THE STAR AND NORTH CAROLINA GAZETTE.

RALEIGH, N. C. THURSDAY, JANUARY 19, 1837 VOL XXVIII. NO 4.

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PROPRIETOR AND PUBLISHER.

TERMS.

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Speech of Mr. Hemminger,

Commissioner from South Carolina, before the Senate of North Carolina, on the bill to confer banking privileges on the Stockholders of the Cincinnati and Charleston Rail Road Company, delivered January 2, 1837.

Mr. SPEAKER, and
Gentlemen of the Senate:

I feel deeply sensible of the honor you have conferred in assigning me a seat in this august body, and in inviting me now to address you. I am satisfied that this is due to no merit on my part, but has been awarded by your courtesy as a token of respect for the State whose organ I now am, and of interest in the objects of my mission. I rejoice that the auspices under which we advance to this discussion are so favorable. Your new constitution has just gone into operation, and you, the first Legislature created by it, are now to give tone to a new period of the State's existence. You, to whom the people have delivered the helm of government under a new system, are now to decide whether the ample domain entrusted to your care shall continue in its present actual condition, or whether by infusing new life and energy throughout its extent, you may not advance the happiness & prosperity of your countrymen.

What then is this actual condition, and is it so advantageous as to induce you to seek its continuance? Unfortunately for us all, one dark picture is but too true a sketch of both our States. Their roads are indeed thronged with travellers. But the footprints are all in one direction. It is a tide to which there is no return, on which is departing the wealth and population of our country. Behind it desolation follows, and obliterates the very vestiges of civilization. In sections of your State, where it would seem that nature had been lavish of her bounties—where a fertile soil apparently holds out encouragement to the farmer, the same destructive influences are actively at work. From the fertile rice lands near your sea cost, up to the very foot of the mountains, the same scenes are exhibited, and the planter upon the Cape Fear abandons his home and his household gods, and in his precipitate course to the west, joins the throng already hurrying thither from the Yadkin and the Catawba. Turn where you will, deserted fields, dilapidated habitations and a discontented people meet your eye; and in some portions of the State, the ancient forest is again resuming its dominion over the ruined works of man. That these are not mere phantoms of the imagination, I appeal to the Senators who surround me. I appeal to the declaration made by your Internal Improvement Convention, which I now have before me.

Will any man undertake to assign a sufficient reason for this state of things, thus equally affecting the different sections of your country? If the population or unhealthiness of the lower country be assigned as a cause, I will point to the fertile and healthy regions in the upper country, where the same scenes are exhibited. Why is it that Mecklenburg and Lincoln and Burke and Rutherford—why is it that Rowan and Iredell and Davidson and Buncombe do not exhibit the vigor which pervades the rest of our country, and there at least arrest the tide by which is gushing out the life blood of the State? Their treasures are exceeded by no portion of the world. They are competent to furnish means of enjoyment and happiness to every class of mankind, from the mere utilitarian to the most romantic imagination. Not the far famed valley of Aosta, nor the more classic vale of Tempe, furnish retreats more inviting than the beautiful and sequestered dells of Burke and Rutherford. There too, may be found a Pelion and an Ossa; and if the snow clad Olympus be wanting to complete the picture, the splendid Carpet of the Bald Mountain Range can furnish ample compentation. Would you have the rush of waters—the bounding cateract clothed in its snowy wreath?—Here too it presents itself, and in a guise which would charm the very nymphs of Delphi.

But these are mere secondary advantages which may serve to allure the traveller, and to attract the curious. North Carolina commands elements far more powerful. Within the single county of Lincoln, there are treasures which to the State are invaluable.—The Iron Mines of this region equal, if they do not exceed, any known in the world. The ores are of so fine a quality that in their crude state they are almost malleable, so rich that they repay the most wasteful and injudicious smelting, and so abundant that they are to be found in every direction. At hand nature has prepared the most abundant water power, and a profusion of all the means of turning it to the best account. On the banks of the Catawba river alone, there is a site even more inviting than Lowell in Massachusetts—a place which nature has as it were marked out as the seat of manufactures. A mountain arrests the river, and behind its broad barrier protects the country below; a small valley on one side is left as if to tempt the formation of a canal to conduct the water, while around the other side the river rushes down a precipitous channel, until after tumbling and chafing along a descent of some thirty feet, it returns near the position from whence it started. On every side around, extends a country fertile in all the products of the soil, and the river itself, navigable for a considerable distance above and below, furnishes a natural channel both for distributing the supplies of the manufactories, and of bringing food for their consumption. On one side of you is the cotton grower, ready to supply you with his raw material, on the other the consumer, both anxious that you would save them the expenses of transportation from the sea cost market. These advantages are not peculiar to this spot—but from the banks of the Yadkin & throughout the western counties, they exist without stint, free as the best gifts of Heaven to man.

