NORTH-CAROLINA GAZETTE.

FRIDAY, APRIL 1, 1814.

Oursare the plans of fair, delightful Peace, Unwarp'd by party rage, to live like Brothers

GENERAL ASSEMBLY. BANK QUESTION.

VOL. XV.

Commons-Saturday, Dec. 11. following Speech of Mr. Stanly his been published by himself in Design. phics, and pretty generally circulated, yet whe rest of the Debate has been given egister, it might be deemed un nsert time also, We no not precisely the Speech delivered; not, it is doubtless such as Mr. but u it is no be, we therefore copy it 8. mshed it to be, we therefore copy it from his publication, without consulting UUX BUTCS.

Mr. Stanly said the house had eard the gentleman from Orange (Mr. Cameron) who had just sat owe, with their accustomed politepess; they had heard with attention, had heard him with pleasure-He sast with pleasure, because the observations of the gentleman, although aided by all the sophistry and ingewity of his ability, fell so far short of refuting the argument in behalf of the Banks of Newbern and Cape Fear, fed, he believed it was in his power proyer of the Banks of Newbern and Cape Fear was good policy, and that the ligislature were not restrained fom idopting that policy by any thing contained in the acts granting the charter to the State Bank. The house waid pardon him if he first noticed some remarks of the gentleman which did not relate to the merits of the question. His observations, when the subject was before the house on a former day, the ugh then unnoticed by the gentleman from Orange, were now called by him a violent attempt to a ute the passions, and to create a jealcusy of the Legislature toward the S ste Bank, and were considered not sufficiently respectful towards the who manage that institution .--Mr. Stanly said his observations, waten were alluded to, the house sould recollect, were made upon the introduction of the memorial from the State Bank : this me morial he had then stited to be a tissue of error, both in fact and in reasoning ; yet, gance and injustice of this memorial is regard to the Banks of Newbern and Cape Fear, whitever ground of complaint might have existed against the State Bank, not one word of reproach should have escaped bis lips. The memorials of the Banks of Newbernand Cape Fear contained nothing to justify the language of the State Bank memorial; they plainly and faithfully laid before the Legislature the difficulties under which they laboted from the operations of the State Back, without any crimination of that institution, and in returns they had bren made the subject of charges and instructions, ungenerous and unfounded. This was the provocation in which he spoke -if he spoke with " min he had still sp ken with truth? ing untounded jealousy against the to the sober reason of the house, when te placed before them the dangerous nou net which the State Bank would ess, if, for want of end uragement abern and Cape Fear should sure Bank, may be supposed to be disre to det their charters and leave the b sie Bunk without a rival, unawed and unchecked by any competitor A single monied institution, under the complete control of three or four tome an aristocracy of the most dangerous, of the most odious kind-un aristocracu of money. Yes, sir, with their branches in every corner of the St te, without a rival, he sole arbiter of the credit of the country, giving assi-tance or increasing distress at casure ; no man will be free from ! "the their triend, every debtor their ive; they will not only put in, but rev will put out of this house whombever they pleased This, cir, is a view which experi-

left to itself. With some of the directors of the State Bank I am proud to acknowledge an intimacy, and for some of them not unwilling to profess my respect ; but, sir, as the Ro man stabbed to the heart his friend, when that friend aspired to be a tyrant, " not because he loved Cæsar less, but because he loved Rome m se," solsir, I speak the plain, though it may be the offensive language of truth regarding the directors of the State Bank, not because I respect them less, but because I more respect th right and the interests of my country.

RALDIGH

Mr. Stanly said the report of the committee now under consideration proposed to extend the duration and to enlarge the capitals of the Banks of Newbern and Cape Fear. The advantages which had resulted to the state and to the people from the operations of these Banks, were admitted. by every person of ordinary informastoremove every doubt of the good- tion. They were the first, and for ness of their cause. Mr. Stanly said seven years the only Binks in this i the house were not already satis- state. With a capital of only four hundred thousand dollars, their ben .. worvince them, that to grant the ficial influence has extended to every part of the state. The public treasurv has repeatedly been assisted by loans from them, the citizens accommodated upon terms of unprecede 1ed indulgence, and scarce a public institution of importance which had not in some way been benefited by their operations. Upon the decision of the present question it would greatly depend whether these advantages should be con tinued and enlarged, or whether the Banks and their benefits should cease to exist. The State Bank, instead of consu'ting the interest of the community. in cherishing harmony with the Banks of Newbern and Cape Fear, which it found in existence-instead of extending toward them that liberal spi- Fear will also lend their proportion & rit of intercourse which ought to exist between such institutions, created as well as itself for the public good, had assumed an attitude of hostility to ward the other Banks. Even before its own stock was paid up it began but for what he considered the arro- the warfare, by receiving the notes of the other Banks at a discount in payment of stock, although its charter required the stock, the fourth payment excepted, to be paid in gold and silver. Subsequently it has had agents! employed at daily wages, hawking attempting to throw upon a rival inthe notes of the State Bank about the state, in exchange for the notes of the other Banks. During the short period that the State Bank had established a credit for their notes in certain Northern Banks, and their notes thus, answered for remittance, they obtained the notes of Newbern and Cape Fear at a discount in exchange for their notes-they held out every inducement to the people to pay them Newbern and Cape F ar Notes, and with these notes obtained by these means, by shaving and otherwise, He disclaimed any intention of cre- they made runs upon the Banks- Although the charters of these Banks Sate Bank. He addressed himself have yet some years to run, it behoves them as early as possible to ascertain under what circumstances they are to exist. The past warfare, having added nothing to the character, to the of Newbern and Cape-Fear, will be in the Legislature, me Banks of credit or to the interest of the State the revenue which the state derives

