

DEBATE ON THE BANK QUESTION,

Which took place in the House of Commons, from Dec. 29 to Jan. 6.
(Continued.)

[MR. SWAIN'S SPEECH CONCLUDED.]

I will now direct the attention of the Committee to the "scribing process," by which, in the language of the Minority, the Stock subscribed to the State Bank, in 1818, "was created." I have before stated, that the Directors were called on by a Resolution of the General Assembly, to open their books for this subscription. They had no discretion as to the course to be pursued, for, by the very terms of the charter, they were required to open their books previous to the year 1820. Well, Sir, they did open their books in November, 1818, and what then? Before I proceed farther, I beg leave to state a principle upon which, as I conceive, this part of the argument rests, and I recommend it to the attentive consideration of my friend from Mecklenburg, (Mr. Alexander.) I consider the doctrine too well settled, by a current of judicial decisions, and without them, upon principles of reason, (on apparent to all, to be now controverted:—that it is not competent for a corporator to complain of the illegality or irregularity of his own acts, or of any proceedings to which he was a party, and assented, or even connived at. I request the attention of the gentleman from Mecklenburg, because I understand him to say, that "upon the principle that the King can do no wrong, the State cannot be answerable for any imprudence of her Legislature or other agents." That "we cannot suppose that the sovereign will of the people assented to these acts, and that therefore the payment for Stock in bank notes, in 1818, was not only illegal, but criminal." Is it possible, Sir, that the magnanimous State of North-Carolina, even when her Representatives so far degraded her, as to place her in the situation of an individual corporator in a monied institution, will endeavor to escape from responsibilities, voluntarily assumed, by a resort to special pleading? If gentlemen who represent her, are disposed that she shall assume this attitude, can she do it? What are the facts? The State requires the Stock to be brought into market, at a time when it is notorious there is no specie in the country. The Directors advertised, or three months, in all the newspapers, that the Stock is in market, and that current bank notes will be received in payment for it. (Mr. Swain here read the advertisement dated

North-Carolina State Bank,
September 22d, 1818.

In pursuance of a resolution of the Board, of the 26th ult. to open Books of Subscription for the unsubscribed Stock of this Bank, on the 4th Monday of November next, Books will accordingly be opened on that day, at the Principal Bank and its several Branches, during Bank hours, and kept open until Thursday the 3d day of December, inclusive, and then closed, except the whole 4234 shares shall not then have been subscribed, in which case, as soon as the fact shall have been ascertained, a Book will be kept open at the Principal Bank, for ten days longer. And should an overplus number of Shares be subscribed for, the subscription will be sealed, by reducing the largest subscriptions until the number correspond with the Shares to be disposed of. Subscribers must appear personally, as no proxies will be received.

The terms of payment are—one-fourth at the time of subscribing, in Specie, State Bank notes, or such other notes as the Bank is in the habit of receiving; one-fourth in three months; one-fourth in six months; and the remaining fourth in twelve months.

The Shares subscribed for being at par, (though their current value is much higher,) the holders of Shares now disposed of will not be entitled to Dividends, until the one which shall fall due after December, 1820.

WM. H. HAYWOOD, Cashier.]