And yet there they stand unimproved, nay almost unknown, & the country around, which should be teeming with all the wealth of an active population, lies desolate & waste. Upon the banks of your streams, where should be exhibited the thriving bustle of the manufactory, silence has dominion, interrupted only by the hoarse rush of the river; and if any eye is there to mark what might be done, it is that of the stranger who is wondering at the apathy exhibited around him.

Let me ask why is all this? Why is it that the sons of the North have seized all the treasures which their country offer—nay, have converted the rocks of Massachusetts, and the sands of Connecticut and Rhode Island into seats of civilization; into towns & villages, diffusing around them wealth and prosperity? Why is it that with advantages which nature has denied them—with every source of national wealth within our reach, we stand still—nay, are continually receding, while they are advancing with all the energy and vigor of youth? Sir, the reason is but too obvious. I blush to confess it. It is owing to ourselves, to the want of public spirit among the people of the South, to their neglect of all those means upon which is founded national happiness, to the refusal to develope and to open avenues to the resources of the country. Sir, I am not mistaken in assigning these as the causes. Tell me not that the more fertile lands of the west, and the emigration thereby produced, have been the cause. Look at Ohio, Indiana, Illinois and Michigan. Have they not for years been draining from Massachutetts and Connecticut a tide fully equal to that which has flowed from us to Alabama and Mississippi? And yet is Massachusetts or Connecticut reduced to the state in which we find ourselves? No Sir; there they stand like goodly matrons with their blooming children, erect with conscious pride, their youthful vigor yet unfading—their energies strengthened by the advance of time; like Cornelia with her children, they can proudly exclaim, these are my jewels. While we, already yielding to despondency, are bending under the decrepitude of a premature old age.

Mr. Speaker, this must not—shall not be. The sons of the South will advance to the rescue; we will not abandon our country, but are resolved to seize upon the spirit of the age, and amid all its inventions, endeavor to find some one to elevate the character and condition of the South—to develope its resources, and stay the wounds through which its life is ebbing. It is a source of congratulation, that to this State is due the honor of originating the plan by which we propose to effect so important a change. Sir, North Carolina again has the honor of pointing out the path. In the days of the revolution she first gave birth to a declaration of independence, and manfully did she maintain the position to which it led. Again she has indicated a remedy, and I trust that again, as in the days of King's Mountain and of Guilford, she will unite with her sister of the South, and strike nobly for the prize.

I hold in my hand, sir, the proceedings of a Convention held at Raleigh, in 1833, on the subject of Internal Improvements, over which presided Gov. Swain, one of your most distinguished citizens, and to whom is due the tribute of every friend of this great cause. This Convention proposed the identical plan now before us, of constructing a rail road across the blue ridge to Tennessee, to cross the mountains at some point with which North Carolina might join a rail road from the east. This plan was declared perfectly practicable, and an estimate was submitted in a report signed by Duncan Cameron, which advocated and pointed out the proper measures to be taken by the State, for its successful accomplishment. These gentlemen, with a sagacity beyond all praise, developed the effects which would thus be produced upon the State at large, and brought to view a survey and report made by a competent and practical engineer. In this report, the natural union between North and South Carolina in such works is alluded to, and it is stated "that the geographical division to the South Carolina line naturally falls in with the system of internal improvement contemplated by North Carolina, whose western frontier includes the head waters of the Tennessee." It then proposes a rail road from Newbern, by way of Fayetteville and Charlotte, to the foot of the Blue Ridge, & says, "it seems clear that after the place and manner of passing the Blue Ridge is decided on, the rest is easy." In commenting on the subject, the convention say, that by way of illustration they will consider the effect to be produced on but a single item, salt. Of this indispensable article, it is stated "that Iredell county consumes on an annual average, 5,000 bushels. The ordinary cost in the eastern markets is 40 to 50 cents per bushel. It now costs, when it reaches the Iredell planter, $1 50 cents per bushel, making from 100 to 110 cents per bushel for transportation. It is supposed that this, by rail road, may be reduced to to 25 cents. Thus shewing that upon the article of salt alone, an annual tax for want of convenient transportation, is levied upon one county of 3,750 dollars. Suppose, upon a moderate calculation, that there are thirty other portions of the State in a like situation; and we shew by a simple process of arithmetic, exclusive of what is paid by other portions not mentioned upon the same article, there is an annual drawback upon the labor of the State of $112,500. Carry out the principle, and the mind would be overwhelmed with astonishment in the computation."

