

KEOWEE COURIER.

"—TO THINK OWN SELF BE TRUE, AND IT MUST FOLLOW, AS THE NIGHT THE DAY, THOU CAN'ST NOT THEN BE FALSE TO ANY MAN."

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REMARKS OF MR. B. F. PERRY.

OF GREENVILLE.

In the House of Representatives, Dec. 13, 1849—The House having under consideration the bill for winding up the Bank, and the reports of the investigating Committee—

Mr. B. F. Perry having the floor, addressed the House as follows:

MR. SPEAKER:—I desire to make a few remarks on the bill before the House. In doing so, permit me to premise that I am no enemy to banks. I have been their friend and advocate on this floor when they were assailed on all sides, and had few friends and fewer advocates.

I believe, Mr. Speaker, that banks are essential to the prosperity of every commercial and enlightened people. They facilitate exchanges, save the precious metals, and stimulate industry and enterprise. But they should be left to private incorporations and industrial enterprise, as all the great industrial pursuits of life are.

A government, sir, is incapable of carrying on wisely and profitably banking operations. There is a secrecy and confidence in a bank which cannot be had in a legislative assembly. The operations of a bank should be confidential and secret. The officers are sworn to secrecy. When a gentleman goes into a bank for accommodations, he expects that all of his business transactions will be kept like his household arrangements—sacred from the public gaze.

I am sure it must have been very painful to every member of this House on yesterday, to sit and listen to the private report of the bank, exposing to the public the individual indebtedness of the President and Directors, and Officers of the bank. But, sir, a stern sense of public duty required this exposure before a selection of the Board of Directors could be made for the ensuing year.

The operations of a bank are foreign to the nature and objects of a government. A political government is formed for the protection of life, liberty, and property; not to make money for its citizens, or to relieve their pecuniary embarrassments by lending them money. As well might the State of South Carolina think of engaging in merchandise, planting, or manufacturing, as to be engaged in banking. With the same propriety it might be urged on the State, that the interests of her citizens required that foreign goods should be imported cheaply, and sold by the government for the accommodation of the people.

In a republic there must be a strict accountability in the management and disbursement of all public funds. The people must know how their money is spent, and what has become of it. This destroy, as I have already stated, all banking operations. So strict is this accountability, that every session we are squabbling over the smallest appropriations. In our State constitutional guards and checks are thrown around this power of appropriating the public funds. No money can be drawn from the treasury except by a bill read three times, on three separate days, in both Houses of the Legislature.

But, sir, whilst the representatives of the people, who are responsible to the people for their conduct in every particular, are thus restrained from making appropriations, the President and Directors of the bank have the power of making any appropriations they may see proper, on ten minutes' consultation. They have appropriated of public funds upwards of one hundred thousand dollars for the extension of railroads in Georgia. They appropriated some sixty or seventy thousand dollars of public moneys to build up a watering place in Spartanburg district. They appropriated thirty thousand dollars to sustain a hotel in Charleston.

These, sir, are magnificent loans, made out of the public funds, and in violation

of the State constitution already referred to. They are appropriations which never could have been obtained from the Legislature, and by them the State has lost or will lose a very large amount.

The Legislature of South Carolina have the control of about three hundred thousand dollars. This is the sum total of all the moneys put under the care and management of the chosen representatives of the people, amounting to one hundred and sixty eight in number. The President of the bank and twelve Directors have under their control and management five or six millions of public funds, which they lend out as they please, and appropriate as to them seems best. They make an investment of one hundred thousand dollars in bank stock, and dispose of it again, without its being known to the people.

This is not all, Mr. Speaker. The bank not only has control of five or six millions of public funds, but the unlimited power of running the State into debt, and making it necessary that we should tax the people in order to pay off these debts. Is not this, sir, a power behind the throne greater than the throne? Are not these Directors and President more powerful than the Legislature?

Mr. Speaker, the rights of representation and taxation were regarded by our ancestors as inseparable. The least infringement of this union was cause enough to make their Anglo-Saxon blood course more freely through their veins. It was the defence of these great principles of freedom which made Hampden a rebel and Sydney a martyr; which revolutionized England under Charles the First, and separated the American colonies from Great Britain in the reign of George the Third. They are rights inestimable to freemen, and formidable to tyrants only. Sooner than impair them in the slightest degree, let the bank and all its treasures be scattered to the four winds of Heaven.

