

## olume VI.

## SPEECH

JAMES EDWARD HENRY, member Spartanburg, upon the various resoluis regards the Bank of the State, reply to Mr. C. G. MEMMINGER, of

banking studied Ba

will not do a set and to alway. Ter I leet how far I must fall below the experienced gentleman whom I am attempting to teply to, as well as how far experience will run ahead of mere theory. One thing, however, I may be permitted to say to the gentleman. that if any thing could astonish him, he will be astonished to find how very confident some folk will be, both for and egainst the Bank, folk will be, both for and against the Bank, who are as ignorant theoretically, as every body knows them to be practically—who never have been nor never will be known beyond age or so, when they are in the House, but whose constituents will be taught to be-lieve, that the gentleman and myself, and our colleagues in this matter, are the small fry of the House, when compared with the pro-fundity of their knowledge on the important affairs of finance and banking. I can bear my part without repining. I hope the Hon. gentleman has philosophy enough to bear his in good humor. Let him remember that the solemn Owl, though he says nothing, keeps thinking-thinking. I admit the spirit of kind feeling in the lea-

der of this debate, with which he commences the argument; and intend to meet it in the same spirit. He says he intends to avoid everything personal—that his object is truth and knowledge - that he does not intend offence, by word or by gesture, to any one who may differ with him in opinion. This I believe. He says it is most probable the House will, as it has done heretofore, decide against him, or his propositions. Does the gentleman believe this or is it from a sense of mod-esty, he admits the probability. Modesty, like chailty, will cover a multitude of things but I am constrained from chrouinstances, too plain to be questioned, to think that the genteman believes he has at last been able to sommand a majority against the Bank of the State. So be it. I incline to think, t is not ntly provails. It may be that ha

tione, I might have profitted as others have, in winning office and power. But, si, one other thing I do mean to say, and I want this Horse not to forget it before I finish my ud-dress, that I am traly and sincerely deter-

its management, state, and condition. State, founded upon the "eroneous policy, and I find that my confidence in the Bank ascribed to 4 in the gentleman's second jest

The structure of the st cial agent, the Bank has proven itself all you sny, yet any other Bank would have done the same without fee or reward. Indeed, and doubtless they would, most gladly would from the monster Bank of Charleston, down to the humblest institution existing by legislarite grace. We should only have had to risk the

funds of the State in a private corporation, Ass spake, It very over which we have, and could have no legal Ass instead of the 3 control - permit them to take the profits whilst Sir, L admire and hor control—permit them to take the profits whilst successful, and the State the loss, in case of failure and bankruptcy. A more selfish view of the subject could not be presented—and yet the *friends* of the people—the representatives of the people, will probably adopt those man sures thick will, substantially uset the clause. Mr. Speaker, I in

faciples involved, I shaft res other thing 1 do mean to sny, and 1 want this House not to forget it bafore I finish my ud-dress, that I am truly and sincerely deter-mined not to say one offensive word to any man who may be put in a situation to require a reply. I reciprocate as I have said, the kind feelings of my old friend from Charles. The great leading feature in the argument had the State, ought to be dissolved. If the Bank and the State were legally or even po-titically connected, I would dery the prop-sition for reasons bereafter to be given in the solution of the set and does operate person-ally on those gentlengen. It is charged that

har been abused, the managers past and pre-sent, from the highest to the lowest, will find what is uncompromising an opponent as any that the Would on all past experience in this to no is undimpromising an opponent as any plan on the floor of this House, or elsewhere. But I hever have nor never will, permit my-self to condemn those, I have long known

demnation. no prophet, nor the Mr. Speaker, I am son of a prophet," to phrase—but I am a prophets, more or less of Ballam. But the what we have had ired, since the days at difficulty is, and her Bailam or his has been, to know

of a cal alme benefitted by this arrangement, but some fifty to sixty of his just creditors, mostly farmers or laboring men, got their demands paid wholly or in part. This is no solitary instance-the moral history of the Bank will present many, very many

cial point of view. I say "firancial," with this explanation, once for all, that as the Bank represents the State in the whole of its capital, it is a question of finance, in the strictest sense of the word.

