

THE STAR, AND NORTH CAROLINA GAZETTE, PUBLISHED WEEKLY, BY LAWRENCE & LEMAY.

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THE SUBSTANCE OF THE REMARKS OF MR. WYCHE, IN THE SENATE OF NORTH CAROLINA, ON THE PASSAGE OF THE BILL TO CHANGE THE MERCHANTS' BANK OF NEWBERN.

Mr. SPEAKER.—Nothing but a sense of duty could induce me to trouble the Senate at this time; but, regarding this Bill as the entering wedge, as the commencement of a system of banking in this State, which has produced disastrous effects in every State where it has been tried, I am bound by every consideration of public duty to oppose its passage.

This bill proposes to charter a Bank, with a small capital, to be located in the town of Newbern, without branches elsewhere. In favor of its passage, it is urged that such a Bank is necessary for the accommodation of the trade of that place. Suppose we pass it. Then comes an application for a Bank at Washington. Pass that, and, in a few years, applications will come from Lexington, Elizabeth, Windsor, Halifax, Oxford, and so on until the whole State will be filled with little Banks!

But, sir, there is another important consideration which demands your serious attention. The character of the circulating medium which the notes of these little Banks will afford. The notes of Banks, with large capital and several branches, will afford a safe currency, when properly managed; but the notes of small Banks can never do this, because they are less extensively known, and are much more liable to be affected by unfavorable changes in commerce, and to be ruined by fraudulent practices, and are much more subject to dishonest failures.

dishonest speculators. If this should not take place, some one or two individuals will, sooner or later, acquire a controlling influence, and use that influence to serve their friends and dependants, and to injure their enemies and opponents. This cannot be so conveniently done in large Banks, because the stock will be more extensively diffused, and be owned by more persons, who have less intercourse with each other.

The clause in this charter which subjects the property of stockholders, in case of failure, seems to be regarded by many as a sufficient guaranty against fraud. To my mind this provision appears to be entirely fallacious. Suppose, in the progress of this Bank, that, by some sudden reverse in trade, by some mismanagement, or by some fraudulent practices, it should become unable to pay its debts, who would first discover this? Those behind the screen, who would be familiar with the secrets of the banking house. They would "scent the danger from afar," long before any suspicion of its situation could spread abroad, and their stock would be sold to some honest confiding purchaser, whose situation would prevent a correct knowledge of the actual condition of the Bank.

An examination into the history of the many scores of little Banks which have failed in the different States, would disclose frauds in paying for stock, frauds in making dividends of profit, frauds in making loans to insolvent friends, fraudulent combinations to stop payment, and then purchase up the notes at a large discount, and, indeed, frauds of every variety which human ingenuity and cupidity could devise. And the loss resulting from these frauds has generally fallen on the unsuspecting, industrious part of the community, while the guilty perpetrators have generally escaped punishment, and, in many cases, have reaped a golden harvest from their successful villainy.

Mr. Speaker, there is always danger in a Bank of small capital, whose business is confined to a town trading in but few articles, even if it be honestly managed. Extensive failures abroad, accompanied with a disastrous revolution in trade, are sufficient at any time to bankrupt a majority of the traders in such a place, especially if they depend on Bank facilities to carry on their trade. A Bank, with large capital, located in a large commercial city, or having branches located at different places, may meet with heavy losses, but cannot be broken by such occurrences, because their trade is more diversified, and they have a greater variety of resources to enable them to sustain such losses. The amount lost by the three branch Banks at Norfolk some years ago, when changes in the West India trade affected that town so seriously, was sufficient to have stopped two such Banks as this; yet that produced no inconvenience to the community, because other branches of the same Banks made enough elsewhere to meet the loss.

REPORT ON THE MINT. MINT OF THE UNITED STATES, Philadelphia, January 1, 1835.

Sir: I have now the honor to submit a report of the general transactions of the mint during the last year. The coinage effected within that period amounts to \$7,388,423; comprising \$6,934,270 in gold coins; \$3,415,002 in silver; \$19,151 in copper; and consisting of 11,637,643 pieces of coin, viz: Half eagles 734,169 pieces, making \$3,660,845

Table with 2 columns: Description of coins and their value. Total amount: 11,637,643 pieces worth \$7,388,423.

The deposits of gold within the past year have amounted, in round numbers, to \$4,389,000; of which about \$1,067,000 consisted of coins of the United States, issued previously to the act of 28th June, establishing a new ratio of gold to silver: about \$898,000 were derived from the gold regions of the United States; \$225,000 from Mexico, South America, and the West Indies; \$2,180,000 from Europe; \$12,000 from Africa; and \$9,000 from sources not ascertained. Of the amount received from Europe, about four-fifths were in foreign coins.

