiled by the indiscretion of a single member. No one of these mischiefs is less incident to the power in the States to emit paper money, than to coin gold or silver. The power to make any thing but gold & silver a tender in payment of debts, is withdrawn from the States, on the same principle with that of issuing a paper currency."

It is a maxim, that cotemporary expositions are entitled to high respect. The extract which I have read, comes down to us with this high recommendation, but it has further and higher claims upon our attention. It is to be regarded as the production of one of the purest patriots and wisest sages, to whom our country has given birth, and who was not only cotemporary with the instrument on which he comments, but was in a degree as great, perhaps as any single individual, its author, and whose opinion, written long before any attempt had been made to evade or violate the clause in question, was the result of a calm and deliberate review of the motives of his own actions.

We are told however, Mr. Speaker, that the bills proposed to be emitted by this Bank, are not within the prohibition of the 1st Article, because a specific fund is provided for their redemption. An adjudication from a sister State, will, we are informed, be made to bear upon this question. It will be time, Sir, to examine the claims which the decision in question may have to our confidence and respect, when some gentleman shall choose to make himself responsible for the train of reasoning on which it is founded, by introducing it into this debate. For the present, I shall content myself with enquiring, whether the provision of a specific fund for the redemption of paper currency emitted by the State, imparts to it any other character, than that of bills of credit.—The opinion of Mr. Madison is decisive of this question. He tells us, that the object of the provision, is to restrain the States from emitting "A PAPER CURRENCY," and if such be not the construction, then the prohibition is nugatory. Carry the principle into practice & see the result. The bill proposes to borrow three hundred thousand dollars, and on the credit of this borrowed capital to issue nine hundred thousand dollars. If this evasion will satisfy the constitution, why not borrow one hundred dollars, and issue a million. The ability to discharge a debt due to A. is not increased by increasing the amount of a debt due to B. The object of the constitution is to secure a sound circulating medium, which never can be preserved, if it shall ever be settled that this species of legislation does not contravene its principles. In addition to this borrowed capital of \$300,000, the second section of the bill provides :

"That all the property and stock belonging to the State, of every description whatsoever, not otherwise appropriated, whether of lands, shares in the State Bank, shares in the Cape Fear and Newbern Banks, and all bonds and notes due to the State, and the proceeds of all vacant and unappropriated lands belonging to the same, shall constitute and form a part of the capital of said Bank, and shall be vested in the President and Directors, to be appointed as hereinafter prescribed, and their successors in office, and the faith of the State is hereby pledged for the support of said Bank."

If this specific fund is alone relied on, why is the faith of the State pledged for the support of the Bank? Is it to give the bills credit? and do they not thereby become bills of credit? It is not denied however, that the bills emitted in 1783, were 'bills of credit,' and yet a specific fund was provided for their redemption, quite as valuable as the capital of this Bank, and if the relative amount of the issues is regarded, vastly more so. The second section of the bill which I have just read, shews the capital on which a million is to be issued. The title of the Act of '83, will shew, the fund provided for the redemption of one fourth of that sum. "An Act to emit one hundred thousand pounds in paper currency, for the purposes of government for 1783, for the redemption of paper currency now in circulation, and for advancing the continental officers and soldiers part of their pay and subsistence and for laying a tax and appropriating the confiscated property for the redemption of the money now to be emitted." Previous acts of Assembly had appropriated the entire public domain, comprising the entire State of Tennessee, to the redemption of the paper currency and certificate debt. There occurs to me but two points of difference, one nominal, the other substantial, between the act of 1783 & this bill of 1829. The Act of '83, terms the bills to be emitted paper currency. The bill of '29, dignifies its emission with the appellation of Bank bills. The former provides a substantial specific fund for the redemption of its issues, the latter is less particular in this regard, but superadds a pledge of faith. And yet it is admitted the former were 'bills of credit,' and contended that the latter are not!