Often as it has been stated-and familiar as the House is, with the mode in which the Bank capi-tal was made up, and the power of banking en-transition and estimated. More thanking en-power [harmin view, to put down the statistics. original capital of the Bank

\$1,372,250 60 acquain To that in 1838, was added the Fire Loan, In 1837 and '38, the surplus re-2,000,000 00 astonis

enue from the U.S., was deposited for banking purposes,

1,051,422 09 What has become of this immense amount of the capital of the State ? Gone, lost, intimates the Hon. gentleman. He is a man of too much personal character to say so, directly. We who know something about the matter would be too, much astonished at such a declaration. He very properly does intend to astonish us beyond a certain point.

Gone, lost, says the anonymous writers of news paper communications and pamphlets, circulated mongst the people of South Carolina. The anonymous gentlemen do not care a "goober pea" at the astonishment of those who know bettertheir object is to take in, cheat, and deceive the people-the people, who at last are the true de positories of the power of sovereignty, who always have an interest, an ardent desire, to know the truth. Well, I think they are cheated, will continue to be cheated, until petty politicians become honest, and Statesmen, if we have any such, will consent to bury their personal quarrels in obliv ion. Without pretending to be unerring in my views and opinions, I have, and do pretend that no consideration whatvever has or can influence my judgment in the discussion of any important question, as regards the interests of the State. I am a poor and humble man, ambitious only

with all my weaknesses of satisfying those who take, and have a right to take an interest in my public careor, that I desire to do what is right, n happens that the and to the interest of my constituents. Men may and to the interest of my constituents. Men may and do differ about matters of vital importance, but chariey induces me to believe, that this differ-erence manity. Lemm to vindicate my private charac-manity. Lemm to vindicate my private charac-result that he necessary. I have lived to little is a good as the debt guarantied on looms, by the city of Charleston, which ninis to spenk.-nee, so fat as my of judge-but 1 buildown to the n flue " Poss

Purpose. Horne the Well of Law prepared to affirm, that so far more than report to the construct the Bank of the more than report to organize and the Bank of the more than report its organize and, and its folder in organize than report its organize and, and its folder it out to the track of the capital and its folder it out to the track and the capital and its folder it out to the track and hone more case of the call, and its folder it out to the track and the track and its folder its foor of be. Set as I understand it, in seturate to the patient more and the process of the process of the process of the call of t tion. Perhan

Now, sir, the individuel was not ties alacady existing, and others destined exist. cannot myself, with the prospect that our State reproving, and as its resources continue to be diveloped, that it will soon take the rank, physical which it merits. And the perspective greatly i creases in interest, when I see that the judicion tory of the Bank will present many, very many similar cases, much to the honor of the institution and those having it in charge. I presume, however, it will be said, that we are at this time, more interested in its monied his-tory, than in its fiscal, legal, political or moral history. Well, sin, let us examine it in this finanthis promising perspective. I have herd with surprise, the attack upon the

Number 2.

Bank, on account of its loan to the Georgia Ruil-road-a loar which in connexion with that of the other Banks, has brought to the city a large and lucrative trade, which trade now constitutes one of its principal sources of prosperity. Had I, the representative of a mountain District, made the 1000

iffiberatey, but coming from a city member, well acquaited, doubtless, with all the circumstances, it is enough to strike us country, folks dumb with ent.

I have been requested by several members of this Heu se, to give the details of this transaction,