gerous influence of this institution, if Cape Fear, and to enlarge their capin tals, as affording the only probable means of checking the State Bank & preventing the establishment of that aristocracy which he had before mentioned. If the Banks of Newbern & Cape Fear sur ender their charters, the State Bank is left alone to decide. at the pleasure of a few leading direc. tors, what descriptions of persons in the state shill be accommodated with loans and what refused. If from caprice in the Bank, or for the promotion of their designs, particular individuals are doomed to destruction, and indulgence is denied them-no other Bank being in existence to interpose its assistance between the devoted individual and his ruin-the sacrifice of his credit and estate becomes inevitable, or he preserves both by a surrender of his political independence to the views of the aristocracy.

> Another advantage to be derived from the continuance of these Banks will be the increased convenience by which the state can obtain loans on an emergency-An instance of this convenience is at this moment before you.

We are all desirous, if possible, to alleviate the burthen of the direct tax,

The Stam has paid the Bank two years and nine months interest on \$164.000 at 4 per cent. \$18,040 The State has relinquished to the Bank the interest anoually payable on the funded debt of the United States assigned it. which, to the 31st of the present month, would have amounted, by the books of the commissioner 14,593 of Loans, to

REGISTER

32,633

18,750

Making an aggregate of For which the State has received three dividends of two and a half per cent. on its stock, amounting

Leaving a balance of actual loss be the State, from its concern with the State Bonk, of \$13.383

To which may be added the tax not paid by the State Bank, which if paid at the same rate as that on the other Banks, one per cent. on its actual capital, \$1,200,000, would have yielded to the treasury in the three years it has existed \$36.000 which sum ad ded to the actual loss shews, that while the Banks of Newbern and Cape Fear have profited the state fifty thousand dollars, the State Bank, by the management of its wise men, has lost the state an equal amount. And here, sir, I will notice the observation of the gentleman from Orange, (Mr. Cameron) that the Banks of Newbern and Cape Fear were invited to subscribe to the State Bank, but that like undutiful children they had refused the good provided for them !- It is true, sir, the stockholders in these Banks had not confidence in the promises of the State Bank projectors; they declined the invitation to convert their stock into State Bank stock- Ninety pine in an hundred of their fellow citizens tho't as they did, and did not subscribe, & are therefore alike undutiful. The Banks of Newbern and Cape Fear still decline this transfer of their funds. They make ten per cent. dividends while the State Bank can get but five - their ambition does not p: ompt them to become partners in the aristocracy at the expence of five per cent. a year on their capital. Abother beneficial effect of enlarg ing the Capitals of the Banks of Newgoods. bern and Cape Fear was, that the Commercial capital, and commercial enterprise of the state would thereby be encreased. We should have more purchasers of our produce at home; by sending less produce to Virginia for a market, our citizens would be rendered less tributary to other states and by a less expensive intercourse between the farmer and the merchant both would be benefited. A farther benefit of considerable importance ought not to be overlook. ed-if their capitals are enlarged, these Banks may establish branches where at present there are none. Why shall not Hillsborp', Warrenton, Has lifax, Morganton, Windsor and other flourishing towns and rich counties have the benefits of access to Banks as well as the lew that now enjoy them ! At present a very great part of the were urged in opposition to the praystate are depied the use of tan spor a loan costs the citizen a commission to an agent, or a long journey and an expense perhaps of 10 per cent. on the money borrowed. Among the uses of Banks, their endency, if uprightly conducted, to keep down usury, ought not to be overlooked ; but neither this nor any other of their uses can be calculated on, if there be but a single Bank. A. mong Banks (is among individuals) competition is necessary to secure diligence and integrity, and to create a disposition by good conduct to obtain public favour and confidence. That I may not be thought to rely solely on my own judgment on these points, I will read the house a part of the opinion of Mr. Blodget, the intelligent author of the "Statistical Manual for the United States."-At J. Gales's store.

"Among the most striking features the benefits derived from the Ameria can banking system are, 1st. Puactuality is ali commercial transactions, which alone is the saving of many millions annually to the United States -2d. It reduces usury, wherever there is a sufficient number of rival Banks to prevent a monopoly of its benefits. In a town of 7 or 2000 inhabitante, a banking capital of a million divided into two parts or even more [parts] rather than all in one will be found more beneficial for the average of the community, thoughperhaps not so advantageous to the stockholders."

No 758.