The Governor, in his annual Message, complains to the Legislature, not because bank notes were to be received instead of specie, but because, by the rejection of proxies, the State would not have it in her power to monopolize the subscription. The matter is thus fully and fairly before the Legislature, and do those who express "the sovereign will of the people," complain? No, Sir, nearly the first act which they perform is to direct the Public Treasurer to ascertain from the Directors, whether the State cannot be allowed to take the whole of the new stock. The conference is had, and the Treasurer, with that politeness which always characterized him, replies, that he regrets to inform them, that such a proceeding would be in violation of the charter. The "South Sea Scheme" was aloft, and ingenuity was taxed to discover a process that would enable them to grasp the bubble. It is recollected, that individual subscriptions of a single share, have preference over larger ones, which might be scaled. The Legislature resolve, *en masse*, to show their patriotism by subscribing a share each, for the benefit of the sovereign people. The Public Treasurer, in accordance with the law of the land, supplies them with money, gold and silver, *lyresume*, & enlists, in addition, the aid of every individual that his general popularity enabled him to command. There were others, however, who understood, and could play at the same game, and at the close of the miserable scramble, the State came off with eighteen shares, which it will scarcely be pretended were not paid for in bank notes. Sir, if this invisible and mysterious corporator, the State of North-Carolina, is not bound, is not estopped by proceedings of this kind, I should like to know what ties will bind her. If "the sovereign will of the people," is not expressed through the medium of their officers—by resolutions of their General Assembly—by laws solemnly and deliberately enacted—and, finally, by her immediate representatives, under their hands and seals, in their subscriptions for stock, then, Sir, I should like to be informed, in what mode the "will of the people" is to be embodied—by what process ascertained.—Allow me to recommend to the gentleman from Granville an extension of the gigantic power of his newly constituted Court, at least in one particular. Of the multitude who are to be "dragged to the bar," let the Legislature of 1818 compose a part—let them answer for a violation of "the sovereign will of the people," and "hear their doom."

But Sir, waiving technicalities, passing over constitutional objections, suppose your *quo warranta* information instituted, your process issued—your Court, with power to seize upon property and persons, and dispose of both at pleasure, in session—your jury of bank debtors sworn and empannelled—are gentlemen aware of the nature of the testimony upon which that jury must pass? I care not in what manner redress shall be sought, if you proceed by information. You have created the evils of which you complain—you have sanctioned, by Legislative acts, the course which has been pursued—and you have shared, in a twofold proportion, the plunder. Are you now to claim a new division of the spoil? In Equity, your Attorney-General will find it necessary to approach the keepers of our conscience with clean hands. Let us examine, for a moment, the facts upon which he will pray the Court to found their decree.

Mr. S. here entered into a calculation, founded on the statement submitted by the Public Treasurer of the accounts of these several Institutions with the State of the profits which had been derived from them, by the State. He first directed his attention to the Bank of Newbern.

In this Institution the State owns 1,999 shares, which at their par value are worth

\$ 195,900

There has been paid for them

174,810

As follows, viz—

In Treasury notes, \$74,000; Bank notes and specie, \$100,810. The first payment was made in specie in 1809, \$25,000. Other payments have been made at different periods, from 1809 to 1828. It is a liberal estimate to suppose the whole to be equivalent to the payment of \$140,000 in 1818. This estimate supposes Treasury notes to the amount of \$34,810 to remain unredemmed. The result is that the State has received in dividends,

144,608

In tax from individual Stockholders,

92,919

Which added to the difference between the par value of the stock, and the actual cost amounts to \$257,617; or to more than 18 per cent annually on the whole sum invested and paid, (\$140,000)

\$257,617

Each private Stockholder realized during the first eight years of their operations, from 1808 to 1815, the period when the Capital was enlarged, and the new Stock "manufactured," in Dividends 75 per cent. Bonus 10 per cent—35 per cent, or 10 and 5-8 per cent annually. From 1815 to 1827, both inclusive, 12 years, the data before me will not admit of a satisfactory calculation. The annual profit cannot have exceeded 6 per cent—so that the average annual Dividend during 20 years is about 81 per cent showing a difference in favor of the State of nearly ten per cent.

He went into a similar calculation with regard to the Bank of Cape-Fear, in the precise accuracy of which he stated he had more confidence than that which he had just submitted. The general results were that the State had derived, from her actual investments, in the stock of this Bank, the gross sum of \$237,472, equal to an annual profit of nineteen per cent. That the private stockholder had received 101 per cent, during the first eight years, and 64 per cent, since that time, making an average of a fraction more than 8 per cent. The State now owns in this Institution 2122 shares, more than one-fourth of the capital stock.

With regard to the State Bank, he stated the profits received in dividends and bonus to be \$373,000, equal to an annual dividend on the sum which had been paid for stock of nineteen per cent. That the private stockholders received during the first ten years of the Institution, an annual profit of 10-1-9 per cent, and that from 1821 (the period when "the fabricated capital" began to work) until 1828, both inclusive, the annual profit was 7 per cent. The average annual profit from 1812 to 1827, both inclusive, was 8 per cent. The stock of this Bank owned by the State is 2206 shares, estimated at its par value \$220,600.