this Huse, to give the details of this transaction, and shill do so accordingly. The Central Railroad of Georgia, had been built from Savannah to Macon, 197 miles, I think, --the Augusta road was also in operation, 172 miles, to a place called Social Circle. The road intended to have its termines at the Tennessee river, ad been built from Marrietts to Atalanta, a distance of 50 miles, since extended to Dalton, 135 miles from Atalanta, and destined beyond dount, to reach the Tennessee. Now the great points of the ocean terminus, were Charleston and books of reach the Lennessee. Now the great points of the ocean terminus, were Charleston and Savann I, and the great question was, which city should ecure this immense Irade, and that de-pended mainly as the result has shown, upon the fact of which road first intersected with Ata-lanta. The Augusta road had about 60 miles to construe, whilst the Central bad something over 100. Lot unfortunately the Augusta road was unable or the want of means, to extend itself to Atalam. Thus the Augusta road, as well as the South Großins, were in great danger of longing this large carrying business, as well as that Savan-nah should monopolize the trade at the users of Charleson. This was so clear, that on applica-tion, the following amounts were loaned by the following Banks, to the Augusta Company. By the Bank of Charleston, \$150,000 By the Railroad Bank, 50000

Railroad Bank, 50,000 By the Railroad Company. By the Bank of the State,

The read, with this aid was b Charlesten, according to my in ing a rich havest from the tra ". Why not load the money, o It to Atlanta, and ormation, is

nis, to wit : that its fiabilit available means, and the second of its

A. S. St. B. Ball Cont.

be considered personally objectionable, I take it back in advance. I am, I know, rather rude and ancouth in speech, and may wound when and where I do not intend it. I hope, however, I shall not be cramped to the same extent in regard to others who may differ with une in opinion.

Yet, sir, I say, I hold it a point of honor, of personal honor, that I shall put my points as strongly as I please-that I shall boldly state my propositions, and as boldly advocate them. I hope not discontteonsly.

Nor sir, do I intend to wave a single advantage of my peculiar position. I am not ation; but it is also true, that its sovereign directly nor indirectly indebted to the Bank power could not successfully interpose be of the State, nor any other Bank in the world. Indeed, I do not know that I am indebted domestic. It was chartered as a private inby bond, note or single bill to any one whomof debt. I never asked, received, or needed stance from any Bank whatever. I trust unquestionable right to pledge the Bank to an God, I never shall. I have never been answer the purposes of State policy. To say a Bank Solicitor, Bank Director, nor Bank that the Bank and State were terally con-Attorney, regularly. That I have occasion-ally done business for a Bank, is true; perhaps as little of it as any man of my age and responsibility in the State. That I have in it owned stock. It does own stock in the Bank in which former years, indorsed the notes of my friends of Charleston but has no loss in the Bank to a limited extent is true, but it will probably never happen again, and the greatest favor that any Bank could ever has . done me, would have been to refuse the note on which I appeared as an indorser. I am independant of the Banks and Bank influence, and claim sponsibility, is self evident, and so far I give to give, at least, disinterested testimony, so its opponents the advantage. But, sir, in far as I may speak in favor of the Bank of making this admission, 1 adhere to what I the State. I mean simply to state the facts have already said in favor of the Bank. My of my own situation, because I am entitled object is to show the House, that if the Leg to the benefit of it, and because I have heard islature chose to pledge the funds and profits that it was, or had been insinuated that I had of the Bank, they had a right to do so ; and participated in Bank favors, and therefore had that the foreign creditors, especially, were very my judgment influenced by the fear or the likely to be influenced by the collateral secu-hope of a continuation of the favora received. rity of the funds and profits of the Bank, as I defy any man to controvert this statement, I defy any man to controvert this statement, however rabid he may be in his opposition to the Bank of the State. Having said this much, I beg leave further to premise, that I and decidedly in favor of the resolutions subam decidedly in favor of the resolutions sub-mitted by the Hon. gentleman from Chester. In favor of them, at this time, in preference to my own, which are substantially, only, a negation of those submitted by the Hon, gea-deman from Charleston.