It is said that the bank owes its origin to a plain, unsophisticated member of this house, who saw the distresses of the country in 1812, and was disposed to remedy them. This, sir, is precisely the origin to which I expect to trace the bank. It was conceived by a kind hearted old man, who was utterly unacquainted with the power and operations of the institution which he was calling into existence. The planters and farmers could make no sales of their produce, money was exceedingly scarce, and all the necessities of life, except those which grew or were manufactured in our own State, were very high. Under this state of things, produced by the embargo and war, Mr. Joseph Black, of Abbeville, proposed the establishment of a bank, which was to lend the people money, and thereby relieve their distresses and pecuniary embarrassments. The farmers and planters were to mortgage their lands, and receive the sum of two thousand dollars as a loan.

A scheme of relief could not have been conceived in more profound ignorance. It never was loaned out; and if it had been, it would have entailed broadcast the seeds of ruin and bankruptcy on those whom it was intended to benefit. It was a kindred measure of those relief-laws, stop-laws, and stay-laws which we usually hear of when ignorance and demagoguism have the ascendancy in a newly settled State. The attempt in France, a short time since, to provide work for those who were unemployed, by the newly revolutionised government, was likewise a kindred measure. The whole system, of which these measures are part and parcel, imposes on the government the duty of supporting the people!

The bank, immediately after its establishment, instead of becoming a loan office, as was intended by its projectors, became a commercial institution, and its profits were very considerable. There were then few banks in the State. Since that time other banks have sprung up, and the profits of the State Bank have greatly diminished. I have very little doubt that the calculations of the chairman of the committee of ways and means as to the profits of the bank, are correct; and that it has not, for several years past, made profits equal to the interest on its capital.

I differ entirely, Mr. Speaker, with the honorable member from Richland, in his able, eloquent, and manly defence of the bank, as to its constitutionality. I have no doubt, sir, it is in violation of the spirit, if not the letter, of both the State and the federal constitutions. I have already shown that the State constitution required all appropriations and expenditures of public moneys to be made by bill; and all the appropriations made by the bank are in violation of the true spirit and meaning of this clause of the constitution.

It is well known that the power of the

federal constitution intended that our government should be, in the language of John Randolph, a hard-money government. The people had seen and felt severely the effects of the old continental paper, and were disposed to guard against a repetition of paper money on the part of either the general or State governments.

It was proposed in the federal convention to give Congress the power of incorporating a bank, and rejected. It was then proposed to give Congress the power of granting incorporations, and rejected, on the ground that this would enable Congress to establish a bank.

The federal constitution declares that no State shall coin money. What is money? It is a medium of exchange, and may be paper, or iron, as it was in Sparta, or shells, as it is now amongst the South Sea Islanders. When the State of South Carolina stamps a piece of paper, and sends it forth as a medium of exchange, is it not to all intents and purposes coining money. The stamp is on paper instead of gold and silver, it is nevertheless money, stamped and coined by the State, in violation of the federal constitution.

No State is permitted to 'emit bills of credit.' Is not the establishment of a bank with the authority to issue two millions in bills, on the credit of the State, with only two hundred thousand dollars in specie to redeem the bills with, to all intents and purposes 'emitting bills of credit' by the State? The State is doing, by an agent of her own creation, that which she could not do directly by herself.

Again, sir: No State can make anything but gold and silver a tender in payment of debts. But when a State issues her bills, gives them the stamp or coin of money, and declares that her revenues shall be paid in them, is she not making them a tender in payment of debts? They are obliged to be such in spirit and effect.

It is said that the bank has provided a safe fiscal agent for the State, and that in the disbursement of millions of State funds, not one dollar has been lost. This may be true. But whilst disbursing the funds of the State; the bank has lost five hundred thousand dollars of its own funds! These, too, are the State funds. How much more may be lost before the charter expires, and after the bank is wound up, no one can tell.

I am not disposed to attribute this heavy loss on the part of the bank to the head of that institution. The greater part of this loss has been owing to the dilapidation or bankruptcy of the Directors. The Directors are chosen by the Legislature, and have a right to row from the bank. We must then attribute all losses, on their account, to the Legislature, who elected them and placed them in the bank. We are to blame, and not the bank, for choosing such Directors.