The whole profit derived from the Banks, he recapitulated as follows: From the Bank of Newbern, \$257,617; Bank of Cape-Fear, 237,472; State Bank, 393,600.

He stated the whole amount of Bank stock now owned by the State, to be 7127 shares, equal to \$712,700.

The result is, that the State has received for every share of stock for which she has paid, a per cent twice as large, as that divided by the other corporators, and she now calls upon them to surrender the rest! Has the extortion and usury and oppression, represented by the gentleman from Granville, been practised, and is the State innocent? Sir, we should have regard for our own characters, and we should manifest a decent respect for the reputation of those who have gone before us. I never shall forget the remark of the distinguished individual, to whom I have just had occasion to allude, as connected with the bank charter of 1814, and of whom I never think but with mingled feelings of admiration, affection and regret. It was a quotation alike appropriate to the occasion which called it forth and to the present crisis.

"Private credit is wealth, public credit is safety." "The feather that adorns the royal bird sustains his flight, strip him of his plumage and you fix him to the earth." The times are pressing; but they require no such desperate remedy as this, nor are we reduced to the ruinous condition which some gentlemen have represented. The exposures of the Banks for 1818, will shew, that at that period of high commercial prosperity, we were indebted to these institutions, to an amount greater than that which we now owe, by \$1,200,000. Sir, the community seem to have been intoxicated, the process by which they became so was pleasant enough, and frightful as their situation now seems to them, it is not so dangerous as the seeming prosperity, from which they have escaped.

But suppose a successful termination of your legal proceedings were certain; that it was ascertained that the Judges would decree a dissolution of the corporations, and an account of the profits? In what manner does your bill propose to dispose of the ill-gotten wealth? Out of the plunder, and an additional million borrowed upon the public faith, we are to have a new Bank, which is to be long exclusively to the State. It gives me no pleasure to see the State a corporator in these institutions, much less am I willing to see her sole banker. So decided is my aversion to the policy, that I would gladly see her restrained from all connexion with any banking institution in the State, by constitutional prohibition.

Sir, when we have robbed the hive, and enriched ourselves at the expense of many an orphan, whose hands are guiltless of the country's blood, when we have borrowed a million, that we may lend it out again, we are to set up a wholesale Bank, the capital of which can only be ascertained by algebraic solution. We are to select the Directors ourselves, from among individuals who have no interest, that is not at variance with the interest of the institution. And what think you will be the principles upon which they will be chosen? The people want money; they tell their representatives they must have money, and we are told here every day, that the *vox populi* is the *vox dei*. Their instructions, right or wrong, we must obey. Can we believe for a moment, that selections will not sometimes be made from improper motives? That the individual will sometimes be appointed director because he promises to be governed by our wishes, when he has neither the ability to determine whether such a course will promote the public good, or the integrity to be governed by it if he had? We have some experience in matters of this kind, and we should not shut our ears to the melancholy truths she teaches. Sir, the existing Banks, watched by the Argus eyes of individual interests, governed by officers whose interest was identified with their prosperity, have not escaped peculation. The peculiar character of your capital, is not such as to exclude temptation. The man who would hesitate to lay his hands on individual wealth, may be permitted by his conscience to plunder a Bank without remorse; and he who would shudder at the thought of robbing a corporation, may feel no compunction, when he thrusts his fingers in the public chest. The money belongs to the State, the State is an ideal being, no widow will deplore the loss, no orphan be stripped of his inheritance, and there is no reason why he should not have it as well as another. Such may be the soliloquy of many a rogue, who will pilfer modestly at first, but increasing his courage, as he advances in crime, will ultimately regulate the extent of his robberies, by the cravings of his desires.