I admit and declare that so much has been said about and charged against the Bank of the "unwise und inexpedient," as a general prin- his assignees and best friends, to self his pro-State, that public opinion in my part of the ciple, for "a State to engage in banking"- perity for cash, would not more than pay his country, requiries a thorough and searching investigation. Whilst Loppose every thing calculated *indirectly* to cripple the business of the Bank, and to impair the confidence of the bank of its own. The State must always have a fiscal agent of some sort, the Bank, and to impair the confidence of the bank of the basiness of the bank of its own. The State must always have a fiscal agent of some sort, the bank, and to impair the confidence of the bank of the basiness of the state must basiness of the bank of the basiness of the bank of the basiness of the state must basiness of the bank of the basiness of the state must base where the state must base where the state must the state must base where the state must base where the state must the state must base where the state must base where the state must the state must base where the state must base where the state must the state must base where the state must base where the state must the state must base where the state must base where the state must the state must base where the state must base where the state must the state must base where the state must base where the state must base where the state must be state must be state of the state the creditors of the State, I am now and ever much better than one owned by private indi- ply secured, as enal

sition for reasons hereafter to be given in the course of the argument. But the State is not connected with the Bank of the State, in any legal point of view-they are both as independent of each other, for legal purposes, as is the State, and any other Bank it has chartered.

The Bank of the State is a private institu tion, known to the world as such, chartered as such, and sustained as such, on constitutional grounds, by the unanimous opinions of the highest judicial tribunal, known to the State of South Carolina. It is true, that the State is the sole stockholder in the private incorportween the Bank and its creditors, foreign and stitution, the President and Directors are an-I mean, that poor as I am, I am free thorized to sue and be sned in their corporate name and character, and the State had the that the Bank and State were legally connected in consequence of the stock owned in the Bank, would be to admit the connexion between the State, and any Bank in which of Charleston, but has no legal or political connexion with it. If I were asked whether, if the Bank of the State should fail in its responsibility to bill holders-the State was bound to redeem its liabilities. I answer yes, unhesitatingly. The moral, not the legal relateral security so offered ? If so, then I take it for granted, every member of this House point I shall have more to say in a subsequent town. A gentleman of character from one portion of this address.

have been in favor of the most rigid scrutiny | viduals. Nor do I think the Bank of the credit, and for four t

illy on those gentlemen. It is charged that sum of the Bank is corrupt and corrupting-that it usurps sovereignty far beyond the power of the Legislature-that it is partial in its discounts, and indulgences, unsound and rotten to the core. If this be true, then 1 say again, it is tion utterly impossible to discriminate between

history at has non

the Bank, and the men selected to manage it. I believe none of these charges, although I believe it will be useless to challenge investigation. The Bank ought to have a politcal history thus far, that those who represent it, ought not to stand still, and fold their arms, and suffer themselves and their friends striken down by an enemy, who gives no quarters. It is due to the people, that the Bank side of the question should be fairly and fully heard, and no one is more interested that it should be so done, than the officers and directors of the Bank and its branches. The cry of political influence and intervention in matters of State, cannot well be louder and more confident than it has been-nor would the proof, that gentlemen assailed di-rectly or indirectly, thought proper to defend of a Bank, thus saving the necessity of a resort to themselves before the public, avail the assailants anything before an intelligent population. But the Bank has a moral history, sir, that upon comparison and investigation, would shame any private banking institution in the State, and put its accusers to the blush, if their object was only the truth, the whole truth, and nothing but the truth. It has done more to prevent emigration, and keep the taxable property of the State within its jurisliction, than all the laws upon our statute books. It has in innumerable instances, acting upon the benevolent principle declared in its charter, saved from bankruptcy and ruin, planters, farmers, mechanics, merchants, tralers, and all classes of the community. Is this nothing, sir, in the estitimation of this body or the people?

It is sneeringly asked what business has the Bank to interpose to save one man, whilst others fall into irretrievable ruin ? Sir, this view of the subject is a very superficial one, for by enabling a man of property to save it. and pay his debts, the benefit accrues not only to him, but to every man to whom he may be indebted.

Take a particular case well known in this of the country Districts became unfortunate, It will be perceived that I do not deem it and made an assignment. In the opinion of

It has paid the interest on public debts to It has also paid of the public debts, including Railroad subscrip an inter

Of this amount, however, the State furnished the Bank with Leaving the aggregate paid by Bank at 84.835.943 61

This is a most astonishing statement, I know, when compared with the charges and allegations against the Bank, but it is literally true, and cannot be directly denied.