In the election of directors, I am sure every member of this house must have witnessed enough to excite his disgust and indignation. The candidates present themselves to the members and electioneer with as much zeal and fierceness as if they were canvassing before the people for the office of sheriff or tax collector. The members give pledges to support the different candidates without any regard to qualifications; influenced by motives of kindness or friendship, or perhaps some other feeling not so honorable. Nothing can show the impolicy of a government attempting to carry on banking operations more conclusively than the election of the directors by the Legislature.

It is owing to the wisdom, integrity and sagacity of the eminent men who have been placed at the head of the bank, that the country has not been overwhelmed by the indebtedness of that institution. This may not continue always. The management of the bank may fall into other hands, when we shall experience the losses sustained in Alabama, Kentucky, and other States, who have attempted to carry on a similar system of banking. I do not pretend to say that no errors have been committed by the President and board of directors. Like all men, they are liable to make great blunders in their financial arrangements. Some of these errors I have already alluded to, and shall have occasion to speak of others. But I congratulate the House and the country that they have not been greater than they are. No other government bank in the United States has been managed so well and with so few losses to the country.

It is said that the State Bank has done great good to the people, and assisted in relieving their embarrassments and distresses. How many and whom has it relieved? Who are its debtors and who

have received its favors? The inquiry might perhaps be answered, by saying, some two or three hundred of the wealthiest men of the State: Are the poor accommodated? Certainly not. Banks are no places for them to resort to for favors. In them they have no credit.

How are the funds of the bank loaned out in regard to the different districts? The district of Charleston has about one million, and the district of Richland has about five hundred thousand dollars, borrowed from the bank; whilst Greenville has only four or five thousand, and several of the other districts still less. What interest should these districts take or feel in the State carrying on a bank for the accommodation of Charleston and Richland? What interest should the poor feel in the establishment of a bank by the State for the accommodation of the rich?

But the most objectionable feature in the loans which the bank makes, is that the officers and directors of the bank have borrowed themselves some seven or eight hundred thousand dollars of the money in the bank. It is then, in a great measure, an institution for the benefit and accommodation of the bank officers, their friends and favorites, and the people of Charleston and Columbia! Well may the advocates of the bank on this floor say, that it has never oppressed its debtors. Had it done so, considering who those debtors were, it would have been not only a heartless corporation, but a monster, such as Milton describes Death and Sin to be, devouring their own offspring—yea, even themselves!

The bank charter will expire in 1850, and it becomes necessary for the Legislature to decide whether it is to be continued or not. The members must now decide whether an institution, unconstitutional in its origin, dangerous in its tendency and unprofitable, anti-republican, and at war with the fundamental principles of freedom, is to be continued or to be wound up. It is said that this is a great question, and should be submitted to the people before any action is taken on it. Is it not a question that the people have already thought of and determined for themselves? Has it not been thoroughly discussed in both branches of this Legislature? Was it not discussed twelve months since? Have not the newspapers in the State called public attention to it for the last eighteen months? Let every member vote on this question in accordance with what he believes to be the wishes of his constituents, and the convictions of his own judgment.

But it is well understood, Mr. Speaker, why this appeal is made on the part of the bank. Delay is important in many points of view. It will give the bank time to exert its moneyed influence on the country and control public opinion. Like a great general besieged in a city, he asks for delay, under the pretence of considering the terms of capitulation, but all the time is collecting his broken forces, repairing the breaches, pointing his cannon, and then bids defiance to the assailants.

Does any one suppose that the bank will not exert its influence to the utmost in sustaining itself and maintaining its own existence. Self preservation is said to be the first law of nature? It is a law well understood by corporations. The contest between the bank and the opposition will be a most unequal one. It is like the contest between a great and skillful general, with a trained and disciplined army, well furnished with supplies, possessing a military chest well filled, and an unarmed, undisciplined assemblage of citizens, without a leader and without officers. The result of such a contest cannot be doubtful.