Mr Blodget then demonstrates that public safety as well as public convenience is consulted by the increase of Banks, since the greater their number the less the amount of notes to be issued by each, and the maller the sum of notes emitted by each, the greater must be the ability of the bank to meet them. "When banks were first instituted, they excited many unrea onable jealousies but these have subsidi ed in a great degree, sin e iurs known that banks counteract usurious practices and tend to make of every willy dollars a circulation of eighty, thereby increasing the facile money of the community one third beyond its real amount in specie with no risk and yet as it is the nature of man to imb be prejudices, it is incompatible with the general interest of a large community of freemen, that either a single set of bank directors or a single company of banke s should have an extensive control over then cess ries most essential to our natural or political existence; hence by equitable divisions the banking principle should be distributed over every quarter of a City with a Capital of not more than one million of dollars to one Company." Regarding the extent to which the banking principle may be carried without danger to the community, Mr. Blodget is of opinion that the thing may be left to regulate itself, sin e it is "found that where backs are not wanted the subscription will not fill." It is as absurd to expect an anxiety to oblige or a disposition to inclulge, to exist in a single bank having the sole right to carry on banking business, as it would be to hope for low prices and long credits for merchandize, if a single store in the state had the exclusive privilege of selling Whether, therefore, we found our opinions on the reason of the thing, or seek information from the writings of practical men, and from the exp -rience of other states, we are brought to the conclusion that liberal dealing and beneficial effects are only to be expected from Banks, where different establishments exist, and that the su-, rest mode to protect the people from the political influence of a set of Bank directors, or to shelter them from the usurious gripe of the three-per-cent-amonth men, or from the shaving operation of a few favoured borrowers, is to have tival banks. H wing said thus much of the expediency of continuing the existence of the Back of Newbern and Cape-Fear, Mr. Stanly said he would proceed to examine the objections wat h er of the memorials of the Birke .--The committee of both houses to whom the memorials have been referred, have reported a Bill to permit the Banks of Newbern and Cape Fear to enlarge their Capitals to an amount equal to the Stock of the State Bank, and to extend their duration from the : year 1820, when their present charters would expire, to the year 1835, the term granted to the State Bank-Against this proposi ion it is alleged that an encrease of bank capital is not necessary. That the State Hank can accommodate the w n s of all the people and that the State Bank has not been able to fill up its capital. (To be concluded in our next.) GLAUBER's SALTS, By the hundred wer, it. or single pound, .

by assuming it and graning the people two years to make the payment instead of one. The only means of ffe ting this desirable object is to borrow the money and advince it to the United States. As a member of th- committee to whom this subject was referred. Mr. Stanly said he had part ken in the negotiation with the Ba ks for the loan. They had first applied to the State Bank.

To the enquiry, will the State Bank lend the State the money to advance to the United States for the direct tax, or what part of it, and on what terms as to credit and interest? The answer was, the State Bank will lend in proportion to its capital, if the Banks of Newbern and Cape upon the terms which the Newbern and Cape-Fear shall consent to ! Yes. sir, this is all the satisfaction the committee obtained from the State Bank -we have it in writing : they would not give a direct answer to any enquiry, neither as to the sum, they would lend, nor the rate of interest, nor the length of credit. How different was the treatment the state received from the Banks of Newbern & Cape Fear Instead of evading the question, and stitution the odium of defeating a favorite measure of the Legislature, they replied promptly and frankly, we will each of us lend the state thirty thousand dollars for the assumption of the direct tax, and as much more, if desired, for the purpose of internal defence, at six per cent. interest, and payable in two annual instalments,-After these offers, and not before, the State Bank, not yet independent of public opinion, gave its reluctant, its sullen consent, to lend its proportion upon the same terms. Had the State B nk stood alone, this money would not have been at your command, or you might have obtained it, perhaps, at an interest of eight per cent.

Another advantage to the state from the preservation of the Banks from taxes and shares. On this point let experience speak. The state has stock in each of these Banks to amount of \$25,000 for which it paid its own paper money. In five years the state has derived from these Banks, in die vidends at me rate of 10 per cent, and tax of one per cent. per annum, fifty thousand dollars ! Enlarge the capital and increase the shares of the State. and the profit of the state will be increased in the same proportion. On the other side, your account with the State Bank exhibits a very different VICW. DONGA The state subscribed for \$250,000. stock in the State Bank, of which sum there has been paid in the funded debt of the United States held by this state and in cash \$86 000; and for the balance, \$164,000, still due the Bank, the interest of 4 per cent.

garded by them ; but it is as impossible for a Ba k of two hundred thousand dollars capital to carry on its o perations, profitably, against the continued hostility of a Bank of one milarge stockholders, would thus be- lion capital, as it is for a child to contend against a giant. The humbles vine has its use as well as the loftiest oak. The Banks of Newbern and Cape Fear, he should shew, had in fact been more valuable to the state and more profitable to the stockholders than the State Bank, and were entitled to Legilative protection ; bu heir influence . every stockholder if, by rejecting their present application, they were left weak, to be trodden down by the State Bank, the sooner they laid their charters at the leet of the Legislature the better. Mr. Stanly saidit was expedient to