81 millions in gold. Within the same period, the coinage of silver was regularly maintained at the average rate of the whole year, making a general result of both gold and silver corresponding to a yearly coinage of nearly \$12,000,000.

The amount in gold in the vaults of the mint on the 1st August was \$468,500; the amount now remaining in the mint uncoined is \$435,000; no part of which was deposited earlier than the 9th December. The amount of silver remaining in our vaults for coinage, is, in round numbers, \$475,000; no part of which was deposited earlier than the 20th November.

The amount of silver coined within the past year, it is satisfactory to state, has exceeded by about a quarter of a million the silver coinage of any previous year; while the gold coinage has exceeded the aggregate coinage of gold during the nine preceding years, from 1825 to 1833, inclusive.

The influx of silver during the past year having very considerably exceeded the amount contemplated in the estimates for the year, occasioned, during a large portion of that period, an unusual retardation in the delivery of coins; and the amount of deposits has no doubt been restrained, to some extent, by this consideration. The estimate for the current year, it is believed, will cover the power required to meet the whole demand for coinage, in a due proportion of the several denominations of coin.

Annexed is a table exhibiting the amount of gold received from the gold region of the United States, annually, from the year 1824, inclusive. It will be observed that the progressive increase in the amount received from that quarter is less conspicuous within the last year. This result, it is believed, in a very material degree, from the attention which has, during that period, been directed to arrangements for working the veins from whence have been derived those superficial deposits of gold, which, being most obvious, have heretofore attracted the principal regard. Nothing has occurred to weaken the impression before entertained as to the extent and richness of the gold mines of the United States, but much to confirm the confidence before expressed, not merely in their increasing productiveness, but in their permanency.

I have the honor to be, with great respect, your obedient servant, SAM. MOORE, Director.

Statement of the amount of gold produced annually from the gold region of the United States, from the year 1824 to 1834, inclusive.

Table showing annual gold production from 1824 to 1834. Columns include Year, Amount in Dollars, and Amount in Tons.

Minority Report on the Post Office.

We have mentioned our intention to publish an abstract of the Report of the Minority of the Senate's Post Office Committee; and we find in the Globe of yesterday an article, purporting to be an Abstract, which we were given to understand would be prepared for that journal. This Abstract, however, traverses, for the most part, the pages of the Majority Report, which in our synopsis of it, we either passed over entirely, or noticed superficially, in such a manner that the defense of the Post Office in these particulars would be wholly unintelligible, unless we were to insert at large the statements in the first Report, which are not now within our reach, and, if they were, could not be inserted, because of their length. We shall therefore make a synopsis of the Globe's Abstract, fitting its parts, as well as we can, to the notice which we have already taken of the Report of the Majority of the Committee.

The Abstract goes over the financial comparison of this year's with last year's estimates of the liabilities of the Post Office, &c., making it out to be a great deal less than the estimate of the majority of the committee. The Abstract then recounts the visit of the committee to Providence, Boston, and Lowell; to inquire into the alleged impositions practised by contractors in the supply of wrapping paper and wine, &c. &c., and states the opinion that these allegations are not well founded. The Abstract then goes into an examination of the connection of O. B. Brown, Chief Clerk in the Post Office, with mail contracts, in various particulars, concluding the examination as follows: The committee are of opinion that all such transactions, whether for the

benefit of the individual himself or others, are wholly improper and inadmissible, and their repetition cannot be too rigidly guarded against, and Mr. Brown himself appears to have come to the same conclusion from his testimony.

The "Abstract" then continues: "In the account of James Reeside, he appeared to be credited with the sum of \$20,000, on account of a draft drawn by him on the Department, and accepted by it, for the purpose of raising money for its use. There was no corresponding charge against him in the account furnished. In the investigation of this subject, Mr. Brown, unintentionally no doubt, stated in his testimony, that the draft was for six months, and that the time had not arrived when the account was made out, when the charge could be properly made against Reeside; the draft not having been paid by the Department. He afterwards voluntarily corrected his error, and produced the original draft, which was payable at three months instead of six, and stated that there were two drafts of the same date and for the same amount, each one drawn by Reeside and endorsed by Stockton, and one drawn by Stockton and endorsed by Reeside; and that in making the original memorandum, from which the entries were made in the books, he made a mistake of one draft for the other—that is, he had stated Stockton's as of three months instead of Reeside's, and that the \$20,000 was charged to Stockton instead of Reeside; and that he had caused the books of the Department to be corrected on the day of giving his testimony. The committee think that the error was unintentional; yet, while a subject of that kind was under investigation by a committee of Congress, no change or alteration should be made in the books; and that explanations showing the errors, and how they should be corrected, ought alone to be relied on.