The advocates of this measure, said Mr. S. urged its passage upon two grounds. First, the bill proposes no violation of the Constitution, because 'a specific fund' is provided for the redemption of the notes to be emitted: and secondly, the expediency of the measure is established beyond controversy, by the advantages which have resulted from the monied institutions of a similar character in some of our sister States. I have already endeavored to shew, Sir, by an examination of the constitution itself, that with regard to the first proposition, the creation of a specific fund does not vary the argument;—that the evil dreaded and prohibited by the framers of the constitution, was the emission by the States of a paper currency. I am conscious, that I have not done justice to the argument, but it is matter of little regret, while I have before me, and have been able to present to the House, the clear conclusive and unanswerable argument of Mr. Madison. Sustained by this authority, I fancy, there is little necessity for enquiring further into the correctness of this proposition. Waving for a moment, however, the constitutional argument, and admitting the conclusion to be irresistible, permit me to enquire, in the premises are true in point of fact? Does the bill upon your table provide any specific fund, for the payment of the notes of the Bank? I ask the attention of the House to the seventeenth section. "The total amount of the debts which the corporation shall at any time owe, whether by bond, bill, note or contract, shall not exceed three times the amount of its specie capital, over and above the monies then actually deposited in the Bank for safe-keeping, unless the contracting of any greater debt, shall have been previously authorized by a law of the State." Recollect the borrowed specie capital is \$300,000, and you are not to issue more than three times that amount \$900,000.—unless it shall have been previously authorized by a law of the State. But suppose it is previously authorized by a law of the State, what then is to be the limit? The flood of paper money is to be controlled by legislative discretion, and this discretion may be guided and governed by 'the tyrant's plea, necessity.' Our fathers were content with seventy two millions.—

What amount would satisfy our desires, it is not at present very easy to divine. It can only be ascertained, by attention to the ebb and flow of popular sentiment. I have little disposition, Mr. Speaker, to disturb unnecessarily the self complacency of the advocates of this bill. But surely, if it is a fair argument that a Bank of the State must prosper here, because a similar institution has done so in S. Carolina, it is equally fair to suppose that we inherit some portion of the infirmities of our fathers. If then at the close of '85, a paper currency amounting to seventy two millions had been emitted, are we with a population twice as great likely to be content with a smaller sum? The total amount of the value of lands in N. Carolina in 1790, was in round numbers, twenty eight millions of dollars (\$28,000,000) add to this sum a like amount, an estimate greatly too large, as the value of slaves, and you will have an aggregate of fifty six millions. Is it an extravagant calculation then, that the seventy two millions of paper currency issued previous to '86, exceeded in amount the total value of the property real and personal owned at that day, by every citizen in the State? We may have more wisdom, and more prudence, than our revolutionary sires, but with perfect respect for the Senate, I must be permitted to hope, that the passage of this bill by that honorable body will not be cited as proof of it. Unfortunately however, if we have more wisdom, we have less surplus wealth. This paper money debt, as I have before stated, was first scaled at the rate of 800 to 1, and was partially discharged by the sale of the State of Tennessee. If we sanction a policy, which leads to similar results, involves the State in a like amount of debt, we cannot scale it, because the same section which prohibits the emission of 'bills of credit,' provides that we shall not "pass any law interfering with the obligation of contracts." We must pay it then but how? Not in western lands, even if the valley of the Mississippi were, as in other days, a portion of our domain. The next sentence provides, that nothing "but gold and silver shall be made a tender in payment of debts." The bill solves the difficulty,—the \$300,000 to be borrowed no one knows where, is the ample indemnity provided for the note-holder; to meet the issues directed by legislative discretion during the existence of the corporation. But how is the borrowed capital, the \$300,000 to be repaid? The eighteenth section of the bill makes provision, "The profits accruing on the capital stock of said Bank shall be applied to the payment of the bonds of the State, executed and deposited as aforesaid, as part of the stock thereof, unless otherwise directed by the Legislature." It is to be repaid then by the profits of the Bank, unless the Legislature otherwise directs; but if the Bank makes no profits, or the Legislature otherwise direct:—how then? In that event, I suppose the northern broker is to look to "the faith of the State," as pledged in the second section of the bill. It is difficult to say which class of creditors has the most ample indemnity. Those who lend the money, upon which the notes are to be issued, or those who receive the notes, when issued.

(Mr. Swain's Speech to be continued.)

CONGRESS.

SENATE,

Saturday, May 1.