We have already carried banking to a sufficient extent. North-Carolina, though an Atlantic, is not a commercial State. Monied institutions are essential to commercial pursuits, but they are the bane of an agricultural community. Disguise their operations as you will, it is at least nothing more nor less than shaving upon a large scale; and the single proposition before us, is whether that shall be openly practised by a government, which is odious in a corporation, and disreputable to an individual. In this Southern State of steady habits, proverbial in its better day for economy, sobriety, private and public honesty, it is high time that our attention was again turned to agricultural pursuits, and that we were willing to let banks and banking privileges alone. They are neither adapted to the genius of our institutions, nor the character of our people. All our experience is opposed to them. We established the State Bank, for two leading purposes, the first to rid us of our paper currency, which did not exceed in amount \$300,000, and which was a lawful tender. We have done so, but we have thrown into circulation \$262,000 of Treasury Notes, which are not a tender. The second object was, to merge all other institutions in one State Bank. At the end of four years, the great object of our anxiety was to place the other institutions in such a situation, as would enable them to check the influence of this monied monster. We next solicited the establishment of a branch of the United States Bank among us, with a hope that it would exercise a salutary influence over all of them. All this is matter of record, and may be found in the Journal before me; and now that there is nothing new under the sun, we have gone back to the old project, a single State Bank, vastly more complicated than the institution which they tell us has produced our ruin.

One more view of this subject, Sir, and I will cease to detain the committee. To what does this project owe its origin? It is believed, Sir, that these institutions have made much money. Their profits have been vastly overrated, and not content with the double share which the State has received, we are willing to pounce upon the rest. I intreat the committee to pause before they take a step, the consequences of which they cannot foresee. If you begin confiscation with the Banks, are there no farther consequences to be apprehended? Will you then stop? Can you stop? Our fathers have not all the credit to which they are entitled for that salutary provision in our constitution, which constitutes one branch of the Legislature, the guardian of persons, the other of property. Neither can act independently and of itself—the poor cannot plunder the rich, or the rich oppress the poor. In all ages, in all nations, the history of rebellions will be found to have been a rebellion of poverty against wealth, of the poor against the rich. Confiscation may have preceded, but it has preceded at but short intervals, imprisonment, banishment and death. I trust the period is far, very far distant, when the freemen of this country shall weep over such a scene.

CONGRESS.

SENATE.

Thursday, February 20.

After reading the Journal the Senate proceeded agreeably to the special order of the day to an election for a Printer to execute the Senate work for the next Congress. The whole number of votes given in was 49—necessary to a choice 21; of which Duff Green had 24, and Gales & Seaton 16; Whereupon, Duff Green was declared to be duly elected. Mr. Hendricks, from the Committee on Roads and Canals, reported a bill authorising a subscription, on the part of the United States, of 2,500 shares to the stock of the "South Carolina Rail Road Company." Some private bills were acted upon. Three hours were spent in the consideration of executive business.

Friday, February 21.

The Committee on Finance reported upon the Resolutions referred to them on the 12th ult. relating to the Public Debt, the Sinking Fund, the Revenue, the Balances of Deposites in the Bank of the United States, and the abolition of Duties; with a resolution that it was inexpedient to act on any of the Resolutions this session. The bill for the preservation and repair of the Cumberland Road was read a second time, and referred to the Committee on Roads and Canals. Three hours were spent in the consideration of Executive business.

HOUSE OF REPRESENTATIVES.

Thursday, February 20.

The consideration of the report and resolution of the Committee on the Library, in relation to the printing of the documents of the early Congresses, was resumed; but after a few words from Mr. Ward, who desired to amend the resolution, Mr. Hamilton moved to postpone their farther consideration until Monday, when he expected that a report which he had now to present from the Committee on Retrenchment, would be printed and laid on the tables of members. The motion was successful. The House then resumed the discussion of the resolution amendatory of the Constitution, offered by Mr. A. Smyth. Mr. Wright then concluded his remarks upon the subject and was followed by Mr. A. Smith, until the expiration of the hour, compelled him to desist, the House having refused his motion for a suspension of the rule. The House then passed the bill for the preservation and repair of the Cumberland Road, by a vote of 103 to 79. The general Appropriation Bill, and the bill making appropriations for the Military Service of the United States, were then successively acted on in Committee of the Whole on the state of the Union; but, before the last named bill had been gone through, the Committee rose for want of a quorum. There were then several motions to adjourn, and motions for a call of the House by Mr. M'Duffie, and the House finally adjourned by a vote of 52 to 56, no quorum being present.