It also appears that shortly before the Bank of Maryland failed, Mr. Brown had deposited in it \$2,000 of his own money. That after the failure he transferred the certificate of deposit, which bore five per cent. interest, to the Department, and caused the Department to be credited in the books of the Bank for the same, the Department then being indebted to the Bank in a considerable amount, and also procured a credit in the books of the Department for the amount to himself.

The unusual number and amount of extra allowances to mail contractors, has been examined, and the principal cause which has produced them is believed to be that the Department has not, at some of the lettings of mail contracts, advertised for a sufficient amount of service; hence has arisen the necessity of an immediate enlargement of the service and compensation, and the spirit of the law, which designed that a full and fair competition should be preserved among bidders, for the transportation of the mail, has not been observed. To obviate this evil, it is proposed that the full service intended shall be advertised for, and some principles are laid down in regard to making mail contracts and afterwards changing them; and it is found that the Department, at its two last lettings of contracts, has advertised for all the expected service, and has succeeded generally in making contracts advantageous to the Department.

The committee, by resolution, called upon the Postmaster General for an inspection of all the papers upon which one Postmaster was removed, and another appointed in his place at Putnam, Ohio. The only one of the minority then present dissented from the adoption of the resolution. The Postmaster General declined a compliance with the resolution, and gave his reasons, at length, in a communication to the committee. A discussion of the question involved is deemed unnecessary in this report, as it is believed that the Senate itself, on the 21st of April, 1830, decided against its right to make such inquiry, by postponing indefinitely, by a vote of 24 to 21, certain resolutions calling on the Executive for the reasons for removals from office.—On the 15th of February, 1831, the Senate again, by a vote of 24 to 21, declared that the Select Committee appointed to inquire into the condition of the Post Office Department, was not authorized to make inquiry into the reasons which had induced the Postmaster General to make any removals of his deputies. The powers of that committee appear to have been the same as those possessed by the present committee; and until that decision shall be changed, the minority can perceive no reason why the present committee should be considered as possessing the power to make these inquiries.

Two columns and a half are then employed in the "Abstract," in reviewing the contracts examined at large in the Report of the majority, but only named in our abstract of it. After which the "Abstract" of the Globe concludes as follows: The deficiencies in the finances of the Department have arisen mainly from a desire in the Head of the Department to extend the benefits of mail facilities and stage coach accommo-

dations to every portion of the community; from the extension of the franking privilege, and from the legislation of Congress in extending the transportation of the mail over unproductive routes. The public, however, have been greatly benefited and accommodated by the very measures which have produced the present embarrassed condition of the Department. That errors and irregularities have occurred, is most certain, and most of them have been produced by the representations and pressing solicitations of the citizens of towns and neighborhoods, through which the increased mail facilities have been extended. Their applications have been sustained by members of Congress from almost every section of the country. The recent measures, however, adopted by the Department, curtailing mail accommodations, seem to promise a restoration of its administration to the true principle upon which it should be conducted, which is, that its expenditures should not exceed its own resources and income.

If Congress should now appropriate a sufficient sum to pay the existing debts against the Department, and by law make the provisions now to be mentioned, most of which were suggested at the last session, no reasonable doubt could be entertained but that the operations of the Department would hereafter be safe and economical; and most of the useful facilities which have been curtailed, be restored, and the Department enabled from its own resources to meet the expenditures which will probably be produced by the extension and increase of mail routes at the next session of Congress. The legal provisions recommended are:

- 1. An Auditor and Treasurer to be appointed by the President and Senate.
2. That reports be made to Congress, annually, of the expenditures of the Department, stated in detail, including incidental expenses; also, of all new contracts, and modifications of contracts, and their respective prices; also, a statement of the amount paid for the transportation of the mail on each route, in the several States and Territories, as near as may be.
3. That any person employed in the General Post Office, shall be prohibited from becoming a mail contractor, or interested in a mail contract, or an agent; with or without compensation, for a mail contractor.
4. That advertisements for proposals to carry the mail, issued previous to the lettings, be made, as nearly as may be, according to the manner in which, in the judgment of the Postmaster General, the mail should be transported during the period of the contract.
5. That the sealed proposals received from bidders, shall not be opened until after the time for receiving bids shall have expired.
6. That reports be made to Congress annually, of all failures by contractors on principal mail routes to deliver mails, and the action of the Postmaster General in regard thereto, in each case.
7. That the deputy Postmaster, at the termination of each route, be furnished with copies of the schedules containing the times of arrival and departures of all mails at his office; and if any alteration be made by the department at the time of arrival or departure of any mail, at any of said offices, the Postmaster to be forthwith notified of the same.
8. That it shall be the duty of each deputy Postmaster, to immediately notify the Department of every failure in any contractor, to deliver the mail at the respective time specified in the schedule furnished.

Report upon Executive Patronage.