The Senaté did not sit to-day.

Monday, May 3.

Due order was taken this day for constituting the Senate a Court of Impeachment, with a view to receiving the charges against Judge Peck which the House of Representatives had given notice of its intention to exhibit.

Some time was spent upon Mr. Benton's Land Graduation Bill, which was afterwards laid on the table, on his motion.

The bill prescribing the mode of commencing, prosecuting, and deciding controversies between States, was then again taken up, and Mr. Robbins having concluded his argument in favor of it, the Senate adjourned.

HOUSE OF REPRESENTATIVES.

Saturday, May 1.

The discussion of the bill reported by Mr. Cambreleng to amend the navigation laws of the United States was resumed, when Mr. Wayne occupied the floor to the expiration of the hour, without coming to a conclusion. The bills ordered to be engrossed on Friday were then passed.

Mr. McDuffie moved to take up the bill for the relief of Susan De-

catur, which was laid on the table some weeks since. The motion was negatived, Ayes 68, Noes 104.

The House then went into Committee of the whole on the state of the Union, and agreed to the articles of impeachment prepared against Jas. H. Peck. On motion of Mr. Buchanan the House, after concurring in the report of Committee of the whole, ordered five managers to be appointed to conduct the impeachment, and these managers being balloted for, Messrs. Buchanan, Storrs, McDuffie, and Spencer of New York, Wickliffe was chosen the fifth manager. A resolution consequent upon these proceedings was then adopted, and the House adjourned.

Monday, May 3.

After petitions and reports had been presented, the Tennessee Land Bill was discussed, and finally rejected, by a majority of 21 votes.

The House then went into Committee of the whole, and after an unsuccessful motion by Mr. Bell to take up the Indian Bill, (which was negatived by a majority of 13 votes) the committee resumed the consideration of the bill to alter the Tariff laws. Mr. Blair of S. C. spoke in support of Mr. McDuffie's amendment; and Mr. Davis of Mass. having obtained the floor, the Committee rose.

From the Richmond Compiler.

If the improvement of our breeds of cattle and sheep be an object worthy of the attention of our enterprising farmers—of such men as J. H. Powell in Pennsylvania, and of Meade in Virginia—the improvement of our breed of horses is equally entitled to the attention of our adventurous fellow-citizens. It is a received maxim among the connoisseurs, that the blood horses are better for every purpose than the wagon draft. In this point of view, we confess, we have stated with more satisfaction the results of our races, and witnessed the increasing spirit among our gentlemen of the turf. We have also hailed with additional pleasure the establishment of that beautiful work, Mr. Skinner's "American Turf Register."—We have seen some fine horses visiting not only New-York and Charleston, but the turf of Tennessee and New-Orleans. We take no little interest in the match race, about to be run at Long Island—and we wish all success to the enterprising gentleman of the South, who has carried his courses once more to that classical field.—The Legislature of New-York have so far relaxed their restrictions, as to permit the establishment of races in old Dutchess county—and the blood of the Sir Archie's and Sir Charles's, will make itself known on that more northern theatre.

The citizens of Kentucky seem to be paying still more attention to the improvement of their breed of horses. We observe in the Lexington Reporter of the 21st ult. that the show of brood horses at the last April court "attracted to the show ground an unusually large number of stock raisers and farmers from the neighborhood and adjoining counties. Sumpter, Rattler, Cherokee, the English horse, Contract, Trumpetor, Sidi-Hamet, Paragon, Cumberland by Paquet, Virginia Whip, Childers by Moses, and twenty or thirty other fine horses were exhibited."

As Race-horse anecdotes are very much the Order of the Day, at this time, we thought it might be agreeable to some of our Amateurs to see the following extract from the "Library of Useful Knowledge" (now in a course of publication.) Flying Childers has the reputation of being the fleetest animal ever known in England :

"The Devonshire, or Flying Childers, so called from the name of his breeder, Mr. Childers, of Carr-House, and the sale of him to the Duke of Devonshire, was the fleetest horse of his day. He was at first trained as a hunter, but the superior speed and courage which he discovered, caused him to be soon transferred to the turf. Common report affirms that he could run a mile in a minute, but there is no authentic record of this. Childers ran over the round course at Newmarket [3 miles 6 furlongs and 93 yards] in 6 minutes and 40 seconds; and the Beacon course [4 miles 1 furlong and 138 yards] in 7 minutes and 30 seconds.—In 1772, a mile was run by Pretail in 1 minute and four seconds.