It may well be conceived, Mr. Speaker, that North Carolina deemed this rail road of immense importance to her, even for the developement of her own resources. But when it was taken in connection with the commerce of the West, it assumed still more imposing magnitude. Of the advantages of a southern outlet, the Convention were well aware, for they particularly bring to view the fact "that during five months, the Northern Canals are closed by Ice; that of Pennsylvania four months; that of the Potomac three months; and the Ohio is generally frozen for some months." It was therefore, that the scheme proposed became of an engrossing character, and would have induced the State to make every exertion for its accomplishment. But the difficulty & expense of passing through the mountains exceeded the means of North Carolina, and on that account the project was deferred.

This difficult and expensive part of the route the Cincinnati and Charleston Rail Road Company now propose to make. They undertake to scale the Blue Ridge at a point in your State. They propose, with united means, to overcome the barriers which you found too strong for your single power; and when an outlet is thus secured, in the language of your Engineer, "the rest is easy." The path to the Ocean is open both to North and South Carolina. You have already, under the Charter, a right to join whatever road you please to construct; and rest assured, that should you construct that proposed by your convention, there will be an abundant harvest both for that and for the road to Gharleston.—Indeed, it may well be doubted whether *you* will not reap the most profitable portion of the harvest.

Suppose, for instance, that the road now being constructed from Raleigh to Gaston be continued through Fayetteville, Charlotte or Saliabury, to meet the Cincinnati and Charleston Road at the foot of the mountains. Is it not obvious that all the passengers from the South or West who have gone up to Knoxville with the intention of passing on to Baltimore, Richmond, or any point North, will take the Charleston Road, until they get through the mountains; from whence your road will conduct them directly to their destination? Will not this be the current during all the summer months; and will it not probably draw off even those from the upper parts of South Carolina and Georgia, who intend going North?

Will not the same result follow with such articles of produce as are wanted in the lower parts of North Carolina, either from the West, or from the Western counties of your own State? and will not these communications open a market, and increase the value of land all along the line? Nay, will it not open to Fayetteville an increase of trade down the river?

There is another point of view, in which this road will still further benefit your State. Many of the passengers who go to Charleston from the lower sections of the road, and from Tennessee, will thence desire to go on to the North, as they now do. Of course, being unaccustomed to the sea, they will take the shortest and least dangerous navigation. As soon, therefore, as your Wilmington and Roanoke Rail Road is completed, and the Steam Boat line established to Charleston, you will attract to this route all these travellers. The temptation you will offer them is a voyage of a single day between sunrise and sunset, and the avoidance of a night voyage around Cape Lookout and Cape Hatteras, two of the most dangerous points upon the coast.

Thus then, you will perceive that North Carolina is vitally concerned in the project now in contemplation; and I stand here commissioned by South Carolina to offer a participation in its advantages. With our united strength, we can accomplish the undertaking, and arouse our country from her prostrate condition. We can bring to the doors of our people a market for their products, and thereby procure for them at home those advantages, to seek which they are abandoning us. We can infuse new spirit into our countrymen, and direct their united energies. We can create a mighty river, which will carry through our land a stream of fertilizing prosperity. This is the object we propose to accomplish, and this the prize to be secured by making this road.

Is this prize worthy our united efforts, and is the road to it practicable?

I was about to take it as conceded, that your grant of the charter to the Rail Road Company, last year, had decided these questions in the affirmative. But I observe that the Senate is desirous of further information. I will merely pause, to point out to you the efforts making elsewhere for even a portion of this trade, in order to shew you its surpassing importance.

From Massachusetts to Georgia, almost every State is now engaged, at immense expense, in endeavours to share it. New York, not satified with her Canal from Albany to Buffalo, is constructing a rail road on the same route, and she finds her account in this double communication. Massachusetts, notwithstanding the competition of the Hudson river, is pressing forward a rail road across the mountains, from Boston to Albany, in order to secure a mere fraction of the trade. Pennsylvania, with a spirit which does honor to her sagacity, has, at the inconceivable expense of 35 millions of dollars, opened her communication with the West, and already finds the experiment successful, notwithstanding the necessity she is under of crossing the mountains on 14 inclined planes. Baltimore is urging her rail road with an energy beyond all praise, and has already advanced within the barrier of the mountians, at an expense and through a country which would have deterred almost any other people. Virginia is advancing in the same contest; and even the people of the District of Columbia, with the Chesapeake and Ohio Canal, have pressed forward, and are enjoying a portion of the Harvest. Georgia too has extended her arms on the other side, and is urging forward to the Tennessee river, in order to cut off the portion that is within our grasp. And shall the two Carolinas alone be found absent from this glorious contention? Shall we alone, of all this gallant band, be found wanting; and thereby acknowledge our incapacity for manly emulation? Shall the Statesmen of the South prove recreants to their people, and abandon the means which Heaven offers to lead prosperity back to their country—and if I may so express myself, to bind fortune in her service—aye, Sir, to make fortune her slave? for every thing combines to favor the project of carrying on this commerce through *our* States.