This session of Congress has, so far as the Senate is concerned, been distinguished by some of the most elaborate and able reports ever made in either branch of the National Legislature. Conspicuous among them will stand the Report yesterday made by Mr. Calhoun, from a Select Committee appointed, upon his motion, to inquire into the extent and operation of the constantly increasing patronage of the Executive of the United States. In presenting the Report, Mr. Calhoun said that it had the unanimous assent of the committee on every point of its basis, and on that one single member of the committee only dissented.

The Report was read at the Clerk's table, chiefly by Mr. Preston and Mr. Southard. The reading of it occupied more than two hours. Its great length leaves it doubtful when we may be able to publish it at large, and at the same time makes it an impossible task to give, in the brief space of time allotted to us after hearing it read, any thing like a satisfactory condensed view of it. We shall endeavor only, therefore, to trace its general outline, premising, that it is a report in part only, and not definitive. The Report sets out, very properly, with an effort to ascertain the present extent of the Executive patronage.—For this purpose, the returns of the year 1834, not being complete, they take the year 1833 as the year affording the necessary data; which data are, first, the revenue of the General Gov-

ernment from all sources; secondly, the expenditures of the Government, exclusive of payment of the public debt; and thirdly, the number of persons who, as officers, agents, contractors, or in other forms, are in the receipt of the public money. The revenue of 1833, the Report states to have been over thirty-five millions of dollars; the expenditures, exclusive of public debt, to have been nearly twenty three millions of dollars; and the number of persons who are recipients of the public money to have been sixty thousand two hundred and odd, of whom belong (as nearly as we could catch the numbers) to the Civil List 12,144; to the Military and Indian Departments, 9,643; to the Navy (including Marine Corps) 6,499; and to the Post Office 31,917; all of whom derive their places directly or indirectly from the Executive, and, with the exception of the Judicial officers, are subject to removal from office at the will and pleasure of the President. If to these be added thirty-nine thousand five hundred and forty-nine pensioners, an aggregate appears of one hundred thousand and seventy-nine persons in the employ of the Government, or in the receipt of money from the public treasury. If to these be added the countless host of those who are seeking to displace the present recipients and beneficiaries, some idea may be formed of the extent of the influence in the country of the patronage resulting from such large disbursements of money, in which so many individuals are interested.

The Report then proceeds to show the great increase of public expenditures in the eight years, from 1825 to 1833, inclusive, carrying with it a corresponding increase of the number and compensation of agents, officers, contractors, and others, depending for subsistence upon the Government, and of course upon the patronage of the Executive. Before instituting this comparison, however, the report adverts to the rapid increase, by Indian treaties, of reservations of lands to Indians to be disposed of by them only with the consent of the Executive, then which it is difficult to imagine a device better calculated to enlarge the Executive patronage. The practice of removing from office persons who are well qualified for and have faithfully performed their duties, in order to introduce others in their stead who are of the party in power—a practice of recent date—is also the subject of grave concern in this view of the Report. Cases, it is true, may be found in the early stages of this Government in which removals from office have been made, but they are so few in number as to constitute instances rather than a practice, and it is only within a few years, that an opportunity has been afforded of testing the practice as a system by its effects.

Formerly, the patronage of the Executive was confined, in point of fact, to the power of nominating persons to fill occasional vacancies in the public offices. Under the contrary practice, the officers of the Government, instead of public trust whose faithful execution is to be held in view, come to be considered as the spoils of victory after a political contest—the rewards for faithful service in the ranks of party, the recipients of which become the corrupt and supple instruments of power, &c.—and, by the hope of like reward, is created a host of hungry, greedy, and subservient partisans, ready for any service, however corrupt, &c. This practice, therefore, the Report goes on to say, is a system to encourage vice and discourage virtue, and must end, if not reformed, by overturning the Government and raising a despotism in its ruins. Faithful performance of duty being no longer a recommendation in continuance, the public officers consequently feel their dependence on the mere pleasure of the Executive, and resort to all those acts of compliance and subservience which they learn to consider as recommendations to his favor, &c.

The Report then adverts to the circumstances of the increased power which the Executive has acquired by the control which late events have given to him over the public funds. Without mentioning here the question of the legality or illegality of the action of the Executive in removing the public moneys from deposit in the Bank of the United States, the committee say that there can be no doubt upon the mind of any man that the removal of the public deposits has increased the power of the Executive, by placing the public funds under his sole and unlimited control, as they must continue to be until otherwise provided by some action on the part of Congress—if indeed any act of Congress can be passed of greater effect in this respect than that which, at the time the public moneys were removed, directed where they should be kept. The Report goes on to state some facts showing the extent of patronage exercised through this assumed power of controlling the deposits of the public money, &c. &c. Having thus shown, by a variety of facts and arguments, of which the above can afford but a very faint idea, the enormous extent of the Executive power, the Report takes some philosophical views of the subject. Patronage, in a Government, says the Report, is at best