Friday, February 21.

The consideration of Mr. A. Smith's proposition to amend the Constitution was resumed. Mr. Smyth continued his remarks, interrupted by the expiration on Thursday. After continuing for some time, he concluded with expressing the hope that the House would come to a vote upon his first proposition singly. Mr. Weems then rose to ask Mr. J. C. Wright if he used, on the preceding day, the word "stage drivers, whippers in, and small fry," and if, in using them, he intended to apply them to him. Mr. Wright declined making any explanation. Mr. Storrs then moved to lay the resolution and amendments on the table, which was carried in the affirmative, 118 members voting in the affirmative. The House then determined to suspend the rule which appropriates Friday and Saturday in every week to the consideration of private bills, in order to take up the Appropriation bills. Mr. Forward then spoke at much length in support of his motion to amend the Military Appropriation bill, by making out the clause making provision for the Armories, and so reducing the amount as to appropriate only for the Springfield armory. The Military, Indian, Navy, and Fortifications appropriation bills, and the bill making appropriations for continuing the road from Detroit to Chicago, for completing and repairing piers, for the improving of certain harbors, and for making examinations and surveys, were then successively acted on in Committee, & were reported to the House.

VIRGINIA CONVENTION.

The Non-Freeholders are beginning to complain of the late Act of the Legislature, which deprives them of a voice in choosing Delegates to the proposed Convention. A meeting was held in Richmond on Saturday the 14th inst. at which it was resolved that the "Non-Freeholders of this Commonwealth have a perfect and indisputable right, to take part in the change of Government, to vote for Members of the Convention, and to be represented in it." And so by the Bill of Rights they say, unquestionably. Yet we do not approve the course which this meeting recommended to the Non-Freeholders throughout the State, which is, to attend the polls at the ensuing Election for Members to the Convention, and offer their votes—for Sheriffs and other Officers acting under the law, could not recognize them by the law, and therefore the attempt would be fruitless. The best plan for the Non-Freeholders to adopt, would, in our opinion be, to get up a Remonstrance to the Convention in every County and Corporation of the State, in which this most numerous but long disfranchised class should set forth their rights, and make known their firm determination to contend for them to the last title. Such an appeal from so large a body of freemen, composed of the bone and sinew of the community, would not be disregarded. We think we know our fellow citizens. A large majority of the Freeholders are not indisposed to relinquish this odious feature of the State Government. True, they have held the reins of power for a long time; but as they sought but this exclusive privilege in the first instance, it being a remnant of the Colonial system, they will, we cannot doubt, when a fit opportunity shall present itself, do justice, if not voluntarily, at least after such a demand, to the Non-Freeholders.

Petersburg Times.

A Fire Insurance Company has recently been formed in Notridgewick, on a plan which we think highly commendable, and we should rejoice to see one formed on the same plan in this town. It is as follows: Every man wishing insurance makes a note to the officers of the company for such premium as shall be agreed on according to the risk, payable on demand without interest. Three per cent of said note is to be paid at time of making it, to pay the expenses of transacting the business of the institution, even should no loss be sustained, and endorsed on the note. The individual then becomes a member of the company, and is liable to pay his proportion of any loss which may occur to any of the company, being assessed therefor. The term of insurance thus stipulated for is six years and in no case is a member to be called for a greater sum than specified in his note. The usual rate of security for wooden houses in the country does not exceed six per cent for six years. As thus: B wishes to insure on his house 400 dollars, and on his furniture 100 dollars—he makes a note for thirty dollars without interest payable on demand, of which he pays ninety cents at the making. If no loss happens to the company for years he pays nothing more; and his note becomes void. If loss happens on the property insured in the policy granted to any member, on assessment of each man's proportion is made on the notes in the director's possession, and it must be paid.