We cheerfully bear witness to the following tribute, from the editor of the National Gazette, to the memory of a distinguished and amiable man :

"We do not recollect to have known any individual who inspired us with more respect for his intellect and heart than Dr. Godman—to whom knowledge and discovery appeared more abstractly precious whose eye shed more of the lustre of generous and enlightened enthusiasm; whose heart remained more vivid and sympathetic, amid professional labors and responsibility, always extremely severe and urgent. Considering the decline of his health for a long period, and the pressure of adverse circumstances, which he too frequently experienced, he performed prodigies as a student, an author, and a teacher—he prosecuted extensive and diversified researches; composed superior disquisitions and reviews or large and valuable volumes; and in the great number of topics which he handled simultaneously, or in immediate succession, he touched none without doing himself credit, and producing some new development of light or happy forms of expression."

The following anecdote related of the deceased by a contemporary, conveys a useful lesson :

Some years ago in conversation with us, he said that in a voyage to sea in early life, he had seen a lad who had just begun to be a sailor, going out to some projecting part of the rigging. His arms were supported by a spar, and he was looking below him for a rope which ran across on which his feet should be. The rope flew from side to side and it was evident that the poor fellow was becoming dizzy, and in danger of falling, when the mate shouted to him with all his force, "LOOK ALOFT! you sneaking lubber!" By thus turning away his eyes from the danger, the dizziness was prevented and he found his footing. And this incident the Doctor said, often recurred to his mind in after life, when his troubles grew heavy upon him, and he hardly could find ground where on to tread. At such times he heard the mate's shout in his ears, and turned his eyes "aloft" to the prize upon which he had fastened his hopes. We cannot part with this beautiful illustration, without asking each of our readers to apply it to a still nobler purpose: to steady themselves in all the tempests of adversity, by looking forward to that life in which there is rest and peace evermore—and when our flesh and heart shall fail us, and we can find no support under our feet, to seek it by "looking aloft," to Him who is the strength of our hearts and our portion forever."

The scene at the Police Office in the morning, during the examination of the Watch returns, is affreintes of the most melancholy and affecting character. Many of the persons in the custody of the watch are half clothed wrecks of humanity, who are picked up shivering, starving and pining in different parts of the city. Creeping from door to door, their features haggard with misery, their limbs emaciated by exposure to the rigor of the weather, and their voices hoarse and sepulchral by excessive intoxication, they present a spectacle that cannot but awaken feelings of compassion for their wretchedness, in every human breast. Many of them are females, who have, evidently, in many cases, seen better days, and who have been driven, by extreme penury, first to beg and then to steal. The largest proportion however, are the miserable slaves of rum, who are brought up daily, weekly or monthly, until death removes them from the scene, or justice consigns them to a prison as an atonement for offences committed in their moments of madness.

N. Y. Jour. of Com.

The following communication to the National Gazette deserves notice, from the excellence of the advice it contains. No Minister of the Gospel can maintain that purity and eminence of character which is requisite to advance the cause he advocates, and at the same time throw himself into the arena as a political partizan.

"Methodist Ministers and Politics.—Allow me to give circulation, through the National Gazette, to a very wise and salutary suggestion, which should be regarded as advice to Ministers of all denominations. It is this—Let them not be at all connected with, nor concerned in the politics of the country. This little note was occasioned by the advice of the Rev. Bishop Hedding, of the Methodist Episcopal Church, to the Philadelphia Annual Conference, now in session in this city. One of its members (which is a very rare case) had taken some interest and manifested some warmth in a recent national election, and thereby got into some difficulty. When his case came up before the Conference, at the close of it the Bishop said to the Conference—"I advise you, brethren, never to be concerned in any way in the politics of the country: you have other and better work to do, which will require all your time and talents. Besides it will bring you into difficulty, lower your character as ministers, and lessen your influence. I never knew it result in any other way, and I have known many cases."