After mature reflection, Mr. Speaker, I am satisfied that if some measures are taken this session to wind up the bank, it will not be done at all. The opposition to this moneyed institution will grow weaker and weaker every year until a new charter is granted. Already the threat has gone abroad from the friends of the bank, that no private bank shall be rechartered unless the State Bank receives a renewal of her charter. There will be a combination between the friends of all the banks, and they will force from the Legislature a renewal of all their charters. This prediction I make in the nature of a prophecy, and beg that it may be remembered.

I will now, Mr. Speaker, notice an objection made by the friends of the bank, to the bill on your table, and the importance of which they have so greatly magnified. We are told, sir, that the honor and faith of South Carolina are involved in this question, and that we cannot touch the bank or the funds of the bank without the consent of the foreign creditors of the State. Is this true, Mr. Speaker? Are we reduced to this humiliating con-

dition that we cannot change our political and domestic institutions without the consent of the stock-jobbers and money-holders of Europe? Shall it be said, sir, that the sovereign State of South Carolina must humbly ask the permission of Baring & Brothers before her Legislature can determine whether or not a bank shall be rechartered? This, sir, is a state of dependence and servility which I never expected to hear urged on this floor. For myself, sir, I scorn it as a foreign insolence, when the proposition is made or alluded to by Baring & Brothers.

If I could be induced to believe that there was any force or weight in the argument, as much, sir, as I detest the word "repudiation," I would not only use it, but apply it to the agent and the Legislature, who, by their acts had bro't such deep and damning disgrace upon the State of South Carolina. I would, sir, deny their agency and their legislation, and appeal to the constitution as a shield against their servility and their ignorance. If, sir, the honor of the State is not like that of her daughters, too pure and too sacred to be discussed, as was said by the honorable member from Richland, I hope, sir, it is equal to that of her sons, who are too proud and too spirited to brook foreign insolence or interference in our legislation.

The honor of South Carolina is no more involved in this question than it is in the appropriation bill, which the chairman of the Committee of Ways and Means has just reported for our consideration. The question is simply this: South Carolina has borrowed money of Messrs. Baring & Brothers, and has directed the bank to pay the interest, and declared that the profits of the bank, after discharging other liabilities, should be pledged for the payment of this foreign debt. We now propose to pay these foreign creditors their demands in full, and that, if they will not receive the money, to have it invested to meet their demands when they become due. This is a strange breach of faith and honor, offering to pay a debt before it falls due, and if not received, making an investment of the money, to have it ready when will be obliged to be received!

We are informed by the agent of these foreign creditors that the bonds of the State may be purchased at three or four cents below par. Surely they will take par value, and be glad to get it. We are making arrangements to pay them, and where is the ground for suspicion of dishonor in the matter? This, sir, is all pretence on the part of the bank and her friends. They have the sagacity to perceive the strength of their appeal, if they can induce South Carolina to believe in it. They are sons of South Carolina themselves, and know how dear her honor is to the humblest citizen of the State.

This grave question of honor, Mr. Speaker, which has been thrust at us so often during this debate, came not from Baring and Brothers in the first instance. It was suggested by the bank in certain questions put, several years since, to the Hon. George McDuffie. The foreign creditors were reminded of it, and have since made use of it to accomplish the purposes of the bank.

In regard to the mismanagement of the Nesbitt manufacturing company, I feel it due to the bank to say, that the mismanagement commenced with this Legislature. My honorable friend, the Senator from Union, submitted to me the resolution which he offered to the Senate some years since, proposing to sell the iron works on a credit of ten years, in order to secure the debt which the company owed the bank. I told him it would be better to let the property be sacrificed and sold for what it would bring. The State would get a large portion of her debt if not all. But that if the payment was postponed ten years, the works might diminish in value, the slaves who were mechanics would be worn out or dead, and the whole property of little value. Every one must now be satisfied that this course would have been better. But, sir, if the arrangement has been an unfortunate one, the blame lies at our door. The scheme originated and not with the bank.

My friend from Pendleton says that the bank has saved, by its profits, the people from taxation. The chairman of the committee of ways and means has shown conclusively that the simple interest on the bank capital during the past year would amount to thirty thousand dollars more than the net profits of the bank. For several years previous to this the profits were still less. It may be, sir, that if this bank continues, the people will have to be taxed to meet its liabilities.

My friend from Union is rather in a grumbling mood, it would seem, from his