Consider for a moment the difficulties encountered in the various changes which goods must undergo between New York and Cincinnati. First a Sloop must ascend the North River to Albany—then a Canal Boat must take its place to Buffalo—then another Sloop to Cleveland—then a Canal Boat to Portsmouth, and then a Steam Boat to Cincinnati. Throughout all these changes, separate agents must be employed, and additional risk and expense must be incurred. The same difficulties exist at Philadelphia, and yet they carry on a trade with advantage to both parties. But when it is considered that even this communication is obstructed by ice for great part of the year, the disadvantages are greatly increased. Upon a computation made last year, it was ascertained that at one time at least two millions of dollars worth of goods bound to the West, were frozen up in these Canals. Now, the Southern Route avoids all these difficulties, it requires no changes of conveyance—no multiplication of agents—and is subjected to no uncertainty in delivery, either from ice or delay. More than all, it is the least distance to the Sea, and offers a market which needs the very products which the road will convey.

Is the road practicable physically? This question too, has been answered again and again. But the opinion of Maj. McNeill, than whom a more scientific Engineer cannot be found, is conclusive on this point. He expresses "*his decided conviction*, not only of the ENTIRE PRACTICABILITY OF THE PROJECT, but of its COMPARATIVELY EASY EXECUTION."

But nothing can be more conclusive of the faith of South Carolina in the scheme, than the fact, that she has subscribed towards it, one million of dollars from her share of the surplus revenue. And this furnishes too, an additional reason, why North Carolina should embrace the scheme. By the estimates of the Engineers, it appears that at least three millions of dollars, or about one fourth of the capital of the Company will be required to make the road through North Carolina.—This State will therefore actually receive one fourth of South Carolina's share of the surplus revenue, and her citizens will have distributed among them, the immense sum of three millions of dollars. And this too, for the purpose of making a fixture which cannot be removed, which will constitute a part of the State, be subject to its laws, increase its revenues and enhance the value of land in all the adjoining counties. Can any man compute the advantages to result from such an outlay of Capital, and the benefits to be derived both by individuals, and by the State?

These then are among the advantages which this road offers. Need I ask the Senate, whether they are worthy the efforts which are demanded to secure them? Need I now ask whether you will accept the hand of fellowship which I have offered you, and advance with us to the undertaking? I see the generous spirit of the South has warmed your hearts—I see that your judgments are satisfied—that you now ask only, that I shall exhibit the means by which this great enterprise is to be accomplished.

Unfortunately, the means provided by the present charter have proved wholly inadequate. Mere private subscription has been unable to raise more than ¼ of the sum required by the estimates. The books were opened under the charter, and by some evil coincidences, the subscriptions at the West wholly failed, and South Carolina almost alone had to undertake the task of subscribing the four millions necessary to secure the charter. In doing this, her citizens have taxed their strength to the utmost; and the apathy of the other sections shews how futile are all expectations of further subscriptions, without some additional inducements. Eight millions more are necessary and these can only be procured by the offer of advantages sufficient to attract the investment of capital. Even those who have already subscribed, disheartened by the lukewarmness of other States, and seeing that the means now at command are insufficient to effect the object, have come to the determination to abandon the present charter, unless measures are devised for procuring additional funds. We are thus brought to the issue—there is no mode of evading it. Additional subscriptions can only be procured by a grant of banking privileges. Ingenuity can devise no other method, unless the States at their own expense undertake the work—an undertaking, which it would be vain to speak of. There is no middle ground left, and the question now to be decided is between the grant of banking privileges and the abandonment of an enterprise, the most magnificent which the South has ever conceived, and which involves the destiny of our country for many succeeding years.