Many have been induced to believe that a resort to increased taxation, has or will be nocessary in consequence of the creation of the Bank of the State. This I conceive to be entirely erroneous If the State borrows money for internal improve-ments of any kind, whether it be a Canal, a Rail- and in the time of a panic generally, road or to rebuild a burnt city, of course she must pay, even if the people have to be taxed for the taxation, then I presume the tax payer will think it by far the most enlightened policy. So far she has done so of principal and interest, as the same fell due, and can continue to do so-if you do not striking at her fiscal agent. Taxation has in fact greatly decreased, even with the Bank, beyond \$250,000. n increase of taxable property, hs can be shown by the following table prepared in 1889, by a then distinguished member of this House, (E. BALLIN-Gen, jr.) The average summal taxation for the ten years preceding 1819, was \$310 519. The average number of slaves was 335,219. The average taxation for 10 years preeding 1829, was \$301,716. Of slaves for the same period 285,430

Average taxation for the 10 years preeding 1839, was \$280,585.

Of slaves for the same period, hen of taxation to the amount of And between 1829 and 1839, to the 211,310 mount of

to \$50,000 per annum could take place without been the hue and cry on this trail. to San,000 per annum could take proce without been the nue and cry on this trait. injury to the State in any point of view. This result, I doubt not, has been in part produced by the advances made by the Bank, anticipatory of ation." to collect the money from the debtors of in of the taxes. At least it has been a great relief stead of creating new stock. Upon my word, 1 to the tax payers by giving an extension of the do not think so. The prompt collection of \$600,-

assers on hand is only \$1\$0,000. No - 8592,001 29 an experience of twenty-seven years, to a tabular statement I hold in my 2,796,025 08 will read to the House, the Bank is in just as safe a condition now, as it was in 1838, when the gen-2,443,920 98 tleman said, and said understandingly. I doubt \$5,832,050 35 that its circulation might safely be extended to \$2,000,000. I trust the gentleman will pordon me, for quoting himself against himself, however 996.106 74 inconclusive he may regard the authority.

The difference, according to the statement, between the supposed liabilities and cash assets .--\$1,220,000 But from this should be deducted the well ascertained fact of the loss of

Bills, and which is a clear profit to the 300,000 Bauk of Also, Bills of other Banks on hand, 56.000 The deposits are rarely ever reduced 551,000

would be much more likely to be increased thun diminished. The utternost that, in all human probability, the

Bank would be called upon for, is -446.000 Fully one half of this circulation is in Bills of \$1, \$2, and \$3, I submit to the good sense and experience of this House, that the Bank has nothing to fear from this class of Bills. Then with all

To meet this contingency, the Bank has in available stocks, \$434,653 In Bondsand Mortgages, 538.130 And due it on its discount line - -2,912,307 Berides the Fire Loan Bond, amply secured. - -782,936 Will the people ask a better showing than this, on the part of its Bank ? I for one think not.

Another objection he made to the Bank, was. and I am sorry he borrowed this idea, its sophis-208,115 try was so transparent, even when first given to It will thus be perceived that between 1819, the public, that the Bank was unable to pay and 1829, the people were relieved from the birs- promptly, the subscription of the State of \$600,000 \$158,030 to the Railroad. To this charge, I have only to say, the \$600,000, as well as the other deposits of banking upon. Had the Bank let this large sum Making in the aggregate a decrease of \$399,340 be idle in its vaults, at a loss to the State of from I am free to confess that in my judgment, a still \$30,000 to \$40,000 per shoum, it would justly arther decrease of taxation, ranging from \$25,000 have been held culpable, and great would have

the exigencies of the fiscal year, and the coming the Bank, and that it ought to have been done intime they are bound to pay their taxes. I do not at all, Mr. Speaker, juin in the gentle-tary crisis, fatal to the prospects of a large numrets, when he says the State would be ber of our citizens, and fatai, probably, to the bet, were it not for its "fire loans," and bities. When I look upon a thriv-form its ashes—the railroad facili-ery dollar of this stock, and that it will, as it h

a.W.