Mr Speaker, let us not deceive ourselves in this matter. We have now reached a crisis. Around us on every side, our countrymen are advancing with an energy, beyond example, towards prosperity and power.—We alone are stationary; a strong effort has been made to arouse our people, and they are now awakened to the necessity of exertion. They are ready with but slight encouragement to advance in this glorious race, to urge their every power in behalf of the State, and to turn back the tide of commerce to our shores. If we lend them our sympathies—if we grant the aid which they require—all is safe, and our country must prosper and improve. But if we repress their ardour and now reject their advances, their spirits will be broken. Their last hope will have fled. The more generous hearts which had offered you their aid, will have been frozen by your appathy. They will have turned away in disgust, and have sought more genial climes in which to expand; and long ere you will be able to arouse your people for another effort, other channels of commerce will have been formed, through which your more enterprizing neighbors will drain out your population, and leave your condition yet more desolate and ruinous.

The simple enquiry then is, will you encounter all these evils—will you forego all the advantages upon which I have descanted; or will you, in order to secure them, grant banking privileges to the company from which they are to be derived?

To resolve this question, it seems merely necessary to ascertain whether the people of North Carolina will gain more by the road than they will lose by the grant of a bank charter. The advantages of the road have been already presented. Let us now consider the bank charter, and see if there be any and what evils to which it may subject your people.

When this proposition was originally started in South Carolina, there arose not a little clamor about the danger from banks—the derangement of the currency, and a host of other vague phantoms were conjured up,—which withal to alarm the timid. Very little observation soon made the discovery, that the greatest portion of this noise proceeded from those who were interested in other banks. The inference was the same which every farmer would naturally make, when he hears the old established village Tailor descanting upon the danger to be apprehended from some newly arrived brother of the craft, who may have set up his shop across the way. The very great regard to the welfare of his customers, which would induce the old established Professor of the scissors, to advise against subjecting themselves to the practices of the new comer, would at once be valued at what it is worth. The same motives govern mankind, whether they handle the needle, or occupy the parlour of a bank, and every opinion from a party interested must be received with great caution. Be it said however, to the honor of those gentlemen connected with banks in South Carolina, whose opinions were originally adverse to this project, that so soon as they had given due examination to the subject, most, if not all of them, abandoned their objections, and united heart and hand in advancing the scheme, and making it as perfect as possible.

Still, wherever the scheme is presented anew, it is but natural to expect opposition from this quarter; and it therefore becomes the more necessary, that every man should form his own opinion. After all, when the matter is once explained, there is no great mystery about it. A bank is no more than an association of individuals, who, each having some money to spare, agree to add it together, for the purpose of lending it out to those who want it. Such a company, when confined to this object, can do no sort of harm to the community. On the contrary, both parties are benefitted—the borrower by the accommodation, the lender by the interest he receives in return. It is not until this company begins to issue notes, which pass as money from hand to hand, that the public becomes interested in their doings. There is then a danger that the unwary may be taken in, if the company issues more of these notes than they are able to pay—and a contingent danger may also arise, that by inducing the people to take their notes when they have no actual need of money, the company may, as the merchants call it, force business. It is requisite that care should be taken to guard against these evils, and it will presently be seen in the case before us, that the precautions are amply sufficient.

But inasmuch as this Bank charter is proposed, merely as a means and inducement to the making of the Rail Road, it further becomes us to provide that, while on the one hand, sufficient advantages must be offered to induce individuals to make the road; so, on the other, precautions must be taken to compel them, while enjoying the profits of the bank, to take the burthen of completing the road. This equipoise, it is thought, has been fully attained by the provisions of the present charter, as will appear by a brief consideration of them.

In the first place, the bank can have no separate existence, and an interest in it can only be obtained by first subscribing to the rail road. Eight millions must be actually subscribed to the rail road, before the bank can be called into existence; and then, each subscriber to the rail road can only have fifty dollars in the bank, for every hundred he has subscribed to the rail road. These subscriptions are then made inseparable; so that a stockholder cannot sell one without the other. And although his rail road stock is made liable to pay the debts of the bank, he has not the corresponding advantage of making the bank liable for the rail road debts. Neither is he permitted at any time to withdraw from the rail road company, even by forfeiting what he has paid them, but he must also forfeit his bank stock. His interest in the Bank cannot be increased until the road passes entirely through North Carolina, and if, within five years, three millions worth of expenditure be not made on the road; or, if within ten years, twelve millions worth be not expended, or the road finished to Kentucky or the Ohio; or if the work at any time be suspended a whole year, the bank loses its charter. The capital, with which the bank may commence, is to be about a million, to be increased as the road advances, and it cannot be extended beyond six millions until the road successively reaches Tennessee and Kentucky.

Under these provisions it would seem to me not to be a question, whether sufficient precautions are taken against the Bank, but whether, with all these restrictions, individuals can be induced to take the stock. I trust that